

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: March 12, 2008

CAO File No. 0116-00001-0000  
Council File No. 07-0600  
Council District: All

To: Antonio R. Villaraigosa, Mayor  
Eric Garcetti, Council President  
Bernard C. Parks, Chair, Budget and Finance Committee

From: Karen L. Sisson, City Administrative Officer *RLS by RJC*

Reference: 2007-08 Adopted Budget

Subject: **2007-08 4<sup>th</sup> FINANCIAL STATUS REPORT – ADDITIONAL BUDGET  
BALANCING MEASURES**

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### SUMMARY

In the Mid-Year Financial Status Report (Mid-Year FSR), this Office detailed the City's current financial condition to both the Mayor and Council. The Mid-Year FSR contained recommendations totaling approximately \$117.2 million to partially offset a potential \$154.9 million budget problem, which reduced the estimated year-end deficit to \$37.7 million.

This Office is transmitting the 4<sup>th</sup> Financial Status Report (4<sup>th</sup> FSR) for Fiscal Year 2007-08. The 4<sup>th</sup> FSR contains additional recommendations and options for the Mayor and Council to consider for balancing the 2007-08 budget. Section I of the 4<sup>th</sup> FSR details additional budget problems that have been identified since the Mid-Year FSR, which have increased the remaining budget deficit by \$12.68 million, to \$50.38 million. Section II contains recommendations for Mayor and Council approval that would reduce the deficit to approximately \$19.79 million. Section III identifies various items that we believe could occur by the end of the fiscal year, which would reduce the deficit to approximately \$12.44 million. We will report back on these pending items in the Year-end Financial Status Report (Year-end FSR). Finally, Section IV includes routine transfers of funds and other financial transactions.

Given the urgency to identify substantial budget balancing solutions for the Mayor and Council to consider, and the short time between the Mid-Year FSR discussions and the 4<sup>th</sup> FSR, we have not included updates to every department's budgetary status. Instead, we have focused on finding additional revenue to offset General Fund costs; provided new information from departments on substantive fiscal issues that warrant notification to the Mayor and Council; and, have reviewed the status of the major expenditure deficits (e.g., Human Resources Benefits). The Year-end FSR will contain final estimates of year-end surpluses and deficits, final budget balancing recommendations, a final year-end revenue forecast and as many report-backs to Council as time permits.

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BUDGET & FINANCE

In addition, included in the recently approved Memoranda of Understanding with the Coalition of Unions, representing 20,000 full and part-time workers is a Letter of Intent addressing the parties Mutual Commitment to LA's Future. This commitment provides that in the event revenue projections decline by 1% or more the parties will reconvene using the mutual gains process to identify the implications of the revenue loss and identify viable alternatives and solutions within the control of the parties. The Letter of Intent also requires the parties to meet every six months to review the City's overall revenue and expenditure forecasts.

The CAO met with the Coalition of Unions on February 21, 2008, to review the City's basic economic data. Both the CAO and the Coalition of Unions are in agreement that the 1% revenue threshold to re-open the Coalition contracts has been satisfied. Negotiations between the CAO and the Coalition of Unions have commenced and are continuing to take place by utilizing the mutual gains process. In addition, the CAO met with most of the non-Coalition unions (e.g., LAPPL and UFLAC) on February 27, 2008, to explain the City's current economic condition. On March 4, 2008, the CAO sent follow-up letters requesting the non-Coalition unions re-open their contracts to discuss possible modifications that would assist the City in dealing with this significant downturn in revenue.

It should also be noted that the 2007-08 Adopted Budget provides that no layoffs are to occur in connection with the 2007-08 Budget without the prior approval of the City Council. In light of the current and projected decline in revenue and increasing expenditures, it is almost certain that layoffs will be required to close the budget for Fiscal Year 2008-09. The depth of those layoffs will in part be determined by the ability to reduce costs for the remaining of Fiscal Year 2007-08. Any layoff conducted this fiscal year will serve to mitigate the volume of layoffs required in the following fiscal year. Removal of the no layoff policy for Fiscal Year 2007-08 is therefore recommended.

We will continue to look any available options for offsetting the remaining deficit in the current year and better position the City for Fiscal Year 2008-09. We are reviewing other special funds for potential savings to offset the current year deficit such as the Alternative Fuel Fund, the Engineering Special Service Fund, and the City Buildings Life/Safety GOB Fund. In addition, we anticipate that more savings may be generated by year-end through the Managed Hiring Process and voluntary furloughs. We will report back on these items in the Year-end FSR.

### **Proposed Budget Balancing**

The following table summarizes the recommendations and options contained in the 4th FSR:

**(See table on next page)**

<b>Proposed Budget Balancing (millions)</b>	
Projected Remaining Year-End Deficit (Mid-Year FSR)	\$ (37.70)
<u>Additional Budget Problems Identified (4<sup>th</sup> FSR, Section 1)</u>	<u>(12.68)</u>
Total Projected Remaining Year-End Budget Problem	(50.38)
 <u>Recommended Actions (4<sup>th</sup> FSR, Section 2)</u>	
Decreases to Projected Year-end Deficits	10.77
Reversion of Funds – CDD	1.95
Technical Correction – Reduce Appropriations to the UB	4.20
Transfers from Special Funds	5.66
Additional Budget Reductions	4.38
Tax and Revenue Anticipation Notes (TRANS) Savings	3.63
 <u>Pending Actions (4<sup>th</sup> FSR, Section 3)</u>	
Escheatment	2.06
Proposition K Offset of General Fund Costs	3.50
Managed Hiring	1.00
Library GO Bond Funding Swap	0.79
 Total	 37.94
Remaining Budget Problem	(12.44)

### Reserve Fund

The Contingency Reserve Account in the Reserve Fund has a current available balance of \$59.3 million. It is anticipated that early reversion of \$12.4 million in prior-year encumbered funds to the Reserve Fund and anticipated loan repayments of approximately \$10.7 million would bring the total Contingency Account to \$82.4 million. The Emergency Reserve Account stands at \$122 million and can only be used in the event of a declared emergency or severe economic downturn. The balance of the two accounts would be approximately \$204.4 million without any further transfers.

### Budgetary Adjustments

Budgetary adjustments of more than \$33.6 million are recommended in this report. These actions include:

- Approximately \$13.0 million for transfers between accounts within various departments and funds;
- Approximately \$4.8 million for transfers between various departments and funds;

- \$10.2 million for transfers to the Unappropriated Balance, Reserve for Economic Uncertainties;
- Appropriations of \$2.0 million to different departments for various purposes from the Unappropriated Balance, and,
- Approximately \$3.6 million in Proposition O reimbursements.

### **Additional Details**

The Discussion Section of this report and the following attachments provide additional details:

1. Status of Reserve Fund
2. Status of the Unappropriated Balance-General
3. Status of the Unappropriated Balance-non General
- 3a. Status of the Unappropriated Balance-Reserve for Economic Uncertainties
4. Transfers between Accounts within Departments and Funds
5. Transfers between Departments and Funds
6. Transfers to the Unappropriated Balance, Reserve for Economic Uncertainties
7. Appropriations from the Unappropriated Balance
8. Transfers for Proposition O Program
9. Employee Level Report

### **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Transfer \$13,044,774 between accounts within various departments and funds as specified in Attachment 4;
2. Transfer \$4,760,172 between various departments and funds as specified in Attachment 5;
3. Transfer \$10,224,252 from the funds and accounts as shown on Attachment 6 to the Unappropriated Balance, Fund No. 100/58, titled Reserve for Economic Uncertainties;
4. Appropriate \$2,070,000 to different departments for various purposes from the Unappropriated Balance as specified in Attachment 7;

#### General Services

5. Direct the General Services Department (GSD) to collect all costs associated with filming productions, and authorize the Controller and GSD to transfer funds from the Motion Picture Coordination Fund No. 417, as appropriate, for reimbursement of direct expenditures provided in support of filming activity, to the following accounts within GSD Fund No.100/40: Account 1090, Salaries Overtime, Account 1070, Salaries As-Needed, Account 3160, Maintenance Materials and Supplies, and Account 6010, Office and Administrative;

Matching Campaign Trust Fund

6. Authorize the Controller to transfer appropriations totaling \$1,161,472 from Fund No.100/62, Matching Campaign Funds, Account 0875, to the Unappropriated Balance Fund No.100/58, Account 0037, Reserve for Economic Uncertainties;

Planning

7. Instruct the Planning Department to reimburse direct costs incurred in 2006-07 by the Department of Building and Safety from the Playa Vista Account in the Major Projects Review Trust Fund No. 524/68 to the Building and Safety Enterprise Fund No. 48R/08 as follows:

	<u>Fund/Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:			
06-07	F524/68/100A	Playa Vista	\$ 319,787.42
07-08	F524/68/100C	Playa Vista	<u>\$1,108,689.18</u>
		Total	\$1,428,476.60
To:			
07-08	F48R/08/4610	Reimb from Other Fund	\$841,846.11
	F48R/08/4640	Related Costs, Pr Year	<u>\$586,630.49</u>
		Total	\$1,428,476.60

Police

8. Authorize the Controller to increase appropriations to the General Services Department Fund No. 100/40, Account 1010, for a total of \$30,000 from MICLA Fund No. 298/70, Account A735, FY 2006-07 in the amount of \$15,000 and from MICLA Fund No. 298/70, Account C735, FY 2007-08 in the amount of \$15,000; and, authorize the Controller to increase appropriations to the Information Technology Agency Fund No. 100/32, Account 1010, Salaries General, in the amount of \$40,600 from MICLA Fund No. 298/70, Account A735, for the installation of additional camera, communications radios, sirens, special controls, and instrumentation into Police Department Helicopters;
9. In accordance with Recommendation No. 8 above, instruct the Bond Fund Administrator to transfer cash from MICLA Fund 298/70 to reimburse the General Fund on an as-needed basis upon proper documentation from the Information Technology Agency and General Services and approval of the City Administrative Officer;

Public Works-Bureau of Engineering

10. Authorize the Bureau of Engineering to revise its 2006-07 reversion worksheet to increase and decrease expenditures among various sources of funds by approximately \$421,810 and instruct the Controller to make technical corrections and accounting adjustments as necessary;

Public Works-Bureau of Street Services

11. Authorize the Controller to transfer appropriations in the amount of \$3,265,630 from the Bureau of Street Services Fund No. 100/86, Account 3030, Construction Materials, to the Unappropriated Balance Fund No. 100/58, Account 0037, Reserve for Economic Uncertainties due to the suspension of the Regular Sidewalk Repair Program through the end of the fiscal year;
12. Authorize the Controller to transfer appropriations within the Stormwater Pollution Abatement Fund 511/50 in the amount of \$300,000 from Account C562, Lakme Avenue Storm Drain, and an additional \$145,000 from Account C357, Maintenance Hole Resetting, for a total appropriation of \$445,000 to a new account to be set up for the Bikeway Catch Basin Grating Replacement;
13. Authorize the Controller to transfer and appropriate funds in the amount of \$221,061 from Subventions and Grants Fund 305/50, Revenue Source Code 3741, to the following accounts in Bureau of Street Services Fund 100/86 for street improvement work associated with the 11<sup>th</sup> Street from Grande Vista Avenue to S. Soto Street project completed at the request of the Community Redevelopment Agency:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1090	Salaries, Overtime	\$98,320
3030	Construction Materials	61,591
6010	Office and Administrative	2,000
6020	Operating Supplies	<u>59,150</u>
	Total	\$221,061

