

*The Economics of Land Use*



## **Public Hearing CFA**

# **Comprehensive Fiscal Analysis of the Proposed Incorporation of East Los Angeles**

Prepared for:

Local Agency Formation Commission for the County of Los Angeles

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## 1. INTRODUCTION

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This report presents a Comprehensive Fiscal Analysis (CFA) of the potential formation of a new city, or “incorporation,” of the unincorporated East Los Angeles (ELA) area in Los Angeles County. Incorporation would create a new city of approximately 126,000 residents. The new city would provide residents with a greater level of control over planning and economic development issues, levels of public services, and priorities for the use of revenue generated by the new city. Initially, many city services would be provided under contract from the County to the new city, although the new city may choose to augment those services over time with its own programs and staff or contract services with private firms.

This CFA provides the Local Agency Formation Commission for the County of Los Angeles (LAFCO) with information necessary to make the determinations required by State statutes regarding city feasibility, property tax transfers, and potential impacts on other agencies (“revenue neutrality”). LAFCO has the authority to approve, deny, or modify the incorporation proposal. If LAFCO concludes that the new city would be fiscally viable, LAFCO must impose specific terms and conditions regarding the transition of governance to a municipality, including but not limited to, the transfer of property tax from the County to the new city, “Transition Year” services and repayment, revenue neutrality payments to mitigate impacts on other agencies, and the disposition of certain existing assets, special districts, and other funds. If LAFCO approves the proposal, an election would be held. Majority voter approval is required to create the incorporated city.

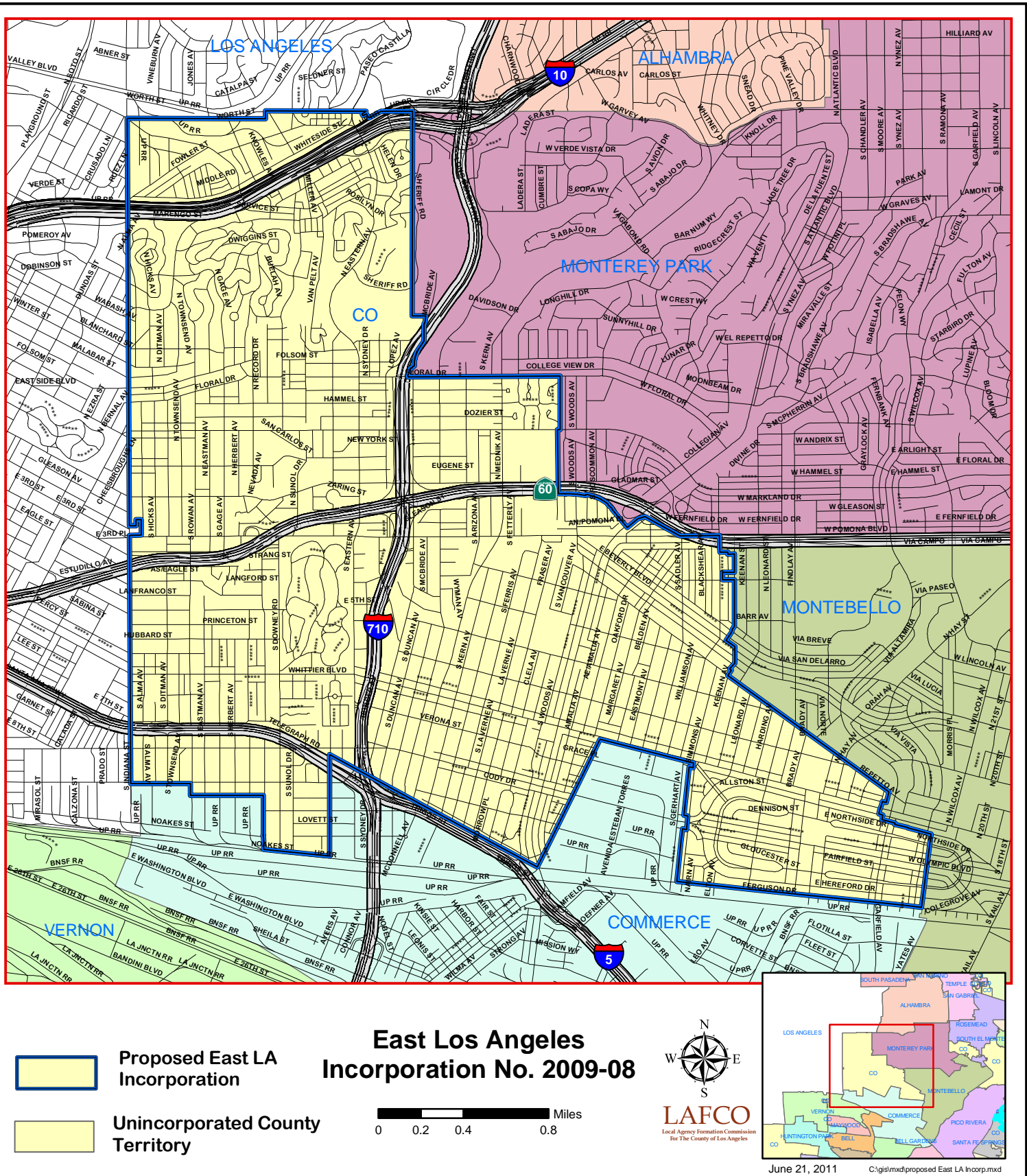
### East Los Angeles Incorporation Background

ELA is located in the County of Los Angeles, adjacent to the eastern boundary of the City of Los Angeles. As shown in **Figure 1**, the unincorporated community is entirely surrounded by cities, including Los Angeles to the west and north, Commerce to the south, Monterey Park to the northeast, and Montebello to the southeast. Three major freeways extend through the area; Interstate 10 runs east-west near the northern boundary, Interstate 5 runs along portions of the southern boundary, and Highway 60 runs east-west centrally through the community. Interstate 710 runs north-south through the middle of ELA.

There have been three previous attempts at incorporation in ELA within the past 50 years in 1961, 1963 and 1974.<sup>1</sup> The current cityhood effort was initiated in 2007 by the East Los Angeles Residents Association (ELARA). An application was submitted to LAFCO on April 29, 2009, accompanied by a petition signed by registered voters in the area to be incorporated.

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<sup>1</sup> Initial Fiscal Analysis of Proposed Incorporation, Report to the East Los Angeles Residents Association, Burr Consulting, October 25, 2007.



**Figure 1 Incorporation Boundary**

## CFA Methodology

This CFA has been prepared in conformance with requirements established in State law<sup>2</sup> and Office of Planning and Research (OPR) guidelines.<sup>3</sup> The CFA includes a projected budget for the new city. Projections are expressed in dollars with constant purchasing power equal to 2010 dollars; inflation is not explicitly shown, as it is likely to affect both costs and revenues and should not significantly change the conclusions in this report regarding feasibility. Certain budget items include a factor for “real” increases above inflation; those items are noted in the CFA. It is important to note that inflation should be added to these factors and changes when comparing to historical trends and “nominal dollar” projections.

### Base Year Data

The CFA uses “base year” costs and revenues to calculate the transfer of property taxes and revenue neutrality. Government Code Section (GC) 56800 states that “Data used for the analysis shall be from the most recent fiscal year for which data are available, preceding the issuances of the certificate of filing.” The applicable base year is fiscal year (FY) 2009-10.

Data on services, service costs, and revenues attributable to the proposed incorporation area was provided by the County of Los Angeles for the FY 2009-10, the most recent year for which data was available. The data supplied answers to detailed questions from the consultants preparing the CFA. This data provides a basis for calculating the transfer of property taxes and for estimating the fiscal impacts on the County. The data also helps to estimate the future costs and revenues to the new city; the new city is likely to contract for services from the County and would receive many of the same revenues currently captured by the County from the area.

### City Boundary

**Figure 1** shows the proposed boundary. These boundaries correspond to all unincorporated territory surrounded by the cities of Los Angeles, Monterey Park, Montebello, and Commerce.

### Revenue Neutrality

The CFA calculates the potential fiscal impact on the County of Los Angeles as a result of incorporation, consistent with GC 56815. GC 56815 requires that “revenues currently received by the local agency” and “expenditures currently made by the local agency transferring the affected territory” are substantially equal. To the extent that there is a fiscal impact, it must be mitigated by agreement of the incorporation Proponents<sup>4</sup> and the County, and/or by Terms and Conditions imposed by LAFCO.

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<sup>2</sup> Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code 56000 et. seq.

<sup>3</sup> A guide to the LAFCO Incorporation Process, Governor’s Office of Planning and Research, October 2003.

<sup>4</sup> “Proponents” involved in revenue neutrality negotiations with the County generally include individuals submitting the application to LAFCO that initiates the incorporation process.

## 2. CONCLUSIONS

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### Feasibility of Incorporation

1. ***The new City of East Los Angeles does not generate sufficient revenues to cover projected operating costs unless anticipated revenues are augmented, e.g., by an increase in the existing Utility User Tax (UUT).***

As shown in **Table 1**, revenues are less than anticipated costs, assuming no change in the existing UUT. The General Fund shortfall initially is approximately \$9.8 million (before considering the impact of SB 89, as noted below), then grows as Vehicle License Fee (VLF) revenues from the State decline. The ongoing shortfall is approximately \$5.2 million beginning in Year 7 after repayments to the County for initial Transition Year services are complete. General Fund shortfalls during early years could be covered by reserves generated during the initial Transition; however, these reserves would be exhausted by the fourth year.

The initial reserves are the result of Los Angeles County continuing to provide services during the new city's first year, while the new city accumulates revenues. The new city would be required to repay the County for the cost of County services provided during the Transition Year. This repayment is shown as spread over the subsequent five years.

2. ***Recent changes in State law (SB 89) eliminated VLF revenues, a loss of up to \$9 million in annual revenues.***

SB 89, urgency legislation effective immediately upon the Governor's signing on June 30, 2011, eliminated VLF revenues to cities. SB 89 affects all pending and future cityhood applications Statewide. **Table 1a** shows the impact of SB 89, which would result in initial General Fund shortfalls of \$19 million. There is a possibility that future legislation would restore VLF revenues; however, the timing, magnitude, and probability of this outcome are unknown at this time.

3. ***Additional revenues could be generated from several sources to help to fund the operating shortfall.***

An increase in the existing UUT from 4.5 percent of electricity, gas, and telephone (wireless and landline) to 10 percent on those utilities plus water and cable (not currently charged a UUT) could generate an additional \$9.6 million. This increase would require a vote of ELA residents, concurrent with the ELA cityhood vote. ELA cityhood would only succeed if both votes (cityhood and the UUT increase) were approved by a majority of ELA voters.

A garbage collection franchise fee of 10 percent could generate approximately \$850,000. This revenue would only be available if the Belvedere Garbage District is dissolved and the new city takes responsibility for the services.

Savings of \$750,000 could be achieved if Belvedere Park remains a County facility rather than a city park, as assumed in the CFA.

The changes noted above total \$11.2 million, which would fund the \$5.2 million annual shortfall (before considering the effects of SB 89) beginning in Year 7 after the repayment for initial year Transition Services is complete. The additional revenues, combined with the



reserves shown, should be sufficient to fund shortfalls up until Year 6. These conclusions assume that the current recession stabilizes by the time the new city is formed and that modest revenue growth subsequently occurs.

If VLF is not restored, the UUT increase would be insufficient to cover shortfalls through Year 6; the additional \$11.2 million revenues would not quite cover the subsequent annual shortfalls which begin at \$11.9 million in Year 7.

**4. *City feasibility depends on a Los Angeles County Sheriff's Department (LASD) contract for reduced levels of sworn officers.***

This CFA assumes that the new city negotiates a contract with LASD that includes patrol, traffic enforcement, and investigation, as well as a range of other crime enforcement and prevention, and community services. The contract estimate assumed in **Table 1** and **Table 1a** is for an amount lower than estimated by the LASD. The LASD proposal estimated an annual cost of \$31.2 million plus \$6.8 million for capital improvements to upgrade and expand existing equipment and facilities to accommodate the additional staff required (i.e., traffic enforcement staff, in addition to current staff serving the area).

This CFA has evaluated a potential contract that would provide reduced levels of staffing more similar to contract services provided to other communities. This cost is estimated at \$21.1 million. No significant capital improvements are assumed since the number of staff is reduced compared to current levels.

**5. *City reserves would be insufficient unless projected revenues are augmented.***

The California Office of Planning and Research recommends that operating reserve funds equal to 20 to 30 percent of annual expenditures be established and maintained.<sup>5</sup> As shown in **Table 1**, this level of reserve is maintained only in the first three years (before considering the effect of SB 89). The General Fund reserves last less than two years due to SB 89.

General Fund reserves would be exhausted by the fourth year, unless additional revenues are obtained as described above. Road Fund balances would be sufficient to maintain current operations, and Transit Fund reserves are diminished by the third year, if General Fund revenues are not transferred to cover shortfalls.

The budget forecast shown in **Table 1** includes a 5 percent annual contingency allocation which could help to accrue an additional \$19 million in General Fund reserves if the contingency is not needed to cover unexpected increases in annual operating expenditures or shortfalls in revenues. This increase would help to fund one to two additional years (depending on whether VLF is restored) of projected General Fund shortfalls before depletion of the reserve.

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<sup>5</sup> A guide to the LAFCO Incorporation Process, Governor's Office of Planning and Research, October 2003.

## **Fiscal Impacts on Other Agencies**

**6. *The new city would not have an adverse fiscal impact on the County of Los Angeles.***

The revenues lost by the County of Los Angeles as a result of the incorporation would be more than offset by reductions in service costs. These effects are described in greater detail in **Chapter 6**.

**7. *The new city would not have an adverse fiscal impact on other service providers.***

The new city would continue to provide services currently provided by certain special districts, including the Belvedere Garbage Disposal District, the Bella Vista Recreation and Park District, and the Montebello Recreation and Park District. Services are assumed to be continued at the same level as currently provided, and property taxes, rate revenue, and assessments would become the responsibility of the new city and would continue to fund the services provided by the new city.

**Table 1**  
**Summary of Results (all figures in constant \$\$s)**  
**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>1 GENERAL FUND</b>										
<b>2 Revenues</b>										
3 Property Taxes	\$16,796,266	\$16,821,475	\$16,846,936	\$16,872,652	\$16,898,625	\$16,924,858	\$16,951,353	\$16,978,113	\$17,005,141	\$17,032,438
4 Sales Tax	\$3,070,337	\$3,702,827	\$3,721,341	\$3,739,948	\$3,758,647	\$3,777,441	\$3,796,328	\$3,815,310	\$3,834,386	\$3,853,558
5 Transient Occupancy Tax	<i>Transition</i>	\$114,169	\$115,310	\$116,463	\$117,628	\$118,804	\$119,992	\$121,192	\$122,404	\$123,628
6 Real Property Transfer Tax	\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
7 Franchise Fees	<i>Transition</i>	\$1,349,011	\$1,355,734	\$1,362,458	\$1,369,181	\$1,375,904	\$1,382,627	\$1,389,350	\$1,396,074	\$1,402,797
8 Utility User Tax	\$5,057,954	\$5,083,288	\$5,108,622	\$5,133,956	\$5,159,290	\$5,184,624	\$5,209,958	\$5,235,293	\$5,260,627	\$5,285,961
9 Public Wks/Building Fees	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189
10 Parks and Recreation Fees	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611
11 Business Licenses	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
12 Fines, Penalties, Misc.	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
13 State Motor Vehicle License Fees	\$680,156	\$638,008	\$595,403	\$552,342	\$508,824	\$464,850	\$467,133	\$469,415	\$471,698	\$473,980
14 VLF (AB 1602)	\$9,166,518	\$8,598,484	\$8,024,298	\$7,443,960	\$6,857,469	\$6,264,825	\$6,295,588	\$6,326,351	\$6,357,114	\$6,387,876
15 Investment Earnings	\$283,787	\$295,383	\$291,412	\$287,394	\$283,330	\$279,219	\$280,133	\$281,049	\$281,969	\$282,892
<b>16 Subtotal</b>	\$38,121,987	\$39,679,779	\$39,146,362	\$38,606,653	\$38,060,656	\$37,508,374	\$37,631,154	\$37,754,314	\$37,877,857	\$38,001,787
<b>17</b>										
<b>18 Expenditures</b>										
19 Legislative	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
20 City Clerk, City Treasurer	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
21 Elections		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000
22 City Manager	\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
23 City Attorney	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
24 Administrative Services	\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
25 Police	<i>Transition</i>	\$21,157,215	\$21,263,001	\$21,369,316	\$21,476,163	\$21,583,544	\$21,691,461	\$21,799,919	\$21,908,918	\$22,018,463
26 Animal Control	<i>Transition</i>	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
27 Community Development	\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
28 Public Works	\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
29 Parks and Rec	\$1,009,800	\$4,207,734	\$4,228,773	\$4,249,917	\$4,271,166	\$4,292,522	\$4,313,985	\$4,335,554	\$4,357,232	\$4,379,018
30 Library (Gen'l Fund)	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878
<b>31 Non-Departmental</b>										
32 Office Rent/Equipment/Supplies	\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500
33 Insurance	\$465,806	\$757,259	\$755,074	\$740,835	\$743,429	\$742,036	\$740,656	\$743,290	\$745,936	\$748,596
34 Contingency (5%)	\$605,548	\$2,042,297	\$2,044,746	\$2,031,551	\$2,040,266	\$2,043,824	\$2,047,426	\$2,056,273	\$2,065,163	\$2,074,098
35 Transition Yr Cnty Services (repayment)		\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831				
<b>36 Subtotal</b>	\$12,516,516	\$49,447,076	\$49,298,490	\$49,221,396	\$49,204,409	\$49,479,137	\$42,795,954	\$43,181,726	\$43,168,427	\$43,556,061
<b>37 Net General Fund</b>	\$25,605,471	(\$9,767,297)	(\$10,152,128)	(\$10,614,742)	(\$11,143,753)	(\$11,970,763)	(\$5,164,800)	(\$5,427,412)	(\$5,290,570)	(\$5,554,274)
<b>38</b>										
<b>39 Other Funds and Transfers</b>										
40 Road Maintenance		(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
41 Transit		(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
42 Redevelopment (transfer)	<i>Transition</i>	\$713,526	\$717,094	\$720,679	\$724,282	\$727,904	\$731,543	\$735,201	\$738,877	\$742,572
43 Belvedere District (transfer)	<i>Transition</i>	\$321,411	\$323,018	\$324,633	\$326,256	\$327,888	\$329,527	\$331,175	\$332,831	\$334,495
44 Lighting Maintenance (transfer)	<i>Transition</i>	\$280,235	\$281,636	\$283,044	\$284,460	\$285,882	\$287,311	\$288,748	\$290,192	\$291,643
<b>45 Subtotal</b>	\$0	\$348,703	\$16,314	(\$319,651)	(\$659,193)	(\$1,002,313)	\$1,069,773	\$1,071,934	\$1,073,908	\$1,075,695
<b>46</b>										
<b>47 TOTAL</b>	\$25,605,471	(\$9,418,594)	(\$10,135,814)	(\$10,934,393)	(\$11,802,946)	(\$12,973,077)	(\$4,095,027)	(\$4,355,478)	(\$4,216,662)	(\$4,478,579)
<b>48 Cumulative Reserves</b>	\$25,605,471	\$16,186,877	\$6,051,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 1**  
**Summary of Results (all figures in constant \$\$s)**  
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Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>ROAD MAINTENANCE</b>										
<b>Revenues</b>										
Road District	\$194,351	\$195,323	\$196,299	\$197,281	\$198,267	\$199,259	\$200,255	\$201,256	\$202,262	\$203,274
Gas Taxes	\$5,097,729	\$4,782,629	\$4,464,135	\$4,142,246	\$3,816,962	\$3,488,284	\$3,505,256	\$3,522,229	\$3,539,202	\$3,556,175
Other (Prop. C, Measure R)	<u>\$3,163,795</u>	<u>\$3,177,638</u>	<u>\$3,191,481</u>	<u>\$3,205,324</u>	<u>\$3,219,168</u>	<u>\$3,233,011</u>	<u>\$3,246,854</u>	<u>\$3,260,697</u>	<u>\$3,274,540</u>	<u>\$3,288,384</u>
<b>Total</b>	\$8,455,875	\$8,155,590	\$7,851,915	\$7,544,851	\$7,234,397	\$6,920,553	\$6,952,365	\$6,984,183	\$7,016,005	\$7,047,832
<b>Expenditures</b>										
Road District	<i>Transition</i>	\$553,430	\$556,197	\$558,978	\$561,773	\$564,582	\$567,405	\$570,242	\$573,093	\$575,958
Maintenance of Roads/Related Facilities	<i>Transition</i>	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
(less) Cost Allocation for GF Services	<i>Transition</i>	(\$1,103,033)	(\$1,108,548)	(\$1,114,091)	(\$1,119,662)	(\$1,125,260)	(\$1,130,886)	(\$1,136,541)	(\$1,142,223)	(\$1,147,934)
Transition Yr Cnty Services (repayment)	<i>Transition</i>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>				
<b>Total</b>	\$0	\$8,192,747	\$8,225,752	\$8,258,922	\$8,292,259	\$8,325,761	\$6,767,738	\$6,801,577	\$6,835,585	\$6,869,763
<b>Road Maintenance Surplus (Deficit)</b>	\$8,455,875	(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
<b>Cumulative Reserves</b>	\$8,455,875	\$8,418,718	\$8,044,882	\$7,330,810	\$6,272,948	\$4,867,740	\$5,052,367	\$5,234,973	\$5,415,393	\$5,593,463
<b>TRANSIT</b>										
<b>Revenues</b>										
Prop. A	<u>\$1,722,420</u>	<u>\$1,731,048</u>	<u>\$1,739,675</u>	<u>\$1,748,302</u>	<u>\$1,756,929</u>	<u>\$1,765,556</u>	<u>\$1,774,184</u>	<u>\$1,782,811</u>	<u>\$1,791,438</u>	<u>\$1,800,065</u>
<b>Total</b>	\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
<b>Expenditures</b>										
Transit	<i>Transition</i>	\$2,313,104	\$2,324,669	\$2,336,293	\$2,347,974	\$2,359,714	\$2,371,513	\$2,383,370	\$2,395,287	\$2,407,264
(less) Cost Allocation for GF Services	<i>Transition</i>	(\$130,791)	(\$131,445)	(\$132,102)	(\$132,762)	(\$133,426)	(\$134,093)	(\$134,764)	(\$135,438)	(\$136,115)
Transition Yr Cnty Services (repayment)	<i>Transition</i>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>				
<b>Total</b>	\$0	\$2,660,360	\$2,671,272	\$2,682,238	\$2,693,259	\$2,704,335	\$2,237,419	\$2,248,607	\$2,259,850	\$2,271,149
<b>Transit Surplus (Deficit)</b>	\$1,722,420	(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
<b>Cumulative Reserves</b>	\$1,722,420	\$793,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, Roads and Transit</b>	\$10,178,296	(\$966,469)	(\$1,305,434)	(\$1,648,007)	(\$1,994,191)	(\$2,343,987)	(\$278,609)	(\$283,190)	(\$287,991)	(\$293,014)
<b>Cumulative Reserves</b>	\$10,178,296	\$9,211,826	\$7,906,393	\$6,258,385	\$4,264,194	\$1,920,207	\$1,641,599	\$1,358,409	\$1,070,417	\$777,403

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- 35 Repayment for transition year County services (less County-retained revenues).
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- If shortfalls are funded by General Fund transfers, the initial balances shown could be retained.

**Table 1a**  
**Summary of Results (all figures in constant \$\$s)**      **NO VLF**  
**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>1 GENERAL FUND</b>										
<b>2 Revenues</b>										
3 Property Taxes	\$16,796,266	\$16,821,475	\$16,846,936	\$16,872,652	\$16,898,625	\$16,924,858	\$16,951,353	\$16,978,113	\$17,005,141	\$17,032,438
4 Sales Tax	\$3,070,337	\$3,702,827	\$3,721,341	\$3,739,948	\$3,758,647	\$3,777,441	\$3,796,328	\$3,815,310	\$3,834,386	\$3,853,558
5 Transient Occupancy Tax	<i>Transition</i>	\$114,169	\$115,310	\$116,463	\$117,628	\$118,804	\$119,992	\$121,192	\$122,404	\$123,628
6 Real Property Transfer Tax	\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
7 Franchise Fees	<i>Transition</i>	\$1,349,011	\$1,355,734	\$1,362,458	\$1,369,181	\$1,375,904	\$1,382,627	\$1,389,350	\$1,396,074	\$1,402,797
8 Utility User Tax	\$5,057,954	\$5,083,288	\$5,108,622	\$5,133,956	\$5,159,290	\$5,184,624	\$5,209,958	\$5,235,293	\$5,260,627	\$5,285,961
9 Public Wks/Building Fees	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189
10 Parks and Recreation Fees	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611
11 Business Licenses	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
12 Fines, Penalties, Misc.	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
13 State Motor Vehicle License Fees	<i>-- eliminated by SB 89 --</i>									
14 VLF (AB 1602)	<i>-- eliminated by SB 89 --</i>									
15 Investment Earnings	<u>\$283,787</u>	<u>\$295,383</u>	<u>\$291,412</u>	<u>\$287,394</u>	<u>\$283,330</u>	<u>\$279,219</u>	<u>\$280,133</u>	<u>\$281,049</u>	<u>\$281,969</u>	<u>\$282,892</u>
<b>16 Subtotal</b>	<b>\$28,275,314</b>	<b>\$30,443,287</b>	<b>\$30,526,661</b>	<b>\$30,610,351</b>	<b>\$30,694,363</b>	<b>\$30,778,698</b>	<b>\$30,868,433</b>	<b>\$30,958,548</b>	<b>\$31,049,046</b>	<b>\$31,139,931</b>
<b>17</b>										
<b>18 Expenditures</b>										
19 Legislative	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
20 City Clerk, City Treasurer	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
21 Elections		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000
22 City Manager	\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
23 City Attorney	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
24 Administrative Services	\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
25 Police	<i>Transition</i>	\$21,157,215	\$21,263,001	\$21,369,316	\$21,476,163	\$21,583,544	\$21,691,461	\$21,799,919	\$21,908,918	\$22,018,463
26 Animal Control	<i>Transition</i>	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
27 Community Development	\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
28 Public Works	\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
29 Parks and Rec	\$1,009,800	\$4,207,734	\$4,228,773	\$4,249,917	\$4,271,166	\$4,292,522	\$4,313,985	\$4,335,554	\$4,357,232	\$4,379,018
30 Library (Gen'l Fund)	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878
31 Non-Departmental										
32 Office Rent/Equipment/Supplies	\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500
33 Insurance	\$465,806	\$757,259	\$755,074	\$740,835	\$743,429	\$742,036	\$740,656	\$743,290	\$745,936	\$748,596
34 Contingency (5%)	\$605,548	\$2,042,297	\$2,044,746	\$2,031,551	\$2,040,266	\$2,043,824	\$2,047,426	\$2,056,273	\$2,065,163	\$2,074,098
35 Transition Yr Cnty Services (repayment)		<u>\$6,558,831</u>	<u>\$6,558,831</u>	<u>\$6,558,831</u>	<u>\$6,558,831</u>	<u>\$6,558,831</u>				
<b>36 Subtotal</b>	<b>\$12,516,516</b>	<b>\$49,447,076</b>	<b>\$49,298,490</b>	<b>\$49,221,396</b>	<b>\$49,204,409</b>	<b>\$49,479,137</b>	<b>\$42,795,954</b>	<b>\$43,181,726</b>	<b>\$43,168,427</b>	<b>\$43,556,061</b>
<b>37 Net General Fund</b>	<b>\$15,758,798</b>	<b>(\$19,003,789)</b>	<b>(\$18,771,830)</b>	<b>(\$18,611,044)</b>	<b>(\$18,510,046)</b>	<b>(\$18,700,439)</b>	<b>(\$11,927,521)</b>	<b>(\$12,223,178)</b>	<b>(\$12,119,381)</b>	<b>(\$12,416,131)</b>
<b>38</b>										
<b>39 Other Funds and Transfers</b>										
40 Road Maintenance		(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
41 Transit		(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
42 Redevelopment (transfer)	<i>Transition</i>	\$713,526	\$717,094	\$720,679	\$724,282	\$727,904	\$731,543	\$735,201	\$738,877	\$742,572
43 Belvedere District (transfer)	<i>Transition</i>	\$321,411	\$323,018	\$324,633	\$326,256	\$327,888	\$329,527	\$331,175	\$332,831	\$334,495
44 Lighting Maintenance (transfer)	<i>Transition</i>	<u>\$280,235</u>	<u>\$281,636</u>	<u>\$283,044</u>	<u>\$284,460</u>	<u>\$285,882</u>	<u>\$287,311</u>	<u>\$288,748</u>	<u>\$290,192</u>	<u>\$291,643</u>
<b>45 Subtotal</b>	<b>\$0</b>	<b>\$348,703</b>	<b>\$16,314</b>	<b>(\$319,651)</b>	<b>(\$659,193)</b>	<b>(\$1,002,313)</b>	<b>\$1,069,773</b>	<b>\$1,071,934</b>	<b>\$1,073,908</b>	<b>\$1,075,695</b>
<b>46</b>										
<b>47 TOTAL</b>	<b>\$15,758,798</b>	<b>(\$18,655,086)</b>	<b>(\$18,755,515)</b>	<b>(\$18,930,695)</b>	<b>(\$19,169,239)</b>	<b>(\$19,702,752)</b>	<b>(\$10,857,747)</b>	<b>(\$11,151,244)</b>	<b>(\$11,045,473)</b>	<b>(\$11,340,436)</b>
<b>48 Cumulative Reserves</b>	<b>\$15,758,798</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Table 1a**  
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**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>49 ROAD MAINTENANCE</b>										
<b>50 Revenues</b>										
51 Road District	\$194,351	\$195,323	\$196,299	\$197,281	\$198,267	\$199,259	\$200,255	\$201,256	\$202,262	\$203,274
52 Gas Taxes	\$5,097,729	\$4,782,629	\$4,464,135	\$4,142,246	\$3,816,962	\$3,488,284	\$3,505,256	\$3,522,229	\$3,539,202	\$3,556,175
53 Other (Prop. C, Measure R)	<u>\$3,163,795</u>	<u>\$3,177,638</u>	<u>\$3,191,481</u>	<u>\$3,205,324</u>	<u>\$3,219,168</u>	<u>\$3,233,011</u>	<u>\$3,246,854</u>	<u>\$3,260,697</u>	<u>\$3,274,540</u>	<u>\$3,288,384</u>
54 <b>Total</b>	\$8,455,875	\$8,155,590	\$7,851,915	\$7,544,851	\$7,234,397	\$6,920,553	\$6,952,365	\$6,984,183	\$7,016,005	\$7,047,832
<b>55</b>										
<b>56 Expenditures</b>										
57 Road District	<i>Transition</i>	\$553,430	\$556,197	\$558,978	\$561,773	\$564,582	\$567,405	\$570,242	\$573,093	\$575,958
58 Maintenance of Roads/Related Facilities	<i>Transition</i>	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
59 (less) Cost Allocation for GF Services	<i>Transition</i>	(\$1,103,033)	(\$1,108,548)	(\$1,114,091)	(\$1,119,662)	(\$1,125,260)	(\$1,130,886)	(\$1,136,541)	(\$1,142,223)	(\$1,147,934)
60 Transition Yr Cnty Services (repayment)	<i>Transition</i>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>				
61 <b>Total</b>	\$0	\$8,192,747	\$8,225,752	\$8,258,922	\$8,292,259	\$8,325,761	\$6,767,738	\$6,801,577	\$6,835,585	\$6,869,763
<b>62</b>										
63 <b>Road Maintenance Surplus (Deficit)</b>	\$8,455,875	(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
64 <b>Cumulative Reserves</b>	\$8,455,875	\$8,418,718	\$8,044,882	\$7,330,810	\$6,272,948	\$4,867,740	\$5,052,367	\$5,234,973	\$5,415,393	\$5,593,463
<b>65 TRANSIT</b>										
<b>66 Revenues</b>										
67 Prop. A	<u>\$1,722,420</u>	<u>\$1,731,048</u>	<u>\$1,739,675</u>	<u>\$1,748,302</u>	<u>\$1,756,929</u>	<u>\$1,765,556</u>	<u>\$1,774,184</u>	<u>\$1,782,811</u>	<u>\$1,791,438</u>	<u>\$1,800,065</u>
68 <b>Total</b>	\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
<b>69</b>										
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74 <b>Total</b>	\$0	\$2,660,360	\$2,671,272	\$2,682,238	\$2,693,259	\$2,704,335	\$2,237,419	\$2,248,607	\$2,259,850	\$2,271,149
<b>75</b>										
76 <b>Transit Surplus (Deficit)</b>	\$1,722,420	(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
77 <b>Cumulative Reserves</b>	\$1,722,420	\$793,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78 <b>TOTAL, Roads and Transit</b>	\$10,178,296	(\$966,469)	(\$1,305,434)	(\$1,648,007)	(\$1,994,191)	(\$2,343,987)	(\$278,609)	(\$283,190)	(\$287,991)	(\$293,014)
79 <b>Cumulative Reserves</b>	\$10,178,296	\$9,211,826	\$7,906,393	\$6,258,385	\$4,264,194	\$1,920,207	\$1,641,599	\$1,358,409	\$1,070,417	\$777,403

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- 58 Includes contingency (see Table 25)
- 72 OH estimated for Road Maintenance Division; see Table 25. Road maintenance staff are included in Road Fund.
- 78 Road and Transit annual balances are also shown under the category "Other Funds and Transfers" on prior page for purposes of showing a total for all funds, including the General Fund.
- If shortfalls are funded by General Fund transfers, the initial balances shown could be retained.

### 3. *THE INCORPORATION PROPOSAL*

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#### **Proposal for Incorporation**

In summary, the incorporation would transfer responsibility for many of the local services currently provided by the County to the new city. The new city would be responsible for land use planning and review, police protection, and public works and could choose to expand or reduce services, dependent upon the finances of the new city at any given time. The elected city council would establish policies and priorities for the provision of services and allocation of funds and would be accountable to the residents of the area. Initially, the new city would contract with other providers (e.g., the County) for many services. This chapter presents specific terms that define the incorporation proposal. **Chapter 4** describes in more detail the specific services that would transfer to the new city and services that would be unaffected.

#### **Name of the New City**

The name of the new city would be the "City of East Los Angeles."

#### **Form of Government**

The area initially would be incorporated as a general law city under the Constitution of the State of California. The proposed form of the new city would be the "Council/Manager" form common to small and mid-sized cities throughout California. Under the Council/Manager form, a five-person city council, elected at-large, would retain a city manager who would be responsible for the day-to-day operations of the city with an appointed city clerk and treasurer.

#### **City Boundary**

**Figure 1** illustrates the boundary of the potential new city. These boundaries correspond to all unincorporated territory surrounded by the cities of Los Angeles, Monterey Park, Montebello, and Commerce.

#### **Reorganization**

The disposition of any special districts will be addressed in the LAFCO Executive Officer's Report and included as Terms and Conditions of the incorporation. The CFA assumes that the services provided by those special districts would continue, as well as any funding specific to the districts, whether they are reorganized as part of the new city or remain as currently organized.

#### **Service Levels**

This CFA presumes and reflects municipal expenditures that maintain existing municipal service levels as described in **Chapter 4**. Police protection, however, is based on a contract with the County Sheriff for a number of officers which is less than current staffing but which is consistent with other contract cities.

## **Effective Date**

This CFA assumes July 1, 2013 as the effective date, assuming LAFCO approval and a successful election in 2012. The actual date will depend on the time required for the LAFCO process to be completed. LAFCO can establish an earlier or later date; however, July 1 is the start of the fiscal year and would allow the new city nearly a full transition year during which time the County is required to continue to provide services, to be repaid in future years, while the new city accrues revenues to establish reserves.

## **Gann Limit**

Local agencies in California that receive proceeds of taxes (excluding fees and service charges) are required to have a limit on how much tax money they can spend. It is called the Gann Limit.

Under State law, the LAFCO resolution of approval and the ballot question before the voters must identify a provisional Gann Limit. Following incorporation, the city council would place on a future ballot a permanent Gann Limit for voter approval.

The Gann Limit is calculated in this CFA.

## **Existing Taxes**

The CFA assumes that existing County tax rates (e.g., Transient Occupancy Tax, UUT) and service charges would be adopted by the new city and continue as city revenues. California law mandates that taxes can be raised only through ballot measures, not by local government agencies.

## **Capital Improvements**

It is assumed that the city council initially would adopt all impact fee ordinances currently enforced by the County to ensure a continual flow of existing fee revenues. While this CFA addresses the fiscal feasibility of ongoing operating revenues and expenditures, it also identifies capital improvement funding issues where appropriate. During the transition of services from the County to the new city, there would be an accounting and transfer of fees and charges previously collected from the incorporation area, and other applicable fund balances, to be allocated consistent with an agreement between the County and the incorporation Proponents, and/or LAFCO Terms and Conditions.



## 4. PUBLIC SERVICES PLAN AND COST ASSUMPTIONS

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A municipal Public Service Plan was developed to assess the feasibility of incorporation. **Table 2** presents a list of existing and proposed municipal services in the area. The Public Service Plan reflects assumptions of the consultant. Decisions made by LAFCO, the future city council, and the Board of Supervisors would determine how public services are provided in the new city.

As with all new cities, the municipal government in the city may evolve over time. Initially, many services are likely to be provided by contract with the County or other entities. Contract costs are based on current costs of County services, adjusted for cost increases as appropriate. Over time, these services may be provided directly by the city. Detailed cost assumptions are included in **Appendix A**. Actual staffing and contracts would be decisions made by a future city council.

The following sections provide an overview of the city departments. Salary levels are assumed to increase at 2.5 percent per year (including inflation assumed at 2 percent<sup>6</sup>) unless otherwise noted. Salaries are based on a review of other, similar-sized cities; benefits are likely to be lower than most existing cities, since the new city would be able to establish and control benefit packages from the beginning of the new city and would not be burdened by past pension and benefit decisions and investments. Actual salaries and benefits would depend on the negotiation of employment contracts and city staffing practices. Full-time staff are assumed; it may be possible to achieve some savings through the use of part-time staff with no benefits, however, turnover and related costs would be higher. Other costs generally include supplies and materials and would vary by year depending on need. The method of service provision, staffing levels, number and type of positions, departmental organization, and contract services are intended for analysis purposes; actual methods may include some variation of in-house staff and contract services. The city council ultimately would determine the method of service provision based on consideration of numerous factors including cost and availability of contractors.

### Governance and Management

#### Current Services

The chief executive officer (CEO) assists the County of Los Angeles Board of Supervisors in handling administrative details of the County. The CEO directly supervises most County departments. Eight departments—Assessor, Auditor-Controller, Community Development Commission, County Counsel, District Attorney, Executive Office of the Board of Supervisors, Fire, and Sheriff—are not under the CEO's direct supervision but work with the CEO under the direction of the Board of Supervisors.

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<sup>6</sup> U.S. Consumer Price Index for All Urban Consumers (CPI-U) increased 2.1 percent before seasonal adjustment over the last 12 months, the Bureau of Labor Statistics reported on March 17, 2011.

**Table 2**  
**Municipal Service Providers -- Existing and Proposed**  
**East Los Angeles CFA**

Service	Service Provision		
	Present Provider	After Incorporation	
<b>General Government</b>			
Governing Board	LA County	New City	City Council
Manager	LA County	New City	City Staff
Attorney	LA County	New City	City Staff/Contracts
Finance/Clerk/Administrative Services	LA County	New City	City Staff/Contracts
<b>Public Protection</b>			
Law Enforcement	LA County Sheriff	New City/LASD	Contract with County Sheriff
Traffic Control/Accident Investigation	California Highway Patrol	New City/LASD	Contract with County Sheriff
Fire Protection & Paramedic	Consolidated Fire Protection Dist. of L.A. County	No Change	As is currently provided
Ambulance	American Medical Response	No Change	As is currently provided
Animal Control	LA County, Dept. of Animal Care and Control	New City	Contract with County
Vector Control and Mosquito Abatement	Greater Los Angeles County Vector Control Dist.	No Change	As is currently provided
<b>Land Use and Planning</b>			
Zoning Code Enforcement	LA County	New City	City Staff
Land Use Application Processing	LA County	New City	City Staff/Contract
Building Inspection & Plan Check	LA County	New City	City Staff/Contract
Advance Planning	LA County	New City	City Staff
Economic Development/Redevelopment	LA County	New City	City Staff
<b>Community Services</b>			
Recreation Programs	LA County Dept. of Park and Recreation	New City	City Staff
Senior Services	LA County	New City	City Staff
Local Parks	LA County Dept. of Park and Recreation	New City	City Staff/Contracts
Landscape Maintenance	Montebello Recreation & Park District	New City	City Staff/Contracts
	Bella Vista Recreation & Park District	New City	City Staff/Contracts
Regional Parks/Open Space	LA County Dept. of Park and Recreation	No Change	As is currently provided
	LA County Regional Park & Open Space District	No Change	As is currently provided
Library	LA County	No Change	As is currently provided
Health Services	LA County	No Change	As is currently provided
<b>Public Works/Public Utilities</b>			
Road Maintenance	LA County/County Road Dist. #1	New City	City Staff/Contracts
Signal Maintenance	LA County	New City	City Staff/Contracts
Street Lighting	LA County/County Lighting Maint. Dist. No. 1687	New City	City Staff/Contracts
Traffic Control	LA County	New City	City Staff/Contracts
Stormwater Quality/NPDES	LA County	New City	City Staff/Contracts
Flood Control & Conveyance Drainage	LA County	New City	City Staff/Contracts
Solid Waste Management	Belvedere Garbage Disposal District	New City	City Staff/Contracts
Solid Waste Collection/Disposal	Consolidated Disposal Service	New City	City Staff/Contracts
<b>Wastewater Collection</b>			
Wastewater Treatment/Disposal	LA Cnty/LA Cnty Consol. Sewer Maint. Dist.	LA Cnty/LA Cnty Consol. Sewer Maint. Dist.	
Domestic Water	LA County Sanitation District No. 2	No Change	As is currently provided
	Central Basin MWD (wholesaler)	No Change	As is currently provided
	California Water Service Company (retailer)		
<b>Public Education</b>			
K-12 Grade Levels	LA USD, Montebello USD	No Change	As is currently provided
College	n/a	No Change	As is currently provided
<b>Other Services</b>			
Electricity	Southern California Edison	No Change	Franchise Agreement w/New City
Gas	Southern California Gas Company	No Change	Franchise Agreement w/New City
Cable Television	Time Warner	No Change	Franchise Agreement w/New City
Public Transit	LA Metro	No Change	As is currently provided
Shuttle, Dial-a-Ride	LA County	New City	City Staff

## **Services Following Incorporation**

The new city council would hire staff and possibly contract with private firms to provide the full range of services necessary to manage municipal services. It is likely that this hiring process would occur over the first several years of the new city's existence. During the initial Transition Year the County would continue to provide services as required by State law, and newly hired city department heads would begin the process of transferring responsibilities to the new city and begin the process of expanding city staff and establishing new contracts.

### ***City Council***

The city council would be the governing body of the general law city and would include five council members<sup>7</sup> elected in accordance with State law. The city council would hire a city manager and city attorney, make service and budget decisions, enter into agreements with other governmental entities, regulate land use within the city boundaries, and represent the community.

City council salaries are budgeted in accordance with GC 36516 which establishes initial minimum salaries that may be paid. No real increase above inflation is assumed, although GC 36516 allows 5 percent annual increases by city ordinance. An additional allowance is included for conferences, memberships, and other direct expenses.

### ***City Manager***

Service decisions would be focused on the city manager, who would carry out the policy directives of the city council. Specific activities and functions included within the department's staffing and budget include economic development and human resources.

### ***City Attorney***

It is anticipated that initially the new city would contract for legal services with a municipal law firm. Over time, the new city may choose to establish its own in-house legal team and rely upon outside firms for specialized services and litigation support. It is likely that legal costs would be higher during the initial years of the new city as new ordinances are established, staff are hired, contracts are created, and policies and procedures are put in place.

### ***City Clerk***

The City Clerk's Office would be responsible for handling city documents including meeting materials and public requests for information and complying with public noticing requirements. This office would also coordinate the election process. The city clerk would be appointed by the city council.<sup>8</sup>

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<sup>7</sup> Petition for the Incorporation of the City of East Los Angeles, California.

<sup>8</sup> Ibid.

## **Administrative Services**

### **Current Services**

Various County departments currently provide administrative services and support to all unincorporated areas.

### **Services Following Incorporation**

Administrative Services functions of the new city include Information Systems, Finance, and Human Resources. During the initial Transition Year, these services would continue to be provided by the County as the new city hires management and support staff, establishes management and technology systems, and implements contracts with private firms for certain services such as information technology (IT) support.

## **Community Development**

### **Current Services**

The County Community Development Commission/Housing Authority (CDC) administers the County's housing and community development programs, such as economic development, business revitalization, and redevelopment. In ELA, it operates low-income housing programs which include public housing, affordable rental units, and the Housing Choice Voucher program (Section 8) for rent subsidies. The CDC offers financing and technical assistance to nonprofit and for-profit developers of affordable housing, grants and loans to first-time homebuyers, and grants and loans to low-income homeowners to rehabilitate their properties. The CDC makes federal Community Development Block Grant (CDBG) funds available for projects and programs in unincorporated areas and small cities. Primary funding is from federal grants and loans.<sup>9</sup>

The CDC owns and manages the Centro Estrellas, a two-story service facility located at 4701 E. Cesar Chavez Avenue. Under a lease arrangement, the Los Angeles County Department of Mental Health (DMH) and ALMA (Associated League of Mexican Americans) Family Services provide mental health services at this location using their own financial sources. Lease revenue covers operations and allows for some reserves. The CDC leases two parking lots in the Maravilla Redevelopment Project Area in the Caltrans right-of-way.

### ***Housing Authority***

Under State law, the Housing Authority of the County of Los Angeles (HACoLA) is a separate legal entity from the CDC. The Board of Supervisors, acting as the Board of Commissioners, is the Housing Authority's governing body. The Board appoints County residents to the Los Angeles County Housing Commission, a 12-member body that serves in an advisory capacity.

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<sup>9</sup> County of Los Angeles CEO letter to LAFCO, Att. 15 (pg. 7), 3/1/11.

HACoLA owns and manages 767 units of public housing for families and seniors at 12 locations in unincorporated ELA. The properties include educational, recreational, and child care facilities, with services funded by Housing Authority resources, CDBG funds, and funding from outside agencies. Child care services are generally open to any County resident. HACoLA also manages 21 units of State-funded affordable housing. HACoLA also administers between 300 and 350 Housing Choice Vouchers (Section 8) in unincorporated ELA.

The Housing Authority owns two buildings which it uses to conduct administrative functions and to provide leased space to Centro de Niños for child care services available to ELA residents.

### **Redevelopment**

The County's Whiteside Redevelopment Project Area and the City of Los Angeles's Adelante/Eastside Redevelopment Project Area are now merged into one joint Project Area. On September 8, 2009, the Los Angeles City Council unanimously approved actions necessary for the merger of the Community Redevelopment Agency of the City of Los Angeles's (CRA/LA's) Adelante Eastside Redevelopment Project Area with the Whiteside Redevelopment Project Area. Staff of both the CRA/LA and the CDC are now working together to draft recommendations for the governance of this joint Redevelopment Project Area. The County also oversees the Maravilla Community Redevelopment Project area that is located entirely within ELA.

The CDC currently is working on a Memorandum of Understanding (MOU) that would allow the County and the City of Los Angeles to jointly fund an infrastructure study (total of \$390,070) and an expected national Urban Land Institute panel (total of approximately \$180,000). The CDC's share of these two efforts would be approximately \$285,000.<sup>10</sup>

In addition to funding infrastructure and economic development studies, tax increment helps to fund a range of capital improvements and repayment of debt issued for redevelopment area improvements. A portion of tax increment (20 percent) is required to be used for affordable housing purposes.

### **Services Following Incorporation**

Some current funding may still be available for projects in the new city, but the funds would be allocated and managed by the CDC. Specifically, these are funds for development of affordable housing and homeless services and facilities. Future CDBG funds currently available to the unincorporated ELA area through allocations by the First Supervisorial District would be available to, and managed by, the new city in future years. The new city council would have the option of allocating the funds to projects and programs within its jurisdiction based on need. The new city would have several options for participating in CDBG funding; the city may receive its allocation directly from the U.S. Department of Housing and Urban Development (HUD) or become an entitlement jurisdiction but file as a joint applicant with the Los Angeles Urban County Program (like Cerritos and Torrance).

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<sup>10</sup> Ibid, pg. 15.

Although the new city would be able to control future CDBG funds, this CFA has not included CDBG funds in the projections of annual operating revenues for several reasons: (1) CDBG funding is unpredictable and varies over time, (2) it is unclear how much the new city would be entitled to, and (3) CDBG generally funds outside agencies and capital projects and is not a source of funds for day-to-day, ongoing "operational" costs of cities and counties.

### ***Housing Authority***

If ELA incorporates, the existing County Housing Authority would continue to own and/or manage all of its public and affordable housing. The precedent was set more than 25 years ago when the Housing Authority retained ownership and management responsibilities of the public housing and affordable units in its portfolio at the time of West Hollywood's incorporation. A cooperation agreement between the two jurisdictions would delineate the administrative parameters, including the handling of the public housing applicants living in the new city. Cooperation agreements currently allow the Authority to operate County public housing in five cities.

The Housing Authority uses the Capital Fund Grant from HUD and CDBG funds to renovate public housing and for resident services. After the ELA incorporation, the housing developments would continue to receive Capital Funds.

Housing Choice Voucher (Section 8) Program vouchers would remain with HACoLA. If ELA becomes a city, the Authority would need a cooperation agreement allowing issuance of vouchers in the city. The Authority currently has this arrangement with 60 cities participating in the program. The cooperation agreement would also address the handling of Section 8 applicants living in the city.

ELA would have the option of creating its own housing authority and applying for HUD for Section 8 vouchers. This is a long process, and if approved HUD may allocate vouchers in small increments (perhaps 50 to start). The city may be eligible to receive additional allocations depending upon funding availability and the housing authority's performance. HUD has not awarded funds for development of new public housing since the early 1990s. The projected city budget assumes that the County Housing Authority continues to provide existing services, in coordination with the new city.

### ***Economic Development***

It is assumed that staff within the new city's Community Development Department would provide economic development services, in coordination with other city departments.

### ***Redevelopment***

For purposes of the CFA, it is assumed that County management of redevelopment agencies would be transferred to the new city, although the transition may require at least one year or more. The merger of the two redevelopment areas and the governance structure delineate certain responsibilities for the two redevelopment agencies involved. The East Los Angeles Redevelopment Agency would assume some existing legal obligations for the County's Whiteside Redevelopment Project Area. The new city, as the successor redevelopment agency, would be required to continue the activities under a Memorandum of Understanding with the Los Angeles Community Redevelopment Agency.

Tax increment helps to fund some staff time, in addition to capital improvements; the amount applied is approximately \$700,000 annually<sup>11</sup> and is offset by staff and overhead costs. To the extent city staff is used to perform redevelopment agency functions, additional tax increment funds may be available to help in funding a share of departmental overhead and administration. No other funds are assumed to be generated for ongoing operations of the new city, although it is assumed that current redevelopment plans, programs, and improvements would continue to be pursued by the new city.

Recent State legislation eliminates redevelopment agencies, except under certain conditions. ABX1 27, the "Continuation Bill", keeps redevelopment agencies effective after October 1, 2011 if payments are made to the State. According to the State Department of Finance, the Commission as a whole would have to make a \$1.8 million payment this fiscal year and about \$440,000 annually thereafter in order to keep its redevelopment areas effective. Of this total, the following are approximate totals for the two East Los Angeles redevelopment areas for Fiscal Year (FY) 2011-12: total is \$892,000 (Maravilla \$744,000 and Whiteside \$148,000 based upon a proportionate share of the net increment each area receives). At this time, the State Department of Finance has not released additional information regarding ongoing payments; however, according to the Community Redevelopment Association's estimates, in FY 2012-13 and every subsequent fiscal year the East Los Angeles Redevelopment Area payments will total \$198,000, (Maravilla \$160,000 and Whiteside \$38,000).

While ABX1 26, dissolving redevelopment agencies, and ABX1 27 have been stayed as a result of pending legal challenges, should they ultimately be implemented, the County is likely to agree to make the payments in order to keep the redevelopment areas effective and would take legislative action as outlined in ABX1 27.

## **Regional Planning**

### **Current Services**

The Los Angeles County Department of Regional Planning provides long-range planning, land development counseling, project/case intake and processing, environmental review, and zoning enforcement for the area.

### ***Advance Planning***

The Advance Planning Division provides comprehensive long-range planning services to the entire unincorporated Los Angeles County including East Los Angeles. The Division is responsible for preparation and updates of the County's General Plan, community plans, community standards districts, ordinances and special studies.

The General Plan's Housing Element serves as a policy guide to address the comprehensive housing needs of the unincorporated areas of Los Angeles County including East Los Angeles. The County is required to ensure the availability of residential sites at adequate densities and appropriate development standards to accommodate the Regional Housing Needs Assessment (RHNA) allocated to the County by the Southern California Association of Governments (SCAG). The total RHNA number to be transferred from the County to ELA once it is incorporated is

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<sup>11</sup> *ibid*, Att. IV, CDC Statement of Revenue and Expenditure.

estimated to be 3,187.<sup>12</sup> The actual amount required of the new city would be determined by the Southern California Association of Governments (SCAG) based on regional housing needs following formation of the new city.

#### ***Land Use Application Processing***

The Department reviews and processes applications for various types of permits, including site plan review, zoning conformance, business license review, conditional use permits, non-conforming uses, and variances. In FY 2009-10, 332 permits were processed.

#### ***Zoning Code Enforcement***

Regional Planning provides a code enforcement program that includes the following activities:

- Conducting surveys to note code discrepancies.
- Receiving and reviewing complaints.
- Providing written notification to property owners.
- Providing information to property owners on the need to comply with zoning laws and the benefits of compliance.
- Providing follow-up inspections.
- Providing reports to the District Attorney, if necessary.
- Attending courtroom hearings, if necessary.
- Providing staff with necessary training to perform their duties.
- Providing staff with necessary law enforcement support to perform their duties.

In FY 2009-10, the number of complaints (new cases) totaled 1,516. The Department carried out 2,160 inspections, and 1,453 cases were outstanding.

#### ***Other Services***

The City Terrace Material Recovery Facility is located within the proposed incorporation area. Under the current Conditional Use Permit (CUP), the facility provides approximately \$40,000 per year to the Department of Regional Planning for quality of life programs in surrounding unincorporated communities as directed by the First Supervisorial District. In addition, approximately \$20,000 per year is paid to the Department of Public Works' Environmental Programs Division for waste diversion and recycling programs in the unincorporated areas of the County.<sup>13</sup>

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<sup>12</sup> Ibid, Exh. XI.

<sup>13</sup> County of Los Angeles CEO's Office, 8/30/11.



## **Services Following Incorporation**

The Community Development Department would be responsible for planning, General Plan development, and housing-related issues, as well as those services described above currently provided by the County's Community Development Commission which the new city chooses to undertake. Redevelopment-related activities would be managed by this department.

The existing County Zoning Ordinance would most likely be adopted as land use policy by the first city council. It is assumed that beginning in its second year, the city would start the process of developing a new General Plan and zoning ordinance. Consultant contracts could be used for these services, although some new cities have chosen to do most of the work in-house at a lower cost but longer time frame. A Planning Commission would be appointed and begin to update the General Plan and supporting planning documents and policies. During the initial Transition Year in which the County would continue to provide services, the new city would begin to hire planning staff to take over County functions. The new city may choose to negotiate with the County over continued services to assure continuity of services to projects currently under review, and to assure an orderly transfer of functions.

The County would not continue collecting the fees from the City Terrace Material Recovery Facility post-incorporation. However, it is likely the CUP would be "grandfathered" and the new city would be entitled to collect those fees.

## **Public Works**

### **Current Services**

#### ***Roads and Related Facilities***

The Los Angeles County Department of Public Works (DPW) provides street maintenance services including: monthly street inspection; sidewalk inspection and temporary repair; asphalt repair; sidewalk, curb, and gutter repair and reconstruction; street sweeping services; litter and debris pickup; tree watering and tree trimming services; medians and vegetation maintenance and control; emergency response; drainage inspection and cleaning; storm patrol; graffiti removal from roadway and sidewalk surfaces; traffic control; signal and sign operation and maintenance; and other street maintenance needs.

The County's streets and highways in the proposed ELA incorporation area consist of over 184 miles of non-freeway roadways, over 36.7 million square feet of pavement, 140 traffic signals, 20,000 traffic signs, and other appurtenant structures. The street lighting facilities in the proposed ELA incorporation area consist of approximately 7,000 street lights.<sup>14</sup> The average Pavement Condition Index (PCI) of roads in ELA is 82. A PCI of 82 represents a condition where the roads are at Best Management Practices (BMPs). Maintenance of roads and related facilities costs, totaling about \$7.6 million, are covered by dedicated revenues. For Fiscal Year 2009-10, County Public Works spent approximately \$9.6 million on infrastructure improvements relating to roadway facilities. Infrastructure improvements were covered by \$2.2 million of dedicated revenue with the remaining from grant funds and other sources.<sup>15</sup>

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<sup>14</sup> County of Los Angeles CEO letter to LAFCO, Att. 15, pg. 17.

<sup>15</sup> LA County DPW, 8/29/11

The net County cost to the General Fund totals \$939,903 for graffiti abatement, stormwater quality, and property rehabilitation.

Revenue sources, described in greater detail in **Chapter 5**, include:

- **Road District #1**—The District receives a share of the 1 percent property tax to help in funding general road maintenance activities.<sup>16</sup>
- **State Gas Taxes**—State gas taxes are allocated primarily on a per capita basis.
- **Local Sales Tax**—Proposition C and Measure R, each a half of one cent sales tax, provide most of the remaining funding required. A portion of these funds is allocated to the County and cities on a per capita basis.

The new city would also be able to compete for grant funds for special projects and capital improvements. The CFA has not assumed these revenues given their uncertainty and because these funds generally do not pay for ongoing annual operations and maintenance.

### ***Street Lighting Maintenance***

The County Lighting Maintenance District (CLMD 1687) and County Lighting District LLA-1 serve ELA. The CLMD 1687 receives a share of property tax;<sup>17</sup> LLA-1 assesses a fee on property ownership<sup>18</sup> to pay for street lighting services and energy costs (Southern California Edison).

### ***Wastewater***

The County currently owns approximately 147 miles of sanitary sewer main, 3,496 manholes, and 440,520 square feet of sanitary sewer easements maintained by the County DPW, Sewer Maintenance Division.<sup>19</sup> The Los Angeles County Consolidated Sewer Maintenance District (CSMD) estimates \$882,000 in expenditures for FY 2010-11 to operate and maintain the roughly 147 miles of local sanitary sewer lines within ELA. Funding for operations and maintenance is through assessment of sewer service charges on property owners served by the sewer system. Separate charges are collected by the Sanitation District of Los Angeles County (a separate legal entity not governed by the Los Angeles County Board of Supervisors) for the use of its trunk sewer lines, sewer treatment, and disposal of sewage at its facilities.

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<sup>16</sup> Road District #1 received approximately half of 1 percent of each tax dollar received by agencies within ELA Tax Rate Areas, or about \$200,000.

<sup>17</sup> The CLMD 1687 receives approximately 5.3 percent of the property tax dollar received by agencies within ELA Tax Rate Areas, [East LA (CFA) 2009-10.xls (levy by Acct), spreadsheet provided by CEO to LAFCO, 11/1/10).

<sup>18</sup> The base assessment is \$5 per year for single-family properties, with higher assessments for other land uses.

<sup>19</sup> County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 19), 3/1/11.

### **Stormwater Quality/NPDES**

Los Angeles County DPW's Watershed Management Division monitors stormwater quality and manages the National Pollution Discharge Elimination System (NPDES). DPW's Environmental Programs Division is responsible for clogged drains and illegal dumping. In addition to the current net County costs, the County spends an estimated \$230,600 annually for maintenance of catch basin inserts.<sup>20</sup>

The Los Angeles River Total Maximum Daily Load (TMDL) requirements in the County's NPDES permit determine program requirements and related costs. Currently, TMDLs for Nutrients and Metals have been approved but are not yet included in the Permit. The TMDL for Bacteria has been approved by the Regional Board and the State and is pending approval by the U.S. Environmental Protection Agency. The County has forecasted significant increases in future NPDES-related costs.<sup>21</sup>

The Los Angeles County Flood Control District (FCD) would be unaffected by the incorporation because it is a regional service provider. Currently, the FCD receives a share of property taxes<sup>22</sup> and charges assessments which would continue to help fund FCD programs. FCD expenditures are for flood protection activities which include the operation and maintenance of the regional flood control system, response to storm threats and flooding emergencies, construction of a limited number of needed regional storm drains, remediation of seismic deficiencies, and rehabilitation of inlets/outlets at dams.

### **Solid Waste**

Currently, Los Angeles County DPW administers the Belvedere Garbage Disposal District (GDD). The proposed ELA incorporation boundaries include the entire Belvedere GDD. The District provides waste collection and recycling services to residents and businesses within this community through a contract with a private waste hauler (Consolidated Disposal Service). The current contract expires June 30, 2014.

In order to pay for the District's services, each parcel of real property is assessed an annual service fee based on the number of refuse units assigned to that parcel. The number of refuse units is a function of the property use classification of the parcel and varies from one-half of one unit for a vacant lot and one unit for a single-family residence to 18 units for a shopping center. The current annual service fee per refuse unit is \$192. Services are also funded through a portion of the 1 percent property tax.<sup>23</sup> The District's current Fund Balance is approximately \$5.0 million. The Fund Balance equates to approximately six months of operational expense for

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<sup>20</sup> County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 20), 3/1/11.

<sup>21</sup> Ibid, pg. 20 and Exh. VIII.

<sup>22</sup> Flood Fund (9110); two property tax accounts (030.10 and 030.70) receive a total of about 0.84 of 1 percent of the property tax dollar received by agencies within ELA Tax Rate Areas.

<sup>23</sup> Acc't #033.30 generates about 3.7 percent of the property tax dollar received by agencies within ELA Tax Rate Areas.

the Garbage Disposal District. The Fund Balance is maintained to ensure continuous service delivery and to cover any unanticipated costs.<sup>24</sup>

The County DPW provides a number of other services related to solid waste management which would be transferred to the new city, including:

- Industrial waste monitoring and plan checking—permitting and monitoring of industrial and commercial facilities to ensure that waste is treated properly prior to discharge in the sewer line and storm drain system.
- Stormwater discharge monitoring—certifying and monitoring industrial and commercial facilities to determine whether the facilities are maintaining BMPs.
- Practices to keep trash and other industrial waste from entering the storm drains.
- Solid waste management, waste reduction, planning, services, and reporting in conformance with the California Integrated Waste Management Act (AB 939), including submittal of a Waste Reduction Report that is due August 1 of each year.
- Underground storage tanks monitoring, plan checking, and enforcement—permitting and inspection of underground storage tanks to ensure that facilities design, installation, and modification of operating and closed tanks are in compliance with federal, State, and local mandates. The Underground Storage Tank (UST) Program is State mandated. (Title 11, Division 4 of the Los Angeles County Code-LACC). State law requires implementation by a Certified Unified Program Agency (CUPA) or Participating Agency (PA). Since East Los Angeles is not expected to become a CUPA/PA, (it will not be providing its own fire protection), the County would retain jurisdiction similar to the retention of jurisdiction in 77 other cities.<sup>25</sup>

Those services described above are largely funded through permit fees and inspection charges.<sup>26</sup>

#### ***Building Plan Check and Inspection***

Presently, investigation and citation of illegal code and zoning violations, building inspections, permit review, sign enforcement, and the administration of the Annual Inspection Monitoring program are provided by Los Angeles County DPW's Building and Safety Division.

The DPW ELA District Office provides plan check, inspection, rehabilitation, and code enforcement services. For FY 2009-10, services included:

- New Residential Building Permits: 13
- Residential Garage and Carports: 4
- Public Works and Utilities Building: 1
- All other Nonresidential Building: 1

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<sup>24</sup> LA County DPW, 8/29/11

<sup>25</sup> LA County DPW, 8/29/11

<sup>26</sup> County of Los Angeles CEO letter to LAFCO, Att. XII (see County Engineer and Solid Waste Funds), 3/1/11.

- Addition, Alteration, Repairs Residential Building: 718
- Addition, Alteration, Repairs Nonresidential Building: 68
- All structures other than Building: 45
- Electrical Permits: 466
- Grading Permits: 9
- Mechanical and Plumbing Permits: 362
- Sewer Permits: 35

These services are funded through permits and charges for services. During FY 2009-10, the County recovered approximately 85 percent of its costs through fees.

### ***Building Code Enforcement***

Building and Safety Division Code Enforcement is directed at private property violations of the building codes. Enforcement cases are initiated with an administrative action and continue through either the criminal justice system or civil action and fall into three primary areas:

- **Unsafe Buildings and Substandard Structures**—Buildings or structures that are structurally unsafe or which constitute a hazard to safety or health or public welfare, and substandard structures that are nuisances.
- **Un-Permitted Structures**—Any structures that were built or altered without required permits and approvals.
- **Non-Inspected Work**—Work for which a permit was obtained but which has progressed beyond a point without obtaining required inspections and approvals.

In FY 2009-10, there were 1,400 complaints, 1,400 cases, and 9,800 inspections. Building Code Enforcement is funded through Building Permit Fees, Violation Fees charged to the property owners, and the General Fund. Other enforcement costs for the County Counsel and District Attorney are funded by the General Fund.

### ***Transit***

Los Angeles County Department of Public Works is responsible for local transit services and the installation and maintenance of bus stop amenities, including shelters, benches, trash receptacles, and solar light poles. Services provided in the ELA area include Dial-a-Ride Services for the elderly and disabled, fixed-route services for the general public, charter bus transportation for various nonprofit organizations, and a Summer Beach Bus Program. In addition, bus tokens are provided to low-income residents to access social, health, and human services within ELA and at other County facilities outside the area.

These services are funded through local sales taxes dedicated to transit services (Proposition A).<sup>27</sup> In FY 2009-10, approximately 40 percent of the total funding came from fund balances.<sup>28</sup>

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<sup>27</sup> County of Los Angeles CEO letter to LAFCO, Att. XII (Public Works roll-up table), 3/1/11.

<sup>28</sup> Ibid, Att. XII (Transit Enterprise Fund table).

The ELA area has no current fund balances because the annual expenditures for transit services exceeded the annual revenue allocation of Proposition A sales tax for ELA.<sup>29</sup>

The County has a license agreement with Clear Channel Outdoor, Inc., for the maintenance of approximately 45 advertising bus stop shelters in ELA. In accordance with this agreement, Clear Channel maintains advertising bus stop shelters throughout the unincorporated County areas at no cost to the County. In exchange, Clear Channel generates revenue via advertising on these shelters. The new city would need to establish a similar agreement with Clear Channel Outdoor, Inc. for the maintenance of these advertising bus stop shelters.

The County is currently a member of the Joint Powers Authority (JPA), which has been in effect since September 1995, between the Metropolitan Transportation Authority (MTA); California State University, Los Angeles (CSULA); and the cities of Alhambra, Los Angeles, and Monterey Park. This JPA operates and maintains the CSULA Metrolink Station. The current fixed-route shuttle service (El Sol Shuttle) in ELA has a stop at this station. The associated annual cost for this JPA ranges between \$55,000 and \$65,000 for operations and maintenance of the CSULA Metrolink station, in addition to approximately \$6,000 for administrative costs.

### **Services Following Incorporation**

Following incorporation the new city's Public Works Department is assumed to be responsible for road maintenance, construction, repair, and design. It would also take over responsibility for all building inspection, plan checking, and code enforcement in the city. The department would also handle other services, such as management of special districts, and transit, currently handled by the County.

During the initial Transition Year, it is assumed that Los Angeles County DPW would continue to provide all services. The new city would form its own Public Works Department and may choose to continue to contract with the County for some of the services currently provided by the County. For example, the County currently provides full traffic signal maintenance services to 18 cities for traffic signals owned by these cities.<sup>30</sup> Los Angeles County DPW also provides road maintenance services to various cities.<sup>31</sup> Following is a summary of specific services and funding sources that would be available, in addition to the new city's General Fund.

### **Roads and Related Facilities**

The new city would take over responsibility for maintenance of roads and related facilities currently provided by the County. The new city would utilize many of the same revenues currently available to the County; however, the allocations of gas taxes would differ. The new city would benefit initially by a 5-year "bump" in calculated population that is the basis for the allocations.

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<sup>29</sup> DPW follow-up response, Item #28, received by EPS, 3/29/11.

<sup>30</sup> In FY 2009-10, the monthly flat rate fee for routine traffic signal maintenance was \$69 per traffic signal per month. Extraordinary maintenance charges are billed at actual cost to the cities.

<sup>31</sup> The billing rate for FY 2009-10 is the actual cost, as indicated in the County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 18), 3/1/11.

This CFA focuses on annual operating revenues and expenditures. However, the new city would be responsible for capital improvements, including major road improvements. It is anticipated that the new city would utilize gas taxes and other road-related funding sources, including grants, as well as a portion of any surplus General Fund revenues for capital improvements.

### ***Street Lighting Maintenance***

It is anticipated that as part of the change of organization proceedings, those portions of CLMD 1687 and County Lighting District LLA-1, Unincorporated Zone, located within the proposed incorporation area would be detached and the responsibility for the administration, operation, and maintenance of the existing street lights located therein would be transferred to the new city. The share of property taxes and the assessments currently collected for the benefit of the districts would accrue to the new city to pay for those services.

The new city would have several options for the provision of street light maintenance:

1. The city may choose to have the County continue to administer the street lighting district. If the City of East Los Angeles chooses to have the County continue to administer its street lighting district, the County will form a separate maintenance district and assessment zone for the new City of East Los Angeles. The newly created County Lighting Maintenance District (CLMD) would continue to be funded by its share of ad valorem property tax and assessment revenue.
2. The City may choose to not establish a lighting maintenance district and provide street lighting maintenance services itself. In such a case, the share of property taxes currently collected by the CLMD 1687 would be transferred to the newly established city. The area will be excluded from the assessment district (Streets and Highways Code Section 22613), County Lighting District LLA-1. Since the street lights within the proposed East Los Angeles area are Southern California Edison-owned poles, the new city would need to establish a Master Lighting Contract with the Southern California Edison (Edison) Company in order for Edison to continue to operate and maintain the street lights located within the proposed incorporated area.

### ***Wastewater***

After incorporation, the new city would own the local sewer lines and grant the Consolidated Sewer Maintenance District (a separate legal entity from the County, similar to the Los Angeles County Flood Control District) its consent and jurisdiction to continue to operate and maintain the local sewer system with the new city. East Los Angeles property owners would continue to be responsible for the house laterals, including the pipes that connect from the public sewer main to the house.

