


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0116-00001-0000

Date: October 24, 2008

To: Honorable Members of the Budget and Finance Committee
Attn: Lauraine Braithwaite, Office of the City ClerkFrom: Raymond P. Ciranna, Interim City Administrative Officer Subject: **ADDENDUM TO THE 2ND FINANCIAL STATUS REPORT FOR FISCAL YEAR
2008-09 (C.F. 08-0600-S27)**

The CAO issued the Second Financial Status Report (FSR) on October 17, 2008. The following technical corrections are now necessary. The changes are not substantial in nature, but are necessary in order for the Controller to implement the recommended actions.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, modify the recommendations in the Second Financial Status Report as follows:

1. Amend Recommendation No. 2 to read as follows to reflect the correct accounts and amounts: Transfer **\$4,583,565** between various departments and funds as specified in **Revised Attachment 7**;
2. Amend Recommendation No. 3 as follows due to the deletion of the MICLA line item which is included in Recommendation Nos. 15 and 16 of this Addendum: Reappropriate **\$927,119** from various special funds as specified in **Revised Attachment 8**;
3. Amend Recommendation No. 4 as follows (the total amount remains the same): Appropriate \$10,361,000 to various departments from the Unappropriated Balance as specified in **Revised Attachment 9**;
4. Delete Recommendation No. 10 as the instruction is not needed and can be accomplished administratively;
5. Substitute Recommendation No. 12 with the following language: In accordance with Recommendation No. 11 of the 2nd FSR, transfer cash from the Sanitation Equipment Charge Fund No. 47D/50 to reimburse the General Fund on an as needed basis upon proper documentation from the General Services Department and the approval of the Bureau of Sanitation (Solid Resources Support Services Division);
6. Delete Recommendation No. 15 as the instruction is not needed and can be accomplished administratively;

7. Delete Recommendation No. 24 as it is duplicative of No. 23;
8. Amend Recommendation No. 26c as follows: Transfer cash from the Community Development Trust Fund No. 424/22 to reimburse the General Fund on an as needed basis upon proper demand of the General Manager of the Community Development Department;
9. Add language to Recommendation No. 27 as follows: Authorize the Mayor's Office to accept \$60,000 from the Housing Authority of the City of Los Angeles;
10. Substitute Recommendation No. 28 with the following language: Authorize the Los Angeles Police Department (LAPD) to fill 16 vacant DNA positions added by the Council in the 2008-09 Budget (Motion No. 8). LAPD plans to fill all 16 positions and three other vacancies within the DNA/Serology Unit by January, 2009. The 2008-09 cost will be funded by an additional appropriation of \$2.25 million to the LAPD provided through Recommendation No. 4. The remainder of the appropriation will be used to offset salary account reductions due to the work furlough reduction program contained in the 2008-09 Adopted Budget. LAPD indicates that, with this appropriation, the LAPD Civilian Salary Account will end FY 2008-09 within budget;
11. Amend Recommendation No. 31c as follows: Transfer cash from the Community Development Trust Fund No. 424/22 to reimburse the General Fund on an as needed basis upon proper demand of the General Manager of CDD;
12. Substitute Attachment 3b with **Revised Attachment 3b** relative to the Status of the Unappropriated Balance Non-General Account to include the Short-Term Layoff Agreement funding;
13. Substitute Attachment 4 with **Revised Attachment 4** to correspond with the updates made to Revised Attachment 3b;

Add the following recommendations which were inadvertently omitted from the Controller instructions:

14. Transfer \$1,522,155 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to departments, funds and accounts as specified in Attachment 5 of the Second Financial Status Report;
15. Increase appropriations to Bureau of Street Services Fund No. 100/86 in the amount of \$244,785 from MICLA Fund 298/50, Account C186, Bureau of Street Services, to the following accounts to complete resurfacing work at the Topanga Canyon Yard:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries, General	\$36,718
1090	Salaries, Overtime	14,687
1100	Hiring Hall, Salaries	14,687
3030	Construction Expense	146,871
6020	Operating Supplies	<u>31,822</u>
	Total	\$244,785

16. In accordance with Recommendation No. 15 above, instruct the Bond Fund Administrator to transfer cash from MICLA Fund No. 298/50 to reimburse the Bureau of Street Services on an as-needed basis upon proper documentation from Street Services and approval of the Project Manager and City Administrative Officer;

Attachments

RPC:MF:MDG:01090025d

REVISED ATTACHMENT 3b
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 10/14/08

