

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: September 2, 2008

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Council District: All

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

From: Raymond P. Ciranna, Interim City Administrative Officer *RPC*

Reference: 2008-09 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

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### SUMMARY

The Office of the City Administrative Officer monitors the budget and transmits reports detailing the City's current financial condition to both the Mayor and Council. As instructed in the 2008-09 Budget, this Office is transmitting the First Financial Status Report (FSR) for this fiscal year. The First FSR provides an overview of 2007-08 actual receipts and the status of the Reserve Fund. In addition, the report highlights issues on the horizon that may affect the current year budget. Also included in this report is a section on the status of fee increases included in the 2008-09 Budget (see Section 3). We also make recommendations regarding transfers, reappropriations, and other budgetary adjustments.

As of this date, the Controller's 2007-08 Preliminary Year-End Closing Report is not yet available. However, based upon its August 4, 2008 verbal report to the Budget and Finance Committee, the available Reserve Fund balance is \$11.7 million less than budget after all adjustments are taken into account. In addition, similar to last fiscal year, we continue to experience a period when revenues are expected to be tight. With the uncertainties surrounding the State budget, there is also potential for further impacts to some of the City's key revenue sources. Consequently, it will be necessary to remain fiscally prudent and work aggressively to build the Reserve Fund throughout the year.

Given these economic constraints, departments should make every effort to mitigate any potential budgetary shortfalls in the current year. The Second FSR will include year-end expenditure projections based on expenditure information through the end of August. However, at this time we are currently assessing potential expenditure deficits in the Liability Claims account and the Petroleum account which we discuss in the Issues of Concern section of this report. Clearly, it will be necessary to take action early in the fiscal year to reduce costs and control spending and better position the City for the challenges ahead. We will report back regarding these options in subsequent financial status reports.

SEP 03 2008  
BUDGET & FINANCE

**Short-Term Layoffs**

The 2008-09 Budget includes the implementation of mandatory short-term layoffs equivalent to six work days for civilian employees for a total savings of approximately \$36 million, \$23 million from the General Fund and \$13 million from special funds. On August 7, 2008, the Joint Labor Management Committee (JLMC) approved an alternative plan negotiated with the Coalition of L.A. City Unions to generate savings equivalent to the General Fund portion. A portion of this plan will reduce current year expenditures from Human Resources Benefits (HRB) by \$19.87 million on a one-time basis. The remaining savings will be achieved through voluntary furloughs. We will report back on the progress of the voluntary furlough program throughout the year.

At this time, it is recommended that HRB be reduced by a total of \$19.87 million and that these funds be transferred to a new account in the Unappropriated Balance entitled "Short-Term Layoff Agreement". These funds will be used as necessary to supplement department salary accounts to cover costs related to the elimination of the mandatory short-term layoffs.

**Reserve Fund**

The Controller reports that the preliminary Reserve Fund cash balance as of July 1, 2008, is approximately \$191.6 million. The Available Balance is approximately \$181.0 million after adjusting for the following:

- A \$14.9 million transfer of current-year revenue from the General Fund to the Reserve Fund;
- Approved reappropriations of \$42.8 million to various departments, primarily for the Capital Improvement Expenditure Program, construction accounts and the FMS replacement project; and,
- The return of \$17.3 million in short-term loans made by the Controller at year-end.

The \$181.0 million Reserve Fund balance is approximately \$11.7 million less than the 2008-09 Budget amount and 3.97 percent of the 2008-09 General Fund. In comparison, the Available Reserve Fund balance on July 1, 2007, was \$128.3 million or 2.98 percent of the 2007-08 General Fund, adjusted for the reduced transfer to the budget from \$85.8 million to \$71.2 million.

<b>2008-09 Reserve Fund Available Balance (millions)</b>			
	Budget	Actual	Difference
Cash Balance, July 1	\$198.4	\$191.6	\$(6.8)
Transfer to the Reserve Fund	14.9	14.9	-
Charter 261i Loans	17.0	17.3	0.3
Reappropriation	(37.6)	(42.8)	(5.2)
Available Balance	\$192.7	\$181.0	\$(11.7)

<b>2008-09 Reserve Fund Emergency and Contingency Accounts</b>			
<b>(millions)</b>			
	Budget	Actual	Difference
Emergency Account	\$125.2	\$125.2	-
Contingency Account	67.5	55.8	\$(11.7)
<b>Total</b>	<b>\$192.7</b>	<b>\$181.0</b>	<b>\$(11.7)</b>
Percent of General Fund	4.23%	3.97%	(0.26)%

It is important to note that at the time of this report, the budgeted \$14.9 million General Fund transfer to the Reserve Fund has not yet occurred. When sufficient current-year budgeted revenue has been realized, the Controller will process the transfer. Therefore, the total Reserve Fund is currently at \$166.1 million or 3.65 percent of the General Fund budget, with the Contingency Reserve balance at \$40.9 million.

As previously stated, the Reserve Fund is approximately \$11.7 million below expectations. The table below illustrates the basis for this amount:

<b>Basis for Decrease in Reserve Fund</b>	
<b>(millions)</b>	
	Difference
2007-08 Revenue	\$(28.7)
Miscellaneous Revenue Adjustments	4.4
2007-08 Uncommitted Balance	<u>8.9</u>
Subtotal (Attachment 1)	\$(15.4)
July 1 <sup>st</sup> Reappropriations	(5.2)
Charter 261i Loans	(1.0)
Loans and Transfers to Contingencies	6.4
Others	3.5
<b>Total</b>	<b>\$(11.7)</b>

The Controller has initially reported \$100.3 million in uncommitted balances for the 2007-08 year-end. Uncommitted balances are the amounts remaining after appropriations are expended and/or encumbered. Uncommitted balances generally revert to the Reserve Fund when revenue equals or exceeds appropriations. However, in 2007-08, the difference between the budgeted receipts of \$4.43 billion and actual receipts of \$4.36 billion left a gap of approximately \$74.9 million between appropriations and revenue. Various budgetary and miscellaneous adjustments reduced this gap by \$4.4 million, from \$74.9 million to \$70.5 million. Therefore, only \$29.8 million reverted to the Reserve Fund (Attachment 1).

## Revenue

Fiscal Year 2007-08 revenue was \$28.7 million or 0.7 percent below the revised estimate. The shortfall is primarily related to the property revenue accounts and to reduced one-time receipts included in licenses, permits, fees and fines. Attachment 4 summarizes General Fund revenue accounts.

- **Property Tax** – Final property tax receipts were \$17.5 million and 1.2 percent below the 2007-08 revised estimate. Most components of the property tax were close to target, except for secured receipts which fell \$22 million below projection in May. For the month of July, the secured remittance from the County was \$11 million above plan. In the past, a low remittance in May followed by a high remittance in July indicated that receipts which belonged to one fiscal year were deferred until the next. We are reviewing this issue with the County, but based on past experience, it is very likely that the July 2008 remittance contained a carry-over. The balance of the shortfall is likely related to a declining collection rate reflecting the current real estate turmoil. The collection rate averaged 97.2 percent between Fiscal Years 2004-05 and 2006-07. The estimated collection rate was reduced to 96.4 percent in revised planning for 2007-08 and to 95.5 percent in budget planning for 2008-09. It is very likely the 2008-09 collection rate will be lower than budgeted. However, positively affecting 2008-09 receipts is the recent announcement by the County Assessor that growth in Citywide assessed valuations is nearly 2 percent more than budgeted. Each 1 percent change in either the collection rate, or valuations, changes City revenue by about \$9 million. Attachment 5a compares 2007-08 property tax receipts by category with planned receipts and displays the 2008-09 estimates to provide context. Attachments 5b, 5c and 5d provide monthly property tax data.
- **Documentary Transfer Tax** – This account finished \$8 million below the revised plan and nearly 30 percent below the prior fiscal year. The documentary tax is among the most volatile City revenues and is directly affected by the current real estate market. Attachments 5e, 5f and 5g provide recent context. Fiscal Year 2008-09 budget planning reduced the current year estimate by 10 percent to account for further declines in local real estate market. Receipts in July 2008 were actually slightly above target.
- **Licenses, Permits, Fees and Fines** – Fiscal Year 2007-08 receipts were \$17.5 million below the revised budget due to lower than expected revenue from the sale of the fiber optic network to the Department of Water and Power, reduced receipts for Airports-related services, and lower related cost reimbursement from special funds. Attachment 5h provides more detail.
- **Economy-Sensitive Revenues** – The sales, business, hotel and parking taxes, on a combined basis, finished 2007-08 \$2 million above the revised estimate. Attachment 5i provides detail on each account and also shows UCLA's estimate of Changes in California taxable sales. While there is much uncertainty in the economy, final 2007-08 results for the economy-sensitive revenues provide encouragement that the 2008-09 estimates are achievable.
- **Utility Users Tax** – This account finished 2007-08 almost exactly on target with a variance of less than 1/10<sup>th</sup> of a percent. Because of the volatility of energy prices, there is risk in 2008-09 to the electric and gas users' taxes. The telephone tax has uncertainty due to the tax rate cut approved by the electorate in the February 2008 election ballot. The 2008-09 estimate took into account that tax rate reduction and also the changes in the law that provide more equal treatment to users of similar services. Information on the utility users' taxes is detailed in attachments 5j through 5m.

A major risk to the City's 2008-09 revenue is possible changes to the City's revenue base from State budget balancing actions. We will report frequently throughout the year on State action and provide updates on all City revenues as information becomes available.

### Issues of Concern

The following are significant issues of potential impact to the 2008-09 City budget which this Office is closely tracking:

- **State Budget:** The State projects a \$15.2 billion budget shortfall for 2008-09. However, as of this writing, the 2008-09 State Budget has not been approved. The State Treasurer cautions that without a spending plan in place, the State will run out of cash by the end of September and be forced to engage in costly borrowing to cover its bills. Until the State budget is finalized, we cannot determine the actual impact on the City's current year budget. However, if past history holds true, there is a possibility that the State may rely on local government revenues to help offset the State budget shortfall. There is still concern over the potential borrowing of local property taxes and transportation funds. This Office will continue monitoring the State budget and report back to the Mayor and Council with further updates and recommendations for adjustment to the 2008-09 City budget as this issue evolves. In particular, the City is closely monitoring the following: the potential suspension of Proposition 42 funds (transportation) and Proposition 1A funds (local property tax); and a potential raid on local redevelopment taxes and Vehicle License Fee revenues.
- **Fire-related litigation:** The Fire Department has expressed concern regarding the impact of pending and recently settled litigation on the department's budget (See Section 1E for related discussion).
- **Liability Claims:** Due to potential settlements in the current year, a shortfall in the range of \$5 million to \$20 million is projected within the Liability Claims account for settlements over \$100,000 (i.e., Account 9770). The deficit is mainly attributed to unanticipated settlements and recent appellate activity from Attorney Conflicts Panel-related cases. It is also important to note that this projection does not include possible May Day settlements. We are in the process of reviewing these estimates as well as the likelihood that such settlements may occur in the current year. This issue is discussed in further detail in Section 1B.
- **Petroleum:** A total of \$42.3 million has been budgeted in the General Services Petroleum Products account. An additional \$4 million is included in the Unappropriated Balance for petroleum contingencies. Including the contingency account, it is highly likely that a shortfall will occur if fuel prices remain higher than budgeted. Based on the City's annual fuel consumption of 16 million gallons, the budget provides for an average price of \$2.89 per gallon. During the week of August 18<sup>th</sup>, average prices were Diesel at \$3.67 per gallon and Unleaded at \$3.73 per gallon. Prices are generally higher in the summer months and trend downward in the fall and winter. This Office will continue to monitor this account and recommend adjustments at a later time.