### **Stormwater Quality/NPDES**

General NPDES Permit compliance would be the responsibility of the new city, including activities such as legal support, industrial and commercial facilities inspections, illicit discharge and illicit connection enforcement.<sup>32</sup> In addition, the new city would need to fund the cost of the permit.<sup>33</sup>

The new city would need to meet NPDES requirements, including reducing the amount of trash and contaminants in accordance with standards adopted by the California Regional Water Quality Control Board. These standards call for a total reduction in waste contributed to the Los Angeles River Watershed by 2016. Meeting these standards is anticipated to increase current water quality program costs of \$320,000<sup>34</sup> to nearly \$1.1 million in FY 2014,<sup>35</sup> then declining to about \$850,000 in subsequent years.

The new city would be responsible for an estimated \$230,600 annually for maintenance of catch basin inserts.<sup>36</sup> Installation of the catch basins begins in FY 2010-11. Maintenance costs would increase as additional catch basin BMPs are installed to meet TMDL mandates.<sup>37</sup> It is assumed these costs are included in the projected increases in the current water quality program noted above.

### **Solid Waste**

There are three options available to the new city related to the Garbage Disposal District:

1. The city can remain a part of the District after incorporation with the unanimous consent of the city council. The Board of Supervisors would continue to be the governing board of the District;
2. The District can be dissolved and the city can take over direct services of the district; or
3. The District may be dissolved and a new Garbage and Refuse District could be formed (Pub. Res. Code § 49100, et seq.) with two-thirds consent of the city council. This new district

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<sup>32</sup> Estimated at approximately \$40,000 annually, as indicated in DPW follow-up response, Item #18, received by EPS 3/29/11.

<sup>33</sup> The NPDES Permit fee, which is population-based, is estimated at \$18,594 for ELA. This is expected to increase 21 percent next year, as indicated in County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 20), 3/1/11. There would be an additional surcharge of \$3,905 for ambient water monitoring as stated in DPW response to Item #20, received by EPS 3/29/11.

<sup>34</sup> County Engineers Fund, Stormwater Quality Project (\$262,853) and stormwater costs (\$62,831), County of Los Angeles CEO letter to LAFCO, Att. XII (Public Works roll-up table), 3/1/11.

<sup>35</sup> Projected ELA cost, County of Los Angeles CEO letter to LAFCO, Att. VIII (Stormwater Program Projection), 3/1/11; see additional detail in DPW response to Item #18 (Att. II), received by EPS 3/29/11.

<sup>36</sup> County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 20), 3/1/11.

<sup>37</sup> As indicated in DPW response to Item #19, received by EPS 3/29/11.



would be governed by a 3-member Board that would include two appointees by the County Board of Supervisors and one by the new city council. Fund Balances of the GDD would transfer to the new entity, if full responsibility/liability transfers.

Additionally, the new city would be required to comply with Assembly Bill 939, which includes the responsibility of preparing and adopting two plans: 1) Source Reduction and Recycling Element (SRRE); and 2) Household Hazardous Waste Element (HHWE). These plans would serve as blueprints on how to manage the solid waste generated within the new city; especially to meet the requirement that the amount disposed in a landfill does not exceed a certain threshold. Failure to meet this requirement or to implement programs prescribed in the plans may result in fines of up to \$10,000 per day of noncompliance. The SRRE and HHWE must be approved by the California Department of Resources Recycling and Recovery (CalRecycle). The new city would be responsible for reporting annually to CalRecycle on the status of its programs. The administrative costs of these programs would have to be borne by the new city.

The CFA assumes the new city would become responsible for garbage disposal services. It is assumed that the current revenue and funding structure, which covers related costs (including overhead and staff) through a share of property tax and service fees, would continue.

No changes in current countywide solid waste management responsibilities are assumed.

#### ***Building Plan Check and Inspection***

Services which currently are the responsibility of the County would transfer to the new city. It is expected that during the initial Transition Year, the County would continue to provide services while the new city hires staff; establishes necessary ordinances, policies, and procedures; and shifts records from the County. The new city would adopt fee schedules intended to recapture its costs through fees and building permits. Alternatively, the new city may choose to negotiate a contract with the County for ongoing services.

#### ***Building Code Enforcement***

The new city would take over responsibility for building code enforcement, during and following the initial Transition Year. The County does not provide building code enforcement services under contract to cities.

#### ***Transit***

The new city would assume responsibility for the services currently provided by the County, which include Dial-a-Ride Services for the elderly and disabled, fixed-route services for the general public, charter bus transportation for various nonprofit organizations, and a Summer Beach Bus Program provided in the ELA area. Services would be funded by local sales taxes dedicated to transit services (Proposition A).

Upon incorporation of ELA, the County would no longer participate in the JPA which operates and maintains the CSULA Metrolink Station, nor would it continue to provide the shuttle service from ELA to the Station. The new city would be responsible for shuttle services within its jurisdiction and would need to consider participation in the JPA.

## Parks and Recreation

### Current Services

The Los Angeles County Department of Parks and Recreation maintains facilities and runs various programs for residents of ELA. These facilities are described in **Table 3** and include: <sup>38</sup>

- Atlantic Park
- Belvedere Park
- City Terrace Park
- Eddie Heredia Boxing Club
- Obregon Park
- Parque de Los Suenos
- Salazar Park
- Saybrook Park

These facilities provide both passive and active recreation opportunities and programs. Costs are partially covered by program fees but are largely funded by the County General Fund.

Two special districts, the Bella Vista Recreation and Park District and the Montebello Recreation and Park District, provide funding from a share of property taxes for landscape maintenance. The Bella Vista Recreation and Park District is responsible for the maintenance of medians that run along Gerhart Avenue between Beverly Boulevard, representing the southerly boundary, and the Pomona Freeway, representing the northerly boundary.<sup>39</sup> The District generated about \$8,000 in tax revenue in FY 2009-10 and spent about \$2,000.<sup>40</sup>

The Montebello Recreation and Park District is located in the southeast section of ELA. The District generated about \$120,000 in tax revenue in FY 2009-10.<sup>41</sup> Actual expenditures for landscape maintenance by the District totaled \$294,000; fund balances, totaling \$1.3 million at the end of FY 2009-10, provided additional funding.<sup>42</sup>

### Services Following Incorporation

During the initial Transition Year, the County would continue to provide services in the same manner as the services are currently provided. During that initial year, the new city would be hiring management and support staff, establishing management and technology systems, and hiring new staff.

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<sup>38</sup> County of Los Angeles CEO letter to LAFCO, Exh. VI, 3/1/11.

<sup>39</sup> Parks and Recreation follow-up response, Item #6, received by EPS 3/31/11.

<sup>40</sup> Los Angeles County Auditor–Controller/Tax Division, Taxing Agency Share per TRA of the General 1% Levy Fiscal Year 2009-2010, County of Los Angeles CEO letter to LAFCO, Exh. III, 11/1/10.

<sup>41</sup> Ibid.

<sup>42</sup> County of Los Angeles CEO letter to LAFCO, Att. I, 3/1/11.

**Table 3**  
**General Park Information**  
**East Los Angeles CFA**

Facility	Address	Acres	Amenities
<b>Atlantic Park</b>	570 S. Atlantic Avenue Los Angeles, CA 90022	3.1	Pool, splashpad, 2 picnic shelters, play area.
<b>Belvedere Park</b>	4914 E, Cesar Chavez Ave Los Angeles, CA 90022	39.1	Community/Social Hall Room, Computer Room, Gymnasium, Baseball Fields (3), Tennis Courts (2), Basketball Courts (Outdoor), Soccer Fields (4), Playground, Picnic Shelters (4), Skate Park, Swimming Pool, Weight Room, Outdoor Exercise Equipment, Fishing Lake (managed by ISD),
<b>City Terrace Park</b>	1126 Hazard Avenue Los Angeles, CA 90063	14.0	Community Room, Computer Center, Gymnasium, Multi-purpose Field/Baseball Diamonds, Tennis Courts, Basketball Courts, Picnic Shelter, Pool, Splash pad, Youth Soccer Field, Ceramic Room.
<b>Eddie Heredia Boxing Club</b>	5127 E, Olympic Blvd Los Angeles, CA 90022	No parkland (facility only)	Community Boxing Gym, Boxing Ring, Boxing Equipment, Computer Room Center, Weight Room.
<b>Obregon Park</b>	4021 E. 1st Street Los Angeles. CA 90063	9.4	Community Room, Computer Center, Gymnasium, Pool, Basketball Courts, Outdoor Exercise Equipment, Baseball Diamonds, Picnic Tables, Jogging Path, Handball Courts, Outdoor Batting Cage, Ceramics Room,
<b>Parque de Los Suenos</b>	1333 S. Bonnie Beach Place Los Angeles, CA 90023	<1	One restroom, one picnic shelter, one ADA accessible play area, This park is a passive park and does not have any recreational programs or activities. Park is cleaned daily by Grounds Maintenance.
<b>Salazar Park</b>	3864 Whittier Blvd, Los Angeles, CA 90023	8.4	Community Room, Headstart/Multi-purpose Room, Computer Center, Gymnasium, Multi-purpose Field/Baseball Diamond, Tennis Courts, Basketball Courts, Pool, Outdoor Exercise Equipment, Picnic Shelter, Senior Center,
<b>Saybrook Park</b>	6250 Northside Drive Los Angeles, CA 90022	4.1	Multi-purpose Room, Computer Center, Baseball Field, Tennis Courts, Basketball Courts, Picnic Area, Art Center.

Source: Los Angeles County Department of Parks and Recreation, ELA General Park Information, County of Los Angeles CEO letter to LAFCO, Exh. VI, 3/1/11

The current CFA assumes that the new city would take over responsibility for all facilities and programs currently provided by the County, including Belvedere Park. The Proponents and the County may negotiate an alternative transfer of facilities and responsibilities. The proposed staff is based on current County staffing,<sup>43</sup> which also includes some contract maintenance expenditures. The new city may choose to continue and expand contract services rather than relying on new city staff.

All of the park facilities, except Parque de Los Sueños Park, have received project funding from the Safe Neighborhood Park Proposition Bond Acts of 1992 and 1994 and Proposition 12 Bond Act of 2000. The new city will be required to assume the grant obligations under which these projects were funded as follows: (1) maintain and operate in perpetuity the property acquired, developed, rehabilitated or restored with grant monies, subject to the provisions of the Propositions; (2) the Grantee shall not discriminate against any person on the basis of race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of any property or facility acquired or developed pursuant to the above Bond Acts; and (3) all facilities shall be open to members of the public generally.<sup>44</sup>

The new city would manage the areas covered by the two special districts, the Bella Vista District and the Montebello District, and provide the same services currently provided by the County utilizing the same sources of funding. It is assumed that then-current fund balances for each district would be transferred to the management of the new city for use in each respective district.

## **County Library**

### **Current Services**

The County Public Library provides library services in the ELA at four branches: East Los Angeles, City Terrace, Anthony Quinn, and El Camino Real. In FY 2009-10, in addition to special taxes for library service and the Public Library's share of the 1 percent property taxes collected in East Los Angeles, the County spent an additional \$4 million in General Fund revenue to operate the four libraries in the proposed East Los Angeles incorporation area. This \$4.0 million was funded by Utility User Tax (UUT) revenue.

### **Services Following Incorporation**

The County Public Library would continue to provide library services in the incorporated area, (East Los Angeles, City Terrace, Anthony Quinn, El Camino Real), provided that a voter-approved special tax for the new city would continue and the new city provides \$4.0 million to \$4.5 million annually (depending on the availability of reserves) to the County to backfill revenues that are lost as a result of incorporation. In FY 2009-10, in addition to the special taxes and the Public Library's share of the 1 percent property taxes collected in East Los Angeles, the County spent

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<sup>43</sup> Staffing based on summary of current County Parks and Recreation staffing by function, received by EPS 4/14/11.

<sup>44</sup> County of Los Angeles CEO letter, Att. III, 8/29/11

an additional \$4 million in General Fund revenue to operate the four libraries in the proposed East Los Angeles incorporation area, and used about \$0.5 million of reserves. This \$4.0 million was funded by Utility User Tax (UUT) revenue. Incorporation would result in a shortfall of \$4.0 million to \$4.5 million of funding currently provided by the County, if not replaced by an ongoing City revenue source. If this funding deficit is not resolved, it would be necessary to reduce library service levels by approximately 65.4 percent. A reduction in library service levels could impact funding for books and materials, programming, staffing, and hours and days of operation.

## **Police Protection**

### **Current Services**

LASD provides law enforcement services to ELA from its ELA station including patrol, investigation (detective bureau), community relations (e.g., youth activity leagues, neighbor watch, after-school programs), and dispatch. Approximately 160 sworn officers (full-time equivalents, including overhead) provide services from the ELA station, excluding the officers under contract to the cities of Commerce, Cudahy, and Maywood.

Other services to ELA and all unincorporated areas include Community Oriented Policing Services (COPS bureau), parking enforcement, vandalism enforcement, Crime Impact Team (CIT), Summer Violent Crime Enforcement, and a Special Problems Team.

Regional services that support law enforcement in ELA and contract cities include: department executives/administration based at the Sheriff's headquarters in Monterey Park, the youth foundation, training, reserve forces, air support, SWAT/canine, emergency operations, arson, commercial crimes, major crimes, special victims, homicide, narcotics, auto theft prevention (Taskforce for Regional Auto-Theft Prevention [TRAP]), interventions (Vital Interventions and Directional Alternatives [VIDA]), safe streets (Operation Safe Streets [OSS]), scientific services, and records management (Records and Identification Bureau [RIB]).

The California Highway Patrol (CHP) has primary traffic enforcement and traffic collision investigation responsibility in the unincorporated area.

According to LASD, the costs of providing services to ELA (excluding park patrol, traffic enforcement, and regional services provided to all County residents) in FY 2009-10 were \$34.6 million.<sup>45</sup> These costs funded 198 total personnel including 160 total sworn officers (including overhead sworn officers) plus 13 park patrol officers who have since been consolidated with the patrol operations.<sup>46</sup>

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<sup>45</sup> County of Los Angeles CEO letter to LAFCO, Att. I, 3/1/11 ("Net Total Expenditures").

<sup>46</sup> Correspondence from Sheriff Baca to D. Park, County of Los Angeles CEO's Office, March 17, 2011, Att. I.

## **Park Patrol**

During FY 2009-10, the Office of Public Safety (OPS) provided law enforcement services to county facilities, neighborhood parks, nature centers lakes, natural areas, and nature trails located in the unincorporated area of ELA Station at an estimated gross cost of \$1.8 million. These law enforcement services are now provided by LASD.

## **Services following Incorporation**

After incorporation, the new city is assumed to contract with LASD to provide law enforcement, traffic control, and park patrol. While it may be possible for the new city to establish its own department, it is likely that the annual costs would be substantially higher than a contract for comparable service based on a review of cities with their own police departments, and start-up costs would be greater. Currently, the trend in the provision and organization of police services is toward County contracts, as cities seek to deal with adverse budget conditions. The costs of services in adjacent cities are comparable to, or greater than, the average Sheriff cost.

LASD developed a potential service contract for purposes of this CFA.<sup>47</sup> The contract staffing provides for the same level of services currently provided by the Sheriff's Department, including park patrol, and adds traffic enforcement currently provided by the CHP. The proposed staff totals 224 including 170 sworn personnel providing law prevention and enforcement, traffic control, park patrol, and overhead functions; excluding overhead staff, the proposal includes 138 sworn officers. The staffing is greater than the existing number of staff in order to provide for traffic enforcement and park patrol. The proposed cost for contract services is \$31.2 million. In addition, LASD indicated initial start-up costs, including station and parking expansion, additional equipment, and vehicles totaling an additional one-time cost of \$6.8 million.

LASD's contract proposal provides for 5 traffic units on duty at all times, and 8 to 16 criminal units on duty depending on the time of day. Eighteen additional units would provide functions comparable to current services, including the CIT, COPS, Graffiti Abatement, Special Problems, Community Relations, Youth Activity League (YAL), VIDA, Reserve Coordinator/Emergency Operations Center/Disaster Preparedness, and Motorcycle Units. Supplemental units provide supervisory, technical, and administrative support. Additional staff provide various overhead functions and are included in the costs for the aforementioned services.

The proposed ELA contract staff and cost are higher than other cities under contract to LASD. The ratio of sworn patrol officers to population under the ELA contract proposed by LASD would be about 1.1 patrol officers per thousand residents; the ratio for other contract cities ranges from 0.4 to 0.9 patrol officers per thousand residents,<sup>48</sup> averaging 0.7 patrol officers per thousand population.<sup>49</sup> The contract costs include payment for overhead staff in addition to the patrol officers.

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<sup>47</sup> Correspondence from Sheriff Baca to J. Orozco, County of Los Angeles CEO's Office, April 26, 2011.

<sup>48</sup> City of Commerce ratio is 2.0 per thousand residents due to the high proportion of employment relative to residents.

<sup>49</sup> Average excludes Commerce and Santa Clarita. See **Appendix Table B-5** for additional detail.

ELA crime rates relative to population fall within the range of other contract cities reviewed. However, the population density of ELA is relatively high, which helps to explain the high number of officers relative to other contract cities.

An alternative contract was evaluated in this CFA based on reduced staffing levels more typical of the contract cities shown. Sworn staff were reduced about 30 percent to 0.7 patrol officers per thousand residents, which is comparable to the average for the contract cities. The total cost for the alternative contract is \$21.1 million.

The alternative contract would provide 6 to 11 criminal units depending on time of day, and 12 additional units for various specialized functions (as described above for the 18 additional units proposed by the LASD contract). There would be three traffic units at all times compared to five under the LASD proposal. The actual deployment of the different units would be determined by the new city at the time a contract is prepared and would vary depending on community priorities and funding available.

Following are selected key indicators.

Item	Existing	LASD Proposal	CFA Alt.	Contract City Avg. <sup>1</sup>
Residents	126,500	<i>Same as existing</i>	<i>Same as existing</i>	112,588
Residents/Square Mile	16,866/sq.mi.	<i>Same as existing</i>	<i>Same as existing</i>	6,811/sq.mi.*
Part I Crimes/10,000 Res.	260	<i>Not estimated</i>	<i>Not estimated</i>	330
Patrol Officers <sup>2</sup> //Total including overhead officers	118//160	138//170	93//114	75//92
Patrol Officers//Total Officers/1,000 Residents	0.9//1.3	1.1//1.3	0.7//0.9	0.7//0.8
Patrol Officers//Total Officers/Square Mile	15.7//21.3	18.4//22.7	12.5//15.2	4.4//5.4*
Police Expenditures <sup>3</sup>	\$36.4 mill. \$288/resident	\$31.2 mill. \$247/resident	\$21.1 mill. \$166/resident	\$18.1 mill. <sup>4</sup> \$163/resident*
Avg. Response Time (minutes) to emergency	4.5 min.	<i>Not estimated</i>	<i>Not estimated</i>	4.9 min.

<sup>1</sup> Contract city average includes Carson, Compton, Lancaster, and Norwalk. **Appendix Table B-5** also includes Commerce and Santa Clarita for information purposes.

<sup>2</sup> Existing LASD patrol estimated by EPS based on LASD staffing. Total officers from LASD, 8/29/11.

<sup>3</sup> Includes contract cost plus other city police expenditures; "Existing" includes park patrol, excludes cost of CHP traffic enforcement.

<sup>4</sup> Contract cities spend an additional \$4.5 million on average for other police-related costs (e.g., overhead staff).

\* Note: EPS calculated contract city factors based on average of each city, not the totals of all cities. The former approach minimizes the bias due to the large Norwalk area.

While a reduction in staffing would reduce the costs of a contract with LASD, it is likely that response times would be less than current response times. The average response time to emergency calls in ELA is currently 4.5 minutes, which is lower than the average response time of 4.9 minutes for the contract cities shown.<sup>50</sup> While a detailed study of response times is beyond the scope of this CFA, it is reasonable to expect that a Sheriff's contract for reduced services could result in longer response times; however, the magnitude of potential specific impacts on response times and crimes rates has not been quantified.

## **Animal Control**

### **Current Services**

The Los Angeles County Department of Animal Care and Control Department (DACC) provides patrols looking for stray and injured animals, conducts humane investigation, sells dog licenses, provides rescue in natural disasters, and enforces all state and local animal regulations.

The Department's Downey shelter (11258 S. Garfield Avenue) provides sheltering, licensing, veterinary, and field services to ELA. Adoption is provided as a general service to any resident. Administrative services, call center, Major Case Unit, and canvassing are services provided centrally to all shelters. The Downey shelter provided a total of 592 housing days and 2,433 field service hours, issued 4,876 licenses, handled 301 owner surrenders and animal disposals, and impounded 96 animals during FY 2009-10 in the study area. The Department typically canvasses areas every 18 months; canvassing involves officers from the DACC going door to door, checking for up-to-date licenses and current rabies vaccinations, and ensuring that residents are in compliance with the mandatory spay/neuter and microchip ordinance. No canvassing was conducted in ELA during FY 2009-10 (canvassing occurs every 18 months); therefore, those service costs and revenues are not included in the County's net cost of service.

### **Services Following Incorporation**

After incorporation, the new city is assumed to contract with the DACC for animal care and control. The costs and revenues are assumed to be comparable to the costs estimated for service in the Base Year. The city may choose to contract for additional hours for canvassing services. No net costs for canvassing are assumed in future years, as canvassing-related revenues appear to cover costs.<sup>51</sup>

## **Public Health/Environmental Health**

The Department of Public Health (DPH) provides services to ELA which are also provided countywide. However, the County provides certain services to ELA which the new city may wish to continue providing itself. For example, within the ELA community, there is an increased need for environmental health-related code enforcement activity because of the increased level of street vending occurring in the public rights-of-way and private property. In past years, the County Supervisors have funded an increased service level in ELA; for FY 2009-10, the County

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<sup>50</sup> County of Los Angeles Sheriff's Dept. follow-up response, received by EPS 5/12/11.

<sup>51</sup> County of Los Angeles Animal Control follow-up response, received by EPS 4/13/11.



indicated that approximately \$520,000 was spent in ELA, which was fully funded and incurred no net County cost. Other cities, such as the City of Los Angeles, provide equipment such as trucks to tow away illegal food vendors.<sup>52</sup>

### **Services Following Incorporation**

The new city would have the option to continue to fund public health services related to food vending operations; this CFA assumes that those services would be funded at a level which would be offset by related fees and fines, or by allocation of General Fund revenues.

## **Consumer Affairs**

The County provides Consumer Affairs services to ELA. Expenditure and revenue data for the Department of Consumer Affairs (DCA) was based on actual services provided, which included two full-time Consumer Affairs Representative II positions in the Greeter Program and Consumer Protection Program respectively, as described further below.<sup>53</sup>

### **Greeter Program**

The Greeter Program is exclusively for the ELA County Hall. The program provides a full-time greeter for the purpose of orienting and assisting visitors at the ELA County Hall and entering them into a queue system. The greeter is bilingual and versed in County programs and services, as well as local nonprofits that can assist residents with various issues. The ELA County Hall is the only County facility with a full-time greeter.

### **Consumer Protection Program**

The Consumer Protection Program staff assists residents arriving at the ELA County Hall with consumer affairs-related issues and provides referrals to appropriate departments. In addition, issues related to federal, State and other non-County or government agencies are referred to the appropriate agencies. The Consumer Protection Program is a countywide service. However, ELA residents have a higher than average need for consumer affairs assistance and are particularly vulnerable to consumer fraud; therefore, a representative was established at the ELA County Hall.

### **Services Following Incorporation**

This CFA assumes a continuation of the current County expenditures for a Consumer Protection Program. The County Greeter orients and assists visitors with County programs and services, and therefore is not included in the new city budget.

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<sup>52</sup> County of Los Angeles, e-mail from Julia Orozco to Richard Berkson, EPS (April 1, 2011).

<sup>53</sup> Ibid.

## Other City Expenditures

The new city would require office space, supplies, and equipment to conduct its operations. Cost estimates are based on the anticipated number of city staff. Costs are estimated at \$1.75 per square foot per month including utilities, maintenance, and common area charges. Costs may differ depending on the actual amount, location, and cost of space leased. The new city would also incur costs for insurance, which are included in the proposed budget at 4 percent of total General Fund expenses (excluding non-departmental costs). This CFA also includes expenditures for initial acquisition of furnishings, fixtures and equipment, including computers, networks, printers and copiers, office furniture, and telephones. Ongoing expenses are included for supplies and other operating expenses.

A number of unforeseen costs may occur that would have to be borne by the city. The cost estimates include a contingency allowance estimated at approximately 5 percent of total General Fund costs to account for unforeseen costs or cost increases above the projected amounts in the CFA budget. If the contingency funds are not required, they could provide a reserve that could be strategically applied to specific purposes, e.g., capital improvements.

State guidelines<sup>54</sup> recommend that the new city establish operating and capital reserves equal to 20 to 30 percent of annual expenditures. **Table 1** illustrates potential reserves that could be established from the accumulation of surplus revenues in any given year, less draw-downs as necessary to help cover operations.

## County Repayment of First Year County Services

The County would most likely continue to provide a number of services to the city for the first fiscal year of city operation after incorporation, the "Transition Year." Services that would continue to be provided are likely to include sheriff, animal control, land use planning, building, code enforcement, and road maintenance. It is assumed that the County would request repayment of its first year expenses to provide services. The costs could be repaid by the new city over a five-year period in accordance with State law; the interest rate is negotiable. To the extent that County services are required for less than one full year, the repayment would be correspondingly lower; however, initial year staff costs for the new city are likely to be higher. The CFA assumes that a full year of Transition services would be required to help establish city procedures, operations and staff.

This CFA analysis assumes the new city receives a partial year of sales tax revenues and no property tax revenues; because of the timing of the creation of the new city, payments from the State would be delayed and a portion of revenues would continue to be sent to the County in the transition year. It is expected that the County and new city would arrange to transfer those funds (as well as other revenues received for Transition Year services) to the city and/or credit them against the initial year's service cost equal to any tax revenues retained by the County during the Transition Year.

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<sup>54</sup> A Guide to the LAFCO Process for Incorporations, Governor's Office of Planning and Research, October 2003.

### **Revenue Neutrality Mitigation Payments**

As summarized in **Tables 4** and **5**, the CFA estimates that there would be no adverse impact on the County. This is due to the service cost savings that are shown to exceed the transfer of revenues to the new city. If there were an adverse impact, this impact would be mitigated through agreement between the new city and the County, or through Terms and Conditions imposed by LAFCO.

### **Public Facilities**

All dedicated County roads would be conveyed to the new city. All parks are assumed to be conveyed to the new city, including Belvedere Park. However, further negotiations between the County and Proponents could determine that certain facilities, e.g., Belvedere Park, would remain a County responsibility. Should it decide to approve the cityhood request, LAFCO could include a term or condition relative to the disposition of Belvedere Park.

This CFA focuses on annual operating revenues and expenditures. However, the new city would be responsible for capital improvements, including major road improvements. It is anticipated that the new city would utilize gas taxes and other road-related funding sources, including grants, as well as a portion of any surplus General Fund revenues for capital improvements.

### **Local Government Services Not Provided by the City**

A variety of services, including fire protection and emergency medical services, public utilities, water and wastewater, flood control, library, public health, and environmental health, would continue to be provided by existing service providers. The new city may wish to improve or enhance these services over time through cooperative arrangements with existing agencies or businesses.

**Table 4**  
**Change in County Costs and Revenues: General Fund**

Item	TOTAL
<b>REVENUE REDUCTIONS</b>	
Property Tax	\$17,069,376
Property Transfer Tax	56,424
Sales and Use Tax	3,356,800
Sales Tax Pool	355,821
Transient Occupancy Tax	50,969
Motor Vehicle In-Lieu (VLF)	
Franchise Fees	
Water	289,553
Petroleum	11,000
Cable and Telecommunications	239,194
Gas	105,000
Electric	<u>684,095</u>
Subtotal	\$1,328,842
Utility User Tax	
Gas	493,867
Electric	3,078,426
Telephone	<u>866,216</u>
Subtotal	\$4,438,509
Business Licenses	\$107,107
<b>Total Revenue Reductions</b>	<b>\$26,763,846</b>
<b>EXPENDITURE REDUCTIONS</b>	
<u>Law Enforcement</u>	
County Sheriff (funded by General Revenues)	\$17,815,240
Office of Public Safety	<u>\$1,779,358</u>
Total, Law Enforcement	\$19,594,598
Consumer Affairs	108,133
Regional Planning	\$1,614,595
Animal Care and Control	\$408,691
Parks and Recreation	
Operations	<u>\$4,649,407</u>
Total, Parks and Recreation	\$4,649,407
Public Works (Cnty Engineer)	\$939,903
Other Code Enforcement	
County Counsel	\$51,502
District Attorney	\$583,093
Library (Gen'l Fund)	\$4,502,878
<b>Total Expenditure Reductions</b>	<b>\$32,452,800</b>
<b>NET GAIN or (loss) to County General Fund</b>	<b>\$5,688,954</b>
<b>NET GAIN or (loss) to County after Prop. 172 funding</b>	<b>\$22,371,804</b>

See Table 14, Table 11, Table 15 and supporting tables.

Prop. 172 funds are restricted to public safety. The funds not required for ELA may replace General Fund revenues currently used in unincorporated areas for public safety, or may augment public safety services elsewhere in the unincorporated County areas.

**Table 5**  
**Change in County Costs and Revenues: Roads and Transit, and Total w/GF**

<b>ROADS AND TRANSIT</b>		
1	<b>REVENUE REDUCTIONS</b>	
2	Gas Tax	\$200,000
3	Excise Tax	170,000
4	Prop A	1,900,000
5	Prop C	1,562,000
6	Measure R	1,230,000
7	STP-L	400,000
8	TDA 3 (Bikeway Fund)	75,000
9	Road District	<u>194,351</u>
10	Total Revenues	\$5,537,000
11		
12	<b>EXPENDITURE REDUCTIONS</b>	
13	Street Maintenance	\$7,115,081
14	Transit (Enterprise Fund)	2,301,596
15	Road District	<u>553,430</u>
16	Total Expenditures	\$9,416,677
17		
18		
19	<b>NET GAIN or (loss) to County Roads and Transit</b>	<b>\$3,879,677</b>
20		
21		
22	<b>TOTAL GAIN or (loss) to Roads, Transit and General Fund with Prop. 172-funded Sheriff Costs</b>	<b>\$26,251,481</b>

Revenues and expenditures based on County of Los Angeles CEO letter  
to LAFCO, Exh. I and II, 3/1/11, except as noted.  
See Table 14, Table 11, Table 15 and supporting tables.

## 5. MUNICIPAL REVENUE ESTIMATES

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This CFA is based upon a Municipal Budget Model that reflects a potential city budget during its first ten years of municipal operations. Data and assumptions are based on current revenues generated to the County from the area, a transfer of property tax in accordance with State law, and other revenues available to cities in California. Detailed calculations are included in **Appendix A**.

The analysis assumes an incorporation election before November in advance of an effective date the following July 1. This timing would allow for the new city to file with the State Board of Equalization in order to receive property taxes in its first year and to receive sales taxes in its first year. The timing of receipt of certain revenues would vary during the year, and some revenues may continue to be paid to the County in the initial year for taxes owed by taxpayers or businesses for the prior year (e.g., franchise fees). This CFA assumes a “cash basis” accounting of revenues, so any revenues received by the County during the initial year of the new city would be paid to the new city by the County or credited against the cost of transition-year services provided by the County on behalf of the new city.

### **Growth and Development**

A market analysis has not been prepared as a part of this CFA. However, the analysis does include assumptions about future growth in order to illustrate the implications of development upon the new city’s budget. The increase in residential units assumes 0.5 percent annual population growth.<sup>55</sup> The actual rate of growth would vary by area and depend on economic cycles as well as policies adopted by the new city council. This rate of growth, in addition to inflation and a nominal improvement in economic activity, is the basis for the estimates of future property tax and sales tax growth.

### **Property Tax**

The property tax transfer from the County to the new city would be determined in accordance with GC 56810. This statute requires calculation of the new city’s initial property tax base by multiplying the net cost of County services by the “Auditor’s Ratio”; this calculation bears no relationship to the current assessed value in ELA or to the amount of property taxes currently generated in ELA. The new city’s revenues after its initial year would be influenced by local property values; the new city would receive a share of future property tax growth from property transfer reassessments, property improvements and expansions, and the constitutionally mandated annual assessment increase. This CFA assumes an average growth in assessed value of approximately 1 percent above inflation; this growth assumes modest annual household growth, as well as turnover and value increase of existing residential and commercial properties.

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<sup>55</sup> Southern California Association of Governments, 2008 RTP Growth Forecast.

The County Auditor calculated the Auditor's Ratio for FY 2009-10 to be 52.598 percent.<sup>56</sup> The Auditor's Ratio equals the percentage of total County property taxes to total "revenues available for general purposes" including property taxes. Revenues available for general purposes are discretionary and exclude: funds restricted by statute revenues from fees, charges and assessments for a service; and revenues from the State and federal government required to be used for a specific purpose.

The amount of property tax to be transferred to the new city determined by this calculation would be adjusted when the first payments are made to the new city. The transfer amount would be adjusted by the County Auditor proportionate to the growth in assessed value in ELA from FY 2009-10 to the year the property tax is transferred. The County would deduct collection charges from the property tax revenues paid to the new city.

### **Net Cost of County Services**

The net cost of County services was established for the Base Year of FY 2009-10. This cost includes those services provided to ELA by the County which would be transferred from County responsibility to the new city.

### **Future Property Tax Growth**

Property taxes to the new city would grow as assessed value grows over time. New development over the past ten years has averaged about one-third of 1 percent annually; the area is nearly built out, and development activity which may occur within the redevelopment areas would not produce significant property tax revenues to the new city in the near term. The forecast assumes that new development and rehabilitation activity, plus growth in existing values resulting from reassessments, would slightly exceed inflation by about 1 percent.

The amount of property tax transferred to the new city, as described above, would exceed the amount of property tax currently accruing to the County from the ELA area; County property tax revenue would be shifted from other areas of the County in order to provide the base property tax transfer amount.

In order for the new city's property tax base to grow at the same rate as the growth in assessed value in ELA, the new city's tax allocation factor would need to be approximately 44 percent—this factor is estimated by dividing the new city's base property tax by the total 1 percent property tax collected in ELA (before including special district tax factors that would transfer to the new city). However, this factor exceeds the County's current factor in ELA and cannot be applied to the new city's share of property tax growth without adversely affecting other property tax-collecting jurisdictions within ELA. This CFA assumes that the new city receives a share of future property tax growth comparable to other cities in Los Angeles County, or approximately 26.8 percent of the combined city and County shares of property tax (excluding the City of Los Angeles).<sup>57</sup> The new city's tax allocation factor would be approximately 6.7 percent of future incremental property tax growth, assuming the new city receives 26.8 percent of the County's

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<sup>56</sup> County of Los Angeles CEO letter to LAFCO, Exh. IV, 3/1/11.

<sup>57</sup> Typical TRA Listing for Cities - FY 2010-2011, County of Los Angeles Auditor-Controller.

current 25 percent<sup>58</sup> average allocation factor in ELA. About half of the cities in Los Angeles County have a tax allocation factor between 5 and 7 percent.

## **Sales Tax**

Estimates of taxable retail sales generated within city boundaries after incorporation were based on existing taxable sales provided by the County and an estimate of a share of “unallocated sales tax”<sup>59</sup> consistent with current allocations to unincorporated Los Angeles County. The new city would receive a portion of sales tax revenue from the State in the form of property tax. This property tax in lieu of sales tax would have no financial implications for the new city; the estimated sales tax in this CFA includes the in-lieu amount.

## **Property Transfer Tax**

Property transfer tax revenues accruing to the city are generated from the value of property sold each year and a share of the transfer tax rate accruing to the city of \$0.55 per 1,000 of value transferred. The estimated revenues are based on FY 2010 transfer taxes relative to assessed value. The actual amount would vary in a given year depending on economic cycles and real estate activity.

## **Franchise Fees**

For each utility franchise in California, which uses a municipality’s streets and rights-of-way to provide the commodity, the utility company may be required to pay a percentage of its annual receipts (or lineal feet of pipeline, in the case of petroleum) derived from the use, operation, or possession of the franchise or a percentage of its gross annual receipts from the sale, transmission, and distribution of the commodity within the limits of the municipality. The fee differs based on municipality and utility type. Franchise fees apply to electricity, gas, cable (not including internet), water, and petroleum pipeline services in the unincorporated area of ELA.

With the exception of the petroleum providers, franchise fees are collected from the consumers by the franchise companies on a monthly basis as part of the billing system. Franchise fees are collected by the County 60 to 105 days after the end of the calendar year (depending on the utility), with the exception of the cable franchise, which is collected 45 days after the end of each calendar quarter. Nearly all transporters of petroleum products pay annual franchise fees to the municipalities based upon the linear footage of their pipelines, not a percentage of their gross receipts.

The single petroleum pipeline transporter in East Los Angeles—Pacific Pipeline System LLC—is a regulated common carrier and the annual franchise fees paid to the County are regulated by the

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<sup>58</sup> Current County average based on TRA factors weighted by property tax from each TRA in ELA per L.A. County Auditor–Controller/Tax Division, Taxing Agency Share per TRA of the General 1% Levy Fiscal Year 2009-2010, County of Los Angeles CEO letter to LAFCO, Exh. III, November 1, 2010.

<sup>59</sup> “Unallocated sales taxes” include taxes from mail order and Internet sales within California, as well as sales related to special events, distributed proportionately to situs sales tax.



California Public Utilities Commission (CPUC), based upon a linear footage formula as published by the CPUC (Cal. Pub. Util. Code §6231.5). The CPUC changed from percentage of gross formula to this linear footage formula effective January 1990, although a few long-term percentage of gross franchises may still remain on the books in some cities.<sup>60</sup>

Since Pacific Pipeline System LLC does not provide any service to the public, (transporting products only for itself and other petroleum companies), consumers are not billed for petroleum franchise fees.

The new city would receive franchise fees from utilities serving residents and businesses within the city. The CFA assumes that the city continues the same franchise fee rates currently imposed by the County, which are consistent with charges allowed by State law to general law cities.

## **Utility User Tax**

Los Angeles County levies a 4.5 percent UUT on electricity, gas, and telephone (wireless and landline) utilities in unincorporated Los Angeles (UUT Ordinance Title IV Chapter 4.62). The UUT is not applicable to Internet services provided by telephone companies (UUT Ordinance Title IV Chapter 4.62.030 U.). This CFA assumes that this rate is charged within the new city and generates revenues that accrue to the new city's General Fund.

The rate of the tax is at the discretion of the local agency; however, it must be approved by the voters through an appropriate election process. Los Angeles County voters recently approved a UUT reduction from 5 percent to 4.5 percent in 2008. Similar to the franchise fee, the tax is collected from residential and business customers on the regular bills and then remitted to the County within 20 days after the end of each month.

## **Transient Occupancy Tax**

Transient Occupancy Tax (TOT) revenues are based on County revenues collected in FY 2009-10 with the same tax rate<sup>61</sup> assumed to apply within the new city and accrue to the new city's General Fund. A 1 percent annual increase above inflation is assumed from revenue growth. A new 29-room motel, which is near completion, is assumed in the budget forecast.

## **Community Development Revenues**

This CFA assumes revenues comparable to current County revenues. Once the new city is formed, it may choose to revise current County fees and adopt its own schedule. The amount of revenues would also depend on the level of development activity.

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<sup>60</sup> Chief Executive Office – Real Estate Division, 8/29/11

<sup>61</sup> Current TOT rate is 12 percent in unincorporated Los Angeles County. The TOT is authorized under Title IV of the Los Angeles County Code (Code) Chapter 4.27 Transient Occupancy Tax.

## **Public Works/Engineering Revenues**

Fees can be charged for a variety of activities conducted by the Public Works Department, including development review. This CFA assumes revenues comparable to current County revenues. Once the new city is formed, it may choose to revise current County fees and adopt its own schedule. The amount of revenues would also depend on the level of development activity.

## **Fees, Fines and Penalties**

The average fines and penalties per resident accruing to the city were based on an EPS review of comparable cities and data provided by the County. The amount does not include public works, building, code enforcement and zoning-related fees, nor does it include recreation fees, which are shown in separate items; this is an important consideration when comparing to other cities.

## **State Motor Vehicle License Fees**

State Motor Vehicle License Fees (VLF) are one of the most important revenues for newly incorporating cities trying to achieve financial feasibility. It is one of the only revenue sources that are not transferred from the County and, as a result, do not have to be mitigated by the new city. In addition, the allocation to new cities provides a bump or "helping hand" to newly incorporated cities for the first five years after formation.

In August 2004, the California Legislature approved a VLF swap for property tax as part of a state-local budget agreement ("VLF for Property Tax Swap of 2004"). Subsequent legislation implementing the swap did not provide funding for future incorporations. To remedy this situation legislation provided that new cities would receive a per capita amount; the initial amount would be "bumped" 150 percent in the first year, with the "bump" declining by 10 percent annually until 100 percent is reached. Newly incorporated communities also receive a small per capita amount of VLF equal to the amount received by other existing cities.

The CFA includes additional VLF revenues based on \$48 per capita<sup>62</sup> adjusted annually (150 percent in first year, declining to 100 percent over subsequent five years). The actual amount each year would also depend upon the total amount of VLF collected statewide and the change in population statewide. For purposes of the forecast, those changes are assumed to be approximately similar.

## **Investment Earnings**

Investment earnings would be accumulated on annual revenues as well as earnings from reserve and fund balances. The CFA includes a conservative estimate of potential earnings based on cash flow. Additional earnings may accrue depending on the size of fund balances, enterprise funds, and other investments.

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<sup>62</sup> VLF based on estimates prepared by Michael Coleman, CaliforniaCityFinance.com, Shared Revenue Estimates: California State Revenue Allocations to Cities, March 4, 2011.

## Other Revenues

### Redevelopment

Redevelopment tax increment is required to be used for debt obligations, capital improvements, planning and special studies related to the elimination of blight within the redevelopment area. As noted above in the discussion of redevelopment, a portion of tax increment may help to pay for staff time and overhead required for redevelopment.

### Other Cost Allocations

In addition to overhead costs (including staff time) that can be funded through a share of redevelopment revenues, revenues from other funds can similarly help to offset the new city's "cost allocations" of overhead costs and staff time to those funds. **Table 1** includes estimated overhead allocations from Road Maintenance, Transit, the Belvedere District, and the Lighting Maintenance district. The allocations are based on the overhead component of County staff costs. Although it is likely that the special districts shown in the CFA would be dissolved and become part of the new city, it is expected that the cost and revenue structure would not differ significantly – only the manner of accounting would change.

### Road Fund

#### *Special Road District #1*

Road District #1 covers unincorporated territory that extends beyond the boundaries of ELA. This CFA assumes that the ELA services funded by Road District #1 property taxes would continue to be funded in the same amount for the new city. The revenues are based on the amount of property tax generated to the District from within the new city boundaries; this amount is less than the amount currently spent by the County in ELA using funds from other areas. This CFA further assumes continuation of expenditures at current levels, however, if additional funds are not found by the new city (e.g., reserves, capital sources, allocation of General Fund revenues) it may be necessary to reduce the current level of expenditures.

It is anticipated that within one year of the new city's effective date, Road District #1 territory within ELA would be detached and the new city's property tax base and tax factor would be increased by a corresponding amount.

#### *Gas Taxes*

Gas taxes are the primary source of Road Fund revenues. The new city would receive gas tax revenues via a number of different highway user taxes. The State Controller's Office provides current estimates of lump sum and per-capita rates that would accrue to the cities. The per-capita rates were applied to the projected population and added to the annual lump-sum payments to estimate the gas tax revenues accruing to the city each year. As a new city, gas tax revenues would benefit from the "bump" of 150 percent declining by 10 percent annually until 100 percent is reached.

#### *Other Road Revenues*

- **Measure R**—This is a one-half cent sales tax collected within all cities and unincorporated areas of Los Angeles County, effective for 30 years from voter adoption in 2008. It is

allocated to transit and highway capital projects, transit operations, and a fifteen percent portion to “local return” for local projects. The local return is distributed based on population. These funds may be put to work by cities for projects such as pothole repairs, major street resurfacing, left-turn signals, bikeways, pedestrian improvements, streetscapes, traffic signal synchronization and local transit services.<sup>63</sup> This CFA assumes these funds continue to fund road maintenance.

- **Prop. A**—Proposition A is funded by a one-half cent sales tax measures approved by Los Angeles County voters in 1980. Twenty-five percent of the Proposition A tax is designated for the Local Return (LR) Program. The local return is distributed based on population. The Proposition A Ordinance requires that LR funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds. Proposition A LR funds may also be traded to other jurisdictions in exchange for general or other funds. This CFA assumes that these revenues would continue to fund transit services.
- **Prop. C**—Proposition C is a one-half cent sales tax measures approved by Los Angeles County voters in 1990. Twenty percent of the Proposition C tax is designated for the Local Return (LR) Program. The LR is distributed based on population. The Proposition C Ordinance directs that the LR funds also be used to benefit public transit, as described above, but provides an expanded list of eligible project expenditures including, Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. Proposition C funds cannot be traded. This CFA assumes these funds continue to fund road maintenance.
- **STP-L**—The Federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) created the Surface Transportation Program (STP) to provide funding for a variety of highway and transit capital projects. STP funds are apportioned to cities and counties and are referred to as STP Local (STP-L) Funds.
- **TDA 3**—The Transportation Development Act allocates State sales tax revenues to bicycle and pedestrian projects. These funds are distributed on a per-capita basis.

### **Grants**

The new city may receive additional grant funds (not estimated) which could help to fund road improvements. Due to the uncertainty in predicting these funds, which are generally one-time in nature and often used for special projects, they have not been included in the forecast of ongoing annual operating revenues applied toward road-related maintenance.

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<sup>63</sup> <http://www.metro.net/projects/measurer/>

## 6. *IMPACTS UPON EXISTING AGENCIES*

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Existing service providers would continue to provide the court system, public health, social services, structural fire protection, water supply and wastewater disposal, flood control, library services and environmental health services. The new city may wish to improve or enhance some of these services over time through cooperative arrangements or contracts with existing agencies or businesses.

### **County of Los Angeles**

The incorporation of the area would change the operating budget of the County of Los Angeles in both the short term and long term.

#### **Short-Term Fiscal Impact on the County of Los Angeles**

The short-term fiscal effect upon the County of Los Angeles government from County municipal services provided in the initial (transition) year of the new city is assumed to be mitigated by payments made by the new city to the County as a part of the State-allowed repayment for first-year services over a one- to five-year period, including interest. The CFA assumes a credit against the cost of Transition Year services for revenues retained by the County during the Transition Year which otherwise would accrue to the new city.

#### **Revenue Neutrality and Long-Term County Impacts**

As summarized in **Table 4**, the CFA estimates that the reduction in County General Fund costs would exceed the reduction in County revenues resulting in a significant financial gain to the County; therefore, there would be no adverse impact requiring mitigation per State law. The gain is shown for the General Fund, and expenditure savings for Sheriff services funded from Prop. 172 revenues are added separately since they are limited to public safety expenditures.

The County Road Fund is likely to experience a positive impact because of the significant reduction in County road maintenance costs, as shown in **Table 5**. County Road Fund revenues are partially independent of unincorporated population and maintained road miles, and therefore not significantly affected by incorporation. The County also would gain from the elimination of transit responsibilities and costs in the area; related revenue reductions are less than the cost reductions.

### **Special Districts**

A number of special districts collect assessments or taxes for use within the district. The CFA assumes that the services provided by those entities would continue unaffected by incorporation, and the revenues would continue to be collected and utilized for the benefit of the properties assessed. The management of the service, however, would be transferred to the new city. The disposition of each district would be addressed by LAFCO during the incorporation process.

## **Other Agencies**

Other agencies serving the incorporation area, including school districts, water and sanitation districts, and electrical, natural gas and telephone utilities would not be significantly affected by the incorporation. These service providers are summarized in **Table 2**.

## APPENDIX A: Budget Analysis



**East Los Angeles CFA  
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**Table 1**  
**Summary of Results (all figures in constant \$\$s)**  
**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>1 GENERAL FUND</b>										
<b>2 Revenues</b>										
3 Property Taxes	\$16,796,266	\$16,821,475	\$16,846,936	\$16,872,652	\$16,898,625	\$16,924,858	\$16,951,353	\$16,978,113	\$17,005,141	\$17,032,438
4 Sales Tax	\$3,070,337	\$3,702,827	\$3,721,341	\$3,739,948	\$3,758,647	\$3,777,441	\$3,796,328	\$3,815,310	\$3,834,386	\$3,853,558
5 Transient Occupancy Tax	<i>Transition</i>	\$114,169	\$115,310	\$116,463	\$117,628	\$118,804	\$119,992	\$121,192	\$122,404	\$123,628
6 Real Property Transfer Tax	\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
7 Franchise Fees	<i>Transition</i>	\$1,349,011	\$1,355,734	\$1,362,458	\$1,369,181	\$1,375,904	\$1,382,627	\$1,389,350	\$1,396,074	\$1,402,797
8 Utility User Tax	\$5,057,954	\$5,083,288	\$5,108,622	\$5,133,956	\$5,159,290	\$5,184,624	\$5,209,958	\$5,235,293	\$5,260,627	\$5,285,961
9 Public Wks/Building Fees	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189
10 Parks and Recreation Fees	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611
11 Business Licenses	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
12 Fines, Penalties, Misc.	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
13 State Motor Vehicle License Fees	\$680,156	\$638,008	\$595,403	\$552,342	\$508,824	\$464,850	\$467,133	\$469,415	\$471,698	\$473,980
14 VLF (AB 1602)	\$9,166,518	\$8,598,484	\$8,024,298	\$7,443,960	\$6,857,469	\$6,264,825	\$6,295,588	\$6,326,351	\$6,357,114	\$6,387,876
15 Investment Earnings	\$283,787	\$295,383	\$291,412	\$287,394	\$283,330	\$279,219	\$280,133	\$281,049	\$281,969	\$282,892
16 <b>Subtotal</b>	\$38,121,987	\$39,679,779	\$39,146,362	\$38,606,653	\$38,060,656	\$37,508,374	\$37,631,154	\$37,754,314	\$37,877,857	\$38,001,787
17										
<b>18 Expenditures</b>										
19 Legislative	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
20 City Clerk, City Treasurer	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
21 Elections		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000
22 City Manager	\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
23 City Attorney	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
24 Administrative Services	\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
25 Police	<i>Transition</i>	\$21,157,215	\$21,263,001	\$21,369,316	\$21,476,163	\$21,583,544	\$21,691,461	\$21,799,919	\$21,908,918	\$22,018,463
26 Animal Control	<i>Transition</i>	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
27 Community Development	\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
28 Public Works	\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
29 Parks and Rec	\$1,009,800	\$4,207,734	\$4,228,773	\$4,249,917	\$4,271,166	\$4,292,522	\$4,313,985	\$4,335,554	\$4,357,232	\$4,379,018
30 Library (Gen'l Fund)	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878
31 Non-Departmental										
32 Office Rent/Equipment/Supplies	\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500
33 Insurance	\$465,806	\$757,259	\$755,074	\$740,835	\$743,429	\$742,036	\$740,656	\$743,290	\$745,936	\$748,596
34 Contingency (5%)	\$605,548	\$2,042,297	\$2,044,746	\$2,031,551	\$2,040,266	\$2,043,824	\$2,047,426	\$2,056,273	\$2,065,163	\$2,074,098
35 Transition Yr Cnty Services (repayment)		\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831				
36 <b>Subtotal</b>	\$12,516,516	\$49,447,076	\$49,298,490	\$49,221,396	\$49,204,409	\$49,479,137	\$42,795,954	\$43,181,726	\$43,168,427	\$43,556,061
37 <b>Net General Fund</b>	\$25,605,471	(\$9,767,297)	(\$10,152,128)	(\$10,614,742)	(\$11,143,753)	(\$11,970,763)	(\$5,164,800)	(\$5,427,412)	(\$5,290,570)	(\$5,554,274)
38										
<b>39 Other Funds and Transfers</b>										
40 Road Maintenance		(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
41 Transit		(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
42 Redevelopment (transfer)	<i>Transition</i>	\$713,526	\$717,094	\$720,679	\$724,282	\$727,904	\$731,543	\$735,201	\$738,877	\$742,572
43 Belvedere District (transfer)	<i>Transition</i>	\$321,411	\$323,018	\$324,633	\$326,256	\$327,888	\$329,527	\$331,175	\$332,831	\$334,495
44 Lighting Maintenance (transfer)	<i>Transition</i>	\$280,235	\$281,636	\$283,044	\$284,460	\$285,882	\$287,311	\$288,748	\$290,192	\$291,643
45 <b>Subtotal</b>	\$0	\$348,703	\$16,314	(\$319,651)	(\$659,193)	(\$1,002,313)	\$1,069,773	\$1,071,934	\$1,073,908	\$1,075,695
46										
47 <b>TOTAL</b>	\$25,605,471	(\$9,418,594)	(\$10,135,814)	(\$10,934,393)	(\$11,802,946)	(\$12,973,077)	(\$4,095,027)	(\$4,355,478)	(\$4,216,662)	(\$4,478,579)
48 <b>Cumulative Reserves</b>	\$25,605,471	\$16,186,877	\$6,051,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 1**  
**Summary of Results (all figures in constant \$\$s)**  
**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>49 ROAD MAINTENANCE</b>										
<b>50 Revenues</b>										
51 Road District	\$194,351	\$195,323	\$196,299	\$197,281	\$198,267	\$199,259	\$200,255	\$201,256	\$202,262	\$203,274
52 Gas Taxes	\$5,097,729	\$4,782,629	\$4,464,135	\$4,142,246	\$3,816,962	\$3,488,284	\$3,505,256	\$3,522,229	\$3,539,202	\$3,556,175
53 Other (Prop. C, Measure R)	<u>\$3,163,795</u>	<u>\$3,177,638</u>	<u>\$3,191,481</u>	<u>\$3,205,324</u>	<u>\$3,219,168</u>	<u>\$3,233,011</u>	<u>\$3,246,854</u>	<u>\$3,260,697</u>	<u>\$3,274,540</u>	<u>\$3,288,384</u>
54 <b>Total</b>	\$8,455,875	\$8,155,590	\$7,851,915	\$7,544,851	\$7,234,397	\$6,920,553	\$6,952,365	\$6,984,183	\$7,016,005	\$7,047,832
<b>55</b>										
<b>56 Expenditures</b>										
57 Road District	Transition	\$553,430	\$556,197	\$558,978	\$561,773	\$564,582	\$567,405	\$570,242	\$573,093	\$575,958
58 Maintenance of Roads/Related Facilities	Transition	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
59 (less) Cost Allocation for GF Services	Transition	(\$1,103,033)	(\$1,108,548)	(\$1,114,091)	(\$1,119,662)	(\$1,125,260)	(\$1,130,886)	(\$1,136,541)	(\$1,142,223)	(\$1,147,934)
60 Transition Yr Cnty Services (repayment)	Transition	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>				
61 <b>Total</b>	\$0	\$8,192,747	\$8,225,752	\$8,258,922	\$8,292,259	\$8,325,761	\$6,767,738	\$6,801,577	\$6,835,585	\$6,869,763
<b>62</b>										
63 <b>Road Maintenance Surplus (Deficit)</b>	\$8,455,875	(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
64 <b>Cumulative Reserves</b>	\$8,455,875	\$8,418,718	\$8,044,882	\$7,330,810	\$6,272,948	\$4,867,740	\$5,052,367	\$5,234,973	\$5,415,393	\$5,593,463
<b>65 TRANSIT</b>										
<b>66 Revenues</b>										
67 Prop. A	<u>\$1,722,420</u>	<u>\$1,731,048</u>	<u>\$1,739,675</u>	<u>\$1,748,302</u>	<u>\$1,756,929</u>	<u>\$1,765,556</u>	<u>\$1,774,184</u>	<u>\$1,782,811</u>	<u>\$1,791,438</u>	<u>\$1,800,065</u>
68 <b>Total</b>	\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
<b>69</b>										
<b>70 Expenditures</b>										
71 Transit	Transition	\$2,313,104	\$2,324,669	\$2,336,293	\$2,347,974	\$2,359,714	\$2,371,513	\$2,383,370	\$2,395,287	\$2,407,264
72 (less) Cost Allocation for GF Services	Transition	(\$130,791)	(\$131,445)	(\$132,102)	(\$132,762)	(\$133,426)	(\$134,093)	(\$134,764)	(\$135,438)	(\$136,115)
73 Transition Yr Cnty Services (repayment)	Transition	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>				
74 <b>Total</b>	\$0	\$2,660,360	\$2,671,272	\$2,682,238	\$2,693,259	\$2,704,335	\$2,237,419	\$2,248,607	\$2,259,850	\$2,271,149
<b>75</b>										
76 <b>Transit Surplus (Deficit)</b>	\$1,722,420	(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
77 <b>Cumulative Reserves</b>	\$1,722,420	\$793,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78 <b>TOTAL, Roads and Transit</b>	\$10,178,296	(\$966,469)	(\$1,305,434)	(\$1,648,007)	(\$1,994,191)	(\$2,343,987)	(\$278,609)	(\$283,190)	(\$287,991)	(\$293,014)
79 <b>Cumulative Reserves</b>	\$10,178,296	\$9,211,826	\$7,906,393	\$6,258,385	\$4,264,194	\$1,920,207	\$1,641,599	\$1,358,409	\$1,070,417	\$777,403

**Notes to Table 1**

- 3,4,5 Revenues retained by County in Transition Year are credited against costs. Current estimates assume election prior to November 2012, effective date July 1, 2013.
- Services shown as "Transition" are entirely provided by County during first year, in addition to continuation of other existing services which will also require some city staff costs during Transition, as s
- 35 Repayment for transition year County services (less County-retained revenues).
- 40 Road Maintenance is net of overhead cost allocations to GF. Includes costs and revenues attributable to current Road District.
- Initial year transit and road reserves not included as offset to General Fund shortfalls due to revenue restrictions.
- 42 Division overhead from tax increment funds, County of Los Angeles CEO letter to LAFCO, Att. IV, 3/1/11. Staff costs included in Community Development.
- 43 Includes overhead for Belvedere District based on staff costs. Staff and other expenses assumed covered by district property tax and rates (not shown).
- 44 Includes overhead for Lighting Maint. Dist. based on staff costs; costs per County of Los Angeles CEO letter to LAFCO, Att. XII, 3/1/11.
- 41 Includes estimated overhead for Transit Dist. Based on % of salaries; salaries from County of Los Angeles CEO letter to LAFCO, Att. XII, 3/1/11.
- 51,57 Road fund property tax revenues based on actual amount collected, County of Los Angeles CEO letter to LAFCO, Taxing Agency Share of 1% Levy FY10, 11/1/10.
- Note: actual expenditures in FY10 exceeded amount collected from ELA; future amounts assumed equal to amount collected.
- 58 Includes contingency (see Table 25)
- 72 OH estimated for Road Maintenance Division; see Table 25. Road maintenance staff are included in Road Fund.
- 578 Road and Transit annual balances are also shown under the category "Other Funds and Transfers" on prior page for purposes of showing a total for all funds, including the General Fund.
- 4 If shortfalls are funded by General Fund transfers, the initial balances shown could be retained.

**Table 1a**  
**Summary of Results (all figures in constant \$\$s) NO VLF**  
**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 Transition Year	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>1 GENERAL FUND</b>										
<b>2 Revenues</b>										
3 Property Taxes	\$16,796,266	\$16,821,475	\$16,846,936	\$16,872,652	\$16,898,625	\$16,924,858	\$16,951,353	\$16,978,113	\$17,005,141	\$17,032,438
4 Sales Tax	\$3,070,337	\$3,702,827	\$3,721,341	\$3,739,948	\$3,758,647	\$3,777,441	\$3,796,328	\$3,815,310	\$3,834,386	\$3,853,558
5 Transient Occupancy Tax	<i>Transition</i>	\$114,169	\$115,310	\$116,463	\$117,628	\$118,804	\$119,992	\$121,192	\$122,404	\$123,628
6 Real Property Transfer Tax	\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
7 Franchise Fees	<i>Transition</i>	\$1,349,011	\$1,355,734	\$1,362,458	\$1,369,181	\$1,375,904	\$1,382,627	\$1,389,350	\$1,396,074	\$1,402,797
8 Utility User Tax	\$5,057,954	\$5,083,288	\$5,108,622	\$5,133,956	\$5,159,290	\$5,184,624	\$5,209,958	\$5,235,293	\$5,260,627	\$5,285,961
9 Public Wks/Building Fees	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189
10 Parks and Recreation Fees	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611
11 Business Licenses	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
12 Fines, Penalties, Misc.	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
13 State Motor Vehicle License Fees	<i>-- eliminated by SB 89 --</i>									
14 VLF (AB 1602)	<i>-- eliminated by SB 89 --</i>									
15 Investment Earnings	\$283,787	\$295,383	\$291,412	\$287,394	\$283,330	\$279,219	\$280,133	\$281,049	\$281,969	\$282,892
<b>16 Subtotal</b>	\$28,275,314	\$30,443,287	\$30,526,661	\$30,610,351	\$30,694,363	\$30,778,698	\$30,868,433	\$30,958,548	\$31,049,046	\$31,139,931
<b>17</b>										
<b>18 Expenditures</b>										
19 Legislative	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
20 City Clerk, City Treasurer	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
21 Elections		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000
22 City Manager	\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
23 City Attorney	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
24 Administrative Services	\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
25 Police	<i>Transition</i>	\$21,157,215	\$21,263,001	\$21,369,316	\$21,476,163	\$21,583,544	\$21,691,461	\$21,799,919	\$21,908,918	\$22,018,463
26 Animal Control	<i>Transition</i>	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
27 Community Development	\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
28 Public Works	\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
29 Parks and Rec	\$1,009,800	\$4,207,734	\$4,228,773	\$4,249,917	\$4,271,166	\$4,292,522	\$4,313,985	\$4,335,554	\$4,357,232	\$4,379,018
30 Library (Gen'l Fund)	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878
31 Non-Departmental										
32 Office Rent/Equipment/Supplies	\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500
33 Insurance	\$465,806	\$757,259	\$755,074	\$740,835	\$743,429	\$742,036	\$740,656	\$743,290	\$745,936	\$748,596
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35 Transition Yr Cnty Services (repayment)		\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831				
<b>36 Subtotal</b>	\$12,516,516	\$49,447,076	\$49,298,490	\$49,221,396	\$49,204,409	\$49,479,137	\$42,795,954	\$43,181,726	\$43,168,427	\$43,556,061
<b>37 Net General Fund</b>	\$15,758,798	(\$19,003,789)	(\$18,771,830)	(\$18,611,044)	(\$18,510,046)	(\$18,700,439)	(\$11,927,521)	(\$12,223,178)	(\$12,119,381)	(\$12,416,131)
<b>38</b>										
<b>39 Other Funds and Transfers</b>										
40 Road Maintenance		(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
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<b>45 Subtotal</b>	\$0	\$348,703	\$16,314	(\$319,651)	(\$659,193)	(\$1,002,313)	\$1,069,773	\$1,071,934	\$1,073,908	\$1,075,695
<b>46</b>										
<b>47 TOTAL</b>	\$15,758,798	(\$18,655,086)	(\$18,755,515)	(\$18,930,695)	(\$19,169,239)	(\$19,702,752)	(\$10,857,747)	(\$11,151,244)	(\$11,045,473)	(\$11,340,436)
<b>48 Cumulative Reserves</b>	\$15,758,798	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 1a**  
**Summary of Results (all figures in constant \$\$s) NO VLF**  
**East Los Angeles CFA**

Item	Fiscal Year									
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53 Other (Prop. C, Measure R)	<u>\$3,163,795</u>	<u>\$3,177,638</u>	<u>\$3,191,481</u>	<u>\$3,205,324</u>	<u>\$3,219,168</u>	<u>\$3,233,011</u>	<u>\$3,246,854</u>	<u>\$3,260,697</u>	<u>\$3,274,540</u>	<u>\$3,288,384</u>
54 <b>Total</b>	\$8,455,875	\$8,155,590	\$7,851,915	\$7,544,851	\$7,234,397	\$6,920,553	\$6,952,365	\$6,984,183	\$7,016,005	\$7,047,832
<b>55</b>										
<b>56 Expenditures</b>										
57 Road District	<i>Transition</i>	\$553,430	\$556,197	\$558,978	\$561,773	\$564,582	\$567,405	\$570,242	\$573,093	\$575,958
58 Maintenance of Roads/Related Facilities	<i>Transition</i>	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
59 (less) Cost Allocation for GF Services	<i>Transition</i>	(\$1,103,033)	(\$1,108,548)	(\$1,114,091)	(\$1,119,662)	(\$1,125,260)	(\$1,130,886)	(\$1,136,541)	(\$1,142,223)	(\$1,147,934)
60 Transition Yr Cnty Services (repayment)	<i>Transition</i>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>	<u>\$1,591,694</u>				
61 <b>Total</b>	\$0	\$8,192,747	\$8,225,752	\$8,258,922	\$8,292,259	\$8,325,761	\$6,767,738	\$6,801,577	\$6,835,585	\$6,869,763
<b>62</b>										
63 <b>Road Maintenance Surplus (Deficit)</b>	\$8,455,875	(\$37,157)	(\$373,837)	(\$714,072)	(\$1,057,862)	(\$1,405,208)	\$184,627	\$182,606	\$180,420	\$178,070
64 <b>Cumulative Reserves</b>	\$8,455,875	\$8,418,718	\$8,044,882	\$7,330,810	\$6,272,948	\$4,867,740	\$5,052,367	\$5,234,973	\$5,415,393	\$5,593,463
<b>65 TRANSIT</b>										
<b>66 Revenues</b>										
67 Prop. A	<u>\$1,722,420</u>	<u>\$1,731,048</u>	<u>\$1,739,675</u>	<u>\$1,748,302</u>	<u>\$1,756,929</u>	<u>\$1,765,556</u>	<u>\$1,774,184</u>	<u>\$1,782,811</u>	<u>\$1,791,438</u>	<u>\$1,800,065</u>
68 <b>Total</b>	\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
<b>69</b>										
<b>70 Expenditures</b>										
71 Transit	<i>Transition</i>	\$2,313,104	\$2,324,669	\$2,336,293	\$2,347,974	\$2,359,714	\$2,371,513	\$2,383,370	\$2,395,287	\$2,407,264
72 (less) Cost Allocation for GF Services	<i>Transition</i>	(\$130,791)	(\$131,445)	(\$132,102)	(\$132,762)	(\$133,426)	(\$134,093)	(\$134,764)	(\$135,438)	(\$136,115)
73 Transition Yr Cnty Services (repayment)	<i>Transition</i>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>	<u>\$478,047</u>				
74 <b>Total</b>	\$0	\$2,660,360	\$2,671,272	\$2,682,238	\$2,693,259	\$2,704,335	\$2,237,419	\$2,248,607	\$2,259,850	\$2,271,149
<b>75</b>										
76 <b>Transit Surplus (Deficit)</b>	\$1,722,420	(\$929,313)	(\$931,597)	(\$933,936)	(\$936,330)	(\$938,778)	(\$463,236)	(\$465,796)	(\$468,412)	(\$471,084)
77 <b>Cumulative Reserves</b>	\$1,722,420	\$793,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78 <b>TOTAL, Roads and Transit</b>	\$10,178,296	(\$966,469)	(\$1,305,434)	(\$1,648,007)	(\$1,994,191)	(\$2,343,987)	(\$278,609)	(\$283,190)	(\$287,991)	(\$293,014)
79 <b>Cumulative Reserves</b>	\$10,178,296	\$9,211,826	\$7,906,393	\$6,258,385	\$4,264,194	\$1,920,207	\$1,641,599	\$1,358,409	\$1,070,417	\$777,403

**Notes to Table 1a**

- 3,4,5 Revenues retained by County in Transition Year are credited against costs. Current estimates assume election prior to November 2012, effective date July 1, 2013.
- Services shown as "Transition" are entirely provided by County during first year, in addition to continuation of other existing services which will also require some city staff costs during Transition, as s
- 35 Repayment for transition year County services (less County-retained revenues).
- 40 Road Maintenance is net of overhead cost allocations to GF. Includes costs and revenues attributable to current Road District.
- Initial year transit and road reserves not included as offset to General Fund shortfalls due to revenue restrictions.
- 42 Division overhead from tax increment funds, County of Los Angeles CEO letter to LAFCO, Att. IV, 3/1/11. Staff costs included in Community Development.
- 43 Includes overhead for Belvedere District based on staff costs. Staff and other expenses assumed covered by district property tax and rates (not shown).
- 44 Includes overhead for Lighting Maint. Dist. based on staff costs; costs per County of Los Angeles CEO letter to LAFCO, Att. XII, 3/1/11.
- 41 Includes estimated overhead for Transit Dist. Based on % of salaries; salaries from County of Los Angeles CEO letter to LAFCO, Att. XII, 3/1/11.
- 51,57 Road fund property tax revenues based on actual amount collected, County of Los Angeles CEO letter to LAFCO, Taxing Agency Share of 1% Levy FY10, 11/1/10.
- Note: actual expenditures in FY10 exceeded amount collected from ELA; future amounts assumed equal to amount collected.
- 58 Includes contingency (see Table 25)
- 72 OH estimated for Road Maintenance Division; see Table 25. Road maintenance staff are included in Road Fund.
- 57,78 Road and Transit annual balances are also shown under the category "Other Funds and Transfers" on prior page for purposes of showing a total for all funds, including the General Fund.
- 59 If shortfalls are funded by General Fund transfers, the initial balances shown could be retained.