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Available Balance
	General Fund					
	General (see Attachment 3a)		\$ 25,000		\$ (9,957)	\$ 15,043
2nd FSR	Benefits Contingency	All	3,071,000		(3,071,000)	0
	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
2nd FSR	New Police Facilities	Police	2,050,000		(2,050,000)	0
08-1957; 08-2368 (Veto/Pending- \$96,000); 2nd FSR	Outside Counsel including Workers' Comp.	City Atty	4,000,000		(526,000)	3,474,000
07-0600-S90 YE	Gang Prevention/Intervention/Reduction (reapprop)			40,000		40,000
1st FSR 08-0600- S18; 2nd FSR	Short Term Layoff Agreement	All		19,870,000	(5,000,000)	14,870,000
	Grand Total		\$ 16,462,500	\$ 20,023,142	\$ (10,702,968)	\$ 25,782,674

**REVISED ATTACHMENT 4
2008-09 PROJECTED (DEFICIT)/SURPLUS**

DEPARTMENT/FUND	2ND FSR			COMMENTS
	GF	SF	TOTAL	
DEPARTMENTAL				
Aging	\$ (145,901)		\$ (145,901)	Short-term layoff & employee payouts-retirement & non-rep.
Animal Services	(405,350)		(405,350)	Short-term layoff, includes \$1M transfer from HRB First FSR
Building And Safety	(532,370)	173,099	(359,271)	Retroactive payments for MOU 05 & 00 & Short Term Layoff
City Administrative Officer	-		-	
City Attorney	(3,431,579)		(3,431,579)	Short-term layoff, payouts & litigation expense
City Attorney-Proprietaries	(2,831,569)		(2,831,569)	Short-term layoff & unfunded resolution authorities
City Clerk	(71,433)		(71,433)	Short-term layoff
Commission /Children, Youth	-		-	
Commission/Status Of Women	-		-	Short-term layoff absorbed.
Community Development	-		-	
Controller	(322,107)		(322,107)	Short-term layoff
Convention Center		(700,000)	(700,000)	Expenditures eligible for reimbursement
Council	-		-	
Cultural Affairs	-		-	
Department on Disability	-		-	
El Pueblo		10,746	10,746	
Emergency Management	(49,199)		(49,199)	Short term layoff & non-rep retro
Employee Relations	-		-	
Environmental Affairs	(65,714)		(65,714)	Short-term layoff & layoff delay
Ethics Commission	(186,282)		(186,282)	Short-term layoff & employee payouts.
Finance	(859,732)		(859,732)	Short-term layoff & payouts-retirement, non rep, sick
Fire	(8,520,045)		(8,520,045)	Overtime Constant Staffing & Unused Sick Time, Haro/Ackley
General Services	(1,500,000)		(1,500,000)	Short term layoff
Housing Dept		407,440	407,440	Salary savings
Human Relations	(68,275)		(68,275)	Short-term layoff & payouts
Information Technology	(2,050,105)		(2,050,105)	Short-term layoff & Overtime
Mayor	-		-	
Neighborhood Empowerment	(224,845)		(224,845)	Short-term layoff & retirement payout
Personnel	(994,000)		(994,000)	Mainly due to Short-term layoff
Planning	890,976		890,976	Salary savings-Managed Hiring
Police	(5,923,951)		(5,923,951)	Short-Term layoff & Sworn Overtime-reimbursed
Board Of Public Works	-		-	Assumes timely reimbursement from bond programs
PW/Contract Administration	-		-	Short-term layoff, MOU 05 COLAs & retros absorbed
PW/Engineering		5,000,000	5,000,000	Due to anticipated reimbursements from special funds-SCM.
PW/Sanitation		1,906,290	1,906,290	Salary surplus & Overtime surplus
PW/Street Lighting	-		-	
PW/Street Services	-		-	
Transportation	(1,000,000)	1,069,181	69,181	Short-term layoff & Signal Repair/Traffic Officer Staffing.
Treasurer	(393,872)		(393,872)	Short-term layoff, payouts-non rep retros, sick & litigation
Zoo	334,747		334,747	Salary Savings
Total-Budgetary Depts.	\$ (28,350,606)		\$ (20,483,850)	
Library	(921,261)		-	Short-term layoff
Rec. & Parks	(5,701,099)		-	Short-term layoff & Salaries As-Needed
Total-Departmental	\$ (34,972,966)		\$ (20,483,850)	
NONDEPARTMENTAL				
General City Purposes	(1,452,228)		-	Medicare Contributions
Liability Claims	(13,517,313)		-	Low-end estimate without Harper case
Liability Claims-Harper Case	(19,268,766)		-	Harper Case
Outside Counsel	-		-	Not available-City Attorney estimates pending.
Petroleum	(13,000,000)		-	Low-end estimate could be as high as \$20M.
Total - Nondepartmental	\$ (47,238,307)		\$ -	
GRAND TOTAL*	\$ (82,211,273)		\$ (20,483,850)	

OFFSETS TO DEFICITS:			
Less Short Term Layoff Acct Balance	\$	14,870,000	
Less Short Term Layoff Acct-2nd FSR	\$	5,000,000	2nd FSR, Attachment 9 (Police & Rec. and Parks)
Fire SF 40J	\$	1,200,000	2nd FSR, Attachment 7
Less UB-Petroleum	\$	4,000,000	
Less UB-New Police Facilities	\$	2,050,000	2nd FSR, Attachment 9
GRAND TOTAL REVISED	\$	(55,091,273)	

*Note: The 2nd FSR recommends transfers of approximately \$8.2 million to partially offset the \$82 million expenditure deficits at this time.

