

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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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: **YEAR END FINANCIAL STATUS REPORT**

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. This Office is transmitting the Year-End Financial Status Report (FSR) for 2008-09 which provides the status of the Reserve Fund, details projected revenues and expenditures through year-end, and addresses remaining year-end shortfalls.

In the Mid-Year Financial Status Report (FSR) we anticipated a year-end shortfall of approximately \$35.29 million (based on a projected \$78.96 million revenue shortfall and projected year-end expenditures of \$43.67 million below appropriated amounts). However, due to various budget balancing efforts by the City family and prudent fiscal actions throughout the year, such as adherence to the Managed Hiring Process, the 2008-09 budget is anticipated to be balanced without requiring a transfer from the Reserve Fund, assuming the declaration of a second Special Parking Revenue Fund surplus in the amount of \$38.73 million. Attachment 1 provides a summary of the current year budget status. However, this outlook could change should revenues drop even further and the State decide to implement additional reductions or deferrals in the current year. We are closely following State budget developments and will report back as necessary.

Revenue

The Mid-Year FSR dated February 26, 2009 projected a year-end revenue shortfall of \$78.96 million. This estimate assumed a \$43.58 million Reserve Fund transfer to the current year budget from declared surplus Special Parking Revenue Funds. However, it has since been determined that all declared surplus Special Parking Revenue Funds should be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties. Year-end revenue estimates have been adjusted accordingly. Our current year-end estimate for 2008-09 General Fund receipts is now \$108.22 million below budget. This is generally consistent with the revised estimate for 2008-09 presented to the

Council in connection with its consideration of the 2009-10 budget. It is also consistent with CAO Budget Memo No. 97, Revenue Update presented to the Budget and Finance Committee on May 5, 2009 in its consideration of the 2009-10 Proposed Budget.

More than \$100 million of the \$108.22 million revenue reduction is anticipated in licenses, permits, fees and fines and is caused by a smaller transfer from the Special Parking Revenue Fund and less revenue associated with the sale of surplus property. Reimbursements from the solid waste fund are also below budget due to an \$8 million reduction in appropriations to solid waste fund related costs to reflect actual costs of the program in relation to the Cost Allocation Plan rate. See Bureau of Sanitation Section for a related discussion on this matter.

Other reductions are made in the economy-sensitive revenues, including the sales and hotel taxes, each down \$16 million; business tax, down \$19 million; the parking tax, down \$10 million; and vehicle license fees, down \$7 million.

Offsetting some of these reductions are:

- Property taxes – increase of \$35 million from a carry over of taxes from a prior year plus higher redemptions of properties in foreclosure;
- Utility taxes – increase of \$27 million from an audit-related recovery from a telephone provider and from the expanded telephone tax base which is linked to voter approval of Measure S on the February 2008 ballot; and
- A supplemental transfer of \$25 million from the power fund.

Attachment 10, Revenue Summary, summarizes these and other revisions to the original 2008-09 budget estimate.

If the recommendations in this report are adopted, and after accounting for the Council's 2009-10 Budget actions, 2008-09 revenue is expected to increase by \$5.4 million (reducing the revenue shortfall from \$108.22 million to \$102.68 million) due to the following:

- Grant Receipts– increase of \$4 million due to reimbursements to the General Fund from the following grant programs: Juvenile Accountability Incentive Block Grant (JAIBG) Fund for outstanding costs incurred for LA Bridges I, LA Bridges II, and Operation Clean Sweep activities in 2002-03 and 2003-04 (\$2,204,906); and the Narcotics Enforcement Surveillance Team Fund for outstanding costs incurred for the Police Department's Narcotics Enforcement Surveillance Team (NEST) in 2003-04, 2004-05 and 2005-06 (\$1,857,655).
- License, Permits, Fees and Fines-increase of approximately \$1.54 million from the refund of principal plus interest of excess City funds deposited with the Community Redevelopment Agency in connection with the 1998 Staples Arena transaction.

The table below summarizes the current year potential revenue shortfalls.

2008-09 Revenue Shortfalls (in millions)		
2 nd FSR		\$(55.00)
Budget Balancing		
Additional Revenue Shortfall		(20.00)
Offsets from Reimbursements		3.35
	<i>Subtotal</i>	(71.65)
3 rd FSR		
Additional Revenue Shortfall		(6.00)
	<i>Subtotal</i>	(77.65)
Mayor's Mid-Year Adjustments		
Offsets from Reimbursements & Other		18.62
	<i>Subtotal</i>	(59.03)
Mid-Year FSR		
Additional Revenue Shortfall		(63.51)
	<i>Subtotal</i>	(122.54)*
Year-End FSR		
Additional receipts		14.32
	<i>Subtotal</i>	\$(108.22)
Additional Revenue Per 2009-10 Budget		5.54
	Total	\$(102.68)

*In the Mid-Year FSR, we projected a year-end revenue shortfall of \$78.96 million. However, this assumed a \$43.58 million Reserve Fund transfer to the current year budget from declared surplus Special Parking Revenue Funds. It has since been determined that the declared surplus Special Parking Revenue Funds should be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties. The above projections reflect this adjustment.

Expenditures

Net year-end expenditures are projected to be \$125.84 million below appropriated amounts (a significant increase from the \$43.67 million anticipated in the Mid-Year FSR) which will be necessary to offset the anticipated \$102.68 million revenue shortfall. The \$125.84 million is mainly attributed to anticipated Special Parking Revenue Fund declared surpluses and savings from petroleum products and Human Resources Benefits (workers compensation) to be transferred to the Unappropriated Balance (UB), Reserve for Economic Uncertainties as well as savings from the Short Term Layoff Agreement funds set aside in the UB.

Overall, departmental deficits decreased considerably since the Mid-Year FSR, due in part to strict adherence to the Managed Hiring Process, and departmental efforts to balance their budgets with existing funds or the receipt of grant reimbursements and other special funds by year-end. However, relative to non-departmental expenditure budget categories, a \$15 million appropriation is now needed within the General City Purposes as it has been determined that Lifeline customers (\$11,214,000) and un-reimbursed refuse collection service to other City departments (\$3,825,000) cannot be subsidized by the Solid Waste Resources Revenue Fund. As a result, appropriations of approximately \$21.35 million are recommended from the Unappropriated Balance, Reserve for Economic Uncertainties to offset remaining deficits in City departments and non-departmental budget categories.

The following summarizes year-end expenditures through year-end:

2008-09 Appropriation Surplus/(Deficits)		
(in millions)		
2 nd FSR		\$(55.09)
Budget Balancing Report Offsets		37.63
	<i>Subtotal</i>	(17.46)
3 rd FSR		
Decrease to Deficit		3.75
Mayor's Mid-Year Adjustments		55.73
	<i>Subtotal</i>	42.02
Mid-Year FSR		
Decrease in Savings		(.92)
Mid-Year Recommendations		2.57
	<i>Subtotal</i>	43.67
Year-End FSR		
Additional Budget Balancing- UB Res.		74.55
Increase in Savings		7.62
	Total	125.84*

*Note: Represents projected expenditures below appropriated amounts which are expected to offset revenue shortfalls.

Reserve Fund

The current Reserve Fund balance as of May 27, 2009 is estimated at \$168 million (consisting of \$125 million in the Emergency Reserve Account and \$43 million in the Contingency Reserve Account). The 2009-10 Adopted Budget estimates that the Reserve Fund Balance on June 30,

2009 will be approximately \$217 million assuming unallocated revenue of \$5.5 million and reversions of \$27.4 million. We project that year-end reversions would be generally consistent with the budget.

Short-Term Layoff Reductions & Voluntary Furloughs

As of May 18, 2009, savings of about \$2.1 million have been achieved across City departments through voluntary furloughs. However, a portion of this amount consists of special funds (approximately 36 percent) and should not count toward the \$3.1 million General Fund savings target. If employee participation continues at the current level through the remainder of the fiscal year, savings generated from voluntary furloughs by year-end, will be short of the \$3.1 million in General Fund savings required per the short-term layoffs alternative agreement.

State Budget

In February 2009 the State adopted a budget plan of impact to Fiscal Years 2008-09 and 2009-10. However, the February Budget assumed passage of the May 19, 2009 Statewide ballot measures. Since that time, the ballot measures have been rejected by State voters and State analysts now indicate that State revenues have dropped even further. In its analysis of the Governor's May Budget Revise, the California Legislative Analyst Office (LAO) estimates the State budget deficit at \$24.3 billion (for 2008-09 and 2009-10). Furthermore, a deficit greater than \$15 billion is projected for 2010-11. The State's budget problem has now been described as very severe and the State Legislature has been urged to take immediate actions to return the 2009-10 budget to balance. According to the LAO, acting quickly to return the budget to balance and address the State's cash flow challenges would help the State Treasurer and Controller access the investment markets in the most efficient manner as soon as July.

At this time, the State Legislature has resumed budget hearings and State Finance experts have sought federal intervention with no success. It is evident that the State faces critical budget choices that will be more difficult than in the past. Clearly, the State Budget crisis continues to present a real threat to the City's current year budget as well as the 2009-10 budget. Known risks are described below:

- **Property Tax:** As previously reported, the Governor's May Revise proposes to borrow almost \$2 billion of local property tax revenues. Under the current proposal, the borrowing would be instituted on an across-the-board basis, with each agency lending 8 percent of its 2008-09 property tax receipts. Repayment would be required within three years with interest. The Governor also proposes legislation to create an authority that would allow local agencies to borrow against future state repayments collectively. This would result in an involuntary City loan to the State of up to \$120 million. We will report further on this issue as information becomes available.
- **Gas Tax and Proposition 42:** In the Mid Year FSR, we reported the deferral of the February through April Gas Tax transfers from the State. As of June 3, 2009, the City has received payment in the amount of \$15.8 million for the three month deferral as well as \$5.9 million for

the month of May. If there are no further delays from the State on the June transfer estimated at \$5.3 million, we should receive all the estimated Gas Tax revenue for 2008-09. It should be noted that the last quarter of Proposition 42 monies which is budgeted in 2008-09 at \$8.7 million would be transferred in July if the State does not suspend the transfer.

The State LAO suggests that the Legislature may wish to consider various other options to addressing the budget deficit, such as borrowing transportation funds, including Proposition 42 and gas tax subvention funds in Fiscal Year 2009-10. The LAO further suggests repealing Proposition 42 in Fiscal Year 2010-11. In addition, the Governor's update to the 2009-10 May Budget revision proposes to reduce the local share of gas tax revenues by \$750 million in 2009-10 and redirect the funds to pay for debt service on highway bonds. Details regarding the actual impact of this later proposal on the City are unavailable at this time. The League of California Cities estimates that the impact to local governments is a 91 percent reduction for 2009-10. Based on this estimate, this represents a potential reduction to the City of approximately \$57.7 million.

- **State Infrastructure Bonds:** We previously reported that the State had suspended all payment of infrastructure bond funds, including Propositions 1B, 12, and 40 funding. With the State's successful bond issuances in March and April, it was anticipated that some payments would resume in the summer. In mid-May, State staff informally advised that Proposition 1B funds would be released on or before June 15, 2009. Similarly, State staff had informally advised that Proposition 12 and 40 (Park Bond) payments would resume this summer. However, recently the State formally advised that while the City can proceed with project implementation (for Propositions 12 and 40 projects under contract), the State cannot guarantee the timing of reimbursements. Reimbursements are contingent on current available funding and future bond sales. Given the State's changing circumstances and standing in the financial markets, there is much uncertainty on the timing of repayment of Propositions 1B, 12 and 40 bond funds.

Budgetary Adjustments

Budgetary adjustments of over \$71 million are included in this report consisting of the following:

- \$17.9 million for transfers between accounts within various departments and funds;
- \$21 million for transfers between various departments and funds;
- \$21.9 million in appropriations from the Unappropriated Balance (UB) including approximately \$21.4 million from the Reserve for Economic Uncertainties and \$533,532 from the Short Term Layoff Agreement accounts;
- \$9.9 million in appropriations to the UB, Reserve for Economic Uncertainties;
- Reduce appropriations to the Police Department by \$1.05 million from the Supplemental Law Enforcement Services Fund and the VLF Gap Loan Financing Proceeds Fund, and reduce appropriations to the Bureau of Street Services by \$572,000 from the Traffic Safety Fund;
- Reappropriate year-end unencumbered amounts for the following items: Unappropriated Balance-Tax Amnesty/Audit Penetration and New Fire Stations, General City Purposes-

Financial Management System, and, unencumbered contractual services funds for the Public Safety Systems Project (ITA), Actuarial Studies (CAO) and fuel management and fuel purchasing alternatives (GSD); and,

- Revisions to the 2007-08 Bureau of Engineering reversion worksheet of about \$1.6 million.

Additional Details

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

1. Status of the 2008-09 Budget
2. Status of the Reserve Fund
- 3a. Status of the Unappropriated Balance-General
- 3b. Status of the Unappropriated Balance-non General
4. Projected Expenditures-Deficits and Surpluses by Department
5. Transfers between Accounts within Departments and Funds
6. Transfers between Departments and Funds
7. Appropriations from the Unappropriated Balance
8. Appropriations to the Unappropriated Balance, Reserve for Econ. Uncert.
9. Employment Level Report
10. Status of Revenue for 2008-09

RECOMMENDATIONS

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

1. Transfer \$17,979,013 between accounts within various departments and funds as specified in Attachment 5;
2. Transfer \$21,252,585 between various departments and funds as specified in Attachment 6;
3. Appropriate funds in the amount of \$21,916,214 from the Unappropriated Balance to the departments and funds as specified in Attachment 7;
4. Appropriate funds in the amount of \$9,908,138 from various departments and funds to the Unappropriated Balance Fund No. 100/58, Account 0037, Reserve for Economic Uncertainties as specified in Attachment 8;

City Clerk

5. Retroactively, authorize the City Clerk to assist the Employee Relations Board in conducting the Union elections (which took place in early May 2009) as well as absorb the cost of election-related expenses (estimated at \$20,000) with funds originally allocated for the May 2009 General election;

Community Development Department

6. Approve the following actions to allow the Community Development Department (CDD) to pay a total amount of \$341,038 (\$234,656 in direct salary costs and \$106,382 in indirect salary costs incurred by Information Technology Agency (ITA) staff assigned to provide grant-eligible programming and related computer systems services to CDD):
 - a. Establish Account E132, ITA and appropriate \$167,156 within Community Services Block Grant (CSBG) Fund No. 428;
 - b. Increase appropriations in the amount of \$50,882 within CSBG Fund No. 428 Account E299, Related Costs;
 - c. Transfer appropriations within Workforce Investment Act (WIA) Fund No. 44A as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From	S201	WIA Adult	\$35,000
To	E299	Related Costs	\$35,000

- d. Transfer appropriations within Community Development Block Grant Trust (CDBG) Fund No. 424 as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From	E122	CDD	\$88,000
To	E132	ITA	\$67,500
	E299	Related Costs	<u>20,500</u>
			\$88,000

- e. Decrease appropriations in the amount of \$88,000 from CDD Fund No. 100/22, Account 1010, Salaries General; and,
 - f. Increase appropriations in the amount of \$234,656 within Information Technology Agency Fund No. 100/32, Account 1010, Salaries General.
7. Approve the following actions to allow CDD to receive grants funds from the WIA Dislocated Worker Grant (Governor's Economic Stimulus), increase appropriations to pay direct and indirect salary costs and expenses associated with grant activities and reduce the portion of appropriation that pertains to the administrative budget of the grant (CDD has sufficient appropriations to pay the administrative expenses of this grant (\$146,919), therefore an appropriation is only required for contractual services):
- a. Establish a receivable from the State of California for \$1,469,123;
 - b. Establish Account E219 within WIA, Fund No. 44A/22 CDD as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
E219	WIA Dislocated Worker (Economic Stimulus)	\$1,322,204
 - c. Expend funds upon presentation of documentation and proper demand of the General Manager of CDD, or designee.
8. Approve the following actions to allow CDD to make the adjustments that are necessary for the calendar year 2008 salaries of CDD General Manager that exceeded the limit established by federal guidelines. Public Law 109-234, as implemented by the Employment Training Administration, Department of Labor (ETA, DOL) sets limitations on Executive Level salaries paid for by ETA, DOL-funded grants:
- a. Establish Account E122, CDD and appropriate \$10,000 within Urban Development Action Grant Miscellaneous Revenue Fund (UDAG) Fund No. 356;
 - b. Establish Account E299, Related Costs, and appropriate \$5,000 within UDAG Fund No. 356; and,

c. Decrease appropriations within WIA Fund No. 44A as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From	E122	CDD	\$10,000
To	E299	Related Costs	<u>5,000</u>
			\$15,000

9. Approve the following actions to allow CDD to conduct audits and fiscal reviews of closed Los Angeles Bridges (LAB) contractors:

- a. Authorize the General Manager, CDD, or designee to expend \$68,000 in UDAG funds for audits and fiscal reviews of closed Los Angeles Bridges (LAB) contractors;
- b. Authorize the General Manager, CDD, or designee to amend an existing contract with Simpson and Simpson, CPAs (C-11586) to perform fiscal reviews, to increase the contract amount from \$75,000 to \$146,000 and extend the contract term from March 1, 2007 through February 28, 2008 to March 1, 2007 through December 1, 2009; and,
- c. Authorize the Controller to establish a new account titled LAB Fiscal Reviews and appropriate \$68,000 within UDAG Miscellaneous Revenue Fund No. 356.