14. Authorize the Controller to transfer and appropriate funds in the amount of \$243,301 from Subventions and Grants Fund 305/50, Revenue Source Code 4511, to the following accounts in Bureau of Street Services Fund 100/86 to deposit receipts related to the 50/50 Sidewalk Repair Program:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
3030	Salaries, Overtime	\$143,301
6020	Operating Supplies	<u>100,000</u>
	Total	\$243,301

15. Authorize the Controller to unencumber and reappropriate funds in the amount of \$130,677 from Local Transportation Fund 207/94, Revenue Source Code 4862, to the following accounts in Bureau of Street Services Fund 100/86 for landscape design work related to the Orange Line Bikeway Enhancements project (C.F. 05-1121):

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1090	Salaries, Overtime	\$86,099
3030	Construction Materials	21,027
6010	Office and Administrative	3,365
6020	Operating Supplies	<u>20,186</u>
	Total	\$130,677

16. Authorize the Controller to transfer appropriations in the amount of \$20,000 from the Sewer Construction and Maintenance Fund 760/50, Account C282, to the following accounts in Bureau of Street Services Fund 100/86 for reimbursement of street sweeping services requested by the Bureau of Sanitation:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1090	Salaries, Overtime	\$14,000
6010	Office and Administrative	2,000
6020	Operating Supplies	<u>4,000</u>
	Total	\$20,000

17. Authorize the Controller to transfer appropriations in the amount of \$54,392 from the Subventions and Grants Fund 305/50, Revenue Source Code 3734, to the following accounts in Bureau of Street Services Fund 100/86 for street resurfacing work on Cantara Street between Ventura Canyon Avenue and Woodman Avenue on behalf of Kaiser Permanente:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1090	Salaries, Overtime	\$38,074
3030	Construction Materials	4,773
6010	Office and Administrative	2,000
6020	Operating Supplies	<u>9,545</u>
	Total	\$54,392

18. Authorize the Controller to:

A. Recognize revenue in the amount of \$2,176,522 from the Harbor Maintenance Improvement Program Budget, Account 57045, Center 0311, Program 000, and deposit this amount to Fund 100/86, Revenue Source Code 4196; and,

B. Appropriate the same amount to the following accounts within the Bureau of Street Services Fund 100/86, to provide 3.2 miles of street repair and resurfacing work in the Wilmington Industrial Park as requested by the Harbor Department Board of Harbor Commissioners (Resolution Nos. 6509 and 6510):

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1090	Salaries, Overtime	\$565,896
3030	Construction Materials	914,139
3040	Contractual Services	522,365
6010	Office and Administrative	10,000
6020	Operating Supplies	<u>164,122</u>
	Total	\$2,176,522

19. Authorize the Controller to transfer \$337,245.82 from the Subventions and Grants Fund 305/50, Revenue Source Code 3734, to the Bureau of Street Services Fund 100/86, Revenue Source Code 4610, for reimbursement of costs incurred in 2006-07 for work related to the Chandler-Burbank Bikeway, as requested by the Community Redevelopment Agency;

Proposition O

20. Authorize the Controller to increase appropriations to various departments totaling \$2,494,573 from the Proposition O General Obligation Bond Funds, as approved by the Administrative Oversight Committee, and transfer cash from Fund 16F and 16M to reimburse the General Fund on an as-needed basis upon proper completion and approval of the Bureau of Engineering Program Manager and the City Administrative Officer as noted in Attachment 8;

Escheatments

21. Request the City Attorney to report back in 30 days on developing a policy, and if necessary, a draft ordinance, that 1) will permit the City to implement an escheatment procedure that mirrors the practice of the City of Santa Ana; where property does not permanently escheat to the City; and, 2) requires that payment of any bonds or coupons that have been escheated, be provided by the General Fund;

TRANS

22. Transfer \$3,631,150 million from Fund 100/62, 2007 Tax Revenue Anticipation Note, Account 0P14, to the Unappropriated Balance Fund No. 100/58, Account 0037, Reserve for Economic Uncertainties;

Traffic Safety Fund

23. Authorize the Controller to reduce the Traffic Safety Fund No. 86/306 source of funds appropriation to the Bureau of Street Services, Account 1186 by \$2,300,000 and increase the Street Damage Restoration Fee Special Fund 86/41A source of funds appropriation to the Bureau of Street Services, Account C186 by \$2,300,000;

Library

24. Authorize the Controller to decrease the Library Trust Fund No. 834/44, Account 040D, by \$65,739 and transfer this amount to the following accounts within the General Services Department Fund No. 100/40:



<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1070	Salaries, Overtime	\$46,250
3040	Contractual Services	14,309
6010	Office and Administrative	300
6020	Operating Supplies	<u>4,880</u>
	Total	\$65,739

Other

25. Rescind the current-year policy that no layoffs occur in connection with the 2007-08 Budget without prior approval by the Council; and,

Technical

26. Authorize the City Administrative Officer to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

**FISCAL IMPACT**

The Mid-Year FSR contained recommendations totaling approximately \$117.2 million to partially offset the potential \$154.9 million year-end budget problem to an estimated \$37.7 million. The 4<sup>th</sup> Financial Status Report contains recommendations to further reduce the known deficit as of March 10, 2008 down to approximately \$12.44 million. The March 1<sup>st</sup> Reserve Fund balance is about \$181.3 million (consisting of \$122 million in the Emergency Reserve Account and \$59.3 million in Contingency Reserve Account).

## DISCUSSION

### 1. ADDITIONAL BUDGET PROBLEMS

Since the release of the Mid-Year FSR, we have identified additional potential budgetary problems that have *increased* the remaining budget deficit, by \$12.68 million, to \$50.38 million. These issues are detailed below:

- **City Attorney-Outside Counsel (\$1.37 million Increase to the Estimated Deficit of \$2.93 million):** As part of the Mid-Year actions, the City Attorney was requested to report back regarding potential outside counsel expenditures through year-end. The City Attorney is currently conducting a review of these expenditures. The report has not been released as of this writing. In the Mid-Year FSR, the City Attorney estimated a year-end deficit of \$2.93 million in outside counsel expenses. In the 4<sup>th</sup> FSR, the City Attorney estimates that this deficit has increased to \$4.3 million, which is an increase of \$1.37 million. In the Mid-Year FSR, a supplemental appropriation of \$1.5 million was provided to the outside counsel account. Therefore, the remaining deficit to be addressed is \$2.8 million. There is a possibility that this deficit is likely to increase due to potential May Day cases, current FLSA/employment matters and current Workers' Compensation cases. We will continue to track this matter closely and report back on this issue once more information is known.
- **TDA Transfer to General Fund (\$1.44 million):** In the Mid-Year FSR this Office reported that the General Fund transfer from the Telecommunications Development Account (TDA) could be \$935,520 below the budgeted amount of \$5,436,830. Based on more recent revenue data suggesting that TDA revenues will be further below budget than anticipated, it is now projected that there will be a \$1,440,812 shortfall in the transfer. We are now reflecting the entire projected shortfall of \$1.4 million in the 4<sup>th</sup> FSR.
- **Traffic Safety Fund Revenue Shortfall (\$3 million):** A \$3 million budget shortfall is being projected in the Traffic Safety Fund (TSF). Revenue receipts were budgeted at \$16.1 million in 2007-08. However, revenues received through the month of February totaled \$8.5 million. The TSF currently funds the following services:
  - Street Cleaning (\$3.6 million);
  - Median Parkway Maintenance & Contract Mowing (\$1.9 million);
  - Emergency Street Repairs (\$0.7 million);
  - Street Improvements & Special Projects (\$2.4 million); and,
  - Crossing Guards at Schools (\$7.5 million).

Approximately \$2.3 million of this deficit can be offset by savings in the Street Damage Restoration Fee Special Fund. However, unless other expenses can be reduced or other sources of funding identified, there will be a remaining deficit of about \$700,000 which will result in the need for a General Fund subsidy. See Section 2 for more information on the recommended \$2.3 million offset from the Street Damage Restoration Fee Special Fund.

- **Final Mid-Year Actions (\$0.42 million):** During its consideration of the Mid-Year, the Council adopted amendments to some of the CAO recommendations, including reinstating funding for Graffiti abatement, community clean up supplies, and Community Beautification Grants. The net result of these actions increased the estimated year-end deficit by \$423,000.
- **Delete Anticipated Revenue from Sale of West Los Angeles and Harbor Animal Shelters (\$5 million):** We previously recommended the sale of various surplus properties, including three former animal shelters. It was anticipated that the sale of the three former animal shelters would generate approximately \$10 million in 2007-08. However, the anticipated revenue is now estimated to be \$5 million less, due to: 1) a Council instruction for the Housing Department to explore the use of the West Los Angeles property as an affordable housing development; and, 2) the sale of the San Pedro facility is not expected to be completed in the current fiscal year. We still anticipate that the sale of the East Valley facility will generate \$5 million in General Fund revenues by the end of the fiscal year. However, the process of selling surplus property is complex, and there are several procedural steps that are time-consuming. We will continue to monitor the progress of the sale of the East Valley Animal Shelter and report back in the Year-end FSR.
- **Griffith Park Recovery Appropriation from UB (\$1.15 million):** The Council and Mayor previously authorized a \$1.155 million appropriation from the UB, Reserve for Economic Uncertainties for the Griffith Park Recovery Project (C.F. 07-0600-538). The appropriation was inadvertently omitted from the Mid-Year FSR and is now included to reflect the corresponding adjustment to the Reserve for Economic Uncertainties.
- **Lower Figueroa Plaza Receipts (\$0.30 million):** Receipts from Figueroa Plaza operations were previously projected at \$9.18 million. However, General Services has recently advised that actual revenues are now expected to be \$8.88 million due in part to the termination of a lease agreement and a decrease in revenue as a result of the City purchasing the building.

## 2. RECOMMENDED BUDGET BALANCING ACTIONS

This section identifies various items that we believe will occur by the end of the fiscal year, which would reduce the net year-end deficit by a total of \$30.59 million to \$19.79 million.