**REVISED ATTACHMENT 7
FY 2008-09 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Council	<u>Fund 47S/14, CLARTS</u>		<u>Fund 100/28, Council</u>	
	Available Cash Balance	\$ 250,000	1070, Salaries As Needed	\$ 250,000
Fire	<u>Fund 40J/38, Fire Special Fund</u>		<u>Fund 100/38, Fire</u>	
	002R, State Educational	\$ 1,200,000	3090, Field Equipment Expense	\$ 1,200,000
Planning	<u>Fund 46Y/68, City Planning Grant Trust Fund</u>		<u>Fund 100/68, Planning</u>	
	Available Cash Balance	\$ 50,000	3040, Contractual Services	\$ 50,000
PW/Bureau of Sanitation	<u>Fund 760/50, Sewer Construction Maintenance & Ops</u>		<u>Fund 100/32, Information Technology Agency</u>	
	E282, Expense & Equipment	\$ 10,388	9350, Communication Services	\$ 10,388
	E182, PW - Sanitation	\$ 324,200		
	Subtotal	<u>\$ 334,588</u>	<u>Fund 761/50, Sewer Capital Fund</u>	
			E182, PW - Sanitation	\$ 324,200
	<u>Fund 556/50, Integrated Solid Waste Mgmt Fund</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	Available Cash Balance	\$ 78,000	1070, Salaries As Needed	\$ 78,000
	<u>Fund 100/82, Bureau of Sanitation*</u>		<u>Fund 100/74, Board of Public Works</u>	
	3040, Contractual Services	\$ 8,000	6020, Operating Supplies & Expenses	\$ 8,000
	*Source of Funds is Fund 588/50, Landfill Maintenance Special Fund			
PW-Bureau of Street Lighting	<u>Fund 206/50, Gas Tax</u>		<u>Fund 347/50, St Lighting Maint Assessment Fund</u>	
	W673, Pacoima Lgt Improv-Ph I	\$ 50,000	4610, Reimb from Other Funds/Depts	\$ 50,000
	<u>Fund 347/50, St Lighting Maintenance Assessment Fund</u>		<u>Fund 100/84, Street Lighting</u>	
	E600, Available Series to Multiple	\$ 60,000	1090, Overtime General	\$ 6,500
			8780, Street Lighting Supplies	\$ 53,500
		Subtotal	<u>\$ 60,000</u>	

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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 206/50, Special Gas Tax Street Improvement Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	E365, Bridge & Tunnel Maintenance	\$ 150,000	1010, Salaries General	\$ 90,000
			1090, Salaries Overtime	\$ 10,000
			1100, Hiring Hall Salaries	\$ 7,000
			1120, Hiring Hall Benefits	\$ 8,000
			1190, Hiring Hall Overtime	\$ 3,000
			3030, Construction Expense	\$ 20,000
			6010, Office & Administrative	\$ 2,000
			6020, Operating Supplies	\$ 10,000
			Subtotal	\$ 150,000
	<u>Fund 206/50, Special Gas Tax Street Improvement Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	E601, Guardrail Construction	\$ 150,000	1010, Salaries General	\$ 90,000
			1090, Salaries Overtime	\$ 10,000
			1100, Hiring Hall Salaries	\$ 7,000
			1120, Hiring Hall Benefits	\$ 8,000
			1190, Hiring Hall Overtime	\$ 3,000
			3030, Construction Expense	\$ 20,000
			6010, Office & Administrative	\$ 2,000
			6020, Operating Supplies	\$ 10,000
			Subtotal	\$ 150,000
	<u>Fund 206/50, Special Gas Tax Street Improvement Fund</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	E702, Drainage Projects - Various Locations	\$ 300,000	1010, Salaries General	\$ 138,000
			1090, Salaries Overtime	\$ 20,000
			1100, Hiring Hall Salaries	\$ 20,000
			1120, Hiring Hall Benefits	\$ 10,000
			1190, Hiring Hall Overtime	\$ 6,000
			3030, Construction Expense	\$ 30,000
			6010, Office & Administrative	\$ 2,000
			6020, Operating Supplies	\$ 74,000
			Subtotal	\$ 300,000