10. Authorize the General Manager, CDD or designee, to make technical adjustments that may be required and are consistent with Recommendation Nos. 6 through 9, subject to the approval of the City Administrative Officer and authorize the Controller to implement these instructions;

Convention Center

11. Approve the following actions relative to the Capital Finance Administration Fund, Convention Center Debt Service Account:

- a. Transfer \$1,700,000 from the Unappropriated Balance Fund No. 100/58, Account 0037, Reserve for Economic Uncertainties to the Capital Finance Administration Fund No. 100/53, Account 0313, Convention Center Debt Service;
- b. Decrease Convention Center Fund No. 725/48, Account 153E, Capital Finance Administration, by \$1,700,000 and correspondingly decrease the Capital Finance Administration Fund No. 100/53, Account 0313, Convention Center Debt Service by a like amount;

12. Transfer \$260,000 within the Convention Center Revenue Fund No. 725/48 from the Available Balance to Account 148E, Los Angeles Convention Center, and increase appropriations to the following accounts within Convention Center Fund No. 100/48:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries General	\$30,000
1070	Salaries As-Needed	<u>230,000</u>
	Total	\$260,000

13. Authorize Controller to close the BRI LA CONVENTION & EXH CTR INT Fund No. T25/48 and transfer the remaining cash balance of \$206,862.36 to the Reserve Fund;

14. Authorize Controller to transfer \$206,862.36 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the Capital Finance Administration Fund No. 100/53, Account 0320, MICLA 2006-A - Police HQ/PW Building;

Finance

15. Transfer \$173,684 from the following accounts within Office of Finance Fund No. 100/39 to a new account to be established in the Unappropriated Balance Fund No. 100/58, entitled Tax Amnesty/Audit Penetration (See Recommendation No. 41a):

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
2120	Printing and Binding	\$50,000
3040	Contractual Services	97,261
3310	Transportation	<u>2,808</u>
	Total	\$150,069

Fire

16. Approve the following actions to pay the Information Technology Agency for the installation of communications equipment into Fire Department vehicles:

- a. Transfer appropriations within MICLA Fund No. 298/38 in the amount of \$43,260.31 from Account E206, Communication Equipment, to Account E132, Information Technology Agency;
- b. Appropriate \$43,260.31 to the Information Technology Agency Fund No. 100/32, Account 1100, Hiring Hall Salaries;
- c. In accordance with Recommendations 16a. and 16b. above, authorize the Controller to transfer cash from MICLA Fund No. 298/38 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;

General City Purposes

17. Instruct the City Clerk to prepare the necessary document(s) and/or agreement(s) for the following events/organizations, or any other agency or organization as appropriate, in the amounts indicated, and subject to the approval of the City Attorney as to form and legality – if required, utilizing funds that are available in the General City Purposes Fund No. 100/56,

Heritage Month Celebrations, Account 0832 as follows:

<u>Event</u>	<u>Amount</u>
NAACP Theater Awards, June 2009	\$50,000
Coliseum July Fourth Fireworks Show	<u>60,000</u>
Total	\$110,000

Information Technology Agency

18. Authorize the Controller to establish a new account, No. 007E – Reserve for AT&T PEG Access Capital Costs, within the Telecommunications Development Account, Fund No. 342/32, and appropriate to that account all franchise fees received from AT&T for Public, Educational, and Governmental Access capital costs (i.e., the one percent franchise fee);

Mayor

19. Authorize the Mayor's Office to take the following actions relative to the Juvenile Accountability Incentive Block Grant (JAIBG) funds pursuant to prior Council action (C.F. (C.F. 01-0406):

- a. Reimburse a total of \$2,204,906 for outstanding costs incurred for LA Bridges I, LA Bridges II, and Operation Clean Sweep activities in 2002-03 and 2003-04 by the Community Development and Public Works Departments, from the Juvenile Accountability Incentive Block Grant (JAIBG) Fund to the General Fund as follows:

<u>Year</u>	<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
02-03	45X/46/T201	100/62/4675	\$889,906

- b. Prepare a journal voucher to transfer \$1,315,000 from JAIBG Fund No. 45X/46, Balance Sheet Account 1010 to General Fund No. 100/62, Revenue Source Code 4675;

20. Authorize the Mayor's Office to reimburse a total of \$1,857,655 to the General Fund from the Narcotics Enforcement Surveillance Team Fund No. 668/46 for outstanding costs incurred for the Police Department's Narcotics Enforcement Surveillance Team (NEST) in 2003-04, 2004-05 and 2005-06 by the pursuant to C.F. 01-0878 as follows:

<u>Year</u>	<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
03-04	668/46/V201	100/62/4675	\$ 185,209
03-04	668/46/V270	100/62/4675	508,429
04-05	668/46/W201	100/62/4675	319,771
04-05	668/46/W270	100/62/4675	646,490
05-06	668/46/Y170	100/62/4675	199,142
05-06	668/46/Y204	100/46/Y204	<u>8,614</u>
		Total	\$1,857,655

Planning

21. Appropriate \$453,000 from available cash within the City Planning Grant Trust Fund No. 46Y/68 to Account E201, Survey LA, for the disbursement of the Getty grant for the Survey LA Project;
22. Approve the following actions relative the Planning Department Summer Internship Program:
- a. Appropriate \$8,000 from funds received within the City Planning Grant Trust Fund No. 46Y/68, to Account E202, Preservation Internship, for the Summer Internship Program;
 - b. Instruct the Planning Department to reimburse a total of \$8,000 from the City Planning Grant Trust Fund No. 46Y/68, Account E202, Preservation Internship to the Department of City Planning Fund No. 100/68, Revenue Source Code 4610, Reimb. From Other Funds, for the direct costs incurred for the Summer Internship Program;
23. Approve the following actions relative to the Sustainable Communities Grant for the Cornfield/Arroyo Seco Specific Plan:
- a. Authorize the Controller to set up grant receivables of \$350,000 and establish an appropriation account, Account E203, Cornfield/Arroyo Seco SP, in the same amount, within the City Planning Grant Trust Fund No. 46Y/68 for the disbursement of State's Sustainable Communities Grant for the Cornfield/Arroyo Seco Specific Plan;
 - b. Authorize the Planning Department to submit grant reimbursement requests to the grantor and deposit grant receipts in the City Planning Grant Trust Fund No. 46Y/68;
24. Approve the following actions relative to the Planning Department Expedited Permit Trust Fund No. 47E:
- a. Appropriate \$599,477.52 from available monies within the Planning Department Expedited Permit Trust Fund No. 47E/68 to the following accounts within the same fund for current year expenditures:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
E138	Fire Department	\$ 6,096.00
E178	PW/Engineering	277.54
E268	Planning	<u>593,103.98</u>
	Total	\$ 599,477.52

- b. Transfer \$6,373.54 from the Planning Department Expedited Permit Trust Fund No. 47E/68 and appropriate this amount to the following department and accounts to reimburse the General Fund for direct costs incurred in 2008-09 by the Department of Public Works, Bureau of Engineering, and the Fire Department from July 1, 2008 to February 28, 2009:

<u>From Fund/Account</u>	<u>To Fund/Account</u>	<u>Amount</u>
F47E/ 68/ E138	F100/ 38/ 1092, Overtime Sworn	\$ 6,096.00
F47E/ 68/ E178	F100/ 78/ 1010, Salaries General	<u>277.54</u>
	Total	\$ 6,373.54

c. Instruct the Planning Department to reimburse the General Fund, upon receipt of funds for direct costs incurred in 2008-09 by the Planning Department July 1, 2008 to February 28, 2009 as follows:

<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
F47E/ 68/ E268	F100/ 68/ 4610	\$ 593,103.98

d. Instruct the Planning Department to transfer the cash related to the appropriations identified in Recommendation No. 24c above to the General Fund, upon receipt of funds and invoices from the Planning Department, Department of Public Works, Bureau of Engineering, and Fire Department;

e. Instruct the Planning Department to reimburse the General Fund for related costs incurred in 2008-09 by the Planning Department, Department of Public Works, Bureau of Engineering, Department of Transportation and Fire Department from July 1, 2008 to February 28, 2009, with funds received in the Expedited Permit Trust Fund;

25. Transfer appropriations between the listed accounts in the Major Projects Review Trust Fund No. 524/68 as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	002E	LA Arena Collection	\$46,244.90
To:	202E	LA Arena	\$21,982.01
	299E	Related Costs	<u>24,262.89</u>
		Total	\$46,244.90

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	003E	USC Collection	\$27,780.76
To:	203E	USC	\$14,448.08
	299E	Related Costs	<u>13,332.68</u>
		Total	\$27,780.76

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	004E	Westfield Collection	\$393,157.50
To:	204E	Westfield	\$197,720.58
	299E	Related Costs	<u>195,436.92</u>
		Total	\$393,157.50

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	008E	Ponte Vista Collection	\$12,602.06
To:	208E	Ponte Vista	\$5,846.47
	299E	Related Costs	<u>6,755.59</u>
		Total	\$12,602.06

26. Instruct the Planning Department to reimburse a total of \$239,997.14 outstanding direct costs incurred in 2007-08 and 2008-09 by the General Fund from the LA Arena Account, USC Account, Westfield Account and Ponte Vista Account to the General Fund:

LA Arena

<u>Year</u>	<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
07-08	F524/ 68/ 202E	F100/ 12/ 4610	\$385.50
08-09	F524/ 68/ 202E	F100/ 68/ 4610	\$19,288.76
		F100/ 94/ 4610	<u>2,307.75</u>
		Total	\$21,596.51

USC

<u>Year</u>	<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
08-09	F524/ 68/ 203E	F100/ 68/ 4610	\$14,448.08

Westfield

<u>Year</u>	<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
07-08	F524/ 68/ 204E	F100/ 94/ 4610	\$34,389.26
08-09	F524/ 68/ 204E	F100/ 68/ 4610	<u>\$163,331.32</u>
		Total	\$197,720.58

Ponte Vista

<u>Year</u>	<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
07-08	F524/ 68/ 208E	F100/ 68/ 4610	\$5,846.47

27. Instruct the Planning Department to reimburse a total of \$239,788.08 to the General Fund for associated outstanding related costs incurred in 2007-08 and 2008-09 by the Planning Department, the City Attorney, and the Department of Transportation for the listed projects with funds received in the respective project account in the Major Projects Review Trust Fund;

LA Arena

<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
F524/ 68/ 299E	F100/ 12/ 4640	\$198.25
	F100/ 68/ 4694	21,603.09
	F100/ 94/ 4694	<u>2,461.55</u>
	Total	\$24,262.89

USC

<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
F524/ 68/ 299E	F100/ 68/ 4694	\$13,332.68

Westfield

<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
F524/ 68/ 299E	F100/ 94/ 4640	\$34,354.87
	F100/ 68/ 4694	<u>161,082.05</u>
	Total	\$195,436.92

Ponte Vista

<u>From Fund/Account</u>	<u>To Fund/Revenue Source</u>	<u>Amount</u>
F524/ 68/ 299E	F100/ 68/ 4640	\$6,755.59

Police

28. Reduce appropriations to the Supplemental Law Enforcement Services Fund No. 667/70, Account E170, by \$1,000,000, to reflect a reduction in anticipated revenue from the State; and, reduce appropriations to the Police Department Fund No. 100/70, Account 1012, Salaries Sworn, by \$1,000,000 to correspond with the reduction in State revenue;

29. Reduce appropriations to the VLF Gap Loan Financing Proceeds Fund No. 48T/70, Account

E170, by \$50,177.96, and correspondingly reduce appropriations to Police Department Fund No. 100/70, Account 1012, Salaries Sworn;

PW-Board

30. Approve the following actions relative to Project Restore:

- a. Transfer \$118,932 from the Public Works Trust Fund No. 834/50, to the Board of Public Works Fund No. 100/74, Account 1010, Salaries General, for reimbursement of the salary of the Project Restore Director (the funds are expected to be fully reimbursed to the Public Works Trust Fund by Project Restore by year-end);
- b. Authorize the Controller to reimburse Project Restore up to \$118,932 from the Hollyhock House Grant or seismic bond funds for the above salary expenses, should these funds become available to fund the Barnsdall Park Seismic Retrofit Project-related expenditures;

PW-Bureau of Engineering

31. Authorize the Bureau of Engineering to revise its 2007-08 reversion worksheet to increase expenditures among various sources of funds by approximately \$1,587,769 (as noted in this report) and decrease expenditures to the General Fund by the same amount, and authorize the Controller to make technical corrections and accounting adjustments as necessary;

PW/Bureau of Sanitation

32. Approve the following actions relative to the Solid Waste Fee Lifeline Rate Program and the Solid Waste Fee Reimbursement:

- a. Authorize the Controller to establish new accounts and appropriations in the General City Purposes Fund No. 100/56 for the Solid Waste Fee Lifeline Rate Program in the amount of \$11,214,000 and for Refuse Collection Services to Other City Departments and Special Events (titled Solid Waste Fee Reimbursement) in the amount of \$3,825,000, for total funding of \$15,039,000 as noted in Attachment 7 of this report;
- b. Authorize the Chief Legislative Analyst and the City Administrative Officer to process and approve reimbursements upon submission of invoices and supporting documentation by the Bureau of Sanitation, and coordinate therefrom with the City Clerk;
- c. Authorize the Controller to process payment upon proper demand by the City Clerk;

33. Authorize the Office of Accounting of the Department of Public Works to process necessary documents to transfer cash in the amount of \$360,000 from the Multi-family Bulky Item Fee Fund No. 50D/50, 1010 Cash Balance, to the Citywide Recycling Trust Fund No. 46D/50, 1010 Cash Balance, for the repayment of an outstanding loan made in connection with start up of the program in 2007;

34. Relative to the General Services Department (GSD) appropriation of \$421,511 in Attachment 6 for CLARTS renovation work and the Bureau of Engineering (BOE) appropriation of

\$30,000 in Attachment 6 for CLARTS design services, instruct the Solid Waste Resources Revenue Acquisition bond fund administrator to transfer cash from Fund No. 49G/50, Account A312, in the amount of up to \$451,511 to reimburse the General Fund on an as-needed basis upon proper documentation from GSD, the Board of Public Works (on behalf of BOE) and the Bureau of Sanitation;

PW/Bureau of Street Lighting

- 35. Appropriate \$200,000 within the Street Lighting Maintenance Assessment Fund No. 347/50 from the available cash balance to Account E661, Pacific Ave – 4th to 9th St. for voltage conversion work within the Pacific Corridor Redevelopment Project;
- 36. Transfer \$1,500,000 within the Street Lighting Maintenance Assessment Fund No. 347/50 from Account E600, Available Series to Multiple Projects, to a new account entitled LED Fixtures to front fund the Light Emitting Diode (LED) Conversion program;

PW-Street Services

- 37. Reduce appropriations to the Traffic Safety Fund No. 306/62, Account E186, by \$572,000, to reflect a reduction in anticipated revenue to this Fund; and, reduce appropriations to the Bureau of Street Services Fund No. 100/86, Account 1010, Salaries General, by a like amount;

Productivity Incentive Revolving Fund

38. Relative to prior Council action on the Mid-Year Budget Balancing Options Report (C.F. 08-0600-S34) in which the Mayor and Council approved the transfer of \$200,000 from the available cash balance in the Productivity Incentive Revolving Fund (PIRF) to the Unappropriated Balance (UB) (Recommendation No. 17B, Attachment 4), amend the Council action as follows:*

- a. Cancel the following loans in an amount totaling \$200,000 as indicated in the Productivity Incentive Revolving Fund No. 105/10:

<u>Loan Balance</u>	<u>Fiscal Year</u>	<u>Department</u>
\$ 38,563	1989	Fire Department
671	1990	Bureau of Street Maintenance
70,346	1999	Productivity Incentive Revolving Fund
<u>90,420</u>	2000	Department of Transportation
\$ 200,000		

- b. Transfer the amount of \$200,000 from those loan accounts to the Unallocated Balance in the Productivity Incentive Revolving Fund; and
- c. Transfer \$200,000 from the Unallocated Balance in the Productivity Incentive Revolving Fund to the Unappropriated Balance Fund No. 100/58, Account 0037, Reserve for Economic Uncertainties;

*The total amount to be transferred from the Productivity Incentive Revolving Fund No. 105 to the Unappropriated Balance, Reserve for Economic Uncertainties in 2008-09 is \$200,000.

Proposition O

39. Approve the following Proposition O Program-related actions:

a. Transfer appropriations within the Proposition O, GOB 2008A Clean Water Cleanup Fund No. 16Q/50 as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	E178	Bureau of Engineering	\$15,004.00
	E299	Related Costs	<u>4,996.00</u>
		Total	\$20,000.00
To:	E174	Board of Public Works, Office of Accounting	\$14,858.84
	E299	Related Costs	<u>5,141.16</u>
		Total	\$20,000.00

b. Reduce appropriations in the amount of \$15,004.00 from Bureau of Engineering Fund No. 100/78, Account 1010, Salaries General, and increase appropriations in the amount of \$14,858.84 to the Board of Public Works Fund No. 100/74, Account 1010, Salaries General;

Reappropriations/Appropriations

40. Authorize the Controller to transfer all unencumbered funds from all funding sources in the Council District Community Services line item in the General City Purposes Fund No. 100/56 on June 30, 2009 to Council Fund No. 100/28, Account 1010, Salaries General;

41. Authorize the City Clerk to place on the agenda for the first City Council meeting date in fiscal year 2009-10, or shortly thereafter, the following instructions:

- a. Reappropriate the unencumbered balance remaining in the Unappropriated Balance Fund No. 100/58, Tax Amnesty/Audit Penetration, in the same amount and into the same account as exists on June 30, 2009; (See related action, Recommendation No.15)
- b. Reappropriate an amount not to exceed \$200,000 from the unencumbered balance remaining in the City Administrative Officer Fund No. 100/10, Account 3040, Contractual Services, in the same amount and into the same account as exists on June 30, 2009 to pay for several actuarial studies to be ordered during 2009-10 to determine the costs and viability of proposed changes to the City's retirement plans and other as-needed cost studies (See related action in Recommendation No. 3, Attachment 7);

- c. Reappropriate the unencumbered balance remaining in the Unappropriated Balance Fund No. 100/58, Account 0195, New Fire Stations, in the same amount and into the same account as exists on June 30, 2009, for Fire Department equipment and expenses for new Fire stations opening in Fiscal Year 2009-10;
- d. Reappropriate the unencumbered balance remaining in the General City Purposes Fund No. 100/56, Account 0843, Financial Management System, in the same amount and into the same account as exists on June 30, 2009;
- e. Reappropriate an amount not to exceed \$1,256,649 from the unencumbered balance remaining in Information Technology Agency Fund No. 100/32, Account 3040, Contractual Services, for services related to the design of the information technology systems for the Public Safety Systems Project from funds that were budgeted in 2008-09 but were not spent due to delays;
- f. Reappropriate an amount not to exceed \$60,000 from the unencumbered balance remaining in General Services Department Fund No. 100/40, Account 3040, Contractual Services, to the same department and account, for necessary services to complete a study of fuel management and fuel purchasing alternatives;

Technical

42. 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

Transfers, appropriations and other adjustments of over \$71 million are recommended in this report to meet current-year obligations. The current Reserve Fund balance is estimated at \$168 million (consisting of \$125 million in the Emergency Reserve Account and \$43 million in the Contingency Reserve Account).

