

**City Council Meeting, May 4, 2017
Public Comments, Agenda Section D**

**Submitted by: Gary Osterhout
Position: Oppose
Received: 05-03-2017 04:01 PM**

Agenda Item:

D. PUBLIC COMMENTS (3 MINUTES PER PERSON PER ITEM)

Comment:

From the 2006/2007 Budget Message:

"Financial results of FY 2005-2006 . . . leads us to recommend two transfers from the General Fund to address current and future needs. Firstly, the Insurance Fund needs to be bolstered due to continued increases in workers compensation costs. Therefore, we recommend transferring the balance of the Pension Stabilization Reserve (\$1,343,904) to the Insurance Fund for this purpose."

**City Council Meeting, May 4, 2017
Public Comments, Agenda Item No. 1**

**Submitted by: Gary Osterhout
Position: Oppose
Received: 05-03-2017 03:23 PM**

Agenda Item:

17-0118 FY 2016-2017 Budget Status Report; Presentation of FY 2017-2018 Operating Budget Modifications for the Second Year of the Biennial Budget (Finance Director Moe). RECEIVE REPORT

Comment:

Take the recreational aspects of park and rec out of the general fund budget, charge them the "city recovery fee," depreciation, facility fees and for use of the buses, and then see what the P&L looks like-- or if you want to continue expenditures like the current Manhappenings brochure. Or their excess facility rental fees gets kicked over to CIP. And I am appalled that we subsidize the street banner program, that surveys say only 2% use to get information. You need a Finance/Budget Commission.

Submitted by: Gary Osterhout
Position: Oppose
Received: 05-03-2017 03:23 PM

Agenda Item:

2. RES 17-0062 Presentation of Updated Pension Forecast; Options for Addressing Unfunded Pension Liabilities and Rising Pension Contributions; Establishment of a Pension Stabilization Trust Fund (Finance Director Moe). RECEIVE REPORTS; ADOPT RESOLUTION

Comment:

Opposed to a separate fund, especially with undeveloped rules. Too many separate funds lose transparency and accountability. Many of these (like the last pension stabilization fund) are ultimately unnecessary and the proceeds are used to cover bad budgeting for other funds (like insurance). These separate funds also allow government to grow more than it should, as expenses are then "leveled," and mask the "dips" that ultimately create efficiency. You need a permanent Finance/Budget Commission.

**City Council Meeting, May 4, 2017
Public Comments, Agenda Item No. 3**

**Submitted by: Gary Osterhout
Position: Oppose
Received: 05-03-2017 03:23 PM**

Agenda Item:

3. 17-0199 Presentation of the Proposed 5-Year Capital Improvement Program (CIP) for FY 2017/18 Through FY 2021/22 (Public Works Director Katsouleas). APPROVE

Comment:

Please find my attached testimony to the Planning Commission of April 26, as well as my comments from the March 8 council meeting on the Public Works project list. I thought the 2 year budget cycle would allow more time and community engagement to be devoted to CIP, but it gets short-shrift again. You folks need a permanent Finance or Budget commission.

Testimony to Planning Commission, April 26, 2017

Gary Osterhout

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Good Evening. I'm Gary Osterhout, 31st Street, Tree Section. By way of bona fides, I'm a past member of the Parking and Public Improvements Commission and the Park and Rec Commission. Maybe more relevant to this meeting, I was a member of the General Plan Advisory Committee, or G-PAC, that helped draft the current General Plan. I participated in most of the Facilities Strategic Plan meetings, as well as the more current Mobility Plan meetings.

This is not the first time I have spoken out on our Capital Improvement Plan process, and will likely not be the last.

Having reviewed the current presentation materials, I believe the entire process lacks in a number of areas: transparency and accountability, appropriate project selection, inaccurate or misused references to the general plan, and inaccurate or inappropriate identification of funding sources.

Please do not construe my testimony solely as criticism of Public Works, as frankly it is criticism also of Community Development, Finance, Management Services and the City Council.

I realize that your task tonight is to merely certify that the plan is consistent with the goals and policies of the general plan. But that simple goal takes in more than just matching a project to a goal, and using the general plan more as an excuse than a motivation.