## **Five Year Forecast**

### **Attachments 9a and 9b – Five-Year General Fund Revenue and Expenditure Forecast**

Attachment 9a provides an updated five-year General Fund budget forecast with a projected deficit of \$281.7 million in 2009-10. This amount is slightly less than the 2008-09 Proposed Budget estimate of \$293.1 million. The current estimate reflects changes from the 2008-09 Budget. This Office will continue to make adjustments to the forecast in the ensuing months as more information becomes available.

## **Budgetary Adjustments**

Budgetary adjustments totaling approximately \$31 million are recommended in this report as follows:

- A Reserve Fund reappropriation in the amount of \$99,999;
- A Reserve Fund transfer of \$9.1 million;
- \$359,681 for reappropriations from special funds;
- Approximately \$1.8 million for transfers between accounts within various departments and funds (General Services and Street Services); and,
- Approximately \$19.9 million for transfers between various departments and funds, specifically, from Human Resources Benefits to the Unappropriated Balance.

## **Additional Details**

1. 2007-08 Schedule of Reversion and Uncommitted Balances
2. Current Status of the Reserve Fund
- 3a Status of the Unappropriated Balance-General Account
- 3b Status of the Unappropriated Balance-non General Accounts
- 4 Summary of Receipts for 2007-08
- 5a-m. Detailed Revenue Information
6. Transfers between Departments and Funds
7. Special Fund Reappropriations
8. Status of Fee Increases in the 2008-09 Budget
- 9a. Five-Year General Fund Revenue and Expenditure Forecast
- 9b. Five-Year Forecast-Assumptions

## RECOMMENDATIONS

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

1. Transfer \$5,000 between various departments and funds as specified in Attachment 6;

### City Attorney

2. Authorize the Controller to transfer \$1,070,000 from Fund No. 368/12, Account 000A, Prior Year Grant Programs, to Fund 100/12, City Attorney, Revenue Source Code 4610, Reimbursement from Other Funds, for prior-year costs;
3. In accordance with Recommendation No. 2, appropriate \$1,070,000 to Fund No. 100/12, City Attorney, Account 1010, Salaries General, to provide funding for resolution authorities previously approved by the Council for the May Day litigation;

### Community Development Department

4. Authorize the Controller to:
  - a) Transfer \$1,265,889 from Fund No. 424, Community Development Trust, Account E550, Rent and Parking, to Account E122, Community Development Department; and,
  - b) Appropriate therefrom to Fund No. 100/22, Community Development Department, Account 6030, Leasing;

### General Services

5. Authorize the Controller to transfer \$1,289,250 within Fund No. 100/40, from General Services, Account 1010, Salaries General, to Account 1070, Salaries As-Needed;

### Information Technology Agency

6. Authorize the Controller to transfer \$239,550 within Fund No. 298/38, MICLA, from Account C206, Communication Equipment, to Account E132, Information Technology Agency, and appropriate a like amount to Fund No. 100/32, Information Technology Agency, Account 1100, Hiring Hall Salaries, for installation of communications equipment in Fire Department vehicles;
7. In accordance with Recommendation No. 7, instruct the Bond Fund Administrator to transfer cash from Fund No. 298/38, MICLA, Account E132, Information Technology Agency, to reimburse the General Fund on an as-needed basis upon proper documentation from the Information Technology Agency and approval of the City Administrative Officer;

### Neighborhood Empowerment

8. Transfer \$46,011 from Fund No. 100/58, Unappropriated Balance, Account 0075, Neighborhood Council Elections, to Fund No. 100/47, Neighborhood Empowerment, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
2120	Printing and Binding	\$16,356
3040	Contractual Services	28,941
6010	Office and Administrative	714
Total		<u>\$46,011</u>

PW/Street Services

9. Authorize the Controller to transfer \$538,495 within Fund No. 100/86, Bureau of Street Services, from Account 1010, Salaries General, to the following accounts:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1100	Hiring Hall Salaries	\$401,130
1120	Hiring Hall Benefits	115,765
1190	Hiring Hall Overtime	21,600
Total		<u>\$538,495</u>

10. Reappropriate \$359,681 from various special funds to the Bureau of Street Services as specified in Attachment 7;

Transportation

11. Transfer \$9.1 million from the Reserve Fund to the Unappropriated Balance, and appropriate therefrom to Fund No. 840/94, Department of Transportation, to a new account entitled, Light Emitting Diodes (LED) Conversion Program, for installation of LED traffic signals;

General City Purposes

12. Authorize the Controller to transfer \$99,999 from the Reserve Fund to the Unappropriated Balance, and appropriate therefrom to Fund No. 100/56, General City Purposes, Account 0847, Youth Development Strategy Assessments, and authorize the Office of the Mayor to expend these funds for the Youth Development Strategy Assessment contract with Harder & Company. These funds are from a 2007-08 year-end reversion from the Youth Development Strategy Assessments account in the General City Purposes Fund;

Human Resources Benefits

13. Transfer \$19,870,000 from Fund No. 100/61, Human Resources Benefits, Account 9200, Civilian Flex Program, to Fund No. 100/58, Unappropriated Balance, new account entitled, Short-term Layoff Agreement;

Technical

14. 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**

Fiscal Year 2007-08 revenue was \$28.7 million or 0.7 percent below the revised estimate. The shortfall is primarily related to property tax revenue and one-time receipts included in licenses,



permits, fees and fines which were less than anticipated. Current year revenue and expenditure issues of concern, including the State Budget, pending lawsuits and other departmental shortfalls cannot be quantified at this time and will be addressed in future reports. Transfers, appropriations and other adjustments totaling approximately \$31 million are recommended in this report to meet current obligations.

## **DISCUSSION**

### **1. REAPPROPRIATIONS, BUDGETARY ADJUSTMENTS AND DEPARTMENTAL ISSUES**

The following are brief descriptions by department of reappropriations and budgetary adjustments recommended in this report, as well as potential shortfalls:

#### **A. Animal Services**

The 2008-09 Budget provides three months funding for 31 Animal Care Technicians in the Department to operate an evidentiary shelter facility. If additional funds are not provided at the end of the three month period, layoffs will have to be implemented. Currently, 28 of the 31 positions are filled. An alternative plan that would avoid layoffs is being formulated and should be completed shortly. Issuance of layoff notices and placement activities will be deferred until this alternative plan is completed and submitted for consideration.

#### **B. City Attorney Recommendations Nos. 2 and 3**

The 2008-09 Budget provides \$32 million for potential liability claims settlements for this fiscal year. Approximately \$22 million and \$10 million were allocated for Account 9770 (claims over \$100,000) and Account 9760 (claims under \$100,000), respectively. However, a possible deficit in the range of \$5 million to \$20 million is projected in Account 9770 which is mainly attributed to unanticipated settlements and recent appellate activity from Attorney Conflicts Panel (ACP) related cases. It is important to note that this projection does not include potential May Day settlements. The following pending litigation issues may impact the projected shortfall:

- **Attorney Conflicts Panel-Related Cases:** The ACP shortfall of approximately \$20 million is attributed to the following: 1) unanticipated case settlements already paid this fiscal year; and, 2) the result of two recent appellate cases: the Harper, Liddy, Ortiz (Harper) Case and Tohill-Burton Case, for which decisions are pending. The City lost an appeal regarding the Rampart related Harper Case that upheld the initial judgment against the City. On July 2008, the appellate attorney filed a petition for a rehearing. It is likely that a decision on this petition will be made in the current year. The Tohill-Burton Case is currently under appeal to reduce the current verdict amount against the City.
- **May Day:** The City Attorney is still reviewing and investigating various claims and lawsuits associated with the May Day incident. As reported by the City Attorney, all federal cases have been consolidated and are in mediation. Any potential settlements related to May Day

litigation will be funded from the liability claims account and are not included in the projected shortfall amount.

As in years past, this Office will continue to work with the City Attorney to monitor the status of the Liability Claims account and will continue to apprise Council of the most current status.

Lastly, as part of the 2008-09 Budget, the City Council authorized the City Attorney's Office to assume responsibility for hourly outside counsel workers compensation cases managed by a Third Party Administrator/and the Personnel Department. The City Attorney reports that of the 2,422 claims identified, 50 percent have been closed and archived, while the other 50 percent remain active and will be handled in-house by the City Attorney's Office. Of the active cases, two percent have been returned to outside counsel for continued handling due to a conflict of interest or the complexity of the case. Bringing these cases in-house will yield future outside counsel cost savings and efficiencies associated with administration and related litigation matters. A Memorandum of Agreement (MOA) was initiated to support the workload associated with these hourly cases. The MOA is still being finalized between departments.

The Department has conducted a thorough analysis of Fund No. 368, City Attorney Grant Fund, and has determined that surplus funds are now available from prior year grant reimbursement. The City Attorney is requesting that the reimbursement from Fund 368 be used to fund its salary account for minimal May Day staffing needs as approved by the Mayor and Council (C.F. 08-0854). Approval of this transfer is recommended because no funding was provided in the 2008-09 Budget, but staffing resolution authority was approved in anticipation of funds being identified for this purpose.

### **C. Community Development Department Recommendation No. 4**

Approval is requested to transfer and appropriate \$1,265,889 in Community Development Block Grant (CDBG) funding approved in the 2008-09 Budget for rent and parking expenses incurred by the Community Development Department (CDD). The funds must be transferred to the proper account to enable CDD to pay ongoing lease costs.

We anticipate that the Department will meet its 2008-09 revenue budget based on anticipated grant receipts. However, due to ongoing reductions in grant receipts over recent years, the 2008-09 Budget does not fully pay the Department's related costs by approximately \$4 million to \$6 million. The Budget and Finance Committee instructed this Office to monitor the Department's efforts at recovering all direct and indirect costs within grant receipts and reduce reliance on the General Fund to partially cover related costs. CDD continues its efforts to bring its costs in line with available resources, such as holding a number of vacancies and other costs cutting measures. Additional analysis will be provided in subsequent financial status reports upon completion of the City's Cost Allocation Plan (CAP) rate study. Any budget surpluses remaining at year-end should be used to cover related cost obligations.

#### **D. El Pueblo**

As part of the 2007-08 Year-End FSR, the Mayor and Council approved an appropriation of \$604,868 from the Unappropriated Balance, Reserve for Economic Uncertainties, to offset the Department's year-end shortfall. Council further instructed El Pueblo to report back regarding its 2007-08 year-end status and to review prior-year encumbrances with special emphasis on those from 2006-07. The Department reports that it is undergoing a review of account balances to identify prior-year obligations and will report back in its August FSR regarding this issue. Any prior-year funds that may be unencumbered can be used to offset an outstanding Reserve Fund loan or be programmed for use in the next budget cycle.

#### **E. Fire**

The Department is not requesting transfers or appropriations at this time. However, there is concern regarding the impact of pending Fair Labor Standards Act (FLSA) litigation on the Department's budget. Specifically, it is anticipating a deficit of \$3.875 million in sworn salary accounts due to a Council approved settlement that required a portion to be paid from the Department's salary accounts. Resolution of pending litigation in the current year may additionally impact the Department's budget. Fire has expressed concern over the impact this could have on field operations.

#### **F. General Services Recommendation No. 5**

The amount of \$2,548,000 has been appropriated to the Department of General Services' (GSD) operating budget along with fourteen regular positions to perform work on over thirty City facilities in 2008-09. A transfer of \$1,289,250 is recommended from the Salaries General account to the Salaries As-Needed account to correspond with the work that will be performed by as-needed employees.

See Issues of Concern Section for a discussion on estimated petroleum expenditures.