DISCUSSION

1. BASIS FOR REPORT

The Office of the City Administrative Officer monitors the budget throughout the fiscal year and transmits frequent reports to the Mayor and Council detailing the City's current financial status. This report: 1) reviews the status of City receipts; 2) provides supplemental information regarding factors that may impact the administration and control of the current year budget; 3) estimates potential budgetary problems in departments; and, 4) recommends various budgetary adjustments.

2. GENERAL FUND REVENUE

See Attachment 10 for summary of 2008-09 revenue.

3. BUDGETARY ADJUSTMENTS AND DEPARTMENTAL ISSUES

The following are brief descriptions by department of potential surpluses and deficits at year-end, and recommended budgetary adjustments. Attachment 4 summarizes projected surpluses and deficits by department.

A. Aging

A year-end special fund surplus of \$372,635 is projected in the Salaries General Account. The surplus, which consists of Proposition A and Older Americans Act grant funds, is due to savings accumulated through long standing vacancies sustained throughout the 2008-09 fiscal year. The grant funds will be returned to the grantor after June 30, 2009 if the positions are still vacant at that time.

Due to the City's current financial status, the Department should continue to closely monitor all expense accounts and manage vacancy levels.

B. Animal Services

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 7 – Appropriations from the Unappropriated Balance

A net year-end deficit of \$87,304 is projected at this time which is less than the \$347,050 identified at Mid-Year. The remaining deficit is mainly attributable to the short-term layoff budget reduction of \$414,811 and increased expenditures in the Salaries Overtime account accrued during the Marek-Sesnon and the Sayre fires.

The deficit in the Salaries General account has increased from \$173,432 to \$318,915, due to payment of a workers compensation settlement and other payouts. However, the Department is expected to reduce the deficit in the Salaries General account to \$31,876 by year-end due to

identified savings in various expense accounts and receipt of Proposition F reimbursements. Additionally, the Salaries Overtime account deficit has been reduced from \$173,618 to approximately \$55,000. Department staff is currently in the process of obtaining FEMA reimbursement for \$49,472 in expenses incurred during the emergencies. However, the reimbursements will not be received during the current fiscal year. A \$87,304 appropriation is recommended from the UB, Short Term Layoff Agreement account (\$31,876) and the UB, Reserve for Economic Uncertainties (\$55,428) to offset the year-end deficits in the Salaries General and Salaries Overtime accounts, respectively.

Transfers totaling \$197,840 are also recommended from the Animal Services Salaries As-needed account and various expense accounts to the Salaries General account.

Lastly, through the grievance process the Department has learned that Veterinary Technicians hired before 2002 received a bonus for performing euthanasia. New hires processed after 2002 were not given this bonus although the bonus continued in the MOU thereby creating a disparity in class, in salary. Resolution of this issue and clarification in the MOU is currently in negotiation. The Department is projecting that the potential liability from this issue could reach \$37,000. However, the timing of this potential payment is not known.

C. Building and Safety

Attachment 6 – Transfers between Departments and Funds

A year-end deficit is not projected for this Department. A General Fund deficit of \$540,565 was previously projected earlier in the fiscal year, however, various funding sources were subsequently identified to offset this deficit by year-end and savings were generated in department expense accounts. It is now necessary to appropriate funds from the following sources to the Building and Safety salary and expense accounts: (1) Community Redevelopment Agency (CRA) funds in the amount of \$223,518 for six months of Proactive Code Enforcement Program services in CRA areas, and (2) \$161,129 from the Off-Site Sign Periodic Inspection Fee and Trust Fund for services provided under the Off-Site Sign Structure Periodic Inspection Program (OSSPIP).

In the Mid Year FSR, we also identified the 35th Program Year Community Development Block Grant (CDBG) as a potential source of funds to offset a portion of the Department's General Fund deficit. As part of the 35th Program Year Consolidated Plan, the Council awarded the Department \$2,057,462 to continue the CDBG – Proactive Code Enforcement Program (CDBG—PACE) during the 2009-10 Program Year of which a portion will cover expenses for the period April through June 2009. However, the reimbursement will not be received until early next fiscal year.

One Building and Safety employee is on loan to the Department of Finance. Since the employee is performing work that is unrelated to the Building and Safety Permit Enterprise Fund, it is necessary to reimburse the Enterprise Fund for these salary costs. As noted in the Finance Section of this report, a \$16,458 transfer is recommended from the Office of Finance to the Building and Safety Permit Enterprise Fund.

D. City Administrative Officer
Attachment 7 – Appropriations from the Unappropriated Balance
Recommendation No. 41b

The City Administrative Officer is responsible for informing the Mayor and City Council about the need for and fiscal impact of potential retirement changes and subsequently negotiating changes with the representatives of affected bargaining units. An actuarial study by a certified actuary is necessary to determine the costs associated with and viability of proposed changes to a retirement plan. It is anticipated that several actuarial studies will be ordered during 2009-10, including but not limited to developing retirement tiers for new members of the Los Angeles City Employees Retirement System (LACERS) and the Fire and Police Pension System plans, an early retirement incentive for eligible City workers, and other as-needed cost studies. The studies will be conducted by the City's actuary to the LACERS and Fire and Police Pension System. It is anticipated that \$200,000 will be needed to pay for the cost of these studies. An appropriation of \$200,000 is recommended from the Unappropriated Balance, Reserve for Economic Uncertainties to the CAO's Contractual Services account to pay for these studies. It is further recommended that these funds be reappropriated in Fiscal Year 2009-10 for this same purpose.

E. City Attorney
Attachment 5 – Transfers between Accounts within Departments and Funds
Attachment 6 – Transfers between Departments and Funds
Attachment 7 – Appropriations from the Unappropriated Balance

Excluding, the liability claims shortfall, a year-end deficit of approximately \$3.5 million is projected for this Department of which only \$1.21 million will have a General Fund impact. Since Mid-Year actions, the deficit has increased by approximately \$500,000 due to an increase in the Litigation Expense account deficit. The Department has identified alternate funding (totaling about \$2.3 million) comprised of additional revenue sources available and grant funds to offset most of its Salaries General deficit (\$1.45 million) and all of its Litigation Expense shortfalls (\$990,000). It is recommended that surplus funding identified in the City Attorney Grants account (\$1.9 million), CLEAR funding (\$260,237), and funding from the City Clerk Intellectual Property Fund (\$95,000) be transferred to the City Attorney Salaries General and Litigation Expense accounts. However, this leaves a remaining deficit of approximately \$1.22 million in the Salaries Proprietary (\$1.07 million) and Salaries General (\$150,000) accounts that will need to be addressed by the General Fund.

The following provides more detail regarding the estimated deficit for this Department.

- **Salaries Proprietary:** A year-end deficit of \$1,067,079 is still projected in the Salaries Proprietary account, of which approximately \$244,991 is attributable to the short term layoff reductions and the remainder is due to unfunded positions which serve the Proprietary Departments. These funds will be reimbursed to the General Fund from the Proprietary Departments at the beginning of the next fiscal year. In the interim, it is recommended that \$972,088 be appropriated from the UB, Reserve for Economic Uncertainties and that \$244,991 be appropriated from the UB, Short Term Layoff Agreement account.

- **Litigation Expenses:** Since the Mid-Year actions, the deficit in the Litigation Expenses account has increased by approximately \$500,000, from \$500,000 to \$990,000. The City Attorney reports that this increase is due to the high volume and complexity of cases filed against the City, specifically in land use, police litigation and employment litigation. To date, the Department has received additional appropriations during the course of the year totaling \$1.25 million. The recommended \$990,000 appropriation in this report would increase total supplemental appropriations to about \$2.24 million.

The Department is requesting an additional appropriation of \$92,000 to their Contractual Services account to increase the number of tobacco enforcement compliance checks from 700 to 900 with the State of California, Department of Health Services for this fiscal year. The Council previously approved this recommendation provided funds were available to support the increase (C.F. 07-2760-S1). The Department reports that additional revenue generated by Tobacco Permit Fees (Revenue Source 3292) is now available to support this increase. Since the revenue from the Tobacco Retailer permits was deposited into the General Fund and already reflected in 2008-09 receipts, an appropriation is now required from the UB, Reserve for Economic Uncertainties to the Contractual Services account.

Lastly, a deficit is not projected for Outside Counsel expenditures. However, the Department is requesting an appropriation of \$30,000 from the Unappropriated Balance, Outside Counsel Including Workers Compensation line item to cover worker's compensation billings for cases previously sent to Outside Counsel. After accounting for this action, all funding in the UB, Outside Counsel Including Workers Compensation line item will be exhausted.

Regarding Liability Claims, the Department reports that the previously reported year-end shortfall of over \$6 million is no longer anticipated. The current shortfall for Liability Claims is \$126,462 resulting from an unbudgeted ACP case (Rudy Gonzales) which was paid out earlier this year. The Department is requesting reimbursement to the Liability Claims account for this payout in order to cover other remaining claims to be paid out of the Liability Claims account. It should be noted that this overall projection does not include potential May Day settlements which are ongoing for both the Federal and State cases as the City Attorney currently reports no settlements are expected to be paid out this year.

F. City Clerk Recommendation No. 5

A year-end deficit is not projected for the City Clerk.

The City Clerk was appropriated \$3.8 million for Measures that were included in the November 4, 2008 election. The invoice for the election was received from the County at the end of April 2009. The combined City and County election costs totaled \$2.5 million. The City Clerk estimates reverting the balance of \$1.3 million to the General Fund at year-end, which has been assumed in the 2009-10 Council Adopted Budget.

According to the City Clerk, the County of Los Angeles conducted the May 2009 election and will bill the City for its share of the election. The City Clerk has advised that they do not have any information regarding the amount to be billed and requests that the 2009 General Election costs remain encumbered until all bills are paid. The City Clerk anticipates all bills to be paid by next fiscal year.

The City Clerk was requested to provide assistance to the Employee Relations Board (ERB) for the Union elections that were held in the beginning of May 2009. The City Clerk offered to utilize some of the funding that was originally allocated for the May 2009 election to pay for ERB election-related expenses (e.g. printing, postage, etc.) as well as as-needed workers to count ballots on May 6, 2009. A preliminary estimate of ERB election costs is \$20,000. This amount may change once all invoices are received and actual costs are calculated. The City Clerk states that they will be able to absorb the costs for the ERB elections through funds originally allocated for the May 2009 election. However, due to the timing of the elections and the year-end reporting, the City Clerk requests that it be authorized, retroactively, to assist the ERB in conducting the Union elections as well as absorb the cost of election-related expenses.

G. Commission for Children, Youth and Their Families

Attachment 5 – Transfers between Accounts within Departments and Funds

In the Mid Year FSR we identified a year-end deficit of \$40,000 in the Contractual Services account attributed to the Joy Picus Childcare Center (\$35,000) and the No Secrets Program (\$5,000). This deficit was expected to be partially offset by an anticipated salaries surplus of \$71,676 resulting in potential General Fund savings of \$31,676. However, the Department's budget situation has changed and a year-end General Fund surplus is no longer projected for this department. The salary surplus is no longer projected due to the transfer of these funds to the Department's Salaries As-Needed account to mitigate the Department's 40 percent vacancy rate. In addition, the \$40,000 shortfall in the Contractual Services account is not expected to materialize.

Various transfers are also recommended as follows:

- Transfer \$10,000 from the Contractual Services account to the Salaries Overtime account for year-end payouts. These funds were originally intended to be used to conduct a Children's Data Survey, which has been cancelled.
- Transfer \$3,000 from the Transportation account to the Office & Administrative account for KidWatch supplies.

H. Commission on the Status of Women

We previously anticipated a remaining year-end surplus of \$22,171 for this department. However, it is now projected that the surplus will not materialize due to the department's use of as-needed staff to address existing workload as a result of staff vacancies. The department is expected to reach year-end within budget.

**I. Community Development Department
Recommendation Nos. 6 – 10**

A year-end deficit is not projected for this Department. This also assumes that the Department will maintain its current vacancy level of 13 percent through the end of the fiscal year.

The Budget and Finance Committee instructed this Office to monitor the Department's efforts at recovering indirect costs. The Department identified \$10.2 million of the projected indirect costs obligation of \$10.5 million through transfers for related costs (\$9.6 million) and reversion of prior year unspent funds (\$618,652). To date, the Department has transferred \$6.5 million in General Fund reimbursements or 100 percent of the 2008-09 Adopted Budget revenue and \$618,652 in prior year funds. In addition, the Department has taken action to increase appropriations for the remaining related costs amount of \$3.1 million. The transfer of the actual cash for the \$3.1 million is anticipated by the end of the fiscal year and will occur as the actual salary expenditures are incurred. The Department continues its efforts to bring its costs in line with available resources, such as holding a number of vacancies and other costs cutting measures.

The Department requests the transfer of a total of \$341,038, from approved grant funds including Community Services Block Grant Fund (\$218,038), Community Development Block Grant Fund (88,000), and Workforce Investment Act Fund (\$35,000) within the special funds and to the Information Technology Agency's operating budget for direct and indirect salary costs and expenses associated with grant activities. The Department also requests the transfer of \$68,000 within the Urban Development Action Grant Miscellaneous Revenue Fund for closeout audits and fiscal reviews of Los Angeles Bridges contractors and the transfer of \$1,469,123 within the Workforce Investment Act Fund to receive grant receive grant funds and increase appropriations to pay direct and indirect salary costs and expenses associated with grant activities.

J. Controller

A net year-end deficit is not projected for this Office. The Controller was able to offset deficits through surpluses in other accounts and salary savings resulting from the Managed Hiring Process.

K. Council

**Attachment 6 – Transfers between Departments and Funds
Attachment 7 – Appropriations from the Unappropriated Balance
Recommendation No. 40**

Miscellaneous transfers are recommended between various Funds and accounts to meet current expenditure patterns.

L. Convention Center
Attachment 7 – Appropriations from the Unappropriated Balance
Recommendation Nos. 11 - 14

After Mid-Year FSR actions, the projected shortfall in the Los Angeles Convention Center Revenue Fund was reduced from \$4.8 million to \$3.6 million. To offset a portion of this shortfall, the Department committed to reducing expenditures as necessary. However, as previously reported, even after these planned reductions, a General Fund impact of at least \$1.7 million is projected as the Convention Center revenues are anticipated to be insufficient to cover the Revenue Fund's appropriation to the Capital Finance Administration Fund. Therefore, a \$1.7 million transfer is recommended from the Unappropriated Balance, Reserve for Economic Uncertainties account to the Capital Finance Administration Fund to offset the projected shortfall. Corresponding adjustments are also recommended to the Convention Center Fund, Capital Finance Administration account and the Capital Finance Administration Fund, Convention Center Debt Service account. The Department will offset any remaining year-end Convention Center revenue shortfall by reducing expenditures.

The following actions are also recommended:

- Additional appropriations of \$260,000 are recommended from the Convention Center Revenue Fund to the Salaries General Account (\$30,000) to address impacts from the Short Term Layoff reduction, and to the Salaries As-Needed account (\$230,000) to reimburse the Department for show-specific costs.
- The Convention Center requests reimbursement of \$7,662.50 from the General City Purposes, Special Fund Fee Subsidy Reimbursement account to the Convention Center Revenue Trust Fund for two Council-approved Convention Center Fee waivers. See Section 4D for discussion and recommendations.

The Department has identified funds in the amount of \$206,862.36 that have remained from the Series 1968A bond issuance, which was refinanced. The Convention Center requests that these funds be appropriated to the Building Additions and Modifications account to support infrastructure projects. However, due to existing shortfalls in the Capital Finance Administration Fund and given the City's current economic constraints, it is recommended that these funds be transferred to the Reserve Fund and subsequently appropriated to the Capital Finance Administration Fund. (See Section 4E-Capital Finance Administration Fund discussion in this report)

M. Cultural Affairs

A year-end surplus of \$105,145 is currently projected for the Cultural Affairs Department. However, these funds are unavailable for transfer to the UB, Reserve for Economic Uncertainties. The surplus funds are largely due to increased appropriations to the Department for administrative support from various grant reimbursements and funds that will not be encumbered, but are needed for the next fiscal year. Specifically, there is a projected surplus of \$28,145 in the salaries accounts and \$77,000 in the department's Special Events accounts. Of the total amount, it should be noted that Cultural

Affairs has requested that \$55,000 be re-appropriated to the Department's 2009-10 operating budget for the Cultural Exchange International Program. This will be addressed at a later time. Any unspent funds at year-end will revert to the Arts and Cultural Facilities Trust Fund No. 480 for future use.