**Table 2**  
**Municipal Service Providers -- Existing and Proposed**  
**East Los Angeles CFA**

Service	Service Provision		
	Present Provider	After Incorporation	
<b>General Government</b>			
Governing Board	LA County	New City	City Council
Manager	LA County	New City	City Staff
Attorney	LA County	New City	City Staff/Contracts
Finance/Clerk/Administrative Services	LA County	New City	City Staff/Contracts
<b>Public Protection</b>			
Law Enforcement	LA County Sheriff	New City/LASD	Contract with County Sheriff
Traffic Control/Accident Investigation	California Highway Patrol	New City/LASD	Contract with County Sheriff
Fire Protection & Paramedic	Consolidated Fire Protection Dist. of L.A. County	No Change	As is currently provided
Ambulance	American Medical Response	No Change	As is currently provided
Animal Control	LA County, Dept. of Animal Care and Control	New City	Contract with County
Vector Control and Mosquito Abatement	Greater Los Angeles County Vector Control Dist.	No Change	As is currently provided
<b>Land Use and Planning</b>			
Zoning Code Enforcement	LA County	New City	City Staff
Land Use Application Processing	LA County	New City	City Staff/Contract
Building Inspection & Plan Check	LA County	New City	City Staff/Contract
Advance Planning	LA County	New City	City Staff
Economic Development/Redevelopment	LA County	New City	City Staff
<b>Community Services</b>			
Recreation Programs	LA County Dept. of Park and Recreation	New City	City Staff
Senior Services	LA County	New City	City Staff
Local Parks	LA County Dept. of Park and Recreation	New City	City Staff/Contracts
Landscape Maintenance	Montebello Recreation & Park District	New City	City Staff/Contracts
	Bella Vista Recreation & Park District	New City	City Staff/Contracts
Regional Parks/Open Space	LA County Dept. of Park and Recreation	No Change	As is currently provided
	LA County Regional Park & Open Space District	No Change	As is currently provided
Library	LA County	No Change	As is currently provided
Health Services	LA County	No Change	As is currently provided
<b>Public Works/Public Utilities</b>			
Road Maintenance	LA County/County Road Dist. #1	New City	City Staff/Contracts
Signal Maintenance	LA County	New City	City Staff/Contracts
Street Lighting	LA County/County Lighting Maint. Dist. No. 1687	New City	City Staff/Contracts
Traffic Control	LA County	New City	City Staff/Contracts
Stormwater Quality/NPDES	LA County	New City	City Staff/Contracts
Flood Control & Conveyance Drainage	LA County	New City	City Staff/Contracts
Solid Waste Management	Belvedere Garbage Disposal District	New City	City Staff/Contracts
Solid Waste Collection/Disposal	Consolidated Disposal Service	New City	City Staff/Contracts
<b>Wastewater Collection</b>			
Wastewater Treatment/Disposal	LA Cnty/LA Cnty Consol. Sewer Maint. Dist.	LA Cnty/LA Cnty Consol. Sewer Maint. Dist.	
Domestic Water	LA County Sanitation District No. 2	No Change	As is currently provided
	Central Basin MWD (wholesaler)	No Change	As is currently provided
	California Water Service Company (retailer)		
<b>Public Education</b>			
K-12 Grade Levels	LA USD, Montebello USD	No Change	As is currently provided
College	n/a	No Change	As is currently provided
<b>Other Services</b>			
Electricity	Southern California Edison	No Change	Franchise Agreement w/New City
Gas	Southern California Gas Company	No Change	Franchise Agreement w/New City
Cable Television	Time Warner	No Change	Franchise Agreement w/New City
Public Transit	LA Metro	No Change	As is currently provided
Shuttle, Dial-a-Ride	LA County	New City	City Staff

**Table 3**  
**General Park Information**  
**East Los Angeles CFA**

Facility	Address	Acres	Amenities
<b>Atlantic Park</b>	570 S. Atlantic Avenue Los Angeles, CA 90022	3.1	Pool, splashpad, 2 picnic shelters, play area.
<b>Belvedere Park</b>	4914 E. Cesar Chavez Ave Los Angeles, CA 90022	39.1	Community/Social Hall Room, Computer Room, Gymnasium, Baseball Fields (3), Tennis Courts (2), Basketball Courts (Outdoor), Soccer Fields (4), Playground, Picnic Shelters (4), Skate Park, Swimming Pool, Weight Room, Outdoor Exercise Equipment, Fishing Lake (managed by ISD),
<b>City Terrace Park</b>	1126 Hazard Avenue Los Angeles, CA 90063	14.0	Community Room, Computer Center, Gymnasium, Multi-purpose Field/Baseball Diamonds, Tennis Courts, Basketball Courts, Picnic Shelter, Pool, Splash pad, Youth Soccer Field, Ceramic Room.
<b>Eddie Heredia Boxing Club</b>	5127 E. Olympic Blvd Los Angeles, CA 90022	No parkland (facility only)	Community Boxing Gym, Boxing Ring, Boxing Equipment, Computer Room Center, Weight Room.
<b>Obregon Park</b>	4021 E. 1st Street Los Angeles. CA 90063	9.4	Community Room, Computer Center, Gymnasium, Pool, Basketball Courts, Outdoor Exercise Equipment, Baseball Diamonds, Picnic Tables, Jogging Path, Handball Courts, Outdoor Batting Cage, Ceramics Room,
<b>Parque de Los Suenos</b>	1333 S. Bonnie Beach Place Los Angeles, CA 90023	<1	One restroom, one picnic shelter, one ADA accessible play area, This park is a passive park and does not have any recreational programs or activities. Park is cleaned daily by Grounds Maintenance.
<b>Salazar Park</b>	3864 Whittier Blvd, Los Angeles, CA 90023	8.4	Community Room, Headstart/Multi-purpose Room, Computer Center, Gymnasium, Multi-purpose Field/Baseball Diamond, Tennis Courts, Basketball Courts, Pool, Outdoor Exercise Equipment, Picnic Shelter, Senior Center,
<b>Saybrook Park</b>	6250 Northside Drive Los Angeles, CA 90022	4.1	Multi-purpose Room, Computer Center, Baseball Field, Tennis Courts, Basketball Courts, Picnic Area, Art Center.

Source: Los Angeles County Department of Parks and Recreation, ELA General Park Information, County of Los Angeles CEO letter to LAFCO, Exh. VI, 3/1/11

**Table 4**  
**Change in County Costs and Revenues: General Fund**

Item	TOTAL
<b>REVENUE REDUCTIONS</b>	
Property Tax	\$17,069,376
Property Transfer Tax	56,424
Sales and Use Tax	3,356,800
Sales Tax Pool	355,821
Transient Occupancy Tax	50,969
Motor Vehicle In-Lieu (VLF)	
Franchise Fees	
Water	289,553
Petroleum	11,000
Cable and Telecommunications	239,194
Gas	105,000
Electric	<u>684,095</u>
Subtotal	\$1,328,842
Utility User Tax	
Gas	493,867
Electric	3,078,426
Telephone	<u>866,216</u>
Subtotal	\$4,438,509
Business Licenses	\$107,107
<b>Total Revenue Reductions</b>	<b>\$26,763,846</b>
<b>EXPENDITURE REDUCTIONS</b>	
<u>Law Enforcement</u>	
County Sheriff (funded by General Revenues)	\$17,815,240
Office of Public Safety	<u>\$1,779,358</u>
Total, Law Enforcement	\$19,594,598
Consumer Affairs	108,133
Regional Planning	\$1,614,595
Animal Care and Control	\$408,691
Parks and Recreation	
Operations	<u>\$4,649,407</u>
Total, Parks and Recreation	\$4,649,407
Public Works (Cnty Engineer)	\$939,903
Other Code Enforcement	
County Counsel	\$51,502
District Attorney	\$583,093
Library (Gen'l Fund)	\$4,502,878
<b>Total Expenditure Reductions</b>	<b>\$32,452,800</b>
<b>NET GAIN or (loss) to County General Fund</b>	<b>\$5,688,954</b>
<b>NET GAIN or (loss) to County after Prop. 172 funding</b>	<b>\$22,371,804</b>

See Table 14, Table 11, Table 15 and supporting tables.

Prop. 172 funds are restricted to public safety. The funds not required for ELA may replace General Fund revenues currently used in unincorporated areas for public safety, or may augment public safety services elsewhere in the unincorporated County areas.

**Table 5**  
**Change in County Costs and Revenues: Roads and Transit, and Total w/GF**

<b>ROADS AND TRANSIT</b>		
<hr/>		
1	<b>REVENUE REDUCTIONS</b>	
2	Gas Tax	\$200,000
3	Excise Tax	170,000
4	Prop A	1,900,000
5	Prop C	1,562,000
6	Measure R	1,230,000
7	STP-L	400,000
8	TDA 3 (Bikeway Fund)	75,000
9	Road District	<u>194,351</u>
10	Total Revenues	\$5,537,000
11		
12	<b>EXPENDITURE REDUCTIONS</b>	
13	Street Maintenance	\$7,115,081
14	Transit (Enterprise Fund)	2,301,596
15	Road District	<u>553,430</u>
16	Total Expenditures	\$9,416,677
17		
18		
19	<b>NET GAIN or (loss) to County Roads and Transit</b>	<b>\$3,879,677</b>
20		
21		
22	<b>TOTAL GAIN or (loss) to Roads, Transit and General Fund with Prop. 172-funded Sheriff Costs</b>	<b>\$26,251,481</b>
<hr/>		

Revenues and expenditures based on County of Los Angeles CEO letter  
to LAFCO, Exh. I and II, 3/1/11, except as noted.  
See Table 14, Table 11, Table 15 and supporting tables.



**Table 6**  
**Demographic and General Assumptions**  
**East Los Angeles CFA**

Item	Amount	Comment
<b>Proposed City - Transition</b>		
Length of Transition	12 months	
	100% of year	
<b>Population 2010</b>	126,496	
<b>Employment</b>	17,191	
<b>24-hour population</b>	143,687	population plus employment
<b>Housing Units</b>		
Occupied	30,816	
Total	32,201	
Vacancy Rate	4.3%	
Persons per Unit	4.0	
<b>Assessed Value (FY09-10)</b>		
Residential	\$2,923,893,570	
Commercial	808,177,991	
Unsecured	<u>91,673,339</u>	
Total	\$3,823,744,900	
<b>County-Maintained Road Miles</b>	184.0	road miles (centerline)
	36,700,000	sq.ft. of pavement
	7,000	street lights

- 6 U.S. Census Bureau, 2010 Census  
8 US Census, LED - OnTheMap v 5.1, Work Area Profile Reports 2009.  
12 U.S. Census Bureau, 2010 Census  
16 Current census shows about 4.1 persons per occupied unit, 3.9 per total units.  
18 County of Los Angeles CEO letter to LAFCO, Exh. I, 11/1/10  
19 County of Los Angeles CEO letter to LAFCO, Exh. I, 11/1/10  
24 County of Los Angeles CEO letter to LAFCO, Att. XV, 3/1/11

Table 7  
Development Estimates  
East Los Angeles CFA

Item	Note	Calendar Year															
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Development Schedule																	
Total New Units and Households						160	160	160	160	160	160	160	160	160	160	160	
Cumulative New Units & Households				0	0	160	320	480	640	800	960	1,120	1,280	1,440	1,600	1,760	1,920

Based on average annual change between 2000 and 2010 census, plus a reduction in vacancy rate (4% to 2%) similar to 2000; this represents about a 1/2% annual population growth.  
No significant amount of new retail assumed; sales taxes are projected to grow at rate of population growth (plus inflation).

**Table 8**  
**Population and Employment**  
**East Los Angeles CFA**

Item	Note	Calendar Year														
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1 <b>Population</b>																
2 Persons/household	4.0															
3 New Population				0	640	640	640	640	640	640	640	640	640	640	640	640
4 Subtotal			0	0	640	640	640	640	640	640	640	640	640	640	640	640
5 Cumulative Population			126,496	126,496	127,136	127,776	128,416	129,056	129,696	130,336	130,976	131,616	132,256	132,896	133,536	134,176
6																
7 Adjusted Population						191,664	179,782	167,773	155,635	143,370	130,976	131,616	132,256	132,896	133,536	134,176
8						150%	140%	130%	120%	110%	100%	100%	100%	100%	100%	100%
9 <b>Employment</b>																
10 New Employment		no significant increase in employment assumed														
11 Subtotal																
12 Cumulative Employment			17,191													
13																
14 <b>24-Hour Population</b>																
15 New 24-Hour Population				0	640	640	640	640	640	640	640	640	640	640	640	640
16 Subtotal				0	640	640	640	640	640	640	640	640	640	640	640	640
17 Cumulative 24-Hour Population			143,687	143,687	144,327	144,967	145,607	146,247	146,887	147,527	148,167	148,807	149,447	150,087	150,727	151,367

2 See Table 6.

**Table 9**  
**Assessed Value**  
**East Los Angeles CFA**

Item	2009-10	2010-11	2011-12	2012-13	Fiscal Year 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<u>1 Assessed Value of Existing Development (start of year)</u>														
2 Resid. Assessed Value in City	\$2,923,894	\$2,783,491												
3 Comm. Assessed Value in City	808,178	805,373												
4 Other (unsec.) 2.5%	91,673	88,156												
5 Total	\$3,823,745	\$3,677,020	\$3,677,020	\$3,677,020	\$3,823,745	\$3,861,982	\$3,900,602	\$3,939,608	\$3,979,004	\$4,018,794	\$4,058,982	\$4,099,572	\$4,140,568	\$4,181,973
6 Percent Change		-3.8%	0.0%	0.0%	4.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<u>7</u>														
<u>8</u>														
<u>9 Changes in Value</u>														
10 % Change in Start-of-Year Value		0.0%	0.0%	4.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
11 Amount of Change		\$0	\$0	\$146,725	\$38,237	\$38,620	\$39,006	\$39,396	\$39,790	\$40,188	\$40,590	\$40,996	\$41,406	\$41,820
12 Cumulative		\$0	\$0	\$146,725	\$184,963	\$223,582	\$262,588	\$301,984	\$341,775	\$381,962	\$422,552	\$463,548	\$504,954	\$546,773
<u>13</u>														
<u>14</u>														
<u>15 Total Assessed Value Existing &amp; New Development (end of year)</u>														
16 Cumulative Resid. A.V. (Constant \$000's)		\$2,783,491												
17 Cumulative Comm. A.V. (Constant \$000's)		<u>\$805,373</u>												
18 Subtotal	\$99	\$3,677,020	\$3,677,020	\$3,677,020	\$3,823,745	\$3,861,982	\$3,900,602	\$3,939,608	\$3,979,004	\$4,018,794	\$4,058,982	\$4,099,572	\$4,140,568	\$4,181,973
<u>19</u>														
20 Changes in Value		\$0	\$0	\$146,725	\$184,963	\$223,582	\$262,588	\$301,984	\$341,775	\$381,962	\$422,552	\$463,548	\$504,954	\$546,773
21 Total	\$3,823,745	\$3,677,020	\$3,677,020	\$3,677,020	\$3,823,745	\$3,861,982	\$3,900,602	\$3,939,608	\$3,979,004	\$4,018,794	\$4,058,982	\$4,099,572	\$4,140,568	\$4,223,793
22 Percent Change		-3.8%	0.0%	0.0%	4.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

5 See Table 6.  
20 Future growth in assessed value assumes recovery to FY09-10 values, then real growth of 1% above inflation, reflecting population growth and modest real estate value growth.

**Table 10**  
**Revenue Summary (all figures in constant \$\$s)**  
**East Los Angeles CFA**

Item	Fiscal Year									
	2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>General Fund Revenues</b>										
Property Taxes	\$16,796,266	\$16,821,475	\$16,846,936	\$16,872,652	\$16,898,625	\$16,924,858	\$16,951,353	\$16,978,113	\$17,005,141	\$17,032,438
Sales Tax	\$3,070,337	\$3,702,827	\$3,721,341	\$3,739,948	\$3,758,647	\$3,777,441	\$3,796,328	\$3,815,310	\$3,834,386	\$3,853,558
Transient Occupancy Tax	<i>Transition</i>	\$114,169	\$115,310	\$116,463	\$117,628	\$118,804	\$119,992	\$121,192	\$122,404	\$123,628
Real Property Transfer Tax	\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
Franchise Fees	<i>Transition</i>	\$1,349,011	\$1,355,734	\$1,362,458	\$1,369,181	\$1,375,904	\$1,382,627	\$1,389,350	\$1,396,074	\$1,402,797
Utility User Tax	\$5,057,954	\$5,083,288	\$5,108,622	\$5,133,956	\$5,159,290	\$5,184,624	\$5,209,958	\$5,235,293	\$5,260,627	\$5,285,961
Public Wks/Building Fees	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189
Parks and Recreation Fees	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611
Business Licenses	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
Fines, Penalties, Misc.	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
State Motor Vehicle License Fees	\$680,156	\$638,008	\$595,403	\$552,342	\$508,824	\$464,850	\$467,133	\$469,415	\$471,698	\$473,980
VLF (AB1602)	\$9,166,518	\$8,598,484	\$8,024,298	\$7,443,960	\$6,857,469	\$6,264,825	\$6,295,588	\$6,326,351	\$6,357,114	\$6,387,876
Investment Earnings	<u>\$283,787</u>	<u>\$295,383</u>	<u>\$291,412</u>	<u>\$287,394</u>	<u>\$283,330</u>	<u>\$279,219</u>	<u>\$280,133</u>	<u>\$281,049</u>	<u>\$281,969</u>	<u>\$282,892</u>
<b>Total General Fund Revenues</b>	\$38,121,987	\$39,679,779	\$39,146,362	\$38,606,653	\$38,060,656	\$37,508,374	\$37,631,154	\$37,754,314	\$37,877,857	\$38,001,787
<b>Road Fund Revenues</b>										
Road District	\$194,351	\$195,323	\$196,299	\$197,281	\$198,267	\$199,259	\$200,255	\$201,256	\$202,262	\$203,274
Gas Taxes	\$5,097,729	\$4,782,629	\$4,464,135	\$4,142,246	\$3,816,962	\$3,488,284	\$3,505,256	\$3,522,229	\$3,539,202	\$3,556,175
Other (Prop. C, Measure R, STP-L)	<u>\$3,163,795</u>	<u>\$3,177,638</u>	<u>\$3,191,481</u>	<u>\$3,205,324</u>	<u>\$3,219,168</u>	<u>\$3,233,011</u>	<u>\$3,246,854</u>	<u>\$3,260,697</u>	<u>\$3,274,540</u>	<u>\$3,288,384</u>
<b>Total Road Fund Revenues</b>	\$8,455,875	\$8,155,590	\$7,851,915	\$7,544,851	\$7,234,397	\$6,920,553	\$6,952,365	\$6,984,183	\$7,016,005	\$7,047,832
<b>Transit</b>										
Prop. A	\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065

**Table 11**  
**Revenue Assumptions**  
**East Los Angeles CFA**

Item	Assumptions		Fiscal Year									
	Amount	Notes	2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>1 GENERAL FUND</b>												
<b>2 Property Tax</b>			full year:									
3 Total Property Tax @ 1% of AV	See Table 9		\$38,237,449	\$38,619,823	\$39,006,022	\$39,396,082	\$39,790,043	\$40,187,943	\$40,589,823	\$40,995,721	\$41,405,678	\$41,819,735
4												
5 Property Tax Increment			<u>\$0</u>	<u>\$382,374</u>	<u>\$386,198</u>	<u>\$390,060</u>	<u>\$393,961</u>	<u>\$397,900</u>	<u>\$401,879</u>	<u>\$405,898</u>	<u>\$409,957</u>	<u>\$414,057</u>
6 Subtotal			\$0	\$382,374	\$386,198	\$390,060	\$393,961	\$397,900	\$401,879	\$405,898	\$409,957	\$414,057
7												
8 Property Tax Increment to City:	See Table 12											
9 from County	6.70% TAF		\$0	\$25,619	\$25,875	\$26,134	\$26,395	\$26,659	\$26,926	\$27,195	\$27,467	\$27,742
10 Total	6.70% TAF		\$0	\$25,619	\$25,875	\$26,134	\$26,395	\$26,659	\$26,926	\$27,195	\$27,467	\$27,742
11												
12 Gross Property Tax to City												
13 Base			\$17,069,376	\$17,069,376	\$17,094,995	\$17,120,870	\$17,147,004	\$17,173,399	\$17,200,059	\$17,226,985	\$17,254,180	\$17,281,647
14 Share of Tax Increment			<u>\$0</u>	<u>\$25,619</u>	<u>\$25,875</u>	<u>\$26,134</u>	<u>\$26,395</u>	<u>\$26,659</u>	<u>\$26,926</u>	<u>\$27,195</u>	<u>\$27,467</u>	<u>\$27,742</u>
15 Total			\$17,069,376	\$17,094,995	\$17,120,870	\$17,147,004	\$17,173,399	\$17,200,059	\$17,226,985	\$17,254,180	\$17,281,647	\$17,309,389
16												
Property Tax to City Prior to Tax			\$17,069,376	\$17,094,995	\$17,120,870	\$17,147,004	\$17,173,399	\$17,200,059	\$17,226,985	\$17,254,180	\$17,281,647	\$17,309,389
17 Admin. Fees												
18												
19 Less Prop. Tax Admin. Fees	1.60% of Gross Prop. Tax		(\$273,110)	(\$273,520)	(\$273,934)	(\$274,352)	(\$274,774)	(\$275,201)	(\$275,632)	(\$276,067)	(\$276,506)	(\$276,950)
20 Less Transition Credit	100%											
21 <b>Net Property Tax to City</b>			\$16,796,266	\$16,821,475	\$16,846,936	\$16,872,652	\$16,898,625	\$16,924,858	\$16,951,353	\$16,978,113	\$17,005,141	\$17,032,438
22												
23 <b>Sales Tax</b>	0.5% real growth above inflation (to reflect population growth)											
24 Retail Sales Tax	\$3,356,800 base tax		\$3,356,800	\$3,373,584	\$3,390,452	\$3,407,404	\$3,424,441	\$3,441,563	\$3,458,771	\$3,476,065	\$3,493,445	\$3,510,913
25												
26 Subtotal			\$3,356,800	\$3,373,584	\$3,390,452	\$3,407,404	\$3,424,441	\$3,441,563	\$3,458,771	\$3,476,065	\$3,493,445	\$3,510,913
27												
28												
29 Unallocated Tax (inc. pool)	10.6%		\$355,821	\$357,600	\$359,388	\$361,185	\$362,991	\$364,806	\$366,630	\$368,463	\$370,305	\$372,157
30 (less) State admin charge	0.76%		(\$28,216)	(\$28,357)	(\$28,499)	(\$28,641)	(\$28,784)	(\$28,928)	(\$29,073)	(\$29,218)	(\$29,365)	(\$29,511)
31 Less Transition Credit	16.7% 2-month delay		<u>(\$614,067)</u>									
32 <b>Total Sales Tax</b>			\$3,070,337	\$3,702,827	\$3,721,341	\$3,739,948	\$3,758,647	\$3,777,441	\$3,796,328	\$3,815,310	\$3,834,386	\$3,853,558
33												
34 <b>Transient Occupancy Tax (12%)</b>	\$50,969 1%		\$50,969	\$51,479	\$51,993	\$52,513	\$53,039	\$53,569	\$54,105	\$54,646	\$55,192	\$55,744
35 New Project(s)	29-room motel		\$62,069	\$62,690	\$63,317	\$63,950	\$64,590	\$65,235	\$65,888	\$66,547	\$67,212	\$67,884
36 Less Transition Credit	100%		<u>(\$113,038)</u>									
37 <b>Total TOT</b>			\$0	\$114,169	\$115,310	\$116,463	\$117,628	\$118,804	\$119,992	\$121,192	\$122,404	\$123,628
38												
39												

**Table 11**  
**Revenue Assumptions**  
**East Los Angeles CFA**

Item	Assumptions		Fiscal Year									
	Amount	Notes	2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>40 Property Transfer Tax</b>												
41 Transfer Tax as % of AV	0.0015%		0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%
42 Cumulative A.V. (constant \$000's)			\$3,823,745	\$3,861,982	\$3,900,602	\$3,939,608	\$3,979,004	\$4,018,794	\$4,058,982	\$4,099,572	\$4,140,568	\$4,181,973
43 Property Transfer Tax			\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
44 Less Transition Credit												
45 Total Transfer Tax	\$56,424	base tax	\$56,424	\$56,988	\$57,558	\$58,133	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
<b>46</b>												
<b>47 Franchise Fees</b>												
48 Water	\$289,553											
49 Petroleum	\$11,000											
50 Cable & Telecommunications	\$239,194											
51 Gas	\$105,000											
52 Electric	<u>\$684,095</u>											
53	\$1,328,842	Includes comm. revenues										
54	\$10.51	per capita	\$1,342,288	\$1,349,011	\$1,355,734	\$1,362,458	\$1,369,181	\$1,375,904	\$1,382,627	\$1,389,350	\$1,396,074	\$1,402,797
<b>55</b>												
<b>56 Utility User Tax (UUT)</b>												
57 Gas	\$493,867											
58 Electric	\$3,078,426											
59 Telephone	<u>\$1,434,993</u>											
60	\$5,007,286	Includes comm. revenues										
61	\$39.58	per capita	\$5,057,954	\$5,083,288	\$5,108,622	\$5,133,956	\$5,159,290	\$5,184,624	\$5,209,958	\$5,235,293	\$5,260,627	\$5,285,961
<b>62</b>												
<b>63 Public Works (Dev't-related)</b>												
64 Subtotal	\$725,189	Current Rev.	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189	\$725,189
<b>65</b>												
<b>66 Parks and Recreation Fees</b>												
67 Subtotal	\$261,611	Current Rev.	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611	\$261,611
<b>68</b>												
<b>69 Business Licenses</b>	\$107,107	Current Rev.	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
<b>70</b>												
<b>71 Fines, Penalties</b>	\$15.00	per capita	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
72		Lancaster										
73 Less Transition Credit			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74 Total			\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
<b>75</b>												
<b>76 State Motor Vehicle License Fees</b>		See Table 27										
77 Per capita fees			\$680,156	\$638,008	\$595,403	\$552,342	\$508,824	\$464,850	\$467,133	\$469,415	\$471,698	\$473,980
<b>78</b>												
<b>79 VLF (AB1602)</b>		See Table 27	\$9,166,518	\$8,598,484	\$8,024,298	\$7,443,960	\$6,857,469	\$6,264,825	\$6,295,588	\$6,326,351	\$6,357,114	\$6,387,876
<b>80</b>												

**Table 11**  
**Revenue Assumptions**  
**East Los Angeles CFA**

Item	Assumptions		Fiscal Year									
	Amount	Notes	2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
81 <b>Investment Earnings</b>												
82 Subtotal General Fund revenues			\$37,838,201	\$39,384,396	\$38,854,950	\$38,319,259	\$37,777,326	\$37,229,155	\$37,351,021	\$37,473,264	\$37,595,888	\$37,718,896
83												
84 GF Interest Earnings	0.75% % of GF rev.		\$283,787	\$295,383	\$291,412	\$287,394	\$283,330	\$279,219	\$280,133	\$281,049	\$281,969	\$282,892
85												

**Notes to Table 11**

- Revenues based on County of Los Angeles CEO letter to LAFCO, Att. II, March 1, 2011 except as otherwise noted.
- 19 Based on SB2557 Administrative Cost Estimate for East LA, Auditor-Controller, Tax Division, received by EPS 4/26/11.
- 24 State Board of Equalization response to sales tax inquiry. Sent to June Savala, LAFCO, from Tom Trach, Research Program Specialist. December 9, 2010.
- 29 Based on ratios from SBE quarterly reports for unincorporated area of L.A. County
- 35 Assumes avg. rate of \$70, 70% occupancy
- 45 \$0.55 per \$1,000 of transfer value.
- 47,56 Franchise Fees and UUT (except electric) based on County of Los Angeles CEO letter to LAFCO, Att. II, March 1, 2011
- Electric based on collections per Linda Delgado, SCE, 6/2/11 verbal communication with EPS, adjusted for total units and additional % (per IFA, 2006) from commercial and industrial not provided by SCE.
- Telephone UUT based on CEO information adjusted for estimated landline billings. Franchise fee based on 1% of collections.
- 60 \$5,007,286 in UUT revenue translates to \$111,273,013 of total citywide utility billing or an average \$3,530 per household/year or \$125 per month.
- 71 Based on Lancaster, which corresponded to median of comparable cities.
- 84 EPS estimate for interest earned on average balance from flow of annual revenues, assumed to be approximately one-quarter of year, multiplied by 3% rate.



**Table 12**  
**Calculation of Property Tax Transfer**  
**East Los Angeles CFA**

Item	TOTAL
<b>1 A. Transfer of Property Tax Base</b>	
2	
3 A.1 Total Expenditures Subject to Transfer	\$32,452,800 See Table 14
4	
5 A.2 County Auditor's Ratio 2009-2010	52.598% See Table 13
6	
7 A.3 Property Tax Transferred from County = A.1 * A.2	\$17,069,376 before adjustment (see B.3 below)
8	
9 A.4 Total Property Tax Base:	\$17,069,376 Special districts shown separately
10 <i>Tax base for special districts shown separately; districts that become responsibility of</i>	
11 <i>new city will transfer their base to the new city.</i>	
12	
<b>13 B. Estimation of Tax Allocation Factor (TAF)</b>	
14	
15 B.1 Assessed Value (FY 2009/2010)	\$3,823,744,900 See Table 6
16	
17 B.2 Assessed Value (FY 2013/2014)	\$3,823,744,900 See Table 9
18	
19 B.3 Change from FY09-10 to FY13-14 = (B.2 - B.1)/B.1	0.0% Assumes recovery to FY09-10 level
20	
21 B.4 Property Tax Transferred from County = A.3	\$17,069,376
22	
23 B.5 Property Tax Transfer adjusted for a.v. growth = (1+B.3) * B.4	\$17,069,376
24	
25 B.6 Total Property Tax Collected FY 13-14 = 1% * B.2	\$38,237,449 Collected from 1% rate
26	
27 B.7 Estimated Tax Allocation Factor (B.5/B.6)	44.6% NOTE: exceeds current County rate
28	
29 B.8 Tax Allocation Factors from Special Districts to City General Fund	Special districts shown separately
30 <i>Property tax from special districts shown separately; districts that become responsibility</i>	
31 <i>of new city will transfer factors to the new city.</i>	
32	
33 B.9 Total Tax Base Transferred 2010-11	\$17,069,376
34	
35 B.10 Assumed Tax Allocation Factor	6.70% Based on average of representative
36 <i>Because the calculated tax factor exceeds the current County rate in ELA of</i>	factors for cities in LA County
37 <i>approximately 25%, an average based on other LA County cities has been assumed</i>	(excl. City of Los Angeles)

**Table 13**  
**Auditor's Ratio**  
**Countywide Property Tax as a % of General Purpose Revenues**  
**East Los Angeles CFA**

Item	
1 Property Tax Revenue to the County (1)	\$2,581,282,510
2	
3	
4 Other General Purpose Revenue (1)	<u>\$2,326,327,891</u>
5	
6 Total Net Revenue Available for General Purposes	\$4,907,610,401
7	
8 Property Tax as % of General Purpose Revenues	52.598%
9	

Property taxes and General Purpose Revenues are from all incorporated and unincorporated areas.

Source: County of Los Angeles CEO letter to LAFCO, Exh. IV , 3/1/11

**Table 14**  
**Base Year Net County Cost for Services Transferred (FY09-10)**  
**East Los Angeles CFA**

Department/Function	Total	Revenues			Net County Cost
		Fees and Charges	Prop. 172	Other	
1 Animal Care and Control	\$566,560	\$157,869			\$408,691
2 Regional Planning	\$2,339,784	\$725,189			\$1,614,595
3 Parks and Recreation	\$5,078,459	\$261,611		\$167,441	\$4,649,407
4 County Sheriff	\$34,929,535	\$71,615	\$16,682,850	\$359,830	\$17,815,240
5 Office of Public Safety	\$1,811,076	\$31,718			\$1,779,358
6 Consumer Affairs	\$204,847	\$16,462		\$80,252	\$108,133
7 Other Code Enforcement					
8 County Counsel	\$51,502	\$0			\$51,502
9 District Attorney	\$750,593	\$167,500			\$583,093
10 Public Works (Gen' Fund)	\$1,737,651			\$797,748	\$939,903
11 Library (Gen'l Fund)	<u>\$6,140,204</u>			<u>\$1,637,326</u>	<u>\$4,502,878</u>
12					
13 <b>Total</b>	<b>\$53,610,211</b>	<b>\$1,431,964</b>	<b>\$16,682,850</b>	<b>\$1,405,271</b>	<b>\$32,452,800</b>

Source: County of Los Angeles CEO letter to LAFCO, Att. I, 3/1/11

11 Other revenues include assessments and property tax revenues to the Library District generated within ELA, in addition to misc. fine/fee revenue.

**Table 15**  
**Expenditure Summary (all figures in constant \$\$s)**  
**East Los Angeles CFA**

	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	1	2	3	4	5	6	7	8	9	10
Legislative	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
City Clerk/City Treasurer	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
Elections	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
City Manager	\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
City Attorney	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
Administrative Services	\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
Police	<i>Transition</i>	\$21,157,215	\$21,263,001	\$21,369,316	\$21,476,163	\$21,583,544	\$21,691,461	\$21,799,919	\$21,908,918	\$22,018,463
Animal Control	<i>Transition</i>	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
Total Community Development Department	\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
Public Works	\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
Parks and Rec	\$1,206,900	\$5,250,623	\$5,276,876	\$5,303,260	\$5,329,776	\$5,356,425	\$5,383,207	\$5,410,123	\$5,437,174	\$5,464,360
Library (Gen'l Fund)	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878	\$4,502,878
<b>Non-Departmental</b>										
Office Rent/Supplies	\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500
Insurance	\$473,690	\$798,974	\$796,998	\$782,968	\$785,773	\$784,592	\$783,425	\$786,273	\$789,134	\$792,010
Contingency	\$615,798	\$2,096,528	\$2,099,247	\$2,086,325	\$2,095,313	\$2,099,147	\$2,103,026	\$2,112,150	\$2,121,320	\$2,130,536
Repayment, 1st year costs	<i>Transition</i>	<u>\$6,558,831</u>	<u>\$6,558,831</u>	<u>\$6,558,831</u>	<u>\$6,558,831</u>	<u>\$6,558,831</u>				
<b>Total General Fund Expenditures</b>	\$12,931,749	\$50,585,910	\$50,643,018	\$50,371,647	\$50,560,411	\$50,640,919	\$44,163,545	\$44,355,155	\$44,547,723	\$44,741,254
<b>Road Fund and Transit Expenditures (before deducting cost allocations to GF)</b>										
Road District	<i>Transition</i>	\$553,430	\$556,197	\$558,978	\$561,773	\$564,582	\$567,405	\$570,242	\$573,093	\$575,958
Maintenance of Roads/Related Facilities	<i>Transition</i>	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
Transit	<i>Transition</i>	\$2,313,104	\$2,324,669	\$2,336,293	\$2,347,974	\$2,359,714	\$2,371,513	\$2,383,370	\$2,395,287	\$2,407,264
Repayment, 1st year costs	<i>Transition</i>	<u>\$2,069,741</u>	<u>\$2,069,741</u>	<u>\$2,069,741</u>	<u>\$2,069,741</u>	<u>\$2,069,741</u>				
<b>Total Road Fund &amp; Transit Expenditures</b>	\$0	\$12,086,931	\$12,137,017	\$12,187,353	\$12,237,941	\$12,288,782	\$10,270,137	\$10,321,488	\$10,373,095	\$10,424,961

Source: Economic & Planning Systems, Inc.

**Table 16**  
**General Government**  
**East Los Angeles CFA**

Department/Program	Cost Factor	Escalation Factor	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>Legislative</b>												
City Council Expenses	5 Persons											
Salaries/Benefits	\$42,000 Per year (total)		\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Expenses (travel, memberships, etc.)	\$50,000 Per year		<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
Subtotal			\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
<b>City Clerk/City Treasurer</b>	See Table 17	0.5%	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
<b>Elections</b>			\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>City Manager</b>	See Table 18		\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
<b>City Attorney</b> (Staff/Contracted Svc)	\$1,500,000 Initial Years	0.5%	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
<b>Administrative Services</b>	See Table 19		\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
<b>Office Space/Supplies</b>	See Table 24		\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500
<b>Insurance</b>	4% of GF expenses (exc. Insurance & contingency)		\$473,690	\$798,974	\$796,998	\$782,968	\$785,773	\$784,592	\$783,425	\$786,273	\$789,134	\$792,010
<b>Contingency</b>	5% of total GF expenses of total Repayment		\$615,798	\$2,096,528	\$2,099,247	\$2,086,325	\$2,095,313	\$2,099,147	\$2,103,026	\$2,112,150	\$2,121,320	\$2,130,536
			\$615,798	\$2,096,528	\$2,099,247	\$2,086,325	\$2,095,313	\$2,099,147	\$2,103,026	\$2,112,150	\$2,121,320	\$2,130,536
<b>Repayment: Transition Yr</b>	1.36% interest rate See Table 26			\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831	\$6,558,831				

4 City council salaries per Government Code 36516 which establishes initial minimum salaries that may be paid. No real increase above inflation is assumed, although GC 36516 allows 5% annual increases by city ordinance.

14 City attorney costs assumed higher in initial years due to additional burden of creating new city ordinances and plans, employee negotiations, contracts for services, etc.

28 Interest based on County Pooled Surplus Earnings Report, Schedule B, 1/31/11

**Table 17**  
**City Clerk and City Treasurer**  
**East Los Angeles CFA**

Ref. Item	Cost Factor	Real Increase	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
1												
2												
3 <b>City Clerk, Treasurer</b> (appointed)			2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
4 Annual Salary	\$70,000	0.5%	\$140,000	\$140,700	\$141,404	\$142,111	\$142,821	\$143,535	\$144,253	\$144,974	\$145,699	\$146,427
5 Benefits	35%		<u>\$49,000</u>	<u>\$49,245</u>	<u>\$49,491</u>	<u>\$49,739</u>	<u>\$49,987</u>	<u>\$50,237</u>	<u>\$50,488</u>	<u>\$50,741</u>	<u>\$50,995</u>	<u>\$51,250</u>
6 Subtotal			\$189,000	\$189,945	\$190,895	\$191,849	\$192,808	\$193,772	\$194,741	\$195,715	\$196,694	\$197,677
7												
8 <b>Deputy City Clerk</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
9 Annual Salary	\$60,000	0.5%	\$60,000	\$60,300	\$60,602	\$60,905	\$61,209	\$61,515	\$61,823	\$62,132	\$62,442	\$62,755
10 Benefits	35%		<u>\$21,000</u>	<u>\$21,105</u>	<u>\$21,211</u>	<u>\$21,317</u>	<u>\$21,423</u>	<u>\$21,530</u>	<u>\$21,638</u>	<u>\$21,746</u>	<u>\$21,855</u>	<u>\$21,964</u>
11 Subtotal			\$81,000	\$81,405	\$81,812	\$82,221	\$82,632	\$83,045	\$83,461	\$83,878	\$84,297	\$84,719
12												
13 <b>Secretary/Administrative Clerk</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
14 Annual Salary	\$40,000	0.5%	\$40,000	\$40,200	\$40,401	\$40,603	\$40,806	\$41,010	\$41,215	\$41,421	\$41,628	\$41,836
15 Benefits	35%		<u>\$14,000</u>	<u>\$14,070</u>	<u>\$14,140</u>	<u>\$14,211</u>	<u>\$14,282</u>	<u>\$14,354</u>	<u>\$14,425</u>	<u>\$14,497</u>	<u>\$14,570</u>	<u>\$14,643</u>
16 Subtotal			\$54,000	\$54,270	\$54,541	\$54,814	\$55,088	\$55,364	\$55,640	\$55,919	\$56,198	\$56,479
17												
18 <b>Personnel Subtotal</b>			\$324,000	\$325,620	\$327,248	\$328,884	\$330,529	\$332,181	\$333,842	\$335,512	\$337,189	\$338,875
19												
20 <b>Other Expenses</b>	20%		<u>\$64,800</u>	<u>\$65,124</u>	<u>\$65,450</u>	<u>\$65,777</u>	<u>\$66,106</u>	<u>\$66,436</u>	<u>\$66,768</u>	<u>\$67,102</u>	<u>\$67,438</u>	<u>\$67,775</u>
21												
22 <b>Total City Clerk's Office</b>			\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
23 FTE's			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

4,9,14 Salaries based on review of comparable cities.

20 Includes services, supplies, contracts, overtime, travel, subscriptions, phone, software, vehicle allowance, etc.

**Table 18**  
**City Manager**  
**East Los Angeles CFA**

			Fiscal Year									
Item	Cost Factor	Real Increase	2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
City Manager Office												
City Manager			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$180,000	0.5%	\$180,000	\$180,900	\$181,805	\$182,714	\$183,627	\$184,545	\$185,468	\$186,395	\$187,327	\$188,264
Benefits	35%		\$63,000	\$63,315	\$63,632	\$63,950	\$64,269	\$64,591	\$64,914	\$65,238	\$65,565	\$65,892
Subtotal			\$243,000	\$244,215	\$245,436	\$246,663	\$247,897	\$249,136	\$250,382	\$251,634	\$252,892	\$254,156
Assistant to the City Manager												
Annual Salary	\$80,000	0.5%	\$80,000	\$80,400	\$80,802	\$81,206	\$81,612	\$82,020	\$82,430	\$82,842	\$83,257	\$83,673
Benefits	35%		\$28,000	\$28,140	\$28,281	\$28,422	\$28,564	\$28,707	\$28,851	\$28,995	\$29,140	\$29,285
Subtotal			\$108,000	\$108,540	\$109,083	\$109,628	\$110,176	\$110,727	\$111,281	\$111,837	\$112,396	\$112,958
Assistant City Manager												
Annual Salary	\$130,000	0.5%	\$130,000	\$130,650	\$131,303	\$131,960	\$132,620	\$133,283	\$133,949	\$134,619	\$135,292	\$135,968
Benefits	35%		\$45,500	\$45,728	\$45,956	\$46,186	\$46,417	\$46,649	\$46,882	\$47,117	\$47,352	\$47,589
Subtotal			\$175,500	\$176,378	\$177,259	\$178,146	\$179,036	\$179,932	\$180,831	\$181,735	\$182,644	\$183,557
Management Analyst												
Annual Salary	\$60,000	0.5%	\$30,000	\$60,300	\$60,602	\$60,905	\$61,209	\$61,515	\$61,823	\$62,132	\$62,442	\$62,755
Benefits	35%		\$10,500	\$21,105	\$21,211	\$21,317	\$21,423	\$21,530	\$21,638	\$21,746	\$21,855	\$21,964
Subtotal			\$40,500	\$81,405	\$81,812	\$82,221	\$82,632	\$83,045	\$83,461	\$83,878	\$84,297	\$84,719
Secretary/Administrative Clerk												
Annual Salary	\$45,000	0.5%	\$45,000	\$90,450	\$90,902	\$91,357	\$91,814	\$92,273	\$92,734	\$93,198	\$93,664	\$94,132
Benefits	35%		\$15,750	\$31,658	\$31,816	\$31,975	\$32,135	\$32,295	\$32,457	\$32,619	\$32,782	\$32,946
Subtotal			\$60,750	\$122,108	\$122,718	\$123,332	\$123,948	\$124,568	\$125,191	\$125,817	\$126,446	\$127,078
Personnel Subtotal (Salaries and Benefits)			\$627,750	\$732,645	\$736,308	\$739,990	\$743,690	\$747,408	\$751,145	\$754,901	\$758,675	\$762,469
Other Expenses												
Consumer Affairs	\$108,133	0.5%	\$108,133	\$108,674	\$109,217	\$109,763	\$110,312	\$110,863	\$111,418	\$111,975	\$112,535	\$113,097
Public Health			offset									
Other (Services, etc.)	20%		\$125,550	\$146,529	\$147,262	\$147,998	\$148,738	\$149,482	\$150,229	\$150,980	\$151,735	\$152,494
Subtotal			\$233,683	\$255,203	\$256,479	\$257,761	\$259,050	\$260,345	\$261,647	\$262,955	\$264,270	\$265,591
TOTAL City Manager's Office			\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,753	\$1,012,792	\$1,017,856	\$1,022,945	\$1,028,060
FTE's			4.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0

4,9 14,19,24 Salaries based on a review of comparable cities.

30 Includes services, supplies, contracts, overtime, travel, subscriptions, phone, software, uniforms, vehicle maintenance, etc.

31 Consumer Affairs based on current County expenditures; represents approximately 1 full time position including taxes, benefits and expenses.

32 Public health services include restaurant and food vendor inspection and enforcement, assumed offset by fee and fine revenue.

5

**Table 19**  
**Administrative Services**  
**East Los Angeles CFA**

Ref. Item	Cost Factor	Real Increase	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
1 <b>Information Systems</b>												
2 <b>Manager</b>			0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
3 Annual Salary	\$95,000	0.5%	\$47,500	\$95,475	\$95,952	\$96,432	\$96,914	\$97,399	\$97,886	\$98,375	\$98,867	\$99,362
4 Benefits	35%		<u>\$16,625</u>	<u>\$33,416</u>	<u>\$33,583</u>	<u>\$33,751</u>	<u>\$33,920</u>	<u>\$34,090</u>	<u>\$34,260</u>	<u>\$34,431</u>	<u>\$34,604</u>	<u>\$34,777</u>
5 Subtotal			\$64,125	\$128,891	\$129,536	\$130,183	\$130,834	\$131,488	\$132,146	\$132,807	\$133,471	\$134,138
6												
7 <b>IS Staff (incl. contract services)</b>			1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
8 Annual Salary	\$60,000	0.5%	\$60,000	\$180,900	\$181,805	\$182,714	\$183,627	\$184,545	\$185,468	\$186,395	\$187,327	\$188,264
9 Benefits	35%		<u>\$21,000</u>	<u>\$63,315</u>	<u>\$63,632</u>	<u>\$63,950</u>	<u>\$64,269</u>	<u>\$64,591</u>	<u>\$64,914</u>	<u>\$65,238</u>	<u>\$65,565</u>	<u>\$65,892</u>
10 Subtotal			\$81,000	\$244,215	\$245,436	\$246,663	\$247,897	\$249,136	\$250,382	\$251,634	\$252,892	\$254,156
11												
12 <b>Finance Department</b>			possible contract during transition year									
13 <b>Finance Director</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
14 Annual Salary	\$140,000	0.5%	\$140,000	\$140,700	\$141,404	\$142,111	\$142,821	\$143,535	\$144,253	\$144,974	\$145,699	\$146,427
15 Benefits	35%		<u>\$49,000</u>	<u>\$49,245</u>	<u>\$49,491</u>	<u>\$49,739</u>	<u>\$49,987</u>	<u>\$50,237</u>	<u>\$50,488</u>	<u>\$50,741</u>	<u>\$50,995</u>	<u>\$51,250</u>
16 Subtotal			\$189,000	\$189,945	\$190,895	\$191,849	\$192,808	\$193,772	\$194,741	\$195,715	\$196,694	\$197,677
17												
18 <b>Finance Manager</b>			0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
19 Annual Salary	\$90,000	0.5%	\$45,000	\$90,450	\$90,902	\$91,357	\$91,814	\$92,273	\$92,734	\$93,198	\$93,664	\$94,132
20 Benefits	35%		<u>\$15,750</u>	<u>\$31,658</u>	<u>\$31,816</u>	<u>\$31,975</u>	<u>\$32,135</u>	<u>\$32,295</u>	<u>\$32,457</u>	<u>\$32,619</u>	<u>\$32,782</u>	<u>\$32,946</u>
21 Subtotal			\$60,750	\$122,108	\$122,718	\$123,332	\$123,948	\$124,568	\$125,191	\$125,817	\$126,446	\$127,078
22												
23 <b>Accounting Staff/Technicians</b>			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
24 Annual Salary	\$55,000	0.5%	\$55,000	\$110,550	\$111,103	\$111,658	\$112,217	\$112,778	\$113,342	\$113,908	\$114,478	\$115,050
25 Benefits	35%		<u>\$19,250</u>	<u>\$38,693</u>	<u>\$38,886</u>	<u>\$39,080</u>	<u>\$39,276</u>	<u>\$39,472</u>	<u>\$39,670</u>	<u>\$39,868</u>	<u>\$40,067</u>	<u>\$40,268</u>
26 Subtotal			\$74,250	\$149,243	\$149,989	\$150,739	\$151,492	\$152,250	\$153,011	\$153,776	\$154,545	\$155,318
27												
28 <b>Human Resources</b>			possible contract during transition year									
29 <b>Human Resources Manager</b>			0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
30 Annual Salary	\$110,000	0.5%	\$55,000	\$110,550	\$111,103	\$111,658	\$112,217	\$112,778	\$113,342	\$113,908	\$114,478	\$115,050
31 Benefits	35%		<u>\$19,250</u>	<u>\$38,693</u>	<u>\$38,886</u>	<u>\$39,080</u>	<u>\$39,276</u>	<u>\$39,472</u>	<u>\$39,670</u>	<u>\$39,868</u>	<u>\$40,067</u>	<u>\$40,268</u>
32 Subtotal			\$74,250	\$149,243	\$149,989	\$150,739	\$151,492	\$152,250	\$153,011	\$153,776	\$154,545	\$155,318
33												
34 <b>Human Resources Staff</b>			2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
35 Annual Salary	\$55,000	0.5%	\$110,000	\$276,375	\$277,757	\$279,146	\$280,541	\$281,944	\$283,354	\$284,771	\$286,194	\$287,625
36 Benefits	35%		<u>\$38,500</u>	<u>\$96,731</u>	<u>\$97,215</u>	<u>\$97,701</u>	<u>\$98,189</u>	<u>\$98,680</u>	<u>\$99,174</u>	<u>\$99,670</u>	<u>\$100,168</u>	<u>\$100,669</u>
37 Subtotal			\$148,500	\$373,106	\$374,972	\$376,847	\$378,731	\$380,625	\$382,528	\$384,440	\$386,362	\$388,294
38												
39 <b>Other Services</b>			3.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
40 <b>Personnel</b>	\$55,000	0.5%	\$165,000	\$442,200	\$444,411	\$446,633	\$448,866	\$451,111	\$453,366	\$455,633	\$457,911	\$460,201
41	35%		<u>\$57,750</u>	<u>\$154,770</u>	<u>\$155,544</u>	<u>\$156,322</u>	<u>\$157,103</u>	<u>\$157,889</u>	<u>\$158,678</u>	<u>\$159,472</u>	<u>\$160,269</u>	<u>\$161,070</u>
42			\$222,750	\$596,970	\$599,955	\$602,955	\$605,969	\$608,999	\$612,044	\$615,104	\$618,180	\$621,271
43												
44 <b>Personnel TOTAL</b>			\$856,875	\$1,798,950	\$1,807,945	\$1,816,984	\$1,826,069	\$1,835,200	\$1,844,376	\$1,853,598	\$1,862,866	\$1,872,180
45												
46 <b>Other Costs</b>	20%		\$171,375	\$359,790	\$361,589	\$363,397	\$365,214	\$367,040	\$368,875	\$370,720	\$372,573	\$374,436
47												
48 <b>Total Administrative Services</b>			\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
49 FTEs			9.5	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0



Notes to Table 19

- 3,8 13,19,24,30,35,40 Salaries based on a review of comparable cities.
- 40 Include treasury, purchasing, risk administration, IT, special district administration, and other positions
- 46 Includes contractual services, supplies, contracts, overtime, travel, subscriptions, phone, software, vehicle maintenance, etc.

Source: Economic & Planning Systems, Inc.

**Table 20**  
**Public Protection**  
**East Los Angeles CFA**

Department/Program	Cost Factor	Assumptions	Fiscal Year									
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
			1	2	3	4	5	6	7	8	9	10
<b>Police</b>												
Startup Costs		n/a										
Parking enforcement		- offset by rev.										
Initial Year Contract Cost	\$21,051,955											
Real Growth	0.5%											
Subtotal			\$21,051,955	\$21,157,215	\$21,263,001	\$21,369,316	\$21,476,163	\$21,583,544	\$21,691,461	\$21,799,919	\$21,908,918	\$22,018,463
<b>Animal Control (net of fees)</b>	\$408,691	See Table 14										
Real Growth	0.5%											
Subtotal			\$408,691	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
Canvassing Services (every 18 months)		offset by rev.										
Total			\$408,691	\$410,734	\$412,788	\$414,852	\$416,926	\$419,011	\$421,106	\$423,212	\$425,328	\$427,454
FTE's (assumes contract services)												

- 3 Sheriff's Dept. estimated startup costs of \$6.8 million for costs of transferring and purchasing additional vehicles and equipment, and facility expansion. This CFA assumes a revised staff count which would not require additional purchases or expansion.
- 4 Parking enforcement may be provided by separate contract or by city staff; costs assumed offset by fine revenue.
- 5 EPS estimate (see also Table B-4). This contract assumes approximately 1/3 less staff compared to LASD contract proposal of approximately \$31 million.

**Table 21**  
**Community Development**  
**East Los Angeles CFA**

Ref. Item	Cost Factor	Real Increase	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
1 <b>Director</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
2 Annual Salary	\$120,000	0.5%	\$120,000	\$120,600	\$121,203	\$121,809	\$122,418	\$123,030	\$123,645	\$124,264	\$124,885	\$125,509
3 Benefits	35%		\$42,000	\$42,210	\$42,421	\$42,633	\$42,846	\$43,061	\$43,276	\$43,492	\$43,710	\$43,928
4 Subtotal			\$162,000	\$162,810	\$163,624	\$164,442	\$165,264	\$166,091	\$166,921	\$167,756	\$168,595	\$169,438
5												
6 <b>Executive Secretary</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
7 Annual Salary	\$50,000	0.5%	\$50,000	\$50,250	\$50,501	\$50,754	\$51,008	\$51,263	\$51,519	\$51,776	\$52,035	\$52,296
8 Benefits	35%		\$17,500	\$17,588	\$17,675	\$17,764	\$17,853	\$17,942	\$18,032	\$18,122	\$18,212	\$18,303
9 Subtotal			\$67,500	\$67,838	\$68,177	\$68,518	\$68,860	\$69,204	\$69,550	\$69,898	\$70,248	\$70,599
10												
11 <b>Planning/Econ. Dev. Manager</b>			0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
12 Annual Salary	\$90,000	0.5%	\$45,000	\$90,450	\$90,902	\$91,357	\$91,814	\$92,273	\$92,734	\$93,198	\$93,664	\$94,132
13 Benefits	35%		\$15,750	\$31,658	\$31,816	\$31,975	\$32,135	\$32,295	\$32,457	\$32,619	\$32,782	\$32,946
14 Subtotal			\$60,750	\$122,108	\$122,718	\$123,332	\$123,948	\$124,568	\$125,191	\$125,817	\$126,446	\$127,078
15												
16 <b>Senior Planner</b>			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
17 Annual Salary	\$80,000	0.5%	\$80,000	\$160,800	\$161,604	\$162,412	\$163,224	\$164,040	\$164,860	\$165,685	\$166,513	\$167,346
18 Benefits	35%		\$28,000	\$56,280	\$56,561	\$56,844	\$57,128	\$57,414	\$57,701	\$57,990	\$58,280	\$58,571
19 Subtotal			\$108,000	\$217,080	\$218,165	\$219,256	\$220,353	\$221,454	\$222,562	\$223,674	\$224,793	\$225,917
20												
21 <b>Assistant/Associate Planner</b>			1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
22 Annual Salary	\$65,000	0.5%	\$65,000	\$195,975	\$196,955	\$197,940	\$198,929	\$199,924	\$200,924	\$201,928	\$202,938	\$203,953
23 Benefits	35%		\$22,750	\$68,591	\$68,934	\$69,279	\$69,625	\$69,973	\$70,323	\$70,675	\$71,028	\$71,383
24 Subtotal			\$87,750	\$264,566	\$265,889	\$267,219	\$268,555	\$269,897	\$271,247	\$272,603	\$273,966	\$275,336
25												
26 <b>Zoning Code Enforcement</b>			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
27 Annual Salary	\$60,000	0.5%	\$60,000	\$120,600	\$121,203	\$121,809	\$122,418	\$123,030	\$123,645	\$124,264	\$124,885	\$125,509
28 Benefits	35%		\$21,000	\$42,210	\$42,421	\$42,633	\$42,846	\$43,061	\$43,276	\$43,492	\$43,710	\$43,928
29 Subtotal			\$81,000	\$162,810	\$163,624	\$164,442	\$165,264	\$166,091	\$166,921	\$167,756	\$168,595	\$169,438
30												
31 <b>Analysts/Technicians/Assistants</b>			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
32 Annual Salary	\$50,000	0.5%	\$50,000	\$100,500	\$101,003	\$101,508	\$102,015	\$102,525	\$103,038	\$103,553	\$104,071	\$104,591
33 Benefits	35%		\$17,500	\$35,175	\$35,351	\$35,528	\$35,705	\$35,884	\$36,063	\$36,244	\$36,425	\$36,607
34 Subtotal			\$67,500	\$135,675	\$136,353	\$137,035	\$137,720	\$138,409	\$139,101	\$139,796	\$140,495	\$141,198
35												
36 <b>Personnel Subtotal</b>			\$634,500	\$1,132,886	\$1,138,551	\$1,144,243	\$1,149,965	\$1,155,714	\$1,161,493	\$1,167,301	\$1,173,137	\$1,179,003
37												
38 <b>Other Costs</b>												
39 Planning Consultants (GP, CEQA, Zoning Ord)			\$100,000	\$200,000	\$200,000	\$200,000	\$200,000	\$100,000	\$0	\$0	\$0	\$0
40 Planning Consultants (other)			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
41 Mapping/GIS	\$50,000		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
42 Planning Commission	\$5,000		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
43 Misc. Other Costs	10%		\$63,450	\$113,289	\$113,855	\$114,424	\$114,996	\$115,571	\$116,149	\$116,730	\$117,314	\$117,900
44 <b>Other Cost Subtotal</b>			\$268,450	\$418,289	\$418,855	\$419,424	\$419,996	\$320,571	\$221,149	\$221,730	\$222,314	\$222,900
45												
46 <b>Total Community Development Department</b>			\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
47 FTE's			6.5	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0

**Notes to Table 21**

43 Includes services, supplies, contracts, overtime, travel, subscriptions, phone, software, uniforms, vehicle maintenance, etc.  
 Percentage is applied to Personnel Subtotal

**Table 22**  
**Public Works**  
**East Los Angeles CFA**

Ref. Item	Cost Factor	Real Increase	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
1 <b>Public Works Director</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
2 Annual Salary	\$140,000	0.5%	\$140,000	\$140,700	\$141,404	\$142,111	\$142,821	\$143,535	\$144,253	\$144,974	\$145,699	\$146,427
3 Benefits	35%		<u>\$49,000</u>	<u>\$49,245</u>	<u>\$49,491</u>	<u>\$49,739</u>	<u>\$49,987</u>	<u>\$50,237</u>	<u>\$50,488</u>	<u>\$50,741</u>	<u>\$50,995</u>	<u>\$51,250</u>
4 Subtotal			\$189,000	\$189,945	\$190,895	\$191,849	\$192,808	\$193,772	\$194,741	\$195,715	\$196,694	\$197,677
5												
6 <b>Technicians/Specialists/Aides</b>			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
7 Annual Salary	\$50,000	0.5%	\$50,000	\$100,500	\$101,003	\$101,508	\$102,015	\$102,525	\$103,038	\$103,553	\$104,071	\$104,591
8 Benefits	35%		<u>\$17,500</u>	<u>\$35,175</u>	<u>\$35,351</u>	<u>\$35,528</u>	<u>\$35,705</u>	<u>\$35,884</u>	<u>\$36,063</u>	<u>\$36,244</u>	<u>\$36,425</u>	<u>\$36,607</u>
9 Subtotal			\$67,500	\$135,675	\$136,353	\$137,035	\$137,720	\$138,409	\$139,101	\$139,796	\$140,495	\$141,198
10												
11 <b>Senior/Associate/Other Engineers</b>			1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
12 Annual Salary	\$80,000	0.5%	\$80,000	\$241,200	\$242,406	\$243,618	\$244,836	\$246,060	\$247,291	\$248,527	\$249,770	\$251,019
13 Benefits	35%		<u>\$28,000</u>	<u>\$84,420</u>	<u>\$84,842</u>	<u>\$85,266</u>	<u>\$85,693</u>	<u>\$86,121</u>	<u>\$86,552</u>	<u>\$86,984</u>	<u>\$87,419</u>	<u>\$87,856</u>
14 Subtotal			\$108,000	\$325,620	\$327,248	\$328,884	\$330,529	\$332,181	\$333,842	\$335,512	\$337,189	\$338,875
15												
16 <b>Environmental Services/NPDES</b>			0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
17 Annual Salary	\$70,000	0.5%	\$0	\$70,350	\$70,702	\$71,055	\$71,411	\$71,768	\$72,126	\$72,487	\$72,849	\$73,214
18 Benefits	35%		<u>\$0</u>	<u>\$24,623</u>	<u>\$24,746</u>	<u>\$24,869</u>	<u>\$24,994</u>	<u>\$25,119</u>	<u>\$25,244</u>	<u>\$25,370</u>	<u>\$25,497</u>	<u>\$25,625</u>
19 Subtotal			\$0	\$94,973	\$95,447	\$95,925	\$96,404	\$96,886	\$97,371	\$97,858	\$98,347	\$98,839
20												
21 <b>Building Plan Check and Code Enforcement</b>			2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
22 Annual Salary	\$65,000	0.5%	\$130,000	\$261,300	\$262,607	\$263,920	\$265,239	\$266,565	\$267,898	\$269,238	\$270,584	\$271,937
23 Benefits	35%		<u>\$45,500</u>	<u>\$91,455</u>	<u>\$91,912</u>	<u>\$92,372</u>	<u>\$92,834</u>	<u>\$93,298</u>	<u>\$93,764</u>	<u>\$94,233</u>	<u>\$94,704</u>	<u>\$95,178</u>
24 Subtotal			\$175,500	\$352,755	\$354,519	\$356,291	\$358,073	\$359,863	\$361,663	\$363,471	\$365,288	\$367,115
25												
26 <b>Administrative/Clerical</b>			2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
27 Annual Salary	\$45,000	0.5%	\$90,000	\$135,675	\$136,353	\$137,035	\$137,720	\$138,409	\$139,101	\$139,796	\$140,495	\$141,198
28 Benefits	35%		<u>\$31,500</u>	<u>\$47,486</u>	<u>\$47,724</u>	<u>\$47,962</u>	<u>\$48,202</u>	<u>\$48,443</u>	<u>\$48,685</u>	<u>\$48,929</u>	<u>\$49,173</u>	<u>\$49,419</u>
29 Subtotal			\$121,500	\$183,161	\$184,077	\$184,997	\$185,922	\$186,852	\$187,786	\$188,725	\$189,669	\$190,617
30												
31 <b>Personnel Subtotal</b>			\$661,500	\$1,282,129	\$1,288,539	\$1,294,982	\$1,301,457	\$1,307,964	\$1,314,504	\$1,321,077	\$1,327,682	\$1,334,320
32												
33 <b>Other Costs</b>												
34 Stormwater Quality Program		0.5%		\$262,853	\$264,167	\$265,488	\$266,816	\$268,150	\$269,490	\$270,838	\$272,192	\$273,553
35 Add'l Compliance Costs: Increased Standards		0.5%		\$270,114	\$298,659	\$300,152	\$301,653	\$303,161	\$304,677	\$306,201	\$307,732	\$309,270
36 NPDES Fee		0.5%		\$22,499	\$22,611	\$22,725	\$22,838	\$22,952	\$23,067	\$23,182	\$23,298	\$23,415
37 Catch Basin Maintenance		0.5%		\$230,600	\$231,753	\$232,912	\$234,076	\$235,247	\$236,423	\$237,605	\$238,793	\$239,987
38 Other Costs	20%		<u>\$132,300</u>	<u>\$256,426</u>	<u>\$257,708</u>	<u>\$258,996</u>	<u>\$260,291</u>	<u>\$261,593</u>	<u>\$262,901</u>	<u>\$264,215</u>	<u>\$265,536</u>	<u>\$266,864</u>
39			\$132,300	\$1,042,492	\$1,074,899	\$1,080,273	\$1,085,674	\$1,091,103	\$1,096,558	\$1,102,041	\$1,107,551	\$1,113,089
40												
41 <b>Total Public Works</b>			\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
42 FTE's			7.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0

**Table 22**  
**Public Works**  
**East Los Angeles CFA**

Ref. Item	Cost Factor	Real Increase	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10

**Notes to Table 22**

- 11 Include engineers of various levels for building and safety, capital improvements, development services, and traffic engineering.
- 34 County Engineers Fund, Net Cost for Stormwater Program, County of Los Angeles CEO letter to LAFCO, Att. XII (Public Works roll-up table), 3/1/11
- 35 Projected ELA cost (net of existing program and stormwater costs covered by revenues in Att. XII rollup, and net of catch basins), County of Los Angeles CEO letter to LAFCO, Att. VIII (Stormwater Program Projection), 3/1/11
- 36 The NPDES Permit fee, which is population based, is estimated at \$18,594 for ELA. This is expected to increase 21 percent next year, per County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 20), 3/1/11. There would be an additional surcharge of \$3,905 for ambient water monitoring per DPW response to Item #20, received by EPS 3/29/11.
- 37 County of Los Angeles CEO letter to LAFCO, Att. XV (pg. 20), 3/1/11
- 38 Includes services, supplies, contracts, overtime, travel, subscriptions, phone, software, uniforms, vehicle maintenance, etc.
- 42 FTEs based on Summary of Public Works FTEs received by EPS 4/14/11. Does not include Road Fund, Transit and Special District staff expenditures shown separately.

**Table 23**  
**Parks and Recreation**  
**East Los Angeles CFA**

Item	Cost Factor	Real Increase	Fiscal Year									
			2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
<b>1 Parks and Recreation Director</b>			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
2 Annual Salary	\$130,000	0.5%	\$130,000	\$130,650	\$131,303	\$131,960	\$132,620	\$133,283	\$133,949	\$134,619	\$135,292	\$135,968
3 Benefits	35%		<u>\$45,500</u>	<u>\$45,728</u>	<u>\$45,956</u>	<u>\$46,186</u>	<u>\$46,417</u>	<u>\$46,649</u>	<u>\$46,882</u>	<u>\$47,117</u>	<u>\$47,352</u>	<u>\$47,589</u>
4 Subtotal			\$175,500	\$176,378	\$177,259	\$178,146	\$179,036	\$179,932	\$180,831	\$181,735	\$182,644	\$183,557
<b>5</b>												
<b>6 Parks &amp; Rec. Supervisors/Leaders</b>			4.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
7 Annual Salary	\$45,000	0.5%	\$180,000	\$1,040,175	\$1,045,376	\$1,050,603	\$1,055,856	\$1,061,135	\$1,066,441	\$1,071,773	\$1,077,132	\$1,082,517
8 Benefits	20%		<u>\$36,000</u>	<u>\$208,035</u>	<u>\$209,075</u>	<u>\$210,121</u>	<u>\$211,171</u>	<u>\$212,227</u>	<u>\$213,288</u>	<u>\$214,355</u>	<u>\$215,426</u>	<u>\$216,503</u>
9 Subtotal			\$216,000	\$1,248,210	\$1,254,451	\$1,260,723	\$1,267,027	\$1,273,362	\$1,279,729	\$1,286,128	\$1,292,558	\$1,299,021
<b>10</b>												
<b>11 Parks &amp; Rec/Pool</b>			3.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
12 Annual Salary	\$35,000	0.5%	\$105,000	\$457,275	\$459,561	\$461,859	\$464,168	\$466,489	\$468,822	\$471,166	\$473,522	\$475,889
13 Benefits	20%		<u>\$21,000</u>	<u>\$91,455</u>	<u>\$91,912</u>	<u>\$92,372</u>	<u>\$92,834</u>	<u>\$93,298</u>	<u>\$93,764</u>	<u>\$94,233</u>	<u>\$94,704</u>	<u>\$95,178</u>
14 Subtotal			\$126,000	\$548,730	\$551,474	\$554,231	\$557,002	\$559,787	\$562,586	\$565,399	\$568,226	\$571,067
<b>15</b>												
<b>16 Maintenance/Construction Workers</b>			4.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
17 Annual Salary	\$50,000	0.5%	\$200,000	\$1,055,250	\$1,060,526	\$1,065,829	\$1,071,158	\$1,076,514	\$1,081,896	\$1,087,306	\$1,092,742	\$1,098,206
18 Benefits	35%		<u>\$70,000</u>	<u>\$369,338</u>	<u>\$371,184</u>	<u>\$373,040</u>	<u>\$374,905</u>	<u>\$376,780</u>	<u>\$378,664</u>	<u>\$380,557</u>	<u>\$382,460</u>	<u>\$384,372</u>
19 Subtotal			\$270,000	\$1,424,588	\$1,431,710	\$1,438,869	\$1,446,063	\$1,453,294	\$1,460,560	\$1,467,863	\$1,475,202	\$1,482,578
<b>20</b>												
<b>21 Secretary/Administrative Clerk</b>			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
22 Annual Salary	\$40,000	0.5%	\$40,000	\$80,400	\$80,802	\$81,206	\$81,612	\$82,020	\$82,430	\$82,842	\$83,257	\$83,673
23 Benefits	35%		<u>\$14,000</u>	<u>\$28,140</u>	<u>\$28,281</u>	<u>\$28,422</u>	<u>\$28,564</u>	<u>\$28,707</u>	<u>\$28,851</u>	<u>\$28,995</u>	<u>\$29,140</u>	<u>\$29,285</u>
24 Subtotal			\$54,000	\$108,540	\$109,083	\$109,628	\$110,176	\$110,727	\$111,281	\$111,837	\$112,396	\$112,958
<b>25</b>												
<b>26 Personnel Subtotal</b>			\$841,500	\$3,506,445	\$3,523,977	\$3,541,597	\$3,559,305	\$3,577,102	\$3,594,987	\$3,612,962	\$3,631,027	\$3,649,182
<b>27</b>												
<b>28 Other</b>	20%		\$168,300	\$701,289	\$704,795	\$708,319	\$711,861	\$715,420	\$718,997	\$722,592	\$726,205	\$729,836
<b>29</b>												
<b>30 Total Parks and Recreation Department</b>			\$1,009,800	\$4,207,734	\$4,228,773	\$4,249,917	\$4,271,166	\$4,292,522	\$4,313,985	\$4,335,554	\$4,357,232	\$4,379,018
31 FTE's			13.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0

6 Includes hourly employees with limited benefits, in addition to full-time staff.

11 Includes hourly employees with limited benefits, in addition to full-time staff.

28 Includes services, supplies, contracts, overtime, travel, subscriptions, phone, software, uniforms, vehicle maintenance, etc.

31 FTE's based on current County Parks and Recreation staffing by function, received 4/14/11.

**Table 24**  
**Rent and Supplies**  
**East Los Angeles CFA**

Item	Cost Factor	Fiscal Year									
		2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
1 Full Time Equivalent Employees (FTEs)											
2 City Clerk and Treasurer		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
3 City Manager's Office		4.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
4 Admin. Services		9.5	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
5 Community Development		6.5	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
6 Public Works		7.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
7 Parks and Rec. Department		4.0	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
8 Total FTE		35.5	72.5	72.5	72.5	72.5	72.5	72.5	72.5	72.5	72.5
9 Space Requirements											
10 Staff Capacity Required		36	73	73	73	73	73	73	73	73	73
11 Office Space	200 sq.ft./FTE	7,250	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
12 Council Chamber Space		0	0	0	0	0	0	0	0	0	0
13 Total Space		7,250	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
14 Total Rent	\$1.75 /sq.ft./month	\$152,250	\$304,500	\$304,500	\$304,500	\$304,500	\$304,500	\$304,500	\$304,500	\$304,500	\$304,500
15											
16 Annual Supplies, Repair/ Replacement	\$2,000 per FTE	\$71,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000
17											
18 Initial Computers, and Furnishings	\$4,000 per FTE	\$142,000	\$148,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19											
20 Total Rent and Supplies		\$365,250	\$597,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500	\$449,500

- 1 FTE's based on EPS estimates by department; does not include contract employees (e.g., Sheriff's Dept.). Add'l space may be required for Road Fund, Transit, and other Special District staff.
- 7 Parks and Rec office space assumed for the director, 50% of supervisors, and clerical.
- 14 Assumes the new city would use public facilities for council meetings (some nominal charges may be incurred) until new city hall is constructed.
- 11 County of LA, 8/29/11
- 14 Rents based on a review of current asking rents for vacant office buildings in ELA. New city may need to lease commercial or industrial at lower cost, but less efficient space with additional improvement costs.
- 16 Includes annual software licenses/upgrades.