#### **G. Information Technology Agency Recommendation Nos. 6 and 7**

The Information Technology Agency (ITA) employs hiring hall staff to perform installations of communications equipment in Fire Department vehicles, including rescue ambulances, Suburbans, and Crown Victorias. The equipment installed includes radios, laptops, intercoms, light bars, and emergency strobe lights. ITA is reimbursed for the work using MICLA funds upon review and approval of the invoices by the Fire Department. ITA is now requesting reimbursement for work performed over the past several months at a total cost of \$239,550. The Fire Department has reviewed the invoices and confirmed that the charges are accurate. It is recommended that funds be transferred at this time to ensure that ITA will have adequate cash to continue to fund its hiring hall operations.

## **H. Neighborhood Empowerment Recommendation No. 8**

A total of \$100,000 has been budgeted in the Unappropriated Balance, Neighborhood Council Elections account. A \$46,011 transfer is recommended to the Department of Neighborhood Empowerment from this account. The \$46,011 will be used to pay for expenses related to the neighborhood council elections to be administered by the Department of Neighborhood Empowerment in September and October 2008. It is anticipated that the department will request the remaining funds in the amount of \$53,989 in future financial status reports.

## **I. Personnel**

In 2007-08, the Personnel Department encumbered funds in the amount of \$191,000 for retroactive payments for cost of living adjustments for its non-represented employees (MOU 00) in 2007-08. However, since the cost of living adjustments were officially adopted in early Fiscal Year 2008-09, the Controller instructed the Department to disencumber the funds as payments are to be made in the current fiscal year. As a result, the funds reverted to the Reserve Fund and the Department now requests that these funds be reappropriated in 2008-09 for the same purpose. At this time, sufficient salary funds are available to meet payroll to date. We will evaluate this request, along with other potential reappropriations for other City departments and in the context of the overall impact to the Reserve Fund in subsequent financial status reports. We will also continue to monitor the Department's salary account throughout the year and report on any significant issues.

## **J. Public Works/Bureau of Street Services Attachment 6 – Transfers between Departments and Funds Attachment 7 – Special Fund Reappropriations Recommendation Nos. 9 and 10**

The Bureau of Street Services is currently projecting a \$538,495 cash flow problem within its Hiring Hall Salaries accounts due to storm damage repair work to be undertaken during the months of July, August and September 2008. A \$538,495 transfer is recommended from the Bureau's Salaries General Account to address the Bureau's immediate cash flow needs pending the release of a CAO report recommending appropriations for the City's Storm Damage Repair Program (SDRP). The SDRP was previously authorized by the Council pursuant to C.F. 05-0049-S1. The appropriation from the Salaries General account will be replaced by the program funds upon approval of the SDRP Report.

Reappropriations from various special funds totaling \$359,681 are also recommended. The reappropriations are required at this time as the various projects are currently in progress. This will allow the Bureau of Street Services to complete work previously authorized in Fiscal Year 2007-08 from various funding sources as follows: tree trimming in Boyle Heights funded by the Street Furniture Revenue Fund; the Tujunga Widening Project funded by the Prop C Anti-Gridlock Transit Improvement Fund; sidewalk repairs along E. Cruces Street in Council District 15 funded by the Real Property Trust Fund; and the removal of 200 tree stumps in Granada Hills funded by the Sunshine Canyon Amenities Trust Fund.

Additionally, as part of the actions taken in the 2007-08 Fourth FSR, the Mayor and Council approved the transfer of approximately \$2.2 million from the Harbor Maintenance Improvement Program Budget to the Bureau for work on the Wilmington Industrial Park project. The Bureau reports that while the work is currently in progress, all of the \$2.2 million has not been spent. However, since the Harbor funds were inadvertently placed in an incorrect account in the prior year, the remaining funds in the amount of \$1.35 million reverted to the Reserve Fund. Consequently, the Bureau requests that funding in the amount of \$1.35 million be reappropriated from the Reserve Fund for this work. We do not recommend a reappropriation at this time as we are currently reviewing this matter and will report back in the next financial status report.

Lastly, a \$5,000 transfer is also recommended from the Bureau of Sanitation (BOS) to the Bureau of Street Services to provide street print repairs at Temple Street and Glendale Boulevard resulting from damage caused by BOS work.

#### **K. Transportation Recommendation No. 11**

The 2008-09 Budget assumed an increase of approximately \$22 million in parking meter revenue due to an adjustment of parking meter hours and rates. At this time, the Department of Transportation (DOT) is projecting an increase of only \$18 million in additional parking meter revenue for 2008-09, or \$4 million less than what was budgeted, due to a delayed effective date of the ordinance. The 2008-09 Budget assumed that parking meter rates and hours would be adjusted beginning July 2008, and that the rates and hours adjustments would be completed in approximately 60 percent of parking meter zones by September 2008. However, the ordinance will become effective August 31, 2008 (C.F. 08-0600-S6), which is two months later than originally anticipated. This Office is reviewing the Department's projections and additional information will be provided in the Second FSR.

In addition, in accordance with the 2007-08 Budget, DOT entered into an energy efficiency loan agreement with the Department of Water and Power (DWP) in June 2008. As a result of this agreement, DWP provided the City \$9.1 million in front funding for the conversion of incandescent traffic signal bulbs to light emitting diodes (LEDs). DOT will utilize the \$9.1 million for LED Conversion Program costs from 2007-08 through the next four years to purchase and install the new LED traffic signals. Also as a result of this agreement, the City will receive energy efficiency rebates. These rebates will be calculated based on measured energy savings due to the conversion of incandescent traffic signals to LED traffic signals. Rebates provided to the City will be used for the repayment of the front funding to DWP. Therefore, there is no anticipated impact to the General Fund.

An informational report regarding the specifics of this agreement is forthcoming to the Mayor and Council.

At this time, the \$9.1 million is required, by the terms of the agreement, to be transferred to an account where funds may be audited separately from other DOT General Fund expenditures and for eventual reimbursement of expenditures. Therefore, it is recommended that funds be transferred to the Department of Transportation Trust Fund, LED Conversion Program Account, in order to track, provide reimbursement, and report LED Conversion Program costs.

## **L. General City Purposes Recommendation No. 12**

In 2007-08, the Office of the Mayor executed a \$99,999 contract with Harder & Company Community Research (C-113448) to provide needs assessments of the Pacoima/Foothill, Northeast/Cypress Park, and the 77<sup>th</sup>/Florence-Graham Gang Reduction and Youth Development Zones for the period December 1, 2007 through March 31, 2008. The amount of \$100,000 was provided in the 2007-08 General City Purposes Fund, Youth Development Strategy Assessments line item. The Mayor's Office reports that the required work product has been completed. However, the funds reverted to the Reserve Fund because the contract was not encumbered at year-end. It is recommended that these funds be reappropriated to the General City Purposes Fund for the same purpose. It is further recommended that the Mayor's Office be authorized to expend the funds to pay for this contract.

## **2. OTHER BUDGETARY ISSUES**

### **A. Special Event Fee Waivers**

This Office is required to periodically report on the number and amount of Council-approved fee waivers (subsidies) associated with special events and with convention center meetings and events. For 2007-08, 1,286 fee waivers were approved at an estimated amount of \$6.03 million. This estimate includes Council-approved room rental charge waivers for 36 events held at the Convention Center, in the total amount of \$562,528.

### **B. Development Fee and Permit Subsidies**

Pursuant to the City's Development Fee Subsidy Policy, this Office is also required to report on the number and amount of Council-approved development fee subsidies. For 2007-08, two development fee subsidies were approved for a total of \$42,451.

## **3. STATUS OF FEE INCREASES**

### **Attachment 8 – Status of Fee Increases Included in 2008-09 Budget**

As part of the 2008-09 Budget, the Council instructed departments with pending fee increases to report back by June 1, 2008 with required ordinances. Timely action is necessary to ensure that estimated revenue included in the 2008-09 Budget is realized.

Attachment 8 provides a status of both General Fund and Special Fund-related fee increases assumed in the 2008-09 Budget. The effective dates for most of the anticipated fee increases appear to be on schedule with some exceptions. Delayed implementation dates are reported for the following departments: Animal Services (various fees), Police (vehicle release fee and alarm permit), Public Works-Bureau of Contract Administration (A permit fee), Public Works-Bureau of Engineering (various new fees), and Transportation (meter rates).

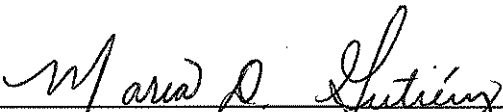
While the delayed implementation of fee increases will likely decrease the expected revenue, it is too

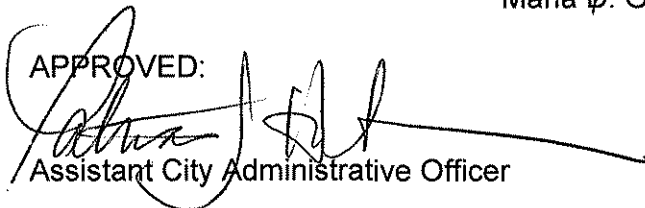
early in the fiscal year to effectively determine the amount. We will monitor the revenues closely and report back in subsequent financial status reports.

#### 4. STATUS OF THE CITY'S MICLA COMMERCIAL PAPER PROGRAM

The City's Financial Policies instruct the City Administrative Officer to periodically report on the status of the MICLA Commercial Paper (CP) Program. In June 2004, the Mayor and Council approved a \$200 million CP program to be used as temporary financing for previously MICLA approved capital construction projects and the purchase of capital equipment. During the quarter ending June 30, 2008, CP was used towards the construction of the Southwest Alternative Fuel Infrastructure Facility and Proposition K related projects and also for the purchase of fire, police, and general fleet vehicles. CP also reimbursed the General Fund for staff costs associated with the El Pueblo renovation, 311/CHE Call Center project, Zoo's Pachyderm and Monkey exhibits, upgrades to West Valley and Topanga yards, and 2005 Storm Damage Repair projects. The amount of outstanding CP on June 30, 2008 was \$200,000,000. On August 28, 2008, \$122,700,000 of CP was refinanced into long term bonds resulting in a CP balance of \$77,300,000. The City does not have any taxable notes outstanding at this time. Below is the status of the MICLA CP Program during the last quarter:

<i>Quarter Ending</i>	<i>Amount Outstanding</i>	<i>Range of Interest Rates</i>
June 30, 2008	\$200,000,000	1.25% to 2.25% (tax-exempt)

  
\_\_\_\_\_  
Maria D. Gutierrez, Finance Specialist

APPROVED:  
  