N. Disability

Attachment 7 – Appropriations from the Unappropriated Balance

A year-end deficit of \$80,238 is projected for Disability. The deficit which reflects a need of \$12,376 in the Salaries General account and \$67,862 in the Contractual Services account is largely due to increased costs and over-expenditures on ADA accommodation services such as sign language interpretation costs and the City's annual Accessible Disability Expo. An appropriation of \$80,238 is recommended to the Department from the Unappropriated Balance, Reserve for Economic Uncertainties account to offset the year-end deficit.

O. El Pueblo

An overall surplus of \$118,302 is projected which is nearly the same amount projected at Mid-Year. However, this Office is projecting a \$58,000 shortfall in revenue, \$45,000 less than reported in the Mid-Year. The decrease is attributed to higher than projected revenue from filming and special events. The Department reports that prior year unexpended balances will be used to repay an outstanding Reserve Fund loan. At this time, this Office does not recommend sweeping the anticipated surplus of \$118,302 as the surplus may be necessary to offset the Department's potential revenue deficit should it be unable to meet the budgeted revenue.

P. Emergency Management Department

The Emergency Management Department is not projecting a deficit. Previously reported deficits were eliminated due to delays in hiring new staff as a result of the Managed Hiring Process and increases in grant salary reimbursements as noted in the Mid Year FSR (e.g., 2006 Urban Area Security Initiative (UASI) Grant, the 2007 UASI Grant, and the Regional Catastrophic Preparedness Grant).

Q. Employee Relations Board

Attachment 7 – Appropriations from the Unappropriated Balance

A net year-end deficit of \$50,000 is projected for the Employee Relations Board (ERB). This is due to a projected \$61,250 deficit in the Contractual Services account which is partially offset by surpluses in the Salaries General (\$5,000) and Salaries As-Needed (\$6,250) accounts. As discussed in previous financial status reports, the ERB has been faced with several unique circumstances this year. The increase in unfair filings has resulted in a corresponding increase in hearings and reports. Funds will be transferred from the Salaries General and Salaries As-Needed accounts to the Contractual Services account outside of the Year-End FSR to offset the Contractual Services deficit by \$11,250. A \$50,000 appropriation is recommended from the UB, Reserve for Economic Uncertainties to the Contractual Services account to offset the remaining year-end deficit.

R. Environmental Affairs

A year-end deficit is not projected for this Department.

On May 5, 2009, the Council approved a Cooperation Agreement to reimburse the City for an Environmental Supervisor for the Brownfields Program. Revenue from the agreement should be received by the City by year-end.

S. Ethics Commission

Attachment 5 – Transfers between Accounts within Departments and Funds

A year-end surplus of \$35,868 is no longer projected for this department. A transfer of \$134,217 is recommended from the Contractual Services account to fully offset a remaining deficit in the Salaries General account. The net year-end surplus has been eliminated due in part to the need to pay vacation, sick-time and overtime payouts for staff whose positions have been eliminated in the 2009-10 Proposed Budget.

T. Finance

Attachment 6 – Transfers between Departments and Fund

Attachment 7 – Appropriations from the Unappropriated Balance

Recommendation No. 15 and 41a.

This Office projects an overall year-end surplus of \$434,000 for the Department. However, of this amount only \$216,192.15 is available to be transferred to the UB, Reserve for Economic Uncertainties to offset deficits in other City departments. These savings are a result of delays in hiring, attrition, a negotiated contractual services reduction for data sharing with the Franchise Tax Board, and on-going cost saving measures implemented by the Department.

As part of the approved Tax Amnesty Program and the increase to the Audit Penetration Rate (C.F. 08-0600-S34), a total of 12 staff were loaned to Finance from other City departments to support these two programs and maximize revenue collection. This Office previously recommended that departments be reimbursed for the loaned personnel based on source of funding and whether the affected departments anticipated a year-end salary shortfall. The total estimated cost for the loaned staff through June 30, 2009 is approximately \$234,000. To date, actual billings received total \$60,315.28 as follows:

Building and Safety	\$16,458.00
Housing Department	20,694.65
Recreation and Parks	30,586.20
Police Department	16,191.43
Total	\$83,930.28

A transfer of \$67,738.85 is recommended from the Office of Finance to Building and Safety, the Housing Department and Recreation and Parks for salary reimbursements. Since the Police Department is projecting a year-end surplus in its Salaries General account, a transfer is not recommended to this department. The balance of \$150,069 in estimated costs is recommended to be transferred from various accounts in the Office of Finance to a new line item in the Unappropriated Balance, titled Tax Amnesty/Audit Penetration. These funds will be used to reimburse the affected City departments for actual salary expenditures, as necessary. It is further recommended that any remaining funds in 2008-09 be reappropriated in 2009-10 to cover actual expenditures following June 30th.

Lastly, it is recommended that the remaining surplus of \$216,792.15 be transferred from various accounts in the Office of Finance to the Unappropriated Balance, Reserve for Economic Uncertainties to offset deficits in other City departments.

U. Fire

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 7 – Appropriations from the Unappropriated Balance

Recommendation No. 16 and 41c.

A year-end appropriation shortfall of \$6.3 million was previously projected after Mid Year FSR actions. However, the Department's year-end shortfall has been significantly reduced to about \$2.29 million mainly due to a projected \$1.8 million in savings from the cancellation of the fifth recruitment class. The year-end appropriation shortfall is attributable to deploying resources for various natural disasters. The Overtime Constant Staffing account shortfall will be offset by \$2.29 million in reimbursements recently received for Urban Search and Rescue deployment and responses to major brush fires. However, since these reimbursements were deposited into the General Fund and accounted for in the 2008-09 receipts, an appropriation from the UB, Reserve for Economic Uncertainties is recommended to the Overtime Constant Staffing account for this amount. Surpluses in various accounts, mainly from the Sworn Salaries and Overtime Variable Staffing accounts are available to offset any remaining deficits within the department. A total of \$6.7 million is recommended for transfer between various department accounts.

The Department has provided resources to battle numerous major fires and deployed their Urban Search and Rescue and Swift Water teams to two hurricanes at a cost of approximately \$3.3 million. Most of these expenses have been reimbursed in the current year. However, some reimbursements will not be received by the end of the fiscal year. Reimbursements totaling \$2.29 million were recently received and posted to the General Fund for the deployment of the Urban Search and Rescue Team to Hurricanes Gustave and Ike as well as deployment of resources to major brush fires. As previously noted, a \$2.29 million appropriation is now recommended from the UB, Reserve for Economic Uncertainties to the Overtime Constant Staffing account. Also, a transfer of \$300,000 from Sworn Salaries to Sworn Overtime is recommended in this report (and included in the \$6.7 million noted above) to cover resources deployed to the Santa Barbara wildfire. These expenditures are expected to be reimbursed in Fiscal Year 2009-10.

The Fire Academy has graduated 193 recruits and expects an additional 38 before the end of the fiscal year, which should reduce the number of platoon duty vacancies. There were 187 field vacancies in August 2008. However, as of this writing field vacancies have been reduced to 75.

In addition to the actions noted above, the following actions are also recommended:

- Increase appropriations to the Information Technology Agency's Hiring Hall Salaries account by \$43,260.31 from MICLA funds for the installation of communications equipment in Fire Department vehicles.
- Reappropriate \$540,000 in remaining funds in the Unappropriated Balance, New Fire Stations account for Fire Department equipment and expenses for new Fire stations opening in 2009-10.

V. General Services

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 6 – Transfers between Departments and Fund

Attachment 8 – Transfers to the Reserve for Economic Uncertainties

There is no projected deficit for the General Services Department. The Salaries General account has accrued additional savings of approximately \$600,000 as a result of the City's Managed Hiring Process, however surpluses are needed to offset anticipated shortfalls in other accounts.

The following transfers are recommended:

- The Mid-Year FSR highlighted projected deficits in various operating accounts due to the opening of new facilities. As part of prior budget adjustments, \$952,000 was transferred from the Unappropriated Balance (UB), New Facilities line item to the UB, Reserve for Economic Uncertainties. It was anticipated that the Department would generate additional savings to support operating costs for a list of thirty-one new facilities opening this fiscal year. Although significant savings were generated through the Managed Hiring Process, the following transfers are necessary from salary savings to address the budget gap: (1) Maintenance Materials, Supplies (\$80,000); (2) Custodial Supplies (\$160,000); and Office and Administrative (\$20,000).
- As part of the Department's master plan to relocate the City's social service departments to Figueroa Plaza, the Department on Disability (DOD) will be moved to Figueroa Plaza. The relocation is anticipated to save the City approximately \$127,000 in annual lease costs. The Department requests to transfer \$255,000 from its Salaries General account to its Contractual Services account to pay for relocation costs. Funds will pay for communication services contracted through the Information Technology Agency.
- The Department requests to transfer funds as part of the Memorandum of Understanding and Loan Agreement with the Department of Water and Power (DWP), in which the City will receive a series of loans from DWP to purchase and install energy efficiency measures for

City buildings and facilities. General Services is authorized as the Project Manager to implement energy efficiency retrofit measures. It is recommended that \$1,188,480.36 be transferred from the Energy Conservation Loan Program Fund to various operating accounts to pay for labor, materials, equipment and contractual services costs as part of the Lighting Retrofit Program. These funds will pay for retrofit measures performed on six facilities that are scheduled for completion by September 2009.

- As part of the 2008-09 Third Financial Status Report (Third FSR), \$101,867 was transferred from the Convention Center to General Services to pay for maintenance services for escalators and elevators at the Convention Center. Due to the Managed Hiring Process, General Services did not have the necessary resources available to provide the level of service requested by the Convention Center; some service was provided at a cost of \$3,427.92. Therefore, consistent with the Convention Center's request, it is recommended that \$93,313.49 of the remaining funds be used to reimburse General Services for other services provided (e.g., construction work for the West Hall Restroom Remodel Project).
- The Department requests to transfer funds in the amount of \$1,500,000 from the General Services Electricity account to the Recreation and Parks Water account. The transfer of appropriation reflects actual costs for the Recreation and Parks Water account. Previously, the Department would offset shortfalls in the Recreation and Parks Water account by paying directly from other Water and Electricity accounts. The proposed transfer has no impact on the General Fund.

Regarding petroleum, a total of \$42.3 million was budgeted in the Petroleum Products account this year and an additional \$4 million was included in the Unappropriated Balance for petroleum contingencies. A year-end petroleum deficit of \$8 million was previously projected (excluding the \$4 million in the UB), however, a petroleum deficit is no longer projected. Therefore, a transfer of \$4 million is recommended from the UB, GSD Petroleum Products account to the UB, Reserve for Economic Uncertainties to offset the overall City deficit.

W. General City Purposes

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 7 – Appropriations from the Unappropriated Balance

Recommendation Nos. 17, 32, 41b and 41d

Excluding \$15,039,000 in funding needs for the Solid Waste Fee Lifeline Rate (\$11,214,000) and Solid Waste Fee Reimbursement (\$3,825,000) discussed in the Bureau of Sanitation Section of this report, a net year-end deficit of \$150,000 is projected in the General City Purposes (GCP) Fund due to deficits in the Medicare Contributions (\$750,000) and Retirement Contributions (\$125,000) accounts. These deficits are partially offset by savings in other accounts. The Medicare Contributions account was budgeted based on 36,250 employees per pay period. The fiscal year began with over 37,000 employees through August 2008 and declined through December 2008 due to the managed hiring process. As of April 24, 2009 the number of employees subject to Medicare is 36,566. The Retirement Contributions account was based on the attrition of ten employees per pay period.

However there have been fewer retirements than originally anticipated.

Savings have been identified in the Pensions Savings Plan (\$600,000) and Social Security (\$125,000) accounts to partially offset the deficits in Medicare and Retirement Contributions. It is recommended that these savings be transferred to the Medicare Contributions and Retirement Defrayal accounts. In addition, a \$150,000 appropriation from the Unappropriated Balance, Reserve for Economic Uncertainties to the Medicare Contributions account is recommended to fully offset the remaining deficit in the Medicare Contributions account.

Account	Amount
Medicare	(\$750,000)
Pensions Savings	\$600,000
Retirement	(\$125,000)
Social Security	\$125,000
Net Surplus/Deficit	(\$150,000)

Lastly, the following actions are also recommended: 1) reappropriate all unencumbered funds in the Council District Community Services line item in the same amounts and to the same account that exists on June 30, 2009; 2) reappropriate all unencumbered funds in the Financial Management System account in the same amounts and to the same account that exists on June 30, 2009; and, 3) provide funding in the amount of \$110,000 from the Council District portion of the Heritage Month Celebrations line item for the NAACP Theater Awards and the July Fourth Fireworks Show at the Coliseum.

Also, see 1) Development Fee and Permit, Convention Center and Special Event Fee Waivers Section of this report for recommended appropriations from the GCP, Special Fund Fee Subsidy Reimbursement account, and 2) Bureau of Sanitation Section for the establishment of accounts and appropriations of approximately \$15 million for the Solid Waste Fee Lifeline Rate Program and the Solid Waste Fee Reimbursements within GCP.

X. Housing

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 6 – Transfers between Departments and Fund

The Los Angeles Housing Department (LAHD) is projected to have a special fund surplus of approximately \$838,000 at year-end. Shortfalls within individual accounts total \$432,141 and are anticipated in the following accounts: Printing & Binding (\$19,694), Contractual Services (\$143,185), Transportation (\$4,262) and Leases (\$265,000). It is recommended that special fund savings from other accounts totaling \$509,133 be used to cover the projected deficits and any potential contingencies.

In the Mid Year, \$307,897 was appropriated to the Lease account to offset an anticipated shortfall in this account. The account is used to pay for lease costs at the Department's main administrative office and five regional sites. The Department continues to project deficits in the Lease account, as

further discussions with the General Services Department revealed that additional funds in the amount of \$265,000 are necessary to cover the various leases' pro-rated operating costs.

As part of the Mid-Year FSR actions, the Council and Mayor also approved a \$300,383 appropriation to the Contractual Services account to partially offset an anticipated \$384,406 deficit in this account. The remaining deficit was expected to be offset by year-end with savings in other department accounts. As previously reported, the deficit was attributed to the Department's four "piggyback" contracts with vendors procured and selected by the Information Technology Agency (ITA) for citywide programming services. LAHD now estimates the remaining year-end deficit in the Contractual Services account at \$143,185. This is due in part to the piggyback contracts and the need to increase the funding to the Department's temporary staffing services contract in order to maintain adequate accounting and clerical staff for the LAHD's Compliance Division Billing Section and Rent Escrow Account Program during the programs' peak billing periods, and to provide accounting support to the new Neighborhood Stabilization Program.

Special fund adjustments totaling \$302,095 are recommended to reflect actual work order billings in Fiscal Year 2008-09 due to the following:

- It is necessary to align Community Development Block Grant, Emergency Shelter Grant, HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDs (HOPWA), Municipal Housing Finance Fund (MHFF), Affordable Housing Trust Fund (AHTF), Code Enforcement and Rent Stabilization funding sources between programs and accounts. Therefore, it is recommended that funds be appropriated from CDBG, HOME, HOPWA, MHFF and AHTF to the Department's Salaries General account.
- In addition, pursuant to the 2008-09 Adopted Budget, Housing receive a General Fund appropriation to offset a reduction in the Affordable Housing Trust Fund (AHTF) to pay for existing positions that support the City's AHTF Program. However, the appropriation (\$1,173,115) is insufficient to fully fund all positions (\$1,403,637). To eliminate the projected \$230,522 deficit, LAHD has identified Community Development Block Grant (CDBG) funds as an alternative source of funds for the positions.

Lastly, Housing staff is on loan to the Department of Finance. Since the employee is performing work that is unrelated to the Housing Department, it is necessary to reimburse the Department for these salary costs. As noted in the Finance Section of this report, a \$20,695 transfer is recommended from the Office of Finance to the Housing Department.

Y. Human Relations Commission

A year-end deficit is not projected for this Department as it is anticipated that any remaining shortfalls will be eliminated by year-end through reductions in various expense accounts. This Office continues to work with the Commission to identify and transfer funds from other accounts to address this deficit. Therefore, an appropriation to this department is not recommended.

Z. Information Technology Agency

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 7 – Appropriations from the Unappropriated Balance

Attachment 8 – Transfers to the Reserve for Economic Uncertainties

Recommendation Nos. 18 and 41e

A net year-end surplus of \$250,000 is projected for this Department. Although the Information Technology Agency (ITA) is projected to have a \$2,634,029 surplus at this time, the majority of the surplus (\$2,547,649) is the result of projects that will not be completed in 2008-09 for which contractual services funds were appropriated. These funds are dedicated to their respective projects and must either be returned to their funding source for future allocation or, in the case of the funds for the continued design of the new Fire Dispatch systems, reallocated to ITA in 2009-10. There is also a projected deficit in the Salaries Overtime account (\$550,000) that is recommended to be offset through transfers from surpluses in the Salaries General and Communications Services accounts.

Reimbursements from the Fire Department and the Port of Los Angeles are also recommended in this report (of approximately \$67,000) for transfer to ITA's Salaries Hiring Hall account to mitigate any potential year-end deficits in this account. However, since the reimbursements from the Port of Los Angeles were deposited directly to the General Fund (Revenue Source Code 4196, Services to Proprietary Departments - Harbor), a \$24,026 appropriation is now required from the UB, Reserve for Economic Uncertainties to ITA's Salaries Hiring Hall account to reimburse ITA for communications equipment fabrication and installation in Harbor Department vehicles.