### A. Decreases to Projected Year-end Deficits (\$10.77 million)

The following are revisions to the projected departmental deficits that were included in the Mid-Year FSR:

- **City Attorney-Proprietary Salaries (\$0.10 million):** The Department reports that the deficit in the Proprietary-Reimbursed Salaries account has decreased by \$100,000, from \$1.5 million to \$1.4 million. It is recommended that \$700,000 be transferred from the UB, Reserve for Economic Uncertainties to the City Attorney's Proprietary-Reimbursed Salaries account to

prevent any disruptions in payroll prior to the year-end (See Attachment 7 – Appropriations from the Unappropriated Balance).

- **Fire (\$0.20 million):** Based on the most recent payroll projections, and due in part to an increase in the Variable Staffing Overtime account surplus, the Department is projecting a \$7.5 million year-end deficit which is \$1.2 million less than the \$8.7 million projected in the Mid-Year FSR. However, of this \$1.2 million, \$1 million was already accounted for as part of the Citywide \$37.7 million remaining deficit identified in the Mid-Year FSR since the Department indicated that it was in the process of completing a \$1 million budget reduction exercise. Therefore, the net effect of this change is a \$200,000 decrease to the City's overall deficit.

The Department projects a deficit in the Constant Staffing Overtime account of \$12 million after Mid-Year actions. Transfers are recommended from various other salary accounts for total transfers of \$4.5 million to the Constant Staffing Overtime account (Attachment 4 – Transfers between Accounts within Departments and Funds). Included in the \$4.5 million is a \$1 million transfer from the Variable Staffing Overtime account which represents the savings identified by the Department from its \$1 million budget reduction exercise. These actions will reduce the deficit in the Constant Staffing Overtime account from \$12 million to \$7.5 million (which represents the department's year-end deficit).

- **GSD (\$3.16 million):** Excluding Petroleum costs, the Department is projecting a \$3.16 million reduction of its net year-end deficit (i.e., from \$8.2 million to \$5.04 million) due to voluntary cost effective measures enforced by the Department. The following highlights significant changes to GSD's various accounts:

**Salaries General (\$2.9 million):** The deficit in the Salaries General account has increased by \$800,000 since the Mid-Year, from \$2.1 million to \$2.9 million. This is mainly due to unanticipated salary pay-outs, MOU tool and shoe pay-outs, and increased salary costs. The Department previously implemented a voluntary hiring-freeze to mitigate costs, however, pending hiring offers were subsequently processed impacting the shortfall. The Department is looking to identify additional revenues and ways to further decrease expenditures. Our Office will review the need for any adjustments at year-end.

**Salaries Overtime (\$750,000):** There is no change from the previously estimated remaining shortfall of \$750,000 in this account, after adoption of the Mid-Year. A \$750,000 transfer is recommended from the Unappropriated Balance, Reserve for Economic Uncertainties (Attachment 7 – Appropriations from the Unappropriated Balance).

**Field Equipment–Parts (\$300,000):** The projected shortfall in this account is now estimated at \$300,000 which is significantly less than the remaining \$3 million deficit assumed after the Mid-Year actions. The decrease is due to the deferral of equipment purchases and cost effective measures the Department enforced within Fleet and Supply Services. For example, the Department has deferred the purchase of spare helicopter engine modules. Also, GSD has negotiated the extension of warranties for certain vehicles. Our Office will review the need

for any adjustments at year-end.

**Contractual Services (\$700,000):** There is no change from the previously estimated remaining shortfall of \$700,000, after the adoption of the Mid-Year. Our Office will review the need for any adjustments at year-end.

**Salaries As-Needed (\$0):** The shortfall in this account has been eliminated, due to a transfer made in the Mid-Year and a pending transfer from the Department of Transportation regarding a parking management services agreement.

**Other Deficits (\$385,000):** The Department continues to project shortfalls in the following accounts: Hiring Hall Benefits (\$50,000); Printing and Binding (\$20,000); Custodial Supplies (\$50,000); and Leasing (\$265,000). Our Office will monitor the accounts and review the need for any additional adjustments at year-end.

Additional measures that are described in Section 2.B of this report will eliminate the current projected deficit in the Petroleum Products account.

- **Human Resources Benefits Fund (\$6.0 million):** In the Mid-Year FSR, we identified a potential \$10 million shortfall in the Workers' Compensation account. However, based on recent data, the year-end projected shortfall has decreased by \$6 million to \$4 million. According to the Personnel Department, the original projection of \$10 million was based on the actuary projection received in August 2007 which was based on liabilities as of June 30, 2007. However, the revised year-end deficit projection is based on actual expenditure patterns to date. Savings are available in other accounts to partially offset the year-end deficit. It is recommended that surpluses in the Civilian Flex Benefits (\$1.5 million) and Police Health and Welfare (\$1 million) accounts be transferred to the Workers' Compensation account for a total appropriation of \$2.5 million. This action will further reduce the shortfall in the Workers' Compensation account from \$4 million to \$1.5 million. (See Attachment 4 – Transfers between Accounts within Departments and Funds). We will continue to closely monitor the deficit in the Workers' Compensation account. Should additional adjustments be required, they will be addressed in the Year-End FSR.
- **Police Department (\$0.11 million decrease):** In our Mid-Year report, we estimated the Department's remaining shortfall at \$3.3 million based on a proposed \$1.5 million appropriation from the UB, Reserve for Economic Uncertainties to the Accumulated Overtime account. However, on February 5, 2008 the Council authorized a transfer from the Sworn Salaries account in lieu of the UB appropriation which resulted in a remaining deficit of \$4.8 million. The Department is now reporting that its remaining deficit has been reduced to \$3.187 million. This change is due in part to anticipated reimbursements to the Sworn Overtime account from the Department of Transportation (DOT), an increase in sworn salary savings, and decreases in anticipated deficits within the Salaries General and Sworn Overtime accounts. The net effect of these changes is an offset of \$113,000 to the City's deficit.

Pursuant to a Memorandum of Agreement (MOA), DOT is required to pay LAPD for

specialized police services related to the Bandit Taxicab Enforcement Program (C.F. 06-0142). DOT is expected to reimburse LAPD up to \$750,000 for eligible services for the period covering October 2007 to September 2008. It is estimated that approximately \$562,500 of the full amount will be reimbursed to the Department in the current fiscal year with the balance of \$187,500 to be received in the following fiscal year (See Section 4.M for related discussion).

The Department's sworn overtime budget is \$86 million. Total year-end overtime expenditures are currently projected at \$100.5 million which is \$1.5 million less than the \$102 million estimated in the Mid-Year. As part of the Mid-Year actions, \$9.5 million was appropriated to the Sworn Overtime account. However, a year-end deficit of \$6.5 million remained. The Department is reporting that the remaining \$6.5 million year-end deficit has been reduced to \$5 million which is \$1.5 million less than previously estimated. The deficit is due to unbudgeted reimbursable overtime.

Police hiring continues ahead of the budget plan. Year-to-date hiring is detailed in the chart to follow. As noted below, with actual net hiring at 160 compared to budgeted hiring at 129, net hiring is 31 ahead of plan:

2007-08 Year-to-Date Police Hires									
	July	August	September	October	November	December	January	February	YTD*
<b>Actual Hires</b>	47	51	105	54	60	50	70	63	500
<b>07-08 Budget</b>	50	50	100	50	50	60	70	70	500
<b>Actual Attrition</b>	39	68	49	30	43	23	41	47	340
<b>07-08 Budget</b>	80	48	54	31	31	27	53	47	371
<b>Actual Net</b>	+8	-17	+56	+24	+17	+27	+29	+16	+160
<b>07-08 Budget</b>	-30	+2	+46	+19	+19	+33	+17	+23	+129

\*Year-to-Date

- Recreation and Parks (\$0.40 million):** The Department reports that, as of January 31, 2008, approximately \$400,000 in salary savings has been generated to partially offset the Griffith Observatory \$1.5 million revenue shortfall. This Office, in conjunction with the Department, will continue to monitor Griffith Observatory revenues closely and make necessary recommendations in future FSRs.
- Department of Transportation (\$0.80 million):** The Department reports that their estimated year-end deficit of \$1.5 million after the Mid-Year FSR has decreased by \$800,000 due to savings generated from the following: Salaries Overtime (\$400,000) - Field Operations has reduced overtime costs by implementing new guidelines for signal and sign crews to optimize work performance on regular shifts; Construction Materials (\$50,000) - Field Operations has encouraged sharing of equipment and supplies among its five yards to reduce stockpiling; Contractual Services (\$100,000) - The Department has reduced the need for lease vehicles; Paint and Sign Maintenance Repair (\$50,000) - Field Operations has encouraged sharing of

equipment and supplies among its five yards to reduce stockpiling; Signal Supplies and Repairs (\$100,000) - Field Operations has encouraged sharing of equipment and supplies among its five yards to reduce stockpiling; and, Office Supplies (\$100,000) - The Department will limit spending by consolidating orders. (See Section 2.B which discusses a \$650,000 appropriation from the General City Purposes Fund which nearly offsets DOT's remaining deficit of \$700,000.

**B. Transfers of Funds and Other Actions to Reduce the Projected Year-end Deficit (\$19.82 million)**

The following are various actions including transfers from special funds; transfers of savings and excess funds to the UB, Reserve for Economic Uncertainties account; service reductions; reversions; and, technical corrections that will reduce the projected year-end deficit:

- **Reversion of Funds - Community Development Department (CDD) (\$1.95 million):** Fund No. 551, General Fund-Variou Programs, is used by CDD to manage funds transferred from various sources, including Council Districts and General-funded programs budgeted in the General City Purposes schedule (Bridges, Summer Youth Employment Program, Learn and Earn, and Day Laborer). The Fund is reviewed on a continuing basis for reversions. The CDD has identified a surplus of \$1,949,747.38 mainly from current and prior-year unexpended appropriations. Of this amount \$1,637,997.89 is unexpended appropriations and \$203,912.99 is site-specific sales tax revenue transferred to Fund 551 as an interim step for payment of debt service for the Lawry's project (C.F. 00-1199). These transfers are no longer required. Debt service for loans related to Lawry's is included in the 2007-08 Adopted Budget (Capital Finance Administration Fund). A total of \$1,949,747.38 was transferred to the General Fund on February 22, 2008.
- **Reduce Appropriations to UB, Youth Development Strategy (\$4.2 million):** As part of the Mid-Year actions, the Council approved a \$4.2 million reduction in appropriations to the UB, Youth Development Strategy line item, for various Department of Recreation and Parks programs. This action was required because the programs will be directly funded by the Department of Water and Power. A technical correction is now necessary to offset the \$4.2 million General Fund revenue shortfall that was included in the Mid-Year FSR. The revenue shortfall is no longer projected due to the corresponding \$4.2 million reduction in appropriations as reported to the Council in our February 6, 2008 Addendum to the Mid-Year FSR (C.F. 07-0600-S77).
- **Reduce UB, Youth Development Strategy for Joint-Use Facilities (\$0.34 million):** The amount of \$664,956 was budgeted within the Youth Development Strategy line item for new joint-use facilities. The amount of \$340,000 will not be needed in the current year and is now available for transfer to the UB, Reserve for Economic Uncertainties (Attachment 6 – Transfers to the UB, Reserve for Economic Uncertainties).