**Table 25**  
**Roads and Transit**  
**East Los Angeles CFA**

Item	Cost Factor	Fiscal Year									
		2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
1 <b>CITY ROAD FUND</b>											
2 Road miles	184.00 miles										
3 Road Area (square feet)	36,700,000 sq.ft.										
4											
5											
6 <b>Maintenance Costs</b>											
7 Salaries and Benefits (S&B)	0.5% real increase	\$2,208,341	\$2,219,383	\$2,230,480	\$2,241,632	\$2,252,840	\$2,264,104	\$2,275,425	\$2,286,802	\$2,298,236	\$2,309,727
8 Other		\$3,809,194	\$3,828,240	\$3,847,382	\$3,866,619	\$3,885,952	\$3,905,381	\$3,924,908	\$3,944,533	\$3,964,256	\$3,984,077
9 Overhead	49.7% of S&B	<u>\$1,097,545</u>	<u>\$1,103,033</u>	<u>\$1,108,548</u>	<u>\$1,114,091</u>	<u>\$1,119,662</u>	<u>\$1,125,260</u>	<u>\$1,130,886</u>	<u>\$1,136,541</u>	<u>\$1,142,223</u>	<u>\$1,147,934</u>
10 Subtotal	0.5% real increase	\$7,115,081	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
11 Contingency	<i>budget is based ided in Gen. Fund</i>										
12 Subtotal		\$7,115,081	\$7,150,656	\$7,186,410	\$7,222,342	\$7,258,453	\$7,294,746	\$7,331,219	\$7,367,876	\$7,404,715	\$7,441,738
13											
14 <b>Revenues</b>											
15 Adjusted population for calculation (see Table 8)		191,664	179,782	167,773	155,635	143,370	130,976	131,616	132,256	132,896	133,536
16 <b>Gas Taxes</b>											
17 Highway User Tax 2103	\$10.82 Per Capita (adj)	\$2,073,804	\$1,945,246	\$1,815,302	\$1,683,973	\$1,551,259	\$1,417,160	\$1,424,085	\$1,431,010	\$1,437,935	\$1,444,860
18 Highway User Tax 2105	\$5.38 Per Capita (adj)	\$1,031,152	\$967,229	\$902,618	\$837,317	\$771,328	\$704,651	\$708,094	\$711,537	\$714,980	\$718,424
19 Highway User Tax 2106 (a)	\$4,800 Per Year	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
20 Highway User Tax 2106 (c)	\$3.15 Per Capita (adj)	\$603,742	\$566,315	\$528,484	\$490,251	\$451,614	\$412,574	\$414,590	\$416,606	\$418,622	\$420,638
21 Highway User Tax 2107	\$7.17 Per Capita (adj)	\$1,374,231	\$1,289,040	\$1,202,931	\$1,115,904	\$1,027,960	\$939,098	\$943,687	\$948,276	\$952,864	\$957,453
22 Highway User Tax 2107.5 (c)	\$10,000 Per Year	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
23 Subtotal		\$5,097,729	\$4,782,629	\$4,464,135	\$4,142,246	\$3,816,962	\$3,488,284	\$3,505,256	\$3,522,229	\$3,539,202	\$3,556,175
24											
25 <b>Other Road Revenues</b>											
26 Prop. C	\$12.85 Per Capita	\$1,641,922	\$1,650,146	\$1,658,370	\$1,666,594	\$1,674,818	\$1,683,042	\$1,691,266	\$1,699,490	\$1,707,714	\$1,715,938
27 Measure R	\$8.38 Per Capita	\$1,070,763	\$1,076,126	\$1,081,489	\$1,086,852	\$1,092,216	\$1,097,579	\$1,102,942	\$1,108,305	\$1,113,668	\$1,119,032
28 STP-L	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
29 TDA 3 (Bikeway Fund)	\$0.40 Per Capita	<u>\$51,110</u>	<u>\$51,366</u>	<u>\$51,622</u>	<u>\$51,878</u>	<u>\$52,134</u>	<u>\$52,390</u>	<u>\$52,646</u>	<u>\$52,902</u>	<u>\$53,158</u>	<u>\$53,414</u>
30 Subtotal		\$3,163,795	\$3,177,638	\$3,191,481	\$3,205,324	\$3,219,168	\$3,233,011	\$3,246,854	\$3,260,697	\$3,274,540	\$3,288,384
31 <b>Total Gas Taxes and Other Road Revenues</b>		\$8,261,524	\$7,960,267	\$7,655,616	\$7,347,570	\$7,036,129	\$6,721,294	\$6,752,110	\$6,782,926	\$6,813,742	\$6,844,558
32 <b>Net (before Transition Year Repayment)</b>		\$1,146,443	\$809,611	\$469,206	\$125,228	(\$222,324)	(\$573,451)	(\$579,109)	(\$584,949)	(\$590,973)	(\$597,180)
33											
34 <b>ROAD DISTRICT</b>											
35 <b>Maintenance Costs</b>											
36 Graffiti Abatement	0.5% real increase	\$205,867	\$206,896	\$207,931	\$208,970	\$210,015	\$211,065	\$212,121	\$213,181	\$214,247	\$215,318
37 Road Construction	0.5% real increase	\$347,106	\$348,842	\$350,586	\$352,339	\$354,100	\$355,871	\$357,650	\$359,438	\$361,236	\$363,042
38 Misc.	0.5% real increase	<u>\$457</u>	<u>\$459</u>	<u>\$462</u>	<u>\$464</u>	<u>\$466</u>	<u>\$469</u>	<u>\$471</u>	<u>\$473</u>	<u>\$476</u>	<u>\$478</u>
39 Subtotal		\$553,430	\$556,197	\$558,978	\$561,773	\$564,582	\$567,405	\$570,242	\$573,093	\$575,958	\$578,838
40											
41 <b>Revenues</b>											
42 Road District Property Tax	1.0%	\$194,351	\$195,323	\$196,299	\$197,281	\$198,267	\$199,259	\$200,255	\$201,256	\$202,262	\$203,274
43 Subtotal		\$194,351	\$195,323	\$196,299	\$197,281	\$198,267	\$199,259	\$200,255	\$201,256	\$202,262	\$203,274
44 <b>Net Rev (before Transition Yr. Repayment)</b>		(\$359,079)	(\$360,874)	(\$362,679)	(\$364,492)	(\$366,315)	(\$368,146)	(\$369,987)	(\$371,837)	(\$373,696)	(\$375,565)
45											



**Table 25**  
**Roads and Transit**  
**East Los Angeles CFA**

Item	Cost Factor	Fiscal Year									
		2013-14 1	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
46 <b>TRANSIT</b>	\$2,301,596 basis for repayment										
47											
48 <b>Expenditures</b>											
49 Salaries and Benefits (S&B)	0.5% real increase	\$261,851	\$263,160	\$264,476	\$265,798	\$267,127	\$268,463	\$269,805	\$271,154	\$272,510	\$273,873
50 Other		\$1,909,605	\$1,919,153	\$1,928,749	\$1,938,393	\$1,948,085	\$1,957,825	\$1,967,614	\$1,977,452	\$1,987,339	\$1,997,276
51 Overhead	49.7% of S&B	<u>\$130,140</u>	<u>\$130,791</u>	<u>\$131,445</u>	<u>\$132,102</u>	<u>\$132,762</u>	<u>\$133,426</u>	<u>\$134,093</u>	<u>\$134,764</u>	<u>\$135,438</u>	<u>\$136,115</u>
52 Subtotal		\$2,301,596	\$2,313,104	\$2,324,669	\$2,336,293	\$2,347,974	\$2,359,714	\$2,371,513	\$2,383,370	\$2,395,287	\$2,407,264
53 Contingency	<i>budget is based on actual costs</i>										
54 Total		\$2,301,596	\$2,313,104	\$2,324,669	\$2,336,293	\$2,347,974	\$2,359,714	\$2,371,513	\$2,383,370	\$2,395,287	\$2,407,264
55											
56 <b>Revenues</b>											
57 Prop. A	\$13.48 Per Capita	\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
58 Other Revenues		<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>	<u>\$56,818</u>
59 Total		\$1,779,238	\$1,787,866	\$1,796,493	\$1,805,120	\$1,813,747	\$1,822,374	\$1,831,002	\$1,839,629	\$1,848,256	\$1,856,883
60											
61 <b>NET REVENUE/(DEFICIT)</b>		(\$522,358)	(\$525,238)	(\$528,177)	(\$531,173)	(\$534,227)	(\$537,340)	(\$540,511)	(\$543,741)	(\$547,031)	(\$550,380)

- 6 County of Los Angeles CEO letter to LAFCO, Att. XII Road Fund, 3/1/11 (Total cost: \$7,115,081 \$38,669 per road mile; Total Salaries and Employee Benefits: \$4,390,340 )
- 7 County of Los Angeles CEO letter to LAFCO, Att. XII Road Fund (S&EB), 3/1/11
- 8 Services and supplies
- 9 Dept. OH 26.2%, Div. OH 6.5%, Section OH 17%, total of 49.7% of total salaries and benefits, per County of Los Angeles Public Works followup, Att. I response to #1, 3/29/11.

**Table 26**  
**Repayment to County for Transition Year County Expenditures**  
**East Los Angeles CFA**

Item	Transition Yr. Cost	% of Transition Yr.	Fiscal Year				
			2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6
<b>1 GF Service</b>							
2 Animal Care and Control	\$408,691	100%					
3 Regional Planning	\$1,614,595	100%					
4 Parks and Recreation	\$4,649,407	100%					
5 Public Health	\$0	100%					
6 County Sheriff	\$17,815,240	100% applies Prop. 172 to costs during Transition Year					
7 Office of Public Safety	\$1,779,358	100% currently integrated with County Sheriff					
8 Consumer Affairs	\$0	100%					
9 Other Code Enforcement	\$634,595	100%					
10 Public Works	\$939,903	100%					
11 NPDES, Stormwater, etc.	\$523,213	100% new costs accrue beginning in FY 2011-12					
12 Library (Gen'l Fund)	<u>\$4,502,878</u>	100%					
13 <b>Subtotal</b>	<b>\$32,867,880</b>						
14							
<b>15 GF Revenue Credits</b>							
16 Property Tax	\$0	0% Assumes spring election and SBE filing prior to December 1					
17 Sales Tax	\$614,067	16.7% 2-month payment delay					
18 TOT	\$113,038	100%					
19 Franchise Fees	<u>\$1,342,288</u>	100%					
20 <b>Subtotal</b>	<b>\$2,069,394</b>						
21							
22 Repayment net of Credits	\$30,798,486						
23 <b>Annual Repayment</b>	<b>\$6,558,831</b>	interest rate 2.13%	<b>\$6,558,831</b>	<b>\$6,558,831</b>	<b>\$6,558,831</b>	<b>\$6,558,831</b>	<b>\$6,558,831</b>
24							
<b>25 Roads</b>							
26 Road Maintenance	\$7,115,081						
27 Road District	\$553,430						
28 less Revenue Credits	<u>(\$194,351)</u>						
29 <b>Subtotal</b>	<b>\$7,474,160</b>						
30 <b>Annual Repayment</b>	<b>\$1,591,694</b>	interest rate 2.13%	<b>\$1,591,694</b>	<b>\$1,591,694</b>	<b>\$1,591,694</b>	<b>\$1,591,694</b>	<b>\$1,591,694</b>
31							
<b>32 Transit</b>							
33 Transit Services	\$2,301,596						
34 less Revenue Credits	<u>(\$56,818)</u>						
35 <b>Subtotal</b>	<b>\$2,244,778</b>						
36 <b>Annual Repayment</b>	<b>\$478,047</b>	interest rate 2.13%	<b>\$478,047</b>	<b>\$478,047</b>	<b>\$478,047</b>	<b>\$478,047</b>	<b>\$478,047</b>
37							

23 Interest per County Treasurer and Tax Collector (CEO comments to Public Review CFA)

28 Road District #1 property tax

**Table 27**  
**VLF Estimates**  
**East Los Angeles CFA**

	FY 04-05	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
1 New City Population	n/a	n/a	n/a	126,496	126,496	127,136	127,776	128,416	129,056	129,696	130,336	130,976	131,616	132,256	132,896
2 R& T 11005.3c Bump %						150%	140%	130%	120%	110%	100%	100%	100%	100%	100%
3 Bumped Population						190,704	178,886	166,941	154,867	142,666	130,336	130,976	131,616	132,256	132,896
4															
5 Population in Cities	30,506,208	31,654,735	31,994,247	32,144,042	32,465,482	32,790,137	33,118,039	33,449,219	33,783,711	34,121,548	34,462,764	34,807,391	35,155,465	35,507,020	35,862,090
6															
7 Total VLF (billions)		3.307	3.438	3.607	3.751	3.901	2.227	2.249	2.272	2.295	2.318	2.341	2.364	2.388	2.412
8 Rate		1.15	1.15	1.15	1.15	1.15	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
9 Statewide VLF Cities @.65%	2.134	1.869	1.943	2.039	2.120	2.205	2.227	2.249	2.272	2.295	2.318	2.341	2.364	2.388	2.412
10															
11 R&T 11005c special per cap.	\$50.00	\$42.20	\$43.42	\$45.33	\$46.68	\$48.07	\$48.07	\$48.07	\$48.07	\$48.07	\$48.07	\$48.07	\$48.07	\$48.07	\$48.07
12															
13 R&T 11005(e) all city per cap.			\$3.71	\$3.71	\$3.46	\$3.57	\$3.57	\$3.57	\$3.57	\$3.57	\$3.57	\$3.57	\$3.57	\$3.57	\$3.57
14															
15 R&T 1105c allocation	-	-	-	-	-	\$9,166,518	\$8,598,484	\$8,024,298	\$7,443,960	\$6,857,469	\$6,264,825	\$6,295,588	\$6,326,351	\$6,357,114	\$6,387,876
16 R&T 1105 (e) allocation	-	-	-	-	-	\$680,156	\$638,008	\$595,403	\$552,342	\$508,824	\$464,850	\$467,133	\$469,415	\$471,698	\$473,980
17															
18 Total VLF Allocation			\$0	\$0	\$0	\$9,846,673	\$9,236,492	\$8,619,701	\$7,996,302	\$7,366,293	\$6,729,675	\$6,762,721	\$6,795,766	\$6,828,811	\$6,861,857

- 1 See Table 8
- 5 California Department of Finance, E-5 City/County Population and Housing Estimates, 1/1/2010. All Cities' Population Growth Assumption after FY12: 1%
- 9 Governor's Budget Summary, Schedule 8 Comparative Statement of Revenues. VLF Growth Assumption after FY12: 1% (EPS assumption: 2% inflation, 1% real change)
- 13 Estimated per Michael Coleman, 3/11; after FY12 amount increases by VLF growth, reduced by all cities' population growth.

**Table 28**  
**Gann Limit Calculation**  
**East Los Angeles CFA**

Item	Fiscal Year		6 yrs: Inflation 3%/yr plus growth 1%/yr 25%
	2013-14 Transition Year	2014-15 2	2015-16 3
1			
2 <b>GENERAL FUND</b>			<b>TAXES</b>
3 <b>Revenues</b>			
4 Property Taxes			\$16,846,936
5 Sales Tax			\$21,058,670
6 Transient Occupancy Tax			\$4,651,676
7 Real Property Transfer Tax			\$115,310
8 Franchise Fees			\$144,138
9 Utility User Tax			\$57,558
10 Public Wks/Building Fees			\$1,355,734
11 Parks and Recreation Fees			\$1,694,668
12 Business Licenses			\$5,108,622
13 Fines, Penalties, Misc.			\$6,385,778
14 State Motor Vehicle License Fees			
15 VLF (AB 1602)			\$744,254
16 Investment Earnings			\$10,030,373
17 <b>Subtotal</b>			<u>\$291,412</u>
18			\$39,146,362
19 <b>Other Funds and Transfers</b>			\$44,781,504
20 Road Maintenance			
21 Transit			(\$373,837)
22 Redevelopment (transfer)			(\$931,597)
23 Belvedere District (transfer)			\$717,094
24 Lighting Maintenance (transfer)			\$323,018
25 <b>Subtotal</b>			<u>\$281,636</u>
26			\$16,314
27			\$11,014,431
28 <b>ROAD MAINTENANCE</b>			
29 <b>Revenues</b>			
30 Road District			\$196,299
31 Gas Taxes			\$245,374
32 Other (Prop. C, Measure R)			\$4,464,135
33 <b>Total</b>			<u>\$3,191,481</u>
34			<u>\$3,989,352</u>
35			\$7,851,915
36 <b>TRANSIT</b>			\$9,814,894
37 <b>Revenues</b>			
38 Prop. A			\$1,739,675
39 <b>Total</b>			<u>\$1,739,675</u>
40			<u>\$2,174,594</u>
41			\$2,174,594
42 <b>STREET LIGHTING</b>			
43 <b>Revenues</b>			
44 County Lighting Maintenance Dist. 1687			\$1,576,266
45 LLA-1 Assessment District			\$1,970,333
46 <b>Total</b>			<u>\$176,832</u>
47			<u>\$221,040</u>
48			\$1,753,098
49 <b>PARKS AND LANDSCAPE MAINT.</b>			\$2,191,373
50 <b>Revenues</b>			
51 Bella Vista Recreation and Park Dist.			\$7,893
52 Montebello Recreation and Park Dist.			\$9,866
53 <b>Total</b>			<u>\$119,785</u>
54			<u>\$149,731</u>
55			\$127,678
56 <b>TOTAL</b>			\$159,598
57			
			\$70,136,393

23 Based on total revenues from the Belvedere District.

## APPENDIX B:

### Review of Comparable Cities



**Table B-1**  
**General Fund Revenues for Selected Cities**  
**East Los Angeles Comprehensive Fiscal Analysis, EPS #18133**

<b>Total Revenues</b>	<b>Baldwin Park</b>		<b>Inglewood</b>		<b>South Gate</b>		<b>Pomona</b>		<b>Hawthorne</b>	
Population (2010 Census)	75,390	per cap	109,673	per cap	94,396	per cap	149,058	per cap	84,293	per cap
<b>Taxes</b>										
Property Tax	\$3,120,000	\$41.38	\$15,915,000	\$145.11	\$2,400,000	\$25.42	\$14,743,800	\$98.91	\$4,850,000	\$57.54
Property Tax in-lieu of VLF, VLF (ELA)	\$6,750,000	\$89.53	\$9,700,000	\$88.44	\$8,030,000	\$85.07	\$13,149,900	\$88.22	\$7,582,000	\$89.95
Sales Tax	\$5,150,000	\$68.31	\$9,930,000	\$90.54	\$12,000,000	\$127.12	\$8,930,700	\$59.91	\$7,492,000	\$88.88
In Lieu Sales Tax	\$0		\$0		\$0		\$3,335,400	\$22.38	\$2,532,000	\$30.04
Prop 172 Public Safety Sales Tax	\$270,000	\$3.58	\$800,000	\$7.29	\$0		\$1,297,000	\$8.70	\$325,000	\$3.86
Transient Lodging Tax	\$275,000	\$3.65	\$2,300,000	\$20.97	\$275,000	\$2.91	\$1,680,000	\$11.27	\$2,130,000	\$25.27
Franchise Fees	\$2,050,000	\$27.19	\$2,890,000	\$26.35	\$2,811,000	\$29.78	\$5,946,200	\$39.89	\$4,935,000	\$58.55
Business License Tax	\$550,000	\$7.30	\$4,000,000	\$36.47	\$1,300,000	\$13.77	\$3,000,000	\$20.13	\$4,750,000	\$56.35
Property Transfer Tax	\$77,000	\$1.02	\$135,000	\$1.23	\$80,000	\$0.85	\$1,245,750	\$8.36	\$125,000	\$1.48
Utility Users Tax	\$2,550,000	\$33.82	\$18,430,000	\$168.05	\$0		\$18,750,000	\$125.79	\$7,100,000	\$84.23
Transfers (Transportation Taxes)	\$0	\$0.00	\$0		\$0		\$0	\$0.00	\$1,375,000	\$16.31
Other	\$14,000	\$0.19	\$2,644,000	\$24.11	\$0		\$223,330	\$1.50	\$0	
<b>Total</b>	<b>\$20,806,000</b>	<b>\$275.98</b>	<b>\$66,744,000</b>	<b>\$608.57</b>	<b>\$26,896,000</b>	<b>\$284.93</b>	<b>\$72,302,080</b>	<b>\$485.06</b>	<b>\$43,196,000</b>	<b>\$512.45</b>
<b>Licenses and Permits</b>	<b>\$505,200</b>	<b>\$6.70</b>	<b>\$1,178,000</b>	<b>\$10.74</b>	<b>\$1,073,450</b>	<b>\$11.37</b>	<b>\$1,102,080</b>	<b>\$7.39</b>	<b>\$1,334,200</b>	<b>\$15.83</b>
<b>Fines and Forfeitures and Revenues from Money and Property</b>										
Fines Forfeitures	\$2,165,000	\$28.72	\$3,987,600	\$36.36	\$1,100,000	\$11.65	\$2,090,000	\$14.02	\$2,300,000	\$27.29
Revenues from Money and Property	\$406,100	\$5.39	\$1,723,200	\$15.71	\$2,330,000		\$813,296	\$5.46	\$1,150,000	\$13.64
<b>Total</b>	<b>\$2,571,100</b>	<b>\$34.10</b>	<b>\$5,710,800</b>	<b>\$52.07</b>	<b>\$3,430,000</b>	<b>\$36.34</b>	<b>\$2,903,296</b>	<b>\$19.48</b>	<b>\$3,450,000</b>	<b>\$40.93</b>
<b>Intergovernmental - State</b>										
Motor Vehicle In-Lieu Tax	\$0		\$0		\$350,000	\$3.71	\$650,000	\$4.36	\$320,000	\$3.80
Homeowners Property Tax Relief	\$25,000	\$0.33	\$135,000	\$1.23	\$0		\$123,000	\$0.83	\$40,000	\$0.47
Gasoline Tax	\$0		\$0		\$0		\$2,558,433	\$17.16	\$0	
Peace Officers Stds & Training (POST)	\$0		\$255,000	\$2.33	\$31,000	\$0.33	\$20,000	\$0.13	\$35,000	\$0.42
Other	\$175,000	\$2.32	\$0		\$95,697	\$1.01	\$1,027,200	\$6.89	\$120,000	\$1.42
<b>Total</b>	<b>\$200,000</b>	<b>\$2.65</b>	<b>\$390,000</b>	<b>\$3.56</b>	<b>\$476,697</b>	<b>\$5.05</b>	<b>\$4,378,633</b>	<b>\$29.38</b>	<b>\$515,000</b>	<b>\$6.11</b>
<b>Intergovernmental - Federal, County</b>	<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$1,577,850</b>	<b>\$18.72</b>
<b>Fees and Current Service Charges</b>										
Police/Fire Fees	\$271,000	\$3.59	\$503,000	\$4.59	\$148,575	\$1.57	\$1,317,700	\$8.84	\$982,000	\$11.65
Planning and Zoning Fees	\$636,000	\$8.44	\$1,295,710	\$11.81	\$453,000	\$4.80	\$1,172,753	\$7.87	\$205,000	\$2.43
Engineering Fees & Building fees	\$205,900	\$2.73	\$31,000	\$0.28	\$25,000	\$0.26	\$1,076,707	\$7.22	\$10,000	\$0.12
Parks and Recreation Fees	\$407,000	\$5.40	\$0	\$0.00	\$589,060	\$6.24	\$71,000	\$0.48	\$583,600	\$6.92
Quasi External Transactions	\$400	\$0.01	\$1,132,839	\$10.33	\$3,154,606	\$33.42	\$322,655	\$2.16	\$300,000	\$3.56
Other	\$10,000	\$0.13	\$382,100	\$3.48	\$0		\$335,097	\$2.25	\$0	
Miscellaneous	\$236,000	\$3.13	\$63,700	\$0.58	\$325,500	\$3.45	\$372,919	\$2.50	\$242,000	\$2.87
<b>Total</b>	<b>\$1,766,300</b>	<b>\$23.43</b>	<b>\$3,408,349</b>	<b>\$31.08</b>	<b>\$4,695,741</b>	<b>\$49.75</b>	<b>\$4,668,831</b>	<b>\$31.32</b>	<b>\$2,322,600</b>	<b>\$27.55</b>
<b>Other Revenue</b>	<b>\$386,000</b>	<b>\$5.12</b>	<b>\$5,059,000</b>	<b>\$46.13</b>	<b>\$226,000</b>	<b>\$2.39</b>	<b>\$6,662,352</b>	<b>\$44.70</b>	<b>\$278,000</b>	<b>\$3.30</b>

Source: City budgets FY2009-10; and Economics & Planning Systems.

**Table B-1**  
**General Fund Revenues for Selected Cities**  
**East Los Angeles Comprehensive Fiscal Analysis, EPS #18133**

Total Revenues Population (2010 Census)	El Monte		Lancaster		Norwalk		East LA Yr2 (VLF Yr6)	
	113,475	per cap	156,633	per cap	105,549	per cap	126,496	per cap <sup>1</sup>
<b>Taxes</b>								
Property Tax	\$14,940,800	\$131.67	\$4,342,015	\$27.72	\$5,492,100	\$52.03	\$14,490,966	<b>\$114.56</b>
Property Tax in-lieu of VLF, VLF (ELA)	\$0		\$14,775,425	\$94.33	\$8,536,096	\$80.87	\$6,264,825	<b>\$49.53</b>
Sales Tax	\$13,006,000	\$114.62	\$12,010,180	\$76.68	\$7,530,000	\$71.34	\$3,702,827	<b>\$29.27</b>
In Lieu Sales Tax	\$0		\$4,083,790	\$26.07	\$0		inc. above	
Prop 172 Public Safety Sales Tax	\$274,000	\$2.41	\$0		\$0		\$0	<b>\$0.00</b>
Transient Lodging Tax	\$298,000	\$2.63	\$1,237,000	\$7.90	\$1,166,000	\$11.05	\$50,969	<b>\$0.40</b>
Franchise Fees	\$1,974,400	\$17.40	\$2,670,780	\$17.05	\$1,500,000	\$14.21	\$832,850	<b>\$6.58</b>
Business License Tax	\$2,040,000	\$17.98	\$750,590	\$4.79	\$620,000	\$5.87	\$107,107	<b>\$0.85</b>
Property Transfer Tax	\$120,000	\$1.06	\$565,500	\$3.61	\$180,000	\$1.71	\$56,988	<b>\$0.45</b>
Utility Users Tax	\$8,509,000	\$74.99	\$0		\$5,995,000	\$56.80	\$2,760,565	<b>\$21.82</b>
Transfers (Transportation Taxes)	\$0		\$1,500	\$0.01	\$0		na	
Other	\$0		\$0		\$0			
<b>Total</b>	<b>\$41,162,200</b>	<b>\$362.74</b>	<b>\$40,436,780</b>	<b>\$258.16</b>	<b>\$31,019,196</b>	<b>\$293.88</b>	<b>\$28,267,097</b>	<b>\$223.46</b>
<b>Licenses and Permits</b>	<b>\$739,800</b>	<b>\$6.52</b>	<b>\$114,525</b>	<b>\$0.73</b>	<b>\$931,100</b>	<b>\$8.82</b>	<b>\$157,869</b>	<b>\$1.25</b>
							(animal control)	
<b>Fines and Forfeitures and Revenues from Money and Property</b>								
Fines Forfeitures	\$743,500	\$6.55	\$1,751,690	\$11.18	\$1,558,500	\$14.77	\$1,926,240	\$15.23
Revenues from Money and Property	<u>\$166,000</u>	\$1.46	<u>\$2,255,935</u>	\$14.40	<u>\$799,180</u>	\$7.57	<u>\$256,139</u>	<u>\$2.02</u>
<b>Total</b>	<b>\$909,500</b>	<b>\$8.01</b>	<b>\$4,007,625</b>	<b>\$25.59</b>	<b>\$2,357,680</b>	<b>\$22.34</b>	<b>\$2,182,379</b>	<b>\$17.25</b>
<b>Intergovernmental - State</b>								
Motor Vehicle In-Lieu Tax	\$300,000	\$2.64	\$508,350	\$3.25	\$292,000	\$2.77	\$638,008	\$5.04
Homeowners Property Tax Relief	\$35,000	\$0.31	\$0		\$0		inc. in prop. Tax	
Gasoline Tax	\$2,900,000	\$25.56	\$0		\$0		\$0	
Peace Officers Stds & Training (POST)	\$0		\$0		\$0		\$0	
Other	<u>\$3,000</u>	\$0.03	<u>\$485,965</u>	\$3.10	<u>\$100,050</u>	\$0.95	<u>\$0</u>	
<b>Total</b>	<b>\$3,238,000</b>	<b>\$28.53</b>	<b>\$994,315</b>	<b>\$6.35</b>	<b>\$392,050</b>	<b>\$3.71</b>	<b>\$638,008</b>	<b>\$5.04</b>
<b>Intergovernmental - Federal, County</b>	\$0		\$636,000	\$4.06	\$344,696	\$3.27	\$0	
<b>Fees and Current Service Charges</b>								
Police/Fire Fees	\$1,820,300	\$16.04	\$0		\$1,000	\$0.01	\$0	
Planning and Zoning Fees	\$362,000	\$3.19	\$153,000	\$0.98	\$270,500	\$2.56	\$725,189	\$5.73
Engineering Fees & Building fees	\$166,000	\$1.46	\$10,050	\$0.06	\$51,500	\$0.49	inc. above	
Parks and Recreation Fees	\$0	\$0.00	\$2,146,850	\$13.71	\$474,000	\$4.49	\$261,611	\$2.07
Quasi External Transactions	\$215,000	\$1.89	\$3,788,055	\$24.18	\$1,965,000	\$18.62	\$0	
Other	\$0		\$1,528,355	\$9.76	\$0		\$0	
Miscellaneous	<u>\$11,500</u>	\$0.10	<u>\$281,275</u>	\$1.80	<u>\$353,500</u>	\$3.35	<u>\$0</u>	
<b>Total</b>	<b>\$2,574,800</b>	<b>\$22.69</b>	<b>\$7,907,585</b>	<b>\$50.48</b>	<b>\$3,115,500</b>	<b>\$29.52</b>	<b>\$986,800</b>	<b>\$7.80</b>
<b>Other Revenue</b>	\$107,900	\$0.95	\$40,000	\$0.26	\$421,347	\$3.99	\$0	

Source: City budgets FY2009-10; and Economics & Planning System:

**Table B-2**  
**Expenditures for Selected Cities**  
**East Los Angeles Comprehensive Fiscal Analysis, EPS #18133**

Expenditures	Baldwin Park		Inglewood		South Gate		Pomona	
	Population (2010 Census):	75,390 per cap	109,673 per cap		94,396 per cap		149,058 per cap	
	Area:	6.8 sq.miles	9.1 sq.miles		7.5 sq.miles		22.8 sq.miles	
<b>General Government</b>								
City Council		\$238,700 \$3.17	\$1,474,289 \$13.44		\$185,288 \$1.96		\$367,815 \$2.47	
City Clerk		\$236,350 \$3.14	\$586,840 \$5.35		\$297,279 \$3.15		\$443,298 \$2.97	
Legal Services/ Attorney (ELA Yr. 4)		\$325,000 \$4.31	\$2,636,267 \$24.04		\$1,588,007 \$16.82		\$902,421 \$6.05	
City Manager/Administration		\$477,000 \$6.33	\$1,467,703 \$13.38		\$541,764 \$5.74		\$484,237 \$3.25	
Administrative Support Services		<u>\$6,746,400</u> <u>\$89.49</u>	<u>\$7,896,526</u> <u>\$72.00</u>		<u>\$8,852,278</u> <u>\$93.78</u>		<u>\$8,274,723</u> <u>\$55.51</u>	
<b>Total</b>		<b>\$8,023,450 \$106.43</b>	<b>\$14,061,625 \$128.21</b>		<b>\$11,464,616 \$121.45</b>		<b>\$10,472,494 \$70.26</b>	
<b>Public Safety</b>								
Police		\$17,400,300 \$230.80	\$50,469,402 \$460.18		\$22,186,356 \$235.03		\$46,740,280 \$313.57	
Fire		\$0 \$0.00	\$12,600,000 \$114.89		\$0 \$0.00		\$23,184,423 \$155.54	
Animal Control		\$0 \$0.00	\$0 \$0.00		\$0 \$0.00		\$0 \$0.00	
Disaster Preparedness/Other		<u>\$50,700</u> <u>\$0.67</u>	<u>\$0</u> <u>\$0.00</u>		<u>\$0</u> <u>\$0.00</u>		<u>\$0</u> <u>\$0.00</u>	
<b>Total</b>		<b>\$17,451,000 \$231.48</b>	<b>\$63,069,402 \$575.07</b>		<b>\$22,186,356 \$235.03</b>		<b>\$69,924,703 \$469.11</b>	
<b>Community Development</b> (note: ELA budget forecast Table 1 includes Bldg. Plan Check, Bldg. Code Enforcement shown here in Public Works)								
Administration		\$956,600 \$12.69	\$0 \$0.00		\$515,646 \$5.46		\$181,373 \$1.22	
Planning (ELA inc. GP, Zoning Ord.)		\$547,100 \$7.26	\$1,429,606 \$13.04		\$1,859,043 \$19.69		\$1,147,465 \$7.70	
Building & Safety		\$429,400 \$5.70	\$1,498,045 \$13.66		\$1,013,002 \$10.73		\$1,061,800 \$7.12	
Code Enforcement (ELA: Zoning)		<u>\$427,300</u> <u>\$5.67</u>	<u>\$1,398,689</u> <u>\$12.75</u>		<u>\$600,000</u> <u>\$6.36</u>		<u>\$592,225</u> <u>\$3.97</u>	
<b>Total</b>		<b>\$2,360,400 \$31.31</b>	<b>\$4,326,340 \$39.45</b>		<b>\$3,987,691 \$42.24</b>		<b>\$2,982,863 \$20.01</b>	
<b>Public Works</b>								
Admin/Engineering		\$679,800 \$9.02	\$1,693,599 \$15.44		\$1,053,816 \$11.16		\$741,926 \$4.98	
Facilities		\$1,881,500 \$24.96	\$4,950,285 \$45.14		\$3,362,575 \$35.62		\$3,026,682 \$20.31	
Fleet Management		<u>\$1,168,500</u> <u>\$15.50</u>	<u>\$3,485,410</u> <u>\$31.78</u>		<u>\$1,216,214</u> <u>\$12.88</u>		<u>\$4,132,658</u> <u>\$27.73</u>	
<b>Total</b>		<b>\$3,729,800 \$49.47</b>	<b>\$10,129,294 \$92.36</b>		<b>\$5,632,605 \$59.67</b>		<b>\$7,901,266 \$53.01</b>	
<b>Transportation</b>								
Streets and Highways (exc. Rd. Dist.)		\$1,739,500 \$23.07	\$7,472,106 \$68.13		\$5,331,639 \$56.48		\$5,176,372 \$34.73	
Street Landscaping		\$949,300 \$12.59	\$2,001,202 \$18.25		\$791,383 \$8.38		\$1,978,614 \$13.27	
Parking Facilities		\$0 \$0.00	\$2,969,698 \$27.08		\$0 \$0.00		\$0 \$0.00	
Public Transit Services		<u>\$1,409,400</u> <u>\$18.69</u>	<u>\$1,402,626</u> <u>\$12.79</u>		<u>\$2,627,501</u> <u>\$27.83</u>		<u>\$244,733</u> <u>\$1.64</u>	
<b>Total</b>		<b>\$4,098,200 \$54.36</b>	<b>\$13,845,632 \$126.24</b>		<b>\$8,750,523 \$92.70</b>		<b>\$7,399,719 \$49.64</b>	
<b>Health</b>								
Solid Waste Management		\$312,900 \$4.15	\$11,068,936 \$100.93		\$3,808,000 \$40.34		\$9,112,196 \$61.13	
Sewer/Storm Drain Maintenance		\$0 \$0.00	\$595,230 \$5.43		\$1,961,600 \$20.78		\$4,678,621 \$31.39	
<b>Total</b>		<b>\$312,900 \$4.15</b>	<b>\$11,664,166 \$106.35</b>		<b>\$5,769,600 \$61.12</b>		<b>\$13,790,817 \$92.52</b>	
<b>Culture and Leisure</b>								
Parks and Recreation		\$1,856,700 \$24.63	\$5,294,838 \$48.28		\$3,193,358 \$33.83		\$4,117,318 \$27.62	
Community Programs		\$930,100 \$12.34	\$656,420 \$5.99		\$566,569 \$6.00		\$491,388 \$3.30	
Other Culture & Leisure		\$0 \$0.00	\$4,185,601 \$38.16		\$129,020 \$1.37		\$2,214,597 \$14.86	
<b>Total</b>		<b>\$2,786,800 \$36.97</b>	<b>\$10,136,859 \$92.43</b>		<b>\$3,888,947 \$41.20</b>		<b>\$6,823,303 \$45.78</b>	
<b>Other</b>		<b>\$0 \$0.00</b>	<b>\$645,518 \$5.89</b>		<b>\$0 \$0.00</b>		<b>\$212,216 \$1.42</b>	

Source: City budgets FY2009-10; EPS



**Table B-2**  
**Expenditures for Selected Cities**  
**East Los Angeles Comprehensive Fisca**

Expenditures	Hawthorne		El Monte		Lancaster		Norwalk		East L.A. (Yr. 2)	
Population (2010 Census):	84,293	per cap	113,475	per cap	156,633	per cap	105,549	per cap	126,496	per cap
Area:	6.1	sq.miles	9.7	sq.miles	94.2	sq.miles	9.4	sq.miles	7.5	sq.miles
<b>General Government</b>										
City Council	\$96,936	\$1.15	\$114,800	\$1.01	\$120,120	\$0.77	\$422,417	\$4.00	\$92,000	\$0.73
City Clerk	\$134,495	\$1.60	\$253,600	\$2.23	\$734,750	\$4.69	\$645,834	\$6.12	\$390,744	\$3.09
Legal Services/ Attorney (ELA Yr. 4)	\$257,410	\$3.05	\$269,300	\$2.37	\$570,000	\$3.64	\$290,000	\$2.75	\$1,100,000	\$8.70
City Manager/Administration	\$544,135	\$6.46	\$247,700	\$2.18	\$774,795	\$4.95	\$1,344,834	\$12.74	\$987,848	\$7.81
Administrative Support Services	<u>\$4,574,228</u>	<u>\$54.27</u>	<u>\$12,378,500</u>	<u>\$109.09</u>	<u>\$9,421,260</u>	<u>\$60.15</u>	<u>\$6,797,148</u>	<u>\$64.40</u>	<u>\$2,158,740</u>	<u>\$17.07</u>
<b>Total</b>	<b>\$5,607,204</b>	<b>\$66.52</b>	<b>\$13,263,900</b>	<b>\$116.89</b>	<b>\$11,620,925</b>	<b>\$74.19</b>	<b>\$9,500,233</b>	<b>\$90.01</b>	<b>\$4,729,332</b>	<b>\$37.39</b>
<b>Public Safety</b>										
Police	\$30,591,564	\$362.92	\$22,075,900	\$194.54	\$24,334,070	\$155.36	\$11,835,030	\$112.13	\$21,157,215	\$167.26
Fire	\$8,252,000	\$97.90	\$8,200,000	\$72.26	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Animal Control	\$384,746	\$4.56	\$0	\$0.00	\$400,000	\$2.55	\$350,300	\$3.32	\$410,734	\$3.25
Disaster Preparedness/Other	<u>\$0</u>	<u>\$0.00</u>	<u>\$0</u>	<u>\$0.00</u>	<u>\$0</u>	<u>\$0.00</u>	<u>\$86,984</u>	<u>\$0.82</u>	<u>\$0</u>	<u>\$0.00</u>
<b>Total</b>	<b>\$39,228,310</b>	<b>\$465.38</b>	<b>\$30,275,900</b>	<b>\$266.81</b>	<b>\$24,734,070</b>	<b>\$157.91</b>	<b>\$12,272,314</b>	<b>\$116.27</b>	<b>\$21,567,949</b>	<b>\$170.50</b>
<b>Community Development</b> (note: ELA budget forecast Table 1 includes Bldg. Plan Check, Bldg. Code Enforcement shown here in Public Works)										
Administration	\$0	\$0.00	\$91,500	\$0.81	\$0	\$0.00	\$401,409	\$3.80		
Planning (ELA inc. GP, Zoning Ord.)	\$396,302	\$4.70	\$248,600	\$2.19	\$1,629,415	\$10.40	\$344,523	\$3.26		
Building & Safety	\$907,030	\$10.76	\$266,000	\$2.34	\$0	\$0.00	\$761,178	\$7.21		
Code Enforcement (ELA: Zoning)	<u>\$949,633</u>	<u>\$11.27</u>	<u>\$428,100</u>	<u>\$3.77</u>	<u>\$1,566,275</u>	<u>\$10.00</u>	<u>\$1,068,300</u>	<u>\$10.12</u>		
<b>Total</b>	<b>\$2,252,965</b>	<b>\$26.73</b>	<b>\$1,034,200</b>	<b>\$9.11</b>	<b>\$3,195,690</b>	<b>\$20.40</b>	<b>\$2,575,410</b>	<b>\$24.40</b>	<b>\$1,551,175</b>	<b>\$12.26</b>
<b>Public Works</b>										
Admin/Engineering	\$1,104,026	\$13.10	\$0	\$0.00	\$2,334,100	\$14.90	\$1,515,037	\$14.35		
Facilities	\$2,213,775	\$26.26	\$1,249,400	\$11.01	\$0	\$0.00	\$2,142,926	\$20.30		
Fleet Management	<u>\$0</u>	<u>\$0.00</u>	<u>\$0</u>	<u>\$0.00</u>	<u>\$0</u>	<u>\$0.00</u>	<u>\$3,167,092</u>	<u>\$30.01</u>		
<b>Total</b>	<b>\$3,317,801</b>	<b>\$39.36</b>	<b>\$1,249,400</b>	<b>\$11.01</b>	<b>\$2,334,100</b>	<b>\$14.90</b>	<b>\$6,825,055</b>	<b>\$64.66</b>	<b>\$2,324,621</b>	<b>\$18.38</b>
<b>Transportation</b>										
Streets and Highways (exc. Rd. Dist.)	\$5,406,625	\$64.14	\$2,860,100	\$25.20	\$15,789,965	\$100.81	\$3,523,082	\$33.38	\$6,077,861	\$48.05
Street Landscaping	\$392,478	\$4.66	\$0	\$0.00	\$0	\$0.00	\$1,439,747	\$13.64	inc. above & assessments	
Parking Facilities	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00		
Public Transit Services	<u>\$1,670,275</u>	<u>\$19.82</u>	<u>\$3,673,900</u>	<u>\$32.38</u>	<u>\$0</u>	<u>\$0.00</u>	<u>\$18,402,650</u>	<u>\$174.35</u>	<u>\$2,062,818</u>	<u>\$16.31</u>
<b>Total</b>	<b>\$7,469,378</b>	<b>\$88.61</b>	<b>\$6,534,000</b>	<b>\$57.58</b>	<b>\$15,789,965</b>	<b>\$100.81</b>	<b>\$23,365,479</b>	<b>\$221.37</b>	<b>\$8,140,680</b>	<b>\$64.36</b>
<b>Health</b>										
Solid Waste Management	\$295,183	\$3.50	\$856,869	\$7.55	\$0	\$0.00	\$0	\$0.00	\$321,411	\$2.54
Sewer/Storm Drain Maintenance	\$0	\$0.00	\$0	\$0.00	\$2,577,760	\$16.46	\$293,066	\$2.78	inc. in Public Works	
<b>Total</b>	<b>\$295,183</b>	<b>\$3.50</b>	<b>\$856,869</b>	<b>\$7.55</b>	<b>\$2,577,760</b>	<b>\$16.46</b>	<b>\$293,066</b>	<b>\$2.78</b>		
<b>Culture and Leisure</b>										
Parks and Recreation	\$3,150,694	\$37.38	\$1,315,100	\$11.59	\$10,210,973	\$65.19	\$6,655,525	\$63.06	\$5,250,623	\$41.51
Community Programs	\$465,395	\$5.52	\$182,900	\$1.61	\$1,950,870	\$12.46	\$6,738,467	\$63.84		
Other Culture & Leisure	\$0	\$0.00	\$12,000	\$0.11	\$63,000	\$0.40	\$67,894	\$0.64		
<b>Total</b>	<b>\$3,616,089</b>	<b>\$42.90</b>	<b>\$1,510,000</b>		<b>\$12,224,843</b>		<b>\$13,461,886</b>			
<b>Other</b>	<b>\$25,000</b>	<b>\$0.30</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0.00</b>		

Source: City budgets FY2009-10; EPS

**Table B-3**  
**FTE Positions for Selected Cities**  
**East Los Angeles Comprehensive Fiscal Analysis, EPS #18133**

Department/ Position	East L.A.	Comparable Cities					
		Baldwin Park	Inglewood	South Gate	Pomona	Hawthorne	El Monte
<i>Population Estimate</i>	126,496	75,390	109,673	94,396	149,058	84,293	113,475
<b>Elected Officials</b>							
Mayor/Councilmembers	5.0	5.0	5.0	5.0	7.0	5.0	5.0
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Treasurer	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total Elected Officials</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>9.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Departments</b>							
City Clerk's Office	2.0	2.0	4.5	2.0	2.0	2.0	2.0
Attorney	<i>contract</i>	<i>contract</i>	17.8	1.0	2.0	6.0	5.0
<u>Administrative Services</u>							
City Manager's Office	6.0	5.6	15.0	5.5	5.0	4.0	4.0
Communications/Reprographics (ELA Admin Dept.)	<i>inc. in Admin.</i>	1.0	4.0	0.0	0.0	3.0	0.0
Human Resources (ELA Admin Dept.)	6.0	3.0	12.5	5.0	11.0	4.0	2.0
Finance (ELA Admin Dept.; inc. 50% of Other Serv.)	8.0	9.7	42.5	14.0	19.0	7.0	8.0
Treasury (ELA Admin Dept.)	<i>inc. in Admin.</i>	0.0	1.0	0.0	0.0	0.0	2.0
Purchasing (ELA Admin Dept.)	<i>inc. in Admin.</i>	0.0	5.0	3.0	4.0	1.0	2.0
Licensing (ELA Admin Dept.)	<i>inc. in Admin.</i>	0.0	0.0	2.0	3.0	7.0	2.0
IT Services (ELA Admin Dept.)	4.0	2.0	26.0	3.0	3.0	4.3	3.0
Other Administration Services (ELA Admin Dept.)	<u>4.0</u>						
<b>Total Administrative Services</b>	<b>28.0</b>	<b>21.3</b>	<b>106.0</b>	<b>32.5</b>	<b>45.0</b>	<b>30.3</b>	<b>23.0</b>
<u>Community Development</u>							
Administration	2.0	1.3	9.0	7.7	3.0	0.0	3.0
Planning	6.0	6.3	11.0	1.4	10.0	3.0	1.0
Bldg & Safety/Code (ELA Zoning; see also Pub. Wks)	2.0	8.7	25.0	14.5	12.0	15.0	7.0
Housing	<i>inc. in Other Depts.</i>	9.0	19.0	6.5	26.0	10.0	1.0
<b>Total Community Development</b>	<b>10.0</b>	<b>25.2</b>	<b>64.0</b>	<b>30.1</b>	<b>51.0</b>	<b>28.0</b>	<b>12.0</b>
Community Redevelopment Agency	<i>inc. in Com. Dev.</i>	2.0	8.0	2.9	6.0	0.0	4.0
<u>Parks, Recreation and Community Services</u>							
Administration	3.0	2.3	5.0	4.0	0.0	2.0	3.0
Parks/ Recreation Facilities (ELA Maint./Const.)	21.0	7.0	35.5	23.0	34.0	18.5	25.0
Recreation Services (ELA Programs, Pool)	36.0	46.7	44.2	5.2	3.0	6.0	3.0
Community Services (Snrs, Youth & Transit Svcs)	<i>inc. in Other Depts.</i>	32.0	32.9	6.3	4.0	1.0	11.0
<b>Total Parks, Rec. and Community Svcs</b>	<b>60.0</b>	<b>88.0</b>	<b>117.6</b>	<b>38.5</b>	<b>41.0</b>	<b>27.5</b>	<b>42.0</b>
<u>Public Works</u>							
Administration/Engineering (ELA inc. Bldg/Code Enf.)	14.0	4.7	15.0	9.0	17.0	10.0	3.0
Street Maintenance/Traffic Control	<i>inc. in Roads Fund</i>	10.3	33.0	20.5	19.0	14.8	3.0
General/Facilities Services	<i>inc. in Other Depts.</i>	13.6	32.0	16.6	27.0	12.1	29.0
Solid Waste Mgmt./Sewer	<i>inc. in Other Depts.</i>	4.3	11.0	3.9	28.0	1.1	1.0
<b>Total Public Works</b>	<b>14.0</b>	<b>33.0</b>	<b>91.0</b>	<b>50.0</b>	<b>91.0</b>	<b>37.9</b>	<b>36.0</b>
Fleet Management Services	<i>inc. in Other Depts.</i>	0.0	14.0	4.0	17.0	3.7	2.0
<b>Total<sup>1</sup></b>	<b>121.0</b>	<b>178.5</b>	<b>429.8</b>	<b>168.0</b>	<b>264.0</b>	<b>142.4</b>	<b>133.0</b>

[1] Excludes Police, Utilities, Library, and all other departments and enterprises that are specific to particular cities.

See other tables for additional cost detail specific to ELA.

Source: City budgets FY2009-10; and Economics & Planning Systems.

**Table B-4**  
**Estimate of East LA Sheriff Contract Positions vs. Sheriff Contracts for 6 Cities**

Service Unit/Position	East LA (Sheriff)			East LA - (EPS revision)			Carson		
	Units	FTEs	Total Cost	Units	FTEs	Total Cost	Units	FTEs	Total Cost
Deputy Sheriff Service Unit									
40 hour	-	-		-	-		52	60.632	\$12,564,569
<b>56 hour:</b>	<b>67</b>	<b>109.4</b>	<b>\$22,664,535</b>	<b>45</b>	<b>73.4</b>	<b>\$15,222,449</b>	-	-	
Criminal Unit	34	55.5	\$11,501,406						
Traffic Unit	15	24.5	\$5,074,150						
Additional Units (Non-designated)	18	29.4	\$6,088,980						
70 hour	-	-		-	-		-	-	
Non-Relief	-	-		-	-		-	-	
Deputy Sheriff Service Unit (Bonus Level)									
Non-Relief	15	15	\$3,426,914	10	10	\$2,363,389	2	2	\$456,922
Growth Deputy Units (Non-Relief only)									
Deputy	-	-		-	-		-	-	
Deputy (with a dedicated vehicle)	-	-		-	-		-	-	
Deputy, B-1	-	-		-	-		-	-	
Grant Units (Non-Relief only)									
Deputy	-	-		-	-		-	-	
Deputy, B-1 (with a dedicated vehicle)	-	-		-	-		-	-	
Supplemental Positions (Non-Relief only)									
Sergeant (SAO)	10	10	\$1,883,970	7	7	\$1,299,290	3	3	\$565,191
Sergeant (Motor)	1	1	\$207,450	1	1	\$143,069	-	-	
Motor Deputy	3	3	\$685,383	2	2	\$472,678	2	2	\$456,922
CSA	-	-		-	-		-	-	
Security Officer	4	4	\$361,313	3	3	\$236,722	-	-	
Security Assistant	-	-		-	-		-	-	
Law Enforcement Tech	9	9	\$737,156	6	6	\$482,964	-	-	
Operations Assistant I	2	2	\$144,546	1	1	\$94,703	-	-	
Operations Assistant II	2	2	\$179,552	1	1	\$117,638	-	-	
Operations Assistant III	-	-		-	-		-	-	
Station Clerk	7	7	\$467,908	5	5	\$306,560	-	-	
Crime Analyst	2	2	\$201,172	1	1	\$131,802	-	-	
Custody Assistant	3	3	\$275,792	2	2	\$180,692	-	-	
Sworn Personnel		138.4			93.4			67.6	
Non-Sworn (Civilian) Personnel		29.0			19.0			-	
<b>Total Patrol Coverage</b>		<b>167.4</b>			<b>112.4</b>			<b>67.6</b>	
<b>City Public Safety Cost</b>									
<u>Sheriff Contract</u>									
Sworn Personnel			\$28,868,252			\$19,500,874			\$14,043,603
Non-Sworn			\$2,367,439			\$1,551,081			\$0
Other City Public Safety Costs			n/a			n/a			\$8,194,386
<b>Total City Costs</b>			<b>\$31,235,691</b>			<b>\$21,051,955</b>			<b>\$22,237,989</b>
<b>Comparison Metrics</b>									
Resident Population		126,496			126,496			91,714	
Area (sq. miles)		7.5			7.5			19.0	
Total Police Svcs Cost per Resident			\$247			\$166			\$242
General Fund Revenue per Resident			\$252			\$252			\$688
Part I Crimes per Sworn Officer		24			35			42	
Sworn Officers per 1,000 population		1.1			0.7			0.7	
Avg. Response Times (minutes) to Emergency Calls		4.5			<b>5.0</b>	<i>Est'd based on avg.</i>		5.0	

Source: 7/1/2010 LASD Contracts

[1] Calculated for the 6 cities with existing contracts, does not include East LA estimates.

**Table B-4**  
**Estimate of East LA Sheriff Contract Positic**

Service Unit/Position	Commerce			Compton			Lancaster		
	Units	FTEs	Total Cost	Units	FTEs	Total Cost	Units	FTEs	Total Cost
Deputy Sheriff Service Unit									
40 hour	-	-		-	-		3	3.498	\$724,879
56 hour:	11	17.952	\$3,721,043	-	-		45	73.440	\$15,222,449
Criminal Unit									
Traffic Unit									
Additional Units (Non-designated)									
70 hour	-	-		32	65.280	\$13,531,082	-	-	
Non-Relief	4	4	\$878,642	10	10	\$2,196,605	2	2	\$439,321
Deputy Sheriff Service Unit (Bonus Level)									
Non-Relief	1	1	\$228,461	-	-		3	3	\$685,383
Growth Deputy Units (Non-Relief only)									
Deputy	-	-		2	2	\$301,550	5	5	\$753,875
Deputy (with a dedicated vehicle)	-	-		-	-		4	4	\$684,520
Deputy, B-1	-	-		-	-		4	4	\$636,871
Grant Units (Non-Relief only)									
Deputy	-	-		-	-		5	5	\$753,875
Deputy, B-1 (with a dedicated vehicle)	-	-		-	-		-	-	
Supplemental Positions (Non-Relief only)									
Sergeant (SAO)	-	-		2	2	\$376,794	3	3	\$565,191
Sergeant (Motor)	-	-		-	-		-	-	
Motor Deputy	3	3	\$685,383	2	2	\$456,922	4	4	\$913,843
CSA	-	-		2	2	\$109,864	-	-	
Security Officer	-	-		-	-		-	-	
Security Assistant	-	-		2	2	\$117,029	-	-	
Law Enforcement Tech	1	1	\$81,906	-	-		-	-	
Operations Assistant I	-	-		-	-		-	-	
Operations Assistant II	-	-		-	-		-	-	
Operations Assistant III	-	-		-	-		-	-	
Station Clerk	-	-		-	-		-	-	
Crime Analyst	-	-		-	-		-	-	
Custody Assistant	-	-		-	-		-	-	
Sworn Personnel		26.0			81.3			106.9	
Non-Sworn (Civilian) Personnel		1.0			4.0			-	
<b>Total Patrol Coverage</b>		<b>27.0</b>			<b>85.3</b>			<b>106.9</b>	
<b>City Public Safety Cost</b>									
<u>Sheriff Contract</u>									
Sworn Personnel			\$5,513,529			\$16,972,817			\$21,380,207
Non-Sworn			\$81,906			\$117,029			\$0
Other City Public Safety Costs			\$372,500			\$0			\$2,500,925
<b>Total City Costs</b>			<b>\$5,967,935</b>			<b>\$17,089,846</b>			<b>\$23,881,132</b>
<b>Comparison Metrics</b>									
Resident Population		12,823			96,455			156,633	
Area (sq. miles)		6.6			10.2			94.2	
Total Police Svcs Cost per Resident			\$465			\$177			\$152
General Fund Revenue per Resident			\$3,861						\$346
Part I Crimes per Sworn Officer		41			56			42	
Sworn Officers per 1,000 population		2.0			0.8			0.7	
Avg. Response Times (minutes) to Emergency Calls		4.4			5.1			5.8	

Source: 7/1/2010 LASD Contracts

[1] Calculated for the 6 cities with existing con

**Table B-4**  
**Estimate of East LA Sheriff Contract Positic**

Service Unit/Position	Norwalk			Santa Clarita		
	Units	FTEs	Total Cost	Units	FTEs	Total Cost
Deputy Sheriff Service Unit						
40 hour	-	-		11	12.826	\$2,657,890
<b>56 hour:</b>	20	32.640	\$6,765,533	25	40.800	\$8,456,916
Criminal Unit						
Traffic Unit						
Additional Units (Non-designated)						
70 hour	-	-		-	-	
Non-Relief	5	5	\$1,098,302	14	14	\$3,075,247
Deputy Sheriff Service Unit (Bonus Level)						
Non-Relief	1	1	\$228,461	5.6	5.6	\$1,279,381
Growth Deputy Units (Non-Relief only)						
Deputy	-	-		-	-	
Deputy (with a dedicated vehicle)	-	-		-	-	
Deputy, B-1	-	-		-	-	
Grant Units (Non-Relief only)						
Deputy	-	-		-	-	
Deputy, B-1 (with a dedicated vehicle)	-	-		2	2	\$359,145
Supplemental Positions (Non-Relief only)						
Sergeant (SAO)	1	1	\$188,397	1.9	1.9	\$357,954
Sergeant (Motor)	1	1	\$207,450	-	-	
Motor Deputy	2	2	\$456,922	3	3	\$685,383
CSA	-	-		2	2	\$109,864
Security Officer	-	-		-	-	
Security Assistant	-	-		-	-	
Law Enforcement Tech	-	-		-	-	
Operations Assistant I	-	-		-	-	
Operations Assistant II	-	-		-	-	
Operations Assistant III	-	-		1	1	\$102,807
Station Clerk	-	-		-	-	
Crime Analyst	-	-		-	-	
Custody Assistant	-	-		-	-	
Sworn Personnel		42.6			80.1	
Non-Sworn (Civilian) Personnel		-			3.0	
<b>Total Patrol Coverage</b>		<b>42.6</b>			<b>83.1</b>	
<b>City Public Safety Cost</b>						
<u>Sheriff Contract</u>						
Sworn Personnel			\$8,945,065			\$16,981,780
Non-Sworn			\$0			\$102,807
Other City Public Safety Costs			\$2,653,316			\$1,806,714
<b>Total City Costs</b>			<b>\$11,598,381</b>			<b>\$18,891,301</b>
<b>Comparison Metrics</b>						
Resident Population		105,549			176,320	
Area (sq. miles)		9.4			52.7	
Total Police Svcs Cost per Resident			\$110			\$107
General Fund Revenue per Resident			\$365			\$430
Part I Crimes per Sworn Officer		61			44	
Sworn Officers per 1,000 population		0.4			0.5	
Avg. Response Times (minutes) to Emergency Calls		3.7			5.3	

Source: 7/1/2010 LASD Contracts

[1] Calculated for the 6 cities with existing con

**Table B-5**  
**Estimates of East LA Sheriff Contract vs. Sheriff Contract Costs to Other Cities**  
**East Los Angeles Comprehensive Fiscal Analysis**

Item Description	East Los Angeles			Cities with Sheriff Contracts					
	Existing	Sheriff Contract	CFA Alt.	Carson	Commerce	Compton	Lancaster	Norwalk	Santa Clarita
<b>Area</b> (Square Miles)	7.5	7.5	7.5	19.0	6.6	10.2	94.2	9.4	52.7
<b>Demographics</b>									
Resident Population 2010 <sup>1</sup>	126,496	Same	Same	91,714	12,823	96,455	156,633	105,549	176,320
Population Density (Avg. Pop./Square Mile)	16,866	Same	Same	4,835	1,952	9,456	1,663	11,289	3,346
Service (Daytime) Population <sup>2</sup>	141,358	Same	Same	139,555	57,886	122,360	180,701	123,479	218,114
Average Household Income 2009 <sup>3</sup>	\$43,788	Same	Same	\$74,068	\$59,638	\$51,034	\$59,925	\$68,341	\$92,933
<b>General Revenues Per Resident</b> <sup>4</sup>	na	\$243	\$243	\$550	\$1,589	-	\$250	\$286	\$337
<b>Police Expenditures</b> <sup>5</sup>									
Sheriff Contract	n/a	\$31,235,691	\$21,051,955	\$10,913,719	\$5,469,914	\$17,085,345	\$22,233,145	\$8,969,946	\$17,118,385
Other Public Safety Expenditures	-	-	-	\$8,194,386	\$372,500	not available	\$2,500,925	\$2,653,316	\$1,806,714
<b>Total Expenditures</b>	<b>\$36,380,071</b>	<b>\$31,235,691</b>	<b>\$21,051,955</b>	<b>\$19,108,105</b>	<b>\$5,842,414</b>	<b>\$17,085,345</b>	<b>\$24,734,070</b>	<b>\$11,623,262</b>	<b>\$18,925,099</b>
Per Resident Population	\$288	\$247	\$166	\$208	\$456	\$177	\$158	\$110	\$107
<b>Reported Part I Crimes 2009</b> <sup>6</sup>	<b>3,285</b>	Same	Same	<b>2,840</b>	<b>1,072</b>	<b>4,557</b>	<b>4,513</b>	<b>2,617</b>	<b>3,524</b>
Part I Crime Rate (per 10,000 population)	260	Same	Same	310	836	472	288	248	200
Reported Crimes per Patrol Officer	27.9	n/a	n/a	42.0	41.3	54.7	42.2	61.4	42.9
Avg. Response Times (minutes) to Emergency Calls	4.5	n/a	n/a	5.0	4.4	5.1	5.8	3.7	5.3
<b>Police Patrol Coverage</b> <sup>7</sup>									
Sworn Patrol Officers	118	138	93	68	26	83	107	43	82
Non-Sworn Staff	19	29	19	-	1	2	-	-	1
<b>Total Patrol Coverage Personnel</b>	<b>137</b>	<b>167</b>	<b>112</b>	<b>68</b>	<b>27</b>	<b>85</b>	<b>107</b>	<b>43</b>	<b>83</b>
Patrol Officers Per 1,000 Population	0.9	1.1	0.7	0.7	2.0	0.9	0.7	0.4	0.5
Patrol Officers Per Square Mile	15.7	18.4	12.5	3.6	4.0	8.2	1.1	4.6	1.6
<b>Traffic Units</b>	not available	15	9	16	6	8	21	10	19
Traffic Units per Square Mile	-	2.0	1.2	0.8	0.9	0.8	0.2	1.1	0.4
<b>Traffic Enforcement</b> <sup>8</sup>									
DUI Arrests	447	n/a	n/a	138	25	114	676	304	577
Total Citations (excludes Parking citations)	5,494	n/a	n/a	13,779	6,639	7,134	24,614	10,221	19,742
Total Citations per 10,000 Population	434	-	-	1,502	5,177	740	1,571	968	1,120

[1] 2010 census population from California DOF, State Census Data Center.

[2] Daytime population reflects comparable service population among areas. It is defined as resident population, plus in-commuting workers, less out-commuting workers.

[3] Source: 2009 American Community Survey 1-Year Estimates. Commerce City data from the 2005-09 ACS 5-Year Estimates.

[4] Includes property tax, property tax in lieu, sales tax, hotel tax, utility user and franchises (excludes fees and charges). ELA estimate for VLF excludes bump in initial 5 years.

[5] Expenditure data for comparison cities from public safety budgets for police protection services FY 2009-10 final budgets.

[6] Crime data from Los Angeles County Sheriff's Department (LASD), *Station, City & Unincorporated Detail by Station & Crime Type* - Preliminary Data 8/05/2010.

[7] Police personnel data from LASD, Contract City Law Enforcement Services. Does not include overhead positions. Proposed Sheriff's Contract for ELA has 32 overhead sworn officers for a total of 170 sworn officers, while the Revised estimate has 22 overhead sworn officers for a total of 115 sworn officers.

[8] Source: LASD, Traffic Analysis Reports FY2009/2010. "Existing" based on LASD data plus 20% of CHP stats for ELA (CHP estimates that approx. 20% of the arrests & citations are non-freeway related per EPS correspondence with Ofc. Luis Mendoza, 6/3/11)

**Table B-6**  
**Road Expenditures for Selected Cities**  
**East Los Angeles CFA**

Item	Carson	Commerce	Compton	Lancaster	Norwalk	Baldwin Park
<b>1999 Maintained Mileage (Centerline)<sup>2</sup></b>	<b>203.1</b>	<b>70.3</b>	<b>174.2</b>	<b>399.6</b>	<b>181.2</b>	<b>104.1</b>
<b>Expenditures for Street Purposes<sup>1</sup></b>						
Undistributed Engineering and Administration	\$1,982,819	\$203,949	\$539,946	\$232,767	\$410,349	\$694,688
<b>Construction and Right of Way</b>						
New Street Construction	-	-	-	\$751	-	-
Street Reconstruction	\$2,625,955	-	\$2,097,320	\$2,147,269	\$246,212	\$469,489
Signals, Safety Devices, and Street Lights	\$112,363	-	\$351,599	\$982,059	\$208,805	-
Pedestrian Ways and Bikepaths	-	-	\$132,383	\$6,300,005	-	-
Storm Drains	\$539,576	-	-	\$2,646,924	-	-
Storm Damage	-	-	-	-	-	-
<b>Total Construction</b>	<b>\$3,277,894</b>	<b>\$0</b>	<b>\$2,581,302</b>	<b>\$12,077,008</b>	<b>\$455,017</b>	<b>\$469,489</b>
Right of Way Acquisition	\$420,620	-	-	-	-	-
<b>Total Construction and Rights of Way</b>	<b>\$3,698,514</b>	<b>\$0</b>	<b>\$2,581,302</b>	<b>\$12,077,008</b>	<b>\$455,017</b>	<b>\$469,489</b>
<b>Maintenance</b>						
Patching	-	\$133,590	-	-	-	-
Overlay and Sealing	\$199,209	\$2,046,098	\$516,767	\$2,229,964	\$921,447	-
Street Lights and Traffic Signals	\$2,268,695	\$865,959	\$3,579,506	-	\$1,618,172	\$1,774,287
Snow Removal	-	-	-	-	-	-
Storm Damage	-	-	-	-	-	-
Other Street Purpose Maintenance	\$5,391,905	\$803,192	\$3,194,131	\$4,933,334	\$3,240,512	\$824,461
<b>Total Maintenance</b>	<b>\$7,859,809</b>	<b>\$3,848,839</b>	<b>\$7,290,404</b>	<b>\$7,163,298</b>	<b>\$5,780,131</b>	<b>\$2,598,748</b>
<b>Per Mile</b>	<b>\$38,695</b>	<b>\$54,741</b>	<b>\$41,863</b>	<b>\$17,927</b>	<b>\$31,902</b>	<b>\$24,970</b>
Property Plant and Equipment	-	-	-	\$302,510	-	-
Contributions to Other Governmental Agencies	-	-	-	-	-	-
<b>Total Street Purpose Expenditures</b>	<b>\$13,541,142</b>	<b>\$4,052,788</b>	<b>\$10,411,652</b>	<b>\$19,775,583</b>	<b>\$6,645,497</b>	<b>\$3,762,925</b>
<b>Per Mile</b>	<b>\$66,666</b>	<b>\$57,642</b>	<b>\$59,786</b>	<b>\$49,491</b>	<b>\$36,678</b>	<b>\$36,157</b>

[1] Source: California Department of Transportation, Division of Transportation System Information, Office of Travel Forecasting & Analysis, Highway Inventory & Performance Branch.

<http://www.dot.ca.gov/hq/tsip>

[2] Source: State Controller's Office, *Streets and Roads Annual Report*, 62nd Ed. (FY 2008-09).

**Table B-6**  
**Road Expenditures for Selected Cities**  
**East Los Angeles CFA**

Item	El Monte	Hawthorne	Inglewood	Pomona	Santa Clarita	South Gate	East L.A.
<b>1999 Maintained Mileage (Centerline)<sup>2</sup></b>	<b>151.5</b>	<b>90.8</b>	<b>189.5</b>	<b>292.8</b>	<b>253.5</b>	<b>128.7</b>	<b>184.0</b>
<b>Expenditures for Street Purposes<sup>1</sup></b>							
Undistributed Engineering and Administration	\$742,008	-	-	\$728,271	-	\$158,909	
<b>Construction and Right of Way</b>							
New Street Construction	-	-	-	-	-	-	
Street Reconstruction	\$1,000,788	\$1,276,187	\$3,310,195	\$9,389,090	\$26,366,821	\$13,825,328	
Signals, Safety Devices, and Street Lights	-	\$149,999	(\$1,158)	\$285,076	\$35,169	\$412,851	
Pedestrian Ways and Bikepaths	-	\$113,067	\$229,454	\$1,169,839	\$661,658	\$15,450	
Storm Drains	-	-	-	\$198,900	\$170,730	-	
Storm Damage	-	-	-	-	-	-	
<b>Total Construction</b>	<b>\$1,000,788</b>	<b>\$1,539,253</b>	<b>\$3,538,491</b>	<b>\$11,042,905</b>	<b>\$27,234,378</b>	<b>\$14,253,629</b>	
Right of Way Acquisition	-	-	-	-	-	-	
<b>Total Construction and Rights of Way</b>	<b>\$1,000,788</b>	<b>\$1,539,253</b>	<b>\$3,538,491</b>	<b>\$11,042,905</b>	<b>\$27,234,378</b>	<b>\$14,253,629</b>	
<b>Maintenance</b>							
Patching	-	-	\$363,996	-	-	-	
Overlay and Sealing	-	-	\$715,846	\$1,579,026	\$7,064,928	-	
Street Lights and Traffic Signals	\$1,058,039	\$999,501	\$1,802,462	\$2,004,980	\$1,906,639	\$2,197,388	
Snow Removal	-	-	-	-	-	-	
Storm Damage	\$3,633	-	-	-	-	-	
Other Street Purpose Maintenance	\$1,268,272	\$2,214,541	\$3,969,007	\$3,623,263	\$5,964,279	\$5,294,272	
<b>Total Maintenance</b>	<b>\$2,329,944</b>	<b>\$3,214,042</b>	<b>\$6,851,311</b>	<b>\$7,207,269</b>	<b>\$14,935,846</b>	<b>\$7,491,660</b>	
<b>Per Mile</b>	<b>\$15,383</b>	<b>\$35,416</b>	<b>\$36,162</b>	<b>\$24,615</b>	<b>\$58,914</b>	<b>\$58,201</b>	
Property Plant and Equipment	\$3,308	-	-	-	-	-	
Contributions to Other Governmental Agencies	-	-	-	-	-	-	
<b>Total Street Purpose Expenditures</b>	<b>\$4,076,048</b>	<b>\$4,753,295</b>	<b>\$10,389,802</b>	<b>\$18,978,445</b>	<b>\$42,170,224</b>	<b>\$21,904,198</b>	<b>\$9,260,457</b>
<b>Per Mile</b>	<b>\$26,912</b>	<b>\$52,378</b>	<b>\$54,839</b>	<b>\$64,817</b>	<b>\$166,339</b>	<b>\$170,168</b>	<b>\$50,329</b>
							Inc. Admin.