The Contractual Services account surplus (\$2,547,649) is comprised of funds dedicated to the following three projects, of which \$250,000 is recommended to be transferred to the UB, Reserve for Economic Uncertainties:

- The Department of Transportation transferred \$1,041,000 of Proposition A funding to ITA through the Mid Year Financial Status Report for the development of the Automatic Vehicle Locator system. This project will not be initiated in 2008-09 and the funds will revert to Proposition A at the close of the year.
- Council approved the transfer of \$250,000 from the Unappropriated Balance to ITA for a study on the City's current radio infrastructure to help with the preparation of the Los Angeles Regional Interoperable Communications System (LA-RICS) (C.F. 08-0969). ITA now plans to conduct that study with existing staff and these savings can now be transferred to the UB, Reserve for Economic Uncertainties to offset the City's deficit.
- Finally, ITA anticipates having a surplus of \$1,256,649 from its contract for the design of the information technology systems in the new EOC / DOC building. The 2009-10 Proposed Budget anticipates that those funds would be used in 2009-10 to this project. In order to ensure adequate funding for that project, it is recommended that those funds be reappropriated in 2009-10 for this purpose.

ITA's Salaries Overtime deficit of \$550,000 is the result of ongoing regular use of overtime (\$115,000), a proposal by ITA to pay down existing overtime balances (\$285,000), and a proposal by ITA to use overtime to complete the installation of routers and switches purchased using MICLA funds in 2008-09 (\$150,000). ITA has made efforts during 2008-09 to curtail overtime by limiting it to essential purposes, but the account continues to run a deficit. It is recommended that \$550,000 be transferred from the Salaries General and Communications Services accounts to fully offset the overtime deficit.

Due to the City's pending litigation involving AT&T Public, Educational, and Governmental Access issues, it is recommended that the AT&T franchise fee on one percent of gross receipts be held in a separate account and retained for future use. Specifically, it is recommended that a new account be established within the Telecommunications Development Account to retain these receipts.

AA. Library

A year-end deficit is not projected for this department. The Library continues to absorb the 2008-09 budget reductions totaling \$1,799,000 with savings achieved as a result of the managed-hiring process and reduced expenditures. The Library will reduce alterations, improvements or repairs to branch libraries by limiting such work to that which is critical to health and safety issues; reduce office supply purchases; and, reduce repairs to library books and materials in order to generate savings to absorb the previous reductions. Any surpluses in the salaries account due to managed hiring will also be necessary to eliminate the previous budget reduction.

BB. Mayor Recommendation Nos. 19 - 20

The Council previous took various actions relative to the implementation of the Juvenile Accountability Incentive Block Grant for Fiscal Years 2002-03 and 2003-04 (C.F. 01-0406). However, additional instructions are necessary to properly implement the Council's intent. Pursuant to an examination of the council file and related documents, grant funds totaling \$2,204,906 were never appropriated to the Community Development and Public Works Bureaus for grant-related expenditures pertaining to LA Bridges I (\$793,845), LA Bridges II (\$841,052) and Operation Clean Sweep (\$570,009), as required. As a result, these costs were incurred by the General Fund. Therefore, the Mayor's Office is requesting authority to reimburse the General Fund for these expenditures. This amount is an addition to the revised estimate for the 2008-09 revenue presented to the Council in connection with its consideration of the 2009-10 Budget.

In addition, the Council previously took various actions relative to the implementation of the Narcotics Enforcement Surveillance Team (NEST) Project Grant for the following Fiscal Years: 2003-04, 2004-05 and 2005-06 (C.F. 01-0878). Pursuant to an examination of the council file and related documents, grant funds totaling \$1,857,655 were never appropriated to the Police Department for grant-related expenditures related to NEST, as required. As a result, these costs were incurred by the General Fund. Therefore, the Mayor's Office is requesting authority to reimburse the General Fund for these expenditures. This amount is an addition to the revised

estimate for the 2008-09 revenue presented to the Council in connection with its consideration of the 2009-10 Budget.

The 2009-10 Council Adopted Budget, assumes that these funds will be counted as 2008-09 receipts and revert to the Reserve Fund at year-end.

CC. Neighborhood Empowerment
Attachment 8 – Transfers to the Reserve for Economic Uncertainties

A year-end deficit is not projected for this Department at this time.

The 2008-09 Budget provides \$249,500 in the Unappropriated Balance (UB) for Neighborhood Council (NC) Elections (\$100,000) and new NCs certified in the current year (\$149,500). Through the First FSR, Council (C.F. 08-0600-S18) authorized a transfer of \$46,011 from the NC Elections account to the Department's operating budget to administer NC elections, reducing the account balance to \$53,989. Since the administration of NC elections have been transferred to the City Clerk and no new NCs are anticipated to be certified this year, it is recommended that \$203,989 be transferred from the UB, Neighborhood Council Elections (\$53,989) and Neighborhood Council Funding (\$149,500) accounts to the UB, Reserve for Economic Uncertainties account.

In the Mid-Year FSR, the Budget and Finance Committee requested clarification on the issues related to the NC credit card usage, available funds versus demand warrants, how much of the allotment to NCs has been spent, and how much remains. This Office is currently working with the Department and the Chief Legislative Analyst to prepare a report to address these issues.

DD. Personnel

After Mid-Year actions, the Personnel Department was projected to have a remaining year-end deficit of \$139,000. The deficit was attributed to the increased use of as-needed medical staff in jails and as-needed staff to conduct background checks for public safety positions. However, a deficit is no longer projected due to a \$200,000 transfer from the Human Resources Benefit Fund, Civilian FLEX account to the Department's Salaries As-Needed account which was approved by the Council on May 29, 2009.

EE. Planning
Attachment 5 – Transfers between Accounts within Departments and Funds
Attachment 8 – Transfers to the Reserve for Economic Uncertainties
Recommendation Nos. 21 – 27

The Planning Department projects a General Fund surplus of \$758,457 in the Salaries General account based on anticipated hiring of 23 employees. A transfer of \$758,457 is recommended from the Salaries General account to the Unappropriated Balance, Reserve for Economic Uncertainties to mitigate the City's projected departmental deficit. A transfer of \$500,000 from the Salaries General account to the Unappropriated Balance was previously approved in the Mid-Year Financial Status Report.

The Major Projects Review Trust Fund was established to allow full cost recovery of the costs incurred by the City through Supplemental Fee Agreements. Reimbursement of General Fund expenditures totaling about \$480,000 are recommended from the Major Projects Review Trust Fund to various City departments for costs incurred in prior years and the current year related to the LA Arena project, USC project, Westfield project, and Ponte Vista project.

The following adjustments are also recommended:

- The Council previously approved the Second Amendment to the CRA Corporate Agreement in which an additional \$100,000 was provided for professional planning services related to the Vinegar Hill HPOZ (C.F. 07-3707). However, these reimbursements were deposited directly into the General Fund (Revenue Source 3741, Revenue from Community Redevelopment Agency) and already assumed in the 2008-09 receipts. Therefore, it is recommended that \$100,000 be appropriated from the UB, Reserve for Economic Uncertainties to the Planning Department's Contractual Services account for the expenditures.
- A transfer of \$118,680 is recommended from the Planning Department's Overtime account to the Contractual Services Account 3040 to address the Zoning Administrator case backlogs. Funds are available as vacant positions have not been filled.
- The Council previously approved a \$2.5 million grant from the Getty Conservation Institute over a five-year period for the SurveyLA project (C.F. 02-0173). Pursuant to the grant agreement, it is recommended that \$453,000 be appropriated to the department for authorized expenditures.
- The Council previously approved a \$8,000 grant in 2006-07 and 2007-08 from the Getty Foundation for the Summer Internship Program (C.F. 07-0977). It is recommended that these funds be appropriated to the Planning Department to reimburse the City for the costs incurred.
- The Council previously approved a \$350,000 grant from the California Pollution Control Financing Authority for the Cornfield/Arroyo Seco Specific Plan (C.F. 07-2244). Pursuant to the grant agreement, it is recommended that \$350,000 be appropriated to the department for the authorized expenditures.
- In compliance with the ordinances for the Expedited Permit Services and the Supplemental Fee Agreements, the Planning Department requests reimbursement to the General Fund for the costs incurred for the Expedited Permit Services, the LA Arena Project, USC Project, Westfield Project, and Ponte Vista Project.

FF.Police

**Attachment 5 – Transfers between Accounts within Departments and Funds
Recommendation Nos. 28 and 29**

After all Mid-Year actions, a year-end appropriation shortfall of \$2.3 million was anticipated for this Department primarily in Sworn Overtime. However, based on the latest expenditure projections, the shortfall has been eliminated.

The surpluses are discussed in the following:

Salaries General: Savings in the amount of \$700,000 are currently projected in the Salaries General account, due to the continued managed hiring program. It is recommended that this surplus be transferred to offset deficits in the Printing and Binding and Field Equipment Expense accounts.

Salaries Sworn: An appropriation surplus of \$1 million is projected in the Salaries Sworn account as net hiring is below plan. However, due to a \$1 million reduction in Supplemental Law Enforcement Services Fund receipts which fund sworn salaries, it is recommended that appropriations to the Salaries Sworn account be reduced by \$1 million (See discussion below).

Net hiring through May 9 is +235, which is 16 under plan. This is largely due to higher than anticipated attrition. Due to the last two recruit classes of 2007-08 being smaller than anticipated, the starting point for 2008-09 was approximately 43 below the budgeted amount. This also contributes to the projected surplus. The projection assumes that hiring and attrition for the remainder of the year will closely track the original budget estimates.

The following table summarizes year-to-date (YTD) sworn hiring:

	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb	March	April	May	YTD
Actual Hires	63	118	58	63	65	63	60	52	60	67	66	735
08-09 Budget	60	120	60	60	60	60	60	60	60	60	60	720
Actual Attrition	50	105	39	29	32	46	80	30	40	39	10	500
08-09 Budget	79	67	32	39	33	26	75	30	28	46	14	469
Actual Net	+13	+13	+19	+34	+33	+17	-20	+22	+20	+28	+56	+235
08-09 Budget	-19	+53	+28	+21	+27	+34	-15	+30	+32	+14	+54	+251

Sworn Overtime: A shortfall is not projected in this account. Based on hours worked to date compared to prior years, the Department has made large strides in limiting sworn overtime usage. The success of these efforts, combined with an increased 1.6 million hour cap, has reduced the projected appropriation shortfall to manageable levels. Due to these reductions, the Council and Mayor approved the transfer of \$6.7 million out of this account in December to address the City's deficit. However, by mid-year the department was reporting a shortfall of \$6.9 million due to unbudgeted reimbursable overtime. As a result, a \$4 million appropriation from the UB, Reserve for

Economic Uncertainties was approved as part of the Mid-Year FSR. However, since that time, reimbursements from grants and other sources have been received and a year-end shortfall is no longer projected.

Police Sworn Overtime Use-Hours Worked Through May 9, 2009

Reimbursable Overtime Category:		
	Hours	Percent
LAX	165,031	59%
Grants/Other	114,923	41%
Total Reimbursable Hours Worked:	279,954	
Non-Reimbursable Overtime Category:		
	Hours	Percent
Court	351,023	26%
Department Administration	55,575	4%
Detective Operations	114,358	9%
Gang Activities	45,672	3%
Homicide Investigations	86,896	7%
Narcotics Activities	59,166	4%
Patrol Operations	293,951	22%
Special Events/Staples	27,925	2%
Tactical Situation	47,622	4%
Traffic Enforcement	35,922	3%
Use of Force Investigations	49,769	4%
Other	168,797	13%
Total Non-Reimbursable Hours Worked:	1,336,677	
Total Overtime Hours Worked:	1,616,630	

Deficits are mainly projected in the following accounts:

- **Printing and Binding:** A \$250,000 deficit is projected in this account mainly due to increasing demands to process urgent requests from the Force Investigation Division through the General Services Department Print Shop to ensure compliance with the Consent Decree. A \$250,000 transfer is recommended from the Salaries General account to fully offset this deficit.
- **Field Expense Equipment:** As part of the Mid-Year FSR, \$750,000 was appropriated to this account to fully offset a reported \$750,000 deficit. However, the Department continues to project a deficit in the account and estimates the remaining year-end deficit at \$450,000. The deficit is due to efforts to eliminate the backlog in DNA analysis and reduce vehicle replacement which has resulted in additional expenditures on consumables and laboratory reagents for DNA and narcotics analysis and maintenance parts and supplies for vehicles. A

\$450,000 transfer is recommended from the Salaries General account to fully offset this deficit.

Other Issues:

- Supplemental Law Enforcement Services Fund: In the Mid-Year FSR it was reported that the State officially reduced the City's Supplemental Law Enforcement Services appropriation from the anticipated \$7.49 million to \$6.45 million, and changed the funding schedule from one payment to four quarterly payments (fourth payment is not anticipated until the first quarter of 2009-10). The total impact of these changes in 2008-09 was previously estimated at \$2.65 million. As a result, appropriations to the Police Department's Sworn Salaries account were reduced by the same amount consistent with this action. However, since the Mid-year actions, and pursuant to further clarification regarding the February State Budget, the total loss compared to City budget is now estimated at \$3.65 million (i.e., \$1 million more than the mid-year estimate). Therefore, as noted in the Salaries Sworn discussion above, it is necessary to further reduce appropriations to the Salaries Sworn account by \$1 million.
- The Department has also reported a \$50,177.96 shortage in the VLF Gap Loan Financing Proceeds Fund. The 2008-09 Budget plan assumed receipt of \$557,429. Since these funds are a source of funds to the Police Department, it is necessary to reduce appropriations to this Fund by \$50,177.96 and correspondingly reduce appropriations to the Police Department's Salaries Sworn account by a like amount.

**GG. Public Works/Board
Recommendation No. 30**

A year-end deficit is not projected for the Board. However, this is contingent upon timely reimbursement from various bond funds and Project Restore during the current year. The Board is in the process of invoicing Project Restore for an unfunded Senior Management Analyst II position. It was originally anticipated that the position would be partially funded by Seismic Bond funds and a Hollyhock House grant, however, funding from these sources is not available at the present time. The Board has requested that Project Restore reimburse the full amount of the position in the current fiscal year. In order to mitigate an anticipated year-end deficit in the Board's Salaries General account due to the unfunded position, a \$118,932 transfer from the Public Works Trust Fund to the Board's Salaries General account is recommended. Project Restore is expected to reimburse the Public Works Trust Fund the amount of \$118,932 by year-end. It is further recommended that the Controller be authorized to reimburse Project Restore up to \$118,932 should the Seismic Bond funds and the Hollyhock House Grant funds become available at a later date.

HH. Public Works/Bureau of Contract Administration

A year-end deficit is not projected for the Bureau of Contract Administration. The Bureau anticipates a year-end reversion of \$2,316,214 in special funds from their various accounts. These funds will

revert back to their respective funding source.

**II. Public Works/Bureau of Engineering
Recommendation No. 31**

The Bureau projects a year-end surplus of about \$3.5 million, primarily in salaries, provided it receives the anticipated appropriations from off-budget programs before the year-end. The \$3.5 million is comprised of \$1 million in General Fund and \$2.5 million in Sewer Construction and Maintenance (SCM) funds. Although \$1 million is projected in General Fund savings, since the Bureau has not been provided with appropriations from all the off-budget programs, the allocation needs to remain in place to ensure that the Bureau can meet payroll. Accordingly, any unspent General Fund monies will revert after year-end reconciliation.

The 2007-08 Reversion Worksheet submitted by the Bureau of Engineering to the Office of the Controller was based on preliminary cost projections which over-allocated expenditures to the General Fund. Mayoral and Council approval of adjustments totaling \$1,587,768.87 as shown below are necessary to complete the closeout activities for 2007-08. Authority is recommended for the Bureau of Engineering to revise its 2007-08 reversion worksheet to reflect these changes. The adjustments will result in reversions of \$1,587,768.87 to the General Fund.

<u>Funding Source</u>	<u>Overstated/(Understated) Expenditures</u>
Fund 16F/50 – Proposition O	(\$43,994.36)
Fund 302/89 – Recreation & Parks Dept	(20,149.86)
Fund 834/50 – Public Works Trust Fund	(348,022.00)
Fund 655/94 – Transportation Grant Funds	(1,175,602.65)
Understated Subtotal	<u>(\$1,587,768.87)</u>
Fund 100/78 – General Fund	\$1,587,768.87
Overstated Subtotal	<u>\$1,587,768.87</u>

**JJ. Public Works/Bureau of Sanitation
Attachment 5 – Transfers between Accounts within Departments and Funds
Attachment 6 – Transfers between Departments and Funds
Recommendation Nos. 32– 34**

A special fund surplus of \$4.9 million is projected for this Bureau mainly due to an overall salary surplus of \$2.7 million in various funding sources. The surplus is mostly in the Sewer Construction and Maintenance Fund as a result of high vacancies in Wastewater operator and engineering classes. The remaining surplus is due to surpluses across all non-salary expense accounts and other salary-related accounts. These funds are expected to revert to their respective special funds at year-end.

It was previously reported that Solid Waste Fee receipts were trending short. Receipts are currently estimated at \$239 million (i.e., \$30 million less than the \$269 million budgeted). This reduction is

offset by various revenue and expense adjustments in the Solid Waste Resources Revenue Fund (SWRRF), inclusive of \$16.4 million in additional interest/credits on SWRRF debt service and \$750,000 in reimbursements from the Citywide Recycling Trust Fund.