- **El Nino Storm Close Out (\$0.70 million):** In FY 1999-00, \$700,000 was transferred from the Reserve Fund to the Capital Improvement Expenditure Program for El Nino storm related work (C.F. 99-0600 S75). However, these funds were not spent. According to the Bureau of Engineering, the project has been completed and the funds are no longer needed. There is no outstanding Reserve Fund loan in relation to these prior-year funds. Therefore, it is recommended that \$700,000 be transferred to the UB, Reserve for Economic Uncertainties to offset other City deficits (Attachment 6 – Transfers to the UB, Reserve for Economic Uncertainties).
- **General Services Trust Fund - Alternative Fuel Rebate (\$1.0 million) and Public Works Building Savings (\$0.5 million):** Savings are available in the General Services Trust Fund from Alternative Fuel Rebate funds and Public Works Building savings for transfer to GSD's Petroleum Products account.

The General Services Department (GSD) was successful in qualifying as an "alternative fueler" with the Internal Revenue Service, which entitles GSD to an annual rebate of \$1.2 million through 2011. The Department may receive up to \$1.7 million this current fiscal year, which includes a retro payment for 2006-07. Of the \$1.7 million, GSD has received and deposited \$1.0 million into the General Services Trust Fund.

In September 2004, the Council appropriated (\$1.7 million) from the Reserve Fund to the General Services Trust Fund to cover maintenance and operating expenses for the City's Public Works Building (C.F. 03-0063-S7). The Council took action to permanently relocate the Public Works Bureaus to this facility (Engineering, Contract Administration, Street Services, Street Lighting, and Sanitation), and to temporarily relocate Police Department staff until construction of the permanent Police Administration Building is complete. Of the original appropriation, \$500,000 is available to offset shortfalls.

GSD continues to project a \$2 million year-end shortfall in its Petroleum Products account. The Mid-Year identified an \$8 million shortfall in this account. This shortfall was reduced to \$2 million after Mid-Year appropriations. However, fuel prices continue to be volatile. Also, the Department spent an additional \$50,000 on helicopter fuel costs in October 2007 for LAFD support due to the Griffith Park fires. It is recommended that the savings identified above (\$1 million in Alternative Fuel Rebate funds received to date and \$500,000 in Public Works Building savings) be transferred to GSD's Petroleum Products Account to partially address the estimated \$2 million deficit. It is also recommended that an additional \$500,000 be appropriated to GSD's Petroleum Products account from the Unappropriated Balance, Reserve for Economic Uncertainties, which will eliminate the current projected deficit (Attachment 5 – Transfers between Departments and Funds and Attachment 7 – Appropriations from the Unappropriated Balance).

- **GCP-Special Fund Fee Subsidy Reimbursements (\$0.65 million):** Funding in the amount of \$750,000 was budgeted in the 2007-08 Special Fund Fee Subsidy Reimbursement account to reimburse departments for special fund revenue losses resulting from fee subsidies for development projects or other special fund fees. After factoring in approved subsidies to date



and pending subsidy requests currently under review by our Office, \$650,000 is currently available to partially offset the Department of Transportation's (DOT) overtime shortfall mainly as a result of special events. Therefore, it is recommended that \$650,000 in unspent funds be transferred to the Department's Salaries Overtime account (Attachment 5 – Transfers between Departments and Funds). In addition to DOT's savings discussed in Section 2.A, this action almost completely offsets DOT's remaining deficit attributed to the Salaries Overtime account.

- **Savings from Other City Departments (\$0.13 million):** Savings are available from the Commission for Children, Youth and Their Families (\$70,000) and Treasurer's Office (\$56,000) for transfer to the Reserve for Economic Uncertainties.

A \$56,000 surplus is anticipated in the Treasurer's Contractual Services account. These funds were previously set aside to purchase software licenses for the Treasury Workstation with SunGuard (the consultant). However, since the Treasurer has developed the workstation in-house, the funds are no longer needed.

On August 9, 2006, the Council approved a \$70,000 appropriation from the Unappropriated Balance (UB) for the Commission for Children, Youth and Their Families (CCYF) to pay for a study identified in CCYF's Child Care Policy Implementation Workplan (C.F. 06-0600-S41). The funds were transferred to CCYF's Contractual Services account and subsequently reappropriated in 2007-08. CCYF states that the funds are no longer necessary because the scope of work for the study is covered under a contract with the Community Development Department and the National Economic Law and Development Center.

It is recommended that the savings identified above be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to assist in balancing the budget (Attachment 6 – Transfers to the UB, Reserve for Economic Uncertainties).

- **Matching Campaign Trust Fund No. 875 (\$1.16 million):** The Matching Campaign Trust Fund provides campaign financing assistance to candidates who meet certain criteria. The City Charter sets limits on General Fund appropriations to the Matching Campaign Trust Fund both for annual and maximum amounts. As of January 31, 2008, the Fund had a cash balance of \$12.6 million, which exceeds the maximum amount allowed in the Fund for fiscal years 2007-08 and 2008-09, by \$1,161,472. Furthermore, the Commission reports that no expenditures are anticipated to be made out of the Fund until December 2008 for the next election year. Therefore, it is recommended that the existing surplus of \$1,161,472 be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to help offset the City deficit (Recommendation No. 6). Due to the accrual of monthly interest, an additional surplus residual (apart from the \$1,161,472) is also anticipated at the end of the fiscal year, in an amount unknown at this time. We will recommend additional adjustments at year-end should additional excess funds accrue.

- **Tax and Revenue Anticipation Notes (TRANS) Savings (\$3.63 million):** The 2007 Tax and Revenue Anticipation Notes Fund budgets the debt service for tax and revenue anticipation notes issued to pay the annual contribution to both the Fire and Police Pension Fund and the Los Angeles City Employees' Retirement System at the beginning of the year, as well as to pay the interest portion of debt service on notes issued to alleviate the cash flow deficits that occur early in the year when taxes and revenues have not yet been received. Savings in the amount of \$3.63 million have been identified to partially offset the City's deficit. The savings are a result of the difference between the amount budgeted for debt service in May and the actual debt service determined when the notes were sold in June. Total debt service budgeted is \$702.69 million and the actual debt service is \$699.06 million, for a savings of approximately \$3.63 million (Recommendation No. 22).
- **Defer Sidewalk Construction (\$3.26 million):** Due to the City's current financial constraints, this Office recommends the suspension of the Regular Sidewalk Repair Program for the remainder of 2007-08. This will provide an estimated \$3.26 million savings to the General Fund, reducing the service level from 52 to 26 miles. The 13-mile 50/50 Sidewalk Repair Program budget and seven-mile Community Development Block Grant sidewalk repair budget will not be impacted (Recommendation No. 11).
- **Street Damage Restoration Fund Savings (\$2.3 million):** A \$2.3 million surplus has been identified in the Street Damage Restoration Fee (SDRF) Special Fund. This increase is due to higher than anticipated construction activity in 2007-08. The SDRF funds asphalt repairs to streets impacted by construction activity. It is recommended that these funds be used to offset a portion of the \$3 million Traffic Safety Fund (TSF) revenue shortfall (Recommendation No. 23).

### 3. PENDING BUDGET BALANCING ACTIONS

In this Section we identify various funding opportunities that we believe could occur by the end of the fiscal year (approximately \$7.35 million), which would further reduce the deficit to approximately \$12.44 million. However, others will require additional review and analysis. We will report back on Section 3 items in the Year-end FSR.

- **Bond Interest Eligible for Escheatment (\$2.06 million):** As of March 4, 2008, the Treasurer identified approximately \$2.06 million in the Unclaimed Matured Bonds and Interest Fund that is eligible for escheatment under the provisions of the California Government Code and the Los Angeles Administrative Code (LAAC), Sections 11.33 and 11.35. Escheatment of these funds was approved as part of the anticipated revenues in the 2007-08 Adopted Budget by the City Council and concurred with by the Mayor. In the Mid-Year FSR, this Office reduced the anticipated revenues by this amount due to circumstances that made escheatment unlikely to occur in the current fiscal year.

Currently, the City's existing escheatment process imposes a deadline for bondholders to come forward to claim their bond earnings before the funds are escheated to the General Fund. A City Attorney report, dated December 20, 2005, stated that the City of Santa Ana

escheats funds after three years, but does not publish the required notice. Therefore, the funds are not permanently escheated. The City Attorney also reported that the City is not required to maintain its current escheatment method. Therefore, the City Council may, by ordinance, change the City's procedures relative to future escheatments.

It is recommended that the City Attorney report back in 30 days on developing a policy, and if necessary, a draft ordinance, that will permit the City to implement a procedure that mirrors the practice of the City of Santa Ana; where property does not permanently escheat to the City (Recommendation No. 21). This recommended process does not limit the time for filing a claim, thus enabling bondholders to claim funds that are rightfully owed to them at any time. It is also recommended that payment of any bonds or coupons that have been escheated, be provided by the General Fund.

In order to be consistent with the 2007-08 Adopted Budget, and due to the City's current financial condition, it is recommended that the City take the necessary steps to escheat \$2.06 million from the Unclaimed Matured Bonds and Interest Fund to partially offset the City's current-year deficit. Under the recommended escheatment policy, any investors that come forward to claim bond funds that were transferred into the General Fund will be compensated from said Fund, subject to verification of the bondholder's documents.

- **Proposition K Maintenance Funds (\$3.50 million):** Based on a review of prior year Proposition K maintenance funding awards from fiscal years 2000-01 through 2004-05, it appears that there may be as much as \$3.50 million available for reimbursement to the General Fund or to offset current year Recreation and Parks operating and/or maintenance costs. The Proposition K maintenance funds were awarded to the Department in prior years. To the extent that the General Fund has supplemented the Department's budget in funding maintenance costs for facilities that were improved or developed with Proposition K funds, these funds may be available. This Office is currently working with the City Attorney to determine whether these maintenance funds can be recognized as current year General Fund receipts. However, it is anticipated that this may require an extensive expenditure review to determine the proportion of Recreation and Parks maintenance expenses that are eligible for Proposition K reimbursement. We will continue to work with the City Attorney and the Department on this matter and report regarding a final determination once more information is available.
- **Library GO Bond Funding Swap (\$0.79 million):** We have identified General Fund appropriations to the Library GO Bond Program that could potentially be swapped out with General Obligation Bond monies. We are reviewing the possibility of reducing the Proposition DD Library Branch Construction Program Budget by \$1.19 million. This would require reducing the General Fund appropriation to the Silverlake Branch Library project budget by this amount. Funds totaling \$1.19 million are available within other accounts in the Proposition DD Library Branch Construction Program Budget to completely offset the reduction to the Silverlake Library project budget as follows: program contingency (\$105,100) and arbitrage liability (\$1,086,702). The General Fund monies are proposed to be used as follows:

\$791,802 as a 2007-08 budget balancing measure and \$400,000 to offset project cost increases to the Central Library Fire Life Safety Project. This matter is in the process of being scheduled before the Library Bond Oversight Committee for review and approval. We will make recommendations on the required adjustments once the Oversight Committee has made a determination on the matter.