Assistant City Administrative Officer

RPC:MF:MDG:01090012c

Attachments

**CITY OF LOS ANGELES  
SCHEDULE OF REVERSIONS  
FYE June 30, 2008**

Dept No.	Department Name	Adjusted Uncommitted Balance	Reversion to Other Funds	Net Uncommitted Balance
02	Aging	37,849.50	37,849.50	0.00
06	Animal Services	669,719.88	69,827.04	599,892.84
08	Building and Safety	3,150,438.94	2,962,427.97	188,010.97
10	CAO	866,097.84	0.00	866,097.84
12	City Attorney	437,473.74	37,899.58	399,574.16
14	City Clerk	1,129,126.40	0.00	1,129,126.40
17	City Ethics	331,438.10	331,438.10	0.00
20	Status of Women	5,291.34	0.00	5,291.34
22	CDD	44,931.88	44,931.88	0.00
26	Controller	1,921,809.25	0.00	1,921,809.25
27	Children, Youth & Family	223,149.25	109,191.76	113,957.49
28	Council	6,600,347.02	0.00	6,600,347.02
30	Cultural Affairs	400,325.53	387,254.53	13,071.00
32	ITA	2,432,188.91	209,009.94	2,223,178.97
33	El Pueblo	129,377.23	129,377.23	0.00
35	Emergency Preparedness	29,125.66	0.00	29,125.66
36	Employee Relations	39,140.15	0.00	39,140.15
37	Environmental Affairs	141,180.83	76,844.66	64,336.17
38	Fire	3,880,192.33	0.00	3,880,192.33
39	Finance	239,015.18	0.00	239,015.18
40	GSD	11,129,174.63	2,713,840.41	8,415,334.22
43	Housing	0.00	0.00	0.00
46	Mayor	3,069,991.38	0.00	3,069,991.38
47	Neighborhood Empowerment	139,385.40	139,385.40	0.00
48	Convention Center	241,414.75	241,414.75	0.00
49	Human Relations	48,080.52	0.00	48,080.52
53	Capital Finance	12,158.73	0.00	12,158.73
54	CIP	21,373,497.68	3,636,168.88	17,737,328.80
56	General City Purposes	8,049,836.56	26.64	8,049,809.92
58	Unappropriated Balance	20,761,242.77	2,218,700.00	18,542,542.77
59	Liability Claims	205,549.44	76,960.48	128,588.96
60	Water and Electricity	706.96	0.00	706.96
61	Human Resources	424,720.46	0.00	424,720.46
62	General	2,363.90	0.00	2,363.90
65	Disability	9,490.28	0.00	9,490.28
66	Personnel	1,314,322.07	0.00	1,314,322.07
68	Planning	1,281,851.29	417,909.85	863,941.44
70	Police	11,285,626.55	117,513.29	11,168,113.26
74	PW Board Office	424,526.77	31,167.21	393,359.56
76	PW Bu of Contract Adm	4,245,632.46	2,563,884.80	1,681,747.66
78	PW Bu of Engineering	7,076,930.70	6,853,450.72	223,479.98
82	PW Bu of Sanitation	6,926,244.10	6,226,545.82	699,698.28
84	PW Bu of St Lighting	2,156,357.84	2,112,985.09	43,372.75
86	PW Bu of St Services	3,409,130.34	1,753,309.30	1,655,821.04
87	Zoo	835,922.50	835,922.50	0.00
94	Transportation	8,271,969.19	962,323.36	7,309,645.83
96	Treasurer	151,291.18	0.00	151,291.18
<b>Year-end Uncommitted Balance/Reversion</b>		<b>135,555,637.41</b>	<b>35,297,560.69</b>	<b>100,258,076.72</b>

Uncommitted Balance at June 30, 2008	\$	100,258,077
Revenue Deficit including Miscellaneous Adjustments		(70,478,867)
Total Reversion	\$	29,779,210
Estimated YE Reversion 2008-09 Budget		45,171,911
Difference	\$	(15,392,701)



**ATTACHMENT 2  
STATUS OF RESERVE FUND AS OF 7/31/08**

Council Fil Item Description	Amount
<b>Balance Available, 7/1/08</b>	\$ 166,068,118
<b>Less: Emergency Reserve Account</b>	125,226,000
<b>Contingency Reserve Account 7/1/08</b>	\$ 40,842,118
<b>Add: General Fund Appropriation to the Reserve Fund (Pending)</b>	14,858,525
<b>Loan Repayment and Other Receipts</b>	64,284
<b>Contingency Reserve Account</b>	\$ 55,764,927
<b>Loans and Transfers Approved to Date</b>	
07-2878 Forensic DNA Backlog Reduction Program	\$ (870,921)
08-1800-S3 November 2008 Special Election Gang Prevention Tax	(3,600,000)
07-0121 Supply Management System	(2,500,000)
07-1959 Youth Development Strategy	(600,000)
08-1800-S2 November 2008 Special Election Update of Low Rent Housing	(200,000)
07-0591 Annual Audit Contract for Fiscal Years (FY) 2007-08 through 2009-10	(109,950)
08-1733 Unclaimed Monies Seized Incidental to Arrest replacement system	(75,000)
<b>Loans and Transfers Approved to Date</b>	\$ (7,955,871)
<b>Proposed Loans and Transfers</b>	
1st FSR Youth Development Strategy Assessment prior-year reversion	(99,999)
1st FSR LED Conversion Program	(9,100,000)
<b>Proposed Loans and Transfers</b>	\$ (9,199,999)
<b>Contingency Reserve Available Balance as of 7/31/2008</b>	<b>\$ 38,609,057</b>
<b>Total Reserve Fund</b>	<b>\$ 163,835,057</b>

**ATTACHMENT 3a  
STATUS OF UNAPPROPRIATED BALANCE  
GENERAL ACCOUNT as of 7/31/08**

<b>C.F.</b>	<b>Appropriations</b>	<b>Date</b>	<b>Amount</b>
	Beginning Balance		\$ 25,000
	<b>Approved Transfer</b>		
08-1046	Affirmative Action Association for Women		(624)
08-1662	Trade Commissioner of Chile		(541)
08-1541	Council District Nine American Cancer Society Kick Off		(98)
08-2094	Stand Up for Cancer		(2,400)
08-0144	Council District 9 Farmers Market		(1,300)
08-2056	Los Angeles Area Chamber of Commerce		(398)
	<b>Projected Balance Available</b>		<b><u>\$ 19,639</u></b>

**ATTACHMENT 3b**  
**STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 7/31/08**

<b>Council File No.</b>	<b>UB Non-General Accounts</b>	<b>Primary Department</b>	<b>Adopted Budget</b>	<b>Transfer In/ Reappropriation</b>	<b>Amount Appropriated during year</b>	<b>Available Balance</b>
	General Fund					
	General (see Attachment 4A)		\$ 25,000		\$ (5,361)	\$ 19,639
	Benefits Contingency	Various	\$ 3,071,000			
	Council Meetings Security Enhancement	GSD	75,000			75,000
	GSD - New City Facilities	GSD	952,000			952,000
	GSD - Petroleum Products	GSD	4,000,000			4,000,000
07-0600-S90 YE	LAPD Consent Decree Program	Police	500,000	113,142		613,142
	LA Regional Interoperable Communications System		250,000			250,000
	Litigation Expense Account	City Atty	750,000			750,000
First FSR	Neighborhood Council Elections	DONE	100,000		(46,011)	53,989
	Neighborhood Council Funding	DONE	149,500			149,500
	New Fire Stations	Fire	540,000			540,000
	New Police Facilities	Police	2,050,000			2,050,000
08-1957	Outside Counsel including Workers' Comp.	City Atty	4,000,000		(190,000)	3,810,000
07-0600-S90 YE	Gang Prevention/Intervention/Reduction (reapprop)			40,000		40,000
1st FSR	Short-Term Layoff Agreement	Various		19,870,000		19,870,000
	<b>Grand Total</b>		<b>\$ 16,462,500</b>	<b>\$ 20,023,142</b>	<b>\$ (241,372)</b>	<b>\$ 33,173,270</b>

**ATTACHMENT 4**  
**REVENUE SUMMARY**  
**Fiscal Years 2007-08 and 2008-09**  
**(Thousand Dollars)**

<b>2007-08</b>					<b>2008-09</b>	
<b>Budget</b>	<b>Final Revision *</b>	<b>Actual</b>	<b>Change from Final Revision</b>		<b>Budget</b>	
\$1,397,316	\$1,406,716	\$1,389,255	(\$17,461)	Property Tax	\$1,461,394	Assessed values up in FY 2008-09.
627,225	627,737	628,319	582	Utility Users' Tax	637,600	
620,719	632,379	614,891	(17,488)	Licenses, Permits, Fees and Fines	804,178	One-time donation helps FY 2007-08.
477,590	469,128	466,997	(2,131)	Business Tax	472,395	Economy-sensitive revenues holding.
348,905	336,137	335,562	(575)	Sales Tax	336,137	Economy-sensitive revenues holding.
157,014	141,204	132,922	(8,282)	Documentary Transfer Tax	120,024	Risk to FY 2008-09 estimate.
184,600	182,004	182,004		Power Revenue Transfer	197,400	
144,000	146,398	148,523	2,125	Transient Occupancy Tax	155,914	Economy-sensitive revenues holding.
126,000	126,000	127,262	1,262	Parking Fines	134,000	
88,115	84,700	87,130	2,430	Parking Users' Tax	94,480	Economy-sensitive revenues holding.
50,373	50,444	50,747	303	Franchise Income	53,341	
49,990	51,559	57,736	6,177	Interest	32,172	Uncertain implications for FY 2008-09.
26,000	19,700	17,138	(2,562)	State Motor Vehicle License Fees	19,700	
16,800	19,200	19,817	617	Grants Receipts	17,116	
11,872	11,872	10,401	(1,471)	Tobacco Settlement	12,028	Possible carryover to FY 2008-09.
15,980	16,045	15,980	(65)	Transfer from Tax Reform Fund		
5,437	3,996	3,996		Transfer from Telecommunications Development Account	3,871	
4,000	2,796	2,952	156	Residential Development Tax	1,920	
85,840	63,597	71,229	7,632	Transfer from Reserve Fund		
<b>\$4,437,776</b>	<b>\$4,391,612</b>	<b>\$4,362,861</b>	<b>(\$28,751)</b>	<b>Total General Fund Receipts</b>	<b>\$4,553,670</b>	

\* Revised per Detail Statement of Receipts in the fiscal year 2008-09 Adopted Budget.

## ATTACHMENT 5a Property Tax by Account

Thousand Dollars

	2006-07	2007-08		2008-09	
	Actual	Budget	Revised	Actual	Budget
Secured	\$839,689	\$882,160	\$880,353	\$858,730	\$925,559
Unsecured	41,005	41,826	45,304	43,434	45,975
Homeowner Exemption	8,492	8,500	8,657	8,657	8,657
Supplemental	52,875	48,000	48,000	50,845	30,000
Redemptions	25,958	23,000	26,803	30,350	25,000
County Admin Charges	(16,698)	(16,700)	(19,105)	(19,105)	(20,061)
Refunds	(4,347)	(6,500)	(4,000)	(3,901)	(7,000)
Adjustments	(223)		2,411	2,390	
CRA-Related Litigation Settlement					28,000
CRA	4,642	5,000	1,700	1,262	1,600
1% Property Tax	<u>\$951,392</u>	<u>\$985,286</u>	<u>\$990,123</u>	<u>\$972,662</u>	<u>\$1,037,729</u>
VLF Replacement	270,688	295,728	297,256	297,256	312,119
Sales tax Replacement	112,094	116,302	119,337	119,337	111,546
ERAF Adjustment					
Property Tax All Sources	<u>\$1,334,174</u>	<u>\$1,397,316</u>	<u>\$1,406,716</u>	<u>\$1,389,255</u>	<u>\$1,461,394</u>

### Percent Change from Year Ago

	2006-07	2007-08		2008-09	
	Actual	Budget	Revised	Actual	Budget
Secured	21.2%	5.1%	4.8%	2.3%	7.8%
Unsecured	1.3%	2.0%	10.5%	5.9%	5.9%
Homeowner Exemption	-1.7%	0.1%	1.9%	1.9%	0.0%
Supplemental	-7.9%	-9.2%	-9.2%	-3.8%	-41.0%
Redemptions	12.1%	-11.4%	3.3%	16.9%	-17.6%
County Admin Charges	44.9%	0.0%	14.4%	14.4%	5.0%
Refunds				-10.3%	79.4%
Adjustments					
CRA-Related Litigation Settlement					
CRA	-76.2%	7.7%	-63.4%	-72.8%	26.8%
1% Property Tax	<u>15.5%</u>	<u>3.6%</u>	<u>4.1%</u>	<u>2.2%</u>	<u>6.7%</u>
VLF Replacement	5.2%	9.3%	9.8%	9.8%	5.0%
Sales tax Replacement	26.0%	3.8%	6.5%	6.5%	-6.5%
Property Tax All Sources		<u>4.7%</u>	<u>5.4%</u>	<u>4.1%</u>	<u>5.2%</u>

City property tax receipts in fiscal year 2007-08 are \$17.5 million below the revised budget. Most components of the property tax finished at or very near the revised estimate. The exception is secured receipts, which were nearly \$22 million below the revised estimate. But the July 2008 remittance from the County for secured property taxes was \$11 million higher than projected, suggesting that some revenue normally received in fiscal year 2007-08 was deferred until fiscal year 2008-09.