[1] Source: California Department of Transportation, Division of Transportation System Information, Office of Travel Forecasting & Analysis, Highway Inventory & Performance Branch.

<http://www.dot.ca.gov/hq/tsip>

[2] Source: State Controller's Office, *Streets and Roads*



## APPENDIX C:

### Additional Sheriff's Department Correspondence





*Leroy D. Baca, Sheriff*

*County of Los Angeles*  
**Sheriff's Department Headquarters**

*4700 Ramona Boulevard  
Monterey Park, California 91754-2169*



March 17, 2011

Ms. Dorothea Park  
Manger, Chief Executive Office  
Hall of Administration, Room 723

Dear Ms. Park:

The attached packet provides responses to LAFCO's request for additional information regarding the Comprehensive Fiscal Analysis for the East Los Angeles incorporation proposal.

Should you need further information, please contact me at (323) 526-5737.

Sincerely,

LEROY D. BACA  
SHERIFF

Bruce Fogarty, Captain  
Contract Law Enforcement Bureau

## **Questions for the LA Sheriff's Department East Los Angeles CFA**

The following questions include references to the East Los Angeles Revenue and Expenditure Data transmitted by William T Fujioka, Chief Executive Officer, County of Los Angeles to Paul Novak, Executive Officer, LAFCO for the County of Los Angeles, March 1, 2011.

**1. Copies of current contracts, including number of service units by type of service unit, cost per service unit, number and type of other contracted positions and their cost per position, and total contract cost (delineating liability and other charges), for the following contract cities:**

- a. Carson
- b. Commerce
- c. Norwalk
- d. Lancaster
- e. Compton
- f. Santa Clarita

Copies of the above contracts are attached.

**2. Current staffing (including FTEs) at the East L.A. Station:**

- a. Staff FTE by service and position allocated to the costs of service to ELA.

The attached spreadsheet shows the number of filled Sheriff's Department positions assigned to East Los Angeles Station during FY 2009-10 (see Attachment I). The spreadsheet identifies the following:

- Total sworn positions assigned to the City of Commerce and the East Los Angeles Unincorporated County Area.
- Total civilian positions assigned to the City of Commerce and the East Los Angeles Unincorporated County Area.

- b. Please identify each position as to whether it is a sworn or civilian position.

All sworn and civilian staff positions are identified in Attachment I.

- c. Are there any staff based at the ELA Station that are not included in the cost allocation to ELA? If so, please separately list those FTE by service, position, and cost.

East Los Angeles Station provides contract services to the City of Commerce and other private entities. See Attachment I for filled positions assigned to the City of Commerce and other private entities.

**3. For each municipal services provided to ELA from the ELA Station as listed in Attachment XV, response to question 1a:**

- a. How many FTEs by position are included in the category that was used to determine the cost of each service allocated to ELA?

Please see response under 2.a and Attachment I.

- b. What is the cost of each service that is allocated to ELA?

The County maintains an eCAPS system that captures all expenditures and revenues during the FY. The Sheriff's Department expenditures and revenues are reported at the station level, for the entire East Los Angeles Station, and not by types of position or services provided. The expenditures reported for the East Los Angeles Comprehensive Fiscal Analysis were obtained by subtracting the total Contract Services Costs, \$5.6 million, from the total Station Costs, \$37.0 million. It should be noted that the total unincorporated area expenditures reported includes \$3.1 million for COPS deputies assigned to East Los Angeles Station.

- c. What is the calculation that was used to determine the cost of each service that was allocated to ELA (please provide the numeric values)?

See response under 3.b for an explanation of the calculations that were used to determine the costs for East Los Angeles Station.

- d. What are the components of the cost of municipal services, by service, allocated to ELA (e.g., wages, taxes and benefits; services and supplies; capital; other indirect and/or overhead expenses)?

The total East Los Angeles Station expenditures are comprised of the following components: Salaries and Wages, Employee Benefits, Overheads, and Services and Supplies (see Attachment II).

**4. For each regional service provided to ELA (and contract cities and other unincorporated areas) as listed in Attachment XV, response to question 1b:**

- a. What is the cost of each service that is allocated to ELA?

East Los Angeles Station's regional service costs are captured in the appropriate overhead rates which are applied to Salaries and Wages to arrive at regional service costs. Below is a listing of the FY 2009-10 overhead rates approved by the Auditor-Controller's Office (see Attachments II and III):

Countywide Overhead	0.832%
Department Overhead	18.211%
Region I Overhead	24.376%
Region II Overhead	27.492%
Region III Overhead	24.565%

Detective Overhead	35.879%
Custody Overhead	24.228%
Court Services Overhead	50.027%

- b. What is the calculation that was used to determine the cost of each service that was allocated to ELA (please provide the numeric values)?

See response under 4.a. and Attachment II.

**5. For each regional service provided to ELA (and other unincorporated areas) as listed in Attachment XV, response to question 1b:**

- a. What is the cost of each service that is allocated to ELA (other than the COPS program which is shown on the table in Attachment XIV)?

See response under 4.a. and Attachment II.

- b. What is the calculation that was used to determine the cost of each service that was allocated to ELA, including COPS, (please provide the numeric values)?

See response under 4.a and Attachment II.

**6. The following questions apply to the table in Attachment XIV:**

- a. Please provide the overhead rates (Fiscal Year 2009-10 ICP rates for Group III) cited in note (3) to the table for Department, Division and Countywide rates and documentation of their calculation.

See response under 4.a and Attachment III.

- b. Do the overhead rates in Question 6a above capture the regional costs noted in questions 4 and 5 above?

Yes.

- c. Please describe the sources of the "Charges for Services"

Charges for Services include the following: Firearm release fees, repossession fees, miscellaneous fees, and crime and traffic collision reports.

- d. Are there any grant revenues (regional, State or Federal) that provide funding for the services shown in the table (e.g., COPS grants, or other)?

No. All revenue sources have been previously reported.

**7. Please estimate the service units, contract positions, and other contract-related costs (e.g., liability, startup costs if required for vehicles, etc.) including traffic enforcement that would be required if the City of ELA were formed and contracted with the LASD under the following assumptions:**

**\*\*Data for Question #7 is currently being researched and will be provided at a later date.\*\***

- a. Service levels comparable to existing LASD staff serving the ELA area

- b. Service levels comparable to other contract cities with generally similar characteristics, as adjusted for ELA demographics and geography
- c. Are there services currently provided to ELA and included in the cost allocation to ELA that are excluded from the estimated contracts in 7a and 7b above? If so, what are they, and what is their estimated cost?

<b>Contract City</b>	<b>FY 10/11 Annual Contract Amount</b>
Commerce	\$5,595,435.04
Norwalk	\$8,945,064.92
Carson	\$14,043,603.48
Santa Clarita	\$17,084,586.60
Compton	\$17,085,344.56
Lancaster	\$21,380,207.56

**Sheriff's Department**  
**East Los Angeles Station -- 15777**  
**FY 2009-10 Filled Position Count**

Job No	Name	Total Filled Positions (a)	Contract Svcs Positions (b)	ELA Uninc Area Positions (a - b = c)	COPS Bureau Positions (d)	Total Uninc Area Positions (c + d = e)
S 0020 A	CAPTAIN, COMMANDER	1.00	0.15	0.85		0.85
S 0881 A	COMMUNITY RELATIONS DEPUTY	2.00		2.00		2.00
S 0201 A	COMMUNITY RELATIONS SERGEANT	2.00		2.00		2.00
S 0543 A	COURT DEPUTY B-1	2.00		2.00		2.00
S 0064 A	DETECTIVE LIEUTENANT	1.00	0.60	0.40		0.40
S 0206 A	DETECTIVE TEAM SERGEANT	3.00	0.37	2.63		2.63
S 0207 A	FIELD/WATCH SERGEANT	12.00	1.78	10.22		10.22
S 0425 A	INVESTIGATOR DEPUTY B-1	16.00	1.91	14.09		14.09
S 0529 A	MASTER FIELD TRAINING OFFICER B-1	1.00		1.00		1.00
S 0530 A	SENIOR FIELD TRAINING OFFICER B-1	7.00		7.00		7.00
S 0882 A	MOTORCYCLE TRAFFIC ENFORCEMENT	3.00	3.00	0.00		0.00
S 0031 A	OPERATIONS LIEUTENANT	1.00	0.13	0.87		0.87
S 0110 A	OPERATIONS SERGEANT	1.00	0.12	0.88		0.88
S 0877 A	PATROL DEPUTY	82.00	18.96	63.04	15.00	78.04
S 0199 A	RESERVE FORCES & DISASTER COORD SERGEANT	1.00		1.00		1.00
S 0883 A	SCHOOL RESOURCES DEPUTY	1.00		1.00		1.00
S 0103 A	SPECIAL ASSIGNMENT SERGEANT	3.00		3.00		3.00
S 0544 A	TEAM LEADER DEPUTY B-1	2.00	1.00	1.00		1.00
S 0878 A	TRAFFIC ENFORCEMENT DEPUTY	4.00	4.00	0.00		0.00
S 0536 A	TRAFFIC INVESTIGATOR DEPUTY B-1	1.00		1.00		1.00
S 0531 A	TRAINING OFFICER DEPUTY B-1	5.00		5.00		5.00
S 0044 A	WATCH COMMANDER LIEUTENANT	4.00	0.11	3.89		3.89
S 0533 A	WATCH DEPUTY B-1	4.00	0.76	3.24		3.24
S 0877 A	PATROL DEPUTY (Overtime)	19.00		19.00		19.00
	<b>TOTAL SWORN FILLED POSITIONS</b>	<b>178.00</b>	<b>32.89</b>	<b>145.11</b>	<b>15.00</b>	<b>160.11</b>
C 2704 A	COMMUNITY SERVICES ASSISTANT	0.00	0.00	0.00		0.00
C 2749 N	CUSTODY ASSISTANT	5.00	0.57	4.43		4.43
C 2301 A	EVIDENCE & PROPERTY CUSTODIAN II, SHERIFF	1.00	0.13	0.87		0.87
C 2214 A	INTERMEDIATE TYPIST CLERK	1.00	0.44	0.56		0.56
C 2745 A	LAW ENFORCEMENT TECHNICIAN	12.00	2.56	9.44		9.44
C 2705 F	MATRON	1.00	0.13	0.87		0.87
C 1228 A	OPERATIONS ASSISTANT I, SHERIFF	1.00	0.13	0.87		0.87
C 1229 A	OPERATION ASSISTANT II, SHERIFF	1.00	0.13	0.87		0.87
C 2098 A	SECRETARY V	1.00	0.11	0.89		0.89
C 2828 A	SECURITY OFFICER, SHERIFF	4.00		4.00		4.00
C 1140 A	SENIOR CLERK	2.00		2.00		2.00
C 1132 A	SHERIFF STATION CLERK I	2.00		2.00		2.00
C 1133 A	SHERIFF STATION CLERK II	11.00	1.43	9.57		9.57
C 1134 A	SUPERVISING SHERIFF STATION CLERK	1.00	0.11	0.89		0.89
C 2420 A	TELEPHONE OPERATOR	1.00	0.16	0.84		0.84
	<b>TOTAL CIVILIAN FILLED POSITIONS</b>	<b>44.00</b>	<b>5.90</b>	<b>38.10</b>	<b>0.00</b>	<b>38.10</b>
	<b>TOTAL EAST L.A. STATION FILLED POSITIONS</b>	<b>222.00</b>	<b>38.79</b>	<b>183.21</b>	<b>15.00</b>	<b>198.21</b>



**EAST LOS ANGELES INCORPORATION DATA  
RESPONSE TO FOLLOW-UP QUESTIONS BY LAFCO  
SHERIFF'S EXPENDITURE SUMMARY FY 2009-10**

EXPENDITURES	East LA Unincorporated Area Cost	COPS Bureau Cost	Total Unincorporated Area Cost
Salaries & Wages	16,671,284	1,588,196 <sup>4</sup>	18,259,480
Employee Benefits	7,773,674	807,390	8,581,064
Overheads <sup>(1)</sup>			
Department Overhead			
UA Salaries & Wages x Dept. OH rate (ELA & COPS - 18.211%)	2,789,038 <sup>1</sup>	285,046	3,074,084
Division Overhead			
UA Salaries & Wages x Dept. OH rate (ELA:24.376%, COPS: 27.492%)	3,733,216 <sup>2</sup>	430,316	4,163,532
Countywide Overhead			
UA Salaries & Wages x Countywide OH rate (ELA & COPS: .832%)	127,422 <sup>3</sup>	13,023	140,445
Services and Supplies	698,541	12,390	710,931
Total Gross Expenditures	31,793,175	3,136,361	34,929,536
Less Intrafund Transfers <sup>5</sup>	359,830	0	359,830
<b>TOTAL ELA UNINCORPORATED AREA LAW ENFORCEMENT EXPENDITURES</b>	<b>31,433,344</b>	<b>3,136,361</b>	<b>34,569,705</b>

**Unincorporated Area Station Overheads:**

- 1 The Total Department overhead amount for the ELA Station was \$3,036,007 of which \$246,969 was allocated to contract services.
- 2 The total Division overhead amount for the ELA Station was \$4,063,792 of which \$330,576 was allocated to contract services.
- 3 The total Countywide overhead amount for the ELA Station was \$138,705 of which \$11,283 was allocated to contract services.

**COPS Bureau Overheads:**

- 4 Includes \$22,956 for, uniform allowance, shooting and bilingual bonuses. This amount was subtracted from the total Salaries and Wages of \$1,588,196, then the Department, Division, and Countywide overhead rates were applied to the difference, \$1,565,240, to determine the COPS overhead amounts.
- 5 Intrafund Transfers are internal funds transferred from one department to another to pay for services rendered to a department. The Intrafund Transfers reflects \$280,249 from the Department of Regional Planning (DRP) and \$79,518 from the Treasurer & Tax Collector (T&TC). The Sheriff costs to provide services to DRP are reflected in DRP's expenditures, and TTC cost is not related to the ELA unincorporated area. Therefore, these costs are appropriately deducted from the unincorporated area costs for the Sheriff's Department.

**LOS ANGELES COUNTY SHERIFF'S DEPARTMENT  
OVERHEAD RATES  
FISCAL YEAR 2009-10**

**GROUP I -should be used in billing General Fund departments except in Group II.**

	<b>Detective</b>	<b>Region I</b>	<b>Region II</b>	<b>Region III</b>	<b>Custody</b>	<b>Court Services</b>	<b>Average Div OH Rates</b>
Countywide Overhead Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Department Overhead Rate	18.211%	18.211%	18.211%	18.211%	18.211%	18.211%	18.211%
Division Overhead Rates	<u>35.897%</u>	<u>24.376%</u>	<u>27.492%</u>	<u>24.565%</u>	<u>24.228%</u>	<u>50.027%</u>	<u>31.097%</u>
<b>Total</b>	<b><u>54.108%</u></b>	<b><u>42.587%</u></b>	<b><u>45.703%</u></b>	<b><u>42.776%</u></b>	<b><u>42.439%</u></b>	<b><u>68.238%</u></b>	<b><u>49.308%</u></b>

**GROUP II -should be used in billing General Fund subvented/grant departments or programs.  
Other Federal reimbursed programs; State mandated programs and State reimbursed programs.**

	<b>Detective</b>	<b>Region I</b>	<b>Region II</b>	<b>Region III</b>	<b>Custody</b>	<b>Court Services</b>	<b>Average Div OH Rates</b>
Countywide Overhead Rate	-1.277%	-1.277%	-1.277%	-1.277%	-1.277%	-1.277%	-1.277%
Department Overhead Rate	18.332%	18.332%	18.332%	18.332%	18.332%	18.332%	18.332%
Division Overhead Rates	<u>46.981%</u>	<u>24.798%</u>	<u>29.839%</u>	<u>24.451%</u>	<u>25.838%</u>	<u>68.774%</u>	<u>36.780%</u>
<b>Total</b>	<b><u>64.036%</u></b>	<b><u>41.853%</u></b>	<b><u>46.895%</u></b>	<b><u>41.506%</u></b>	<b><u>42.893%</u></b>	<b><u>85.830%</u></b>	<b><u>53.836%</u></b>

**GROUP III -should be used in billing Non-General Fund entities except Contract Cities; Enterprise Funds; Internal Service Funds; Special Districts; Special Fund departments; Other Public Agencies; Private Individuals and Agencies.**

	<b>Detective</b>	<b>Region I</b>	<b>Region II</b>	<b>Region III</b>	<b>Custody</b>	<b>Court Services</b>	<b>Average Div OH Rates</b>
Countywide Overhead Rate	0.832%	0.832%	0.832%	0.832%	0.832%	0.832%	0.832%
Department Overhead Rate	18.211%	18.211%	18.211%	18.211%	18.211%	18.211%	18.211%
Division Overhead Rates	<u>35.897%</u>	<u>24.376%</u>	<u>27.492%</u>	<u>24.565%</u>	<u>24.228%</u>	<u>50.027%</u>	<u>31.097%</u>
<b>Total</b>	<b><u>54.940%</u></b>	<b><u>43.420%</u></b>	<b><u>46.535%</u></b>	<b><u>43.609%</u></b>	<b><u>43.272%</u></b>	<b><u>69.070%</u></b>	<b><u>50.141%</u></b>

**Footnotes:**

- [1] County Overhead rate only should apply when the employees rendering the services are assigned to the following Divisions: 15702, 15703, 15704, 15711 and 15713 except Units 15725 and 15737.
- [2] Countywide Overhead and Department Overhead rates should apply when employees rendering the services are assigned to the following Technical Services Division, all divisions' Administrative Headquarter, and Units 15725 and 15737.
- [3] When employees rendering the services are assigned other than the units mentioned in [1] and [2], Countywide, Department and Division Overhead rates should apply.



*Leroy D. Baca, Sheriff*

*County of Los Angeles*  
**Sheriff's Department Headquarters**

*4700 Ramona Boulevard  
Monterey Park, California 91754-2169*



April 26, 2011

Chief Executive Office  
Unincorporated Area Services  
723 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Attention: Julia Orozco

**SUBJECT: EAST LOS ANGELES COMPREHENSIVE FISCAL ANALYSIS**

The attached documents are being submitted in response to LAFCO's request for additional information regarding the East Los Angeles Comprehensive Fiscal Analysis. These documents provide proposed staffing levels and the estimated costs associated with providing law enforcement services to the "City of East Los Angeles."

Included in the proposal are the following estimated personnel and start-up costs, which are based upon Fiscal Year 2010-11 rates:

EAST LOS ANGELES STATION	
Personnel Costs	\$31,235,691
Start-Up Costs	\$6,779,732
Estimated Total Costs	\$38,015,423

The Sheriff of Los Angeles County has the authority to assign countywide resources to contract cities based on the public safety needs of the area. These staffing levels and costs reflect what is currently being provided to the residents of East Los Angeles. The costs associated with facility improvements, police equipment, vehicles, and communications equipment are best estimates.

Should you need further information, please contact me at (323) 526-5737.

Sincerely,

LEROY D. BACA, SHERIFF

Bruce A. Fogarty, Captain  
Contract Law Enforcement Bureau

*A Tradition of Service Since 1850*

## CONTRACT RATE ISSUES

Contract rates are developed by the Los Angeles County Auditor-Controller's Office pursuant to Section 51350 of the California Government Code (commonly referred to as the "Gonsalves Bill"). Section 51350 governs what can, and cannot, be charged through contract rates. It reads, in part:

*A county which provides services through its appropriate departments, boards, commissions, officers or employees, to any city pursuant to contract or as authorized by law, shall charge the city all those costs which are incurred in providing the services so contracted or authorized. A county shall not charge a city contracting for a particular service, either as a direct or an indirect overhead charge, any portion of those costs which are attributable to services made available to all portions of the county, as determined by resolution of the board of supervisors, or which are general overhead costs of operation of the county government. General overhead costs, for the purpose of this section, are those costs which a county would incur regardless of whether or not it provided a service under contract to a city.*

Rates are determined annually by the Auditor-Controller's Accounting Division and are generally finalized by March preceding the new fiscal year, allowing the City to utilize this information in the preparation of the City's new fiscal year budget. These rates remain in effect for the entire fiscal year and do not change, despite any possible changes in cost to the Sheriff's Department. The only impact on billing would result from any increase or decrease in the service level requested by the city as part of their policing strategy. These service level changes can only take effect with the approval of the City. Contract law enforcement service unit rates are the same for all contract cities.

## CONTRACT RATE COMPONENTS

The following components are included in the Sheriff's Department contract service rates:

CATEGORY	PERCENTAGE
Salaries (sworn)	44.76%
Overhead Salaries (sworn & non-sworn)	12.61%
Employee Benefits (sworn & non-sworn)	30.42%
Overtime	1.42%
Automotive (maintenance & replacement)	1.33%
Services & Supplies	.91%
General County Overhead	.84%
Department Support	7.1%
Contract Law Enforcement Bureau	.61%
<b>Total</b>	<b>100%</b>

## **DEPUTY SHERIFF SERVICE UNIT**

To fully understand this staffing proposal, it is important to understand the method of contract staffing utilized by the Sheriff's Department. The Sheriff's Department generally does not contract for a specific number of personnel, but for a specific level of service. The necessary number of personnel are then provided to ensure that the service level is properly maintained. Throughout the year, typical City employees take vacations, sick time, compensatory and elective leave, typically causing a staffing shortage in their absence. In comparison, the absence of a Sheriff's Department employee generally does not impact the level of service as we are contractually obligated to meet that designated service level. These obligations are met as part of the basic service cost, without additional cost to the City. This guarantees the City will receive the service level it has requested and is paying for, without interruption.

The average Police or Sheriff's Department sworn employee works approximately 224 days annually when considering regular days off, vacation time, sick time and elective leave time. For municipal police agencies, this means there is nobody to replace the officer during his/her absence, unless overtime is expended, thereby resulting in a fluctuating service level.

The Sheriff's Department utilizes the "Deputy Sheriff Service Unit" (DSSU) for its contract services. A DSSU is not just a deputy sheriff but the relief personnel, supervision, management, equipment and logistics, clerical, administrative support and supplies necessary to provide law enforcement service for the designated period of time. This eliminates the City's need to line item budget all the personnel and service expenditures for their police department. As the City increases or decreases service levels, it only pays for the proportionate amount of "overhead" services required by the agreed upon staffing level.

## DEPUTY SHERIFF SERVICE UNIT COMPONENTS

The following items are included in the cost of the Deputy Sheriff Service Units. These are overhead items which act as support to the Service Unit.

Departmental Management	Overtime (Except Special Events)
Jailers	Watch Deputies
Watch Commanders	Investigators
Use of Vehicles and Maintenance	Administration and Clerical
Supervision – Patrol & Watch Sgts.	Services and Supplies

The following is an example of the number of annual days of service provided by the Deputy Sheriff Service Unit (DSSU) when compared to the standard police officer deployment process.

Position	Days of Annual Service
(1) Police Officer	224 days (approx.)
(1) DSSU (no relief)	224 days (approx.)
(1) DSSU (40 hr, relief)	261 days
(1) DSSU (56 hr)	365 days

The standard 56 hour DSSU provides a Deputy Sheriff for 8 hours each day, 7 days per week, 365 days per year. The DSSU includes all support personnel and costs. This ensures a consistent staffing level, unaffected by regular days off, vacation absences, injury or illness absences, or elective time off. Because the City contracts for a specific level of service time, deployment levels remain consistent. The Sheriff's Department tracks and audits the service levels on a daily basis to ensure the City is receiving the requested level of service.



## **LOS ANGELES COUNTY SHERIFF'S DEPARTMENT EAST LOS ANGELES DEPLOYMENT PROPOSAL AND COST**

The following patrol staffing proposal is the suggested deployment model for the City of East Los Angeles. The proposal provides complete law enforcement coverage for the City of East Los Angeles. It maintains the patrol staffing levels that are currently deployed in the Unincorporated East Los Angeles Area, while adding personnel necessary to handle the increased responsibilities of traffic enforcement (presently handled by the California Highway Patrol) and park patrol (formerly handled by the Office of Public Safety and presently handled by Parks Bureau). In addition, it includes additional staffing necessary to replace specialized teams currently assigned to the Unincorporated East Los Angeles Area including COPS, Graffiti Abatement, Special Problems, and Community Relations.

The Sheriff's Department intends to deploy all East Los Angeles patrol units and personnel for 24-hour law enforcement coverage out of the existing East Los Angeles Police Station. All patrol deployment units will be filled daily and service will not be interrupted for vacancies such as vacations, sick calls, holidays, and injured on duty personnel.

The following deployment cost summary includes a 4% liability insurance charge. Each LASD contract city pays 4% of their total contract costs into a Liability Trust Fund. The total deployment cost of our proposal is \$31,235,691. These costs are based on FY 2010-11 rates, which are renewed and adjusted annually by the Los Angeles County Auditor-Controller.

### **Deployment and Cost Summary**

<b>Proposal</b>	<b>Total Sworn Staff</b>	<b>Total Civilian</b>	<b>Total</b>
<b>\$ 31,235,691</b>	<b>170</b>	<b>54</b>	<b>224</b>



**LOS ANGELES COUNTY SHERIFF'S DEPARTMENT PROPOSED  
CITY OF EAST LOS ANGELES PATROL DEPLOYMENT**

Shift	Unit Type	Number of Patrol Units	Personnel Required
EM (2200 -0600 hours)	56 hour Criminal Unit	10	16.32
	56 hour Traffic Unit	5	8.16
AM (0600-1400 hours)	56 hour Criminal Unit	8	13.06
	56 hour Traffic Unit	5	8.16
PM (1400-2200 hours)	56 hour Criminal Unit	16	26.11
	56 hour Traffic Unit	5	8.16
Additional Units (May work any shift)	56 hour Deputy Sheriff Service Unit	18	29.38
	Non-Relief Bonus 1 Deputy	15	15
Supplemental Units (May work any shift)	Sergeant	10	10
	Motor Sergeant	1	1
	Motor Deputy	3	3
	Security Officer	4	4
	Law Enforcement Technician	9	9
	Operations Assistant I	2	2
	Operations Assistant II	2	2
	Station Clerk II	7	7
	Crime Analyst	2	2
	Custody Assistant	3	3
	<b>Patrol Coverage Staffing</b>	<b>125</b>	<b>167</b>

<b>City of East Los Angeles Overhead Staffing</b>	<b>Personnel Required</b>
Captain	1
Lieutenants	5
Sergeants	12
Bonus I Deputies	14
Law Enforcement Technician	7
Custody Assistant	2
Station Clerk II	8
CSA	2
Secretary V	1
Telephone Operator	1
Other Civilian Staff	4
<b>Station Overhead Staffing</b>	<b>57</b>

<b>Patrol Deployment Total</b>	<b>Number of Units</b>	<b>Personnel Required</b>
Patrol Coverage Staffing	125	167
Station Overhead Staffing	57	57
<b>Total Contract Deployment</b>	<b>182</b>	<b>224</b>

## SHERIFF'S DEPARTMENT PROPOSED PATROL DEPLOYMENT

Hours	SUNDAY		MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY		SATURDAY							
0600	8 Patrol Units  5 Traffic Units	18 Additional Patrol Units For Special Assignments	8 Patrol Units  5 Traffic Units	3 Motor Units   18 Additional Patrol Units For Special Assignments	8 Patrol Units  5 Traffic Units	3 Motor Units   18 Additional Patrol Units For Special Assignments	8 Patrol Units  5 Traffic Units	3 Motor Units   18 Additional Patrol Units For Special Assignments	8 Patrol Units  5 Traffic Units	3 Motor Units   18 Additional Patrol Units For Special Assignments	8 Patrol Units  5 Traffic Units	3 Motor Units   18 Additional Patrol Units For Special Assignments	8 Patrol Units  5 Traffic Units	18 Additional Patrol Units For Special Assignments						
0700																				
0800																				
0900																				
1000																				
1100																				
1200																				
1300																				
1400	16 Patrol Units  5 Traffic Units		16 Patrol Units  5 Traffic Units		3 Motor Units		16 Patrol Units  5 Traffic Units		18 Additional Patrol Units For Special Assignments		16 Patrol Units  5 Traffic Units		18 Additional Patrol Units For Special Assignments		16 Patrol Units  5 Traffic Units	18 Additional Patrol Units For Special Assignments	16 Patrol Units  5 Traffic Units	18 Additional Patrol Units For Special Assignments	16 Patrol Units  5 Traffic Units	18 Additional Patrol Units For Special Assignments
1500																				
1600																				
1700																				
1800																				
1900																				
2000																				
2100																				
2200	10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units		10 Patrol Units  5 Traffic Units	10 Patrol Units  5 Traffic Units	10 Patrol Units  5 Traffic Units	10 Patrol Units  5 Traffic Units	10 Patrol Units  5 Traffic Units	10 Patrol Units  5 Traffic Units
2300																				
2400																				
0100																				
0200																				
0300																				
0400																				
0500																				



CITY OF EAST LOS ANGELES ESTIMATED START-UP COSTS	
Personnel Equipment (Includes the estimated cost of safety equipment and uniforms necessary for new sworn positions.)	\$61,232
Communications Equipment, Portable Radios (Includes the estimated cost of transferring the existing and purchasing additional portable radios.)	\$348,500
Vehicles (Includes the estimated cost of transferring the existing and purchasing additional vehicles.)	\$1,670,000
Facility Improvements (Includes the estimated cost of upgrades to the East Los Angeles Station structure and parking lot.)	\$4,700,000
<b>TOTAL</b>	<b>\$6,779,732</b>

**Personnel Equipment:**

Deputy Sheriff Equipment Start Up Costs per Deputy = \$1,749.49

$\$1,749.49 \times 35 =$  \$61,232

**Communications:**

Cost of new radio = \$3,400     $\$3,400 \times 35 =$  \$119,000

Cost of used radio = \$1,700     $\$1,700 \times 135 =$  \$229,500

**Vehicles:**

Cost of new vehicles (4 Motorcycles, 16 black/white sedans) \$1,120,000

Cost of existing used vehicles (37 black/white sedans, 18 other vehicles) \$550,000

**Facility Improvements:**

Cost of station expansion to accommodate additional personnel - \$2,500,000

Cost of new parking structure to accommodate additional personnel - \$4,000,000

East Los Angeles City portion (72%) of costs ( $\$6,500,000 \times 0.723$ ) = \$4,700,000

**Sheriff's Department  
East Los Angeles Station  
Comprehensive Fiscal Analysis  
Fiscal Year 2010-11**

Position	Total East L.A. Station PIMS Report Budgeted Positions*	Total 575 + Overhead Positions Paid for by the Cities of Commerce, Cudahy and Maywood**	Total Remaining Unincorporated Positions needed to be offset by the City of East L.A.	Total 575 + Overhead Positions Paid for by the City of East L.A.**	Total Additional East L.A. Station Positions created by the City of East L.A.
Total Captains	1	0	1	1	0
Total Lieutenants	6	2	4	5	1
Total Sergeants	30	7	23	23	0
Total Bonus-1 Deputies	32	7	25	29	4
Total Deputy Sheriff Generalists	139	57	82	112	30
<b>TOTAL SWORN POSITIONS</b>	<b>208</b>	<b>73</b>	<b>135</b>	<b>170</b>	<b>35</b>
<b>TOTAL CIVILIAN POSITIONS</b>	<b>59</b>	<b>12</b>	<b>47</b>	<b>54</b>	<b>7</b>
<b>TOTAL EAST L.A. STATION POSITIONS</b>	<b>267</b>	<b>85</b>	<b>182</b>	<b>224</b>	<b>42</b>

\*Based on April 2011 PIMS Report

\*\*All Positions are Based on the Fiscal Year 2010-11 575s and Overheads.

**CONTRACT LAW ENFORCEMENT PROGRAM**  
**FORM SH-AD 575 INSTRUCTIONS**  
FISCAL YEAR 2010-2011  
Revised April 2010

A SH-AD 575 must be completed for each contract city at the beginning of each fiscal year (July 1). This procedure shall be completed at the start of every fiscal year, for every contract city, even if there is no change in the city's service level from the preceding fiscal year. In the event that a city has not established its budget by the start of the fiscal year, the completed forms shall be forwarded to CLEB as soon as possible after the city can state their desired service levels for the coming year. Any changes to the "Authorized Service Level" on page 1 during the course of the fiscal year will require a new SH-AD 575 signed by the Unit Commander and the City Official. A Unit Commander's billing memo needs to be attached to the 575 if the station is unable to fill all of the specified services as requested on the 575. This will ensure that the City is billed correctly. A change to the "Deployment Survey", as reflected on page three, does not require a City Official signature.

**HOW TO COMPLETE A "575"**

**STAFFING LEVELS**

1. "CLICK" on the 575 PAGE 1 Tab.
2. "CLICK" on the square after city and type in the city's name.
3. Use the same procedure for fiscal year and effective date.
4. All of the service units sold to Contract Cities are listed on the front page.
5. List the number of service units being requested in the "NEW" column.
6. The "previous" column should list the service unit totals which existed prior to this service level change.
7. The "change" column should list the increase or decrease (difference between the new and previous columns).
8. At the bottom of page 1, please indicate whether or not the city agrees to participate and to be billed for the Supplemental Routine City Helicopter Service.

**ESTIMATED CHARGES**

1. "CLICK" on the 575 PAGE 2 Tab.
2. This page will automatically list an estimated cost for the services typed into the "575" pages.
3. This page also calculates the total hours and minutes of service for the service units purchased.

**DEPLOYMENT SURVEY**

1. It is necessary to complete this survey at least once a year (July 1) for statistical purposes and additionally when there is a service level change to the contract.
2. "CLICK" on the 575 PAGE 3 Tab.
3. The "Total Purchased" column will automatically match your levels as entered on page 1.
4. The "Deployment Section" should reflect your actual utilization/deployment as of the effective date listed.
5. A new form is not necessary every time the deployment changes, only if the service level changes.
6. The "Total Assigned" column will automatically calculate a total based on the deployment listed.
7. The "Total Assigned" column must match the "Total purchased" column. If not, review the deployment information for accuracy.
8. At the bottom of page 3 please indicate whether or not the city agrees to participate and to be billed for the Supplemental License Detail Service Programs (License Investigators, Major Crimes Bureau as requested by the City).
9. Indicate the person preparing the report (who Contract Law can call if there are any questions).
10. Have the Unit Commander sign and date at the appropriate locations and forward the form to CLEB.
11. Have an authorized City Official (City Manager, Public Safety Director, Mayor, or City Attorney) sign and date as indicated.
12. Contract Law will process the 575, notify Fiscal Administration of any billing changes, and Personnel of any staffing changes.

## LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

## CONTRACT CITY LAW ENFORCEMENT SERVICES

Service Level Authorization

CITY: East Los AngelesFISCAL YEAR: 2010 - 2011EFFECTIVE DATE: 7/1/2010

CODE #	SERVICES	TOTAL SERVICE UNITS PURCHASED			CONTRACT LAW USE ONLY
		NEW	PREVIOUS	CHANGE	
306	DEPUTY SHERIFF SERVICE UNIT				
307	40 Hour	0.0000	0.0000	0.0000	
308	56 Hour	67.0000	0.0000	67.0000	
310	70 Hour	0.0000	0.0000	0.0000	
	Non-Relief	0.0000	0.0000	0.0000	
301	DEPUTY SHERIFF SERVICE UNIT (BONUS LEVEL)				
302	40 Hour	0.0000	0.0000	0.0000	
303	56 Hour	0.0000	0.0000	0.0000	
305	70 Hour	0.0000	0.0000	0.0000	
	Non-Relief	15.0000	0.0000	15.0000	
335	GROWTH DEPUTY, UNITS (Non-Relief Only)				
358	Deputy	0.0000	0.0000	0.0000	
336	Deputy (with a dedicated vehicle)	0.0000	0.0000	0.0000	
359	Deputy, B-1	0.0000	0.0000	0.0000	
	Deputy, B-1 (with a dedicated vehicle)	0.0000	0.0000	0.0000	
383	GRANT UNITS (Non-Relief Only)				
360	Deputy	0.0000	0.0000	0.0000	
384	Deputy (with a dedicated vehicle)	0.0000	0.0000	0.0000	
361	Deputy B-1	0.0000	0.0000	0.0000	
	Deputy B-1 (with a dedicated vehicle)	0.0000	0.0000	0.0000	
342	SUPPLEMENTAL POSITIONS (Non-Relief Only)				
353	Lieutenant	0.0000	0.0000	0.0000	
348	Sergeant	10.0000	0.0000	10.0000	
354	Sergeant (Motor)	1.0000	0.0000	1.0000	
305	Watch Deputy	0.0000	0.0000	0.0000	
325	Motor Deputy	3.0000	0.0000	3.0000	
347	CSA	0.0000	0.0000	0.0000	
340	Security Officer	4.0000	0.0000	4.0000	
343	Law Enforcement Tech	9.0000	0.0000	9.0000	
344	Operations Asst I	2.0000	0.0000	2.0000	
345	Operations Asst II	2.0000	0.0000	2.0000	
351	Operations Asst III	0.0000	0.0000	0.0000	
329	Stn Clerk II	7.0000	0.0000	7.0000	
331	Crime Analyst	2.0000	0.0000	2.0000	
	Custody Assistant	3.0000	0.0000	3.0000	
	Other (Need to insert cost on Pg 2)	0.0000	0.0000	0.0000	
ATTN:	Routine City Helicopter Billing Agreement (Indicate)	YES	NO		
		X			



## HOURS OF SERVICE &amp; ESTIMATED CHARGES

CITY: East Los Angeles

7/1/2010

SERVICE UNITS	UNIT COST	TOTAL UNITS PURCHASED	TOTAL ESTIMATED UNIT COST	LIABILITY @ 4%	TOTAL COST WITH LIABILITY	YEARLY HOURS PER SERVICE UNIT	ANNUAL GOAL (MINUTES)	PERSONNEL REQUIRED
<b>DEPUTY SHERIFF SERVICE UNIT</b>								
40 Hour	\$232,333	0	0.00	0.00	0.00	2086	0	0.0000
56 Hour	\$325,266	67	21,792,822.00	871,712.88	22,664,534.88	2920	195,640	11,738,400
70 Hour	\$406,583	0	0.00	0.00	0.00	3650	0	0.0000
Non-Relief	\$211,212	0	0.00	0.00	0.00	1789	0	0.0000
<b>DEPUTY SHERIFF SERVICE UNIT (BONUS LEVEL)</b>								
40 Hour	\$241,642	0	0.00	0.00	0.00	2086	0	0.0000
56 Hour	\$338,239	0	0.00	0.00	0.00	2920	0	0.0000
70 Hour	\$422,873	0	0.00	0.00	0.00	3650	0	0.0000
Non-Relief	\$219,674	15	3,295,110.00	131,804.40	3,426,914.40	1789	26,835	1,610,100
<b>GROWTH DEPUTY UNITS (Non-Relief Only)</b>								
Deputy	\$144,976	0	0.00	0.00	0.00	1789	0	0.0000
Deputy (with dedicated vehicle)	\$164,548	0	0.00	0.00	0.00	1789	0	0.0000
Deputy B-1	\$153,094	0	0.00	0.00	0.00	1789	0	0.0000
Deputy B-1 (with dedicated vehicle)	\$172,666	0	0.00	0.00	0.00	1789	0	0.0000
<b>GRANT UNITS (Non-Relief Only)</b>								
Deputy	\$144,976	0	0.00	0.00	0.00	1789	0	0.0000
Deputy (with dedicated vehicle)	\$164,548	0	0.00	0.00	0.00	1789	0	0.0000
Deputy B-1	\$153,094	0	0.00	0.00	0.00	1789	0	0.0000
Deputy B-1 (with dedicated vehicle)	\$172,666	0	0.00	0.00	0.00	1789	0	0.0000
<b>SUPPLEMENTAL POSITIONS (Non-Relief Only)</b>								
Lieutenant	\$226,346	0	0.00	N/A	0.00	1789	0	0.0000
Sergeant	\$188,397	10	1,883,970.00	N/A	1,883,970.00	1789	17,890	1,073,400
Sergeant (Motor)	\$199,471	1	199,471.00	7,978.84	207,449.84	1789	1,789	107,340
Watch Deputy	\$150,322	0	0.00	0.00	0.00	1789	0	0.0000
Motor Deputy	\$219,674	3	659,022.00	26,360.88	685,382.88	1789	5,367	322,020
CSA	\$62,819	0	0.00	0.00	0.00	1789	0	0.0000
Security Officer	\$86,854	4	347,416.00	13,896.64	361,312.64	1789	7,156	429,360
Law Enforcement Tech	\$78,756	9	708,804.00	28,352.16	737,156.16	1789	16,101	966,060
Operations Asst I	\$72,273	2	144,546.00	N/A	144,546.00	1789	3,578	214,680
Operations Asst II	\$89,776	2	179,552.00	N/A	179,552.00	1789	3,578	214,680
Operations Asst III	\$102,307	0	0.00	N/A	0.00	1789	0	0.0000
Stn Clerk II	\$66,844	7	467,908.00	N/A	467,908.00	1789	12,523	751,380
Crime Analyst	\$100,586	2	201,172.00	N/A	201,172.00	1789	3,578	214,680
Custody Assistant	\$88,395	3	265,185.00	10,607.40	275,792.40	1789	5,367	322,020
Other (Need to insert cost in next column)		0	0.00	N/A	0.00	1789	0	0.0000
<b>ESTIMATED COST FOR SERVICE UNITS **</b>			\$30,144,978.00	LIABILITY @ 4% = \$1,090,713.20				
				<b>TOTAL ESTIMATED COST</b>	<b>\$31,235,691.20</b>			
						<b>HOURS</b>	<b>MINUTES</b>	<b>PERSONNEL</b>
						DEPUTY	201,007	12,060,420
						DEPUTY, B-1	26,835	1,610,100
						LT/SERGEANT	19,679	1,180,740
						CSA	0	0
						CIVILIAN	51,881	3,112,860

SH-AD 575 (REV. 4/10)



## LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

CONTRACT CITY LAW ENFORCEMENT SERVICES

## DEPLOYMENT SURVEY

EFFECTIVE DATE: 7/1/2010

City: East Los Angeles

SERVICE UNIT	TOTAL UNITS PURCHASED	DEPLOYMENT										TOTAL UNITS ASSIGNED	
		GENERAL LAW			TRAFFIC LAW			DEP	SPECIAL	D.B.	TEAM		
		EM	DAY	PM	EM	DAY	PM	MOTOR	ASSIGN.		LDR		
<b>DEPUTY, GENERALIST</b>													
40 Hour	0												0
56 Hour	67												0
70 Hour	0												0
Non-Relief	0												0
Motor	0												0
<b>DEPUTY, BONUS I</b>													
40 Hour	0												0
56 Hour	0												0
70 Hour	0												0
Non-Relief	15												0
<b>GROWTH DEPUTY</b>													
Deputy	0												0
Deputy, Dedicated Veh.	0												0
B-1	0												0
B-1, Dedicated Veh.	0												0
<b>GRANT DEPUTY</b>													
Deputy	0												0
Deputy, Dedicated Veh	0												0
B-1	0												0
B-1, Dedicated Veh.	0												0

\*NOTE License Detail is billed on an hourly basis and billed monthly as service is provided.

License Detail processes business license &amp; renewal applications. Yes No

License Detail acts on violations observed within the city. Yes No

REPORT PREPARED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_

STATION COMMANDER

DATE: \_\_\_\_\_

CITY APPROVAL BY: \_\_\_\_\_

CITY OFFICIAL "I certify that I am authorized to make this change on behalf of the City"

DATE: \_\_\_\_\_

PROCESSED AT CLEB BY: \_\_\_\_\_

DATE: \_\_\_\_\_

BILLING MEMO REQUIRED:

(PERSONNEL TRANSACTION REQUEST) "PTR" REQUIRED:

MINUTE PROGRAM:

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

SH-AD 575 (REV. 4/10)

**Los Angeles County Sheriff's Department  
East Los Angeles Station**

**Traffic Analysis Report**

5/31/2011 City of UNINCORPORATED-ELA

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
Total Collisions	1	0
Total Collisions Involving Fatality	0	0
Total Collisions Involving Injury	0	0
Total Collisions Involving Property Damage	1	0
Total Fatalities	0	
Total Injuries	0	
Total DUI Collisions	0	0
DUI Collisions Involving Fatality	0	0
DUI Collisions Involving Injury	0	0
DUI Collisions Involving Property Damage	0	0
Total DUI Fatalities	0	0
Total DUI Injuries	0	0
DUI Arrests	44	15
Total Non-DUI Collisions	1	0
Non-DUI Collisions Involving Fatalities	0	0
Non-DUI Collisions Involving Injuries	0	0
Non-DUI Collisions Involving Property Damage	1	0
Total Non-DUI Fatalities	0	0
Total Non-DUI Injuries	0	0
Private Property Collisions	0	0
Total Bicycle Collisions	0	0
Total Pedestrian Collisions	0	0
Total Citations	879	401
Hazardous Citations	629	268
Non-Hazardous Citations	250	133
Seat Belt Citations	18	6
Child Restraint Citations	11	8
Traffic Enforcement Index	0	0
Traffic Collision Index	0	0
DUI Index	0	0
Safety Restraint Index	0.03	0.03
Most Frequent Primary Collision Factor	Unsafe Lane Change	
Most Frequently Cited Violation	12500A: UNLICENSED DRIVER	12500A: UNLICENSED DRIVER

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Carson Station**

**Traffic Analysis Report**

5/31/2011 City of CARSON

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	1112	515
<b>Total Collisions Involving Fatality</b>	3	3
<b>Total Collisions Involving Injury</b>	212	95
<b>Total Collisions Involving Property Damage</b>	897	417
<b>Total Fatalities</b>	3	3
<b>Total Injuries</b>	274	120
<b>Total DUI Collisions</b>	28	12
<b>DUI Collisions Involving Fatality</b>	1	1
<b>DUI Collisions Involving Injury</b>	7	3
<b>DUI Collisions Involving Property Damage</b>	20	8
<b>Total DUI Fatalities</b>	1	1
<b>Total DUI Injuries</b>	8	3
<b>DUI Arrests</b>	138	83
<b>Total Non-DUI Collisions</b>	1084	503
<b>Non-DUI Collisions Involving Fatalities</b>	2	2
<b>Non-DUI Collisions Involving Injuries</b>	205	92
<b>Non-DUI Collisions Involving Property Damage</b>	877	409
<b>Total Non-DUI Fatalities</b>	2	2
<b>Total Non-DUI Injuries</b>	266	117
<b>Private Property Collisions</b>	226	110
<b>Total Bicycle Collisions</b>	16	7
<b>Total Pedestrian Collisions</b>	31	15
<b>Total Citations</b>	13779	6392
<b>Hazardous Citations</b>	10690	4970
<b>Non-Hazardous Citations</b>	3089	1422
<b>Seat Belt Citations</b>	1242	632
<b>Child Restraint Citations</b>	95	54
<b>Traffic Enforcement Index</b>	50.0	50.9
<b>Traffic Collision Index</b>	4.2	4.3
<b>DUI Index</b>	17.3	20.8
<b>Safety Restraint Index</b>	0.10	0.11
<b>Most Frequent Primary Collision Factor</b>	Improper Turning	Improper Turning
<b>Most Frequently Cited Violation</b>	FAILURE TO YIELD AT STOP SIGN	FAILURE TO YIELD AT STOP SIGN

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
East Los Angeles Station**

**Traffic Analysis Report**

5/31/2011 City of COMMERCE

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	563	275
<b>Total Collisions Involving Fatality</b>	1	0
<b>Total Collisions Involving Injury</b>	90	47
<b>Total Collisions Involving Property Damage</b>	472	228
<b>Total Fatalities</b>	1	0
<b>Total Injuries</b>	110	59
<b>Total DUI Collisions</b>	13	6
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	3	2
<b>DUI Collisions Involving Property Damage</b>	10	4
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	3	2
<b>DUI Arrests</b>	25	9
<b>Total Non-DUI Collisions</b>	550	269
<b>Non-DUI Collisions Involving Fatalities</b>	1	0
<b>Non-DUI Collisions Involving Injuries</b>	87	45
<b>Non-DUI Collisions Involving Property Damage</b>	462	224
<b>Total Non-DUI Fatalities</b>	1	0
<b>Total Non-DUI Injuries</b>	107	57
<b>Private Property Collisions</b>	104	49
<b>Total Bicycle Collisions</b>	7	3
<b>Total Pedestrian Collisions</b>	11	7
<b>Total Citations</b>	6639	2899
<b>Hazardous Citations</b>	5309	2348
<b>Non-Hazardous Citations</b>	1330	551
<b>Seat Belt Citations</b>	467	191
<b>Child Restraint Citations</b>	8	3
<b>Traffic Enforcement Index</b>	58.6	50.1
<b>Traffic Collision Index</b>	5.2	4.9
<b>DUI Index</b>	8.3	4.5
<b>Safety Restraint Index</b>	0.07	0.07
<b>Most Frequent Primary Collision Factor</b>	Unsafe Speed	Unsafe Speed
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Norwalk Station**

**Traffic Analysis Report**

5/31/2011 City of NORWALK

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	1333	637
<b>Total Collisions Involving Fatality</b>	2	0
<b>Total Collisions Involving Injury</b>	306	142
<b>Total Collisions Involving Property Damage</b>	1025	495
<b>Total Fatalities</b>	2	0
<b>Total Injuries</b>	415	182
<b>Total DUI Collisions</b>	51	22
<b>DUI Collisions Involving Fatality</b>	1	0
<b>DUI Collisions Involving Injury</b>	18	8
<b>DUI Collisions Involving Property Damage</b>	32	14
<b>Total DUI Fatalities</b>	1	0
<b>Total DUI Injuries</b>	28	10
<b>DUI Arrests</b>	304	138
<b>Total Non-DUI Collisions</b>	1282	615
<b>Non-DUI Collisions Involving Fatalities</b>	1	0
<b>Non-DUI Collisions Involving Injuries</b>	288	134
<b>Non-DUI Collisions Involving Property Damage</b>	993	481
<b>Total Non-DUI Fatalities</b>	1	0
<b>Total Non-DUI Injuries</b>	387	172
<b>Private Property Collisions</b>	195	99
<b>Total Bicycle Collisions</b>	39	21
<b>Total Pedestrian Collisions</b>	41	18
<b>Total Citations</b>	10221	5203
<b>Hazardous Citations</b>	7886	3974
<b>Non-Hazardous Citations</b>	2335	1229
<b>Seat Belt Citations</b>	621	356
<b>Child Restraint Citations</b>	74	36
<b>Traffic Enforcement Index</b>	26.1	28.5
<b>Traffic Collision Index</b>	3.3	3.5
<b>DUI Index</b>	16.0	17.3
<b>Safety Restraint Index</b>	0.07	0.08
<b>Most Frequent Primary Collision Factor</b>	Improper Turning	Improper Turning
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Lancaster Station**

**Traffic Analysis Report**

5/31/2011 City of LANCASTER

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	2207	1045
<b>Total Collisions Involving Fatality</b>	10	5
<b>Total Collisions Involving Injury</b>	713	350
<b>Total Collisions Involving Property Damage</b>	1484	690
<b>Total Fatalities</b>	10	5
<b>Total Injuries</b>	1111	537
<b>Total DUI Collisions</b>	105	46
<b>DUI Collisions Involving Fatality</b>	1	0
<b>DUI Collisions Involving Injury</b>	44	25
<b>DUI Collisions Involving Property Damage</b>	60	21
<b>Total DUI Fatalities</b>	1	0
<b>Total DUI Injuries</b>	57	33
<b>DUI Arrests</b>	676	293
<b>Total Non-DUI Collisions</b>	2102	999
<b>Non-DUI Collisions Involving Fatalities</b>	9	5
<b>Non-DUI Collisions Involving Injuries</b>	669	325
<b>Non-DUI Collisions Involving Property Damage</b>	1424	669
<b>Total Non-DUI Fatalities</b>	9	5
<b>Total Non-DUI Injuries</b>	1054	504
<b>Private Property Collisions</b>	402	194
<b>Total Bicycle Collisions</b>	39	18
<b>Total Pedestrian Collisions</b>	61	30
<b>Total Citations</b>	24614	12576
<b>Hazardous Citations</b>	22933	11755
<b>Non-Hazardous Citations</b>	1681	821
<b>Seat Belt Citations</b>	2167	1048
<b>Child Restraint Citations</b>	468	238
<b>Traffic Enforcement Index</b>	31.7	33.1
<b>Traffic Collision Index</b>	2.1	1.9
<b>DUI Index</b>	15.0	11.7
<b>Safety Restraint Index</b>	0.11	0.10
<b>Most Frequent Primary Collision Factor</b>	Auto R/W Violation	Auto R/W Violation
<b>Most Frequently Cited Violation</b>	16028A: NO INSURANCE	16028A: NO INSURANCE

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Compton Station**

**Traffic Analysis Report**

5/31/2011 City of COMPTON

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	940	448
<b>Total Collisions Involving Fatality</b>	7	3
<b>Total Collisions Involving Injury</b>	311	149
<b>Total Collisions Involving Property Damage</b>	622	296
<b>Total Fatalities</b>	7	3
<b>Total Injuries</b>	433	205
<b>Total DUI Collisions</b>	20	13
<b>DUI Collisions Involving Fatality</b>	2	1
<b>DUI Collisions Involving Injury</b>	6	5
<b>DUI Collisions Involving Property Damage</b>	12	7
<b>Total DUI Fatalities</b>	2	1
<b>Total DUI Injuries</b>	10	7
<b>DUI Arrests</b>	114	77
<b>Total Non-DUI Collisions</b>	920	435
<b>Non-DUI Collisions Involving Fatalities</b>	5	2
<b>Non-DUI Collisions Involving Injuries</b>	305	144
<b>Non-DUI Collisions Involving Property Damage</b>	610	289
<b>Total Non-DUI Fatalities</b>	5	2
<b>Total Non-DUI Injuries</b>	423	198
<b>Private Property Collisions</b>	84	48
<b>Total Bicycle Collisions</b>	26	12
<b>Total Pedestrian Collisions</b>	31	11
<b>Total Citations</b>	7134	3869
<b>Hazardous Citations</b>	5093	2434
<b>Non-Hazardous Citations</b>	2041	1435
<b>Seat Belt Citations</b>	813	291
<b>Child Restraint Citations</b>	73	29
<b>Traffic Enforcement Index</b>	16.3	16.4
<b>Traffic Collision Index</b>	2.0	1.9
<b>DUI Index</b>	14.3	12.8
<b>Safety Restraint Index</b>	0.12	0.08
<b>Most Frequent Primary Collision Factor</b>	Unsafe Speed	Unsafe Speed
<b>Most Frequently Cited Violation</b>	12500A: UNLICENSED DRIVER	12500A: UNLICENSED DRIVER

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Santa Clarita Station**

**Traffic Analysis Report**

5/31/2011 City of SANTA CLARITA

Date Range Reported: 7/1/2009 to 6/30/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	1746	849
<b>Total Collisions Involving Fatality</b>	3	1
<b>Total Collisions Involving Injury</b>	587	303
<b>Total Collisions Involving Property Damage</b>	1156	545
<b>Total Fatalities</b>	3	1
<b>Total Injuries</b>	846	440
<b>Total DUI Collisions</b>	140	67
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	53	28
<b>DUI Collisions Involving Property Damage</b>	87	39
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	74	34
<b>DUI Arrests</b>	577	314
<b>Total Non-DUI Collisions</b>	1606	782
<b>Non-DUI Collisions Involving Fatalities</b>	3	1
<b>Non-DUI Collisions Involving Injuries</b>	534	275
<b>Non-DUI Collisions Involving Property Damage</b>	1069	506
<b>Total Non-DUI Fatalities</b>	3	1
<b>Total Non-DUI Injuries</b>	772	406
<b>Private Property Collisions</b>	334	167
<b>Total Bicycle Collisions</b>	33	10
<b>Total Pedestrian Collisions</b>	44	20
<b>Total Citations</b>	19742	10521
<b>Hazardous Citations</b>	16689	9076
<b>Non-Hazardous Citations</b>	3053	1445
<b>Seat Belt Citations</b>	418	246
<b>Child Restraint Citations</b>	51	31
<b>Traffic Enforcement Index</b>	29.3	30.9
<b>Traffic Collision Index</b>	2.0	1.8
<b>DUI Index</b>	10.9	11.2
<b>Safety Restraint Index</b>	0.02	0.03
<b>Most Frequent Primary Collision Factor</b>	Auto R/W Violation	Other Improper Driving
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations



## Questions for the LA Sheriff's Department East Los Angeles CFA (5/12/11)

1. Please provide average response times to emergency calls for East Los Angeles and the following contract cities:

<u>Contract City</u>	<u>Average Response Time to Emergency Calls During FY 10/11* (in minutes)</u>
Carson	5.0
Commerce	4.4
Norwalk	3.7
Lancaster	5.8
Compton	5.1
Santa Clarita	5.3
Unincorporated East Los Angeles	4.5

\*Response times are from July 1, 2010 to May 10, 2011.

2. How many Traffic Units are provided by contract to each of the contract cities?

<u>Contract City</u>	<u>Traffic Units Deployed During FY 10/11</u>	
	<u>Cars</u>	<u>Motors</u>
Carson	14	2
Commerce	3	3
Norwalk	7	3
Lancaster	17	4
Compton	6	2
Santa Clarita	16	3

**3. What determines the number of staff and the positions allocated to contract city overhead vs. billable contract amounts? The relative allocations appear to vary among the contract cities (see above), and ELA.**

The number of staff and positions allocated to direct vs. overhead positions is determined by the number of Deputy Sheriff Service Units (DSSU) and Supplemental Positions purchased by the contract city. Each DSSU purchased creates direct and offsets overhead positions; however, Supplemental Positions only create direct positions.

The below table provides the annual hours, minutes, and personnel required for the various DSSU types:

<b><u>Direct Positions</u></b>				
<b><u>DSSU</u></b>	<b><u>Coverage</u></b>	<b><u>Personnel Required</u></b>	<b><u>Annual Hours</u></b>	<b><u>Annual Minutes</u></b>
Non-Relief	No Relief for Vacancies	1	1,789	107,340
40 Hour Unit	5 Days x 8 Hours Relief Included	1.166	2,086	125,160
56 Hour Unit	7 Days x 8 Hours Relief Included	1.632	2,920	175,200
70 Hour Unit	7 Days x 10 Hours Relief Included	2.040	3,650	219,000

The below table identifies the overhead positions that are partially offset with the purchase of a DSSU:

<b><u>Overhead Positions</u></b>	
Department Management	Overtime (Except Special Events)
Jailers	Watch Deputies
Watch Commanders	Investigators
Use of Vehicles and Maintenance	Administration and Clerical
Supervision – Patrol & Watch Sergeants	Services and Supplies

The cost of a DSSU includes overhead costs that offset a percentage of the salaries of several overhead positions which act to support the DSSU. The more DSSUs purchased by a city, the more overhead position salaries offset by the contract. This concept applies to a consolidated pooling methodology that is shared by all of our 42 contract cities.

The proposed City of East Los Angeles contract listed 67 56-Hour DSSUs that required 109.344 Direct Positions ( $67 \times 1.632 = 109.344$ ) and 15 Non-Relief Bonus Level DSSUs that required 15 Direct Positions ( $15 \times 1 = 15$ ). There were also 43 Non-Relief Supplemental Positions listed in the City of East Los Angeles contract that required 43 Direct Positions ( $43 \times 1 = 43$ ).

The total DSSUs in the proposed City of East Los Angeles contract offset the salaries of 57 overhead positions.

**4. What types of units are included in the 18 "Additional Units" in the East LA contract estimate? Can these be specified by type or function, e.g. Youth/Community Services Unit, Motor Unit, Gang Unit, etc.?**

The 18 Additional Patrol Units for Special Assignment listed on the Proposed Patrol Deployment for East Los Angeles Station include the following positions:

- Crime Impact Team (CIT)
- Community Oriented Policing Services (COPS)
- Graffiti Abatement
- Special Problems
- Community Relations
- Youth Activity League (YAL)
- Vital Intervention Directional Alternatives (VIDA)
- Reserve Coordinator / Emergency Operations Center / Disaster
- Motor Units

**5. In addition to staffing and cost of the Sheriff's contract, some contract cities have additional personnel and expenditures for public safety functions. Does the Sheriff's contract estimate for East LA assume any additional functions that the City of ELA would have to staff or fund, in addition to the proposed contract staffing?**

The Sheriff's Department's Parking Enforcement Detail does not patrol contract cities and this cost is not included in the contract estimate for the City of East Los Angeles. The City of East Los Angeles will be responsible for hiring and funding a city Parking Enforcement Detail.

The City of East Los Angeles will also be responsible for funding any supplemental overtime expenditures necessary for special events.

## **Questions for the LA Sheriff's Department East Los Angeles CFA (5/26/11)**

- 1. Are there factors specific to Norwalk that help to explain why its response time is lower than other contract cities, even though the number of officers is also lower (relative to population)? Crime rates appear comparable to other contract cities.**

No.

- 2. Is an estimate available for the number of additional staff/overtime hours and cost currently required by annual special events in East Los Angeles? Is that cost included in the estimated FY09-10 costs of service to East Los Angeles?**

The cost of East Los Angeles special event overtime for FY 09-10 is included in the actual expenditure (salaries, wages, and employee benefits) and revenue data that was previously provided.

- 3. What, if any, has been the reduction in sworn and civilian Sheriff's Department staff serving unincorporated areas in FY10-11 compared to FY09-10?**

There was no reduction in budgeted civilian positions assigned to Field Operations Regions I, II, and III, serving unincorporated areas in FY 10-11 compared to FY 09-10.

There was a reduction of approximately 142 budgeted sworn positions assigned to Field Operations Regions I, II, and III, serving unincorporated areas in FY 10-11 compared to FY 09-10.

- 4. What, if any, has been the reduction in sworn and civilian Sheriff's Department staff serving contract cities in FY10-11 compared to FY09-10?**

There was no reduction in budgeted civilian or sworn positions assigned to Field Operations Regions I, II, and III, serving contract cities in FY 10-11 compared to FY 09-10.

- 5. Number of traffic citations by type and traffic incidents by type for the contract cities:**

- Carson
- Commerce
- Norwalk
- Lancaster
- Compton
- Santa Clarita

The attached 12 pages contain traffic citation and collision data for the above contract cities. The data is sorted by calendar year for 2009 and 2010.

