

Eric Garcetti's 'Back to Basics' budget offers modest service upgrades

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Los Angeles Mayor Eric Garcetti on Monday unveiled a hold-the-line budget for the coming fiscal year, proposing modest increases in a handful of city services and zero reduction in the business tax -- an issue that the mayor repeatedly has promised to tackle.

Garcetti's \$8.1 billion financial proposal, which requires approval from the City Council, closes a \$242 million gap in part by relying on increased tax revenue projections and reductions in vacant positions. The financial plan assumes the city's workforce, including police officers and firefighters, will not receive raises in the coming year.

One notable proposed change -- merging the city's police and fire dispatch centers -- is intended to streamline and improve 911 response times for medical emergencies and fires. That change would take multiple years to implement, according to mayoral aides.

The plan, which would go into effect July 1, adds eight hours per week to the city's branch library operations. The number of code enforcement officers, who are assigned to look for unpermitted construction and other neighborhood issues, will jump from 25 to 38. Street repairs would inch upward, from 2,200 lane miles to 2,400, according to mayoral aides.

With finances so tight and with sensitive salary talks under way with a majority of the city's major employee unions, Garcetti held off on any reduction in the city's business tax until the 2015-2016 fiscal year. He laid out a strategy for cutting the top tax rate -- \$15 million in the first year, an added \$15 million in the second, and another \$15 million in the third -- applied to professional service businesses, a category as varied as financial planners and barbershops.

"Because it's still a tough budget year, we thought it was the responsible thing" to delay the implementation of business tax cuts, Garcetti said.

Business leaders had welcomed Garcetti's call for a phaseout of the business



Los Angeles Mayor Eric Garcetti delivers his first State of the City address. (David Crane/ Associated Press)

tax, a major part of his inaugural address last year and a key talking point in last week's State of the City speech. One advocate for a lower tax rate voiced dismay at the incremental nature of Garcetti's proposal.

"Are we disappointed there's no immediate relief? Yes. Are we disappointed about the amount of relief? Yes," said Lloyd Greif, chief executive of a Los Angeles-based investment bank and chairman of the city's Business Tax Advisory Committee. "This is clearly a step in the right direction, but it's a baby step. It doesn't go nearly far enough."

The budget also provides \$20 million worth of sidewalk repairs, which are currently the subject of a class-action lawsuit targeting the city. Officials had budgeted \$10 million last year but none of that money has been spent.

The budget would not boost parking fines this year. But it would create a new \$1 entry fee for the city's swimming pools and boost the price of entrance to the zoo

by \$1, from \$18 to \$19 for adults.

Garcetti also announced other changes, including:

--creation of a \$1.4 million innovation fund to transform city services.

--breaking the command structure at the Fire Department into four geographic regions.

--the hiring of 140 firefighters to cope with attrition.

The Fire Department's ranks have dwindled by several hundred officers in recent years, due to budget cuts, retirements and departures. United Firefighters of Los Angeles City Local 112 has already criticized Garcetti for freezing the department's hiring process amid concerns about nepotism and mismanagement following a series of Times reports.

On Monday, the union's top official voiced disappointment, saying the numbers offered in Garcetti's budget are not enough. "There's no way to fix our fire department other than hiring bodies," said Capt. Frank Lima, the union's president.