- **Managed Hiring (\$1.0 million, estimated):** On January 28, 2008, the Mayor released a Belt Tightening Measures letter which directed all City departments to suspend all hiring and backfilling of positions for the remainder of the fiscal year, except for the most critical positions, such as public safety and revenue-generating positions. On February 26, 2008, the Council approved a managed hiring freeze in which the Mayor, CAO and CLA will jointly approve departmental requests to fill authorized positions. The PaySR Unfreeze Authorization function was reactivated effective March 7, 2008 for this purpose. This provides an electronic mechanism to request an exemption from the Managed Hiring Process.

The hiring review and approval processes will be implemented at the following three levels:

#### Level 1 – Automatic Exemptions

A very limited number of critical job classifications and/or payroll IDs will be pre-entered into PaySr. The classifications on this list will be processed by PaySR in the usual manner without CAO review and without any transmittal for approval. Generally, these classifications are unique to the departments that hire them (e.g., are not common classes used by multiple departments) and are clearly related to providing direct public safety services, generating revenue, or are critical positions (e.g., Police Officer, Firefighter, Refuse Collection Truck Operator and Tax Compliance Officer). Automatic exemptions were established to ensure that these critical positions are filled without delay.

#### Level 2 – Expedited Review Exemptions

Exemptions in this category will be reviewed on an expedited basis. Generally, positions in this exemption category support critical services (e.g., police hiring) or should be filled to meet legal (e.g., Americans with Disability Act) or procedural (e.g., personnel transactions that implement disciplinary actions) requirements. In addition, all job offers made before March 7, 2008, will be honored and will be processed under Expedited Review.

#### Level 3 – Non-Exempt

Departments wishing to fill position authorities not falling within any of the above categories must submit a formal, written request to the CAO, which contains all of the necessary information for the CAO to complete its analysis. For example:

- What are the program/service/fiscal impacts if the position is not filled?
- Is the requested position critical to public safety or health?
- What is the impact of filling the position on the department's projected year-end salaries surplus/deficit?
- How long has the position been vacant?

- Are the position's costs, including related costs, fully recovered by special or grant funds?
- In regards to the requested position's civil service classification, how many authorities does the entire department possess? How many of these authorities are currently vacant? Where are these vacancies located within the department?

We will report back on the status of the Managed Hiring Process and projected savings in the Year-end FSR.

#### **4. BUDGETARY ADJUSTMENTS**

This section details routine transfers of funds and other financial transactions that are necessary before the Year-end FSR.

##### **A. Building and Safety**

**Attachment 4 – Transfers between Accounts within Departments and Funds**

**Attachment 5 – Transfers between Departments and Funds**

Building and Safety is requesting a \$36,215 transfer from the Building and Safety Permit Enterprise Fund to General Services to cover additional postage costs associated with new construction permit notices. The additional expenditures were caused by the high volume of construction and related permits which required notices mailed to the applicants.

Additionally, a transfer of \$200,000 is required within the Building and Safety Permit Enterprise Fund to cover a shortage in the department's lease account. In January 2008, \$2.3 million was transferred from the Building and Safety Lease Account to General Services to cover the Figueroa Plaza lease cost. This created a \$200,000 shortfall in the Building and Safety lease account. Funds are available in the Reserve for Unanticipated Costs.

##### **B. Environmental Affairs**

**Attachment 4 - Transfers between Accounts within Departments and Funds**

Transfers in the amount of \$34,500 are recommended from the Salaries General (\$14,500) and Contractual Services (\$20,000) accounts to the Salaries As-Needed account. The transfers are required for work related to the Green LA Action Plan, climate change, sustainable practices and other related environmental and pollution prevention assignments.

##### **C. Fire**

**Attachment 4 – Transfers between Accounts within Departments and Funds**

A deficit is projected in the Salaries General account in the amount of \$420,560 of which \$34,410 is for one civilian Resolution Authority funded by the 2006 Urban Area Security Initiative (UASI) grant. UASI grant funds were previously approved to pay for the Disaster Awareness Course Resolution Authorities which included one civilian position and three sworn authorities. The total funding for

these positions was originally placed in the Department's Overtime Variable Staffing account and now a \$34,410 transfer is needed from this account to the Salaries General account. The remaining Salaries General deficit of \$386,150, which is due primarily to cost of living adjustments, will be fully offset by a surplus in the Salaries Sworn account. It is recommended that \$386,150 be transferred from the Salaries Sworn account to the Salaries General account.

#### **D. General Services**

##### **Attachment 5 – Transfers between Departments and Funds Recommendation No. 5 and 24**

Routine transfers and adjustments are recommended for this Department as follows:

- **Figueroa Plaza-Water and Electricity Costs:** In August 2007, the City purchased and began paying utilities for Figueroa Plaza. An amount of \$1.25 million is available to partially offset operating expenses. A \$1.25 million transfer is recommended from the Contractual Services account to pay for water and electricity costs.
- **Reimbursements for Filming Costs:** The Department requests authority to transfer reimbursable costs from the Motion Picture Coordination Fund to offset security and building maintenance expenses that were provided during film productions. The Fund is used to deposit payments from film production companies for GSD services. It is recommended that GSD be instructed to collect all costs associated with filming productions, and that the Controller and GSD be authorized to transfer the funds from this Fund to various GSD accounts to reimburse direct expenditures provided in support of filming activity.
- **Library Parking Facilities:** GSD has been providing parking management services for Library parking facilities pursuant to a Memorandum of Agreement between GSD and the Library. It is recommended that the Controller decrease the Library Trust Fund, Account 040D, by \$65,739 and transfer this amount to GSD's Salaries As-Needed, Contractual Services, Office and Administrative and the Operating Supplies accounts to reimburse GSD for the operation of these facilities.

#### **E. Information Technology Agency**

##### **Attachment 4 – Transfers between Accounts within Departments and Funds**

After factoring in a \$400,000 transfer approved as part of the Mid-Year actions, the Information Technology Agency (ITA) is projected to have a remaining Salaries Overtime account deficit of \$322,880. The deficit is the result of regular operations and is consistent with deficits in this account in previous years. About 75 percent of overtime usage is for support of public safety activities. In addition, ITA has taken steps to reduce overtime use during 2007-08, including implementing a moratorium on all overtime that does not support "24/7" operations, and a policy of staff taking compensated time off in lieu of overtime payment, where permissible and practical. It is recommended that \$250,000 be transferred from available funding in the Communication Services account to the Salaries Overtime account. This transfer will ensure that ITA has adequate funds to

pay overtime until the middle of June. This Office will continue to monitor this account and recommend additional transfers as required in the Year-End FSR.

#### **F. Mayor**

##### **Attachment 4 – Transfers between Accounts within Departments and Funds**

It is recommended that \$700,000 be transferred from the Mayor's Salaries General account to the Salaries As-Needed account to reflect current expenditure patterns.

#### **G. Personnel**

##### **Attachment 4 – Transfers between Accounts within Departments and Funds**

The Department is projecting a year-end deficit in the Printing and Binding Expense account of approximately \$240,000. This is due to publication and dissemination of public safety employment recruitment materials. We recommend a transfer of \$200,000 from the Office and Administrative Expense account, to mitigate this shortfall.

In addition, the Department continues to project a year-end deficit of \$160,000 in the Transit Subsidy account, due to increased employee participation in the Program. It is recommended that \$160,000 be transferred from the Contractual Services Expense account 3040, Van Lease line item (funded by the Rideshare Trust Fund), to fully offset this shortfall.

#### **H. Planning**

##### **Attachment 7 – Appropriations from the Unappropriated Balance Recommendation No. 7**

The Major Projects Review Trust Fund was established to allow full cost recovery of the costs incurred by the City through the Supplemental Fee Agreement. Reimbursements totaling \$1.4 million are recommended from the Major Projects Review Trust Fund to Building and Safety for Playa Vista-related costs incurred in Fiscal Year 2006-07.

In addition, the Council previously instructed the Department to initiate the Garvanza HPOZ study and this Office to identify funding for this project if there was a shortfall in the Department's Contractual Services account. Due to the need to absorb cost of living adjustments, Planning has indicated that it does not have the necessary funds (in the amount of \$120,000) to front-fund the study. Additionally, as part of the Mid-Year actions, \$1,020,575 in budget reductions were approved for this Department. Therefore, since funds are not available within the Department's budget and since the Interim Control Ordinance is expected to expire in the next six months, a \$120,000 appropriation is recommended from the UB, Reserve for Economic Uncertainties to the Department's Contractual Services account to complete the historical survey related to the Garvanza HPOZ.

## **I. Police**

### **Attachment 4 – Transfers between Accounts within Departments and Funds**

### **Attachment 5 – Transfers between Departments and Funds**

### **Recommendation Nos. 8 – 9**

The following transfers are recommended for this Department:

- Construction of the Hollenbeck replacement station is ahead of schedule. As a result, the Department is re-prioritizing its available funds in order to purchase the necessary furniture and communications equipment for this station. Because the opening dates for the two new stations (Northwest and Mid-City) have been delayed some of the funding previously allocated to those facilities will not be needed until 2008-09 and is currently available for the Hollenbeck project. It is recommended that \$1.3 million be transferred from the Department's Contractual Services account to the Police Department's Office and Administrative account (\$1,100,000) and the Information Technology Agency's Communication Services account (\$200,000).
- The Police Department recently purchased two replacement helicopters. MICLA funding totaling \$5.2 million was included in the 2006-07 budget and \$2.75 million was included in the 2007-08 budget for this purpose. The Police Department requests that the Information Technology Agency (ITA) and General Services Department (GSD) install the required equipment, which includes a search light, a high resolution camera, communications radios, sirens, special controls, and instrumentation and that ITA and GSD receive reimbursement for work from MICLA funds. The sum of \$70,600 is recommended to be appropriated to ITA (\$40,600) and GSD (\$30,000) as reimbursement for this work.

(See Section 4.M for a related transfer to the Police Department.)

## **J. Public Works/Bureau of Contract Administration**

### **Attachment 4 – Transfers between Accounts within Departments and Funds**

A \$68,950 transfer is recommended from the Bureau of Contract Administration's Salaries General account to the Transportation account, to cover transportation costs for Construction Inspectors.