**Los Angeles County Sheriff's Department  
Carson Station**

**Traffic Analysis Report**

3/5/2010 City of CARSON

Date Range Reported: 1/1/2009 to 12/31/2009

	This Period	Year-to-Date
<b>Total Collisions</b>	1212	1212
<b>Total Collisions Involving Fatality</b>	0	0
<b>Total Collisions Involving Injury</b>	240	240
<b>Total Collisions Involving Property Damage</b>	972	972
<b>Total Fatalities</b>	0	0
<b>Total Injuries</b>	320	320
<b>Total DUI Collisions</b>	34	34
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	7	7
<b>DUI Collisions Involving Property Damage</b>	27	27
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	9	9
<b>DUI Arrests</b>	159	159
<b>Total Non-DUI Collisions</b>	1178	1178
<b>Non-DUI Collisions Involving Fatalities</b>	0	0
<b>Non-DUI Collisions Involving Injuries</b>	233	233
<b>Non-DUI Collisions Involving Property Damage</b>	945	945
<b>Total Non-DUI Fatalities</b>	0	0
<b>Total Non-DUI Injuries</b>	311	311
<b>Private Property Collisions</b>	233	233
<b>Total Bicycle Collisions</b>	18	18
<b>Total Pedestrian Collisions</b>	32	32
<b>Total Citations</b>	15792	15792
<b>Hazardous Citations</b>	12682	12682
<b>Non-Hazardous Citations</b>	3110	3110
<b>Seat Belt Citations</b>	1111	1111
<b>Child Restraint Citations</b>	100	100
<b>Traffic Enforcement Index</b>	53.3	53.3
<b>Traffic Collision Index</b>	4.1	4.1
<b>DUI Index</b>	22.7	22.7
<b>Safety Restraint Index</b>	0.08	0.08
<b>Most Frequent Primary Collision Factor</b>	Improper Turning	Improper Turning
<b>Most Frequently Cited Violation</b>	VGS OR SIGNS FOR TURNING	KINGS OR SIGNS FOR TURNING

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI, Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Compton Station**

**Traffic Analysis Report**

3/8/2010 City of COMPTON

Date Range Reported: 1/1/2009 to 12/31/2009

	This Period	Year-to-Date
<b>Total Collisions</b>	1001	1001
<b>Total Collisions Involving Fatality</b>	7	7
<b>Total Collisions Involving Injury</b>	319	319
<b>Total Collisions Involving Property Damage</b>	675	675
<b>Total Fatalities</b>	7	7
<b>Total Injuries</b>	459	459
<b>Total DUI Collisions</b>	13	13
<b>DUI Collisions Involving Fatality</b>	1	1
<b>DUI Collisions Involving Injury</b>	5	5
<b>DUI Collisions Involving Property Damage</b>	7	7
<b>Total DUI Fatalities</b>	1	1
<b>Total DUI Injuries</b>	9	9
<b>DUI Arrests</b>	25	25
<b>Total Non-DUI Collisions</b>	988	988
<b>Non-DUI Collisions Involving Fatalities</b>	6	6
<b>Non-DUI Collisions Involving Injuries</b>	314	314
<b>Non-DUI Collisions Involving Property Damage</b>	668	668
<b>Total Non-DUI Fatalities</b>	6	6
<b>Total Non-DUI Injuries</b>	450	450
<b>Private Property Collisions</b>	73	73
<b>Total Bicycle Collisions</b>	20	20
<b>Total Pedestrian Collisions</b>	40	40
<b>Total Citations</b>	6317	6317
<b>Hazardous Citations</b>	4931	4931
<b>Non-Hazardous Citations</b>	1386	1386
<b>Seat Belt Citations</b>	870	870
<b>Child Restraint Citations</b>	61	61
<b>Traffic Enforcement Index</b>	15.1	15.1
<b>Traffic Collision Index</b>	2.1	2.1
<b>DUI Index</b>	4.2	4.2
<b>Safety Restraint Index</b>	0.15	0.15
<b>Most Frequent Primary Collision Factor</b>	Unsafe Speed	Unsafe Speed
<b>Most Frequently Cited Violation</b>	12500A: UNLICENSED DRIVER	12500A: UNLICENSED DRIVER

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
East Los Angeles Station**

**Traffic Analysis Report**

1/21/2010 City of COMMERCE

Date Range Reported: 1/1/2009 to 12/31/2009

	This Period	Year-to-Date
<b>Total Collisions</b>	527	527
<b>Total Collisions Involving Fatality</b>	1	1
<b>Total Collisions Involving Injury</b>	76	76
<b>Total Collisions Involving Property Damage</b>	450	450
<b>Total Fatalities</b>	1	1
<b>Total Injuries</b>	91	91
<b>Total DUI Collisions</b>	13	13
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	2	2
<b>DUI Collisions Involving Property Damage</b>	11	11
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	2	2
<b>DUI Arrests</b>	47	47
<b>Total Non-DUI Collisions</b>	514	514
<b>Non-DUI Collisions Involving Fatalities</b>	1	1
<b>Non-DUI Collisions Involving Injuries</b>	74	74
<b>Non-DUI Collisions Involving Property Damage</b>	439	439
<b>Total Non-DUI Fatalities</b>	1	1
<b>Total Non-DUI Injuries</b>	89	89
<b>Private Property Collisions</b>	92	92
<b>Total Bicycle Collisions</b>	7	7
<b>Total Pedestrian Collisions</b>	7	7
<b>Total Citations</b>	8272	8272
<b>Hazardous Citations</b>	6670	6670
<b>Non-Hazardous Citations</b>	1602	1602
<b>Seat Belt Citations</b>	646	646
<b>Child Restraint Citations</b>	16	16
<b>Traffic Enforcement Index</b>	87.2	87.2
<b>Traffic Collision Index</b>	5.8	5.8
<b>DUI Index</b>	23.5	23.5
<b>Safety Restraint Index</b>	0.08	0.08
<b>Most Frequent Primary Collision Factor</b>	Auto R/W Violation	Auto R/W Violation
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Lancaster Station**

**Traffic Analysis Report**

**3/8/2010 City of LANCASTER**

**Date Range Reported: 1/1/2009 to 12/31/2009**

	<b>This Period</b>	<b>Year-to-Date</b>
<b>Total Collisions</b>	2251	2251
<b>Total Collisions Involving Fatality</b>	7	7
<b>Total Collisions Involving Injury</b>	677	677
<b>Total Collisions Involving Property Damage</b>	1567	1567
<b>Total Fatalities</b>	7	7
<b>Total Injuries</b>	1096	1096
<b>Total DUI Collisions</b>	114	114
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	42	42
<b>DUI Collisions Involving Property Damage</b>	72	72
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	68	68
<b>DUI Arrests</b>	783	783
<b>Total Non-DUI Collisions</b>	2137	2137
<b>Non-DUI Collisions Involving Fatalities</b>	7	7
<b>Non-DUI Collisions Involving Injuries</b>	635	635
<b>Non-DUI Collisions Involving Property Damage</b>	1495	1495
<b>Total Non-DUI Fatalities</b>	7	7
<b>Total Non-DUI Injuries</b>	1028	1028
<b>Private Property Collisions</b>	400	400
<b>Total Bicycle Collisions</b>	42	42
<b>Total Pedestrian Collisions</b>	58	58
<b>Total Citations</b>	24590	24590
<b>Hazardous Citations</b>	22851	22851
<b>Non-Hazardous Citations</b>	1739	1739
<b>Seat Belt Citations</b>	2438	2438
<b>Child Restraint Citations</b>	483	483
<b>Traffic Enforcement Index</b>	33.4	33.4
<b>Traffic Collision Index</b>	2.3	2.3
<b>DUI Index</b>	18.6	18.6
<b>Safety Restraint Index</b>	0.12	0.12
<b>Most Frequent Primary Collision Factor</b>	Auto R/W Violation	Auto R/W Violation
<b>Most Frequently Cited Violation</b>	16028A: NO INSURANCE	16028A: NO INSURANCE

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations



**Los Angeles County Sheriff's Department  
Norwalk Station**

**Traffic Analysis Report**

8/4/2010 City of NORWALK

Date Range Reported: 1/1/2009 to 12/31/2009

	This Period	Year-to-Date
<b>Total Collisions</b>	1450	1450
<b>Total Collisions Involving Fatality</b>	3	3
<b>Total Collisions Involving Injury</b>	364	364
<b>Total Collisions Involving Property Damage</b>	1083	1083
<b>Total Fatalities</b>	3	3
<b>Total Injuries</b>	515	515
<b>Total DUI Collisions</b>	55	55
<b>DUI Collisions Involving Fatality</b>	1	1
<b>DUI Collisions Involving Injury</b>	18	18
<b>DUI Collisions Involving Property Damage</b>	36	36
<b>Total DUI Fatalities</b>	1	1
<b>Total DUI Injuries</b>	31	31
<b>DUI Arrests</b>	265	265
<b>Total Non-DUI Collisions</b>	1395	1395
<b>Non-DUI Collisions Involving Fatalities</b>	2	2
<b>Non-DUI Collisions Involving Injuries</b>	346	346
<b>Non-DUI Collisions Involving Property Damage</b>	1047	1047
<b>Total Non-DUI Fatalities</b>	2	2
<b>Total Non-DUI Injuries</b>	484	484
<b>Private Property Collisions</b>	211	211
<b>Total Bicycle Collisions</b>	32	32
<b>Total Pedestrian Collisions</b>	48	48
<b>Total Citations</b>	10543	10543
<b>Hazardous Citations</b>	8139	8139
<b>Non-Hazardous Citations</b>	2404	2404
<b>Seat Belt Citations</b>	599	599
<b>Child Restraint Citations</b>	77	77
<b>Traffic Enforcement Index</b>	22.4	22.4
<b>Traffic Collision Index</b>	3.0	3.0
<b>DUI Index</b>	13.9	13.9
<b>Safety Restraint Index</b>	0.06	0.06
<b>Most Frequent Primary Collision Factor</b>	Improper Turning	Improper Turning
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Santa Clarita Station**

**Traffic Analysis Report**

8/4/2010 City of SANTA CLARITA

Date Range Reported: 1/1/2009 to 12/31/2009

	This Period	Year-to-Date
<b>Total Collisions</b>	1770	1770
<b>Total Collisions Involving Fatality</b>	4	4
<b>Total Collisions Involving Injury</b>	559	559
<b>Total Collisions Involving Property Damage</b>	1207	1207
<b>Total Fatalities</b>	4	4
<b>Total Injuries</b>	795	795
<b>Total DUI Collisions</b>	147	147
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	54	54
<b>DUI Collisions Involving Property Damage</b>	93	93
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	78	78
<b>DUI Arrests</b>	489	489
<b>Total Non-DUI Collisions</b>	1623	1623
<b>Non-DUI Collisions Involving Fatalities</b>	4	4
<b>Non-DUI Collisions Involving Injuries</b>	505	505
<b>Non-DUI Collisions Involving Property Damage</b>	1114	1114
<b>Total Non-DUI Fatalities</b>	4	4
<b>Total Non-DUI Injuries</b>	717	717
<b>Private Property Collisions</b>	312	312
<b>Total Bicycle Collisions</b>	43	43
<b>Total Pedestrian Collisions</b>	48	48
<b>Total Citations</b>	18566	18566
<b>Hazardous Citations</b>	15486	15486
<b>Non-Hazardous Citations</b>	3080	3080
<b>Seat Belt Citations</b>	485	485
<b>Child Restraint Citations</b>	41	41
<b>Traffic Enforcement Index</b>	28.4	28.4
<b>Traffic Collision Index</b>	2.1	2.1
<b>DUI Index</b>	9.1	9.1
<b>Safety Restraint Index</b>	0.03	0.03
<b>Most Frequent Primary Collision Factor</b>	Auto R/W Violation	Auto R/W Violation
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Carson Station**

**Traffic Analysis Report**

3/9/2011 City of CARSON

Date Range Reported: 1/1/2010 to 12/31/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	1089	1089
<b>Total Collisions Involving Fatality</b>	4	4
<b>Total Collisions Involving Injury</b>	224	224
<b>Total Collisions Involving Property Damage</b>	861	861
<b>Total Fatalities</b>	4	4
<b>Total Injuries</b>	290	290
<b>Total DUI Collisions</b>	34	34
<b>DUI Collisions Involving Fatality</b>	1	1
<b>DUI Collisions Involving Injury</b>	7	7
<b>DUI Collisions Involving Property Damage</b>	26	26
<b>Total DUI Fatalities</b>	1	1
<b>Total DUI Injuries</b>	10	10
<b>DUI Arrests</b>	151	151
<b>Total Non-DUI Collisions</b>	1055	1055
<b>Non-DUI Collisions Involving Fatalities</b>	3	3
<b>Non-DUI Collisions Involving Injuries</b>	217	217
<b>Non-DUI Collisions Involving Property Damage</b>	835	835
<b>Total Non-DUI Fatalities</b>	3	3
<b>Total Non-DUI Injuries</b>	280	280
<b>Private Property Collisions</b>	206	206
<b>Total Bicycle Collisions</b>	17	17
<b>Total Pedestrian Collisions</b>	34	34
<b>Total Citations</b>	12698	12698
<b>Hazardous Citations</b>	9769	9769
<b>Non-Hazardous Citations</b>	2929	2929
<b>Seat Belt Citations</b>	1187	1187
<b>Child Restraint Citations</b>	91	91
<b>Traffic Enforcement Index</b>	43.1	43.1
<b>Traffic Collision Index</b>	3.8	3.8
<b>DUI Index</b>	18.9	18.9
<b>Safety Restraint Index</b>	0.10	0.10
<b>Most Frequent Primary Collision Factor</b>	Improper Turning	Improper Turning
<b>Most Frequently Cited Violation</b>	22450A: FAILURE TO YIELD AT S T O P SIGN	

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Compton Station**

**Traffic Analysis Report**

3/9/2011 City of COMPTON

Date Range Reported: 1/1/2010 to 12/31/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	949	949
<b>Total Collisions Involving Fatality</b>	4	4
<b>Total Collisions Involving Injury</b>	278	278
<b>Total Collisions Involving Property Damage</b>	667	667
<b>Total Fatalities</b>	4	4
<b>Total Injuries</b>	387	387
<b>Total DUI Collisions</b>	25	25
<b>DUI Collisions Involving Fatality</b>	1	1
<b>DUI Collisions Involving Injury</b>	7	7
<b>DUI Collisions Involving Property Damage</b>	17	17
<b>Total DUI Fatalities</b>	1	1
<b>Total DUI Injuries</b>	10	10
<b>DUI Arrests</b>	159	159
<b>Total Non-DUI Collisions</b>	924	924
<b>Non-DUI Collisions Involving Fatalities</b>	3	3
<b>Non-DUI Collisions Involving Injuries</b>	271	271
<b>Non-DUI Collisions Involving Property Damage</b>	650	650
<b>Total Non-DUI Fatalities</b>	3	3
<b>Total Non-DUI Injuries</b>	377	377
<b>Private Property Collisions</b>	100	100
<b>Total Bicycle Collisions</b>	31	31
<b>Total Pedestrian Collisions</b>	28	28
<b>Total Citations</b>	7922	7922
<b>Hazardous Citations</b>	5386	5386
<b>Non-Hazardous Citations</b>	2536	2536
<b>Seat Belt Citations</b>	584	584
<b>Child Restraint Citations</b>	88	88
<b>Traffic Enforcement Index</b>	19.6	19.6
<b>Traffic Collision Index</b>	2.4	2.4
<b>DUI Index</b>	19.9	19.9
<b>Safety Restraint Index</b>	0.08	0.08
<b>Most Frequent Primary Collision Factor</b>	Unsafe Speed	Unsafe Speed
<b>Most Frequently Cited Violation</b>	12500A: UNLICENSED DRIVER	12500A: UNLICENSED DRIVER

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
East Los Angeles Station**

**Traffic Analysis Report**

3/9/2011 City of COMMERCE

Date Range Reported: 1/1/2010 to 12/31/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	537	537
<b>Total Collisions Involving Fatality</b>	0	0
<b>Total Collisions Involving Injury</b>	89	89
<b>Total Collisions Involving Property Damage</b>	448	448
<b>Total Fatalities</b>	0	0
<b>Total Injuries</b>	114	114
<b>Total DUI Collisions</b>	13	13
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	3	3
<b>DUI Collisions Involving Property Damage</b>	10	10
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	6	6
<b>DUI Arrests</b>	21	21
<b>Total Non-DUI Collisions</b>	524	524
<b>Non-DUI Collisions Involving Fatalities</b>	0	0
<b>Non-DUI Collisions Involving Injuries</b>	86	86
<b>Non-DUI Collisions Involving Property Damage</b>	438	438
<b>Total Non-DUI Fatalities</b>	0	0
<b>Total Non-DUI Injuries</b>	108	108
<b>Private Property Collisions</b>	86	86
<b>Total Bicycle Collisions</b>	6	6
<b>Total Pedestrian Collisions</b>	14	14
<b>Total Citations</b>	4992	4992
<b>Hazardous Citations</b>	3690	3690
<b>Non-Hazardous Citations</b>	1302	1302
<b>Seat Belt Citations</b>	213	213
<b>Child Restraint Citations</b>	5	5
<b>Traffic Enforcement Index</b>	41.7	41.7
<b>Traffic Collision Index</b>	5.0	5.0
<b>DUI Index</b>	7.0	7.0
<b>Safety Restraint Index</b>	0.04	0.04
<b>Most Frequent Primary Collision Factor</b>	Unsafe Speed	Unsafe Speed
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Lancaster Station**

**Traffic Analysis Report**

**3/9/2011 City of LANCASTER**

**Date Range Reported: 1/1/2010 to 12/31/2010**

	<b>This Period</b>	<b>Year-to-Date</b>
<b>Total Collisions</b>	2049	2049
<b>Total Collisions Involving Fatality</b>	8	8
<b>Total Collisions Involving Injury</b>	690	690
<b>Total Collisions Involving Property Damage</b>	1351	1351
<b>Total Fatalities</b>	8	8
<b>Total Injuries</b>	1064	1064
<b>Total DUI Collisions</b>	85	85
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	36	36
<b>DUI Collisions Involving Property Damage</b>	49	49
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	53	53
<b>DUI Arrests</b>	624	624
<b>Total Non-DUI Collisions</b>	1964	1964
<b>Non-DUI Collisions Involving Fatalities</b>	8	8
<b>Non-DUI Collisions Involving Injuries</b>	654	654
<b>Non-DUI Collisions Involving Property Damage</b>	1302	1302
<b>Total Non-DUI Fatalities</b>	8	8
<b>Total Non-DUI Injuries</b>	1011	1011
<b>Private Property Collisions</b>	382	382
<b>Total Bicycle Collisions</b>	43	43
<b>Total Pedestrian Collisions</b>	70	70
<b>Total Citations</b>	22945	22945
<b>Hazardous Citations</b>	21303	21303
<b>Non-Hazardous Citations</b>	1642	1642
<b>Seat Belt Citations</b>	1738	1738
<b>Child Restraint Citations</b>	416	416
<b>Traffic Enforcement Index</b>	30.5	30.5
<b>Traffic Collision Index</b>	1.9	1.9
<b>DUI Index</b>	17.3	17.3
<b>Safety Restraint Index</b>	0.09	0.09
<b>Most Frequent Primary Collision Factor</b>	Auto R/W Violation	Auto R/W Violation
<b>Most Frequently Cited Violation</b>	16028A: NO INSURANCE	16028A: NO INSURANCE

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Norwalk Station**

**Traffic Analysis Report**

3/9/2011 City of NORWALK

Date Range Reported: 1/1/2010 to 12/31/2010

	This Period	Year-to-Date
<b>Total Collisions</b>	1276	1276
<b>Total Collisions Involving Fatality</b>	2	2
<b>Total Collisions Involving Injury</b>	303	303
<b>Total Collisions Involving Property Damage</b>	971	971
<b>Total Fatalities</b>	2	2
<b>Total Injuries</b>	389	389
<b>Total DUI Collisions</b>	46	46
<b>DUI Collisions Involving Fatality</b>	0	0
<b>DUI Collisions Involving Injury</b>	14	14
<b>DUI Collisions Involving Property Damage</b>	32	32
<b>Total DUI Fatalities</b>	0	0
<b>Total DUI Injuries</b>	19	19
<b>DUI Arrests</b>	251	251
<b>Total Non-DUI Collisions</b>	1230	1230
<b>Non-DUI Collisions Involving Fatalities</b>	2	2
<b>Non-DUI Collisions Involving Injuries</b>	289	289
<b>Non-DUI Collisions Involving Property Damage</b>	939	939
<b>Total Non-DUI Fatalities</b>	2	2
<b>Total Non-DUI Injuries</b>	370	370
<b>Private Property Collisions</b>	176	176
<b>Total Bicycle Collisions</b>	44	44
<b>Total Pedestrian Collisions</b>	38	38
<b>Total Citations</b>	9683	9683
<b>Hazardous Citations</b>	6922	6922
<b>Non-Hazardous Citations</b>	2761	2761
<b>Seat Belt Citations</b>	583	583
<b>Child Restraint Citations</b>	64	64
<b>Traffic Enforcement Index</b>	23.1	23.1
<b>Traffic Collision Index</b>	3.2	3.2
<b>DUI Index</b>	17.9	17.9
<b>Safety Restraint Index</b>	0.07	0.07
<b>Most Frequent Primary Collision Factor</b>	Improper Turning	Improper Turning
<b>Most Frequently Cited Violation</b>	22350: UNSAFE SPEED	22350: UNSAFE SPEED

**Footnotes:**

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations

**Los Angeles County Sheriff's Department  
Santa Clarita Station**

**Traffic Analysis Report**

3/9/2011 City of SANTA CLARITA

Date Range Reported: 1/1/2010 to 12/31/2010

	This Period	Year-to-Date
Total Collisions	1729	1729
Total Collisions Involving Fatality	4	4
Total Collisions Involving Injury	579	579
Total Collisions Involving Property Damage	1146	1146
Total Fatalities	4	4
Total Injuries	815	815
Total DUI Collisions	140	140
DUI Collisions Involving Fatality	0	0
DUI Collisions Involving Injury	53	53
DUI Collisions Involving Property Damage	87	87
Total DUI Fatalities	0	0
Total DUI Injuries	65	65
DUI Arrests	642	642
Total Non-DUI Collisions	1589	1589
Non-DUI Collisions Involving Fatalities	4	4
Non-DUI Collisions Involving Injuries	526	526
Non-DUI Collisions Involving Property Damage	1059	1059
Total Non-DUI Fatalities	4	4
Total Non-DUI Injuries	750	750
Private Property Collisions	339	339
Total Bicycle Collisions	28	28
Total Pedestrian Collisions	41	41
Total Citations	19200	19200
Hazardous Citations	16372	16372
Non-Hazardous Citations	2828	2828
Seat Belt Citations	361	361
Child Restraint Citations	58	58
Traffic Enforcement Index	29.2	29.2
Traffic Collision Index	2.0	2.0
DUI Index	12.1	12.1
Safety Restraint Index	0.02	0.02
Most Frequent Primary Collision Factor	Other Improper Driving	Other Improper Driving
Most Frequently Cited Violation	22350: UNSAFE SPEED	22350: UNSAFE SPEED

Footnotes:

Traffic Enforcement Index  
Traffic Collision Index  
DUI Index  
Safety Restraint Index

Haz Citations + DUI Arrests / Fatal & Injury Collisions (20:1)  
Non-Injury Collisions / Fatal + Injury Collisions (2.5:1)  
DUI Arrests / DUI Fatal + Injury Collisions (10:1)  
Seat Belt + Child Restraint Citations / Haz + Non-Haz Citations



## Questions for the LA Sheriff's Department East Los Angeles CFA (5/31/11)

### 4. What, if any, has been the reduction in sworn and civilian Sheriff's Department staff serving contract cities in FY10-11 compared to FY09-10?

There was no reduction in budgeted civilian or sworn positions assigned to Field Operations Regions I, II, and III, serving contract cities in FY 10-11 compared to FY 09-10.

It should be noted that although there was no reduction in the total overall budgeted sworn positions serving contract cities, the following individual contract cities added and/or deleted sworn positions from FY 10-11 to FY 09-10:

Contract City	Sworn Positions Added in FY 10-11	Sworn Positions Deleted in FY 10-11	Net Change
Carson	0	6	-6
Commerce	0	1	-1
Cudahy	16	0	16
La Puente	1	1	0
Lancaster	1	0	1
Malibu	1	0	1
Maywood	19	0	19
Palmdale	0	3	-3
Rosemead	0	1	-1
South El Monte	0	1	-1
<b>Totals</b>	<b>38</b>	<b>13</b>	<b>25</b>

**SHERIFF**

**1) East L.A. Service Demand:**

- a) Provide total calls for service from the East L.A. Station, and calls for service from the East L.A. community.

<b><u>CALLS FOR SERVICE</u></b> <b><u>FISCAL YEAR 09/10</u></b>	
<b><u>Type of Call</u></b>	<b><u>ELA Unincorporated County Area</u></b>
<b>Routine</b>	23,370
<b>Priority</b>	5,016
<b>9-1-1 Emergency</b>	1,442
<b>Total Calls For Service</b>	<b>29,828</b>

Data obtained from RAPS 416 Report on 05/31/11.

- b) Provide number of crimes by type (serious, violent, property).

<b><u>PART I CRIMES</u></b> <b><u>FISCAL YEAR 09/10</u></b>	
<b><u>Crime</u></b>	<b><u>ELA Unincorporated County Area</u></b>
<b>Homicide*</b>	12
<b>Forcible Rape*</b>	35
<b>Robbery</b>	365
<b>Aggravated Assault*</b>	685
<b>Burglary</b>	421
<b>Larceny Theft</b>	864
<b>Grand Theft Auto</b>	843
<b>Arson</b>	31
<b>Total Part I Crimes</b>	<b>3,256</b>

Data obtained from LARCIS 5c Report on 05/31/11.

\*Counted by number of victims.

**b) Provide number of crimes by type (serious, violent, property).**

<b><u>PART II CRIMES</u></b> <b><u>FISCAL YEAR 09/10</u></b>	
<b><u>Crime</u></b>	<b><u>ELA Unincorporated County Area</u></b>
Forgery	101
Fraud / Identity Theft	332
Sex Offenses, Felony	97
Sex Offenses, Misdemeanor	95
Non-Aggravated Assaults*	468
Weapons Laws	179
Offenses Against Family	19
Narcotics	772
Liquor Laws	18
Drunk	125
Disorderly Conduct / Loud Party	57
Vagrancy	150
Gambling	4
Drunk Driving	32
Vehicle & Boating Laws	183
Vandalism	626
Warrants	1
Receiving Stolen Property	5
Federal Offenses w/o Money	0
Federal Offenses w/Money	4
Felonies, Misc.	191
Misdeameanors, Misc.	135
<b>Total Part II Crimes</b>	<b>3,594</b>

Data obtained from LARCIS 5c Report on 05/31/11.

\*Counted by number of victims.

**c) Provide number of arrests (felony vs. misdemeanor).**

<b><u>ARRESTS</u></b> <b><u>FISCAL YEAR 09/10</u></b>	
<b><u>Type of Arrest</u></b>	<b><u>ELA Unincorporated County Area</u></b>
<b>Misdemeanor</b>	2,690
<b>Felony</b>	1,882
<b>Total Arrests</b>	<b>4,572</b>

Data obtained from Arrest Detail - CAP Query Tool Report on 05/31/11.

**d) Provide number of traffic enforcement citations issued.**

<b><u>TRAFFIC CITATIONS ISSUED</u></b> <b><u>FISCAL YEAR 09/10</u></b>	
<b><u>Type of Traffic Citation</u></b>	<b><u>ELA Unincorporated County Area</u></b>
<b>Hazardous</b>	629
<b>Non-Hazardous</b>	250
<b>Parking</b>	34,883
<b>Total Traffic Citations Issued</b>	<b>35,762</b>

Data obtained from Traffic Services Detail - Traffic Analysis Report and  
Parking Enforcement Detail on 06/01/11.



## APPENDIX D: Responses to Comments

**East Los Angeles CFA**  
Response to Comments

COMMENTS FROM COMMUNITY MEETINGS

EMAIL FROM CESAR SALGADO 8/29/11

EMAIL FROM ARNULFO DELGADO 8/29/11

EMAIL FROM CARL BOYER 8/27/11

EMAIL FROM CARL BOYER, AUGUST 9, 2011

LOS ANGELES COUNTY CEO LETTER, 8/29/11

LOS ANGELES COUNTY CEO, ATTACHMENT I

LOS ANGELES COUNTY CEO, ATTACHMENT II

LOS ANGELES COUNTY CEO, ATTACHMENT III

ELARA LETTER, JULIE HAYWARD BIGGS, BURKE, WILLIAMS & SORENSEN, LLP 8/29/11

ELARA LETTER, BURR CONSULTING AND DE CRINIS & Co., INC. 8/29/2011

## **Comments from Community Meetings**

### **City Salaries and Staffing:**

**1. What percentage of city budget is salaries?**

A: The CFA shows approximately 27% of the budget (excluding County repayment) for salaries and benefits. This percentage is relatively low, since the new city initially will be relying on contracts or agreements for legal services, road maintenance, Sheriff services and the County Library.

**2. Salaries for city employees are too high.**

A: The CFA based salaries for city employees on the salaries paid by existing cities of a comparable size throughout Los Angeles County and the State of California. In the current CFA, the salaries and benefits for certain parks and recreation staff have been reduced following further review, assuming hourly employees, but the number of FTE's has been maintained consistent with current County services. While it is certainly the case that a future City Council could choose to pay lower salaries and/or reduce staff hours, this would very likely reduce the quality of staff, ultimately having adverse impacts on the delivery of services to residents and business-owners. Although some further changes to the salary structure would, in fact, positively impact the City's budget, such modifications would not seriously impact the overall revenue shortfalls identified in the CFA. City council are assumed part-time and paid a nominal stipend.

**3. Salaries for staff in the City Manager and City Attorney's offices are too high.**

A: See answer to Number 4, above. For these critical city positions in particular, it would be difficult, if not impossible, to significantly reduce salaries without impairing the delivery of services to the public.

**4. Staff for the Planning Department seems high compared to other jurisdictions.**

A: The CFA based the size of staffing for the Planning Department to cities of a comparable size throughout Los Angeles County and the State of California. A new City of East Los Angeles would require Planning staff sufficient to administer planning, zoning, and code enforcement for what would become one of the largest cities in the County of Los Angeles. Additionally, because the Planning Department is a relatively small component of the overall budget for the City, even a significant reduction in the budget for the Planning Department would not seriously impact the overall revenue shortfalls identified in the CFA.

**Federal & State Grants:**

**5. Why are Federal and State grants not identified as a source of funds for the new city?**

A: Federal and State grants are an unreliable source of funds for local government, and therefore cities rarely, if ever, rely on these funding sources to fund recurring operational costs. Typically, most cities utilize such grants for one-time capital projects, and, even in those instances, such grant sources change constantly and are unreliable. The trend is for less Federal and State grants, not more. For these reasons, Federal and State grants are not counted in the CFA.

**6. Why are Community Development Block Grants ("CDBG") not identified as a source of funds for the new city?**

A: See answer to Number 5, above.

**7. How much CDBG grant funds does the County expend in East Los Angeles?**

A: The County supervisors allocated approximately \$3.9 million in County CDBG funds to the 1<sup>st</sup> District for expenditure in ELA. The funds were used for a broad range of projects, including grants to local non-profit agencies, volunteer programs, streetscape improvements, business retention programs, etc. The County retained \$311,615 for overhead related to the funding process, grant review/approvals, and other related expenses. It is assumed that the new city would apply for and receive CDBG funds, however, as noted above in the answer to Number 2, these are for special projects and grants typically outside of the operations shown in the CFA for the new city's budget.

**CFA and IFA:**

**8. Why does the CFA only look at four cohort cities (for law enforcement services) when the IFA looked at 15 cities?**

A: LAFCO did not prepare the IFA. The IFA included very preliminary estimates relative to law enforcement services, whereas the CFA utilized actual Sheriff Department contracts with existing contract cities. Further, the CFA identified various metrics of comparison to validate an overall cost of \$21.1 million for law enforcement services for East Los Angeles. The CFA reviewed 6 cities with Sheriff contracts, and reviewed 8 cities for police costs as well as other costs and revenues (1 of the 8 was included in the review of contract cities).

**9. Why does the CFA show a deficit when the IFA shows a surplus?**

A: LAFCO did not prepare the IFA. The IFA included very preliminary estimates, whereas the CFA used actual data from the County of Los Angeles for the cost of services in the Base Year. The passage of SB 89 by the State Legislature, which doubled LAFCO's original deficit estimates, is a factor that did not exist when the IFA was prepared.



**Law Enforcement Services:**

**10. How were the four cohort cities (for law enforcement services) selected?**

A: See also the answer to Number 8, above. The 6 cities were selected based on discussions between the CFA consultant, the LA Sheriff's Department, and LAFCO staff. In addition to size and demographics, other cities were included due to proximity and station (e.g., Commerce), and to indicate differences due to geographic size (e.g., Santa Clarita). The analysis considered the fact that not all cities were directly comparable, but required some adjustment or exclusion when drawing conclusions about police services. As noted in Number 8, above, a range of other non-contract cities were also reviewed for information regarding the cost of police protection.

**11. Were the four cohort cities (for law enforcement services) utilized for other sections of the CFA?**

A: See answer to Number 8, above.

**12. Please add the "year incorporated" for each of the cohort cities.**

A: Following are the incorporation years for all the contract cities reviewed:

Carson	2/20/1968
Commerce	1/28/1960
Compton	5/11/1888
Lancaster	11/22/1977
Norwalk	8/26/1957
Santa Clarita	12/15/1987

**13. Can East Los Angeles have its own police department, rather than contracting with the Los Angeles Sheriff's Department?**

A: Yes, it could, but all available data indicates that cities with their own police department expend more funds than those cities that contract with LASD. In Los Angeles County, the recent trend has been toward eliminating independent police departments in favor of contracting with LASD, not the reverse.

**14. Did any recently-incorporated cities ultimately create their own police department?**

A: No.

**15. The web-site for the LASD's East Los Angeles Station identifies 57 sworn officers, substantially lower than the figures in the CFA. Why is there a difference?**

A: The website does not reflect recent information used in the CFA, nor does it include supervisory or overhead officers, COPS program officers headquartered elsewhere but serving ELA, or other special assignment officers (vandalism enforcement, violent crimes enforcement, etc.).

**16. How will the reduction in LASD sworn personnel (in a new City of East Los Angeles) impact response time?**

A: The Public Review CFA stated that a reduction would likely reduce response time, but did not quantify the extent of a reduction, as this is extremely difficult to predict. A new City of East Los Angeles does have the advantage of being relatively compact, compared to some of the cohort cities, which serves to offset such reductions. Other contract cities show a slightly longer response time (4.9 minutes) compared to ELA currently (4.5 minutes); the comparable cities generally have a similar level of staff relative to the staffing assumed in the CFA.

**17. Why didn't LAFCO audit the numbers provided by LASD?**

A: LASD provided LAFCO with two distinct sets of information: one, the total cost of law enforcement services provided in unincorporated East Los Angeles for the Base Year (2009-2010), and two, an estimate of what LASD would charge a new City of East Los Angeles under a contract, similar to what LASD currently provides to other cities throughout the County.

With respect to the first set of figures—what the County currently expends on law enforcement services—the Public Review CFA utilized information provided by the County. County staff indicates that this data is taken directly to charges for providing law enforcement services in unincorporated East Los Angeles. The cost of “auditing” this data is well beyond the scope of the CFA.

In terms of analyzing costs for law enforcement services for the proposed City of East Los Angeles, it is the second set of figures from the County that is more relevant to the CFA. Staff of LAFCO and EPS did not concur with the Sheriff's estimate. Based upon several metrics of comparison (existing LASD contracts with other cities, crime rates, etc.), the Public Review CFA identified a figure substantially lower than what LASD had recommended.

**18. Why didn't the CFA utilize a bid for law enforcement services from the Los Angeles Police Department?**

A: The LAPD denied a request to provide a bid for law enforcement services to ELA.

**Government Services:**

**19. Why is there no change to fire protection services in a new City of East Los Angeles?**

A: Residents of unincorporated Los Angeles County are within the boundaries of a special district, the Consolidated Fire Protection District, and pay an assessment on their property taxes to pay for fire protection services. Under a new City of East Los Angeles, residents would continue to pay this assessment for the provision of fire protection services. The Los Angeles County Fire Department provides service for all County areas (unincorporated territory and incorporated) that are located within the boundaries of the Consolidated Fire Protection District.

**20. Given a variety of sources that fund county libraries, how would the new city pay for library services?**

A: The new city would continue to use the existing share of property taxes dedicated to libraries, as well as assessments. In order to maintain current levels of service, it would be necessary for the new city to fund the remaining \$4 million not covered by taxes and assessments through general revenues. The new city could also enact a special tax to help fund the difference; this would require two-thirds voter approval.

**21. Please address the potential for reduced services at the libraries.**

A: If the new city cannot provide the additional \$4 million required to maintain current service levels, there would be a reduction in services which could involve some combination of reduced hours and/or closures of certain branches.

**22. Why are city election costs shown for the annual budget, when city elections typically occur every other year?**

A: The CFA identified a reasonable cost for bi-annual city elections, and then used 50% of that total figure in the City's annual budget.

### **Revenue Projections**

**23. The CFA shows revenue stabilization by Fiscal Year 13-14, yet the sales tax projection stays almost the same over ten years. How and why were sales tax projections calculated? How does this compare to inflation?**

A: Sales tax growth is based on population growth (0.5 percent annually). All numbers are in "constant" dollars of purchasing power; inflation, if included, would increase both the costs and the revenues by the same rate (i.e., if inflation were 3 percent, the total sales tax growth would be 3.5 percent annually). Although the growth rates and dollar amounts would be greater, their purchasing power would be unchanged solely as a result of inflation.

**24. The CFA shows "modest" growth and revenue growth seems non-existent. Why is that?**

A: No significant new development projects were identified in the area. The population growth projections are based on average growth from 2000 to 2010. Please also see response to Question 23 above.

**25. Why aren't revenues from the "informal economy" counted in the CFA?**

A: Business in the "informal" or "underground" economy do not generate any sales tax or property tax revenues for local government, nor do they pay typical city fees (i.e., business license fees or construction permit fees). At present, un-licensed businesses in East Los Angeles do not generate any income for the County of Los Angeles, nor would they generate any revenues for a new City of East Los Angeles.

**26. Why doesn't the CFA include a "market analysis" for growth potential?**

A: The Public Review CFA included reasonable projections about growth in property taxes and sales taxes. Preparing a "market analysis" is beyond the scope of the CFA.

While a "market analysis" was not performed, it deserves mention that the potential to increase sales and property taxes in East Los Angeles is constrained by several factors. Roads, freeways, and other rights-of-way comprise 25% of the land in East Los Angeles, and governmental or institutional uses (churches, cemeteries, etc.) cover 19%.; all of these uses generate neither sales nor property taxes and have no potential for such income to a new city. Commercial and service uses occupy 6% of the land area, and industrial uses occupy only 3% of the land area; while redevelopment of these areas is possible, only conversion to high tax-generating uses (major hotels, new car dealerships, and retail warehouse or "big box" (Costco, Wal-Mart) uses would generate substantial revenue for a new City of East Los Angeles. The development of such uses is dependent on a variety of factors—market conditions, zoning approvals, availability of financing, and community support—that take years to develop and even longer before significant revenue would accrue to the new city. A mere 2% of the land area, or 110 acres, is vacant; it is not clear that this land could be put to immediate, tax-generating uses for the new city. Lastly, cities in California have typically increased sales and property tax revenues utilizing redevelopment areas, and the State recently diverted more than 50% of redevelopment revenues from cities and is currently scaling back future redevelopment opportunities for cities.

**27. How were UUT figures calculated, and what were the data sources?**

A: The County provided information on estimated UUT, with the exception of landline telephone and Southern California Edison (SCE). EPS adjusted the UUT by including an average landline telephone bill. SCE provided data for the Public Review CFA, however, after receiving further comment and detailed information prepared by SCE for the 2006 IFA, it was determined that the current SCE data was incomplete. The SCE residential information by residential unit was applied to the number of units, however, the data undercounted the commercial and industrial users. Because SCE was unable to provide complete data after repeated requests throughout the study process, EPS assumed that the commercial and industrial uses represented a similar proportion to the total electric utility revenues as in the 2006 study. This is believed to be a reasonable proxy, although in the current recession may produce higher revenues. This correction increased the UUT revenues by approximately \$2.3 million relative to the Public Review CFA, and increased the franchise fees by \$500,000.

**28. Why does the CFA presume that Los Angeles County would be willing to keep Belvedere Park if a new City of East Los Angeles were formed?**

A: The Public Review CFA presumed that Belvedere Park would transfer to a new City of East Los Angeles. In identifying one means of addressing the revenue shortfalls, the CFA suggested that the new City would save roughly \$750,000 if the County retained Belvedere Park. The County has asserted that the park serves the residents of ELA and the County will not continue to maintain and operate it after incorporation. This is an issue for negotiation between the County and the Proponents.

## Miscellaneous

**29. Couldn't a new City of East Los Angeles simply reduce expenditures to achieve feasibility?**

A: The revenue shortfalls identified in the Public Review CFA are substantial. Although some expenditures could be reduced—smaller City staff, paying lower salaries, or reducing levels of service—even significant changes would not offset the projected Public Review CFA deficit of \$14.1 million (at Stabilization in Fiscal Year 2019-2020).

**30. Does the County of Los Angeles currently subsidize East Los Angeles?**

A: As indicated in Table 4 of the CFA, the costs of municipal services in ELA significantly exceed the revenues generated in ELA. The CFA has not addressed the costs or revenues associated with Countywide services (e.g., health and welfare, etc.).

**31. The Public Review CFA did not show "cumulative" deficits.**

A: The CFA shows positive fund balances, if any; these reflective cumulative net revenues. The absence of positive fund balances is sufficient to determine feasibility; it is not necessary to keep a running total of the negative balances.

**32. Please provide copies of all correspondence regarding the CFA.**

A: Copies of all correspondence are included in the Public Hearing CFA (Appendix E).

**33. A hard copy of the Public Hearing CFA should be placed in each of the East Los Angeles libraries.**

A: Copies of all the Public Hearing CFA will be placed in each of the 4 East Los Angeles Libraries (East Los Angeles Civic Center, City Terrace, El Camino Real, and Anthony Quinn).

## Email from Cesar Salgado August 29, 2011

- 1) **Governance:** It has been suggested by some that the use of part-time staff be considered in the cost assumptions. I feel it would be more realistic to stick with full-time staff projections because managing the new city would require full-time governance and staff given the many anticipated challenges from the get go. As a resident, I would want my city government to be fully engaged in the process.  
A: Comment acknowledged.
- 2) **Service levels:** I am looking for increased/improved service levels in any future city, not reduced levels. The projections should not be so trimmed down as to not reflect at least comparable or better levels than presently available for all services, including law enforcement.  
A: Comment acknowledged.
- 3) **Fines and penalties:** Because of a historical lack of consistent code enforcement in ELA, there is much "room" for growth in this potential revenue stream. Any projections on this should err with this in mind as it would be reasonable to assume that any new city should be more proactive in this regard.  
A: Comment acknowledged. However, it is likely that increased code enforcement and related fines will also be accompanied by additional staff and legal costs, thereby not resulting in a significant net increase in revenues.
- 4) **The informal economy:** Nothing was evaluated in the CFA with regard to the informal economy in ELA. I believe this is an error because it fails to recognize a sizable part of the economic activity. The informal economy has implications for future revenues to the new city. That fact alone merits it be addressed in some manner in the CFA. If the new city properly addresses the informal economy, it may represent some level of un-captured revenue, for example.  
A: See response to Question 25 in the "Comments from Community Meetings".
- 5) **Transient Occupancy Tax:** Note that there is a new 29-unit hotel being built in ELA that should open up in a few months. Has this been considered in the projections?  
A: Estimates of the project's hotel tax have been added to the CFA budget forecasts.
- 7) **I noticed that the public review end date/time has not been posted on your website?**  
A: The Community Meeting Notice on the website includes information on the close of the public comment period.

## Email from Arnulfo Delgado 8/29/11

Note: the comments were provided as sticky notes to a PDF copy of the CFA; in certain cases it was not possible to fully respond to the comments when they did not include specific references.

**1      There has been more than 3 previous incorporation attempts. In the 1920 and 1930s.**

A:      Comment acknowledged.

**2      ELARA submitted the funds to pay EPS on April 29, 2010. But why did it take the county over a year to submit 2009-2010 base year data to EPS?**

A:      This question is beyond the scope of the CFA and should be directed to County staff.

**3      What's the difference between constant dollars and accounting for inflation?**

A:      "Constant" dollars refer to dollars with constant purchasing power. For example, inflation may be 3 percent over one year and cause something that previously cost \$1.00 in 2010 to now cost \$1.03 in 2011; however, in constant 2010 dollars inflation is excluded to indicate that the item still costs \$1.00 in 2010 terms. If inflation were included, all costs and revenues would be inflated by a similar amount, but their equivalent 2010 purchasing power and cost would be unchanged. Adding inflation complicates the ability to discern actual changes in costs and revenues due to factors other than simply inflation. See also page 3 of the CFA.

**4      Are the projections conservative as stated in state law?**

A:      The projections are conservative.

**5      I want to check the mathematical formula the consultant used to show the projections.**

A:      Comment acknowledged.

**6      County took over a year to provide this data.**

A:      Comment acknowledged.

**7      Average time in the Inland Empire is 3 to 7 months.**

A:      Comment acknowledged.

**8      Currently the county stands to gain \$27, 273,275 but how much of this money will go towards East Los Angeles? What's the split? Elaborate more on the revenue neutrality.**

A:      Please see the answer to the comment on Pg2 from ELARA/Julie Hayward Biggs. A split of a County gain, if any, depends on negotiations between the County and the Proponents and is not required by State law.

**9 State law only asks for the first 3 years of incorporation. What's LAFCO's policies regarding this?**

A: Consistent with other CFAs, LAFCO's policy is to evaluate ten years due to changes in costs and revenues that occur over a period of more than three years.

**10 CFA assumes only current cost and no future capital improvements.**

A: Comment acknowledged.

**11 What capital improvements? Shouldn't be any type of improvements if none were made to account real current costs.**

A: Capital improvements include public facilities and infrastructure.

**12 21,157,215 / 34,407,942 ~ 61% Police costs / total revenues. Public safety costs consume over 60 percent of the general fund budget for the first year. Police contract needs to be reduced.**

A: Please see the answer to the comment on Pg3 from ELARA/Julie Hayward Biggs. Police costs are based on a review of comparable cities and is not determined by its percentage of the budget.

**13 Public safety / total revenues = 21,157,215 / 25,171,450 ~ 84%. This is ridiculous. Sheriff's contract needs to be reduced.**

A: See answer to preceding comment.

**14 Not good comparables that were used. A good comparable must take into account total population, land area, and crime rate.**

A: The comparables did consider those factors.

**15 Salary levels do not need to increase. Incorporated cities have loopholes by hiring part timers and sometimes not paying CALPers by giving workers less than 1000 a year.**

A: The increase is based on historical trends and is a conservative approach. The CFA does not assume the significant use of part-time employees with no benefits.

**16 Then why not let the people decide what's an appropriate staff levels instead of inflating the staffing levels.**

A: The staff levels are for the purpose of budget forecasting in this CFA.

**17 Why did consultant assumed that ELARA is not interested in contracting with the neighboring cities or setting up its own police department.**

A: The CFA reviewed the costs of other cities with their own department and determined that it would be more costly than a contract with the County Sheriff. Contracting with a nearby city may be a future option, however, neighboring cities' costs for police services were either higher than the Sheriff contract, or in the case of Los Angeles, a request for a proposal was denied.



- 18 Why aren't these revenues included in the CFA? I understand federal revenues fluctuate, but why can't there be a conservative estimate?**
- A: Please see the response to Questions 5 and 6 in the responses to "Comments from Community Meetings".
- 19 Can LAFCO request HUD for an estimate? These funds MUST BE INCLUDED.**
- A: See preceding response.
- 20 Maravilla Redevelopment Project Area is around 1.1 million, why is this only 700,000?**
- A: Source is noted in the footnote to the text on CFA pg. 15.
- 21 Please list all tax increment revenues and separate them by project area.**
- A: Tax increment revenues are listed in the CFA for background purposes only; the new city can only use those funds for redevelopment-related purposes (including a percentage for related overhead). The commenter is referred to the CDC and the documents listed in the bibliography for more detailed information.
- 22 How does the number of permits compare to the comparable cities? Does the level of staff warrant such a demand in services?**
- A: This information was not compiled for the comparable cities.
- 23 Please provide actual number from comparable cities.**
- A: See response to preceding question.
- 24 I want BIDS for waste haulers since the contract is about to expire soon.**
- A: Comment acknowledged. Cities and counties spend 3-6 months or longer formulating RFP's for waste hauling. Securing bids for waste hauling services is beyond the scope of the CFA.
- 25 How do these permits compare to the number of permits from the comparable cities? Please provide these numbers. I know ELA has many granny flats and unpermitted improvements.**
- A: This information was not compiled for the comparable cities.
- 26 Why wasn't the CHP asked for their BID for traffic control?**
- A: The CHP does not provide traffic control within cities.
- 27 Is this just for unincorporated East LA? Or does it include sheriffs contracted by Commerce?**
- A: The staff and costs for the Sheriff's Department for ELA do not include Commerce, unless otherwise noted.

**28 Didn't provide any BIDS for its own police department. Please provide an estimate of how much it would cost to set up a police department in East LA.**

A: See response to comment above to Question 17.

**29 Still too high. Please revise numbers.**

A: The sheriff contract is based on a review of other contract cities. It is believed that the new city can achieve target response times with this level of staffing.

**30 112,588 divided 16.5 gives you 6,811 residents per square mile. This is not a good comparable since East LA is 7.4 square miles. ELA is more compact and dense, thus reducing patrol area when compared to 16.5 square miles. Provide a better comparable that has similar total pop, crime rate, and square miles.**

A: See response to comment above to Question 14. It is important to consider several similar cities, since all cities have unique characteristics that differentiate them from ELA.

**31 Not a good comparable. Why isn't CFA Alt crime rate estimated? Also, the \$14.8 million contract is better than the \$21.1 contract. Why wasn't the 14.8 chosen over the 21 million?**

A: The \$21.1 million is based on the review of comparable cities. The lowest contract would have resulted in an excessive reduction in police staffing relative to existing levels and comparable cities. The table of key police indicators has been corrected; the contract city average for total police expenditures (contract plus other public safety expenditures) is now shown rather than the prior amount for contracts only.

**32 only a .5 minute difference.**

A: Comment acknowledged.

**33 Unnecessary position.**

A: Comment acknowledged.

**34 How much will go to East La as part of the mitigation negotiation?**

A: The CFA cannot speculate on the outcome of the negotiations between the Proponents and the County.

**35 What's the formula in estimating the ratio? What is it based on? What's the property tax split?**

A: The Auditors Ratio is the ratio of County property tax revenues divided by all Countywide revenues available for general purposes. This is multiplied by the net cost of current County services to ELA to arrive at the property tax transfer amount. These calculations are shown in Tables 12, 13 and 14 in the CFA appendix.

**36 Why aren't street vendors (underground economy) taken into account when estimating cash flow? I know the CFA is about current revenues and expenditures. Since the street vendors do not pay a sale tax, EPS does not take into account these revenues. We need a market analysis estimating this**

**unaccounted cash flow to determine how it contributes to the local economy in East Los Angeles.**

A: See response to question #25 in the "Comments from Community Meetings".

**37 Is it possible to estimate the amount of sales tax that does not get reported to the Board of Equalization?**

A: See answer to comment #25 in the "Comments from Community Meetings". The number has not been estimated.

**38 How did you get this number?**

A: See the footnote to the number for its source, in addition to Table 27 in the appendix.

**39 Is the formula still 3 times the number of registered voters? If so, how many registered voters are in ELA? In 2009, there were about 34,000 registered voters. This means that  $3 * 34,000$  would be around 102,000 total pop, which is significantly less than the 2010 census.**

A: No, 3 times registered voters no longer applies.

**40 Shouldn't the auditor's ratio favor ELA since the county stands to gain more from incorporation?**

A: The Auditor's Ratio bears no relationship to who gains or loses. The Ratio is explained in the CFA on page 37 and Table 13.

**41 Is this why the analysis used constant dollars since there was a 5% contingency?**

A: The use of constant dollars is explained in preceding response to comment #3 and bears no relationship to the contingency.

**42 CDC expenditures are within the ball range as well as animal care and control.**

A: Comment acknowledged.

**43 But public works is estimated around \$2.3 million, but here it shows \$939,903.**

A: The \$939,903 represents the County Engineer. The \$2.3 million represents the expenditures in the new city's public works department which includes the range of services detailed in Table 22.

**44 In addition, fees for district attorney shows at \$583,093 AND the fee for the City Attorney is estimated at \$1.5 million. Please explain the differences in page 47 and 51.**

A: CFA page 51 shows County district attorney costs related solely to code enforcement. The costs on page 47 are for total city legal costs.

**45 What about street vendors, etc?**

A: Please see the response to Question 25 in the "Comments from Community Meetings".

**46 Why isn't there a sensitivity analysis done in East LA? There is a current condominium project located on 3rd St and Beverly.**

A: A sensitivity analysis was conducted which shows the effects of whether VLF is restored or not, depending on the outcome of legislative efforts. No significant growth is anticipated in ELA as discussed in responses to Questions 24 and 26 in the "Comments from Community Meetings". Growth was based on the past ten years of average population growth. The CFA was revised to include a 29-room motel project under construction. Assessed value is assumed to grow over time to reflect increases in value due to remodels and new development, including the 3rd and Woods Family Housing developed by National Community Renaissance, a 60-unit mixed-use complex with 12 Joint Live and Work Units, a community center and 48 apartment units (all units are reserved for very low income and lower income households except for the manager's unit). This project and others will help to offset recent declines in assessed value in the area. The CFA assumes that recent declines are offset, and that the assessed value in the first year of the new city is comparable to the FY10 value (after adjusting for inflation).

**47 Isn't 1% of the total assessed value estimated at \$38,237,449 found on page 53 and 58? Why is it that the property tax transfer applied to the \$27,949,922 and not the \$38 million? Where did this number come from? I understand from the \$14,700,972 come from (.52598 \* \$27,949,922), but shouldn't it be (.52598 \* \$38,237,449)? to get \$18 million?**

A: The property transfer tax is a tax on property transactions, and is estimated based on assessed value (\$38 million). This is different from the "transfer of property tax" from the County to the new city which is based on the cost of services times the auditor's ratio (.52).

**37 Why does ELA need two city clerks at 70,000 each? The second position can be filled with a part timer.**

A: The label indicates the positions are city clerk AND treasurer.

**48 Some cities do not have an assistant city manager, so why include in this analysis?**

A: The need for an assistant city manager is based on a review of other cities and the significant efforts required to establish the city.

**49 Is there a need for 5 human resources positions?**

A: Staff will be necessary to handle hiring, training, payroll, labor law compliance, benefits administration, etc. It may be possible to contract for many of these services, although the cost is not likely to be significantly less than shown. Some of these positions may be necessary for contract compliance and management to the extent that the new city relies on contract services rather than city staff.

**50 Does the level of services from the CDC warrant such a demand in staffing?**

A: The new city will be responsible for developing a broad range of plans, particularly in its first 5 to 10 years. In addition to a General Plan and zoning ordinance, there will be a need for housing plans, participation in regional agencies, waste management functions, NPDES compliance, development of an emergency response plan, among others.

**51 Many of these jobs can be replaced with part timers. Please adjust these numbers to reflect how the budget would look if some of these jobs are carried out by part timers without benefits.**

A: The CFA assumes full-time staff because it is believed that part-time staff will not be able to provide levels similar to those currently enjoyed by the residents. In addition, part-time staff are likely to increase staff turnover and training costs, and associated reductions in service levels.

**52 I want to see a breakdown of the comparable cities' staffing level to see how many workers are full and part time. Provide the numbers and the number of staff.**

A: This information is not readily available for comparable cities, and is not applicable to the assumptions in the CFA as noted above.

## Email from Carl Boyer, August 27, 2011

1. **I hope the report takes into account the cutbacks L.A. Co. will have to make in municipal services to East L.A. as a result of state funding cuts. I would not want the people of East L.A. to think they can avoid cuts by staying with the county.**  
  
A: The primary focus of the CFA is the extent to which a proposed new city is, or is not, economically viable, and not to speculate about future budget variations for the County. The CFA identifies potential reductions in services due to incorporation, but does not estimate future reductions in service by either the County or new city as a result of ongoing adverse fiscal and economic conditions.
2. **They deserve an opportunity to decide for themselves whether or not they want local self government.**  
  
A: Comment acknowledged.
3. **I am really troubled by the Sheriff's budget as proposed by the department as it smacks of the kind of reporting which delayed Santa Clarita's incorporation for many years.**  
  
A: The concerns expressed are acknowledged and have already been addressed in the Public Review CFA. The Los Angeles County Sheriff's Department ("LASD") proposed a budget of \$31.2 million per year for law enforcement services for the proposed City of East Los Angeles, plus "one time" costs of \$6.2 million. Given EPS and LAFCO concerns about this figure, and based upon reasonable comparisons to existing LASD contracts for various cities, the CFA proposed an alternate budget of \$21.1 million.

## Email from Carl Boyer, August 9, 2011

1. **Has the CHP been consulted about the amount of traffic cars they currently provide in East L.A.?**  
  
Yes, the CHP was contacted for information about their staffing and services, however, they were unable to provide staff and incident statistics segregated by city streets vs. freeways for the ELA area.
2. **Santa Clarita, which incorporated with a statutory population of 147,228 and an actual population in excess of 110,000, rented a storefront containing ten desks for the first six months or so. Staffing was minimal while the city manager assessed income trends and needs. Later we bought our city hall building by issuing bonds backed by our sewer system, and since the building was more than 50% occupied by renters who covered the bond payments for some years, we had a free city hall for the first few years.**  
  
A: The amount of space required is based on the estimated number of staff. It may be possible in the early years to forego some of this space and realize a cost savings. The CFA does not assume the ability for the new city to issue bonds in its first 5 to 10 years

for this purpose, or the ability to rent excess space under real estate conditions in the near future.

**3. The Parks and Rec budget seems high. Many of the rec staff in the beginning will be part-time hourly personnel.**

A: See the response to Question #2 from the Community Meetings, and Questions #7a,b in the ELARA attachment from Burr Consulting and de Crinis & Co., Inc. The CFA assumes maintenance of existing service levels for recreation activities, which are a significant community amenity in ELA, unlike other new cities which may be establishing and expanding recreation services previously not provided. In the current CFA, the salaries and benefits for certain parks and recreation staff have been reduced following further review, assuming hourly employees, but the number of FTE's has been maintained consistent with current County services.

**4. Community development will be covered largely by fees.**

A: Community development costs will be covered through a combination of fee revenue included in the budget, as well as redevelopment overhead allocations which are shown in the CFA budget.

**5. The City Attorney budget should be reduced to \$1,250,000. The amount of liability will be influenced greatly by the behavior of the city council.**

A: The City Attorney's budget is assumed to be \$1.1 million by the fourth year of the new city. During the initial few years, the need for legal services is likely to be substantial as the new city addresses transition issues, establishment of employment contracts, contracts for services with the County and private providers, office space and capital acquisition and leases, creation of new city ordinances, city general plan, zoning ordinances, and related CEQA work.

**6. The City Manager's budget should be no more than \$700,000.**

A: The City Manager's office is assumed to be responsible for a broad range of programs, including redevelopment, grant application and monitoring, economic development programs, as well as oversight of the transition process from County services. The budget includes a continuation of the current Consumer Affairs services provided by the County; elimination of that program would reduce the City Manager's budget to about \$880,000 annually.

**7. Admin. Services can be cut by \$200,000.**

A: It is not clear from the comment which positions should be reduced. The positions and costs were developed by a review of other cities of similar size.

**8. The contingency fund should be increased to 10% over a period of time.**

A: Comment acknowledged. The 5% used in the CFA ideally would approach 10% over time, however, the current cash flows would not support that level of contingency.

**9. Code enforcement in Santa Clarita started with a total staff of one.**

A: Code enforcement is based on comparable cities and the likely level of activity. The CFA includes two zoning code enforcement officers, and a total of four building plan check/building code enforcement staff. ELA's urban location and older, smaller housing stock with a relatively high proportion of additions will require more review and enforcement than newer, more suburban locations. It is likely that this number could fluctuate and depend on the level of city contracting for these services vs. in-house staff.

## **Los Angeles County CEO**

### **CEO letter, 8/29/11**

**CEO1 Road and Transit Fund revenues cannot be reflected in the General Fund as a part of the Cumulative Reserves since, by law, Road and Transit Fund revenues are restricted revenues for special purposes and are not to be co-mingled with the General Fund.**

A: The tables have been revised to exclude positive contributions from the Road and Transit Funds. Shortfalls are appropriate to include, in order to reflect contributions from the General Fund which would be necessary to maintain levels of service.

**CEO2 The CFA did not include the Public Library's General Fund expenditures of \$4.0 million in their Table 1 or Table 1a analysis.**

A: The CFA has been revised to include the information related to the Public Library. This revision affects property taxes transferred, impact on the County, and the city budget forecast.

**CEO3 The Sheriff's response, provided in Attachment III indicates that the CFA proposal to contract for \$21.2 million reduces sworn and non-sworn personnel and "does not provide adequate staffing to handle the proposed new city's general law enforcement duties, along with the added responsibility of park patrols... and traffic enforcement.**

A: See response #16 to "Comments from Community Meetings".

**CEO4 The Sheriff's contract amount for Year 2, FY 2014-15 is estimated at \$36.2 million, \$15.0 million higher than reflected in the CFA for the same fiscal year.**

A: See response to III.35.

**CEO5 The CFA incorrectly assumes that it can retain the General Fund revenue associated with Belvedere Park without assuming the \$1.7 million fiscal responsibility to provide the related services.**

A: The CFA text has been revised to indicate that a savings could be achieved if Belvedere Park is not a city park compared to the assumption in the CFA that Belvedere Park is a city park.



## Los Angeles County CEO

### Attachment I

**I.1 The General Fund Cumulative Deficit should be included in the CFA.**

A: See response to Question #31 in "Comments from Community Meetings".

**I.2 The Cumulative General Fund Reserves should exclude Road and Transit Revenues since those are restricted revenues that are for specific Road and Transit Fund purposes and cannot be co-mingled with the General Fund.**

A: The CFA has been revised to exclude significant positive revenues (that exceed cost allocations) from the Road and Transit Fund which occur in the Transition Year. Negative results are appropriate to include, to indicate required transfers from the General Fund.

**I.3 Public Library's General Fund expenditures of \$4.0 million are required to be included in the calculation of the property tax revenue to be exchanged.**

A: Comment acknowledged, the CFA has been revised to include library expenditures.

**I.4 Regional Planning's one-time only General Fund expenditure of \$0.8 million for the Third Street Specific Plan should be excluded in the calculation of the property tax revenue to be exchanged. Based on the Governor's Office of Planning and Research (OPR) Incorporation Guidelines, project specific revenues are usually not included.**

A: State law does not distinguish or require exclusion of one-time costs from the property tax formula. Planning studies are an ongoing, although periodic, service and cost funded, in this case, by General Fund revenues.

**I.5 Fee revenues from Public Works Fees, in the amount of \$0.7 million, and Parks and Recreation Fees, in the amount of \$0.3 million, should be excluded from the General Fund revenue calculation.**

A: State law requires that fees be excluded from the calculation of the property tax transfer. These fees are revenues to the new city and must be included in the city budget, as they will help to offset the corresponding costs that are shown.

**I.6 If the proposed city were to receive a tax allocation comparable to other post-Proposition 13 non-full service cities at 7.7 percent, East Los Angeles would receive approximately \$2.9 million.**

A: The California statutes establish the method for the transfer of property tax based on the net cost of services multiplied by the Auditors ratio; current average tax allocations for other cities is not a consideration.

**I.7 Tables 4 and 5 in the CFA, which show the impacts on the County, should be revised to reflect the following factors: a) the inclusion of General Fund contributions to public library services; b) Prop. 172 funding of sheriff costs should be excluded from the General Fund impact calculation; c) UUT is a**

revenue that is restricted to use in unincorporated areas; d) correction to one-time Regional Planning expenditure (see comment on page 2, above); e) Prop. 172 funds are restricted Public Safety funds for use in unincorporated areas of the County; f) Road Fund and Transit Fund are restricted funds that cannot be utilized for General Fund purposes.

A: The CFA has been revised, with the exception of item d.

**I.8 VLF revenues should be excluded from Table 1 as reflected in Table 1a.**

A: Legislation in the current legislative session could change the disposition of VLF; therefore, the CFA will retain the two scenarios as shown in in Table 1 and Table 1a.

**I.9 The Sheriff estimated a contract cost for FY 2010-11 in the amount of \$31.2 million compared to the CFA Table 1a amount of \$21.2 million.**

A: See response #16 to "Comments from Community Meetings".

**I.10 The Sheriff estimated a contract cost for FY 2014-15, the first year of the new city, at \$36.2 million assuming an average 4 percent contract increase annually based on the last five years.**

A: See response to III.35

**I.11 The CFA reflects Sheriff Transition Year costs at \$17.8 million. Actual base year costs for FY 2009-10 were \$34.6 million.**

A: The CFA utilizes the cost to the Sheriff net of Prop. 172 funds that will continue to be received.

**I.12 Public Library's Transition Year costs of \$4.0 million are not reflected in the repayment and need to be included.**

A: The CFA has been revised.

**I.13 Public Work's Stormwater/National Pollutant Discharge Elimination System Program Transition Year costs of \$0.5 million need to be included. These new costs accrue beginning in FY 2011-12.**

A: CFA has been revised.

**I.14 Repayment interest should be revised to 2.13 percent per the Treasurer and Tax Collector.**

A: CFA has been revised.

**I.15 The CFA did not include FY 2009-10 Public Works expenditures of \$9.6 million in capital improvements and Parks and Recreation expenditures of \$4.3 million in capital improvements in East Los Angeles. The CFA should provide the Capital Improvement expenditure and revenue detail because East Los Angeles is an older community with aging infrastructure.**

A: The CFA is required only to project the annual costs of providing services to determine feasibility.

**I.16 The Governor's OPR recommends a contingency of 10 to 20 percent. The CFA reflects a 5 percent contingency.**

A: OPR recommends a combined operating and contingency reserve fund totaling 20 to 30 percent. These factors represent fund balances, not annual set-asides. The CFA shows an annual contingency amount of 5% which, if not required to be used for unanticipated budget changes, would contribute to the reserve funds.

**I.17 The CFA should also include a contingency for the Road and Transit operations, and this contingency should not be included in the General Fund.**

A: The Road and Transit Funds do not include a contingency because they are based on actual expenditures, unlike the General Fund projections which include significantly more uncertainty about future operating assumptions. Nonetheless, the Road and Transit Funds should continue to be evaluated based on their ability to establish adequate reserves for contingency and operations.

**I.17 The OPR recommends an operating reserve fund of 20 to 30 percent of annual expenditures.**

A: OPR recommends a combined operating and contingency reserve fund totaling 20 to 30 percent. These factors represent fund balances, not annual set-asides.

**I.18 The CFA has not included expenditures related to the State requirement for cities to develop ordinances to provide for the development of an emergency plan, establishing responsibilities for emergency management operations.**

A: See response to Question II.28.

**I.19 The CFA has not included expenditures related to Fleet Maintenance Vehicles and Heavy Equipment Purchases and Maintenance: specifically for parks, but may be required for other municipal services.**

A: See response to Question II.29.

**I.20 (Footnote 3 to Table) Property tax should be increased at 2% annually.**

A: The CFA has shown the real increase in property taxes at 1%, which would be in addition to inflation. The 2% cap does not account for potential increases in property tax due to property resales and price changes.

- I.21 (Footnote 4 to Table) CEO Finance reported Sales Tax growth at 0% for FY 2011-12; 3% for FY 2012-13; and 4% for FY 2013-14 through FY 2015-16. This estimate assumes growth will continue at 4% through FY 2022-23.**
- A: The CFA bases projected sales tax growth on estimated ELA population growth in constant dollars (before inflation), not on Countywide forecasts that include inflation.
- I.22 (Footnote to Table) The LAFCO consultant doubled the actual earnings reported by SCE; County reflected SCE estimates and reduced consultant UUT projection.**
- A: The CFA estimates of UUT have been revised.
- I.23 (Footnote 9, 10 to Table) Public Works and Park and Recreation fees are not to be included as General Fund revenues.**
- A: See response to Question I.5.
- I.24 (Footnote 15 to Table) Investment Earnings were calculated at 1.5% per the LA County Treasurer & Tax Collector.**
- A: CFA has been revised accordingly.
- I.25 Police expenditures were revised to reflect the contract proposal of \$31.2M for FY 2010-11, with an annual 4% contract city rate increase as experienced over the past 5 years by LASD.**
- A: See response to III.35.
- I.26 The CFA used FY 2009-10 base year costs for FY 2013-14, If the new city plans to contract with the County for any services, cost adjustments will need to be applied for FY 2010-11 forward.**
- A: The CFA assumes that all costs are in constant dollars; the actual nominal amount in future years may be subject to general inflation (which has not been shown) in addition to the annual real increase assumed in the new city budget forecast.
- I.27 The County recommends a rental rate of \$2.74 per square foot at 200 sq. ft. per FTE with an inflation factor of 2%, The rental rate includes base rent and the cost of tenant improvements necessary for a 30,000 sq. ft. facility, In the County's experience, move in ready office space is non-existent in East Los Angeles, Therefore. proponents would have to identify commercial, industrial or warehouse space that can be converted into office space. Such facilities require tenant improvements for municipal government use.**
- A: Class A and B space is commonly available (e.g., in Downtown LA) for rates around \$2.00 per month per sq. ft. (fully served, with tenant improvements). It is assumed, as noted above, that the new city may need to rent commercial, industrial or warehouse space which would be available at much lower rates, although tenant improvements would be required. EPS has reduced the space per employee and space required for parks and recreation employees, relative to the Public Review CFA.

**I.28 Include a 10% contingency which is the minimum contingency recommended by OPR.**

A: See response to Question I.6.

**I.29 Prop. 172 expenditures, Public Library, and DPW Stormwater/NPDES should be included in the Transition Year costs. Interest rate of 2.13% over a five year period was added based on information provided by the Treasurer & Tax Collector.**

A: The CFA has been revised to include these items.

**I.30 The County revised their Table to exclude "Other Funds and Transfers." Legally these revenue sources are restricted and cannot be included in the new city's General Fund Cumulative Reserves.**

A: See response to CEO1.

**I.31 Reflect the new city's General Fund Cumulative Deficit. Line 46 of the CFA only reflected year to year deficit for the new city.**

A: See response #31 to "Comments from Community Meetings".

**I.32 Include 2.13% interest added to the repayment of \$7,474,159 (\$7,115,080 in Road Fund expenditures plus \$553,430 in Road District expenditures, less \$194,351 in Road District #1 property tax revenue collected by the County in the Transition Year). Interest rate was provided by the County Treasurer & Tax Collector.**

A: The CFA has been revised to include the 2.13%.

**I.33 Based on the Internal Services Fund, the CFA subtracted employee salaries cost of \$261,851 annually in the 10 year projection. Without a GF reserve and since these salaries are a part of the Transit Fund expenditures, it should be included in Table 1.**

A: The CFA has been revised to show the cost allocation based on a % of salaries.

**I.34 Include 2.13% interest on the annual repayment amount of \$2,313,104 over the 5-year repayment period.**

A: The CFA has been revised to include the 2.13%.

## **ATTACHMENT II**

### **II.1 General Fund Expenditures Significantly Exceed Available General Fund Revenues.**

A: Comment acknowledged.

### **II.2 Road and Transit Expenditures Exceed Available Revenue**

A: Comment acknowledged.

### **II.3 CFA Mischaracterizes County "Gain" of \$27.3 million.**

A: The CFA has been revised to show the Prop. 172-funded sheriff costs separately from other General Fund costs.

### **II.4 Recent Changes in the State Law (SB 89) eliminated VLF.**

A: Comment acknowledged. See response to ELARA letter, Question #2.

### **II.5 The CFA incorrectly assumes that it can retain the General Fund revenue associated with Belvedere Park without assuming the \$1.7 million fiscal responsibility to provide the related services.**

A: See response to CEO5.

### **II.6 The Sheriff's response, provided in Attachment III, indicates that the CFA proposal to contract for \$21.2 million in FY 2014-15 reduces sworn and non-sworn personnel and does not provide adequate service levels.**

A: See response #16 to "Comments from Community Meetings".

### **II.7 The CFA assumes that the Sheriff's Transition Year cost would be \$17.8 million. The CFA did not take into account the full base year cost as reported by the Sheriff, which is an additional \$16.8 million. Therefore, the total Transition Year cost for Sheriff, excluding park patrol reflected under the Office of Public Safety, is \$34.6 million.**

A: See response to I.11.

### **II.8 The Cumulative General Fund reserves should be shown, and the Road and Transit Fund cumulative reserves should be shown separately.**

A: See response to Question I.2.

### **II.9 The \$4 million County General Fund Public Library expenditures should be included in the property tax transfer calculation, and in the projected budget for the new city.**

A: The CFA has been revised to include library expenditures.

### **II.10 The Property Tax base transfer as calculated by the Chief Executive Office (CEO) should be \$15.8 million. The calculation is based on the total net County costs of**

**services to be transferred to the new city, \$31.2 million, multiplied by the Auditor's ratio, 52.598 percent, resulting in a total of \$16.4 million. This base was further adjusted by the negative growth, -3.78 percent, in assessed values for the properties within the proposed incorporation area.**

A: The CFA has recalculated the property tax transfer based on changes to the CFA including the addition of library expenditures. Property taxes have not been adjusted downwards, as the CFA assumes a recovery and stabilization in assessed values and economic factors by the time the new city is formed.

**II.11 Public Library's General Fund expenditures of \$4.0 million are required to be included in the calculation of the property tax revenue to be exchanged.**

A: The CFA has been revised to include library expenditures.

**II.12 Regional Planning's one-time only General Fund expenditure of \$0.8 million should be excluded in the calculation of the property tax revenue to be exchanged.**

A: See response to Question I.4.

**II.13 The one-time only expenditures of \$0.8 million should not be reflected as an ongoing General Fund expenditure in Community Development costs in the new city's budget forecast.**

A: The expenditure should not be shown in the Transition Year costs provided by the County (see CFA Table 26), however, similar studies will be required on an ongoing basis by the new city and these costs are included in the budget for the new city.

**II.14 Fee revenues from Public Works Fees, in the amount of \$0.7 million, and Parks and Recreation Fees, in the amount of \$0.3 million, are precluded pursuant to the OPR Guidelines and the Cortese-Knox-Hetzberg Act of 2000; only net costs should be included in the new city's budget forecast.**

A: See response to Question I.5.

**II.15 If the proposed city were to receive a tax allocation comparable to other post-Proposition 13 non-full service cities at 7.7 percent, East Los Angeles would receive approximately \$2.9 million.**

A: See response to Question I.6.

**II.16 CFA analysis only considers expenditures and revenues for municipal related services.**

A: Comment acknowledged. That is the purpose of the CFA.

**II.17 The CFA indicates on page 37 that the amount of property tax being transferred to the new city exceeds the amount of property tax currently collected by the County from the East Los Angeles area. This revenue shift from other unincorporated areas significantly reduces the "Net Gain" to the County to \$2.6 million as a result of incorporation.**

A: The transfer of property tax revenues from outside ELA in accordance has already been accounted for in the calculation of impacts on the County.

**II.18 The Sheriff estimated a contract cost for FY 2010-11 in the amount of \$31.2 million. The estimated cost for a FY 2014-15 contract with the Sheriff is \$36.2 million or \$15.0 million more than reflected in the CFA.**

A: See response to III.35.

**II.19 The CFA assumes an annual 0.5 percent increase in Sheriff Contract costs. Comparatively, the Sheriff estimates an average of 4.0 percent contract increase based on a review of actual city contract increases over the last 5 years.**

A: See response to III.35.

**II.20 The CFA reflects Sheriff Transition Year costs at \$17.8 million. Actual base year costs for FY 2009-10 were \$34.6 million. Note: Office of Public Safety costs of \$1.8 million are included separately in the CFA.**

A: See response to I.11.

**II.20 Public Library's Transition Year costs of \$4.0 million are not reflected in the repayment plan and need to be included.**

A: The CFA has been revised to include library costs.

**II.21 Public Work's National Pollutant Discharge Elimination System (\$22,499), Catch Basin (\$230,600), and Additional Compliance Program (\$270,114) Transition Year costs of \$0.5 million need to be included. These new costs accrue beginning in FY 2011-12.**

A: CFA has been revised accordingly.

**II.22 Repayment interest should be revised to 2.13 percent per the Treasurer and Tax Collector.**

A: CFA has been revised to include the 2.13 percent.

**II.23 The Governor's OPR recommends a contingency of 10 to 20 percent. The CFA reflects a 5 percent contingency.**

A: See response to Question I.17. The OPR Guidelines recommend that a contingency reserve fund be established. The CFA shows an annual contingency amount of 5% which, if not required to be used for unanticipated budget changes, would contribute to the reserve funds.

**II.24 The CFA should also include a ten percent contingency for the Road and Transit operations, and this contingency should not be included in the General Fund.**

A: The CFA utilizes a 5 percent contingency in the General Fund. Because the Road and Transit costs are based on County actuals (as opposed to the forecasts for the new city General Fund costs and revenues) a contingency has not been included.



**II.25 The OPR recommends an operating reserve fund of 20 to 30 percent of annual expenditures.**

A: See response to Question I.17.

**II.26 Line 23 of Table 25 of the subtotal excluded the Highway User Tax 2103**

A: CFA has been revised accordingly.

**II.27 Line 55 of Table 25 uses “bump” population for Prop A revenues, but should use actual population since it is a local revenue source.**

A: CFA has been revised accordingly.

**II.28 The CFA has not included expenditures related to the State requirement for cities to develop ordinances to provide for the development of an emergency plan, establishing responsibilities for emergency management operations.**

A: The CFA has included expenditures for the preparation of various city documents including general plan, zoning, housing and other planning documents required by the State.

**II.29 The CFA has not included expenditures related to Fleet Maintenance Vehicles and Heavy Equipment Purchases and Maintenance: specifically for parks, but may be required for other municipal services.**

A: The CFA does not include capital expenditures, although it does include additional costs in each departmental budget for equipment. In some cases it is assumed that contract services and leases will fund these large equipment items.

## Los Angeles County CEO

### ATTACHMENT III

#### Auditor-Controller

**III.1. On CFA Page 18 - Footnote 15 The ratio of the County Lighting Maintenance District 1687 is overstated. The County Lighting Maintenance District 1687 receives approximately 0.001 percent of the 1 percent tax levy.**

A: The intent of the footnote is to indicate the relative share of the property taxes generated and distributed within the ELA TRAs to agencies serving ELA. It is acknowledged that, after collection from each parcel and TRA, taxes are re-distributed by the County back to the agencies serving each TRA based on Countywide factors. The text has been clarified.

**III.2. On CFA Page 19 - Footnote 20 The Flood Control District receives approximately 0.011 percent of the 1 percent tax levy, not .84 percent as stated in the footnote.**

A: See answer to Question III.1 above.

**III.3. On CFA Page 19 - Footnote 21 The Belvedere Garbage Disposal District receives approximately 0.00015 of the 1 percent tax levy, not 3.7 percent as stated in the footnote.**

A: See answer to Question III.1 above

#### Chief Executive Office – Real Estate Division

**III.4. On CFA Page 38 The “Franchise” section on page 38 contains inaccurate information regarding petroleum pipeline franchises.**

A: Text has been revised accordingly.