In general, there is no detail identification in the staff report of how projects were selected or prioritized. There is the mere assertion that "the projects were created upon correspondence received from the public through city departments as well as needs identified by staff." There is no empirical documentation of the population, frequency, relevance, solicitation, outreach or review of such information. Thus, there is no transparency or accountability. And, frankly, I do not think Public Works to have the best skillset among our city departments and officials to determine community preferences.

As an example, back in October I identified that the Veterans Parkway jogging path is long overdue in respect to leveling, as over the years inattention has develop more moguls in the path than a ski run, and about as many waves as the ocean. While Public Works replied that will cost \$100,000 to remedy this situation to a "groomed running track" (which wasn't requested), and Public Works has no standards of care established for the maintenance of this facility, I nonetheless do not see the project on the list nor an indication why, especially in the absence of any established standards, they think such maintenance isn't required in the next five years.

Goals and Policies. Next, let's look at the general plan matrix provided for the projects. While the staff report references consistency with the "goals and policies" of the General Plan, there are no policies listed in the matrix.

If there were references to policies, you would easily see that that LU-3 on developing a strong, positive community aesthetic bears no relationship at all with a "City Hall Restroom Remodel." "LU" is a land use section of the plan, and relates in context to "ocean vistas, tree-lined streets, well-kept neighborhoods, and Downtown village." The underlying policies address quality design in new construction, design

guidelines in Downtown and Sepulveda Blvd, use of stealth design for telecommunications antennas, standards for public signage, and beautification of the walkstreets. Maybe there is something in the Infrastructure element that might relate to aesthetic restrooms, but clearly a land use goal is inapplicable. While no doubt they did, I can't believe that Community Services concurs with this consistency statement. Which is why I urge everyone to dive into the details when these situations occur, for otherwise we lose our internal memory of the General Plan.

Frankly, some of the identified relationships are not immediately apparent to even this aware layman. I do not see the immediate nexus between proposed sidewalks and the goal to move commuter traffic through the city on arterial streets.

On the other hand, it would make much more sense, for instance, if the Water Masterplan specifically referenced the policies related to water conservation, use of reclaimed water, and recycling of cooling system water. Or in requiring new development to comply with local and State codes for water conservation. It would make more sense for the Stormwater Masterplan to address the policies for using public/private partnerships to upgrade existing buildings for storm water run-off pollution reduction, or encouraging drainage designs which retain or detain stormwater run-off.

Funding Sources. I do not believe that the identified funding sources are appropriate for a number of the projects. For instance, per the City's budget user's guide and the Audited Financial Report, the Stormwater Fund is to be used to account for the "maintenance of, and improvements to, the City's storm drains." I do not see where the Hermosa Greenbelt project has to do with the maintenance or improvements to the City's storm drains.

I see Measure R and Measure M funds being used to build sidewalks. The ballot language of Measure R was to synchronize traffic signals, repair potholes, extend light rail with airport connections, improve freeway traffic flow, keep senior/student/disabled fares low, provide clean-fuel buses, expand subway/metrolink/bus service, dedicate millions for community traffic relief.

Measure M's ballot language is similar. While it has a reference to sidewalks in respect to "repair potholes/sidewalks," there is nothing in the language about building sidewalks.

No doubt the City is on firm legal standing in respect to expending these funds in these ways, or the City Attorney will be able to pound the square peg in the round hole. In fact, I know that in the Measure R "Local Return" guidelines, such projects are expressly allowed. The point, though, is to do projects with this money that conform to the primary reason residents voted for these measures. Sidewalks are literally way down the list. We have critical need for all the other projects enumerated in the ballot languages. We should attend to those first.

We have some ambitious projects in the new Mobility Plan. Projects similar to a number of other ambitious but unfunded projects that we can't seem to get to because we keep carving off available revenues to smaller projects that should otherwise be funded from the General Fund, or find their priority only because there is current available money.

What we should do, but don't, is structure our Finance review by putting all transportation-related funding on the table (Prop A&C, Measure R&M, Gas Tax, General Fund) and then decide in a coordinated manner how to best deploy the funds to meet our larger goals.