The collection rate averaged 97.2% between 2004-05 and 2006-07. The estimated collection rate was reduced to 96.4% for fiscal year 2007-08 and to 95.5% for 2008-09. It is likely the fiscal year 2008-09 collection rate will be lower than budgeted.

**ATTACHMENT 5b  
REVENUE MONTHLY STATUS REPORT  
PROPERTY TAX -- ALL SOURCES  
(THOUSAND DOLLARS)**

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	PLAN ACTUAL
JULY	\$10,471	\$19,894	\$63,802	\$20,401	\$26,935	\$26,935	\$24,552 \$37,373
AUGUST	38,992	39,179	39,328	39,927	42,536	42,536	41,151
SEPTEMBER	(108)	(261)			(74)	(74)	(70)
OCTOBER	3,210	3,095					(1,050)
NOVEMBER	14,455	18,260	19,211	18,878	25,069	25,069	19,754
DECEMBER	243,612	270,769	319,795	355,173	345,291	345,291	373,945
JANUARY	232,714	260,244	288,591	310,148	310,265	310,265	318,249
FEBRUARY	48,577	62,568	49,707	66,866	58,948	58,948	54,076
MARCH	11,186	6,653	8,954	11,204	11,638	9,860	7,060
APRIL	185,679	205,331	253,827	269,048	282,182	278,833	303,767
MAY	233,859	222,439	287,497	297,396	299,627	287,279	314,901
JUNE	6,514	13,677	3,462	8,275	4,298	4,313	5,058
TOTAL	<u>\$1,029,161</u>	<u>\$1,121,848</u>	<u>\$1,334,174</u>	<u>\$1,397,316</u>	<u>\$1,406,716</u>	<u>\$1,389,255</u>	<u>\$1,461,394</u>
% CHANGE	43.4%	9.0%	18.9%	4.7%	5.4%	4.1%	5.2%

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	PLAN ACTUAL
JULY	\$10,471	\$19,894	\$63,802	\$20,401	\$26,935	\$26,935	\$24,552 \$37,373
AUGUST	49,463	59,073	103,130	60,328	69,471	69,471	65,704
SEPTEMBER	49,355	58,812	103,130	60,328	69,397	69,397	65,634
OCTOBER	52,565	61,907	103,130	60,328	69,397	69,397	64,584
NOVEMBER	67,020	80,167	122,341	79,206	94,465	94,465	84,338
DECEMBER	310,632	350,936	442,136	434,379	439,757	439,757	458,282
JANUARY	543,346	611,180	730,727	744,527	750,022	750,022	776,531
FEBRUARY	591,923	673,748	780,435	811,393	808,970	808,970	830,608
MARCH	603,109	680,401	789,388	822,597	820,608	818,830	837,668
APRIL	788,788	885,732	1,043,215	1,091,645	1,102,790	1,097,663	1,141,434
MAY	1,022,647	1,108,171	1,330,712	1,389,041	1,402,418	1,384,942	1,456,336
JUNE	1,029,161	1,121,848	1,334,174	1,397,316	1,406,716	1,389,255	1,461,394

This table displays City receipts by month and fiscal year from all property tax sources. The large increase in fiscal year 2004-05 reflects the additional City property tax revenue from vehicle license fee in-lieu and the sales tax replacement payments. The double-digit increase in fiscal year 2006-07 and the apparently small rate of growth in fiscal year 2007-08 results from inclusion of \$44 million in the fiscal year 2006-07 base that should have been reflected in fiscal year 2005-06. The fiscal year 2008-09 Budget anticipated growth in assessed values to be 6%; the Assessor reports the actual growth is 7.9%, which should offset the effects of the declining collection rate.

**ATTACHMENT 5c**  
**REVENUE MONTHLY STATUS REPORT**  
**SECURED PROPERTY TAX RECEIPTS RECORDED BY CITY FISCAL YEAR**  
(THOUSAND DOLLARS)

MONTHLY	2004-05	2005-06	2006-07	2007-08			2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	PLAN	ACTUAL
JULY	\$9,855	\$16,886	\$56,924	\$17,723	\$21,621	\$21,621	\$23,732	\$34,976
AUGUST	5,154	3,634	3,434	3,649	3,312	3,312	3,635	
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER	278,809	299,955	330,535	366,320	359,245	359,245	380,947	
JANUARY	69,702	74,989	82,634	91,580	89,811	89,811	95,237	
FEBRUARY	44,858	43,533	39,891	58,388	47,868	47,868	45,975	
MARCH								
APRIL	202,978	220,469	251,532	262,270	276,090	276,942	289,895	
MAY	57,593	33,306	74,739	82,230	82,406	59,931	86,138	
JUNE								
TOTAL	\$668,949	\$692,772	\$839,689	\$882,160	\$880,353	\$858,730	\$925,559	
% CHANGE	7.5%	3.6%	21.2%	5.1%	4.8%	2.3%	5.1%	

MONTHLY	2004-05	2005-06	2006-07	2007-08			2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	PLAN	ACTUAL
JULY	\$9,855	\$16,886	\$56,924	\$17,723	\$21,621	\$21,621	\$23,732	\$34,976
AUGUST	15,009	20,520	60,358	21,372	24,933	24,933	27,367	
SEPTEMBER	15,009	20,520	60,358	21,372	24,933	24,933	27,367	
OCTOBER	15,009	20,520	60,358	21,372	24,933	24,933	27,367	
NOVEMBER	15,009	20,520	60,358	21,372	24,933	24,933	27,367	
DECEMBER	293,818	320,475	390,893	387,692	384,178	384,178	408,314	
JANUARY	363,520	395,464	473,527	479,272	473,989	473,989	503,551	
FEBRUARY	408,378	438,997	513,418	537,660	521,857	521,857	549,526	
MARCH	408,378	438,997	513,418	537,660	521,857	521,857	549,526	
APRIL	611,356	659,466	764,950	799,930	797,947	798,799	839,421	
MAY	668,949	692,772	839,689	882,160	880,353	858,730	925,559	
JUNE	668,949	692,772	839,689	882,160	880,353	858,730	925,559	

The County tax year runs from December to August, overlapping two City fiscal years. Receipts in July and August belong to the County's prior tax year, but are recorded in the City's current fiscal year. When the County's payment pattern is normal, the City receives about 2 percent of secured receipts in July and August. The adjustment between fiscal years generally is \$5 million, but between fiscal year 2005-06 and fiscal year 2006-07 was about \$40 million due to a delayed receipt. It is possible that the unusually low May 2008 receipt is partially offset by the high July 2008 receipt.

**ATTACHMENT 5d  
REVENUE MONTHLY STATUS REPORT  
SUPPLEMENTAL PROPERTY TAX  
(THOUSAND DOLLARS)**

MONTHLY	2004-05	2005-06	2006-07	2007-08			2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	PLAN	ACTUAL
JULY	\$2,464	\$3,475	\$3,020	\$3,000	\$5,535	\$5,535	\$1,800	\$3,015
AUGUST	1,468	2,272	2,266	2,000	3,662	3,662	1,200	
SEPTEMBER	35	(217)						
OCTOBER	(5)							
NOVEMBER	4,004	5,571	5,817	5,000	7,925	7,925	3,000	
DECEMBER	75	807	4,206	4,000	2,803	2,803	900	
JANUARY	9,621	7,940	12,109	10,000	9,376	9,376	5,700	
FEBRUARY	313	11,531	3,699	3,000	2,106	2,106	3,000	
MARCH	7,773	3,093	2,914	6,000	5,000	2,455	2,700	
APRIL	3,123	3,049	2,837	5,000	4,593	1,977	1,800	
MAY	9,771	8,404	13,418	4,000	4,000	11,810	6,000	
JUNE	5,403	11,473	2,589	6,000	3,000	3,196	3,900	
TOTAL	<u>\$44,045</u>	<u>\$57,398</u>	<u>\$52,875</u>	<u>\$48,000</u>	<u>\$48,000</u>	<u>\$50,845</u>	<u>\$30,000</u>	
% CHANGE	69.1%	30.3%	-7.9%	-9.2%	-9.2%	-3.8%	-41.0%	

MONTHLY	2004-05	2005-06	2006-07	2007-08			2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	PLAN	ACTUAL
JULY	\$2,464	\$3,475	\$3,020	\$3,000	\$5,535	\$5,535	\$1,800	\$3,015
AUGUST	3,932	5,747	5,286	5,000	9,197	9,197	3,000	
SEPTEMBER	3,967	5,530	5,286	5,000	9,197	9,197	3,000	
OCTOBER	3,962	5,530	5,286	5,000	9,197	9,197	3,000	
NOVEMBER	7,966	11,101	11,103	10,000	17,122	17,122	6,000	
DECEMBER	8,041	11,908	15,310	14,000	19,925	19,925	6,900	
JANUARY	17,662	19,848	27,418	24,000	29,301	29,301	12,600	
FEBRUARY	17,975	31,379	31,117	27,000	31,407	31,407	15,600	
MARCH	25,748	34,472	34,031	33,000	36,407	33,862	18,300	
APRIL	28,871	37,521	36,868	38,000	41,000	35,839	20,100	
MAY	38,642	45,925	50,286	42,000	45,000	47,648	26,100	
JUNE	44,045	57,398	52,875	48,000	48,000	50,845	30,000	

Levy of property taxes is based on the lien date of January 1. Properties assessed after the lien date as a result of real estate sales or improvement are counted as supplemental taxes. These taxes are distributed by the county to the various taxing jurisdictions about six months following receipt by the County. The double-digit annual percentage price increases in the real estate market through fiscal year 2005-06 created an environment for a relatively high level of supplemental adjustments. Fiscal year 2007-08 receipts include assessments from fiscal year 2006-07 which were in process before the full effect of the current real estate downturn was felt. The estimate for fiscal year 2008-09 is 41% below receipts in fiscal year 2007-08. This magnitude of decline is also apparent in the documentary transfer tax.