#### Community Development Commission

**III.4 On CFA page 14, the reference to the adoption date should be corrected.**

A: Text has been revised accordingly.

**III.5. The CFA should include additional information related to redevelopment area responsibilities of the new city.**

A: Text has been revised accordingly.

**III.6 The CFA should include an analysis of ABX1 27.**

A: Text has been revised accordingly.

**III.7 On page 10 of the CFA the acronym “(CDC)” is incorrect.**

A: Text has been revised accordingly.

**III.8 On page 15 of the CFA, the text should be revised to reflect the limitations on the use of redevelopment tax increment to fund city services.**

A: Text has been revised accordingly.

#### **Consumer Affairs**

**III.9 On page 31 of the CFA, the text describes the County Greeter Program, which is included in the net costs for the purposes of the property tax transfer, and therefore, the new city would bear the responsibility for the cost of this service, if it chooses to provide that same level of service. The CFA should include this amount in its proposed budget.**

A: The County Greeter orients and assists visitors with County programs and services, and therefore is not included in the new city budget.

#### **Parks and Recreation**

**III.10 On page 15 of the CFA, it states "Revenues of \$750,000 could be made available if Belvedere Park remains a County facility". The County's position is that it will transfer all County park facilities in East Los Angeles, including Belvedere Park, should the proposed city incorporate. The CFA incorrectly assumes that it can retain the General Fund revenue associated with Belvedere Park without assuming the \$1.7 million fiscal responsibility to provide the related services.**

A: See answer above to the CEO Letter Question #5.

**III.11 On page 32, The CFA under "Public Facilities," indicates that further discussions between the County, Proponents, and LAFCO are necessary to determine whether Belvedere Park is regional in nature and, therefore, should remain a County responsibility. Belvedere Park is not a regional facility, and as noted above the County would transfer this park facility to the new city. Therefore, the CFA should reflect that the city will assume funding responsibility to maintain and operate this facility.**

A: The CFA assumes that Belvedere Park becomes a city responsibility.

**III.12 The CFA should add information about the grant obligations applicable to the parks.**

A: Text has been revised accordingly.

#### **Public Library**

**III.13 The County Public Library's General Fund expenditures of \$4.0 million are required to be included in the calculation of the property tax revenue to be exchanged**

A: The CFA has been revised to include the expenditures in the property tax exchange. Note: the \$4.0 million referenced in the comment does not include the use of fund

balances, which represents an additional shortfall that would effectively need to be covered by the new city to the extent that fund balances are insufficient.

**III.14 Incorporation would result in a shortfall of \$4.0 million if funding, currently provided by the County, is not replaced by an ongoing City revenue source. If this funding deficit is not resolved, it would be necessary to reduce library service levels by approximately 65.4 percent. A reduction in library service levels could impact funding for books and materials, programming, staffing, and hours and days of operation.**

A: The CFA has been revised to include the \$4.0 million of funding (in addition to library property tax and special taxes, and use of reserves) in the city budget. The CFA text has also been revised to include information regarding the potential implications for services if the additional funding is not available.

#### **Public Works (DPW)**

**III.15 A franchise fee can only be applied on a franchise waste collection system. The Belvedere Garbage Disposal District is a special district formed pursuant to State law (Public Resources Code Section 49000 et seq.) and it can only operate on a revenue neutral basis.**

A: The CFA text has been revised accordingly.

**III.16 Regarding CFA Table 2, currently Local Sewers in East Los Angeles are owned by Los Angeles County and maintained by the Los Angeles County Consolidated Sewer Maintenance District. Thus, wastewater collection responsibility should be revised. LA Metro is the current and future transit system provider.**

A: The CFA text has been revised accordingly.

**III.17 The CFA page 17 should be revised to indicate that road maintenance is covered by dedicated revenues, and infrastructure is funded by dedicated revenues, grants and other sources.**

A: The CFA text has been revised accordingly.

**III.18 Text on CFA page 19 should be added to describe existing fund balances in the Garbage Disposal District.**

A: The CFA text has been revised accordingly.

**III.19 Text on CFA page 20 should be revised to further describe the Underground Storage Tank Program.**

A: The CFA text has been revised accordingly.

**III.20 Text on CFA page 21 should be revised to clarify County DPW responsibilities related to transit.**

A: The CFA text has been revised accordingly.

**III.21 Text on CFA page 22 should be revised to clarify the city's options related to the existing lighting district.**

A: The CFA text has been revised accordingly.

**III.22 Text on CFA page 23 should be revised to clarify the new city's responsibilities re: wastewater.**

A: The CFA text has been revised accordingly.

**III.23 Text on CFA page 23 should be revised to include the city's options re: the existing garbage disposal district, and its compliance with State recycling plan requirements.**

A: The CFA text has been revised accordingly.

**III.24 Because the CFA indicates that property tax would be shifted from other areas of the County, there will be an impact to other unincorporated areas for which the County is the municipal services provider.**

A: This is incorrect; the overall impact on the County would be a net positive gain, after accounting for the service cost savings.

**III.25 The County recommends various corrections to formulas in CFA Table 25, including 1) correct errors in the formulas; 2) adjust population amounts for Proposition C and Measure R funds; 3) increase the expenditure growth from .05 percent to 1.0 percent; increase the Road District share of property tax growth from 1 percent to 2 percent; and increase the CFA's contingency amount from 5 percent to 10 percent.**

A: Items #1 and #2 above have been revised in the model. It is important to keep in mind that the expenditure growth assumption is a real increase; inflation would add to this increase to produce a greater nominal increase. Similarly, property taxes would grow at the 1 percent assumed in the calculation plus inflation. The contingency factor has not been changed.

**III.26 The CFA should include funding for capital projects.**

A: The CFA is only required to address the funding of ongoing annual operations. Where appropriate, information related to capital improvements has been included.

**III.27 The CFA needs to include Transition Year costs for various Public Works items not required in FY10, but which will be ongoing in future years.**

A: The CFA has been revised accordingly.

**III.28 CFA Table 25 should be corrected to show that Prop. A and C, which are both local revenues, should be based on actual population and not the "bump" population.**

A: The CFA has been revised accordingly.

## **Regional Planning**

**III.29 The City Terrace Material Recovery Facility is located within the proposed incorporation area, and generates some funding to the Dept. of Regional Planning and Public Works.**

A: The CFA has been revised accordingly.

## **Advanced Planning**

**III.30 Page 16 of the CFA should be modified to further describe the functions of the department and housing program and planning requirements.**

A: The CFA has been revised accordingly.

**III.31 On CFA page 16, The number of permits processed in FY 2009-10 should be revised from 316 to 332.**

A: The CFA has been revised accordingly.

## **Sheriff (LASD)**

**III.32 The CFA contract proposal does not provide adequate staffing to handle the proposed new city's general law enforcement duties, along with the added responsibility of park patrols, currently handled by Parks Bureau, and traffic enforcement currently handled by the California Highway Patrol (CHP).**

A: See response #16 to "Comments from Community Meetings".

**III.33 Table 1 note: The CFA proposal did not accurately calculate the contract amount; the correct contract amount for the staffing levels represented in the CFA is \$21,033,348.**

A: Comment acknowledged. The difference is due to rounding; the CFA estimated the staffing and costs based on proportionate allocations which may not exactly match the rounded number of staff displayed in the tables. The \$18,000 difference is not significant to the analysis.

**III.34 The CFA contract proposal also creates service levels lower than what existed in unincorporated East Los Angeles during FY 2009-10. The CFA contract proposal lowers the East Los Angeles staffing level, thereby putting the community at risk for higher crime rates and reduced public safety. Additionally, programs such as Community Oriented Policing program, vandalism enforcement, graffiti abatement, summer violent crime enforcement, special problems team, etc. would be eliminated under the CFA contract proposal. The CFA contract proposal would actually require LASD to eliminate sworn and non-sworn positions currently assigned to East Los Angeles Station.**

A: See response #16 to "Comments from Community Meetings".

**III.35 The LASD contract proposal for annual law enforcement expenditures totaled \$31,235,691 based on FY 2010-11 Contract City Rates. Updating the LASD contract proposal with FY 2011-12 rates increases the annual law enforcement expenditures to \$32,191,695. The LASD contract city law enforcement rate for a 56-hour Deputy Sheriff Service Unit (DSSU) has grown by an average of 4.00 percent over the past five years. As shown in Table 4 below, the FY 2014-15 would be \$36,211,279, compared to the CFA \$21,157,215.**

A: The CFA assumes constant dollars; therefore, the numbers shown will grow by inflation plus the ½ percent annual factor beginning with the first year of the new city. It is the consultant's opinion that future cost trends will be more moderate than the past five years due to the reduced recessionary revenues and likely conditions of fiscal austerity that will temper past increases.

**III.36 The CFA year-to-year Police Expenditures shows an annual growth of 0.5 percent. This growth factor is insufficient and understates the actual increases in the LASD annual contract city law enforcement rates.**

A: See response to III.35 above.

**III.37 The CFA recommends a lower service in the critical area of Police Protection.**

A: See response #16 to "Comments from Community Meetings".

**III.38 Table 2 of the CFA identifies the CHP as the present provider of traffic control/accident investigation in East Los Angeles. However, after incorporation the new city of East Los Angeles would need to contract with LASD for this service.**

A: Comment acknowledged. This is consistent with the information in the text. Table 2 has been revised to clarify.

**III.39 The CFA makes comparisons between the number of positions in the LASD contract proposal for ELA and several other contract cities. However, the CFA only accounts for direct positions and excludes overhead positions. The CFA page 29 should be updated using sworn, direct and overhead positions.**

A: The CFA table on page 29 has been revised to include the additional information.

**III.40 It should be noted that the contract city average for residents and officers per square mile is impacted by the inclusion of the City of Lancaster which has 94.2 square miles, most of which is uninhabited and undeveloped. Staffing level comparisons between the proposed new city of East Los Angeles and other LASD contract cities should be made with caution.**

A: Comment acknowledged. The CFA table uses the city averages when calculating the total contract city average, in order to minimize the bias introduced by the inclusion of the large area of Norwalk.

**III.41 See comments on Pages 11 and 12 (including Table 4) of Attachment III regarding the five-year average growth rate for LASD Contract City 56-hour Deputy Sheriff Service Unit Rates.**

A: See response to III.35 above.

**III.42 The LASD contract proposal of \$31,235,691 resulted in a cost per capita of \$247, which is lower than the selected cities average cost per capita of \$258.**

A: Comment acknowledged. The CFA indicated that cities with their own police departments (which are included in the \$247 calculation above) typically provide police protection at a cost greater than a Sheriff contract.

**III.43 The CFA should use the proposed contract position totals to complete Table B-4, including direct, overhead, sworn and non-sworn positions.**

A: See response to III.39

**III.44 CFA Table B-5 should include direct, overhead, and sworn and no-sworn positions. The existing numbers should include 13 Office of Public Safety officers. The total sworn officers would be 173.**

A: Comment acknowledged. As noted above in response to III.39, the CFA table of police indicators has been revised to include the information from Table 6 provided in LASD comments.



## ELARA

Letter from Julie Hayward Biggs, Burke, Williams & Sorensen, LLP 8/29/11

1. **The CFA shows that the proposal is not revenue neutral as required by law, thus allowing LAFCO the ability to impose conditions to make it revenue neutral and achieve city feasibility.**

A: The comment suggests that the net savings experience by the County as shown in CFA Table 4 could be shifted in various ways to the new city in accordance with State law requiring revenue neutrality. However, the intent of State law is to mitigate any potential adverse impacts on the County; its intent is not to reduce positive County impacts to zero. The County may choose to shift net savings through an agreement, however, no prior incorporation in the State that we are aware of has included Terms and Conditions imposed by LAFCO to shift net savings from the County to the new city pursuant to State law's revenue neutrality requirement.

- 2 **(first paragraph) The Proponents hope to succeed in getting the new city exempted from the provisions of SB89 which eliminated VLF. This will create more opportunities to achieve city feasibility.**

A: The CFA recognizes the possibility that legislation may restore the VLF, and includes a table showing the VLF.

- 3 **(second paragraph) The CFA should be revised to reflect the potential low-cost local government approach.**

A: The CFA has utilized lower costs relative to current County costs where the CFA consultants believed it was possible to do so, while also striving to generally maintain existing service standards. For example, the Sheriff's contract in the CFA at \$21 million is significantly lower than the Sheriff's proposal of \$31 million. This reduction and resulting staff were based on a review of comparable cities. It is recognized that the reduced cost will require that current Sheriff staff be reduced in the area; the review of comparable cities also indicates that the comparable cities with similar contract staffing virtually achieve the 5 minute emergency response time standard of the County Sheriff, although it is a longer response time than the current 4.5 minutes in ELA.

- 3 **(second paragraph) The CFA should reduce the 12-month transition cost to reduce repayment costs to the County.**

A: The CFA consultants do not believe it would be prudent to assume that the new city could take over full operation of all municipal services from the County in a period of time significantly less than one year.

- 4 **(third paragraph) Projected growth is too pessimistic due to the myopic perspective inherent in a review focused on only one year's data.**

A: The CFA based its growth projection on the average change between 2000 and 2010, which includes periods of significant economic growth, as well as the current recession.

**Burr Consulting and de Crinis & Co., Inc. 8/29/2011**

**1. Utility users tax revenue is understated.**

A: The data received from SCE is being corrected and will be included in the Public Hearing CFA. This correction increased the UUT revenues by approximately \$2.3 million relative to the Public Review CFA, and increased the franchise fees by \$500,000. Note that this is information specific to ELA, and will differ from other cities. See the response to #27 in the "Comments from Community Meetings".

**2. Franchise fees are understated**

A: See response to comment #1 above. The data received from SCE is being corrected and will be included in the Public Hearing CFA. Note that this is information specific to ELA, and will differ from other cities.

**3. The CFA should include CDBG grants for road maintenance. Other grants e.g., COPS, POST, should be included.**

A: See answer to "Comments from Community Meetings" Number 5, above.

**4. Revenues from Licenses and Permits, and fees and charges, should be higher based on a per capita review of other cities.**

A: Due to the unique nature of each city and different budgeting practices, a simple median does not produce a reliable answer. For example, the CFA separately identifies various revenues, e.g., recreation fees and building/public works related fees, which many of the other cities group into a single category. In addition, because ELA would be a limited service city, many of these revenues will be limited. ELA would also not benefit from various revenues of the magnitude received by other cities, for example parking-related revenues.

**5. Sales tax revenue seems low compared with other cities. Is it consistent with growth projections in the comparison cities?**

A: The sales tax growth assumption is consistent with the population growth assumption for ELA (1/2 percent, constant dollars). The amount of sales tax revenue is based on current sales taxes generated.

**6a-c. Sheriff costs should be \$17 million based on the median per capita amount for other contract cities.**

A: The calculation cited above does not consider the fact that many of the other contract cities spend additional funds on other police-related, non-contract costs. The CFA review considered these additional costs, as the contract cost alone does not accurately represent the police costs of these other cities. In addition, the CFA review cited Santa Clarita, but specifically excluded it from direct comparison due to its significantly different demographic characteristics.

**6d. The CFA erroneously concluded that the new city would suffer a reduction in service levels by contracting with the Sheriff. There is no basis presented in the draft CFA for that conclusion. The County reported 96 sworn officers in 2006, and EGP News reported 56 currently.**

A: See answer to "Comments from Community Meetings" Number 15 and 16, above.

**7a,b. The cost of County-run parks and recreation programs appear significantly more expensive than El Monte and Pomona, which have each reduced their expenditures significantly over the last several years.**

A: See the response to Question #2 from the Community Meetings. As noted in answer to "Julie Hayward Biggs, #3" above, the CFA strives to generally maintain existing service levels. The CFA estimate is based on current County Parks and Recreation staffing levels. In the current CFA, the salaries and benefits for certain parks and recreation staff have been reduced following further review, assuming hourly employees, but the number of FTE's has been maintained consistent with current County services. Reducing the budget by half would have a significant detrimental impact relative to existing services.

**7c. Performing arts centers and code enforcement should be excluded when comparing park and recreation expenditures (CFA Table B-2).**

A: Comment acknowledged. CFA Table B-2 is for information purposes, and was not the primary basis for the estimates (see answer to 7a,b above).

**7d. The CFA should assume the County retains responsibility for Belvedere Park.**

A: See answer to "Comments from Community Meetings" Number 28, above.

**8a. The new city should include a part-time treasurer instead of a full-time position because cash balances are low.**

A. Financial management will be critical, particularly for a new city. The Treasurer will provide an important function in assuring that adequate management controls and oversight of the new city's funds are in place, and to prevent potential financial abuses.

**8b. Election costs, if actual, should be shown as a cost savings to the County on CFA Table 4.**

A. The election costs of \$200,000 are estimated for the new city for municipal elections; they do not represent a savings or cost reduction to the County which will continue to be responsible for County election costs.



## APPENDIX E: Comments Submitted

From: Cesar Salgado <calastu@sbcglobal.net>  
Date: August 29, 2011 4:55:30 PM PDT  
To: pnovak@lalafco.org  
Subject: Public Comment on ELA Public Review CFA

8/29/11

Mr. Novak/LALAFCO:

Please accept this submittal as public comment for the ELA CFA. These comments will be brief and in no particular order:

1) Governance: It has been suggested by some that the use of part-time staff be considered in the cost assumptions. I feel it would be more realistic to stick with full-time staff projections because managing the new city would require full-time governance and staff given the many anticipated challenges from the get go. As a resident, I would want my city government to be fully engaged in the process.

2) Service levels: I am looking for increased/improved service levels in any future city, not reduced levels. The projections should not be so trimmed down as to not reflect at least comparable or better levels than presently available for all services, including law enforcement.

3) Fines and penalties: Because of a historical lack of consistent code enforcement in ELA, there is much "room" for growth in this potential revenue stream. Any projections on this should err with this in mind as it would be reasonable to assume that any new city should be more proactive in this regard.

4) The informal economy: Nothing was evaluated in the CFA with regard to the informal economy in ELA. I believe this is an error because it fails to recognize a sizable part of the economic activity. The informal economy has implications for future revenues to the new city. That fact alone merits it be addressed in some manner in the CFA. If the new city properly addresses the informal economy, it may represent some level of un-captured revenue, for example.

5) Transient Occupancy Tax: Note that there is a new 29-unit hotel being build in ELA that should open up in a few months. Has this been considered in the projections?

7) I noticed that the public review end date/time has not been posted on your website?

Thank you for your consideration.

[CJSalgado]Fwd Public Comment on ELA Public Review CFA.txt  
Sincerely,

C.J. Salgado

ELA 90022

From: Arnulfo Delgado <ADelgado@baldwinpark.com>  
To: "pnovak@lalafco.org" <pnovak@lalafco.org>  
Cc: Tamoia King-Donlow <tking-donlow@lalafco.org>  
Subject: ELA PUBLIC COMMENT

Good afternoon Mr. Novak, please find my public comments attached in the document. Please let me know whether you can open the attachment. Thanks.

Best, <<CFA Public Comments - Arnulfo Delgado.pdf>>

Arnulfo Delgado  
Rehabilitation Housing Specialist  
Community Development Department  
14403 E. Pacific Ave  
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From: Carl Boyer [mailto:cboyer3154@yahoo.com]  
Sent: Saturday, August 27, 2011 9:03 AM  
To: Richard Berkson; Paul Novak  
Subject: East Los Angeles feasibility

I hope the report takes into account the cutbacks L.A. Co. will have to make in municipal services to East L.A. as a result of state funding cuts. I would not want the people of East L.A. to think they can avoid cuts by staying with the county.

They deserve an opportunity to decide for themselves whether or not they want local self government.

I am really troubled by the Sheriff's budget as proposed by the department as it smacks of the kind of reporting which delayed Santa Clarita's incorporation for many years.

Carl Boyer



email\_Boyer\_9Aug\_East Los Angeles budget comments.txt

From: Carl Boyer [cboyer3154@yahoo.com]

Sent: Tuesday, August 09, 2011 4:06 PM

To: Richard Berkson; Paul Novak

Cc: Benjamin Cardenas; Ana Mascarenas; Jasmin Garcia; Arnulfo Delgado; George Carvalho; Ken Pulskamp

Subject: East Los Angeles budget comments

I have thought about the budget and talked with Ken Pulskamp, the present city manager of Santa Clarita, and George Carvalho, the first permanent city manager of Santa Clarita.

1. Has the CHP been consulted about the amount of traffic cars they currently provide in East L.A.?
2. Santa Clarita, which incorporated with a statutory population of 147,228 and an actual population in excess of 110,000, rented a storefront containing ten desks for the first six months or so. Staffing was minimal while the city manager assessed income trends and needs. Later we bought our city hall building by issuing bonds backed by our sewer system, and since the building was more than 50% occupied by renters who covered the bond payments for some years, we had a free city hall for the first few years.
3. The Parks and Rec budget seems high. Many of the rec staff in the beginning will be parttime hourly personnel.
4. Community development will be covered largely by fees.
5. The City Attorney budget should be reduced to \$1,250,000. The amount of liability will be influenced greatly by the behavior of the city council.
6. The City Manager's budget should be no more than \$700,000.
7. Admin. Services can be cut by \$200,000.
8. The contingency fund should be increased to 10% over a period of time.
9. Code enforcement in Santa Clarita started with a total staff of one.

I hope these observations will be helpful in preparing the final report.  
Carl Boyer, past councilmember and Mayor, City of Santa Clarita



## County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
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Board of Supervisors  
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MARK RIDLEY-THOMAS  
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ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

August 29, 2011

Mr. Paul A. Novak  
Executive Officer  
Local Agency Formation Commission for the County of Los Angeles (LAFCO)  
700 North Central Avenue, Suite 445  
Glendale, CA 91203

Dear Mr. Novak:

### COMPREHENSIVE FISCAL ANALYSIS FOR THE PROPOSED INCORPORATION OF EAST LOS ANGELES

Enclosed is Los Angeles County's response to your Local Agency Formation Commission's (LAFCO) Comprehensive Fiscal Analysis (CFA) for the Proposed Incorporation of East Los Angeles. The County's response highlights key issues in an Executive Summary (Attachment I) and also provides a Comprehensive Review of the CFA (Attachment II). Attachment III provides the County Department Review.

The LAFCO CFA recognized that with the passage of Senate Bill (SB) 89, which eliminated the Motor Vehicle License Fee revenue to cities, there would be a shortfall in the General Fund by Year 2, Fiscal Year (FY) 2014-15, for the proposed city. The CFA is required by law to provide a three year budget projection. Further, the Governor's Office of Planning and Research (OPR) Incorporation Guidelines recommends a 10 year budget projection to allow "a more accurate estimate of a new city's long-term financial feasibility." Based on the CFA's data, Year 2 through Year 10 currently preclude fiscal feasibility for the proposed City.

Fiscal feasibility is further impacted by the following:

**Cumulative Deficit:** Deficit from one fiscal year rolls forward to the following fiscal year and, therefore, the Cumulative Deficit should be reflected in the CFA. As you are aware, a number of cities in Los Angeles County are currently facing fiscal impacts based on their cumulative deficit over a number of fiscal years.

*"To Enrich Lives Through Effective And Caring Service"*

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Intra-County Correspondence Sent Electronically Only*

**General Fund Cumulative Deficit for the Proposed City of East Los Angeles**

	<b>FY 2014-15 Year 2</b>	<b>FY 2015-16 Year 3</b>	<b>FY 2022-23 Year 10</b>
<b>LAFCO CFA</b>	\$-4.7 million	\$-24.5 million	\$-140.7 million
<b>County Estimate</b>	\$-30.8 million	\$-77.5 million	\$-406.7 million

Notes:

- CFA, (Exhibit IA)
- County's Revised Table 1a, Exhibit IB

The Cumulative Deficit for the Road and Transit Funds is addressed in Attachment II.

**Cumulative Reserves:** Tables 1 and 1a of the CFA add \$9.8 million of Road and Transit Fund Cumulative Reserves to the General Fund Cumulative Reserve in the FY 2013-14 Transition Year. Road and Transit Fund revenues cannot be reflected in the General Fund as a part of the Cumulative Reserves since, by law, Road and Transit Fund revenues are restricted revenues for special purposes and are not to be commingled with the General Fund. Based on the CFA Table 1a, there will be no General Fund Reserve in Year 2, FY 2014-15, going forward.

**Public Library General Fund Expenditures:** The property tax exchange for the new city requires that all General Fund expenditures to be transferred are reflected in the calculation. The CFA did not include the Public Library's General Fund expenditures of \$4.0 million in their Table 1 or Table 1a analysis. Should the proposed city choose not to provide \$4.0 million in General Fund financing for the Public Library, operations and services would be reduced by 65.4 percent. A reduction in library service levels could potentially impact availability of books and materials, programming, staffing, and library hours and days of operation. In order to maintain the current level of Public Library services, full funding would be required. The funding level for the East Los Angeles Public Libraries in FY 2009-10 was \$6.1 million, (Attachments II and III).

The LAFCO CFA determined that "Feasibility of Incorporation" would, in part, depend on:

1. A Sheriff contract of \$21.2 million (in Year 2, FY 2014-15), with reduced levels of sworn officers.

The Sheriff's response, provided in Attachment III indicates that the CFA proposal to contract for \$21.2 million reduces sworn and non-sworn personnel and "does not provide adequate staffing to handle the proposed new city's general law enforcement duties, along with the added responsibility of park patrols... and traffic enforcement." The Sheriff concludes that the community would be "at risk for higher crime rates and reduced public safety. Additionally, programs such as (the) Community Oriented Policing program, vandalism enforcement, graffiti abatement, summer violent crime enforcement, and (the) special problems team, etc. would be eliminated..." The Sheriff's contract amount for Year 2, FY 2014-15 is estimated at \$36.2 million, \$15.0 million higher than reflected in the CFA for the same fiscal year.

2. County operation and maintenance of Belvedere Park to enable the proposed city to retain \$750,000 in revenue.

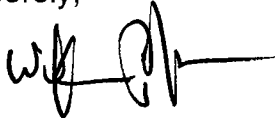
The CFA incorrectly assumes that it can retain the General Fund revenue associated with Belvedere Park without assuming the \$1.7 million fiscal responsibility to provide the related services. It is the position of the County that all County parks in East Los Angeles will be transferred, including Belvedere Park, should the proposed city incorporate.

As stated above, the full fiscal year expenditure to operate and maintain Belvedere Park in FY 2009-10 was \$1.7 million. Any diversion of revenues, as proposed, would result in reduced and/or eliminated programs and services at Belvedere Park. Additionally, the County Department of Parks and Recreation would need to reduce and/or eliminate unincorporated area municipal park services for constituents elsewhere in the County, if the County retained the park without the necessary revenue to operate it.

Mr. Paul A. Novak  
August 29, 2011  
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Greater detail regarding the above issues and additional information are provided in Attachments I, II, and III. If you have questions regarding the County's response to the CFA, please feel free to contact Dorothea Park at (213) 974-4283, or via e-mail at [dpark@ceo.lacounty.gov](mailto:dpark@ceo.lacounty.gov).

Sincerely,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF: RLR:DSP  
JO:MJS:BK:os

Enclosures (3)

c: Gloria Molina, First Supervisorial District  
Mark Ridley-Thomas, Second Supervisorial District  
Zev Yaroslavsky, Third Supervisorial District  
Don Knabe, Fourth Supervisorial District  
Michael D. Antonovich, Fifth Supervisorial District  
John R. Noguez, Assessor  
Steve Cooley, District Attorney  
Leroy D. Baca, Sheriff  
Andrea Sheridan Ordin, County Counsel  
Marcia Mayeda, Director of Animal Care and Control  
Wendy L. Watanabe, Auditor-Controller  
Rigoberto Reyes, Acting Director of Consumer Affairs  
Russ Guiney, Director of Parks and Recreation  
Dr. Jonathan E. Fielding, Director and Health Officer of Public Health  
Margaret Donnellan Todd, County Librarian  
Gail Farber, Director of Public Works

# ATTACHMENT I

**COMPREHENSIVE FISCAL ANALYSIS FOR THE  
PROPOSED INCORPORATION OF EAST LOS ANGELES  
COUNTY OF LOS ANGELES  
EXECUTIVE SUMMARY**

The Executive Summary is in response to the Local Agency Formation Commission's (LAFCO) Comprehensive Fiscal Analysis (CFA) for the Proposed Incorporation of East Los Angeles. A more detailed discussion of the County's issues is in the Comprehensive Review, Attachment II, and in the County Department Review, Attachment III.

On June 30, 2011, the Governor signed Senate Bill (SB) 89, which was effective July 1, 2011. The bill redirected annual city general fund revenue from the Motor Vehicle License Fee (MVLF) into a new state Local Law Enforcement Services Account. SB 89 eliminates allocations to cities from the MVLF including the Vehicle License Fee (VLF) per capita allocation, special allocations to cities incorporated since 2004 and cities annexing since 2004. Based on this State action, and in order to be responsive to the CFA within the context of current State statute, the County's comments primarily focus on LAFCO's Table 1a, Summary of Results – Impact of SB 89.

**Mathematical Discrepancies in Tables 1 and Table 1a**

<b><i>Table 1a, Line 47a: Cumulative General Fund Deficit</i></b>
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The General Fund Cumulative Deficit should be included in the CFA.

- Based on the CFA, the Cumulative Deficit in Year 3, Fiscal Year (FY) 2015-16, is \$-24.5 million. The Cumulative Deficit increases to \$-140.7 million by Year 10, FY 2022-23, (Exhibit IA).
- Based on the County's Revised Table 1a – SB 89 Impact, (Exhibit IB), the Cumulative Deficit in Year 3 is \$-77.5 million and increases to \$-406.7 million by Year 10.

<b><i>Table 1a, Lines 39, 30 and 47: Road Fund and Transit Fund Revenues Calculated as General Fund Cumulative Reserves</i></b>
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The Cumulative General Fund Reserves should exclude Road and Transit Revenues since those are restricted revenues that are for specific Road and Transit Fund purposes and cannot be commingled with the General Fund. The Transition Year, FY 2013-14, reflects \$9.8 million in Road and Transit Revenues, (Exhibit IB, Revised Table 1a).

***Table 1a, Lines 39 and 40: Road Fund and Transit Fund Revenues***

- Based on the CFA, the Road Fund Cumulative Deficit in Year 10, FY 2022-23, is \$-8.0 million, (Exhibit IA). Based on the County's Revised Table 1a, the Cumulative Road Deficit in Year 10 is \$-15.4 million, (Exhibit IB).
- Based on the CFA, the Transit Fund Cumulative Deficit in Year 10, FY 2022-23, is \$-1.0 million, (Exhibit IA). Based on the County's Revised Table 1a, the Transit Fund Cumulative Deficit in Year 10 is \$-8.7 million, (Exhibit IB).

**Mathematical Discrepancies per Government Code Section 56810**

***Table 1a, Line 3: Library Expenditures and Revenues***

Public Library's General Fund expenditures of \$4.0 million are required to be included in the calculation of the property tax revenue to be exchanged. Based on the Calculation of Property Tax Transfer, the Property Tax Base Transferred from the County would increase to \$15.8 million, (Exhibit IC, Property Tax Transfer Worksheet).

***Table 1a, Line 3 and Line 27: Regional Planning One-Time Only Expenditures***

Regional Planning's one-time only General Fund expenditure of \$0.8 million for the Third Street Specific Plan should be excluded in the calculation of the property tax revenue to be exchanged, (Exhibit IC, Property Tax Transfer Worksheet).

Based on the Governor's Office of Planning and Research (OPR) Incorporation Guidelines, project specific revenues are usually not included. Therefore, it is recommended that the one-time only expenditures of \$0.8 million not be reflected as an ongoing General Fund expenditure in Community Development, (Exhibit IB, Revised Table 1a, Line 27).

***Table 1a, Lines 9 and 10: Public Works Building Fees and Parks and Recreation Fees***

Fee revenues from Public Works Fees, in the amount of \$0.7 million, and Parks and Recreation Fees, in the amount of \$0.3 million, should be precluded from inclusion in the General Fund revenue calculation, (Exhibit IB, Revised Table 1a, Lines 9 and 10).



### **Proposed City's "Gain"**

The proposed incorporation would result in a General Fund property tax transfer of \$15.8 million to the new city for provision of municipal services, (Exhibit IC, Property Tax Transfer Worksheet). In FY 2009-10, the General Fund property tax share generated in unincorporated East Los Angeles was \$9.6 million. The County will be required to transfer the \$9.6 million and an additional \$6.2 million from the County's General Fund to the new city. As reflected in Exhibit IA, the new city will receive 42.9 percent of the property taxes generated in the area.

By comparison, non-full service cities that incorporated post-Proposition 13, similar to the proposed incorporating area, have tax allocations that range from 4.7 percent to 16.4 percent for municipal services with an average tax allocation of 7.7 percent, (see Exhibit ID). Therefore, the proposed city will be receiving a General Fund property tax allocation which is 35.2 percent higher than other post-Proposition 13 non-full service cities. The balance of the County's General Fund property tax share from all existing incorporated cities is utilized to provide regional services.

If the proposed city were to receive a tax allocation comparable to other post-Proposition 13 non-full service cities at 7.7 percent, East Los Angeles would receive approximately \$2.9 million. Therefore, the "Gain" to the proposed city is approximately \$12.9 million. Additionally, unlike the non-full service and full-service cities cited in Exhibit ID, responsibility for regional services for the proposed city will be entirely borne by the County General Fund.

### **County's "Gain"**

***Table 4: Change in County Costs and Revenues: General Fund; and***

***Table 5: Change in County Costs and Revenues: Roads and Transit, and Total w/General Fund***

Tables 4 and 5 of the LAFCO CFA present a total "Gain" to the General Fund, Road Fund, and Transit Fund of \$27.3 million. Exhibit IE provides a comparative chart that reflects the actual General Fund "Gain" to the County.

***General Fund "Gain":*** Based on the data that the County provided to LAFCO, the General Fund "Gain" is \$8.8 million. The variance between the CFA (\$23.4 million) and the County's data (\$8.8 million) is attributable to the following:

- The County adjusted the CFA's base property tax transfer to include the General Fund contribution of \$4.0 million for Public Library services in the property tax allocation formula in order to be in compliance with the requirements of the Property Tax Transfer Calculation; therefore, this adjustment should be accounted for in the CFA.

- The County accounted for the Sheriff General Fund expenditure reduction of \$17.8 million. Whereas, the CFA combined General Fund offset expenditures, \$17.8 million, and Intrafund and Revenue Offset expenditures of \$17.1 million, totaling \$34.9 million. The Intrafund and Revenue Offset expenditures of \$17.1 million should not be included in the General Fund expenditure reductions.

It is critical to note that of the \$8.8 million General Fund, characterized as a County “Gain,” \$5.4 million is Utility User Tax (UUT), which by law, is restricted in use to the unincorporated areas of the County. The UUT was utilized for County Parks and Recreation, the Sheriff’s Community Oriented Policing Program, and the Public Library. The balance of the General Fund “Gain” would offset County departmental regional services, as discussed above.

- The County excluded one-time only expenditure reductions for Regional Planning in the amount of \$0.8 million.

*Other Revenue “Gains”:* The CFA characterized the Public Safety Augmentation Fund, Proposition 172 revenue, as a County “Gain” of “\$16.7 million. These are restricted Public Safety funds that would be utilized to provide needed Sheriff Patrol services to constituents elsewhere in the unincorporated areas of the County and should not be characterized as General Fund.

*Road Fund and Transit Fund “Gains”:* The Road Fund and Transit Fund “Gains” of \$3.9 million, as identified in the CFA, are Special Funds, which by definition are restricted and committed to Road and Transit special purposes and cannot be utilized for General Fund purposes.

### **Motor Vehicle License Fees**

***Table 1a: Summary of Results – Impact of SB 89***

***Lines 13 and 14: State Motor Vehicle License Fees and VLF (AB 1602)***

As indicated above, on June 30, 2011, Governor Jerry Brown signed SB 89 into law. The law eliminates the State MVLF and the AB 1602 VLF reflected in the CFA as Lines 13 and 14 of Table 1. Table 1 estimated \$0.7 million and \$9.2 million in VLF revenue respectively for FY 2013-14, totaling \$9.9 million. These amounts should be excluded as reflected in Table 1a.

## **Sheriff Contract**

<b><i>Table 1a: Summary of Results – Impact of SB 89</i></b>
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<b><i>Line 25: Police Expenditures</i></b>
--

Table 1a reflects a Sheriff contract for services with the proposed city of \$21.2 million for FY 2014-15. Actual expenditures reported to LAFCO for FY 2009-10, including park patrol services, were \$36.4 million based on the County's accounting system's closing (eCAPS) reports for that fiscal year. The Sheriff estimated a contract cost for FY 2010-11 in the amount of \$31.2 million. The estimated cost for a FY 2014-15 contract with the Sheriff is \$36.2 million or \$15.0 million more than reflected in the CFA for the same fiscal year. The Sheriff's justification for this contracted level of service is highlighted in the cover letter and detailed in Attachment III. Additionally, the CFA assumes an annual 0.5 percent increase in Sheriff Contract costs. Comparatively, the Sheriff estimates an average 4 percent contract increase based on a review of actual city contract rate increases over the last five years.

## **Transition Year Costs**

<b><i>Table 1a: Summary of Results – Impact of SB 89</i></b>
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<b><i>Line 34: Transition Year County Services (Repayment)</i></b>
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The comments addressed below are related to the General Fund Transition Year Repayment only.

- The CFA reflects Sheriff Transition Year costs at \$17.8 million. Actual base year costs for FY 2009-10 were \$34.6 million. Note: Office of Public Safety costs of \$1.8 million are included separately in the CFA.
- Public Library's Transition Year costs of \$4.0 million are not reflected in the repayment and need to be included.
- Public Work's Stormwater/National Pollutant Discharge Elimination System Program Transition Year costs of \$0.5 million need to be included. These new costs accrue beginning in FY 2011-12.
- Repayment interest should be revised to 2.13 percent per the Treasurer and Tax Collector.

Transition Year Repayment to the Road Fund and Transit Fund are addressed in Attachment II.

## **Capital Improvements**

It was not clear in the CFA whether or not Capital Improvements were included in Table 1 or Table 1a. In FY 2009-10, Public Works expended \$9.6 million in capital improvements and Parks and Recreation expended \$4.3 million in capital improvements in East Los Angeles. The CFA should provide the Capital Improvement expenditure and revenue detail. This is particularly important in East Los Angeles which is an older community with an aging infrastructure.

## **Contingencies**

### ***Table 1a, Line 33***

The Governor's OPR recommends a contingency of 10 to 20 percent. The CFA reflects a 5 percent contingency. The CFA also states that Road Fund and Transit Fund expenditure contingencies are reflected in the General Fund 5 percent calculation. However, based on the expenditures reflected in the CFA, if Road and Transit expenditures are included in determining the contingency percentage, the CFA actually accounted for a 4 percent contingency. Furthermore, the Road and Transit Funds by law are restricted to special purposes and, therefore, their contingency expenditures should not be commingled with the General Fund.

Based on OPR's recommended criteria, the General Fund contingency amount of \$1.9 million at 5 percent should minimally be increased by an additional 5 percent or \$1.9 percent to reflect a 10 percent contingency total of \$3.8 million. An additional 10 percent contingency of \$0.9 million should be applied to the Road and Transit fund expenditures.

## **Operating Reserves**

### ***Table 1a, Line 47***

The OPR recommends an operating reserve fund of 20 to 30 percent of annual expenditures. Based on the CFA, there is no operating reserve for the General Fund by Year 2, FY 2014-15; the Road Fund by Year 5, FY 2017-18; or the Transit Fund by Year 3, FY 2016-17.

### **Other Expenditures Excluded from the CFA**

The CFA did not address the following expenditures related to:

1. Disaster Services: The State recommends that cities develop ordinances that provide for the development of an emergency plan, establishing responsibilities for emergency management operations.
2. Fleet Maintenance Vehicles and Heavy Equipment Purchases and Maintenance: Specifically for parks, but may be required for other municipal services.

### **Summary of Key County Issues and Comments**

In order to address the CFA issues, the County prepared Exhibit IB, which is a Revised Table 1a: Summary of Results – Impact of SB 89. The Revised Table 1a is adjusted to account for mathematical discrepancies related to the Cumulative Deficits and Reserves, the Public Library and Regional Planning expenditures, and Public Works and Parks and Recreation fees. The Revised Table 1a also reflects the elimination of the MVLF, the inclusion of the Sheriff Contract service amount as stipulated by the Sheriff, the inclusion of adjusted Transition Year Costs and addition of the OPR's minimum recommended 10 percent contingency for the General Fund. Road Fund and Transit Fund contingencies are provided separately since these revenues, by State statute, are special purpose revenues that cannot be commingled with the General Fund. Exhibit IB did not include Operating Reserves at OPR's minimum recommended level of 20 percent. However, should the proposed incorporation move forward, this would be a critical component to add to the CFA.

# EXHIBIT IA

**Comprehensive Fiscal Analysis of the Proposed Incorporation of East Los Angeles**

No VLF

**Exhibit IA**

**Table 1A**

**CUMULATIVE DEFICIT FOR GENERAL FUND, ROAD AND TRANSIT AS REFLECTED IN THE CFA**

**General Fund**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Transition Year	2	3	4	5	6	7	8	9	10	
<b>Revenues</b>	\$23,598,845	\$25,171,450	\$25,239,419	\$25,307,694	\$25,376,277	\$25,445,173	\$25,519,456	\$25,594,108	\$25,669,130	\$25,744,527
<b>Expenditures</b>	\$8,245,564	\$45,199,267	\$45,096,943	\$44,825,571	\$45,014,336	\$45,094,844	\$39,689,754	\$39,881,364	\$40,073,933	\$40,267,464
<b>Net General Fund</b>	\$15,353,281	(\$20,027,817)	(\$19,857,524)	(\$19,517,877)	(\$19,638,059)	(\$19,649,671)	(\$14,170,298)	(\$14,287,256)	(\$14,404,803)	(\$14,522,937)
<b>Net General Fund Cumulative Reserve/(Deficit)</b>	\$15,353,281	(\$4,674,536)	(\$24,532,060)	(\$44,049,937)	(\$63,687,996)	(\$83,337,667)	(\$97,507,965)	(\$111,795,221)	(\$126,200,024)	(\$140,722,961)

1. Assumes LASD contract for \$21.2 million.

2. Excludes Public Library expenditures.

**Road Maintenance**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Transition Year	2	3	4	5	6	7	8	9	10	
<b>Revenues</b>	\$7,203,031	\$6,870,403	\$6,534,124	\$6,194,197	\$5,850,619	\$5,503,393	\$5,528,280	\$5,553,173	\$5,578,070	\$5,602,973
<b>Expenditures</b>	\$0	\$8,157,424	\$8,190,429	\$8,223,599	\$8,256,935	\$8,290,438	\$6,767,738	\$6,801,577	\$6,835,585	\$6,869,763
<b>Net General Fund</b>	\$7,203,031	(\$1,287,021)	(\$1,656,305)	(\$2,029,402)	(\$2,406,316)	(\$2,787,045)	(\$1,239,458)	(\$1,248,404)	(\$1,257,515)	(\$1,266,790)
<b>Net General Fund Cumulative Reserve/(Deficit)</b>	\$7,203,031	\$5,916,010	\$4,259,705	\$2,230,303	(\$176,013)	(\$2,963,058)	(\$4,202,516)	(\$5,450,920)	(\$6,708,435)	(\$7,975,225)

**Transit**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Transition Year	2	3	4	5	6	7	8	9	10	
<b>Revenues</b>	\$2,583,631	\$2,423,467	\$2,261,577	\$2,097,962	\$1,932,622	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
<b>Expenditures</b>	\$0	\$2,518,691	\$2,530,256	\$2,541,880	\$2,553,561	\$2,565,301	\$2,109,662	\$2,121,519	\$2,133,436	\$2,145,413
<b>Net General Fund</b>	\$2,583,631	(\$95,224)	(\$268,679)	(\$443,918)	(\$620,939)	(\$799,745)	(\$335,478)	(\$338,708)	(\$341,998)	(\$345,348)
<b>Net General Fund Cumulative Reserve/(Deficit)</b>	\$2,583,631	\$2,488,407	\$2,219,728	\$1,775,810	\$1,154,871	\$355,126	\$19,648	(\$319,060)	(\$661,058)	(\$1,006,406)

1. Expenditures reflected for FY 2013-14 are based on 2009-10 expenditures and revenues. The CFA did not apply an expenditure or revenue growth factor for FY 2010-11 through FY 2013-14.

# EXHIBIT IB



**Revised Table 1a - SB 89 Impact**  
**Summary of Results (all figures in constant \$\$s)**  
**East Los Angeles CFA**  
**LA County Revision - General Fund**

**Exhibit IB**

Item	Fiscal Year									
	FY 2013-14 Transition Year	FY 2014-15 2	FY 2015-16 3	FY 2016-17 4	FY 2017-18 5	FY 2018-19 6	FY 2019-20 7	FY 2020-21 8	FY 2021-22 9	FY 2022-23 10
<b>1 General Fund</b>										
<b>2 Revenues</b>										
3 Property Taxes	\$15,520,247	\$15,700,659	\$15,857,917	\$16,016,753	\$16,177,183	\$16,339,223	\$16,502,888	\$16,668,195	\$16,835,161	\$17,003,802
4 Sales Tax	\$3,070,338	\$3,684,405	\$3,794,937	\$3,946,735	\$4,104,604	\$4,268,788	\$4,439,540	\$4,617,121	\$4,801,806	\$4,993,878
5 Transient Occupancy Tax	Transition	\$50,969	\$50,969	\$50,969	\$50,969	\$50,969	\$50,969	\$50,969	\$50,969	\$50,969
6 Real Property Transfer Tax	\$56,424	\$56,988	\$57,558	\$58,134	\$58,715	\$59,302	\$59,895	\$60,494	\$61,099	\$61,710
7 Franchise Fees	Transition	\$832,850	\$837,001	\$841,152	\$845,303	\$849,454	\$853,604	\$857,755	\$861,906	\$866,057
8 Utility User Tax	\$2,371,724	\$2,395,441	\$2,419,396	\$2,443,590	\$2,468,026	\$2,492,706	\$2,517,633	\$2,542,809	\$2,568,237	\$2,593,920
9 Public Wks/Building Fees										
10 Parks and Recreation Fees										
11 Business License	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107	\$107,107
12 Fines, Penalties, Misc.	\$1,916,640	\$1,926,240	\$1,935,840	\$1,945,440	\$1,955,040	\$1,964,640	\$1,974,240	\$1,983,840	\$1,993,440	\$2,003,040
13 State Motor Vehicle License Fees										
14 VLF (AB 1602)										
15 Investment Earnings	\$345,637	\$371,320	\$375,911	\$381,148	\$386,504	\$391,983	\$397,588	\$403,324	\$409,196	\$415,207
<b>16 Subtotal</b>	<b>\$23,388,116.93</b>	<b>\$25,125,978.75</b>	<b>\$25,436,635.86</b>	<b>\$25,791,027.50</b>	<b>\$26,153,450.94</b>	<b>\$26,524,171.48</b>	<b>\$26,903,463.48</b>	<b>\$27,291,614.78</b>	<b>\$27,688,921.03</b>	<b>\$28,095,690.18</b>
<b>17</b>										
<b>18 Expenditures</b>										
19 Legislative	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000
20 City Clerk, City Treasurer	\$388,800	\$390,744	\$392,698	\$394,661	\$396,635	\$398,618	\$400,611	\$402,614	\$404,627	\$406,650
21 Elections	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
22 City Manager	\$861,433	\$987,848	\$992,787	\$997,751	\$1,002,740	\$1,007,754	\$1,012,792	\$1,017,856	\$1,022,946	\$1,028,060
23 City Attorney	\$1,500,000	\$1,507,500	\$1,515,038	\$1,100,000	\$1,105,500	\$1,111,028	\$1,116,583	\$1,122,166	\$1,127,776	\$1,133,415
24 Administrative Services	\$1,028,250	\$2,158,740	\$2,169,534	\$2,180,381	\$2,191,283	\$2,202,240	\$2,213,251	\$2,224,317	\$2,235,439	\$2,246,616
25 Police	Transition	36,211,279	\$37,659,730	\$39,166,119	\$40,732,764	\$42,362,075	\$44,056,558	\$45,818,820	\$47,651,573	\$49,557,636
26 Animal Control	Transition	\$410,734	\$412,788	\$414,852	\$416,926	\$419,010	\$421,106	\$423,211	\$425,327	\$427,454
27 Community Development	\$902,950	\$1,551,175	\$1,557,406	\$1,563,668	\$1,569,961	\$1,476,286	\$1,382,642	\$1,389,031	\$1,395,451	\$1,401,903
28 Public Works	\$793,800	\$2,324,621	\$2,363,438	\$2,375,255	\$2,387,131	\$2,399,067	\$2,411,062	\$2,423,118	\$2,435,233	\$2,447,410
29 Parks and Rec	\$1,206,900	\$5,250,623	\$5,276,876	\$5,303,260	\$5,329,776	\$5,356,425	\$5,383,207	\$5,410,123	\$5,437,174	\$5,464,360
29a Public Library	Transition	\$2,126,606	\$2,232,936	\$2,344,583	\$2,461,812	\$2,584,903	\$2,714,148	\$2,849,855	\$2,992,348	\$3,141,966
<b>30 Non-Departmental</b>										
31 Office Rent/Equipment/Supplies	\$559,632	\$1,305,968	\$1,027,487	\$1,043,317	\$1,059,463	\$1,075,933	\$1,092,731	\$1,109,866	\$1,127,343	\$1,145,170
32 Insurance	\$302,035	\$640,939	\$633,123	\$619,093	\$621,898	\$620,717	\$619,550	\$622,397	\$625,259	\$628,135
33 Contingency	\$783,580	\$5,515,878	\$5,652,584	\$5,779,494	\$5,956,789	\$6,130,605	\$6,311,624	\$6,510,537	\$6,717,250	\$6,932,077
34 Transition Yr County Services (repayment)		\$9,983,001	\$9,983,001	\$9,983,001	\$9,983,001	\$9,983,001	\$9,983,001			
<b>35 Subtotal</b>	<b>\$8,619,380</b>	<b>\$70,657,656</b>	<b>\$72,161,426</b>	<b>\$73,557,437</b>	<b>\$75,507,680</b>	<b>\$77,419,661</b>	<b>\$69,427,864</b>	<b>\$71,615,912</b>	<b>\$73,889,746</b>	<b>\$76,252,852</b>
<b>36 Net General Fund</b>	<b>\$14,768,737</b>	<b>(\$45,531,677)</b>	<b>(\$46,724,790)</b>	<b>(\$47,766,409)</b>	<b>(\$49,354,229)</b>	<b>(\$50,895,490)</b>	<b>(\$42,524,401)</b>	<b>(\$44,324,297)</b>	<b>(\$46,200,825)</b>	<b>(\$48,157,162)</b>
<b>37</b>										
<b>38 Other Funds and Transfers</b>										
39 Road Maintenance										
40 Transit										
41 Redevelopment (transfer)										
42 Belvedere District (transfer)										
43 Lighting Maintenance (transfer)										
<b>44 Subtotal</b>										
<b>45</b>										
<b>46 Total</b>	<b>\$14,768,737</b>	<b>(\$45,531,677)</b>	<b>(\$46,724,790)</b>	<b>(\$47,766,409)</b>	<b>(\$49,354,229)</b>	<b>(\$50,895,490)</b>	<b>(\$42,524,401)</b>	<b>(\$44,324,297)</b>	<b>(\$46,200,825)</b>	<b>(\$48,157,162)</b>
<b>47 Cumulative Reserves</b>	<b>\$14,768,737</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>47a Cumulative Deficit</b>	<b>\$0</b>	<b>(\$30,762,940)</b>	<b>(\$77,487,731)</b>	<b>(\$125,254,140)</b>	<b>(\$174,608,369)</b>	<b>(\$225,503,859)</b>	<b>(\$268,028,259)</b>	<b>(\$312,352,556)</b>	<b>(\$358,553,381)</b>	<b>(\$406,710,543)</b>

**Revised Table 1a - SB 89 Impact**  
**Summary of Results (all figures in constant \$\$s)**  
**East Los Angeles CFA**  
*LA County Revision - General Fund*

**Exhibit IB**

**Notes to Table 1**

- 3 Property Tax Transfer was recalculated. The County's calculation includes Public Library's net General Fund expenditures and excludes \$803,000 in Regional Planning one-time expenditures. Based on the estimated annual CPI increase, the property tax base includes a 2% annual adjustment from FY 2009-10 forward. Estimate information was provided by CEO Finance.
- 4 CEO Finance reported Sales Tax growth at 0% for FY 2011-12; 3% for FY 2012-13; and 4% for FY 2013-14 through FY 2015-16. This estimate assumes growth will continue at 4% through FY 2022-23. (Sources: State Legislative Analyst's Office (LAO), DOF, Los Angeles City, Los Angeles Economic Development Corporation (LAEDC), UCLA Anderson, HdL/Beacon, and MTA).
- 3,4,5 Based on CFA Table 26, Line 18, revenues retained by County in Transition Year are credited against expenditures.
- 8 The LAFCO consultant doubled the actual earnings reported by SCE; County reflected SCE estimates and reduced consultant UUT projection by \$375, 083.
- 9, 10 Public Works and Park and Recreation fees are not to be included as General Fund revenues.
- 13, 14 VLF was eliminated per SB 89.
- 15 Investment Earnings were calculated at 1.5% per the LA County Treasurer & Tax Collector.
- 25 Police expenditures were revised to reflect the contract proposal of \$31.2M for FY 2010-11, with an annual 4% contract city rate increase as experienced over the past 5 years by LASD.
- 26-29a The CFA used FY 2009-10 base year costs for FY 2013-14. If the new city plans to contract with the County for any services, cost adjustments will need to be applied for FY 2010-11 forward.
- 29a Public Library General Fund expenditures were included in the Table. In addition to General Fund, the Public Library also generates \$2.12m in fees, taxes, fines, State and federal revenues.
- 31 The County recommends a rental rate of \$2.74 per square foot at 200 sq. ft. per FTE with an inflation factor of 2%. The rental rate includes base rent and the cost of tenant improvements necessary for a 30,000 sq. ft. facility. In the County's experience, move in ready office space is non-existent in East Los Angeles. Therefore, proponents would have to identify commercial, industrial or warehouse space that can be converted into office space. Such facilities require tenant improvements for municipal government use.
- 33 Includes a 10% contingency which is the minimum contingency recommended by OPR.
- 34 Prop. 172 expenditures, Public Library, and DPW Stormwater/NPDES were included in the Transition Year costs. Interest rate of 2.13% over a five year period was added based on information provided by the Treasurer & Tax Collector.
- 38-44 The County revised this Table to exclude "Other Funds and Transfers." Legally these revenue sources are restricted and cannot be included in the new city's General Fund Cumulative Reserves.
- 47a Reflects the new city's General Fund Cumulative Deficit. Line 46 of the CFA only reflected year to year deficit for the new city.

**Table 1\* (Revised)**  
**Summary of Results (all figures in constant \$\$)**  
**East Los Angeles CFA**

		Fiscal Year									
Item		2013-14 Transition	2014-15 2	2015-16 3	2016-17 4	2017-18 5	2018-19 6	2019-20 7	2020-21 8	2021-22 9	2022-23 10
48 ROAD MAINTENANCE											
49 Revenues											
50 Road District #1		Transition	\$198,238	\$199,229	\$200,225	\$201,226	\$202,233	\$203,244	\$204,260	\$205,281	\$206,308
51 Gas Taxes		\$5,097,729	\$4,782,619	\$4,464,140	\$4,133,240	\$3,816,972	\$3,488,284	\$3,505,256	\$3,522,229	\$3,539,202	\$3,556,175
52 Other (Prop. C, Measure R)		\$2,764,195	\$2,778,038	\$2,791,881	\$2,805,724	\$2,819,568	\$2,833,411	\$2,847,254	\$2,861,097	\$2,874,940	\$2,888,784
53 Total		\$7,861,924	\$7,758,895	\$7,455,250	\$7,139,190	\$6,837,767	\$6,523,927	\$6,555,754	\$6,587,586	\$6,619,424	\$6,651,266
54											
55 Expenditures											
56 Road District		Transition	\$558,964	\$564,554	\$570,199	\$575,901	\$581,660	\$587,477	\$593,352	\$599,285	\$605,278
57 Maintenance of Roads/Related Facilities		Transition	\$7,150,656	\$7,186,411	\$7,222,342	\$7,258,453	\$7,294,745	\$7,331,219	\$7,367,876	\$7,404,724	\$7,441,738
58 (less) Cost Allocation for GF Services		Transition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58a Contingency	10%	\$0	\$715,066	\$718,641	\$722,234	\$725,845	\$729,474	\$733,122	\$736,788	\$740,472	\$744,174
59 Transition Yr. Cnty Services (repayment)		Transition	\$1,591,693	\$1,591,693	\$1,591,693	\$1,591,693	\$1,591,693				
60 Total		\$0	\$10,016,380	\$10,061,299	\$10,106,469	\$10,151,894	\$10,197,573	\$8,651,818	\$8,698,015	\$8,744,482	\$8,791,190
61											
62 Road Maintenance Surplus (Deficit)		\$7,861,924	(\$2,257,485)	(\$2,606,049)	(\$2,967,279)	(\$3,314,127)	(\$3,673,646)	(\$2,096,064)	(\$2,110,429)	(\$2,125,058)	(\$2,139,924)
63 Cumulative Reserves		\$7,861,924	\$5,604,439	\$2,998,391	\$31,111	\$0	\$0	\$0	\$0	\$0	\$0
63a Cumulative Deficit		\$0	\$0	\$0	\$0	(\$3,283,016)	(\$6,956,662)	(\$9,052,726)	(\$11,163,154)	(\$13,288,213)	(\$15,428,137)
64 TRANSIT											
65 Revenues											
66 Prop. A											
67 Total		\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
68		\$1,722,420	\$1,731,048	\$1,739,675	\$1,748,302	\$1,756,929	\$1,765,556	\$1,774,184	\$1,782,811	\$1,791,438	\$1,800,065
69 EXPENDITURES											
70 Transit		Transition	\$2,324,612	\$2,347,858	\$2,371,337	\$2,395,050	\$2,419,001	\$2,443,191	\$2,467,622	\$2,492,299	\$2,517,222
70a Contingency	10%		\$232,461	\$234,786	\$237,134	\$239,505	\$241,900	\$244,319	\$246,762	\$249,230	\$251,722
71 (less) Cost Allocation for GF Services		Transition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72 Transition Yr. Cnty Services (repayment)		Transition	\$478,047	\$478,047	\$478,047	\$478,047	\$478,047				
73 Total			\$3,035,120	\$3,060,691	\$3,086,517	\$3,112,602	\$3,138,947	\$2,687,510	\$2,714,385	\$2,741,529	\$2,768,944
74											
75 Transit Surplus (Deficit)		\$1,722,420	(\$1,304,072)	(\$1,321,016)	(\$1,338,215)	(\$1,355,673)	(\$1,373,391)	(\$913,326)	(\$931,574)	(\$950,090)	(\$968,879)
76 Cumulative Reserves		\$1,722,420	\$418,348	(\$902,668)	(\$2,240,883)	(\$3,596,556)	(\$4,969,947)	(\$5,883,272)	(\$6,814,846)	(\$7,764,937)	(\$8,733,815)
77 TOTAL, Roads and Transit											
78 Cumulative Reserves		\$9,584,345	\$6,022,787	\$2,095,723	(\$2,209,771)	(\$3,596,556)	(\$4,969,947)	(\$5,883,272)	(\$6,814,846)	(\$7,764,937)	(\$8,733,815)
78a Cumulative Deficit		\$0	\$0	\$0	(\$2,178,660)	(\$6,879,571)	(\$11,926,608)	(\$14,935,998)	(\$17,978,001)	(\$21,053,150)	(\$24,161,952)

**Notes**

51 The CFA's Table 25 did not include the Highway User Tax 2103, Line 17, in the subtotal formula, Line 23; therefore the annual revenues and net revenues were both understated. The CFA subtotal of \$3,023,925 in FY 2013-14 should be \$5,097,729 and each subsequent annual subtotal amount should be corrected to include the Highway User Tax 2103.

51 The CFA did not include a contingency indicating that contingencies are included in the General Fund. However, Transit Funds are for specific road purposes and by law are accounted for separately from the General Fund. The Governor's OPR guidelines recommend between a 10% - 20% contingency.

58a The CFA assumed that the GF had sufficient reserves to cover a portion of the Road Fund expenditures. As reflected in the Revised Table 1a, there are not sufficient reserves in the General Fund. The CFA subtracted the Road Fund related overhead expenditure of \$1,103,033 in FY 2014-15, and in the subsequent FY's including a growth rate factor of .05%. Without a GF reserve and since this overhead is part of the total Road Fund expenditures, it should be included in Table 1 as a part of Road maintenance expenditures.

**Table 1\* (Revised)**

**Exhibit IB**

**Summary of Results (all figures in constant \$\$)**

**East Los Angeles CFA**

59 Includes 2.13% interest added to the repayment of \$7,474,159 (\$7,115,080 in Road Fund expenditures plus \$553,430 in Road District expenditures, less \$194,351 in Road District #1 property tax revenue collected by the County in the Transition Year). Interest rate was provided by the County Treasurer & Tax Collector.

71 The CFA assumed that the GF had sufficient reserves to cover a portion of the Transit Fund expenditures. As reflected in the Revised Table 1a, there are not sufficient reserves in the General Fund. Based on the Internal Services Fund, the CFA subtracted employee salaries cost of \$261,851 annually in the 10 year projection. Without a GF reserve and since these salaries are a part of the Transit Fund expenditures, it should be included in Table 1.

72 Includes 2.13% interest on the annual repayment amount of \$2,313,104 over the 5-year repayment period.

77 The CFA did not compute the Cumulative Deficit in Table 1. The Road Fund reflects a deficit by Year 5 and the Transit Fund reflects a deficit by Year 3.

\* Since the CFA revised Table 1a did not contain the Road and Transit Funds, Table 1 was used as a reference for the County's revisions.

# EXHIBIT IC

## Calculation of Property Tax Transfer

East Los Angeles FY 2009-10

### Department Expenditure (Net of Revenue Offsets)

	Net County Cost
Animal Care and Control	\$ 408,691
Code Enforcement (County Counsel)	\$ 51,502
Code Enforcement & SAGE Program	\$ 583,093
Parks and Recreation	4,649,407
Law Enforcement: Sheriff	17,815,240
Law Enforcement/Park Patrol: Office of Public Safety	1,779,360
Public Works	939,903
Public Library	4,018,314
Regional Planning	811,487 *
Consumer Affairs	\$ 108,133
<b>TOTAL EXPENDITURES - General Fund</b>	<b>\$ 31,165,130</b>

### Transfer of Tax Base

Total Expenditures Subject to Transfer	\$ 31,165,130
2009-10 County Auditor's Ratio	52.598%
<b>2009-10 Property Tax Base Transferred from County</b>	<b>\$ 16,392,235</b>

### Transfer of Tax Base - Adjusted

2009-10 County Assessed Value	\$ 3,823,744,900
2010-11 Assessed Value	\$ 3,679,238,633
Change in Assessed Value	-3.78%
<b>2009-10 Adjusted Property Tax Base</b>	<b>\$ 15,772,743</b>

### Calculation of Tax Allocation Factor

2010-11 Assessed Value	\$ 3,679,238,633
Total Property Tax Collected (1% AV)	\$ 36,792,386
2009-10 Adjusted Property Tax Base	\$ 15,772,743
<b>Tax Allocation Factor</b>	<b>42.87%</b>

\*Excludes \$803,108 in one-time funding from SD1 for the 3rd Street Specific Plan in East LA.

8/4/2011:mjs

EXHIBIT ID

### Property Tax Share

#### Non Full-Service Cities, Post Proposition 13

City	City's Share of Prop Tax	ELA Share Based on Share of Prop Tax
Agoura Hills	0.058529962	2,238,036
Calabasas	0.047185672	1,804,260
Diamond Bar	0.051917418	1,985,190
La Habra Heights	0.100390867	3,838,691
Malibu	0.070441794	2,693,515
Santa Clarita	0.057345279	2,192,737
West Hollywood	0.163928677	6,268,214
Westlake Village	0.063858958	2,441,804

City	Cities Average Share of Property Tax	ELA Share Based on Share of Prop Tax
East Los Angeles	0.076699828	2,932,806 *

#### Full Service Cities

City	City's Share of Prop Tax	ELA Share Based on Share of Prop Tax
Long Beach	0.216602549	8,282,329
Los Angeles	0.262897232	10,052,520
Monrovia	0.174350075	6,666,702

#### Non Full-Service East Los Angeles

Proposed City	City's Share of Prop Tax	ELA Share Based on Share of Prop Tax
East Los Angeles	0.4287	15,772,743

Note: 1% for ELA is \$38,237,439

\* The calculation is based on the average of Post-Proposition 13 cities.



# EXHIBIT IE

Change in General Fund County Expenditures and Revenues FY 2009-10		
	ELA CFA	LA County Revisions
GENERAL FUND EXPENDITURES (ON-GOING)	Expenditures	Expenditures
Animal Care & Control	408,691	408,691
County Counsel (Code Enforcement Unit)	51,502	51,502
Consumer Affairs	108,133	108,133
District Attorney (Code Enf. Section)	583,093	583,093
Parks and Recreation	4,649,407	4,649,407
Public Health/Env. Health	0	0
Public Library		4,018,315
Office of Public Safety	1,779,358	1,779,358
Public Works (General Fund Only)	939,903	939,903
Regional Planning	1,614,595	811,487
Sheriff	34,857,920	17,815,240 <sup>1</sup>
<b>TOTALS GENERAL FUND EXPENDITURES</b>	<b>44,992,602</b>	<b>31,165,129</b> <sup>*</sup>
GENERAL FUND REVENUES	Revenues	Revenues
Property Taxes	14,700,972	15,849,908 <sup>**</sup>
Property Transfer Tax	56,424	56,424
Sales and Use Tax	3,356,800	3,356,800
Unallocated Sales Tax Pool	355,821	355,821
Transient Occupancy Tax	50,969	50,969
Franchise Fees		
Water	289,553	289,553
Petroleum	11,000	11,000
Cable and Telecommunications	239,194	239,194
Gas	105,000	105,000
Electric	175,651	171,023
Utility User Taxes		
Gas	493,867	493,867
Electric	790,430	394,523
Telephone	866,216	866,216
Business License	107,107	107,107
Property Taxes in Lieu of Vehicle License Fee		0
<b>TOTAL REVENUES</b>	<b>21,599,004</b>	<b>22,347,405</b>
<b>NET IMPACT TO THE COUNTY</b>	<b>23,393,598</b>	<b>8,817,724</b>

\*This number is also used to calculate the Property Tax Transfer to the City multiplied by the Auditor's Ratio.

\*\* The East LA area generates \$9,565,177 in property taxes.

<sup>1</sup> Sheriff's expenditure is offset by \$71,615 in miscellaneous revenues and \$16,682,850 in PSAF Revenue, which is not General Fund Revenue.

# ATTACHMENT II

**COMPREHENSIVE FISCAL ANALYSIS FOR  
THE PROPOSED INCORPORATION OF EAST LOS ANGELES  
COUNTY OF LOS ANGELES  
COMPREHENSIVE REVIEW**

The Comprehensive Review is in response to the Local Agency Formation Commission's (LAFCO) Comprehensive Fiscal Analysis (CFA) for the Proposed Incorporation of East Los Angeles. Based on LAFCO's CFA, the proposed new city would not be financially viable for the following reasons:

**1. General Fund Expenditures Significantly Exceed Available General Fund Revenues.**

Operational expenditure requirements to support municipal services such as Sheriff, Library, Parks, Public Works, Animal Care, Regional Planning, and Administrative Support greatly exceed the available revenues from property taxes, sales taxes, utility user taxes, franchise fees and other Local Revenue sources. In addition, due to the elimination of the Motor Vehicle License Fee (MVLFF) revenue, estimated at \$9.8 million in the CFA, there is a further impact to operational expenditures and the ability to provide for an operating reserve and contingency as recommended by the Governor's Office of Planning and Research (OPR) Incorporation Guidelines. Based on the County's analysis, the revenue shortfall results in a General Fund Cumulative Deficit of \$30.8 million in Year 2, [Fiscal Year (FY) 2014-15], and would continue through Year 10, (FY 2022-23), for a total Cumulative Deficit of over \$406.7 million.

**2. Road and Transit Expenditures Exceed Available Revenue**

Based on the County's estimates, the Road and Transit Funds, which are separate from the General Fund, would have a Cumulative Deficit beginning in Year 4, (FY 2016-17), of \$2.2 million with a combined Cumulative Deficit for both funds in Year 10 of over \$24.1 million.

**3. CFA Mischaracterizes County "Gain" of \$27.3 million**

The General Fund "Gain" estimated by the CFA should be revised from \$23.4 million to \$8.8 million. The CFA inadvertently combined Sheriff Revenue Offset expenditures of \$17.1 million with General Fund Offset expenditures of \$17.8 million. Additionally, the CFA added \$3.9 million of Road and Transit Fund revenues into the total County "Gain", notwithstanding the fact that Road and Transit Funds cannot be commingled with the General Fund.

In addition, the CFA further recognizes that “County property taxes would be shifted from other areas of the County in order to provide the base property tax transfer amount” to the new city (page 37). Should the incorporation proceed, the new city will take all available property taxes in the area, totaling \$9.6 million, as well as an additional \$6.2 million, which will have to be taken from other unincorporated areas. Furthermore, no property tax collected from East Los Angeles will be available to the County to contribute to regional services the County is still mandated to provide after incorporation to East Los Angeles.

## **FEASIBILITY OF INCORPORATION**

### **Page 4 - Recent Changes in the State Law (SB 89)**

The LAFCO CFA recognized that with the passage of Senate Bill (SB) 89, which eliminated the MVLF revenue to cities, a shortfall would be created by Year 2, FY 2014-15, for the proposed city. The CFA is required by law to provide a three year budget projection. Further, the OPR Incorporation Guidelines recommend a 10 year budget projection to allow “a more accurate estimate of a new city’s long-term financial feasibility.” Based on the CFA’s data, Year 2 through Year 10 currently preclude fiscal feasibility for the proposed City.

### **Page 4 - Additional revenues could be generated from retention of Belvedere Park operations by the County, estimated to generate \$750,000.**

The CFA incorrectly assumes that it can retain the General Fund revenue associated with Belvedere Park without assuming the \$1.7 million fiscal responsibility to provide the related services. It is the position of the County that all County parks in East Los Angeles will be transferred, including Belvedere Park, should the proposed city incorporate.

As stated above, the full fiscal year expenditure to operate and maintain Belvedere Park in FY 2009-10 was \$1.7 million. Any diversion of revenues, as proposed, would result in reduced and/or eliminated programs and services at Belvedere Park. Additionally, the County Department of Parks and Recreation would need to reduce and/or eliminate unincorporated area municipal park services for constituents elsewhere in the County, if the County retained the park without the necessary revenue to operate it.