## **K. Public Works/Bureau of Engineering**

### **Recommendation No. 10**

The 2006-07 revised Reversion Worksheet submitted by the Bureau of Engineering to the Office of the Controller requires adjusting reported expenditures totaling approximately \$421,810 among several special funds and the General Fund. Mayoral and Council approval is required because the adjustments exceed the transfer limit. Approval of the adjustments is necessary to complete the closeout activities for 2006-07.



**L. Public Works/Bureau of Street Services**  
**Attachment 4 – Transfers between Accounts within Departments and Funds**  
**Recommendation Nos. 11 – 19**

A \$2 million transfer is recommended from the Salaries Overtime (\$1 million) and Contractual Services accounts (\$1 million) to offset a deficit in the Operating Supplies account.

The BSS is requesting the following transfers and appropriations for reimbursement of work performed on behalf of other City departments and outside entities:

- Transfer and appropriate \$221,061 from the Subventions and Grants Fund to the Bureau of Street Services Fund 100/86 for street improvement work associated with the 11<sup>th</sup> Street from Grande Vista Avenue to S. Soto Street project completed at the request of the Community Redevelopment Agency.
- Transfer and appropriate \$243,301 from the Subventions and Grants Fund to the Bureau of Street Services Fund 100/86 to deposit receipts related to the 50/50 Sidewalk Repair Program.
- Unencumber and reappropriate funds in the amount of \$130,677 from Local Transportation Fund to the Bureau of Street Services Fund 100/86 for landscape design work related to the Orange Line Bikeway Enhancements project (C.F. 05-1121).
- Transfer appropriations of \$20,000 from the Sewer Construction and Maintenance Fund to the Bureau of Street Services Fund 100/86 for reimbursement of street sweeping services requested by the Bureau of Sanitation.
- Transfer appropriations of \$54,392 from the Subventions and Grants Fund to the Bureau of Street Services Fund 100/86 for street resurfacing work on Cantara Street between Ventura Canyon Avenue and Woodman Avenue on behalf of Kaiser Permanente.
- Transfer appropriations of \$2,176,522 from the Harbor Maintenance Improvement Program Budget to the Bureau of Street Services Fund 100/86 to provide 3.2 miles of street repair and resurfacing work in the Wilmington Industrial Park as requested by the Harbor Department Board of Harbor Commissioners (Resolution Nos. 6509 and 6510).

The following actions are also recommended relative to the Bikeway Catch Basin Grating Replacement project and the Candler-Burbank Bikeway project:

- The amount of \$445,000 is required to front-fund the Bikeway Catch Basin Grating Replacement project. It is recommended that \$300,000 in unspent 2007-08 capital funds budgeted for the Lakme Avenue Storm Drain project be transferred to the Bikeway Catch Basin Grating Replacement project. A transfer of \$145,000 in unspent funds from the

Maintenance Hole Resetting project's 2007-08 budget is also recommended for total funding of \$445,000.

- The Bureau of Street Services receives revenue from various outside sources. It is recommended that \$337,245.82 in revenue for reimbursement of costs incurred in 2006-07 for work related to the Chandler-Burbank Bikeway be transferred to the Bureau of Street Services, as requested by the Community Redevelopment Agency.

#### **M. Transportation**

##### **Attachment 4 – Transfers between Accounts within Departments and Funds**

##### **Attachment 5 – Transfers between Departments and Funds**

The following transfers are recommended:

- Appropriate funds from the Transportation Regulation and Enforcement Trust Fund No. 596 to Los Angeles Police Department's Sworn Overtime account to pay for the Bandit Taxicab Enforcement Program up to a maximum of \$750,000 for the period covering October 2007 to September 2008. Transfers are done based on billing received from LAPD and availability of funds.
- Transfer funds in the amount of \$123,957 from the Transportation Regulation and Enforcement Trust Fund to the Department of Transportation to reimburse the Department for the Bandit Taxicab Enforcement Program for the periods covering: October 2006 to June 2007 (\$98,320) and July 2007 to January 2008 (\$25,637).

#### **N. Proposition O**

##### **Attachment 8 – Transfers for Proposition O**

##### **Recommendation No. 20**

The Proposition O Administrative Oversight Committee approved transfer and appropriations requests totaling \$2,494,573 on September 27, 2007 to reimburse the General Fund for direct salary costs related to Proposition O work in 2007-08. Increases to appropriations to various departments are recommended in connection to this work (Attachment 8 - Transfers for Proposition O Program).

#### **O. Other**

##### **Attachment 4 – Transfers between Accounts within Departments and Funds**

##### **Attachment 5 – Transfers between Departments and Funds**

Transfers totaling \$350,000 are necessary to meet current expenditures patterns within the Council's salary and expense accounts.

## 5. EMPLOYMENT LEVEL REPORT

Citywide employment authority from all funding sources totaled 39,906 at the end of January 2008. Filled positions increased by 354 from 35,807 at the end of July to 36,161 at the end of January. Departments reported a total of 3,763 vacant positions, 3,164 General Fund and 599 special funded (see Attachment 9).

  
\_\_\_\_\_  
Maria D. Gutierrez, Finance Specialist(s)

APPROVED:

Assistant City Administrative Officer

*KLS:RPC:DDL:MDG:01080044c*

Attachments

**ATTACHMENT 1  
STATUS OF RESERVE FUND AS OF 3/01/08**

Council File Item Description	Amount
<b>Emergency Reserve Account</b>	<u>\$ 122,039,000</u>
<b>Contingency Reserve Account 7/1/07</b>	\$ (8,340,629)
<b>2nd FSR Reduction of Reserve Fund Transfer</b>	22,243,250
<b>Loan Repayment and Other Receipts</b>	<u>64,708,220</u>
<b>Contingency Reserve Account</b>	<u>\$ 78,610,841</u>
 <b>Loans and Transfers Approved to Date</b>	
04-0881-S1 Multi-Family Residential Bulky Item Collection Program	\$ (1,320,000)
07-1233-S1 2007-09 Six Site Comprehensive Anti-Gang Initiative	(693,000)
CAO memo LACVB Third Quarter Payment	(596,698)
05-2476 2006 Americorps Grant Program	(423,226)
CAO memo Convention Visitors Bureau Trust Fund 429 LA Inc. quarterly payt.	(231,707)
07-1233 2007-08 Six Site Comprehensive Anti-Gang Initiative	(105,000)
05-1583 Spousal Abuse Prosecution Program - 14th Year	(59,395)
07-1995 Project Safe Neighborhoods - Anti-gang Initiative	(58,630)
07-2244 Sustainable Communities Grant/California Pollution Control Financing /	(25,000)
08-1100 Special Election Modern Communications Ballot Measure	(5,100,000)
07-1618 LINX Replacement	(3,112,000)
06-0600-S78 3-1-1 Citywide Service Request System	(1,467,000)
05-2365 Winter Shelter Program	(1,460,400)
07-0600-S43 Police reappropriation	(974,158)
07-0600-S43 Portable Officer Data Device System (PODDS)	(475,000)
05-0049-S1 Storm Damage Repair Program (prior yr reversion)	(463,434)
07-1206 Workers' Comp Alternative Dispute Resolution Service	(335,000)
07-0600-S43 Animal Shelter Facilities	(323,984)
07-0600-S58 Planning reappropriation (Fee Study & Downtown Urban Guidelines)	(300,000)
06-0600-S78 3-1-1 A.M. Shift	(274,000)
07-1618 LINX Replacement RFP	(250,000)
07-0600-S58 ITA reappropriation (Mt. Lee Generator & RAP CSR's)	(237,516)
07-0600-S43 ITA 2-Way Public Testimony reappropriation to UB	(198,000)
07-0600-S43 Audit Plan	(168,735)
07-0600-S43 Emergency Preparedness Americorps Grant Fund reappropriation	(134,744)
07-0600-S43 Animal Services reappropriation	(100,000)
07-2217 LADWP independent revenue requirements review	(91,500)
07-0600-S43 LATA System	(90,133)
07-0600-S43 City Clerk reappropriation	(50,000)
05-0010-S38 Special Reward Fund (S. Salas case)	(50,000)
07-0600-S58 Sister Cities (B&F report rec. no. 2)	(50,000)
06-1977-S1 Construction Projects Report rec. 7 technical correction memo	(30,450)
06-2070 Emergency Management Computers	(17,037)
07-00634 Official LAX Community Liaison / MOU	(13,852)
08-0457 UCLA Leads: Bruins in Local Government	(510)
 <b>Loans and Transfers Approved to Date</b>	 \$ (19,280,109)
 <b>Proposed Loans and Transfers</b>	 \$ -
<b>Contingency Reserve Available Balance as of 3/1/2008</b>	<u><u>\$ 59,330,732</u></u>
 <b>Total Reserve Fund</b>	 <u><u>\$ 181,369,732</u></u>

**ATTACHMENT 2**  
**STATUS OF UNAPPROPRIATED BALANCE**  
**GENERAL ACCOUNT as of 3/01/08**

C.F.	Appropriations	Date	Amount
	Beginning Balance		\$ 25,000
<b>Approved Transfer</b>			
07-1494	Foundation for African Children Today	7/3/2007	(366)
07-1383-S2	Taskforce May 1 Protests	7/13/2007	(241)
07-2284	LA Business Council Reception	7/24/2007	(326)
07-2339	Peruvian Consulate General	7/27/2007	(357)
07-2404	Campaign for College Opportunity Reception	8/3/2007	(438)
06-1657	Annual Watts Summer Festival "A Musical Journey"	7/20/2007	(600)
07-2272	National Brownfields Assoc. Reception	7/20/2007	(234)
07-2561	Rally for Health Care Special Event	8/15/2007	(1,263)
07-3170	American Institute of Architects Reception (next Council agenda)	10/2/2007	(250)
07-3305	Entrepreneur's Organization 2007 Disaster Preparedness Event	10/19/2007	(230)
07-3308	World Presidents' Organization	10/19/2007	(417)
07-3482	Aga Khan Foundation	11/2/2007	(179)
07-3675	UCLA African American Union Leadership School	11/20/2007	(432)
07-3479	Hollywood Christmas Parade	11/20/2007	(500)
07-3736	Winterwonderland Event	11/27/2007	(650)
07-3720	Asian Pacific Islander Leaders Group	11/27/2007	(387)
07-3737	Latino Celebration of Life	11/27/2007	(748)
07-3810	Criminal Bench and Bar Association	12/5/2007	(300)
07-3875	Los Angeles Association of Black Personnel	12/11/2007	(384)
07-4105	Los Angeles Filipino Association of City Employees	1/8/2008	(109)
08-0067	Latina Lawyers Bar Association	1/18/2008	(489)
08-0144	Little Tokoyo/Arts Districts Farmers' Market	1/25/2008	(1,300)
08-0285	MTA San Fernando Government Council	2/12/2008	(2,227)
08-0489	Federacion Mexico Unido Reception	3/4/2008	(431)
	<b>Balance Available</b>		<u>12,142</u>
<b>Anticipated Appropriations</b>			
06-1616	Contract Cities Association (referred to Committee)	8/7/2007	(5,750)
	<b>Projected Balance Available</b>		<u>\$ 6,392</u>