Prioritization. Which brings me to a priority point. I cannot see why the Aviation near 33rd sidewalk is a priority, especially in a low-usage pedestrian area with an excellent sidewalk on the other side of the street and a paved parking lot next to it.. In fact, such a suggestion is contrary to the current Mobility Plan, where it states “for areas with intermittent sidewalks, the priority must be on implementing sidewalks over time as the adjacent properties develop or turnover.” At the Joint Council/Planning Commission meeting of November 19, 2015, the minutes reflect in respect to the General Plan Draft Mobility Plan, that “several councilmembers and Commissioners requested to provide more guidance on sidewalk policy.” I do not see where response to that request has been effected, and would certainly be useful in this current evaluation.

Further, our Capital Improvement Policies state that all proposals shall include a comprehensive project sheet. We should have been provided those schedules as they relate to these projects under consideration, for better understanding.

As to specific items in the plan:

- The Strand bikeway undercrossing should be accelerated.
- Any timing of any Parking Structure plan should considered in respect to the impact of autonomous vehicles.
- Where I was once a proponent of an unfunded projects list, over time I have found these delusional. Unless there is a realistic path or prioritization, or method of determining such, or identifying what will be attempted in order to get these funded and approved, I find these lists both irrelevant and delivering false expectations.
- For instance, the pool has been on that list since 2001. It has escalated from \$4 million to about \$16 million. I know, because that was my goal in 2001 when I became involved with the bond issue to fund the Police/Fire facility, which if successful would then provide resources for public recreation amenities. It is now over 15 years later. You might as well add to the options unicorns and rainbows.
- Otherwise, I disagree with replacing the banner poles across the streets, as I find street banners actually contrary to a positive community aesthetic.
- I am opposed to the proposed Sand Dune Park concrete steps, as I was involved with the last Sand Dune Park improvement project, and the neighborhood specifically fought against concrete. However, if the drinking fountain needs replaced, I don't know why we can't do that now.

CIP Alternatives – More Staffing or Fewer Projects

Comments by Gary Osterhout

I am not in favor of increasing staffing, and I would like to maximize the amount of projects to get done. But this report lacks in information.

One improvement that would help in identification would be to identify the staff level for the hours involved. And there seems to be a lot of wild guesses on hours: e.g., “TBD”, “facility improvements”, “downtown parking structure.” In real life, an executive would ask for much more detail before approving an increase.

It would also help to identify if the “CIP” fund funding source was generated from regular General Fund revenues, or if the money is coming from an external source.

In addition, if the “two-year budget cycle” results in a request for more staffing or resources like this, perhaps a 2-year cycle does not meet our needs. I further think that projects being approved on a current basis (like El Porto traffic/pedestrian improvements) are in peril of not having sufficient staffing, then that should be identified clearly prior to the decision.

In respect to covering staffing:

- You should pull the current job opening for the Environmental Services Manager and devote this money to CIP projects (and note that the last salary survey indicated this position should be a Senior Analyst).
- You should direct the CM to channel as many other discretionary resources (e.g., Vitality Manager, Asst. CM, etc.) to devote time within their skill set to the needs of Public Works. Remember that many of these positions and expenditures were requested with full knowledge that resources will be needed for CIP projects, yet were not evaluated simultaneous with such a need. You should not enable poor management that allows decisions to be made in isolation instead of looking at the greater whole.
- Your analysis should only extend to the current year’s project needs, and re-evaluate any need concurrent with the 2017-2018 budget session.

Here are the projects I would defer:

- Anything at 1500 Highland, especially the “Management Services Welcome Center and Bathroom Remodel.”
- Anything having to do with Bike Lanes, unless there is direct evidence of need and cost/benefit (including those already laid down)
- Anything having to do with Fiber, as we have currently survived without, and will likely get a better, more advanced product by waiting.
- Fire Station #2 – find the funding first, before authorizing the design.
- Sepulveda multimodal plan – figure what we are going to do, first.
- Improvements on Highland/Target Crosswalk – we’ve done all right without so far. Can wait.