### **Page 5 - The LAFCO CFA states: “City feasibility depends on a Los Angeles County Sheriff’s Department (LASD) contract for reduced levels of sworn officers.” The CFA recommends a Sheriff contract of \$21.2 million for FY 2014-15 with reduced levels of sworn officers.**

The Sheriff's response, provided in Attachment III, indicates that the CFA proposal to contract for \$21.2 million in FY 2014-15 reduces sworn and non-sworn personnel and "does not provide adequate staffing to handle the proposed city's general law enforcement duties, along with the added responsibility of park patrol... and traffic enforcement." The Sheriff concludes that the community would be "at risk for higher crime rates and reduced public safety. Additionally, programs such as (the) Community Oriented Policing Program, vandalism enforcement, graffiti abatement, summer violent crime enforcement, and (the) special problems team would be eliminated..." The Sheriff's contract amount for FY 2014-15 is estimated at \$36.2 million, \$15.0 million higher than reflected in the CFA for the same fiscal year.

Additionally, the CFA assumes that the Sheriff's Transition Year cost would be \$17.8 million. The CFA did not take into account the full base year cost as reported by the Sheriff, which is an additional \$16.8 million. Therefore, the total Transition Year cost for Sheriff, excluding park patrol reflected under the Office of Public Safety, is \$34.6 million. A more detailed discussion of the Sheriff's Department issues is contained under the Departmental comments.

Other fiscal feasibility issues:

**Cumulative Deficit:** Deficit from one fiscal year should be carried forward to each subsequent fiscal year through Year 10 projections for the CFA. Cities in Los Angeles County are currently facing fiscal impacts based on their cumulative deficit over a number of fiscal years.

#### General Fund Cumulative Deficit

#### **General Fund Cumulative Deficit for the Proposed City of East Los Angeles**

	<b>FY 2014-15 Year 2</b>	<b>FY 2015-16 Year 3</b>	<b>FY 2022-23 Year 10</b>
<b>LAFCO CFA</b>	\$-4.7 million	\$-24.5 million	\$-140.7 million
<b>County Estimate</b>	\$-30.8 million	\$-77.5 million	\$-406.7 million

Notes:

- CFA, (Exhibit IA)
- County's Revised Table 1a, Exhibit IB

## Road Fund Cumulative Deficit

### **Road Fund Cumulative Deficit for the Proposed City of East Los Angeles**

	<b>FY 2017-18 Year 5</b>	<b>FY 2022-23 Year 10</b>
<b>LAFCO CFA</b>	\$-0.2 million	\$-8.0 million
<b>County Estimate</b>	\$-3.3 million	\$-15.4 million

Notes:

- CFA, (Exhibit IA)
- County's Revised Table 1a, Exhibit IB

## Transit Fund Cumulative Deficit

### **Transit Fund Cumulative Deficit for the Proposed City of East Los Angeles**

	<b>FY 2015-16 Year 3</b>	<b>FY 2018-19 Year 8</b>	<b>FY 2022-23 Year 10</b>
<b>LAFCO CFA</b>	\$2.2 million	\$-0.3 million	\$-1.0 million
<b>County Estimate</b>	\$-0.9 million	\$-6.8 million	\$-8.7 million

Notes:

- CFA, (Exhibit IA)
- County's Revised Table 1a, Exhibit IB
- Cumulative Reserve reflected in the CFA for Year 3 since a portion of the expenditures were reallocated to the General Fund.

**Cumulative Reserves: Table 1 Line 47: Road and Transit Revenues Calculated as General Fund Cumulative Reserves**

The County has provided a revised Table 25 and Table 1a (Road and Transit Funds) to show the Cumulative Reserve/Deficit separately from the General Fund Reserve/Deficit, (Attachment 1, Exhibit 1B).

The Cumulative General Fund Reserves should exclude Road and Transit Revenues of \$9.8 million reflected in Tables 1 and 1a of the CFA for the FY 2013-14 Transition Year since those are restricted revenues that are for specific Road Fund and Transit Fund purposes and cannot be commingled with the General Fund. The CFA assumes that the General Fund expenditures incurred by the County for Transition Year services could be partially offset with Road Fund and Transit Fund revenues. The use of the Road Fund is established by statute for road improvement and transportation related purposes such as pothole repairs and roadway reconstruction. The Road Fund cannot be used for municipal services such as libraries, animal care and control, and planning related functions; therefore, the “road fund surplus” cannot be used to offset any negative general fund impacts/losses. This assumption is highly misleading and such references should be entirely deleted from the report.

### **Public Library General Fund Expenditures**

The property tax exchange requires that all General Fund expenditures to be transferred are reflected in the calculation. The CFA indicates that the County will continue to provide library services. However, the CFA did not include the Public Library’s General Fund expenditures of \$4.0 million in their Table 1 or Table 1a analysis. Should the proposed city choose not to provide \$4.0 million in General Fund financing to the County for the Public Library, operations and services would be reduced from FY 2009-10 levels by approximately 65.4 percent. This reduction in library service levels would significantly impact availability of books and materials, programming, staffing, and library hours and days of operation. In order to maintain the current level of Public Library services, full funding would be required. The funding level for the East Los Angeles Public Libraries in FY 2009-10 was \$6.1 million as reported in the County’s March 1, 2010 response to LAFCO.

### **MATHEMATICAL DISCREPANCIES PER GOVERNMENT CODE SECTION 56810**

<b><i>Property Taxes: Table 1a – Line 3</i></b>
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Line 3: The Property Tax base transfer as calculated by the Chief Executive Office (CEO) should be \$15.8 million. The calculation is based on the total net County costs of services to be transferred to the new city, \$31.2 million, multiplied by the Auditor’s ratio, 52.598 percent, resulting in a total of \$16.4 million. This base was further adjusted by the negative growth, -3.78 percent, in assessed values for the properties within the proposed incorporation area, resulting in a property tax transfer of \$15.8 million, (Exhibit IC). The CFA identified a smaller property tax transfer, because it excluded the net General Fund costs of Library services of \$4.0 million and included the one-time expenditure of \$0.8 million in General Fund costs by Regional Planning. Since this one-time net General Fund cost is not transferred to the City as noted below, the CFA should not have included this amount in the formula used to calculate the base property tax transfer to the new city.



## ***Library Expenditures and Revenues***

Public Library's General Fund expenditures of \$4.0 million are required to be included in the calculation of the property tax revenue to be exchanged. Based on the Calculation of Property Tax Transfer, the Property Tax Base Transferred from the County would increase to \$15.8 million, (Attachment I1, Exhibit IC).

<b><i>Regional Planning One-Time Only Expenditures: Table 1a, Line 27: (Community Development) Regional Planning One-Time Only Expenditures</i></b>
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Regional Planning's one-time only General Fund expenditure of \$0.8 million should be excluded in the calculation of the property tax revenue to be exchanged, (Exhibit IC, Property Tax Transfer Worksheet).

Based on the OPR's Incorporation Guidelines, project specific revenues are usually not included. Therefore, it is recommended that the one-time only expenditures of \$0.8 million not be reflected as an ongoing General Fund expenditure in Community Development, (Exhibit IB, Revised Table 1a, Line 27).

<b><i>Public Works Building Fees and Parks and Recreation Fees: Table 1a: Lines 9 and 10</i></b>
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Fee revenues from Public Works Fees, in the amount of \$0.7 million, and Parks and Recreation Fees, in the amount of \$0.3 million, are precluded from inclusion in the General Fund revenue calculation, (Exhibit IB, Revised Table 1a, Lines 9 and 10). Pursuant to the OPR Guidelines and the Cortese-Knox-Hetzberg Act of 2000, net cost is defined as both direct and indirect costs funded by general purpose revenues. The total net costs excludes any portion of the total costs funded by special purpose revenue, federal revenues, and revenues derived from land use planning fees, building permit fees, assessments, and animal licensing fees.

## **PROPOSED CITY'S "GAIN"**

The proposed incorporation would result in a General Fund property tax transfer of \$15.8 million to the new city for provision of municipal services, (Attachment I, Exhibit IC, Property Tax Transfer Worksheet). In FY 2009-10, the General Fund property tax share generated in unincorporated East Los Angeles was \$9.6 million. The County will be required to transfer the \$9.6 million and an additional \$6.2 million from the County's General Fund to the new city. As reflected in Attachment I, Exhibit IC, the new city will receive 42.9 percent of the property taxes generated in the area.

By comparison, non-full service cities that incorporated post-Proposition 13, similar to the proposed incorporating area, have tax allocations that range from 4.7 percent to 16.4 percent for municipal services with an average tax allocation of 7.7 percent, (Attachment I, Exhibit ID). Therefore, the proposed city will be receiving a General Fund property tax allocation which is 35.2 percent higher than other post-Proposition 13 non-full service cities. The balance of the County's General Fund property tax share from all existing incorporated cities is utilized by the following County departments to provide regional services: Agricultural Commissioner/Weights and Measures, Beaches and Harbors, Children and Family Services, Child Support Services, Community and Senior Services, Consumer Affairs, the Coroner, the District Attorney, Health Services, Mental Health, Military and Veterans Affairs, the Art and Natural History Museums, Probation, Public Defender and Alternate Public Defender, the Registrar-Recorder/County Clerk, Treasurer and Tax Collector, etc.

If the proposed city were to receive a tax allocation comparable to other post-Proposition 13 non-full service cities at 7.7 percent, East Los Angeles would receive approximately \$2.9 million. Therefore, the "Gain" to the proposed city is approximately \$12.9 million. Additionally, unlike the non-full service and full-service cities cited in Attachment I, Exhibit ID, responsibility for regional services for the proposed city will be entirely borne by the County General Fund.

## COUNTY'S "GAIN"

***Table 4: Change in County Costs and Revenues: General Fund; and***

***Table 5: Change in County Costs and Revenues: Roads and Transit, and Total w/General Fund***

Tables 4 and 5 of the LAFCO CFA present a total "Gain" to the General Fund, Road Fund and Transit Fund of \$27.3 million.

General Fund "Gain": Attachment I, Exhibit IE provides a comparative chart that reflects the actual \$8.8 million General Fund "Gain" to the County.

Two important points must be made in order to respond to the CFA's assumption that the County will benefit from a "Gain" as a result of the city's incorporation.

1. Aside from Road Fund revenues, a CFA analysis only considers expenditures and revenues for municipal related services. The County of Los Angeles, like all counties in the State of California, has a dual public service responsibility to residents of the County. First, the County is the provider of "regional" services, which are available to all of the residents, businesses, and property owners in the entire County area. Secondly, the County provides direct "municipal" services to unincorporated area residents, businesses, and property owners. An incorporated city provides only direct municipal services to residents within its defined boundary.

The County is the direct municipal services provider to more than 1 million unincorporated area residents. It is important to note that the County's cost for providing regional services are not included in the \$8.8 million "Gain."

2. The CFA indicates on page 37 that the the amount of property tax being transferred to the new city exceeds the amount of property tax currently collected by the County from the East Los Angeles area: It further states ..."County property tax revenue would be shifted from other areas of the County in order to provide the base property tax amount." The city will receive this base annually, which includes all of the \$9.6 million General Fund revenues generated in East Los Angeles and \$6.2 million from revenues generated in other unincorporated areas of the County. This revenue shift from other unincorporated areas significantly reduces the "Net Gain" to the County to \$2.6 million as a result of incorporation.

Based on the data that the County provided to LAFCO, the General Fund "Gain" is \$8.8 million. The variance between the CFA (\$23.4 million) and the County's data (\$8.8 million) is attributable to the following:

- The County adjusted the CFA's base property tax transfer to include the General Fund contribution of \$4.0 million for Public Library services in the property tax allocation formula in order to be in compliance with the requirements of the Property Tax Transfer Calculation; therefore, this adjustment should be accounted for in the CFA.
- The County accounted for the Sheriff General Fund expenditure reduction of \$17.8 million. Whereas, the CFA combined General Fund offset expenditures, \$17.8 million, and Intrafund and Revenue Offset expenditures of \$17.1 million, totaling \$34.9 million, including:
  1. Intrafund Transfers of \$0.4 million from Regional Planning for law enforcement services at Salazar Park and banking and escort services for Treasurer and Tax Collector; and
  2. Public Safety Augmentation Fund, Proposition 172, of \$16.7 million.

The revenue offset expenditures, totaling \$17.1 million, should not be included in the General Fund expenditure reductions.

It is critical to note that of the \$8.8 million General Fund "Gain," \$5.4 million is Utility User Tax, which by law, is restricted in use to the unincorporated areas of the County. The balance of the General Fund "Gain" would offset County departmental regional services, as identified above.

- The County excluded one-time only expenditure reductions for Regional Planning in the amount of \$0.8 million.

*Other Revenue “Gains”:* The CFA characterized the Public Safety Augmentation Fund, Proposition 172 revenue, as a County “Gain” of \$16.7 million. These are restricted Public Safety funds that would be utilized to provide needed Sheriff Patrol services to constituents elsewhere in the unincorporated areas of the County and should not be characterized as General Fund.

*Road Fund and Transit Fund “Gains”:* The Road Fund and Transit Fund “Gains” of \$3.9 million, as identified in the CFA, are Special Funds, which by definition are restricted and committed to road and transit special purposes and cannot be utilized for General Fund purposes.

## **MOTOR VEHICLE LICENSE FEES**

### ***Table 1a: Summary of Results – Impact of SB 89***

#### ***Lines 13 and 14: State Motor Vehicle License Fees and VLF (AB 1602)***

As indicated above, on June 30, 2011, Governor Jerry Brown signed SB 89 into law. The law eliminates the State MVLF and the AB 1602 Vehicle License Fee (VLF) reflected in the CFA as Lines 13 and 14 of Table 1. Table 1 estimated \$0.7 million and \$9.2 million in VLF revenue respectively for FY 2013-14, totaling \$9.9 million. Even if VLF were to be reinstated, it is important to note that the city of Jurupa in Riverside County, which incorporated on July 1, 2011 and has a population of 132,000, similar to the population of East Los Angeles, was allocated \$0.5 million in State MVLF and \$5.7 million in AB 1602 VLF revenue in FY 2011-12. This total of \$6.2 million is \$3.0 million less in revenue than estimated in the CFA for East Los Angeles.

## **SHERIFF CONTRACT**

### ***Table 1a: Summary of Results – Impact of SB 89***

#### ***Line 25: Police Expenditures***

Table 1a reflects a Sheriff contract for services with the proposed city of \$21.2 million for FY 2014-15. Actual expenditures reported to LAFCO for FY 2009-10, including park patrol services, were \$36.4 million based on the County’s accounting system’s closing (eCAPS) reports for that fiscal year. The Sheriff estimated a contract cost for FY 2010-11 in the amount of \$31.2 million. The estimated cost for a FY 2014-15 contract with the Sheriff is \$36.2 million or \$15.0 million more than reflected in the CFA. Additionally, the CFA assumes an annual 0.5 percent increase in Sheriff Contract costs. Comparatively, the Sheriff estimates an average of 4.0 percent contract increase based on a review of actual city contract increases over the last 5 years.

## TRANSITION YEAR COSTS

**Table 1a: Summary of Results – Impact of SB 89**

**Line 34: Transition Year County Services (Repayment)**

The comments addressed below are related to the General Fund Transition Year Repayment only.

- The CFA reflects Sheriff Transition Year costs at \$17.8 million. Actual base year costs for FY 2009-10 were \$34.6 million. Note: Office of Public Safety costs of \$1.8 million are included separately in the CFA.
- Public Library's Transition Year costs of \$4.0 million are not reflected in the repayment plan and need to be included.
- Public Work's National Pollutant Discharge Elimination System (\$22,499), Catch Basin (\$230,600), and Additional Compliance Program (\$270,114) Transition Year costs of \$0.5 million need to be included. These new costs accrue beginning in FY 2011-12. The CFA budgeted for these costs in the succeeding years; however, excluded these costs from the Transition Year expenditure repayment to the County.
- Repayment interest should be revised to 2.13 percent per the Treasurer and Tax Collector.

## CAPITAL IMPROVEMENTS

It was not clear in the CFA whether or not Capital Improvements were included in either Table 1 or Table 1a. In FY 2009-10, Public Works expended \$9.6 million in capital improvements and Parks and Recreation expended \$4.3 million in capital improvements in East Los Angeles. The CFA should provide the Capital Improvement expenditure and revenue detail. This is particularly important in East Los Angeles which is an older community with an aging infrastructure.

## CONTINGENCIES

The Governor's OPR recommends a contingency of 10 to 20 percent. The CFA reflects only a 5 percent contingency. The CFA also states that Road and Transit Fund expenditure contingencies are reflected in the General Fund 5 percent calculation. However, based on the expenditures reflected in the CFA, if Road and Transit expenditures are included in determining the contingency percentage, the CFA actually accounts for only a 4 percent contingency. Furthermore, the Road and Transit Funds by law are restricted to special purposes and, therefore, their contingency expenditures should not be commingled with the General Fund.

Based on OPR's recommended criteria, the CFA's General Fund contingency amount of \$1.9 million at 5 percent should minimally be increased by an additional 5 percent or \$1.9 percent to reflect a 10 percent contingency total of \$3.8 million. A separate 10 percent contingency should be established for the Road Fund and Transit Fund expenditures.

## **OPERATING RESERVES**

As noted in the CFA, OPR recommends operating reserves of 20 to 30 percent of annual expenditures. Based on the CFA, there is no operating reserve identified for the General Fund, for Year 2, going forward, for the Road Fund in Year 5, going forward and for the Transit Fund in Year 3, going forward.

## **BUDGET ANALYSIS**

### ***Appendix A: Revenues***

#### ***Table 14: Base Year Net County Cost for Services Transferred (FY 2009-10)***

Revenue corrections to Table 14 are provided in Exhibit IIA.

## **ROAD AND TRANSIT REVISIONS**

### ***Table 25: Road and Transit***

Line 23 of the subtotal excluded the Highway User Tax 2103 amounts for the entire 10-year projection, although these are listed, so we assume that this was an error in the Excel formula. The CFA subtotal for Line 23 shows an amount of \$3.0 million and the revised CEO Table 1a shows \$5.0 million in FY 2013-14. Because of this error, the new city's net before the Transition Year repayment is understated.

Line 55: Prop A (Transit) Revenues – The CFA uses the Bumped Population, (AB 1602 “bump” formula also applies to other revenue allocations that provide a new city’s “bumps” including the Highway Users gasoline excise tax), to calculate potential revenues from this source. However, since Prop A revenues are Local Return revenues, the “bump” formula should not be applied to the base population to arrive at the Prop A revenues shown in Table 25; although it is appropriate to increase the base population by the State’s projected population growth rate.

## **OTHER EXPENDITURES EXCLUDED FROM THE CFA**

The CFA did not address the following expenditures related to:

1. **Disaster Services:** The State recommends that cities develop ordinances that provide for the development of an emergency plan, establishing responsibilities for emergency management operations.
2. **Fleet Maintenance Vehicle and Heavy Equipment Purchase and Maintenance:** Specifically for parks but may be required for other municipal services.

## **SUMMARY OF KEY COUNTY ISSUES AND COMMENTS**

In order to address the CFA issues, the County prepared Attachment I, Exhibit IB, which is a Revised Table 1a: Summary of Results – Impact of SB 89. The Revised Table 1a is adjusted to account for mathematical discrepancies related to the Cumulative Deficits and Reserves, the Public Library and Regional Planning expenditures, Public Works and Parks and Recreation fees. The Revised Table 1a also reflects the elimination of the MVLF, the inclusion of the Sheriff Contract service amount as stipulated by the Sheriff, the inclusion of adjusted Transition Year Costs and addition of the OPR's minimum recommended 10 percent contingency for the General Fund. Road and Transit Fund contingencies are provided separately since these revenues, by State statute, are special purpose revenues that cannot be commingled with the General Fund. Exhibit IB does not include Operating Reserves at OPR's minimum recommended level of 20 percent. However, should the proposed incorporation move forward, this would be a critical component to add to the CFA.

# ATTACHMENT IIA



**Table 14A**  
**Base Year Net County Cost for Services Transferred (FY 09-10)**  
**East Los Angeles CFA**

Department/Function	Total	Revenues					Net County Cost
		Fees and Charges	Prop. 172	Other	Library Special Tax <sup>1</sup>	Library Share of 1% Property Tax <sup>1</sup>	
1 Animal Care and Control	\$566,560	\$157,869					\$408,691
2 Regional Planning	\$2,339,784	\$244,959		\$480,230			\$1,614,595
3 Parks and Recreation	\$5,078,459	\$82,458		\$346,595			\$4,649,407
4 County Sheriff	\$34,929,535	\$71,615	\$16,682,850	\$359,830			\$17,815,240
5 Office of Public Safety	\$1,811,076	\$31,706		\$12			\$1,779,358
6 Consumer Affairs	\$204,847	\$16,462		\$80,252			\$108,133
7 Other Code Enforcement							
8 County Counsel	\$51,502						\$51,502
9 District Attorney	\$750,593			\$167,500			\$583,093
10 Public Works (General Fund)	\$1,737,651			\$797,748			\$939,903
11 Public Library	\$6,140,204	\$122,670		\$756,536	\$516,354	\$726,329	\$4,018,315 <sup>2</sup>
12 Total	<b>\$53,610,211</b>	<b>\$727,739</b>	<b>\$16,682,850</b>	<b>\$2,988,703</b>	<b>\$516,354</b>	<b>\$726,329</b>	<b>\$31,968,237</b>
13 Regional Planning - Use of One-time GF Proceeds							<b>(\$803,108) <sup>3</sup></b>
							<b>\$31,165,129</b>

Source: County of Los Angeles CEO letter to LAFCO, Att. I., 3/11/11

<sup>1</sup> Public Library will continue to collect the Library Special Tax and their share of the 1 percent of property taxes collected in ELA.

<sup>2</sup> Reflects General Fund revenue from Measure U for operating the ELA area libraries in FY 2009-10.

<sup>3</sup> Since it does not reflect an ongoing commitment, an additional \$803,108 in one-time General Fund expenditures should not be included.

# ATTACHMENT III

**COMPREHENSIVE FISCAL ANALYSIS FOR THE  
PROPOSED INCORPORATION OF EAST LOS ANGELES  
COUNTY OF LOS ANGELES  
COUNTY DEPARTMENT REVIEW**

<b>Auditor-Controller</b>
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- **Page 18 - Footnote 15**

The ratio of the County Lighting Maintenance District 1687 is overstated. The County Lighting Maintenance District 1687 receives approximately 0.001 percent of the 1 percent tax levy.

- **Page 19 - Footnote 20**

The Flood Control District receives approximately 0.011 percent of the 1 percent tax levy, not .84 percent as stated in the footnote.

- **Page 19 - Footnote 21**

The Belvedere Garbage Disposal District receives approximately 0.00015 of the 1 percent tax levy, not 3.7 percent as stated in the footnote.

<b>Chief Executive Office – Real Estate Division</b>
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- **Page 38**

The “Franchise” section on page 38 contains inaccurate information regarding petroleum pipeline franchises. Nearly all transporters of petroleum products pay annual franchise fees to the municipalities based upon the linear footage of their pipelines, not a percentage of their gross receipts.

The single petroleum pipeline transporter in East Los Angeles - Pacific Pipeline System LLC - is a regulated common carrier and the annual franchise fees paid to the County are regulated by the California Public Utilities Commission (CPUC), based upon a linear footage formula as published by the CPUC (Cal. Pub. Util. Code §6231.5). The CPUC changed from percentage of gross formula to this linear footage formula effective January 1990, although a few long-term percentage of gross franchises may still remain on the books in some cities.

Also, since Pacific Pipeline System LLC does not provide any service to the public, (transporting products only for itself and other petroleum companies), consumers are not billed for petroleum franchise fees.

<b>Community Development Commission</b>
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- **Page 14 - Redevelopment**

The CFA should reflect the following information:

1. The report states “On October 10, 2009, the Los Angeles City Council unanimously approved actions necessary for the merger of the Adelante Eastside Redevelopment Project Area with the Whiteside Redevelopment Project Area.” The correct date that this action was approved is September 8, 2009.
2. The merger of the two redevelopment areas and the governance structure delineate certain responsibilities for the two redevelopment agencies involved. The East Los Angeles Redevelopment Agency will assume some existing legal obligations for the County’s Whiteside Redevelopment Project Area. The new city, as the successor redevelopment agency, will be required to continue the activities under a Memorandum of Understanding with the Los Angeles Community Redevelopment Agency.
3. In addition, the CFA should include an analysis of ABX1 27, the “Continuation Bill” that keeps redevelopment agencies effective after October 1, 2011. According to the State Department of Finance, the Commission as a whole would have to make a \$1.8 million payment this fiscal year and about \$440,000 annually thereafter in order to keep its redevelopment areas effective. Of this total, the following are approximate totals for the two East Los Angeles redevelopment areas for Fiscal Year (FY) 2011-12: total is \$892,000 (Maravilla \$744,000 and Whiteside \$148,000 based upon a proportionate share of the net increment each area receives). At this time, the State Department of Finance has not released additional information regarding ongoing payments, however, according to the Community Redevelopment Association’s estimates, in FY 2012-13 and every subsequent fiscal year the East Los Angeles Redevelopment Area payments will total \$198,000, (Maravilla \$160,000 and Whiteside \$38,000).

While ABX1 26, dissolving redevelopment agencies, and ABX1 27 have been stayed due to pending legal challenges, should they ultimately be implemented, the County is likely to agree to make the payments in order to keep the redevelopment areas effective and would take legislative action as outlined in ABX1 27.

The Auditor-Controller provided the comments below that relate to the Community Development Commission:

- **Page 10**

The acronym (CDC) was erroneously placed behind “County Counsel” rather than the “Community Development Commission”.

- **Page 15**

The statement in the last paragraph (Redevelopment) should be revised; the statement currently reads as follows:

“Additional tax increment funds may be available to help in funding a share of departmental overhead and administration.”

Tax increment is to be used for the project and not to offset the City’s General Fund shortfall. Therefore, the sentence should be revised to read as follows:

“To the extent city staff is used to perform redevelopment agency functions, additional tax increment funds may be available to help in funding a share of departmental overhead and administration.”

<b>Consumer Affairs</b>
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- **Page 31**

The CFA indicates a continuation of the Greeter Program and Consumer Protection. Although the consumer protection program is a County-wide program, the Greeter Program was specific in response to service needs in the East Los Angeles community. As provided to LAFCO in the March 1, 2011 documents, the net County cost specific to the East Los Angeles area was \$108,130. This amount is included in the formula that transfers the base property tax to the new city; therefore, the new city would bear the responsibility for the cost of this service, if it chooses to provide that same level of service. The CFA should include this amount in its proposed budget.

## Parks and Recreation

- **Page 15**

Section 2: CONCLUSIONS, under “Feasibility of Incorporation” Subsection, Item #3, the CFA states: “Revenues of \$750,000 could be made available if Belvedere Park remains a County facility”.

The County’s position is that it will transfer all County park facilities in East Los Angeles, including Belvedere Park, should the proposed city incorporate. As such, the following park facilities and their costs for maintenance and operation will be the responsibility of the proposed City of East Los Angeles:

- Atlantic Avenue Park
- Belvedere Community Regional Park
- City Terrace Park
- Eastside Eddie Heredia Boxing Club
- Eugene A. Obregon Park
- Parque de los Suenos Park
- Ruben S. Salazar Park
- Saybrook Park

The CFA incorrectly assumes that it can retain the General Fund revenue associated with Belvedere Park without assuming the \$1.7 million fiscal responsibility to provide the related services. As previously stated, it is the position of the County that all County parks in East Los Angeles will be transferred to the new city.

Any diversion of revenues, as proposed, would result in reduced and/or eliminated programs and services at Belvedere Park. Additionally, the County Department of Parks and Recreation would need to reduce and/or eliminate unincorporated area municipal park services for constituents elsewhere in the County, if the County retained the park without the necessary revenue to operate it.

- **Page 32**

The CFA under “Public Facilities,” indicates that further discussions between the County, Proponents, and LAFCO are necessary to determine whether Belvedere Park is regional in nature and, therefore, should remain a County responsibility. Belvedere Park is not a regional facility, and as noted above the County would transfer this park facility to the new city. Therefore, the CFA should reflect that the city will assume funding responsibility to maintain and operate this facility.

It is important that a revised CFA note the following information:

All of the above-mentioned park facilities, except Parque de Los Sueños Park, have received project funding from the Safe Neighborhood Park Proposition Bond Acts of 1992 and 1994 and Proposition 12 Bond Act of 2000. The new city will be required to assume the grant obligations under which these projects were funded as follows: (1) maintain and operate in perpetuity the property acquired, developed, rehabilitated or restored with grant monies, subject to the provisions of the Propositions; (2) the Grantee shall not discriminate against any person on the basis of race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of any property or facility acquired or developed pursuant to the above Bond Acts; and (3) all facilities shall be open to members of the public generally.

<b>Public Library</b>
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The County Public Library's General Fund expenditures of \$4.0 million are required to be included in the calculation of the property tax revenue to be exchanged. Based on the Calculation of Property Tax Transfer, the Property Tax Base Transferred from the County would increase to \$15.8 million.

The County Public Library would continue to provide library services in the incorporated area, (East Los Angeles, City Terrace, Anthony Quinn, El Camino Real), provided that a voter-approved special tax for the new city would continue and the new city provides \$4.0 million annually to the County to backfill revenues that are lost as a result of incorporation. In FY 2009-10, in addition to the special taxes and the Public Library's share of the 1 percent property taxes collected in East Los Angeles, the County spent an additional \$4 million in General Fund revenue to operate the four libraries in the proposed East Los Angeles incorporation area. This \$4.0 million was funded by Utility User Tax (UUT) revenue. Incorporation would result in a shortfall of \$4.0 million if funding, currently provided by the County, is not replaced by an ongoing City revenue source. If this funding deficit is not resolved, it would be necessary to reduce library service levels by approximately 65.4 percent. A reduction in library service levels could impact funding for books and materials, programming, staffing, and hours and days of operation. Any proposed funding reduction by the new city would require a more detailed review by the Public Library.

## Public Works (DPW)

- **Page 3 of the Executive Summary and Page 23 of the CFA**

The CFA states that “A garbage collection franchise fee of 10 percent could generate approximately \$850,000.” The CFA further indicated that this increased revenue would help offset the new city’s operating shortfall. A franchise fee can only be applied on a franchise waste collection system. The Belvedere Garbage Disposal District is a special district formed pursuant to State law (Public Resources Code Section 49000 et seq.) and it can only operate on a revenue neutral basis.

- **Table 2**

Currently Local Sewers in East Los Angeles are owned by Los Angeles County and maintained by the Los Angeles County Consolidated Sewer Maintenance District. Thus, water collection responsibility should be revised as follows:

Present Provider: LA County/LA County Consolidated Sewer Maintenance District  
After Incorporation: City/LA County Consolidated Sewer Maintenance District

The Los Angeles Metropolitan Transportation Authority (LA Metro) is the Public Transit service provider for the East Los Angeles Area. Therefore, the Public Transit responsibility should be revised as follows:

Present Provider: LA Metro  
After Incorporation: As is currently provided

- **Page 17**

The last sentence on the page should be revised to read as follows:

Maintenance of the roads and related facilities costs, totaling about \$7.6 million, are covered by dedicated revenues.

The following statement should be added after the last sentence on the page:

For Fiscal Year 2009-10, County Public Works spent approximately \$9.6 million on infrastructure improvements relating to roadway facilities. Infrastructure improvements were covered by \$2.2 million of dedicated revenue with the remaining from grant funds and other sources.



- **Page 19**

In DPW's prior follow-up questions, DPW stated: "Upon request of the County of Board of Supervisors, Public Works would work with LAFCO to transfer the Garbage Disposal District to the new city, including an unspecified amount of funds remaining and all future District liabilities relating to the period preceding the incorporation". Therefore, the following sentence should be added to the end of the last paragraph:

The District's current Fund Balance is approximately \$5.0 million. The Fund Balance equates to approximately six months of operational expense for the Garbage Disposal District. The Fund Balance is maintained to ensure continuous service delivery and to cover any unanticipated costs.

- **Page 20**

The last bullet on the top half of the page should be revised to reflect the following:

Underground Storage Tanks (UST)

The Underground Storage Tank (UST) Program is State mandated. (Title 11, Division 4 of the Los Angeles County Code-LACC). State law requires implementation by a Certified Unified Program Agency (CUPA) or Participating Agency (PA). Since East Los Angeles is not expected to become a CUPA/PA, (based on the CFA's indication that it will contract with Los Angeles County Fire District), the County would retain jurisdiction similar to the retention of jurisdiction in 77 other cities.

- **Page 21**

The first sentence under Transit should be revised as follows:

"Los Angeles County Department of Public Works is responsible for local transit services and the installation and maintenance of bus stop amenities, including shelters, benches, trash receptacles, and solar light poles."

The first sentence of the third paragraph under Transit should be revised as follows:

"The County has a license agreement with Clear Channel Outdoor, Inc., for the maintenance of approximately 45 advertising bus stop shelters in East Los Angeles."

- **Page 22**

Street Lighting Maintenance – The CFA indicates that “The new city may choose to contract with the County for various ongoing services such as street light maintenance. This statement should be deleted from the CFA. The CFA should reflect the following options:

1. The city may choose to have the County continue to administer the street lighting district. If the City of East Los Angeles chooses to have the County continue to administer its street lighting district, the County will form a separate maintenance district and assessment zone for the new City of East Los Angeles. The newly created County Lighting Maintenance District (CLMD) would continue to be funded by its share of ad valorem property tax and assessment revenue.
2. The City may choose to not establish a lighting maintenance district and provide street lighting maintenance services itself. In such a case, the share of property taxes currently collected by the CLMD 1687 would be transferred to the newly established city. The area will be excluded from the assessment district (Streets and Highways Code Section 22613), County Lighting District LLA-1. Since the street lights within the proposed East Los Angeles area are Southern California Edison-owned poles, the new city would need to establish a Master Lighting Contract with the Southern California Edison (Edison) Company in order for Edison to continue to operate and maintain the street lights located within the proposed incorporated area.

Note: CLMD 1687 boundaries include other unincorporated areas of the County and some cities as well.

- **Page 23 - Wastewater**

The paragraph should be revised as follows:

“After incorporation, the new city would own the local sewer lines and grant the Consolidated Sewer Maintenance District (a separate legal entity from the County, similar to the Los Angeles County Flood Control District) its consent and jurisdiction to continue to operate and maintain the local sewer system with the new city. East Los Angeles property owners would continue to be responsible for the house laterals, including the pipes that connect from the public sewer main to the house.”

- **Page 23 - Garbage Disposal District**

The Garbage Disposal District (GDD) is a separate legal entity from the County and there are three options for disposition of the District after incorporation that should be noted in the CFA:

1. The city can remain a part of the District after incorporation with the unanimous consent of the city council. The Board of Supervisors would continue to be the governing board of the District;
2. The District can be dissolved and the city can take over direct services of the district; or
3. The District may be dissolved and a new Garbage and Refuse District could be formed (Pub. Res. Code § 49100, et seq.) with two-thirds consent of the city council. This new district would be governed by a 3-member Board that would include two appointees by the County Board of Supervisors and one by the new city council. Fund Balances of the GDD would transfer to the new entity, if full responsibility/liability transfers.

Additionally, the new city would be required to comply with Assembly Bill 939, which includes the responsibility of preparing and adopting two plans: 1) Source Reduction and Recycling Element (SRRE); and 2) Household Hazardous Waste Element (HHWE). These plans would serve as blueprints on how to manage the solid waste generated within the new city; especially to meet the requirement that the amount disposed in a landfill does not exceed a certain threshold. Failure to meet this requirement or to implement programs prescribed in the plans may result in fines of up to \$10,000 per day of noncompliance. The SRRE and HHWE must be approved by the California Department of Resources Recycling and Recovery (CalRecycle). The new city would be responsible for reporting annually to CalRecycle on the status of its programs. The administrative costs of these programs would have to be borne by the new city.

- **Page 43 - Revenue Neutrality and Long-Term County Impacts**

The CFA indicates that the County General Fund costs would exceed the reduction in County revenues resulting in a “significant financial gain” to the County. The CFA indicates that in order for the new city to receive the calculated share of base property tax, “County property tax revenue would be shifted from other areas of the County in order to provide the base property tax amount” to the new city, (page 37). Therefore, there is an impact to other unincorporated areas for which the County is the municipal services provider.

The CFA indicates that the “County Road Fund is likely to experience a positive impact...” The County has revised Table 25, Road and Transit, to: 1) correct errors in the formulas; 2) adjust population amounts for Proposition C and Measure R funds; 3) increase the expenditure growth from .05 percent to 1.0 percent; increase the Road District share of property tax growth from 1 percent to 2 percent; and increase the CFA’s contingency amount from 5 percent to 10 percent.

- **Page 52 and 78**

In addition to \$7.6 million in DPW's expenditures for maintenance of the roadways in the area, DPW also spent approximately \$9.6 million in capital projects, which included infrastructure improvements and roadway facilities to maintain a Pavement Condition Index (PCI) of 80. The CFA does not include a budgeted amount for capital project expenditures. DPW's annual improvement contract cost to maintain a PCI index of 80 is approximately \$3.0 million per year. Based on DPW's experience, if scheduled infrastructure improvements are delayed, future road maintenance and infrastructure improvement costs will increase exponentially. Thus, DPW recommends that the CFA include funding in its proposed budget for capital projects and road infrastructure improvements.

- **Page 72 - Table 22**

Line Items 34 (Storm Water Quality Program), 35 (Add'l Compliance Costs...), 36 (NPDES Fee), and 37 (Catch Basin Maintenance) need to have a budget amount for the Transition Year, FY 2013-14. DPW expects that the new city will incur these costs in FY 2013-14 as follows:

- Ongoing storm water quality program compliance expenditures of \$262,853.
- Anticipated implementation of pending TMDL requirements (monitoring, reporting, and installation, operation, and maintenance of Best Management Practices solutions), as well as more stringent NPDES Permit requirements, in the amount of \$270,114.
- NPDES Fee in the amount of \$22,499 for the projected City's share of the permit fee.
- Catch Basin Maintenance budget for ongoing maintenance of catch basin inserts, estimated at \$230,600.

The estimated revenue for Proposition A Local Return and Proposition C Local Return, need to be reduced for FY's 2013-14 through 2017-18 (see the Revised Table 25). The estimates included in the report apply population bumps (150 percent in FY 2013-14 and phasing out to 100 percent in FY 2018-19) in calculating the proposed City's projected revenues from the Proposition A Local Return and Proposition C Local Return programs administered by the LA Metro. The population bumps apply only to the Vehicle License Fee and Excise Taxes, including the new Excise Tax, (old Proposition 42), and not to the Local Return programs administered by LA Metro. Tables 1A and 25 of the CFA should be revised to reflect the correct information.

## Regional Planning

The following information was inadvertently not provided to LAFCO in the County's March 1, 2011 submittal:

- **Materials Recovery Facility**

The City Terrace Material Recovery Facility is located within the proposed incorporation area. Under the current Conditional Use Permit (CUP), the facility provides approximately \$40,000 per year to the Department of Regional Planning for quality of life programs in surrounding unincorporated communities as directed by the First Supervisorial District. Of this amount, approximately \$20,000 per year is paid to the Department of Public Works' Environmental Programs Division for waste diversion and recycling programs in the unincorporated areas of the County. The Department of Public Works exhausts this funding each year, thus, there is no current fund balance. Conditions of the CUP are available at Regional Planning Headquarters at 320 West Temple Street, Room 1100, Los Angeles California 90012.

- **Page 16 - Advanced Planning**

The description of the Advanced Planning Division and Housing Element of the General Plan should be modified as follows:

"The Advance Planning Division provides comprehensive long-range planning services to the entire unincorporated Los Angeles County including East Los Angeles. The Division is responsible for preparation and updates of the County's General Plan, community plans, coastal programs, community standards districts, ordinances and special studies."

"The General Plan's Housing Element serves as a policy guide to address the comprehensive housing needs of the unincorporated areas of Los Angeles County including East Los Angeles. The County is required to ensure the availability of residential sites at adequate densities and appropriate development standards to accommodate the Regional Housing Needs Assessment (RHNA) allocated to the County by the Southern California Association of Governments (SCAG). The total RHNA number to be transferred from the County to East Los Angeles once it is incorporated is estimated to be approximately 3,187.<sup>12</sup> The actual amount required of the new city would be determined by SCAG based on regional housing needs following formation of the new city."

- **Page 16 - Land Use Application Processing**

The number of permits processed in FY 2009-10 should be revised from 316 to 332.

<b>Sheriff (LASD)</b>
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- **Page 5 - Conclusion #4**

The CFA proposes an annual law enforcement contract totaling \$21.1 million instead of the \$31.2 million dollar contract submitted by LASD. The CFA contract proposal results in 72 fewer positions in the new city than the LASD contract proposal, which translates into a 32.14 percent reduction in service levels (see Table 1) below. The CFA contract proposal does not provide adequate staffing to handle the proposed new city's general law enforcement duties, along with the added responsibility of park patrols, currently handled by Parks Bureau, and traffic enforcement currently handled by the California Highway Patrol (CHP).

**Table 1**

<b>Comparison Between LASD and CFA ELA Contract Proposals</b>				
<b>Proposal</b>	<b>Contract Amount <sup>(1)</sup></b>	<b>Sworn Staff <sup>(2)</sup></b>	<b>Civilian Staff <sup>(2)</sup></b>	<b>Total Staff</b>
<b>LASD Proposal</b>	\$31,235,691	170	54	224
<b>CFA Proposal</b>	\$21,033,348	114	38	152
<b>Difference</b>	<b>-\$10,202,343</b>	<b>-56</b>	<b>-16</b>	<b>-72</b>
<b>% Change</b>	<b>-32.66%</b>	<b>-32.94%</b>	<b>-29.63%</b>	<b>-32.14%</b>

<sup>(1)</sup> Contract amount based upon FY 2010-11 Contract City Rates. The CFA proposal did not accurately calculate the contract amount; the correct contract amount for the staffing levels represented in the CFA is \$21, 033, 348.

<sup>(2)</sup> Sworn and civilian staff includes both direct and overhead positions.

The CFA contract proposal also creates service levels lower than what existed in unincorporated East Los Angeles during FY 2009-10 (see Table 2 below).

**Table 2**

Comparison Between CFA Contract Proposal and LASD FY 09-10 ELA Staffing Level			
	Sworn Staff	Civilian Staff	Total Staff
LASD FY 09-10 ELA Staffing Level <sup>(1)</sup>	173	38	211
CFA Proposal <sup>(2)</sup>	114	38	152
Difference	-59	0	-59
% Change	-34.10%	0.00%	-27.96%

<sup>(1)</sup> FY 2009-10 ELA total for sworn staff includes LASD direct and overhead positions (160) plus OPS sworn positions assigned to ELA (13). FY 2009-10 ELA total for civilian staff includes only LASD direct and overhead positions.

<sup>(2)</sup> CFA Proposal totals for sworn and civilian staff include direct and overhead positions.

The LASD FY 2009-10 staffing level contributed to a 4.1 percent reduction in Part 1 crime in the unincorporated East Los Angeles area during the last two fiscal years (see Table 3 below). The LASD contract proposal maintains the FY 2009-10 unincorporated East Los Angeles staffing level while adding the personnel necessary to handle the increased duties of park patrols and traffic enforcement. The CFA contract proposal lowers the East Los Angeles staffing level, thereby putting the community at risk for higher crime rates and reduced public safety. Additionally, programs such as Community Oriented Policing program, vandalism enforcement, graffiti abatement, summer violent crime enforcement, special problems team, etc. would be eliminated under the CFA contract proposal. The CFA contract proposal would actually require LASD to eliminate sworn and non-sworn positions currently assigned to East Los Angeles Station.

**Table 3**

Unincorporated ELA - Part 1 Crimes				
FY 07-08 Part 1 Crimes	FY 08-09 Part 1 Crimes	FY 09-10 Part 1 Crimes	2 Year Change in Part 1 Crimes from FY 09-10 to FY 07-08	1 Year Change in Part 1 Crimes from FY 09-10 to FY 08-09
3,389	3,275	3,256	-4.1%	-0.6%

Source: LASD Crime Assessment Center - LARCIS 5c Reports

- **Page 6, Table 1; Page 7a, Table 1a; Page 47, Table 1; Page 48a, Table 1a; Page 64, Table 15; Page 70, Table 20; Page 85, Table B-2**

The CFA shows the proposed expenditures for Police as \$21,157,215 as the base costs beginning in FY 2014-15. The LASD contract proposal for annual law enforcement expenditures totaled \$31,235,691 based on FY 2010-11 Contract City Rates. Updating the LASD contract proposal with FY 2011-12 rates increases the annual law enforcement expenditures to \$32,191,695. The LASD contract city law enforcement rate for a 56-hour Deputy Sheriff Service Unit (DSSU) has grown by an average of 4.00 percent over the past five years. As shown in Table 4 below, the FY 2014-15 would be \$36,211,279, compared to the CFA \$21,157,215.

Additionally, the CFA year-to-year Police Expenditures shows an annual growth of 0.5 percent. This growth factor is insufficient and understates the actual increases in the LASD annual contract city law enforcement rates. The CFA underestimates the average annual growth in LASD Contract City rates by 3.5 percent when compared to the Sheriff's five-year growth average.

The variance between the LASD contract proposal and the CFA contract proposal in FY 2013-14 is \$15,054,064 (see Table 4).

**Table 4**

<b>Annual Contract Amounts</b>					
	<b>FY 10-11 <sup>1</sup></b>	<b>FY 11-12 <sup>2</sup></b>	<b>FY 12-13 <sup>3</sup></b>	<b>FY 13-14 <sup>4</sup></b>	<b>FY 14-15 <sup>5</sup></b>
<b>LASD Proposal</b>	\$ 31,235,691	\$ 32,191,695	\$ 33,479,363	\$ 34,818,537	\$ 36,211,279
<b>CFA Proposal</b>	--	--	--	--	\$ 21,157,215
<b>Variance</b>	--	--	--	--	\$ 15,054,064

<sup>1</sup> LASD contract proposal amount based on FY 2010-11 Contract City Rates.

<sup>2</sup> LASD contract proposal amount based on FY 2011-12 Contract City Rates.

<sup>3</sup> LASD contract proposal amount based on five-year average annual growth rate of 4.0% applied to FY 2011-12 contract amount.

<sup>4</sup> LASD contract proposal amount based on five-year average annual growth rate of 4.0% applied to FY 2012-13 contract amount.

<sup>5</sup> LASD contract proposal amount based on five-year average annual growth rate of 4.0% applied to FY 2013-14 contract amount.

- **Page 8 - Service Levels**

The CFA recommends a lower service in the critical area of Police Protection. The LASD provided a contract proposal that maintains the current service and staffing level, while making the necessary additions for park patrols and traffic enforcement.



The LASD recommended staffing level is critical for continuing the recent trend of lower crime rates in East Los Angeles (see the comments and tables under Page 5, Conclusion #4 for additional information).

- **Page 11 and Page 49, Table 2 Municipal Service Providers – Existing and Proposed**

Table 2 of the CFA identifies the CHP as the present provider of traffic control/accident investigation in East Los Angeles. However, after incorporation the new city of East Los Angeles would need to contract with LASD for this service, since the CHP provides traffic enforcement services only in unincorporated areas of the County. In spite of the added responsibility of traffic control/accident investigation, the CFA proposal lowers LASD service levels for the City of East Los Angeles.

- **Page 27–29 - Police Protection**

The CFA makes comparisons between the number of positions in the LASD contract proposal for ELA and several other contract cities. However, the CFA only accounts for direct positions and excludes overhead positions. Both direct and overhead positions provide service to the community and should therefore be included in all staffing level comparisons. Table 5 below shows the total direct and overhead positions assigned to each of the contract cities cited by the CFA.

**Table 5**

Direct + Overhead Positions	Proposed LASD Contract	Proposed CFA Contract	Carson Contract	Commerce Contract	Compton Contract	Lancaster Contract	Norwalk Contract	Santa Clarita Contract
Sworn	170	114	91	33	99	126	52	99
Non-Sworn	54	38	13	6	17	15	8	18
Total Positions	224	152	104	39	116	141	60	117

Table 6 updates the data provided on page 29 of the CFA using sworn, direct and overhead positions. It should be noted that the contract city average for residents and officers per square mile is impacted by the inclusion of the City of Lancaster which has 94.2 square miles, most of which is uninhabited and undeveloped. Staffing level comparisons between the proposed new city of East Los Angeles and other LASD contract cities should be made with caution.

**Table 6**

Item	Existing	LASD Proposal	CFA Alternative Contract	CFA Selected Contract City Avg. <sup>1</sup>
Residents	126,496	126,496	126,496	112,588
Residents/Square Mile	16,866	Same as existing	Same as existing	3,391
Part 1 Crimes/10,000 Res	260	Not estimated	Not estimated	323
Patrol Officers	160	170	114	92
Officers/1,000 Residents	1.3	1.3	0.9	0.8
Officers/Square Mile	21.3	22.7	15.2	2.8
Police Expenditures	\$36.4 mill. \$288/resident	\$31.2 mill. \$247/resident	\$21.1 mill. \$166/resident	\$18.1 mill. \$161/resident
Avg. Response Time	4.5 min.	Not estimated	Not estimated	4.9 min.

<sup>1</sup>Contract city average includes Carson, Compton, Lancaster, and Norwalk.

- **Page 36 - Growth and Development**

See comments on Pages 11 and 12 (including Table 4) of Attachment III regarding the five-year average growth rate for LASD Contract City 56-hour Deputy Sheriff Service Unit Rates.

- **Page 84 and 85 - Table B-2 Expenditures for Selected Cities, Public Safety, Police**

**Table B-2** of the CFA showed police expenditures, population, and cost per capita for selected comparison cities. Table 7 below provides a summary of the data provided in Table B-2. The average police cost per capita projected by the CFA for the selected cities was \$258 (see Table 7a).

Table 7a shows the cost per capita for the LASD and **CFA contract proposals**. **The LASD contract proposal of \$31,235,691 resulted in a cost** per capita of \$247, which is lower than the selected cities average cost per capita of \$258. The CFA contract proposal of \$21,157,215 resulted in a cost per capita of \$167. The CFA contract proposal cost per capita is not consistent with the cost per capita of the comparison cities or the LASD contract proposal.

In order to generate a cost per capita of \$258 to match the selected comparison cities, the CFA contract proposal must be increased to \$32,644,501, which is \$11,487,286 higher than the current CFA contract proposal and \$1,408,810 greater than the LASD contract proposal.

**Table 7**

Police Expenditures Cost Per Capita For Selected Cities			
City	Annual Expenditures	Population	Cost Per Capita
Baldwin Park	\$17,400,300	75,390	\$231
Inglewood	\$50,469,402	109,673	\$460
South Gate	\$22,186,356	94,396	\$235
Pomona	\$46,740,280	149,058	\$314
Hawthorne	\$30,591,564	84,293	\$363
El Monte	\$22,075,900	113,475	\$195
Lancaster	\$24,334,070	156,633	\$155
Norwalk	\$11,835,030	105,549	\$112
Totals	\$225,632,902	888,467	\$2,065
Average For Selected Cities	\$28,204,113	111,058	\$258

**Table 7a**

LASD Proposal	\$31,235,691	126,496	\$247
CFA Proposal	\$21,157,215	126,496	\$167
Revised CFA Proposal	\$32,644,501	126,496	\$258

- **Page 87-89 - Table B-4 Estimate of East LA Sheriff Contract Positions vs. Sheriff Contracts for 6 Cities**

**Table B-4** of the CFA does not include direct and overhead, sworn and non-sworn positions. See Table 4 for the total direct and overhead, sworn and non-sworn positions assigned to each of the contract cities listed in Table B-4 of the CFA and the total positions shown in the LASD contract proposal. The CFA should use the proposed contract position totals to complete Table B-4.

- **Page 90 – Table B-5 Estimate of East LA Sheriff Contract Positions vs. Sheriff Contract Costs to Other Cities**

**Table B-5** of the CFA does not include direct and overhead, sworn and non-sworn positions. Additionally, the column for “Existing” East Los Angeles shows total expenditures of \$36,380,071. This amount includes \$1,811,076 in the former Office of Public Safety (OPS) expenditures now under the Sheriff’s department. Therefore, the 13 OPS police officers assigned to East Los Angeles during FY 2009-10 must be added to the LASD total direct and overhead sworn positions. See Table 2 for the total LASD/OPS sworn positions assigned to East Los Angeles during FY 2009-10 ( $160 + 13 = 173$ ). Table 2 also shows the total direct and overhead, sworn and non-sworn positions created by the CFA’s contract proposal. LASD’s Table 5 above shows the direct and overhead positions assigned to the other comparison contract cities. These position totals should be used to complete Table B-5 of the CFA.

August 29, 2011

Los Angeles County Local Agency Formation Commission  
700 N. Central Avenue, Suite 445  
Glendale, CA 91203  
Attention: Paul A. Novak, Executive Director

Re: Incorporation of the City of East L.A.

Members of the Commission and Mr. Novak:

The proponents of incorporation of the new City of East Los Angeles have asked me to forward comments to you relating to the Public Review Comprehensive Fiscal Analysis (the "CFA") that was released for comments by the Los Angeles Local Agency Formation Commission on August 5, 2011. Attached are financial comments prepared by Ms. Beverly Burr, who is a financial expert and economist, and Mr. Michael Williams a public agency financial advisor and former municipal treasurer for 18 years. In addition to those comments, we would like to call your attention to some legal and practical issues that the CFA references but does not directly address.

The CFA concludes in the executive summary that the new City of East Los Angeles will face a revenue shortfall in its initial year of approximately \$11,000,000 plus an additional \$7,600,000 in lost vehicle license fees (VLF) over time unless the new city is exempted from the provisions of recently enacted SB 89. With repayment of the first year's expenses to the County, the CFA projects an annual total shortfall of more than \$14.4 million starting in year 5.

While these figures may initially appear to be alarming, the CFA suggests several approaches to financing the new city with alternative revenues. Those suggestions include increasing the Utility Users Tax from 4.5 percent to 10 percent and imposing a solid waste disposal franchise fee of 10 percent. While those are options that might be considered, the proponents of incorporation are aware that proposing tax and fee increases in the current economy is unlikely to receive the necessary support from the electorate which must vote on those issues.

Importantly, the CFA acknowledges the requirement that incorporation of a new city must be "revenue neutral" under California law. The CFA states as follows in this regard:



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"The CFA calculates the potential fiscal impact on the County of Los Angeles as a result of incorporation, consistent with GC 56815. GC 56815 requires that 'revenues currently received by the local agency' and 'expenditures currently made by the local agency transferring the affected territory' are substantially equal. To the extent that there is a fiscal impact, it must be mitigated by agreement of the incorporation Proponents and the County, and/or by Terms and Conditions imposed by LAFCO."

Table 4 in the CFA is very revealing with regard to this issue and offers a sound basis for the parties to adjust revenues and expenditures in a manner that will benefit both the new City of East Los Angeles and the County. Table 4 notes that if the new city is formed, the effect on the County will be a net gain of \$23,393,598 in general fund revenues and a net gain of \$3,879,677 in Road and Transit revenues, as shown in Table 5, for a total gain by the County of \$27,273,275. Attached as Exhibit A.

Since incorporation is required to result in a substantially equal transfer of revenues and expenditures, it is clear that as proposed that will not result. The County will be relieved of substantially more expenditures than the revenues it will be required to transfer to the new City. LAFCO must either find that as proposed the effect of incorporation is revenue neutral or impose conditions to make it so, or the parties may agree to adjust the revenue and expenditure transfers in a manner that meets both of their needs. There are many ways in which a revenue neutral outcome may be achieved based on the information contained in the CFA. The CFA, however, really ignores that factor recommending instead an increase in the UUT to resolve the shortfall. As the law requires, we look to the LAFCO Executive Officer and the Commission to provide objective analysis and leadership on financial mitigation terms.

Given the disparity of the impact on the County (\$27 million in net annual gain) and the apparent immediate annual shortfall within the new City (\$20 million) it appears clear that there is significant benefit to both parties to reach a compromise with regard to the revenue/expenditure allocations. We think the CFA should reflect those possibilities more clearly and perhaps even suggest specific revenues or services that might easily be exchanged. The County could, for example, agree to continue to provide some services at no cost to the City for an extended period of time. Even if the value of such services were equal to the entire \$20 million shortfall projected by the CFA, the County would still realize a net annual gain of \$7 million. Of course other factors may come into play to adjust the numbers during negotiations, but on the face of it, there is clearly sufficient money and incentive for both parties to reach compromise.



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Should the proponents succeed in getting the new city exempted from the provisions of SB 89 with regard to VLF revenues, the parties and LAFCO will have even more opportunities to put together a balanced revenue and expenditure plan that will benefit the County by preserving much of the net gain that is projected by the CFA while assuring the residents of the new City of East Los Angeles of long term economic feasibility.

Our financial experts found that there are substantially lower costs for municipal services like parks and law enforcement in nearby comparable cities than the costs reported by the County. The CFA should be revised to reflect the potential low-cost local government approach, as it did with the \$31 million Sheriff's contract, to each and every service, and not simply assume the new city's costs would be identical to the County's reported costs. Furthermore, given the substantially higher costs for contract County services during the City's first year, LAFCO and the proponents may wish to reconsider the wisdom of a 12-month transition year in favor of a shorter and thereby more affordable transition period.

We would also note that while the CFA projects revenues and expenditures over a 10 year span, the law requires only that a newly incorporated city demonstrate fiscal feasibility for a three year period. The CFA analysis was also predicated on a single base year of FY 09-10 at the end of the longest recession since the Great Depression. While that is what the law requires, it can be materially misleading. Most California cities made significant budget cuts and depleted reserves to weather the recession, and many newly incorporating new cities would be wrongly found infeasible if analyzed narrowly on such a base year. Projected growth in the CFA is pessimistic due to the myopic perspective inherent in a review focused on only one year's data. We would urge the Commission to consider the realities of business cycles and municipal budget-cutting strategies in deciding to put cityhood for East Los Angeles on the ballot.

On behalf of the proponents of incorporation of the new City of East Los Angeles, we encourage you to carefully consider the information in this letter and the attached

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August 29, 2011  
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specific financial comments as you finalize the CFA and move forward to consider placing the issue of incorporation on the ballot.

Very truly yours,

BURKE, WILLIAMS & SORESENSEN, LLP



JULIE HAYWARD BIGGS

JHB/dkc

cc: Benjamin Cardenas  
Gustavo Comacho  
Ana Mascareñas  
Michael Williams  
Beverly Burr



# Fiscal Comments on Draft CFA for East Los Angeles

Prepared for ELARA by Beverly Burr of Burr Consulting  
and Michael Williams of CM de Crinis & Co., Inc.

August 29, 2011

- 1) Utility users tax revenue: The Draft CFA estimate of utility users tax (UUT) revenue is inaccurate and does not pass validity tests. Based on validity tests and comparison with other cities, there is approximately \$4 million in missing revenues. The CFA had relied on inaccurate estimates provided by the County and Southern California Edison (SCE). SCE had reported \$2.0 million in electric UUT revenues in FY 06-07 for the IFA, but for the CFA reported only \$0.8 million in such revenues. The CFA estimates for gas and telephone are similarly low. Several other cities in Los Angeles County levy UUT on the same services as the County.

	Tax Rate	Residents	Revenue FY		Implicit Tax Base per Cap
			08-09	Implicit Tax Base	
Arcadia	5.00%	56,547	5,128,782	102,575,640	1,814
Bellflower	5.00%	77,194	4,118,981	82,379,620	1,067
El Monte	6.75%	126,308	8,477,622	125,594,400	994
La Verne	6.00%	33,981	3,379,051	56,317,517	1,657
Norwalk	5.50%	109,567	6,023,038	109,509,782	999
Paramount	3.00%	57,874	2,252,103	75,070,100	1,297
Median					1,182
East LA-Draft CFA	4.50%	126,496	2,719,290	60,428,667	478
East LA-Comp Base	4.50%	126,496	6,729,194	149,537,653	1,182
Estimated Missing Revenue			4,009,904		
Sources: California Local Government Finance Almanac, East LA Public Review CFA					

- 2) Franchise fees: The CFA estimate of franchise fees not only fails validity tests, but also does not reflect how the new city (like all other cities) would be expected to charge franchise fees. The CFA estimated \$0.8 million in franchise fee revenues, which amounts to \$6.58 per capita. The median comparison city raised \$26.77 in franchise fees per capita. The median city in Los Angeles County received franchise fee revenue of \$27.53 per capita in FY 08-09, according to data from the California Local Government Finance Almanac. There is \$2.6 million in missing revenues from this source.
- 3) Grants:
  - a. As a new City with a population of 126,500, the City of East LA would be entitled to receive Community Development Block Grants (CDBG) directly from the federal government rather than through the County. These grants can be used for infrastructure improvements such as roads, sidewalks, curbs and gutters. This could

supplement expenditures for road maintenance and other capital projects which would otherwise be funded by the General Fund. Below is a listing of CDBG grants received by other LA County cities.

City	HUD Allocations	Population
Compton	\$1.88 million	99,769
El Monte	\$2.46 million	126,464
Hawthorne	\$1.55 million	90,145
Norwalk	\$1.36 million	109,817
South Gate	\$1.9 million	101,914
Source: HUD - California HUD Allocations FY11		

- b. Federal grant revenues were not included in the CFA. Community Development Block Grant (CDBG) is a formulaic grant that would generate approximately \$2.4 million in revenue for the new city, of which most would be used for capital improvements and 15 percent for services like code enforcement. The CFA should include this revenue source which would not only balance the street fund, but also leave behind a surplus which should be transferred to the general fund for consistency with line item 58 on Table 1. The 15 percent should go into the general fund to support code enforcement costs and other improved service levels, such as economic development.
  - c. There are various grant funds (e.g., Justice Assistance Grant, COPS, POST, Traffic Safety Fund) that other cities rely on to support law enforcement and other municipal service levels. Although some of these were reflected in the CFA Table B-2, none of those revenues were credited to the proposed city. This source is expected to generate about \$0.5 million for the new city.
- 4) Other missing revenues:
- a. The median comparison city generated \$8.11 per capita in revenue from licenses and permits; by contrast, the draft CFA assumed the new city would generate only animal permit revenues, or \$1.25 per capita. Missing revenue from this source is about \$0.9 million.
  - b. Similarly, the draft CFA found that the median comparison city generated \$30.30 in fees and charges, but only estimated that East Los Angeles would generate \$7.80 per capita from this source. The CFA should not assume that the new city's revenue sources are limited only to those identified by the County, and should assume that the new city would charge appropriate fees and charges just like other cities. Missing revenue from this source is about \$2.8 million.
- 5) Sales tax revenue: the draft CFA projected 0.5 percent annual growth in sales tax revenue. This seems low compared with other cities. Is it consistent with growth projections in the comparison cities and/or the County? Please explain.
- 6) Law enforcement costs:
- a. the draft CFA compared the County's estimate of its costs of providing law enforcement to East Los Angeles (\$34.6 million or \$273 per capita) with costs



among five cities that contract with the Sheriff for service. The median cost for contracting with the Sheriff among the contract cities examined was \$136 per capita

- b. (excluding Commerce which is clearly not comparable for purposes of per capita measures). However, the CFA assumed that the new city would pay the Sheriff

Contract City	FY 2010/11 Contract Amount	Population	Cost per Capita	Part 1 Crimes per 10,000 population	Crimes Per Patrol Officer	Citations Per 100 Capita	DUI	Sq Miles
Norwalk	\$ 8,945,065	109,817	\$81	248	61	9	304	9.4
Carson	\$ 14,043,603	98,047	\$143	310	42	14	138	19.0
Santa Clarita	\$ 17,084,587	177,641	\$96	200	43	11	577	52.7
Compton	\$ 17,085,345	99,769	\$171	472	55	7	114	10.2
Lancaster	\$ 21,380,208	156,633	\$136	288	42	16	676	94.2
<b>Median</b>			<b>\$136</b>	<b>288</b>	<b>43</b>	<b>11</b>	<b>304</b>	<b>19.0</b>
East LA (Public Review Draft CFA)	\$ 21,100,000	126,496	\$166	260	28	4	447	7.5
East LA (Median Cost)	\$ 17,266,545							
Overstated Costs	\$ 3,833,455							

Source: East LA Public Review Draft CFA; County data submittals to LAFCO

\$21.1 million (or \$167 per capita). The draft CFA has no basis to assume that the new city would pay more than the other cities that contract with the Sheriff. Based on comparison cities, the estimated Sheriff's contract amount should be \$136 per capita or \$17 million for a reduction in costs of \$3.8 million.

- c. When comparing Part 1 crime rate per 10,000 people, reported crimes per patrol officer, DUI arrests and total citations from Table B-5, East LA has lower reported numbers than Compton, Carson and Lancaster with the exception of DUI for Carson and Compton. It should also be noted that the City of Lancaster has 94.2 square miles of land area compared to 7.5 square miles in East LA which would appear to increase the cost of service.
- d. Furthermore, the draft CFA erroneously concluded that the new city would suffer a reduction in service levels by contracting with the Sheriff. There is no basis presented in the draft CFA for that conclusion. Some of the data presented in the CFA describing current law enforcement service levels seem questionable. For example, the draft CFA reported that 160 sworn officers were serving East Los Angeles in FY 09-10. By contrast, the County had reported 96 sworn officers were serving the area in FY 05-06 for the IFA. More recently, EGP News reported that 56 sworn officers serve the area.<sup>1</sup>

## 7) Parks and Recreation

- a. The estimated cost of providing Park and Recreation services to the new community of East Los Angeles is \$5.25 million. In sampling recent costs for a few other Los Angeles County cities with regard to Park & Recreation services, the following was noted:

City	CFA Est.	FYE 2010 AUDIT	2010-11 Budget	Population	Comments
El Monte		\$2.9 million	\$2 million	126,464	Budget has been reduced over the past 4 years from \$4.7 to \$2 million
Pomona		Not broken out separately	\$3 million	163,683	Budget has declined over the last several years from \$4.4 million to \$3 million
East LA	\$5.25 million			Est. 126,000	Cost of County run programs appear to be significantly more expensive than City run programs. Belvedere Park is a regional park that may not be appropriately funded by the new City.

Sources: City budgets; East LA Draft CFA

- b. Given the fact that Pomona and El Monte, like many local governments, are under budgetary pressure, it appears that they have been cutting the budget for Park and Recreation over the last several years. The most recent budget numbers available show that both cities are between 40-60% below the expenditure listed in the CFA. Salary and benefits costs for Park and Recreation and other government services are a large part of the budget. Being a new city, the use of part-time employees can reduce the costs substantially. The City could hire a few professional full-time staff to organize and direct the Park & Rec function and utilize part-time employees to lead the recreation programs. Savings are estimated at \$3.0 million.
- c. It is critical to exclude unrelated costs, such as performing arts centers and code enforcement, when comparing park and recreation expenditures to comparison cities (Table B-2).
- d. In addition, the CFA suggests that additional saving of \$0.8 million could be realized if the County maintained Belvedere Park as a regional park. The County continues to maintain regional parks of comparable size to Belvedere within the city limits of Glendale, Arcadia, Covina, Carson and Los Angeles; hence, the CFA should assume the County would accept its responsibility to do so in East Los Angeles.

8) Miscellaneous Costs:

- a. Table 17 shows a full time city clerk and a full time city treasurer. The treasurer's position could be half-time due to the fact that cash balances are low and the likely investment of funds would be with the State Treasurer's Office Local Agency Investment Fund. Savings would be about \$45,000 per year.
- b. Annual election costs of \$200,000 are shown on Table 1. If these costs are actual, this should be reflected on Table 4 as a reduction in County costs.

Summary of Fiscal Impacts - ELARA Comments		
Utility Users Tax - missing revenue	\$	4,009,904
Franchise Fees - comparison cities	\$	2,553,448
HUD Grants - missing from CFA	\$	2,358,286
Misc. Grants - missing from CFA	\$	511,560
Licenses & Permits - comp cities	\$	867,763
Fees & Charges - comp cities	\$	2,846,160
Sheriff contract - comp cities	\$	3,833,455
Belvedere Park	\$	750,000
Parks & recreation - low-cost providers	\$	3,000,000
City Treasurer and Clerk	\$	45,000
	\$	20,775,576

If LAFCO should require any back-up data or documentation, please do not hesitate to contact ELARA or its fiscal consultants directly.

## **EXHIBIT A**

[Tables 4 and 5 of the Public Review Draft CFA]



**Table 4**  
**Change in County Costs and Revenues: General Fund**

Item	TOTAL
<b>REVENUE REDUCTIONS</b>	
Property Tax	\$14,700,972
Property Transfer Tax	56,424
Sales and Use Tax	3,356,800
Sales Tax Pool	355,821
Transient Occupancy Tax	50,969
Motor Vehicle In-Lieu (VLF)	
Franchise Fees	
Water	289,553
Petroleum	11,000
Cable and Telecommunications	239,194
Gas	105,000
Electric	175,651
Subtotal	\$820,398
Utility User Tax	
Gas	493,867
Electric	790,430
Telephone	866,216
Subtotal	\$2,150,513
Business Licenses	\$107,107
<b>Total Revenue Reductions</b>	<b>\$21,599,004</b>
<b>EXPENDITURE REDUCTIONS</b>	
<u>Law Enforcement</u>	
County Sheriff	\$34,857,920
Office of Public Safety	<u>\$1,779,358</u>
Total, Law Enforcement	\$36,637,278
Consumer Affairs	108,133
Regional Planning	\$1,614,595
Animal Care and Control	\$408,691
Parks and Recreation	
Operations	<u>\$4,649,407</u>
Total, Parks and Recreation	\$4,649,407
Public Works (Cnty Engineer)	\$939,903
Other Code Enforcement	
County Counsel	\$51,502
District Attorney	\$583,093
<b>Total Expenditure Reductions</b>	<b>\$44,992,602</b>
<b>NET GAIN or (loss) to County General Fund</b>	<b>\$23,393,598</b>

Revenues and expenditures based on County of Los Angeles CEO letter to LAFCO, Exh. I and II, 3/1/11, except as noted.  
See Table 14, Table 11, Table 15 and supporting tables.

**Table 5**  
**Change in County Costs and Revenues: Roads and Transit, and Total w/GF**

<b>ROADS AND TRANSIT</b>		
<b>1 REVENUE REDUCTIONS</b>		
2 Gas Tax		\$200,000
3 Excise Tax		170,000
4 Prop A		1,900,000
5 Prop C		1,562,000
6 Measure R		1,230,000
7 STP-L		400,000
8 TDA 3 (Bikeway Fund)		75,000
9 Road District		<u>194,351</u>
10 Total Revenues		\$5,537,000
<b>11</b>		
<b>12 EXPENDITURE REDUCTIONS</b>		
13 Street Maintenance		\$7,115,081
14 Transit (Enterprise Fund)		2,301,596
15 Road District		<u>553,430</u>
16 Total Expenditures		\$9,416,677
<b>17</b>		
<b>18</b>		
19 <b>NET GAIN or (loss) to County Roads and Transit</b>		<b>\$3,879,677</b>
<b>20</b>		
<b>21</b>		
22 <b>TOTAL GAIN or (loss) to Roads, Transit and General Fund</b>		<b>\$27,273,275</b>

Revenues and expenditures based on County of Los Angeles CEO letter to LAFCO, Exh. I and II, 3/1/11, except as noted.  
 See Table 14, Table 11, Table 15 and supporting tables.



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