Additionally, it has been determined that Lifeline customers (\$11,214,000) and un-reimbursed refuse collection service to other City departments (\$3,825,000) cannot be subsidized by the SWRRF, as confirmed by the City Attorney. Consequently, there is now a General Fund obligation beginning in the current year of approximately \$15 million that must be met to cover these costs (this represents the prorated amount for the current year of 75 percent). It is recommended that funding in the amount of \$15 million be appropriated from the UB, Reserve for Economic Uncertainties to two new line items in the General City Purposes entitled Solid Waste Fee Lifeline Rate Program and Solid Waste Fee Reimbursement. These funds will be administered by the Chief Legislative Analyst and City Administrative Officer and reimbursements will be processed on an invoice basis as follows:

- Solid Waste Fee Lifeline Rate Program: Funds are to be used to reimburse the Solid Waste Resources Revenue Fund for costs associated with the Solid Waste Lifeline Rate Program, where senior citizens age 62 and over and persons with disabilities that meet qualifying income levels, are provided a full fee exemption from the Solid Waste Fee.
- Solid Waste Fee Reimbursement: Funds are to be used to reimburse the Solid Waste Resources Revenue Fund for costs associated with refuse collection and disposal service to other City departments and special events. The City cannot subsidize these costs with revenues from residential rate payers.

Any unspent funds will be reimbursed to the Reserve Fund at year-end. The 2009-10 Proposed Budget includes appropriations to these accounts for next fiscal year.

It should also be noted that as part of the 2008-09 budget deliberations, the Council increased SWRRF receipts by \$8 million to offset an anticipated General Fund subsidy for the solid resources program. However, this amount is inconsistent with the established CAP rate. Therefore, an \$8 million reduction in appropriations to SWRRF related costs is recommended to reflect actual costs of the program in relation to the Cost Allocation Plan rate. These funds will be available for direct funding of solid waste programs and have been accounted for as part of the 2009-10 Budget.

To meet the Bureau's operational needs through year end, the following adjustments are also recommended:

Transfers between accounts totaling \$1,782,473 are recommended as follows:

1. Transfer funding in the amount of \$1,615,642 to cover anticipated deficits in various expense accounts for the Solid Resources program, including \$1.3 million in various transfers to support salary shortfalls in residential refuse collection (\$961,958) and multifamily/commercial recycling operations (\$330,000); \$301,684 in as-needed salaries to support the costs of exempt staff hired to: a) provide Call Center customer assistance on Extra Capacity billing notices; and, b) assist in special materials collection events; and \$22,000 in miscellaneous adjustments;

2. Transfer funding in the amount of \$21,667 from salary savings in the Stormwater program to meet an overtime deficit for storm drain cleaning and maintenance as a result of vacancies;
3. Transfer funding in the amount of \$145,164 from salary savings in the Wastewater program to meet an overtime deficit in the Wastewater Collection Services Division and Terminal Island Water Reclamation Plant. The Wastewater program currently has a 15 percent vacancy rate, which has resulted in an increased use of overtime to maintain operations at treatment plants and facilities. Funding is provided by the Sewer Construction Maintenance and Operations Fund (SCMO);

Transfers between Departments and Funds of about \$6.96 million are recommended as follows:

4. Transfer funding in the amount of \$255,668 from the SCMO to the City Employee Rideshare Fund for the cost of rideshare benefits for Wastewater positions, such as van pool lease costs, transit subsidies, and Air Quality Management District fees.
5. Transfer funding in the amount of \$800,000 from salary savings in the Stormwater Pollution Abatement Fund to related costs attributed to the Watershed Protection program.
6. Transfer funding in the amount of \$5,931,210 for various purposes in the Solid Resources program:
 - \$80,000 for private hauling and landfill disposal fees at the Central Los Angeles Recycling and Transfer Station (CLARTS);
 - \$516,650 to the City Clerk for Community Amenities Fees associated with private hauler tonnages at CLARTS (incurred at \$1 per ton for use by Council District 14);
 - \$451,511 to the General Services Department (\$421,511) and Bureau of Engineering (\$30,000) from solid resources bond funds for restoration, construction and design services for new interior building surfaces and indoor environmental control systems at CLARTS to mitigate the reoccurrence of airborne mold spores and rodent infestation in the buildings;
 - \$375,000 reimbursement to the SWRRF from the CRTF for Weekend Drop Off Program activity attributed to commercial and multifamily green waste;
 - \$124,612 to cover a CRTF salary deficit in the administration of commercial and multifamily recycling programs;
 - \$360,000 cash transfer from the Multifamily Bulky Item Fund to repay an outstanding loan from the CRTF in connection with start up of the program in 2007;
 - \$4 million reduction in appropriation to solid waste tipping fees based on anticipated savings from reduced activity at landfills and transfer stations given the current economy (the savings will be carried over for other solid waste priorities);
 - \$23,437 in miscellaneous adjustments for BOS and other departments.

KK. Public Works/Bureau of Street Lighting
Attachment 5 – Transfers between Accounts within Departments and Funds
Recommendation Nos. 35 – 36

Assuming pending special fund transfers and reimbursements are received in the current year, a year-end deficit is not projected for this Bureau. No General Fund impact is anticipated at this time.

The following actions are recommended in this report:

- A transfer of \$150,000 from available appropriations within the Street Lighting Maintenance Assessment Fund to reimburse the City Attorney's Office for hiring Jacobs Associates to provide engineering consulting, legal and technical services regarding a complaint filed against the Bureau by a construction contractor.
- Appropriation of \$200,000 to a new account in the Street Lighting Maintenance Assessment Fund for voltage conversion work within the Pacific Corridor Redevelopment Project, as requested by the Community Redevelopment Agency (CRA) through a Cooperation Agreement between the Bureau of Street Lighting and the CRA (C.F. 07-4165).
- A transfer of \$1,500,000 from available funds within the Street Lighting Maintenance Assessment Fund to a new account within the Fund to provide front funding for the initiation of the Light Emitting Diode (LED) Conversion program. These funds will be used to purchase LED fixtures so installation can begin on the program and energy savings can be realized as soon as possible. Funding for the LED Conversion program is currently part of the 2009-10 Budget. A separate CAO report will be submitted to the Council. Any funds approved for the program in 2009-10 will be used to reimburse the Series to Multiple account once it is available.

LL. Public Works/Bureau of Street Services
Attachment 5 – Transfers between Accounts within Departments and Funds
Recommendation No. 37

The Bureau of Street Services (Bureau) is projecting a net year-end special fund surplus of approximately \$11.4 million. The surplus is from off-budget, special fund appropriations received in 2008-09 to be reappropriated in 2009-10, as the remainder of the work will be completed next fiscal year. A General Fund appropriations surplus of \$1.5 million is projected in the Salaries General account. However, it is recommended that appropriations to the Salaries General account be reduced by \$572,000 to offset a \$572,000 year-end revenue shortfall in the Traffic Safety Fund. It is also recommended that the remaining \$975,578 General Fund salary surplus not be swept at this time, as \$3,521,870 in Transportation Grant reimbursements to the General Fund are pending. If unspent, these funds will revert to the Reserve Fund at year-end.

The following actions are recommended:

- Inter account transfers totaling \$1.3 million are recommended to prevent funding shortfalls caused by delays in receiving interim appropriations, and to provide contingency funding for unanticipated asphalt plant repair and maintenance in 2008-09.
- Various transfers and appropriations are recommended as follows: 1) Appropriations totaling \$737,643 from the Community Redevelopment Agency (CRA) for public improvements on Huntington Drive and Washington Boulevard, tree trimming on upper Second and Olive Streets, and tree stump removal on Pico Boulevard north of Evergreen Avenue; and, 2) Additional appropriations include \$16,987 for the 50/50 Sidewalk Repair Program, \$14,755 for the City's Used Tires Recycling Program, \$22,000 for street sweeping services requested by the Bureau of Sanitation, and \$8,577 for the purchase of asphalt for the Lopez Canyon Landfill.
- As requested by the Controller, it is also recommended that the Bureau of Street Services be authorized to revise its 2007-08 reversion worksheet to decrease expenditures and encumbrances to the General Fund and increase special funded expenditures and encumbrances for various funds by approximately \$0.6 million.
- A revenue shortfall in the amount of \$572,000 is projected in the Traffic Safety Fund. Current year revenue from the collection of Municipal Court Fines was revised from \$15,172,000 to \$14,600,000 in the 2009-10 Proposed Budget. It is recommended that appropriations to the Traffic Safety Fund be reduced by \$572,000, to reflect a reduction in anticipated revenue and that appropriations to the Bureau of Street Services, Salaries General account be reduced by a like amount to correspond with this reduction in revenue.

MM. Recreation and Parks

The previously reported \$2 million shortfall in the Department's Salaries As-Needed account has been reduced to \$1.3 million and the Department anticipates to fully eliminate this shortfall by the end of the fiscal year through reimbursements from Quimby and other special funds.

The Department now projects approximately \$2.6 million shortfall in Departmental revenues, a minor decrease of \$100,000 from the \$2.7 million shortfall reported in the Mid Year Report. However, the revenue shortfall is expected to be fully offset by year-end. The \$2.6 million projected shortfall is explained below:

- A \$1.3 million shortfall in golf revenues is still projected due to the continued decrease in the number of rounds played, as well as the decline in golf concessions revenue. The Department continues its efforts to increase promotions and advertisement of City golf courses to communities and visitors to raise more revenues and meet its budgeted revenue goal.

- The Department now projects a \$430,000 shortfall in Griffith Observatory revenues, an increase of \$130,000 from the previously reported shortfall of \$300,000. The Department reports that the increase in potential shortfall is due to decrease in attendance and reduced visitor spending. The Department now projects a \$80,000 shortfall in swimming pool revenues, a decrease of \$200,000 from the previously reported \$280,000 shortfall. The Department plans to open all swimming pools in the summer except those that are currently under construction or those that are in serious disrepair. The Department maintains its projection of a \$500,000 shortfall in other revenue categories, such as camps, parks, recreation centers and tennis. Lastly, the Department still projects a \$300,000 shortfall in reimbursements from other funds.

As reported in the Mid Year, our Office projects that the revenue shortfall can be eliminated at the end of the fiscal year by a combination of the expenditure reductions and revenue enhancement efforts. The Department has identified savings in several operating accounts, including Contractual Services, Maintenance, Materials and Supplies and Operating Supplies to partially offset the revenue shortfall.

Lastly, Recreation and Parks staff is on loan to the Department of Finance. Since the employee is performing work that is unrelated to Recreation and Parks, it is necessary to reimburse the Department for these salary costs. As noted in the Finance Section of this report, a \$30,586 transfer is recommended from the Office of Finance to Recreation and Parks.

NN. Transportation

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 6 – Transfers between Departments and Funds

A net year-end deficit is not projected for this Department. The Department maintains an overall special fund surplus of approximately \$1 million. This surplus is attributed to an estimated surplus in the Salaries General account due to current year vacancies. This overall surplus includes actions recommended in this report to offset a \$700,000 deficit in the Salaries As-Needed account. The Salaries As-Needed deficit is the result of increased hiring of Administrative Hearing Officers, Student Professional Workers and salary increases for the extended work hours of Crossing Guards under the Ready, Set, Go Program.

The following actions are also recommended:

- A transfer of \$661,052 from the Salaries General account to the Salaries As-Needed account to offset the projected year-end deficit in this account. The majority of as-needed costs are for Student Professional Workers, Administrative Hearing Examiners and Crossing Guards.
- A transfer of \$350,000 from the Proposition A Local Transit Assistance Fund, Reserve for Future Transit Capital and Service account to the Metro Bus Pass Sales account to cover increased sales of Metro bus passes this fiscal year.

- A transfer of \$68,100 from the Special Parking Revenue Fund, Parking Administration account to the Department's operating budget, As-Needed account to reimburse as-needed salary costs related to the parking meter replacement program.
- A transfer of \$17,655 from the Proposition A Local Transit Assistance Fund, Public Works Department – Contract Administration account to the Public Works Department – Contract Administration's operating budget, Salaries General account for the continuation of the Orange Line Bikeways Project.

It should be noted that the Special Parking Revenue Fund (SPRF) was to be a source of funds (\$23 million) to the Department's 2008-09 Budget. Funding in the Special Parking Revenue Fund has been identified for this purpose and is recommended to be transferred in a separate report, subject to Mayor and Council approval (See C.F. 08-0600-S69).

OO. Treasurer

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 7 – Appropriations from the Unappropriated Balance

After adoption of the Mid-Year FSR, we projected a remaining year-end deficit of \$158,880 for this department. However, based on the latest expenditure data, a year-end salaries deficit of \$156,000 remains, which can be partially offset by a \$5,000 savings in the Salaries Overtime account. As previously reported, the continued salaries shortfall is primarily attributed to retroactive payouts for non-represented employees, sick leave payouts, and a litigation settlement. A \$5,000 transfer is recommended from Salaries Overtime to Salaries General. Since it is unlikely that the department will be able to offset the remaining deficit internally, a \$151,000 appropriation is recommended from the Unappropriated Balance, Reserve for Economic Uncertainties.

PP. Zoo

This Office is projecting a \$596,756 year-end surplus. However, the Zoo reports that revenue from July through March is eight percent (\$553,368) lower than projected and attendance is six percent lower than projected. The shortfall is attributed to the economy and poor weather conditions. At this time it is recommended that the anticipated savings remain within the department's budget as the surplus can be used to offset the anticipated revenue shortfalls, should revenues and attendance not improve by year-end.

4. OTHER BUDGETARY ISSUES

A. Human Resources Benefits

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 8 – Transfers to the Reserve for Economic Uncertainties

A \$4.48 million year-end surplus is projected for the Human Resources Benefits (HRB) Fund which is recommended to be transferred to the UB, Reserve for Economic Uncertainties. The anticipated

surplus reflects \$31.04 million in previous reductions from various Council actions and assumes a no growth enrollment rate in the Civilian Health Care Plan and a 1.5 and 2.5 percent annual enrollment growth rate for the Fire and Police Health Care Plans, respectively.

Surpluses totaling \$5.76 million are identified in various accounts of which a portion is necessary to offset deficits totaling \$1.28 million for a total remaining surplus of \$4.48 million. Since the implementation of the Managed Hiring Process in March 2008, net enrollment in the Civilian Health Care Plan has continued to decline. As a result, a \$2.7 million year-end surplus is projected in the Civilian FLEX Program account and a \$60,000 year-end surplus is projected in the Supplemental Civilian Union Benefits account. Additionally, because of caseload reduction efforts, and after accounting for \$2 million recommended to be reappropriated for the LINX replacement system in the 2009-10 budget, a \$3 million year-end surplus is projected in the Workers' Compensation account.

A \$1 million year-end deficit is projected in the Unemployment Insurance account, due to the recent completion of Proposition Q projects which has resulted in the layoff of numerous hiring hall workers. Additionally, small year-end deficits totaling \$280,000 are projected in the Employee Assistance Program (\$10,000), Fire Health & Welfare (\$50,000), and Police Health & Welfare (\$220,000) accounts. Therefore, it is recommended that \$1.28 million of the \$5.76 million surplus be transferred to offset the deficits in these accounts and that \$4.48 million be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties.

**B. Productivity Incentive Revolving Fund
Recommendation No. 38**

As part of the Mid-Year Budget Balancing Options, the Mayor and Council approved a transfer of \$200,000 from the available cash balance in the Productivity Incentive Revolving Fund (PIRF) to the Unappropriated Balance (UB) (C.F. 08-0600-S34). The City Attorney subsequently advised that additional Council action is required. According to the City Attorney, the Mayor and Council should be aware that most of the monies intended to be affected consist of loans made to departments that are still outstanding and are currently allocated to separate accounts in the PIRF. In light of the amounts involved, and given the nature of the actions that originally resulted in those allocations to the receiving department loan accounts (some loans were approved by the Quality and Productivity Commission as delegated by Council and other loans were approved by Council directly), the City Attorney advised that, to reverse those allocations, it is necessary to obtain approval of more specific actions by the Mayor and Council. Consequently, action is needed to cancel the loans, transfer those monies from the loan accounts in the PIRF to the unallocated balance in the PIRF and, thereafter, transfer the same amounts from the PIRF to the UB, Reserve for Economic Uncertainties. The following chart identifies the loans to be cancelled and the balance available for transfer:

(See Table in Next Page)

Fiscal Year	Department	Loan Amount	Expenditure	Unencumbered Balance
1989	Fire Department	\$ 38,563	\$ -	\$ 38,563
1990	Bureau of Street Maintenance	108,800	108,129	671
	Total Loans Approved by Council	\$ 147,363	\$ 108,129	\$ 39,234
1999	Productivity Incentive Revolving Fund	70,346	-	70,346
2000	Department of Transportation	90,420	-	90,420
	Total Loans Approved by QPC	\$ 160,766	\$ -	\$ 160,766
	TOTAL	\$ 308,129	\$ 108,129	\$ 200,000

**C. Proposition O-Clean Water Bond Program
Recommendation No. 39**

In December 2008, the Council and the Mayor approved an amount not-to-exceed \$6,113,017 for Citywide staffing of the Proposition (Prop) O Program in 2008-09. The approved amount included a maximum appropriation of \$129,593 to the Board of Public Works, Office of Accounting (OOA) and a maximum of \$3,079,319 to the Department of Public Works, Bureau of Engineering (BOE). A recent review of OOA staff charges indicated the need to fund an additional 0.15 FTE not previously budgeted, in an amount not-to-exceed \$20,000. The increased funding to the OOA will assist the BOE with their financial review of monthly expenditure data. The BOE has sufficient savings within their \$3,079,319 appropriation to cover the additional cost, with no net increase to the total \$6,113,017 appropriation. Approval of this recommendation will increase the OOA's 2008-09 staff appropriation to \$149,593 and decrease the BOE's appropriation to \$3,059,319. The Prop O Administrative Oversight Advisory Committee recommended approval of the \$20,000 transfer at their April 30, 2009 meeting. This action is needed this fiscal year in order to provide sufficient funding for PW Accounting Prop O staffing costs.