ATTACHMENT 3

STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 3/01/08

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Transfer from/to Reserve for Economic Uncert/Reserve Fund	Available Balance
	General Fund						
	General (see Attachment 2)		\$ 25,000		\$ (18,608)		\$ 6,392
	Reserve for Economic Uncertainties (See Attachment 3a)				\$ -	\$ -	
07-0600-S42	City Atty. Gang Prosecution Program	City Atty	557,156			(557,156)	0
07-2975	Census 2010 Project	Various	250,000		(247,000)		3,000
2nd FSR 07-0600-S58	EAA MOU Implementation Costs	Various	23,458,896			(23,458,896)	0
07-0600-S59	Earthquake/Emergency Preparedness Fair	EPD	75,000		(75,000)		0
2nd FSR 07-0600-S58 (to RF Contingency)	Expense Accounts Contingency	Various	15,000,000			(15,000,000)	0
Mid-Year	GSD- Petroleum Products	GSD	4,000,000		(4,000,000)		0
07-0600-S38	Griffith Park Fire Expenses	RAP	2,000,000		(2,000,000)		0
07-0600-S50	Homeless Shelter (LAHSA)	GCP	1,000,000		(1,000,000)		0
07-0600-S50 (RD)							
\$352,600 request referred to PS, Personnel & B&F);							
Mid-Year	LAPD Audit Division	Police	352,600			(352,600)	0
	LAPD Consent Decree Program (inc. reapprop)	CLA	1,500,000	120,018			1,620,018
Mid-Year	LAPD Leadership Teams	Police	500,000			(500,000)	0
Mid-Year	LAPD Reserve Officer Recruitment	Police	100,000			(100,000)	0
Mid-Year	Litigation Expense Account	City Atty	750,000		(750,000)		0
Mid-Year	Nate Holden Performing Arts Center	Cultural Affairs	14,263				14,263
07-0600-S37; Mid-Year	New Fire Stations	Fire	1,800,225			(1,800,225)	0
07-0600-S43 (1st FSR) ; 2nd FSR 07-0600-S58 \$1.7M; 07-4031 \$50K; 05-0878 (\$1.496M); Mid-Year (\$20K to C/A and	New Police Stations	Police	16,000,000		(8,600,000)		0
2nd FSR 07-0600-S58 to RF; 07-0600-S55 (Referred to PS & B&F \$1.28M HACLA)	Outside Counsel inc. Workers' Comp	City Atty	3,500,000		(3,469,902)		1,530,098
Mid-Year	Public Safety Contingencies	Police	6,243,250			(6,243,250)	0
Mid-Year	Recreation and Parks As-Needed Salaries	RAP	500,000			(500,000)	0
Mid-Year	San Fernando Valley Tourism	GCP	600,000			(600,000)	0

ATTACHMENT 3

STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 3/01/08

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Transfer from/to Reserve for Economic Uncert/Reserve Fund	Available Balance
07-3975 (RAP- \$2,031,500; \$975,500; \$1,000,000; \$193,000 Total \$4.2M- no approp fr UB; \$ went directly fr DWP to RAP); 07- 2313 Pending (\$664,956 to RAP Joint Use); 4th FSR (Reduce appr \$4.2M) 07-1618 (to ITA); Mid-Year	Youth Development Strategy	Various	7,565,856		(4,200,000)	(340,000)	3,025,856
Budget Reso to DOT 0600-S60: Mid-Year Budget Reso; 07- 2168 (\$75K); 07- 1657(\$350K);07- 1329 (\$100K rescinded); 07-1329- S1 (\$40K reimburse CLARTS); Mid-Year	LINX Replacement (7/1/07 reappropriation) Left-Turn Arrow Signal (reappropriation to DOT)  Fire Complaint Office (reappropriation)	Personnel Transportation  Fire		3,112,000 802,000  360,045	(890,008) (802,000)  (119,125)	(2,221,992)  (240,920)	0 0 0
Budget Reso 07-0600-S43 (1st FSR); 2nd FSR 07- 0600-S58	Gang Prevention/Intervention/Reduction Prog. (reap) In-Car Video (reappropriation) Nate Holden Theatre (reappropriation)  Two-Way Public Testimony	Various Police Cultural Affairs  ITA		1,726,720 2,500,000 18,861  198,000	(465,000)	(1,261,720)	0 2,500,000 18,861  0
	<b>Special Funds</b>						
	EAA MOU Implementation Costs In-Car Video (reappropriation)	Various	6,189,580				6,189,580 2,500,000
1st FSR (CLA amendment fr GF to SF) Mid Year (Rec. #48)	LAPD Taser Equipment (FAT) Gas Tax Projects NO CASH STATE DEFER	Police Fund 206	1,272,500	2,218,700			1,272,500 0 0
	<b>Grand Total</b>		\$ 7,462,080	\$ 4,718,700	\$ -	\$ -	\$ 9,962,080
			\$ 93,254,326	\$ 13,556,344	\$ (26,834,643)	\$ (59,076,759)	\$ 18,680,568

ATTACHMENT 3a  
SUMMARY OF UNAPPROPRIATED BALANCE, RESERVE FOR ECONOMIC  
UNCERTAINTIES

Transfers In	
2nd FSR	\$ 23,458,896
Mid-Year (Attachment 8)	<u>32,516,489</u>
Subtotal	<u>\$ 55,975,385</u>
Appropriations:	
Griffith Park Recovery (C.F.07-0600-S38)	(1,155,000)
Mid-Year:	
City Attorney	(2,500,000)
Fire	(5,000,000)
Finance	(780,000)
General Services	(6,800,000)
Personnel	(110,200)
Police	(5,800,000)
Library	(2,000,000)
UB - Outside Counsel	(1,500,000)
Council Actions on the Mid-Year:	
P/W Board	(662,000)
Library (no per MG)	
DOT Left Turn Arrow Signals	(600,000)
Street Furniture Revenue Fund	<u>600,000</u>
<b>Balance, Reserve for Economic Uncertainties</b>	<b><u>\$ 29,668,185</u></b>
Fourth FSR (Attachments 7-8)	
Transfer to:	
CCYF	70,000
P/W Street Services (Sidewalk Repair)	3,265,630
Treasurer	56,000
CIEP El Nino Storm Damage	700,000
Matching Campaign Fund Surplus	1,161,472
Tax Revenue Anticipation Notes	3,631,150
UB - Recreation and Parks Joint Use Funds	340,000
Transfer from:	
City Atty Prop Sal 1080	(700,000)
GSD 1090 and 3230 Petrol	(1,250,000)
Planning 3040	<u>(120,000)</u>
<b>Total Reserve for Economic Uncertainties</b>	<b><u><u>\$ 36,822,437</u></u></b>



**ATTACHMENT 4**  
**FY 2007-08 BUDGET ADJUSTMENTS**  
**TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Building and Safety	<u>Fund 48R/08 Building &amp; Safety Enterprise Fund</u>		<u>Fund 48R/08 Building &amp; Safety Enterprise Fund</u>	
	C200, Reserve for LADBS	\$ 236,215	C140, General Services	\$ 36,215
			C641, B&S Lease Costs	\$ 200,000
			Subtotal \$	\$ 236,215
Council	<u>Fund 100/28, Council</u>		<u>Fund 100/28, Council</u>	
	1010, Salaries General	\$ 100,000	6010, Office and Administrative Expense	\$ 100,000
Environmental Affairs	<u>Fund 100/37, Environmental Affairs</u>		<u>Fund 100/37, Environmental Affairs</u>	
	1010, Salaries General	\$ 14,500	1070, Salaries, As-Needed	\$ 34,500
	3040, Contractual Services	\$ 20,000		
	Subtotal \$	\$ 34,500		
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	1012, Salaries Sworn	\$ 2,031,497	1010, Salaries General	\$ 420,560
	1030, Sworn Bonuses	\$ 235,098	1093, Overtime Constant Staffing	\$ 4,498,912
	1050, Unused Sick Time	\$ 117,469	Subtotal \$	\$ 4,919,472
	1070, Salaries As Needed	\$ 76,494		
	1090, Overtime General	\$ 97,793		
	1092, Overtime Sworn	\$ 260,937		
	1098, Overtime Variable Staffing	\$ 2,100,184		
	Subtotal \$	\$ 4,919,472		
	Human Resources Benefits	<u>Fund 100/61, Human Resource Benefits</u>		<u>Fund 100/61, Human Resource Benefits</u>
9200, Civilian Flex Benefits		\$ 1,500,000	9910, Workers' Compensation	\$ 2,500,000
9220, Police Health & Welfare		\$ 1,000,000		
Subtotal \$	\$ 2,500,000			
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/32, Information Technology Agency</u>	
	9350, Communication Services	\$ 250,000	1090, Salaries - Overtime	\$ 250,000
Mayor	<u>Fund 100/46</u>		<u>Fund 100/46</u>	
	1010, Salaries General	\$ 700,000	1070, Salaries As Needed	\$ 700,000
Personnel	<u>Fund 100/66, Personnel</u>		<u>Fund 100/66, Personnel</u>	
	6010, Office and Administrative Expense	\$ 200,000	2120, Printing and Binding	\$ 200,000
	3040, Contractual Services	\$ 160,000	9600, Transit Subsidy	\$ 160,000
	Subtotal \$	\$ 360,000	Subtotal \$	\$ 360,000

**ATTACHMENT 4  
 FY 2007-08 BUDGET ADJUSTMENTS  
 TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police	Fund 100/70, Police		Fund 100/70, Police	
	3040, Contractual Services	\$ 1,100,000	6010, Office and Administrative	\$ 1,100,000
PW/Contract Administration	Fund 100/76, Contract Administration		Fund 100/76, Contract Administration	
	1010, Salaries General	\$ 68,950	3310, Transportation	\$ 68,950
PW/Street Services	Fund 100/86		Fund 100/86	
	1090, Salaries Overtime	\$ 1,000,000	6020, Operating Supplies	\$ 2,000,000
	3040, Contractual Services	\$ 1,000,000		
		\$ 2,000,000		
Transportation	Fund 596/94, Transportation Regulation and Enforcement Trust Fund		Fund 596/94, Transportation Regulation and Enforcement Trust Fund	
	3294, Taxicab Vehicle Bandit Fee	\$ 775,637	C170, Los Angeles Police Department	\$ 750,000
			C194, L.A. Department of Transportation	\$ 25,637
			Subtotal	\$ 775,637
		<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>	<b>\$ 13,044,774</b>	<b>\$ 13,044,774</b>

\* Source of Funds:

**ATTACHMENT 5  
FY 2007-08 BUDGET ADJUSTMENTS  
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Building and Safety	Fund 48R/08, Building & Safety Enterprise Fund C140, General Services	\$ 36,215	Fund 100/40, General Services 9130, Mailing Services	\$ 36,215
	Fund 47S/14, CLARTS	\$ 250,000	Fund 100/28, Council 1010, Salaries General	\$ 250,000
General City Purposes	Fund 100/56, General City Purposes 0838, Special Fund Fee Subsidy Reimbursement	\$ 650,000	Fund 100/94, Transportation 1090, Salaries, Overtime	\$ 650,000
General Services	Fund 100/40, General Services 3040, Contractual Services	\$ 1,250,000	Fund 100/60, Non-Dept. Water/Elec. 0021, General Services Water 0022, General Services Electricity	\$ 50,000 \$ 1,200,000 Subtotal \$ 1,250,000
General Services Trust Fund	Fund 843/40, General Services 2200, Miscellaneous Deposits 215A, PW Building Account (FY 2004-05)	\$ 1,000,000 \$ 500,000 Subtotal \$ 1,500,000	Fund 100/40, General Services 3230, Petroleum Products	\$ 1,500,000
Police	Fund 100/70, Police 3040, Contractual Services	\$ 200,000	Fund 100/32, Information Technology 9350, Communication Services	\$ 200,000
Transportation	Fund 596/94, Transportation Regulation and Enforcement Trust Fund C170, Los Angeles Police Department 3294, Taxicab Vehicle Bandit Fee C194, L.A. Department of Transportation	\$ 750,000 \$ 98,320 \$ 25,637 Subtotal \$ 873,957	Fund 100/70 Los Angeles Police Department 1092, LAPD Sworn Salaries, Overtime  Fund 100/94 Transportation 3996, L.A. Department of Transportation	\$ 750,000 \$ 750,000  \$ 98,320 Subtotal \$ 98,320
			Fund 100/94 Transportation 1090, Salaries, Overtime	\$ 25,637 Subtotal \$ 25,637
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>		<b>\$ 4,760,172</b>		<b>\$ 4,760,172</b>

**ATTACHMENT 6  
 FY 2007-08 BUDGET ADJUSTMENTS  
 TRANSFERS TO UNAPPROPRIATED BALANCE, RESERVE FOR ECONOMIC UNCERTAINTIES**

**BEGINNING BALANCE (from Mid-Year) \$ 29,668,185**

**TRANSFERS FROM DEPARTMENTS (4th FSR):**

DEPARTMENT	FUND/ACCOUNT	AMOUNT
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**TRANSFER FROM:**

Departments

Com. on Children Youth & Their Fam.	Fund 100/27 3040, Contractual Services	\$ 70,000
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Street Services (Sidewalk Repair)	Fund 100/96 See Recommendation No. 11	\$ 3,265,630
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Treasurer	Fund 100/96 3040, Contractual Services	\$ 56,000
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Other

Capital Improvement Expend. Program	Fund 100/54 P085, El Nino Storm Damage	\$ 700,000
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Non Dept-General (Matching Campaign Fund)	Fund 100/62 See Recommendation No. 6	\$ 1,161,472
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Non Dept-General (2007 Tax Rev. Anticipation Notes)	Fund 100/62 See Recommendation No. 22	\$ 3,631,150
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Unappropriated Balance	Fund 100/58 0232, Youth Development Strategy	\$ 340,000
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<b>Subtotal - Transfers from Departments/Funds</b>	<b>\$ 9,224,252</b>
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<b>TOTAL AVAILABLE, UB, RESERVE FOR ECONOMIC UNCERTAINTIES ACCOUNT:</b>	<b>\$ 38,892,437</b>
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ATTACHMENT 7  
 FY 2007-08 BUDGET ADJUSTMENTS  
 APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
Reserve for Economic Uncertainties Account (See Attachment 6) <b>Total Available:     <u>\$38,892,437</u></b>	100/12, City Attorney 1080, Salaries Proprietary  100/40, General Services 1090, Salaries Overtime 3230, Petroleum Products  <i>Subtotal</i>	\$ 700,000 \$ 700,000  \$ 750,000 \$ 500,000 \$ 1,250,000  \$ 120,000
<b>SUBTOTAL (Appropriations from the UB, Reserve for Economic Uncertainties Account):</b>		<b>\$ 2,070,000</b>
<b>TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE</b>		<b>\$ 2,070,000</b>

**PROPOSITION O: CLEAN WATER BOND PROGRAM**

**Attachment 8**

APPROPRIATION OF 2007-08 STAFF COSTS (JULY 1, 2007 THROUGH JUNE 30, 2008)

<u>FROM</u>			<u>TO</u>		
<u>FUND/DEPT/ACCOUNT</u>		<u>AMOUNT</u>	<u>FUND/DEPT/ACCOUNT</u>		<u>AMOUNT</u>
<b>SALARIES</b>			<b>GENERAL FUND</b>		
<b>FUND 16F</b>			100/78/1010	Salaries, General	754,319
16F/50/Y078	Bureau of Engineering	<u>754,319</u>			
<b>FUND 16M</b>			100/74/1010	Salaries, General	77,861
16M/50/A074	Office of Accounting	77,861	100/76/1010	Salaries, General	100,000
16M/50/A076	Bureau of Contract Ad	100,000		Subtotal	<u>100,000</u>
16M/50/A078	Bureau of Engineering	320,768	100/78/1010	Salaries, General	320,768
16M/50/A082	Bureau of Sanitation	1,241,625	100/82/1010	Salaries, General	1,241,625
	<b>Total - Fund 16M</b>	<u>1,740,254</u>		<b>Sub-Total</b>	<u>1,740,254</u>
	<b>TOTAL SALARIES</b>	<u>2,494,573</u>		<b>TOTAL SALARIES</b>	<u>2,494,573</u>
<b>RELATED COSTS</b>			16M/50/C299	Related Costs	1,081,628
16M/50/A074	Office of Accounting	32,341			
16M/50/A076	Bureau of Contract Ad	42,127			
16M/50/A078	Bureau of Engineering	423,447			
16M/50/A082	Bureau of Sanitation	583,712			
	<b>TOTAL RELATED COSTS</b>	<u>1,081,628</u>		<b>TOTAL RELATED COSTS</b>	<u>1,081,628</u>
	<b>GRAND TOTAL</b>	<u><u>3,576,201</u></u>		<b>GRAND TOTAL</b>	<u><u>3,576,201</u></u>

**ATTACHMENT 9  
EMPLOYMENT LEVEL REPORT  
FY 2007-08**

Department	Adopted Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of January	Changes	End of January	Start of January	Changes	End of January		
Aging	44	63	-	63	53	-	53	10	-
Animal Services	320	446	-	446	371	21	392	54	8
Building and Safety	839	1117	-	1117	989	3	992	125	23
City Administrative Officer	128	137	-	137	119	2	121	16	2
City Attorney	851	1069	8	1077	1003	12	1015	62	16
City Clerk	145	156	5	161	139	6	145	16	4
Commission on C, Y and their F	16	25	-	25	18	1	19	6	-
Commission on the Status of Women	5	13	-	13	10	(1)	9	4	5
Community Development	262	418	(1)	417	302	3	305	112	6
Controller	188	257	3	260	185	2	187	73	22
Cultural Affairs	81	85	-	85	71	(1)	70	15	3
Disability	14	21	-	21	19	-	19	2	-
El Pueblo	21	23	-	23	19	(1)	18	5	2
Emergency Preparedness	16	25	-	25	24	-	24	1	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Environmental Affairs	37	40	-	40	35	-	35	5	3
Ethics Commission	27	31	-	31	28	-	28	3	-
Finance	361	382	-	382	353	(7)	346	36	20
Fire - Civilian	346	445	1	446	400	(4)	396	50	50
Fire - Sworn	3,594	3650	-	3650	3679	(22)	3657	(7)	23
General Services	2,267	2348	-	2348	2140	(6)	2134	214	22
Housing	503	597	-	597	537	4	541	56	12
Human Relations Commission	10	16	-	16	16	-	16	-	-
Information Technology Agency	730	840	(1)	839	757	(1)	756	83	23
L.A. Convention Center	165	184	-	184	155	1	156	28	15
Neighborhood Empowerment	52	52	-	52	46	(1)	45	7	-
Personnel	436	553	-	553	515	(1)	514	39	21
Planning	271	378	-	378	301	2	303	75	-
Police - Civilian	3,778	3838	-	3838	3213	-	3213	625	-
Police - Sworn	10,466	10493	-	10493	9605	39	9644	849	-
PW/Board of Public Works	158	172	-	172	164	(1)	163	9	3
PW/Bureau of Contract Admin	309	480	-	480	383	-	383	97	-
PW/Bureau of Engineering	980	1200	4	1204	1028	(1)	1027	177	34
PW/Bureau of Sanitation	2,907	2990	-	2990	2702	(1)	2701	289	15
PW/Bureau of Street Lighting	246	258	-	258	229	1	230	28	1
PW/Bureau of Street Services	1,282	1583	6	1589	1496	(4)	1492	97	4
Transportation	1,581	1722	-	1722	1612	3	1615	107	12
Treasurer	38	44	-	44	33	3	36	8	4
Zoo	268	270	-	270	241	(2)	239	31	1
<b>Subtotal</b>	<b>33,745</b>	<b>36,424</b>	<b>25</b>	<b>36,449</b>	<b>32,993</b>	<b>49</b>	<b>33,042</b>	<b>3,407</b>	<b>354</b>
Library	1,133	1186	-	1186	1,125	12	1,137	49	-
Recreation and Parks	2,117	2289	-	2289	1,992	(10)	1,982	307	126
<b>Subtotal</b>	<b>3,250</b>	<b>3,475</b>	<b>-</b>	<b>3,475</b>	<b>3,117</b>	<b>2</b>	<b>3,119</b>	<b>356</b>	<b>126</b>
<b>Total</b>	<b>36,995</b>	<b>39,899</b>	<b>25</b>	<b>39,924</b>	<b>36,110</b>	<b>51</b>	<b>36,161</b>	<b>3,763</b>	<b>480</b>

"Position Authorities-Start of January" includes resolution authority and substitute positions.

Monthly Summary	Adopted Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	36,995	39,759	56	39,815	34,829	978	35,807	4,008	457
August	36,995	39,815	37	39,852	35,807	64	35,871	3,981	473
September	36,995	39,852	6	39,858	35,871	20	35,891	3,967	444
October	36,995	39,858	9	39,867	35,891	109	36,000	3,867	452
November	36,995	39,867	6	39,873	36,000	50	36,050	3,823	457
December	36,995	39,873	26	39,899	36,050	60	36,110	3,789	473
January	36,995	39,899	25	39,924	36,110	51	36,161	3,763	480
February									
March									
April									
May									
June									

General Fund Vacancies: 3,164  
Special Fund Vacancies: 599