**ATTACHMENT 5e**  
**REVENUE MONTHLY STATUS REPORT**  
**DOCUMENTARY TRANSFER TAX**  
(Thousand Dollars)

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09		
	ACTUAL	ACTUAL	ACTUAL	BUDGET*	REVISED**	ACTUAL	BUDGET	ACTUAL
JULY	\$17,102	\$19,445	\$16,264	\$13,727	\$16,823	\$16,823	\$10,477	\$10,720
AUGUST	16,284	20,480	18,163	13,491	16,243	16,243	10,474	
SEPTEMBER	17,933	21,890	17,300	14,527	18,289	18,289	11,095	
OCTOBER	16,353	20,577	12,822	13,861	9,851	9,851	10,288	
NOVEMBER	14,754	17,893	15,811	12,569	10,190	10,190	9,668	
DECEMBER	13,015	17,171	12,698	11,512	9,710	9,710	8,710	
JANUARY	17,088	17,402	14,326	14,211	11,635	11,635	10,643	
FEBRUARY	14,337	14,594	13,047	10,664	8,692	8,692	8,173	
MARCH	12,738	12,589	13,344	9,813	6,606	6,606	7,629	
APRIL	17,902	18,477	17,276	14,121	10,672	8,237	10,822	
MAY	17,064	15,523	17,828	13,939	11,114	8,840	10,745	
JUNE	16,534	21,279	19,393	14,579	11,379	7,805	11,300	
<b>TOTAL</b>	<b>\$191,106</b>	<b>\$217,320</b>	<b>\$188,272</b>	<b>\$157,014</b>	<b>\$141,204</b>	<b>\$132,921</b>	<b>\$120,024</b>	
<b>% CHANGE ***</b>	<b>20.0%</b>	<b>13.7%</b>	<b>-13.4%</b>	<b>-16.6%</b>	<b>-25.0%</b>	<b>-29.4%</b>	<b>-9.7%</b>	

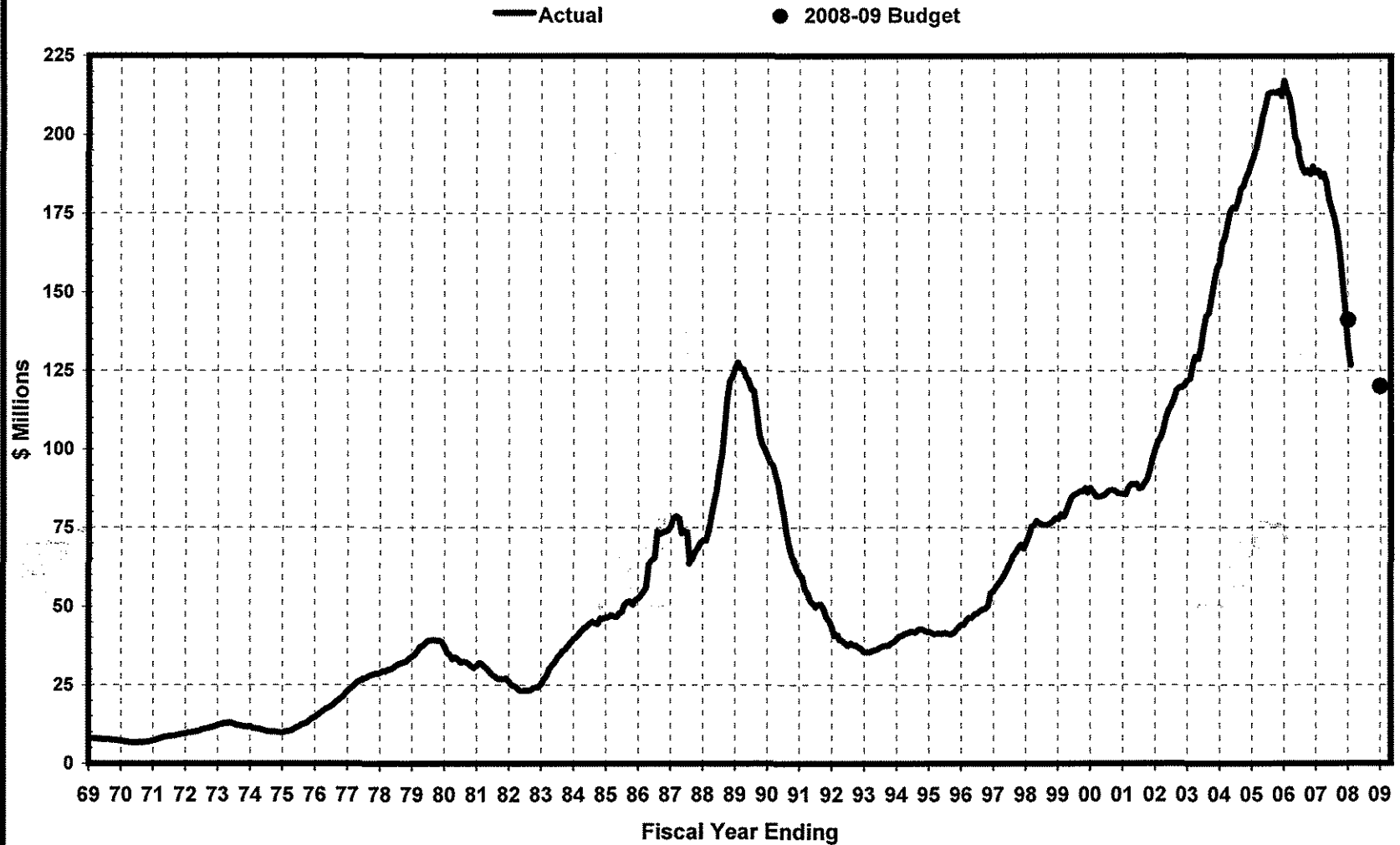
\* FY 2007-08 Budget

\*\* Estimated FY 2007-08 receipts per FY 2008-09 budget

\*\*\* From prior year actual

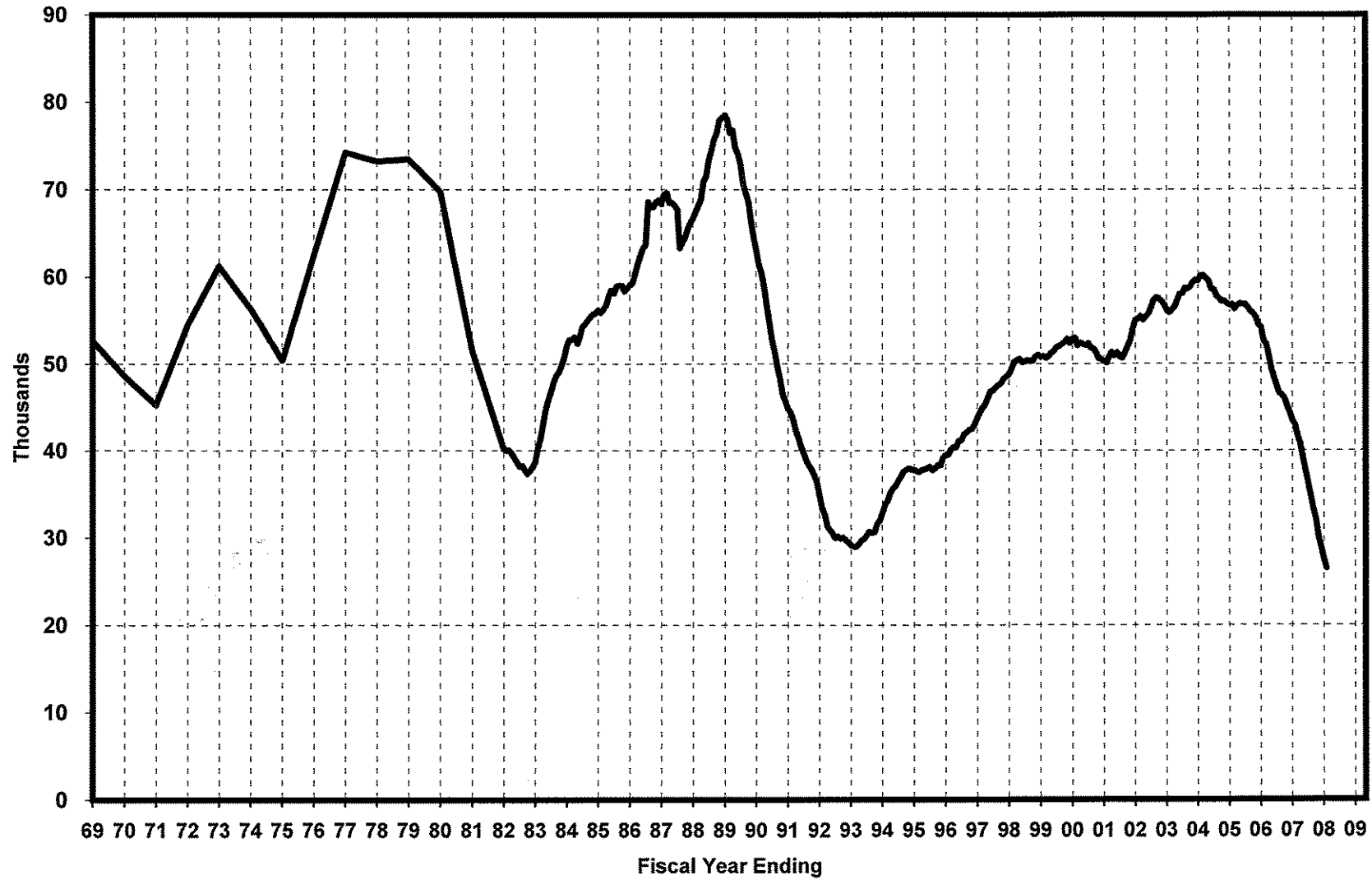
Receipts for the April - June 2008 quarter were \$8.3 million and 25% below the revised fiscal year 2007-08 estimate. Receipts in that quarter were more than 50% below receipts in the same quarter in 2007. But receipts in July 2008 are 2% above the budget estimate.

**ATTACHMENT 5F - Documentary Transfer Tax Receipts  
12-month Moving Sum  
(Data prior to 1991 is adjusted for change in tax rate)**



The fiscal year 2008-09 budget anticipated a revenue drop of 25% in fiscal year 2007-08, followed by a 15% decline in fiscal year 2008-09. The actual decline in fiscal year 2007-08 was 29%.

ATTACHMENT 5g - Deeds Recorded in City  
12-month Moving Sum



Recorded deeds are in free fall; volume, as measured by recorded deeds, is at the historic low point.

**ATTACHMENT 5h**  
**Licenses, Permits, Fees and Fines**  
**Variances from the 2007-08 Revised Budget by Major Category/Department**

Department or Revenue Category	Revised Budget*	Actual	Variance	Comment
L.A. Convention Center	\$ 10,511,057	\$ 505,958	\$ (10,005,099)	No Staples signage sale in 2007-08. This should carry over in 2009-10.
Services to Airports	71,663,697	62,408,359	(9,255,338)	Primarily due to overtime reimbursement from Airports. \$3 million was likely overestimated and the balance from reduced/late billings from the police. This account is under review and possibly has some carryover potential in 2009-10.
Fiber Optic Sale to DWP	10,000,000	5,000,000	(5,000,000)	Originally \$20 million, \$5 million is the final receipt. Nothing further expected.
Special Funded Related Costs	113,490,553	109,556,436	(3,934,117)	Lower Library and other bond reimbursements, CDBG and Code Enforcement related costs for the Housing department and no reimbursement from Major Projects Review lead to this variance. Major project revenue could be picked up in 2009-10.
Services to Sewer	70,321,000	68,869,889	(1,451,111)	The mid-year FSR reported reduced revenue due to prior year overpayment. This was not factored into the special fund schedule.
PW Bureau of Street Services	9,715,300	8,285,463	(1,429,837)	Most of variance related to street repair revenue. The \$1.6 million shortfall in street repair revenue should be collected in 2008-09.
Court Fines	8,428,000	7,225,111	(1,202,889)	After averaging \$700,000 per month for the first eight months, the average dropped below \$400,000 for the final four months.
General Services	20,560,000	19,756,374	(803,626)	Good receipts in most categories were offset by \$2 million in unrealized property sales.
Planning	9,975,600	9,221,220	(754,380)	Planning fees fell below an already reduced revised budget.
Animal Services	3,587,600	2,972,320	(615,280)	Reduced animal license revenue.
Building and Safety	3,203,464	2,740,383	(463,081)	Auto repair inspection revenue below budget.
Ambulance	56,300,000	57,049,192	749,192	Small variance on a percentage basis.
Services to Harbor	31,989,756	32,845,963	856,207	Late adjustments to the 4th quarter bill increased reimbursement revenue.
Personnel	6,380,000	7,243,170	863,170	Workers' comp reimbursements exceeded budget.
PW Bureau of Contract Administration	6,680,000	7,698,048	1,018,048	Street and curb permits exceeded budget.
Services to DWP	22,577,618	23,819,027	1,241,409	City attorney and General Fund Misc. reimbursements exceeded plan.
Transportation	17,859,000	19,263,796	1,404,796	Overall receipts did very well and exceeded the budget.
Police	30,089,948	31,672,817	1,582,869	Excessive false alarm fees and miscellaneous police services exceeded budget.
PW Bureau of Engineering	12,266,508	13,938,231	1,671,723	Engineering permits and fees exceeded budget.
One Time Reimbursements	19,051,476	22,752,167	3,700,692	No unclaimed bond escheatment (\$2 million); this was offset by \$4 million in additional Capital Finance revenue.
CIEP	-	4,500,000	4,500,000	Donation for elephant exhibit at the LA Zoo.
All Others			<u>(161,754)</u>	
Variance from the 2007-08 Revised Budget			<u>\$ (17,488,405)</u>	