D. Development Fee and Permit, Convention Center and Special Event Fee Waivers

This Office and the Chief Legislative Analyst are required to periodically report in the financial status reports on the number and amount of Council-approved fee waivers (subsidies) associated with special events, convention center meetings and events, and development fee and permits.

- **Special Events:** For the period July 2008 through April 2009, the total number of special event fee waivers approved is 1,036 at an estimated amount of \$4.95 million. This estimate excludes Council-approved room rental charge waivers for seven events at the Convention Center.
- **Convention Center Meetings and Events:** The total number of Convention Center fee waivers approved for the period July 2008 through April 2009 is 12 at an estimated amount of \$120,794. A total of \$77,118 in reimbursements from the 2008-09 General City Purposes, Special Fund Fee Subsidy Reimbursement account have been approved for the Convention Center for citywide related events. Of this amount \$18,710 is attributed to prior year Council-

approved Convention Center waivers and \$58,408 is attributed to current year Council actions. Additional reimbursements of \$7,662.50 are recommended in this report.

The Convention Center requests reimbursement of \$7,662.50 from the General City Purposes, Special Fund Fee Subsidy Reimbursement account for two Council-approved Convention Center Fee waivers. The Convention Center Fee Subsidy Policy requires that the Department be reimbursed from the appropriate City fund or by the licensee for all subsidized fees and operating expenses. Pursuant to this policy, any Council action to waive fees must include a transfer of funds in the approved amount. Therefore, it is recommended that the Convention Center be reimbursed in the amount of \$7,662.50 for the following events for the current fiscal year:

Event Name	C.F. No.	Council Action	Amount
AVID Los Angeles County (February 18, 2009 Event)*	08-1950	07/29/08	\$3,530.00
CASA-Glamour Gowns	07-0096-S1	02/03/09	4,132.50
TOTAL			\$7,662.50
*Note: As part of the 2008-09 Mid-Year FSR, the Convention Center received a \$3530 reimbursement for a similar College Meeting event held on October 7, 2008. The Council authorized an exemption to the Convention Center Fee Waiver Policy for the two events.			

- Development Fee and Permits: To date the Council has approved one development fee subsidy in the amount of \$11,000 which has been reimbursed from the GCP, Special Fund Fee Subsidy Reimbursement account. Various requests are pending.

E. Capital Finance Administration Fund
Attachment 7 – Appropriations from the Unappropriated Balance

The Capital Finance Administration Fund has a shortfall of approximately \$528,000 which is due to debt service on a bond issuance that was not budgeted in Fiscal Year 2008-09 (i.e., MICLA 2008-A&B). As discussed in the Convention Center section of this report, a portion of this deficit will be offset by unspent Convention Center bond proceeds in the amount of \$206,862.36 (**See Recommendation No. 14**). It is recommended that the remainder of the deficit (\$321,200) be offset by increasing the appropriation to the Capital Finance Administration Fund by \$321,200 from the Unappropriated Balance, Reserve for Economic Uncertainties.

It should also be noted that in the Convention Center Section of this report we discuss that Convention Center revenues are anticipated to be insufficient to cover the Convention Center Revenue Fund’s \$1.7 million appropriation to the Capital Finance Administration Fund. As a result, a \$1.7 million appropriation is recommended to the Capital Finance Administration Fund, Convention Center Debt Service account from the Unappropriated Balance, Reserve for Economic Uncertainties. Including the recommendation noted above, this increases total recommended appropriations to the Capital Finance Administration Fund from the Reserve for Economic Uncertainties account to approximately \$2 million.

5. EMPLOYMENT LEVEL REPORT

Citywide employment authority from all funding sources totaled 35,737 at the end of March 2009 for both *civilian and sworn* classes. Filled positions *increased* by 186 from 35,551 at the end of July to 35,737 at the end of March. Departments reported a total of 3,880 vacant positions, 2,737 General Fund and 1,143 special funded (see Attachment 9).

Based on departments' monthly reporting, the number of filled *civilian* positions *increased* by 1, from 22,151 at the end of July 2008 to 22,152 at the end of March 2009. The number of employees retiring dropped from 62 in July to 19 in March.

6. STATUS OF THE CITY'S MICLA COMMERCIAL PAPER PROGRAM

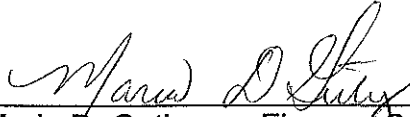
The City's Financial Policies instruct the City Administrative Officer (CAO) to periodically report on the status of the MICLA Commercial Paper (CP) Program. In June 2004, the Mayor and Council approved a \$200 million MICLA CP program to be used as temporary financing for previously approved MICLA capital construction projects and capital equipment purchases. During the reporting period, MICLA CP was used towards the construction of the Motor Transport Division, Neighborhood City Halls, Alternative Fuel Infrastructure Facilities, Figueroa Plaza Tenant Improvements and for the Financial Management System project. Capital equipment and replacement vehicles were purchased for the Departments of Fire, Police and General Services.

On April 23, 2009, \$100.7 million of MICLA CP was refinanced into long-term MICLA financing. The City does not have any taxable notes outstanding at this time. Below is the status of the MICLA CP Program through April 30, 2009:

Reporting Period	Amount Outstanding	Range of Interest Rates
02/01/09 – 04/30/09	\$152,650,000	0.30% to 0.75% (tax-exempt)

7. GANG REDUCTION PROGRAM FUNDING

At the request of the Budget and Finance Committee (C.F. 06-0285-S1) this Office was instructed to include in the FSR an accounting of all funds spent from the 2008-09 Gang Reduction Program Budget. A status report was provided by the Mayor's Office in the Mid-Year for funding through December 31, 2008. Updated information is not available as of this writing.



Maria D. Gutierrez, Finance Specialist

APPROVED:



Matias Farfan, Chief Administrative Analyst

RPC:MF:MDG:01090095c

Attachments

ATTACHMENT 1
2008-09 SUMMARY OF BUDGET STATUS
(in millions)

Expenditures		Revenue		Total
				Year-End Shortfall
2nd FSR		2nd FSR		
	\$ 4,554		\$ 4,554	
Issues/Changes:		Issues/Changes:		
Departmental Deficits	\$ 35.00	Sales Tax	\$ (5.00)	
Non-Departmental Deficits	47.00	Business Tax	\$ (5.00)	
Expenditure Shortfall	82.00	Transient Occupancy	\$ (3.00)	
		Parking Tax	\$ (2.00)	
2nd FSR Offsets	(26.91)	Doc. Transfer Tx	\$ (10.00)	
		Lic. Permits Fees & Fines	\$ (30.00)	
	55.09		-	
2008-09 Projected Expenditures	\$ 4,609	2008-09 Projected Revenues	\$ 4,499	\$ (110.09)
Budget Balancing		Budget Balancing		
Issues/Changes:		Issues/Changes:		
Budget Balancing Offsets	(37.63)	Additional Revenue Shortfall	(20.00)	
	(37.63)	Sales Tax	(10.00)	
		Business Tax	(10.00)	
		Budget Balancing Offsets	3.35	
		Lic. Permits Fees & Fines	3.35	
2008-09 Projected Expenditures	\$ 4,571	2008-09 Projected Revenues	\$ 4,482	\$ (89.11)
3rd FSR		3rd FSR		
Issues/Changes:		Issues/Changes:		
Change to Deficit	(2.90)	Additional Revenue Shortfall	(6.00)	
Recommended Offsets	(0.85)	Vehicle License Fee	(10.00)	
	(3.75)	Lic. Permits Fees & Fines	(4.20)	
		Communication Users' Tax	8.20	
2008-09 Projected Expenditures	\$ 4,568	2008-09 Projected Revenues	\$ 4,476	\$ (91.36)
Mayor's Mid Year Adjust.		Mayor's Mid Year Adjust.		
Issues/Changes:		Issues/Changes:		
Recommended Offsets	(55.73)	Recommended Offsets	18.62	
	(55.73)	Lic. Perm. Fees & Fines	12.32	
		Business Tax	5.00	
		Interest Income	1.30	
2008-09 Projected Expenditures	\$ 4,512	2008-09 Projected Revenues	\$ 4,495	\$ (17.01)
Mid Year FSR		Mid Year FSR		
Issues/Changes:		Issues/Changes:		
Change	0.92		(63.51)	
Mid Year Recommendations	(2.57)	Property Tax	34.79	
	(1.65)	Utility Users Tax	13.50	
		License Permits Fees & Fines	(94.19)	
		Sales Tax	5.00	
		Doc. Transfer Tax	(15.02)	
		Power Revenue	(2.71)	
		Transient Occupancy	(4.39)	
		Parking Users	(3.43)	
		Vehicle License Fee	2.71	
		Residential	0.22	
		Reserve Fund Transfer*		
2008-09 Projected Expenditures	\$ 4,510	2008-09 Projected Revenues	\$ 4,431	\$ (78.87)
	\$ 43.67		\$ (122.54)	(78.87)

ATTACHMENT 1
2008-09 SUMMARY OF BUDGET STATUS
(in millions)

Expenditures		Revenue		Total
				Year End
BUDGET	\$ 4,554		\$ 4,554	
Year-End FSR		Year End FSR		
Issues/Changes:		Issues/Changes:		
Change			\$ 14.32	
Additional Budget Balancing		Property Tax	0.01	
UB, Reserve for Econ.	(74.55)	Utility Users Tax	5.45	
Year End Change	(7.62)	License Permits Fees & Fines	12.41	
Year End Recommendations	-	Sales Tax	(5.83)	
	\$ (82.17)	Business Tax	(9.46)	
		Doc. Transfer Tax	(5.00)	
		Interest Income	1.98	
		Power Revenue	28.00	
		Transient Occupancy	(8.49)	
		Parking Users	(4.25)	
		Residential	(0.44)	
		Franchise	(0.07)	
		Additional 08-09 Revenue:**	\$ 5.54	
		License Permits Fees & Fines	1.54	
		Grant Receipts	4.00	
Year-End Estimated Expenditures	\$ 4,428	2008-09 Projected Revenues	\$ 4,451	\$ 23.15
	\$ 125.84		\$ (102.68)	\$ 23.15
Reserve Fund (1)				
Contingency Reserve	43			
Emergency Reserve	125			
Projected Reserve Fund Balance, 5/27/09	168			

1) The 2009-10 Adopted Budget estimates the Reserve Fund Balance on June 30, 2009 at approximately \$217 million assuming unallocated revenue of \$5.5 million and reversions of \$27.4 million.

*Note: In the Mid-Year FSR, we projected a year-end revenue shortfall of \$78.96 million. However, this assumed a \$43.58 million Reserve Fund transfer to the current year budget from declared surplus Special Parking Revenue Funds. However, it has since been determined that the declared surplus Special Parking Revenue Funds should be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties. The above projections reflect this adjustment.

**Additional 2008-09 revenue per 2009-10 Council Adopted Budget actions.

ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 5/27/09

Council File No. Item Description	Amount
Balance Available, 7/1/08	\$ 165,743,210
Less: Emergency Reserve Account	<u>125,226,000</u>
Contingency Reserve Account 7/1/08	\$ 40,517,210
General Fund Appropriation to the Reserve Fund \$14,858,525 (to UB)	-
Loan Repayment and Other Receipts	<u>81,447,457</u>
Contingency Reserve Account	\$ <u>121,964,667</u>
Loans and Transfers Approved to Date	
CAO memo LA Inc. Quarterly Payment	\$ (1,215,754)
07-2878 Forensic DNA Backlog Reduction Program	(870,921)
CAO memo LA Inc. Quarterly Payment	(459,802)
08-1268-S1 Senior Community Service Employment Program Summary	(337,873)
08-0600-S33 SPRF Surplus	(56,260,500)
08-0600 1st FSR LED Conversion Program	(9,100,000)
08-1800-S3 November 2008 Special Election Gang Prevention Tax	(3,600,000)
07-0121 Supply Management System	(2,500,000)
09-0608 State Board of Equalization Audit	(1,219,307)
08-0600-S27 P/W Street Services Reappropriation	(1,153,097)
07-1959 Youth Development Strategy	(600,000)
08-0600-S27 Police Reappropriation	(369,058)
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)
08-0600 1st FSR Youth Development Strategy Assessment prior-year reversion	(99,999)
08-1733 Unclaimed Monies Seized Incidental to Arrest replacement system	(75,000)
05-0049-S2 Storm Damage Repair Program	(53,700)
05-0010 Jae Yang Case Reward	(50,000)
04-0010-S55 Sherman Clark Case Reward	(50,000)
08-0010-S1 Cash Depot Case reward	(50,000)
08-0010-S51 Fernando Garcia Case reward	(50,000)
08-0010-S45 Special Reward Child Concealment Case	(25,000)
09-0112-S1 Da Camera Society Concert	(1,875)
09-0112-S2 Da Camera Society Concert	(1,808)
09-0440 Chicano Employees Association / City Hall Rotunda	(866)
08-2862 UCLA Day in Local Government	(697)
09-1026 Precious Jewels / Council District 8	(644)
08-1013-S1 LA African Am. Women's Public Policy Inst Reception	(605)
09-0392 Young Presidents Organization	(490)
09-0447 Jewish Community Relations Committee	(456)
09-0685 Commission on the Status of Women Reception	(423)
08-0564-S1 48th Assembly District's Women's History Month Celebration	(282)
09-0348 Los Angeles Association of Black Personnel	(282)
Loans and Transfers Approved to Date	\$ (78,458,389)
Proposed Loans and Transfers	\$ -
Contingency Reserve Available Balance as of 5/27/2009	<u><u>\$ 43,506,278</u></u>
Total Reserve Fund	<u><u>\$ 168,732,278</u></u>

ATTACHMENT 3a
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT as of 5/27/09

C.F.	Appropriations	Date	Amount
	Beginning Balance		\$ 25,000
Approved Transfer			
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)
06-1264-S1	Millennium Momentum Foundation		(5,220)
08-3137	LA County Bar Association		(390)
06-2179-S1	Goldenvoice Third Annual LA Weekly Detour Festival		(7,450)
08-3182	Home Preservation Event		(324)
08-0144-S1	CD Nine Farmers' Market		(1,300)
08-0144-S2	CD Nine Farmers' Market		(1,300)
08-0489-S2	Federacion Mexico Unido Reception		(602)
09-0112	Da Camera Society Concert		(1,135)
09-0095	Millennium Momentum Foundation		(3,101)
08-0489-S1	Federacion Mexico Unido Reception		(535)
08-0067-S2	Latina Lawyers Bar Association		(547)
Mid Year FSR	Transfer from UB, Reserve for Economic Uncertainties		5,000
08-0565-S2	Persian New Year		(408)
Projected Balance Available			\$ <u>2,951</u>

ATTACHMENT 3b
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 5/27/09

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Year End Request	Transfer from/to Reserve for Economic Uncert/Reserve Fund	Available Balance
	General Fund							
	General (see Attachment 3a)		\$ 25,000	\$ -	\$ (22,049)		\$ -	\$ 2,951
	Benefits Contingency	All	3,071,000		(3,071,000)			-
	Council Meetings Security Enhancement	GSD	75,000					75,000
	GSD - New City Facilities	GSD	952,000				(952,000)	0
	GSD - Petroleum Products	GSD	4,000,000				(4,000,000)	0
07-0600-S90 YE; MidYr FSR (\$500K)	LAPD Consent Decree Program	Police	500,000	113,142	(500,000)			113,142
08-0969	LA Regional Interoperable Communications System		250,000		(250,000)			
3rd FSR	Litigation Expense Account	City Atty	750,000		(750,000)			0
08-0600-S18	Neighborhood Council Elections	DONE	100,000		(46,011)		(53,989)	0
	Neighborhood Council Funding	DONE	149,500				(149,500)	0
	New Fire Stations	Fire	540,000					540,000
	New Police Facilities	Police	2,050,000		(2,050,000)			0
08-1957; 08-2368 (Veto \$96,000); 08- 0600-S34 (\$650K); MidYr (\$160K); 2nd FSR (\$240K); 08- 3121 (\$1,918,300); 09-0789	Outside Counsel including Workers' Comp.	City Atty	4,000,000		(3,320,000)	(30,000)	(650,000)	0
07-0600-S90 YE 1st FSR (\$5M); MidYr (\$638,307)	Gang Prevention/Intervention/Reduction (reapprop)			40,000				40,000
	Short-term Layoff Agreement	Various		19,870,000	(5,638,307)	(533,532)		13,698,161
(\$2.962M for Liab Claims); MidYr FSR	Reserve for Economic Uncertainties (see Attach. 4) Note: Available Balance of \$95.1M excludes actions from pending CAO SPRF Report outside of Year End.			57,081,955	(10,661,730)	(21,352,682)	70,085,527	95,153,070
	Grand Total		\$ 16,462,500	\$ 77,105,097	\$ (26,309,097)	\$ (21,916,214)	\$ 64,280,038	\$ 109,622,161

ATTACHMENT 4-2008-09 SUMMARY OF GENERAL FUND SURPLUS (DEFICIT)

