



ANTONIO R. VILLARAIGOSA  
MAYOR

## EXECUTIVE DIRECTIVE NO. 4

Issue date: October 20, 2005

**Subject: Executive Review and Approval of Departmental Requests  
for the Proprietary Departments**

Sections 230 and 231 of the City Charter designate the Mayor as the Executive Officer of the City, with responsibility for exercising management authority over all departments. Consequently, it is necessary that I be kept informed of all matters that may significantly affect City operations or the general public, and have the opportunity to review matters related to the supervision, regulation and management of your departments.

Unless otherwise exempted by law, all matters requiring City Council consideration are matters of consequence. You are directed to submit to my Office for review all proposals requiring City Council consideration prior to submittal to or consideration by your Board of Commissioners.

For all matters requiring my approval as described below, I direct you to submit a clearly identifiable original document, signed by your General Manager or executive manager acting in lieu, along with two copies, to the Legislative Coordinator in my Office. All items shall be submitted in sufficient time to meet applicable deadlines and be accompanied by complete supporting documentation. After review by my Office, which may include a City Administrative Officer report, the item will be returned to your Department so that the matter may be scheduled for and considered by your Board of Commissioners. General Managers shall ensure sufficient lead time to allow my Office, the City Administrative Officer and your Board of Commissioners thoughtful review of your request well in advance of any pending deadline.

The following items shall be submitted to my Office first, except as otherwise directed by law, to the attention of my Legislative Coordinator:

1. All 90-day employment of retired employee requests, under Charter Section 1164 (applicable only to Airports and Harbor).
2. All proposals for Charter amendments to be placed before the electorate.
3. All proposals for ordinances.

4. All proposed professional and personal services contracts or contract amendments that require City Council approval. These include proposed contracts for personal services, legal counsel, permits, franchises, sales agreements, licenses, operating agreements, concessions and leases.

When you submit contract approval requests to my Office, please attach copies of the draft contract or amendment. Do not transmit your original (wet-ink) contract or amendment.

5. Memoranda of Understanding (MOU) and Memoranda of Agreement (MOA) between a proprietary department and another City department that may affect the operations, expenditures or revenues of either department.
6. Board orders, resolutions, and indentures that request authority for the issuance of bonds or other debt instruments including Certificates of Participation, lease financings and derivatives (including but not limited to interest rate swaps). In addition, any and all other disclosure documents relating to these instruments, including but not limited to Preliminary Official Statements, Official Statements and continuing disclosure documents.
7. Changes in the level or structure of utility rates, tariff rates or fees, regardless of their effect on your revenues.
8. Major organizational changes, especially those that affect the duties of the General Manager, Assistant General Manager, Executive Officer, Chief Administrative Officer, Chief Financial Officer, or Chief Auditor.
9. Intergovernmental or legislative issues that could have a significant impact on department or City policy, operations or finances. These issues include proposals that would create new or modify existing agreements (formal and informal), guidelines, rules, regulations, laws or governance structures, including the acceptance of penalties or terms for mitigation for violations of State or Federal laws or regulations.
10. Strategic documents affecting major department operations (e.g. Fiber Implementation Plan, IT Strategy, purchasing, hedging, strike plans).
11. Development, purchase and design of all proposed information technology or systems, projects, databases and programs, including pilot projects.
12. A copy of your Board action and supporting documentation, as soon as possible, when the City Council assumes jurisdiction over an action of your Board under Charter Section 245.
13. Matters of policy or financial significance to City operations or the public.

## **Annual Budget Submittals**

Proposed budget submittals of the Proprietary Departments are due to my Office and the City Administrative Officer no later than March 1 of each year and prior to submission to the City Council. These submittals must contain a detailed listing of your programs and related receipts and expenditures. The statement shall include a description of capital and operating programs linked to expenditures, anticipated borrowings, debt service coverage, and other key financial statistics, rate, tariff, revenue requirements, fee increases and organizational changes.

## **Debt Accountability and Capital Improvement Plan**

Every two years, in conjunction with submittal of its annual budget, each Proprietary Department shall submit a debt accountability and major capital improvement plan to this Office, the Council, the City Controller and the City Administrative Officer. The plan shall contain the following elements:

1. A listing of each project for the upcoming 5-year period,
2. Total project cost, funding sources and phasing by fiscal year,
3. The anticipated impact of the 5-year Capital Improvement Plan on ongoing operations and maintenance costs, and
4. The anticipated financing plan for completion of the 5-year program and its impact on overall departmental debt capacity and project debt service coverage.

Executed this 20<sup>th</sup> day of October, 2005



ANTONIO R. VILLARAIGOSA  
Mayor

Supersedes the following Executive Directives:

Bradley Series: A-1 dated October 1, 1984, No. 14 dated October 15, 1980, No. 16 dated July 13, 1992, No. 18 dated October 15, 1980, and No. 39 dated July 5, 1984.

Riordan Series: No. 2 dated July 26, 1993.

Hahn Series: No. AP-3 dated December 3, 2002.