\* Per 2008-09 Budget, Detailed Statement of Receipts

**ATTACHMENT 5i**

**Economy Sensitive City Revenue**  
\$ Thousands

	2006-07	2007-08		2008-09	
	Actual	Budget	Revised*	Actual	Budget
Sales Tax	333,885	348,905	336,137	335,562	336,137
% Change from prior year	3.2%	4.5%	0.7%	0.5%	0.2%
Business Tax	464,331	477,590	469,128	466,997	472,395
% Change from prior year	6.9%	2.9%	1.0%	0.6%	1.2%
Hotel Tax	134,557	144,000	146,398	148,523	155,914
% Change from prior year	6.0%	7.0%	8.8%	10.4%	5.0%
Parking Tax	78,323	88,115	84,700	87,129	94,480
% Change from prior year	5.7%	12.5%	8.1%	11.2%	8.4%
Economy-Sensitive Revenue	1,011,096	1,058,610	1,036,363	1,038,211	1,058,926
% Change from prior year	5.4%	4.7%	2.5%	2.7%	2.0%

\* Revised per FY 2008-09 Budget

UCLA Forecast of California Taxable Sales for 2008		
	For 2007 (FY 2007-08)	For 2008 (FY 2008-09)
Made at March 2007	4.2%	4.8%
Made at March 2008	2.3%	2.2%
Made at June 2008	0.5%	0.1%

City sales tax growth in fiscal year 2007-08 mirrored UCLA's June 2008 forecast -- 0.5%. But economy sensitive revenue grew at a higher rate -- 2.5%,

City sales tax growth projected for fiscal year 2008-09 is very close to UCLA's June 2008 forecast -- 0.2% vs. 0.1%. Overall economy sensitive revenue is budgeted to grow at 2%.

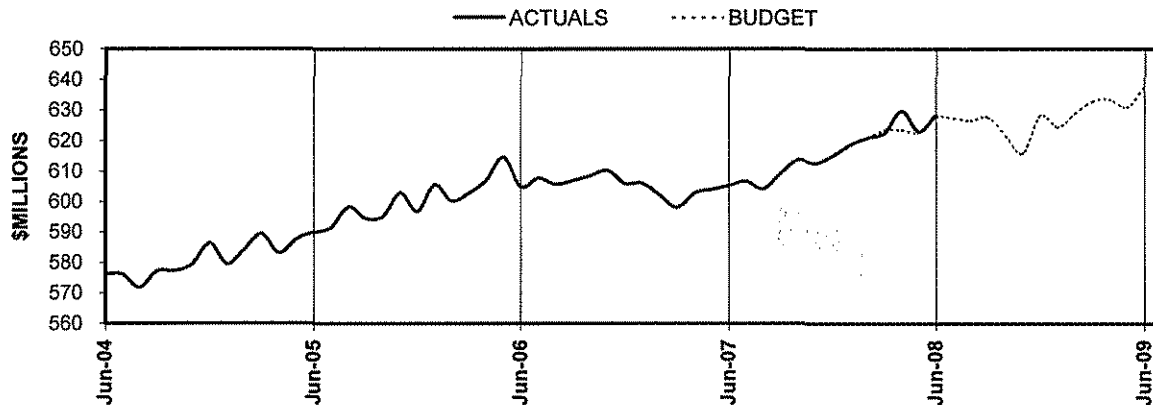
## ATTACHMENT 5j REVENUE MONTHLY STATUS REPORT UTILITY USERS' TAX

(Thousand Dollars)

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	PLAN	REVISED PLAN	ACTUAL	PLAN
JULY	\$43,435	\$45,125	\$47,907	\$47,976	\$49,242	\$49,242	\$48,840
AUGUST	46,994	53,738	51,713	54,791	49,308	49,308	48,545
SEPTEMBER	49,723	45,956	47,227	48,322	52,469	52,469	53,618
OCTOBER	48,390	49,045	50,583	50,934	54,865	54,865	48,704
NOVEMBER	47,157	54,872	56,620	57,913	55,458	55,458	49,815
DECEMBER	52,735	46,680	42,426	45,961	44,923	44,923	57,194
JANUARY	44,784	53,518	53,639	57,575	57,227	57,227	53,475
FEBRUARY	58,119	52,808	48,993	53,967	51,222	51,222	55,586
MARCH	54,479	57,177	52,999	53,517	55,593	54,602	59,621
APRIL	43,740	47,845	52,514	51,617	52,601	59,689	53,297
MAY	47,088	54,596	55,842	54,635	55,008	49,174	52,457
JUNE	53,215	43,588	44,804	50,018	49,819	50,139	56,448
<b>TOTAL</b>	<b>\$589,858</b>	<b>\$604,946</b>	<b>\$605,265</b>	<b>\$627,225</b>	<b>\$627,736</b>	<b>\$628,318</b>	<b>\$637,600</b>
% CHANGE	2.4%	2.6%	0.1%	3.6%	3.7%	3.8%	1.6%

CUMULATIVE	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	PLAN	REVISED PLAN	ACTUAL	PLAN
JULY	\$43,435	\$45,125	\$47,907	\$47,976	\$49,242	\$49,242	\$48,840
AUGUST	90,429	98,862	99,619	102,766	98,550	98,550	97,385
SEPTEMBER	140,152	144,818	146,846	151,089	151,019	151,019	151,003
OCTOBER	188,542	193,863	197,429	202,023	205,884	205,884	199,707
NOVEMBER	235,699	248,735	254,049	259,935	261,343	261,343	249,522
DECEMBER	288,434	295,415	296,475	305,896	306,266	306,266	306,716
JANUARY	333,218	348,933	350,114	363,472	363,492	363,492	360,192
FEBRUARY	391,336	401,741	399,106	417,439	414,714	414,714	415,778
MARCH	445,815	458,918	452,105	470,955	470,307	469,317	475,398
APRIL	489,556	506,763	504,619	522,572	522,908	529,005	528,695
MAY	536,643	561,359	560,461	577,207	577,917	578,179	581,153
JUNE	589,858	604,946	605,265	627,225	627,736	628,318	637,600

### UTILITY USERS' TAX 12 MO. MOVING SUM



**ATTACHMENT 5k**  
**REVENUE MONTHLY STATUS REPORT**  
**ELECTRIC USERS' TAX**

(Thousand Dollars)

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	PLAN	REVISED PLAN	ACTUAL	PLAN
JULY	\$15,231	\$14,989	\$18,992	\$20,151	\$19,648	\$19,648	20,340
AUGUST	19,219	23,849	25,698	27,266	20,614	20,614	20,645
SEPTEMBER	22,384	18,308	20,120	21,347	23,575	23,575	26,568
OCTOBER	20,445	21,034	22,133	23,484	27,457	27,457	21,254
NOVEMBER	20,146	26,445	29,112	30,888	27,170	27,170	21,265
DECEMBER	23,484	15,238	14,737	15,636	16,248	16,248	26,594
JANUARY	13,458	19,192	22,738	24,125	24,592	24,592	21,275
FEBRUARY	23,432	18,750	15,244	20,117	16,244	16,244	21,286
MARCH	23,345	24,577	19,879	20,117	20,140	19,949	26,621
APRIL	14,784	15,492	20,483	20,117	20,197	25,303	21,297
MAY	18,825	23,063	25,096	24,085	24,008	16,878	21,307
JUNE	23,478	14,771	14,751	20,068	20,207	19,552	26,648
<b>TOTAL</b>	<b>\$238,231</b>	<b>\$235,708</b>	<b>\$248,983</b>	<b>\$267,400</b>	<b>\$260,100</b>	<b>\$257,228</b>	<b>\$275,100</b>
% CHANGE	0.2%	-1.1%	5.6%	7.4%	4.5%	3.3%	5.8%

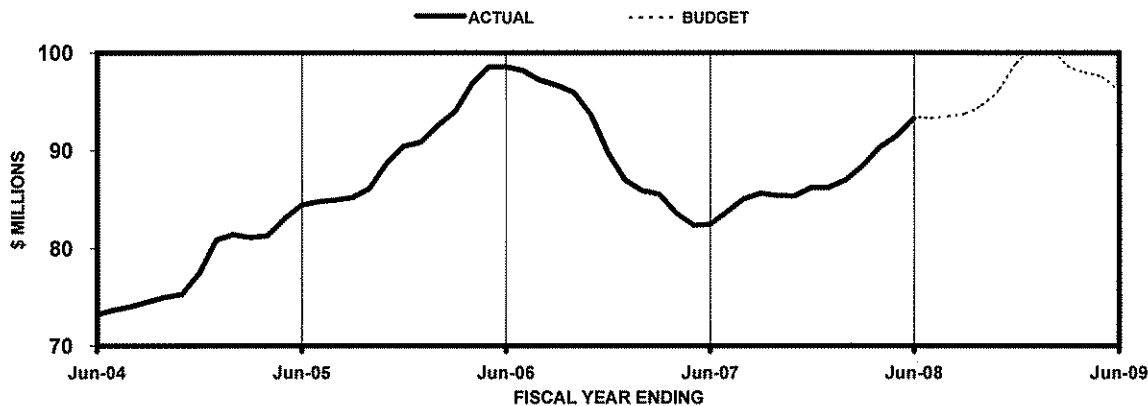
CUMULATIVE	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	PLAN	REVISED PLAN	ACTUAL	PLAN
JULY	\$15,231	\$14,989	\$18,992	\$20,151	\$19,648	\$19,648	\$20,340
AUGUST	34,450	38,838	44,690	47,416	40,262	40,262	40,985
SEPTEMBER	56,834	57,146	64,810	68,764	63,836	63,836	67,553
OCTOBER	77,279	78,180	86,943	92,248	91,293	91,293	88,807
NOVEMBER	97,425	104,625	116,055	123,135	118,463	118,463	110,072
DECEMBER	120,909	119,863	130,792	138,771	134,711	134,711	136,666
JANUARY	134,367	139,056	153,530	162,897	159,303	159,303	157,942
FEBRUARY	157,798	157,805	168,773	183,014	175,547	175,547	179,228
MARCH	181,143	182,382	188,652	203,130	195,687	195,496	205,848
APRIL	195,927	197,874	209,135	223,247	215,884	220,798	227,145
MAY	214,752	220,937	234,232	247,332	239,893	237,676	248,453
JUNE	238,231	235,708	248,983	267,400	260,100	257,228	275,100

**ATTACHMENT 5I  
REVENUE MONTHLY STATUS REPORT  
GAS USERS' TAX**  
(Thousand Dollars)

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	PLAN	REVISED PLAN	ACTUAL	PLAN
JULY	\$5,608	\$5,990	\$5,592	\$5,600	\$6,860	\$6,860	6,900
AUGUST	5,253	5,417	4,432	5,300	5,803	5,803	6,000
SEPTEMBER	4,597	4,846	4,329	4,700	4,851	4,851	5,100
OCTOBER	4,626	5,547	4,817	4,700	4,624	4,624	5,500
NOVEMBER	4,552	7,166	4,881	4,700	4,849	4,849	6,500
DECEMBER	7,217	8,889	5,017	8,000	5,848	5,848	8,500
JANUARY	11,016	11,446	8,639	11,000	8,659	8,659	10,000
FEBRUARY	10,531	12,232	11,183	11,000	11,949	11,949	12,000
MARCH	9,738	11,138	10,750	11,000	12,253	12,196	10,500
APRIL	7,410	10,216	8,283	9,000	9,304	10,155	9,500
MAY	7,200	9,000	7,806	8,000	8,000	8,982	8,500
JUNE	6,670	6,670	6,735	7,000	7,000	8,496	7,000
<b>TOTAL</b>	<b>\$84,418</b>	<b>\$98,558</b>	<b>\$82,465</b>	<b>\$90,000</b>	<b>\$90,000</b>	<b>\$93,271</b>	<b>\$96,000</b>
% CHANGE	15.3%	16.8%	-16.3%	9.1%	9.1%	13.1%	6.7%