**REVISED ATTACHMENT 7
FY 2008-09 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
	<u>Fund 305/50, Subventions & Grants</u>		<u>Fund 100/86, PW Bureau of Street Services</u>	
	3741, Revenue from Com. Redev. Agency (for Washington Boulevard Streetscape project)	\$ 577,000	1010, Salaries General	\$ 325,070
			1090, Salaries Overtime	\$ 81,268
			3030, Construction Expense	\$ 113,774
			3040, Contractual Services	\$ 8,127
			6010, Office & Administrative	\$ 16,254
			6020, Operating Supplies	\$ 32,507
			Subtotal	\$ 577,000
	 <u>Fund 305/50, Subventions & Grants</u>		 <u>Fund 100/86, PW Bureau of Street Services</u>	
	3741, Revenue from Com. Redev. Agency (for Pico Union Streetscape project)	\$ 1,314,673	1010, Salaries General	\$ 740,661
			1090, Salaries Overtime	\$ 185,165
			3030, Construction Expense	\$ 259,231
			3040, Contractual Services	\$ 18,517
			6010, Office & Administrative	\$ 37,033
			6020, Operating Supplies	\$ 74,066
			Subtotal	\$ 1,314,673
	 <u>Fund 623/50, Terra Bella St. & Fenton Ave. Drainage Fund</u>		 <u>Fund 100/86, PW Bureau of Street Services</u>	
	TBD, Street Curb & Gutter Improvements	\$ 61,304	1090, Salaries Overtime	\$ 35,000
			3030, Construction Expense	\$ 15,000
			6010, Office & Administrative	\$ 1,304
			6020, Operating Supplies	\$ 10,000
			Subtotal	\$ 61,304
TOTAL ALL DEPARTMENTS AND FUNDS		\$4,583,565		\$4,583,565

**REVISED ATTACHMENT 8
FY 2008-09 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
PW/Bureau of Street Lighting	<u>Fund 347/50, St Lighting Maintenance Assessment Fund</u>		<u>Fund 100/84, Street Lighting</u>	
	C184, Street Lighting	\$ 472,400	3040, Contractual Services	\$ 322,400
			8780, Street Lighting Supplies	\$ 150,000
			Subtotal	\$ 472,400
Public Works Trust Fund	<u>Fund 834/50, Public Works Trust Fund</u>		<u>Fund 100/86, Street Services</u>	
	C186, Bureau of Street Services	\$ 400,000	1010, Salaries General	\$ 56,000
			1090, Salaries Overtime	\$ 24,000
			1100, Hiring Hall Salaries	\$ 24,000
			1120, Hiring Hall Benefits	\$ 8,000
			1190, Hiring Hall Overtime	\$ 4,000
			3030, Construction Expense	\$ 224,000
			3040, Contractual Services	\$ 4,000
			3330, Utilities Expense	\$ 4,000
			6010, Office & Administrative	\$ 8,000
			6020, Operating Supplies	\$ 44,000
			Subtotal	\$ 400,000
	Transportation	<u>Fund 385/94, Proposition A Local Transit Assistance</u>		<u>Fund 100/84, Street Lighting</u>
C184, Street Lighting		\$ 11,639	1090, Salaries Overtime	\$ 19,719
A184, Street Lighting		\$ 8,080		
	Subtotal	\$ 19,719		
	<u>Fund 43D/50, Street Furniture Revenue Fund</u>		<u>Fund 100/84, Street Lighting</u>	
	A184, Street Lighting	\$ 35,000	3040, Contractual Services	\$ 35,000
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 927,119		\$ 927,119

**REVISED ATTACHMENT 9
 FY 2008-09 BUDGET ADJUSTMENTS
 APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE FUND NO. 100/58**

<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
0235, Benefits Contingency	<u>100/46, Mayor</u> 1070, Salaries As-Needed	\$ 753,000
	<u>100/28, Council</u> 1070, Salaries As-Needed	\$ 2,318,000
	<i>Subtotal</i>	<u>\$ 3,071,000</u>
0240, Short-Term Layoff Agreement	<u>302/88, Recreation and Parks</u> 1010, Salaries General	\$ 1,200,000
	1070, Salaries As-Needed	\$ 1,300,000
	<i>Subtotal</i>	<u>\$ 2,500,000</u>
	<u>100/70, Police</u> 1010, Salaries General	\$ 2,250,000
	3040, Contractual Services	\$ 250,000
	<i>Subtotal</i>	<u>\$ 2,500,000</u>
0197, Outside Counsel Inc. Workers Comp.	<u>100/12, City Attorney</u> 9302, Workers Comp.-Outside Counsel	\$ 240,000
0196, New Police Facilities	<u>100/70, Police</u> 1090, Overtime General	\$ 256,150
	6010, Office and Administrative Expense	\$ 1,793,850
	<i>Subtotal</i>	<u>\$ 2,050,000</u>
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE		<u><u>\$ 10,361,000</u></u>