CUMULATIVE	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	PLAN	REVISED PLAN	ACTUAL	PLAN
JULY	\$5,608	\$5,990	\$5,592	\$5,600	\$6,860	\$6,860	\$6,900
AUGUST	10,861	11,407	10,024	10,900	12,663	12,663	12,900
SEPTEMBER	15,458	16,253	14,353	15,600	17,513	17,513	18,000
OCTOBER	20,084	21,800	19,170	20,300	22,137	22,137	23,500
NOVEMBER	24,636	28,966	24,051	25,000	26,986	26,986	30,000
DECEMBER	31,852	37,855	29,069	33,000	32,834	32,834	38,500
JANUARY	42,869	49,301	37,708	44,000	41,493	41,493	48,500
FEBRUARY	53,400	61,534	48,891	55,000	53,443	53,443	60,500
MARCH	63,138	72,672	59,641	66,000	65,696	65,639	71,000
APRIL	70,548	82,888	67,924	75,000	75,000	75,793	80,500
MAY	77,748	91,888	75,730	83,000	83,000	84,775	89,000
JUNE	84,418	98,558	82,465	90,000	90,000	93,271	96,000

**GAS USERS' TAX  
12-MONTH MOVING SUM**



The futures market currently expects gas prices for 2007-08 to be slightly higher than 2006-07. For 2008-09, overall high levels are expected for gas prices. The Southern California Gas Company expects sales for February through June to be similar to last year, so this account will likely finish around \$87.5 million. For 2008-09, \$90 million is expected.

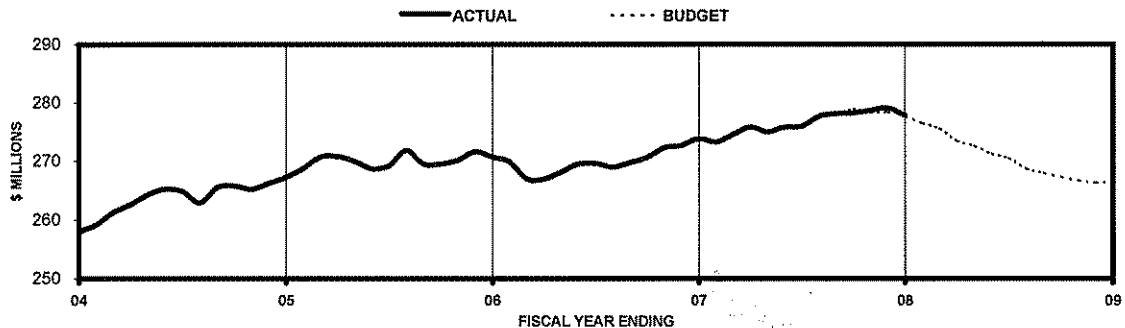


**ATTACHMENT 5m**  
**REVENUE MONTHLY STATUS REPORT**  
**TELEPHONE UTILITY USERS' TAX**  
(Thousand Dollars)

MONTHLY	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED BUDGET	ACTUAL	PLAN
JULY	\$22,596	\$24,146	\$23,323	\$22,225	\$22,734	\$22,734	21,600
AUGUST	22,523	24,472	21,582	22,225	22,892	22,892	21,900
SEPTEMBER	22,742	22,802	22,778	22,275	24,044	24,044	21,950
OCTOBER	23,318	22,465	23,633	22,750	22,785	22,785	21,950
NOVEMBER	22,460	21,260	22,627	22,325	23,440	23,440	22,050
DECEMBER	22,034	22,553	22,671	22,325	22,827	22,827	22,100
JANUARY	20,309	22,879	22,261	22,450	23,976	23,976	22,200
FEBRUARY	24,156	21,825	22,566	22,850	23,028	23,028	22,300
MARCH	21,395	21,462	22,370	22,400	23,200	22,457	22,500
APRIL	21,547	22,138	23,747	22,500	23,100	24,231	22,500
MAY	21,062	22,533	22,939	22,550	23,000	23,314	22,650
JUNE	23,067	22,147	23,319	22,950	22,612	22,091	22,800
<b>TOTAL</b>	<b>\$267,210</b>	<b>\$270,681</b>	<b>\$273,817</b>	<b>\$269,825</b>	<b>\$277,637</b>	<b>\$277,819</b>	<b>\$266,500</b>
% CHANGE	0.8%	1.3%	1.2%	-1.5%	1.4%	1.5%	-4.1%

CUMULATIVE	2004-05	2005-06	2006-07	2007-08		2008-09	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED BUDGET	ACTUAL	PLAN
JULY	\$22,596	\$24,146	\$23,323	\$22,225	\$22,734	\$22,734	\$21,600
AUGUST	45,119	48,618	44,905	44,450	45,625	45,625	43,500
SEPTEMBER	67,860	71,419	67,683	66,725	69,669	69,669	65,450
OCTOBER	91,179	93,884	91,316	89,475	92,454	92,454	87,400
NOVEMBER	113,639	115,144	113,943	111,800	115,894	115,894	109,450
DECEMBER	135,673	137,697	136,614	134,125	138,721	138,721	131,550
JANUARY	155,982	160,576	158,876	156,575	162,696	162,696	153,750
FEBRUARY	180,138	182,402	181,442	179,425	185,725	185,725	176,050
MARCH	201,534	203,864	203,812	201,825	208,925	208,182	198,550
APRIL	223,081	226,001	227,559	224,325	232,025	232,414	221,050
MAY	244,143	248,534	250,499	246,875	255,025	255,728	243,700
JUNE	267,210	270,681	273,817	269,825	277,637	277,819	266,500

**TELEPHONE USERS' TAX**  
**12-MONTH MOVING SUM**



The 10% rate decrease tied to the successful passage of Proposition S is expected to be felt starting with July 2008 receipts. The full effect of this rate cut is expected to be mitigated through revenues from phone technology that had previously escaped taxation due to an outmoded utility tax code. Revenue growth is expected to return in 2009-10.

**ATTACHMENT 6  
 FY 2008-09 BUDGET ADJUSTMENTS  
 TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
PW Bureau of Street Services	<u>Fund 760/50, Sewer Construction &amp; Maintenance Fund</u> E782, Street Print Repair Work at Temple/Glendale	\$ 5,000	<u>Fund 100/86, PW Bureau of Street Services</u> 1090, Salaries Overtime	\$ 5,000
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>		<b>\$5,000</b>		<b>\$5,000</b>

**ATTACHMENT 7  
FY 2008-09 BUDGET ADJUSTMENTS  
SPECIAL FUND REAPPROPRIATIONS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
PW Bureau of Street Services	<u>Fund 43D/50, CD 14 Street Furniture Revenue Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	CD 14, Tree Trimming in Main Corridors of Boyle Heights	\$ 38,349	1010, Salaries General	\$ 6,519
			3030, Construction Expense	\$ 26,461
			6020, Operating Supplies	\$ 5,369
			Subtotal	\$ 38,349
	<u>Fund 540/94, Prop C Anti-Gridlock Transit Improvent Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	C700, Tujunga Widening Project	\$ 5,898	1010, Salaries General	\$ 1,003
			3030, Construction Expense	\$ 4,070
			6020, Operating Supplies	\$ 825
			Subtotal	\$ 5,898
	<u>Fund 697/14, CD 15 Real Property Trust Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	Y200, Sidewalk Repair along E. Cruces Street	\$ 287,210	1010, Salaries General	\$ 43,082
			1090, Salaries Overtime	\$ 17,233
			1100, Hiring Hall	\$ 17,233
			3030, Construction Expense	\$ 172,326
			6020, Operating Supplies	\$ 37,336
			Subtotal	\$ 287,210
	<u>Fund 699/50, CD 12 Sunshine Canyon Amenities Trust Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	1000, Removal of 200 Tree Stumps in Granada Hills	\$ 28,224	1010, Salaries General	\$ 4,798
			3030, Construction Expense	\$ 19,475
			6020, Operating Supplies	\$ 3,951
			Subtotal	\$ 28,224
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>		<b>\$ 359,681</b>		<b>\$ 359,681</b>

**ATTACHMENT 8 - Status of Fee Increases Funding the 2008-09 Budget**

**General Fund**

<u>Department</u>	<u>Type of Fee</u>	<u>Proposed Change</u>	<u>Proposed Implementation Date</u>	<u>Effective Date</u>	<u>Notes</u>
Animal Services	Various	See notes.	7/1/2008	9/15/2008	\$450,000 was added to ASD's budget in anticipation of increased fees. ASD finished almost \$700,000 below budget in 2007-08.
Building and Safety	Non Compliance fee	Fee increase.	7/1/2008	7/1/2008	\$320,000 was added to the 2008-09 budget. The department reports that these were not fee increases, the additional revenue represents increased billing and collection efforts.
	Investigation fee	Fee increase.	7/1/2008	7/1/2008	\$250,000 was added to the 2008-09 budget. The department reports that these were not fee increases, the additional revenue represents increased billing and collection efforts.
	Notice of Revocation penalty	New fee.	7/1/2008	7/1/2008	\$430,000 was added to the 2008-09 budget. The department reports that these were not fee increases, the additional revenue represents increased billing and collection efforts.
City Attorney	Tobacco Sellers Permit	See notes.	11/1/2008	Anticipated to be on schedule	The CAO completed a fee review. Additional revenue is expected to cover the costs of the program.
Fire	Unified Program and High Rise Inspection fees	\$1.3 million overall revenue increase.	7/1/2008	7/1/2008	\$1.3 million was added to the 2008-09 budget for increased fees, for increases to the Unified Program and High Rise Inspection fees. The detail in the lines to follow are revised amounts due to later information. The revised overall increase to Fire revenue is approximately \$2.5 million.
	Brush Collection	See notes.	7/1/2008	7/1/2008	Fee change based on current costs (including overhead). Revenue is estimated to increase by \$6,000.
	Continuing Permits	See notes.	7/1/2008	7/1/2008	Fee change based on current costs (including overhead). Revenue is estimated to decrease by \$117,000.
	Non-Continuing Permits	See notes.	7/1/2008	7/1/2008	Fee change based on current costs (including overhead). Revenue is estimated to decrease by \$66,000.
	Unified Program fee	See notes.	7/1/2008	7/1/2008	Fee change based on current costs (including overhead). Revenue is estimated to increase by \$196,000.
	High-Rise Inspection Fee	See notes.	11/1/2008	Anticipated to be on schedule	Fee change based on current costs (including overhead). Revenue is estimated to increase by \$1.1 million
	Emergency Ambulance Services	See notes.	12/1/2008	Anticipated to be on schedule	Fee change based on current costs (including overhead). Revenue is estimated to increase by \$914,000.
	Fire Plan Checking	See notes.	3/1/2009	Anticipated to be on schedule	Fee change based on current costs (including overhead). Revenue is estimated to increase by \$284,000.
	Film Permits (USFO)	See notes.	5/1/2009	Anticipated to be on schedule	Fee change based on current costs (including overhead). Revenue is estimated to increase by \$75,000.