		Mid Year FSR Surplus/(Deficit)	Budget Balancing Outside Mid Year & Year-End*	After Other Budget Balancing Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR	Year End FSR
DEPARTMENTAL	Account No., Name	After Council Actions	Recommendations	After Other Actions	Change	March FSR Amount	Recommendations	After Recommendations
Aging	1010, Salaries General	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Animal Services	1010, Salaries General	(173,432)		(173,432)	141,556	(31,876)	31,876	-
	1090, Salaries Overtime	(173,618)		(173,618)	118,190	(55,428)	55,428	-
	3190, Animal Medical Supplies	-		-	-	-	-	-
	4460, Private Vet Care	-		-	-	-	-	-
	Subtotal	(347,050)		(347,050)	259,746	(87,304)	87,304	-
Building And Safety	1010, Salaries General	-		-	(16,458)	(16,458)	16,458	-
City Administrative Officer		-		-	-	-	-	-
City Attorney	1010, Salaries General	(1,226,236)		(1,226,236)	1,076,236	(150,000)	150,000	-
	4200, Litigation Expense	(500,000)		(500,000)	500,000	-	-	-
City Attorney-Proprietaries	1080, Salaries, Proprietary	(1,206,858)		(1,206,858)	139,779	(1,067,079)	1,067,079	-
	Subtotal	(2,933,094)		(2,933,094)	1,716,015	(1,217,079)	1,217,079	-
City Clerk	1010, Salaries General	-		-	-	-	-	-
Comm. /Children, Youth	1010, Salaries General	71,676		71,676	(71,676)	-	-	-
	3040, Contractual Services	(40,000)		(40,000)	40,000	-	-	-
	Subtotal	31,676		31,676	(31,676)	-	-	-
Comm./Status Of Women	1010, Salaries General	22,171		22,171	(22,171)	-	-	-
Community Development		-		-	-	-	-	-
Controller	1010, Salaries General	-		-	-	-	-	-
	4620, Contingent Expense	-		-	-	-	-	-
	6010, Office and Administrative	-		-	-	-	-	-
	Subtotal	-		-	-	-	-	-
Convention Center		-		-	-	-	-	-
Council	1010, Salaries General	-		-	(256,665)	(256,665)	256,665	-
Cultural Affairs	1010, Salaries General	35,865		35,865	(35,865)	-	-	-
	1070, Salaries As-Needed	-		-	-	-	-	-
	Subtotal	35,865		35,865	(35,865)	-	-	-
Department on Disability	1010, Salaries General	(13,455)		(13,455)	1,079	(12,376)	12,376	-
	1070, Salaries As-Needed	5,400		5,400	(5,400)	-	-	-
	1090, Salaries Overtime	-		-	-	-	-	-
	2120, Printing & Binding	(2,103)		(2,103)	2,103	-	-	-
	3040, Contractual Services	(133,006)		(133,006)	65,144	(67,862)	67,862	-
	6010, Office & Administrative	5,514		5,514	(5,514)	-	-	-
	Subtotal	(137,650)		(137,650)	57,412	(80,238)	80,238	-

ATTACHMENT 4-2008-09 SUMMARY OF GENERAL FUND SURPLUS (DEFICIT)

		Mid Year FSR Surplus/(Deficit)	Budget Balancing Outside Mid Year & Year-End*	After Other Budget Balancing Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR	Year End FSR
DEPARTMENTAL	Account No., Name	After Council Actions	Recommendations	After Other Actions	Change	March FSR Amount	Recommendations	After Recommendations
El Pueblo		-		-	-	-	-	-
Emergency Management	1010, Salaries General	-		-	-	-	-	-
Employee Relations	1010, Salaries General	8,860		8,860	(58,860)	(50,000)	50,000	-
Environmental Affairs	1010, Salaries General	-		-	-	-	-	-
Ethics Commission	1010, Salaries General	(150,845)		(150,845)	16,628	(134,217)	134,217	-
	3040, Contractual Services	186,282		186,282	(52,065)	134,217	(134,217)	-
	Subtotal	35,437		35,437	(35,437)	-	-	-
Finance	1010, Salaries General	-		-	164,000	164,000	(164,000)	-
	1090, Overtime General	-		-	-	-	-	-
	2120, Printing & Binding	-		-	50,000	50,000	(50,000)	-
	2130, Travel	-		-	5,000	5,000	(5,000)	-
	3040, Contractual Services	-		-	165,000	165,000	(165,000)	-
	3310, Transportation	-		-	30,000	30,000	(30,000)	-
	6010, Office & Administrative	-		-	20,000	20,000	(20,000)	-
	Subtotal	-		-	434,000	434,000	(434,000)	-
Fire	1010, Salaries General	219,374		219,374	\$ (9,934)	209,440	(209,440)	-
	1012, Salaries Sworn	1,383,083		1,383,083	\$ 3,016,917	4,400,000	(4,400,000)	-
	1030, Sworn Bonuses	238,604		238,604	\$ (238,604)	-	-	-
	1050, Unused Sick Time	282,694		282,694	\$ 17,306	300,000	(300,000)	-
	1070, Salaries As-Needed	85,971		85,971	\$ (3,971)	82,000	(82,000)	-
	1090, Overtime General	(188,893)		(188,893)	\$ 88,893	(100,000)	100,000	-
	1092, Overtime Sworn	53,797		53,797	\$ (53,797)	-	-	-
	1093, Overtime Constant Staffing	(9,173,388)		(9,173,388)	\$ 551,256	(8,622,132)	8,622,132	-
	1098, Overtime Variable Staffing	647,340		647,340	\$ 352,660	1,000,000	(1,000,000)	-
	3090, Field Equipment Expense	-		-	\$ -	-	-	-
	4430, Uniforms	-		-	\$ 290,700	290,700	(290,700)	-
	6020, Operating Supplies	2,528		2,528	\$ (2,528)	-	-	-
	7300, Furn, Office & Tech Equip	-		-	\$ 8,682	8,682	(8,682)	-
	7340, Transportation Equipment	140,070		140,070	\$ -	140,070	(140,070)	-
	Subtotal	(6,308,820)		(6,308,820)	4,017,580	(2,291,240)	2,291,240	-
General Services	1010, Salaries General	-		-	\$ -	-	-	-
Housing Dept		-		-	(20,695)	(20,695)	20,695	-
Human Relations	1010, Salaries General	(41,500)		(41,500)	41,500	-	-	-

ATTACHMENT 4-2008-09 SUMMARY OF GENERAL FUND SURPLUS (DEFICIT)

		Mid Year FSR Surplus/(Deficit)	Budget Balancing Outside Mid Year & Year-End*	After Other Budget Balancing Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR	Year End FSR
DEPARTMENTAL	Account No., Name	After Council Actions	Recommendations	After Other Actions	Change	March FSR Amount	Recommendations	After Recommendations
Information Technology	1010, Salaries General	(13,882)		(13,882)	413,882	400,000	(400,000)	-
	1070, Salaries As-Needed	(42,831)		(42,831)	42,831			-
	1090, Overtime General	(179,527)		(179,527)	(370,473)	(550,000)	550,000	-
	1100, Hiring Hall Salaries	(130,910)		(130,910)	130,910			-
	1190, Hiring Hall Overtime	-		-	-			-
	2120, Printing & Binding	-		-	-			-
	3040, Contractual Services	-		-	250,000	250,000	(250,000)	-
	6020, Operating Supplies	-		-	-			-
	9350, Communication Services	168,225		168,225	(18,225)	150,000	(150,000)	-
	9810, Equipment Lease	444		444	(444)			-
	Subtotal	(198,481)		(198,481)	448,481	250,000	(250,000)	-
Mayor		-		-	-	-	-	-
Neighborhood Empowerment	1010, Salaries General	-		-	-	-	-	-
Personnel	1010, Salaries General	-		-	-	-	-	-
	1070, Salaries As Needed	(139,000)		(139,000)	139,000			-
	1090, Salaries Overtime	-		-	-			-
	9590, Police Recruitment Incentive	-		-	-			-
	Subtotal	(139,000)		(139,000)	139,000			-
Planning	1010, Salaries General	-		-	758,457	758,457	(758,457)	-
Police	1010, Salaries General	-		-	700,000	700,000	(700,000)	-
	1012, Salaries Sworn	1,389,840		1,389,840	(1,389,840)	-	-	-
	1030, Sworn Bonuses	-		-	-			-
	1070, Salaries As-Needed	421		421	(421)			-
	1090, Overtime General	(99,553)		(99,553)	99,553			-
	1092, Overtime Sworn	(2,941,841)		(2,941,841)	2,941,841			-
	1095, Accumulated Overtime	-		-	-			-
	2120, Printing & Binding	675		675	(250,675)	(250,000)	250,000	-
	2130, Travel	-		-	-			-
	3010, Firearms, Ammunition & Others	(99,859)		(99,859)	99,859			-
	3040, Contractual Services	(529,722)		(529,722)	529,722			-
	3090, Field Equipment Expense	(500)		(500)	(449,500)	(450,000)	450,000	-
	3110, Institutional Supplies	(199)		(199)	199			-
	3290, Traffic and Signal Expense	8		8	(8)			-
	3310, Transportation	29,520		29,520	(29,520)			-
	4310, Secret Service	(24,940)		(24,940)	24,940			-
	4430, Uniforms	-		-	-			-
	4440, Reserve Officer Expense	790		790	(790)			-
	6010, Office & Administrative	(99,836)		(99,836)	99,836			-
	6020, Operating Supplies	477		477	(477)			-
	7300, Furniture, Office & Tech Equipment	623		623	(623)			-
	7340, Transportation Equipment	679		679	(679)			-
	Subtotal	(2,373,417)		(2,373,417)	2,373,417			-

ATTACHMENT 4-2008-09 SUMMARY OF GENERAL FUND SURPLUS (DEFICIT)

		Mid Year FSR Surplus/(Deficit)	Budget Balancing Outside Mid Year & Year-End*	After Other Budget Balancing Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR	Year End FSR
DEPARTMENTAL	Account No., Name	After Council Actions	Recommendations	After Other Actions	Change	March FSR Amount	Recommendations	After Recommendations
Board Of Public Works		-	-	-	-	-	-	-
PW/Contract Administration		-	-	-	-	-	-	-
PW/Engineering	1010, Salaries General	-	-	-	-	-	-	-
PW/Sanitation		-	-	-	-	-	-	-
PW/Street Lighting		-	-	-	-	-	-	-
PW/Street Services	Various Accounts (Prop 1B)	-	-	-	-	-	-	-
Transportation	1010, Salaries General	-	-	-	-	-	-	-
	3040, Contractual Services	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-
Treasurer	1010, Salaries General	(158,880)		(158,880)	2,880	(156,000)	156,000	-
	1090, Salaries Overtime				5,000	5,000	(5,000)	-
	3040, Contractual Services	-		-	-	-	-	-
	2120, Printing & Binding	-		-	-	-	-	-
	2130, Travel	-		-	-	-	-	-
	4040, Bank Service Fees	-		-	-	-	-	-
	6010, Office & Administrative	-		-	-	-	-	-
	6020, Operating Supplies	-		-	-	-	-	-
	Subtotal	(158,880)		(158,880)	7,880	(151,000)	151,000	-
Zoo	1010, Salaries General	-		-	-	-	-	-
Total-Budgetary Depts.		\$ (12,503,883)		\$ (12,503,883)	\$ 9,775,661	\$ (2,728,222)	\$ 2,728,222	\$ -
Library	1010, Salaries General	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
	1070, Salaries As-Needed	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
	3310, Transportation	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal	-		-	-	-	-	-
Rec. & Parks	1010, Salaries General	-		-	\$ (30,586)	(30,586)	30,586	-
	1070, Salaries As-Needed	(2,000,000)		(2,000,000)	\$ 2,000,000	-	-	-
	Subtotal	(2,000,000)		(2,000,000)	1,969,414	(30,586)	30,586	-
Total-Departmental		\$ (14,503,883)		\$ (14,503,883)	\$ 11,745,075	\$ (2,758,808)	\$ 2,758,808	\$ -

ATTACHMENT 4-2008-09 SUMMARY OF GENERAL FUND SURPLUS (DEFICIT)

		Mid Year FSR Surplus/(Deficit)	Budget Balancing Outside Mid Year & Year-End*	After Other Budget Balancing Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR Surplus/(Deficit)	Year-End FSR	Year End FSR
DEPARTMENTAL	Account No., Name	After Council Actions	Recommendations	After Other Actions	Change	March FSR Amount	Recommendations	After Recommendations
NONDEPARTMENTAL								
General City Purposes	0501, Official Notices	-		-	\$ -	-	-	-
	0823, Fire/Police Pension Defrayal	(0)		(0)	\$ 0	-	-	-
	0510, Medicare Contributions	(775,777)		(775,777)	\$ 25,777	(750,000)	750,000	-
	0505, Retirement Defrayal Contributio	(145,000)		(145,000)	\$ 20,000	(125,000)	125,000	-
	0577, Pensions Savings Plan	-		-	\$ 600,000	600,000	(600,000)	-
	0570, Social Security Contributions	190,312		190,312	\$ (65,312)	125,000	(125,000)	-
	TBD, Solid Waste Fee Lifeline Rate				\$ (11,214,000)	(11,214,000)	11,214,000	-
	TBD, Solid Waste Fee Reimbursement				\$ (3,825,000)	(3,825,000)	3,825,000	-
	Subtotal	(730,465)		(730,465)	(14,458,535)	(15,189,000)	15,189,000	-
Unappropriated Balance	0130, GSD Petroleum Products	4,000,000		4,000,000	\$ -	4,000,000	(4,000,000)	-
	0240, Short Term Layoff Agreement	14,231,693		14,231,693	\$ -	14,231,693	(533,532)	13,698,161
	0037, Reserve for Economic Uncert.	49,037,114	74,550,932	123,588,046	\$ -	123,588,046	(11,444,544)	112,143,502
	0075, Neighborhood Council Elections				\$ 53,989	53,989	(53,989)	-
	0239, Neighborhood Council Funding				\$ 149,500	149,500	(149,500)	-
	TBD, Tax Amnesty/Audit Penetration				\$ (150,069)	(150,069)	150,069	-
Human Resources Benefits	9100, Unemployment Insurance	-		-	\$ (1,000,000)	(1,000,000)	1,000,000	-
	9110, Employee Assistance	(7,000)		(7,000)	\$ (3,000)	(10,000)	10,000	-
	9200, Civilian FLEX Program	89,000		89,000	\$ 2,611,000	2,700,000	(2,700,000)	-
	9210, Fire Health & Welfare Program	180,000		180,000	\$ (230,000)	(50,000)	50,000	-
	9220, Police Health & Welfare Progra	(195,000)		(195,000)	\$ (25,000)	(220,000)	220,000	-
	9330, Supplemental Union Benefits	114,000		114,000	\$ (54,000)	60,000	(60,000)	-
	9910 Workers' Compensation				\$ 3,000,000	3,000,000	(3,000,000)	-
	Subtotal	181,000		181,000	4,299,000	4,480,000	(4,480,000)	-
Liability Claims	9760, Liability Claims \$100,000 & Un	-		-	\$ -	-	-	-
	9770, Liability Claims Over \$100,000	(6,842,102)		(6,842,102)	\$ 6,715,640	(126,462)	126,462	-
Liability Claims-Harper Case	9770, Liability Claims Over \$100,000	-		-	\$ -	-	-	-
	Subtotal	(6,842,102)		(6,842,102)	6,715,640	(126,462)	126,462	-
Outside Counsel		-		-	\$ -	-	-	-
Petroleum Expense	3230, Petroleum Products	-		-	\$ -	-	-	-
Capital Finance Admin. Fund	Convention Center Debt Service	(1,700,000)		(1,700,000)	\$ -	(1,700,000)	1,700,000	-
	MICLA 2006				\$ (321,200)	(321,200)	321,200	-
Unappropriated Balance	General	-		-	\$ -	-	-	-
Centralized Billing		-		-	\$ -	-	-	-
Actuarial/Benefit Studies		-		-	\$ (200,000)	(200,000)	200,000	-
Audit Penetration Rate		-		-	\$ -	-	-	-
Tobacco Enforcement Prog.		-		-	\$ (92,000)	(92,000)	92,000	-
Proprietary ITA Reimbursement		-		-	\$ (24,026)	(24,026)	24,026	-
Vinegar Hill HPOZ		-		-	\$ (100,000)	(100,000)	100,000	-
Total - Nondepartmental		\$ 58,177,240	\$ 74,550,932	\$ 132,728,172	\$ (4,127,701)	\$ 128,600,471	\$ (2,758,808)	\$ 125,841,663
GRAND TOTAL		\$ 43,673,356	\$ 74,550,932	\$ 118,224,288	\$ 7,617,375	\$ 125,841,663	\$ -	\$ 125,841,663

*Note: Budget Balancing Outside Mid Year & Year-End FSR Column includes all actions approved or pending approval outside of the Mid-Year and Year-End FSRs including: CF 08-0600-S58 Additional Budget Balancing Report, CF 08-0600-S69-SPRF Surplus Report, and a pending SPRF Surplus Report dated May 26, 2009 (CF 08-0600-S69).

**ATTACHMENT 5
FY 2008-09 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO		
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Animal Services	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>		
	1070, Salaries As-Needed	\$ 40,766	1010, Salaries General	\$ 197,840	
	2120, Printing and Binding	\$ 15,000			
	3040, Contractual Services	\$ 10,000			
	3310, Transportation	\$ 1,000			
	4160, Governmental Meetings	\$ 1,074			
	4580, Animal Food	\$ 20,000			
	6020, Operating Supplies	\$ 110,000			
	Subtotal	\$ 197,840			
Children, Youth and Their Families	<u>Fund 100/27, Children, Youth and Their Families</u>		<u>Fund 100/27, Children, Youth and Their Families</u>		
	3040, Contractual Services	\$ 10,000	1090, Salaries Overtime	\$ 10,000	
	3310, Transportation	\$ 3,000	6010, Office & Administrative	\$ 3,000	
		Subtotal	\$ 13,000	Subtotal	\$ 13,000
City Attorney	<u>Fund 100/12, City Attorney</u>		<u>Fund 100/12, City Attorney</u>		
	1010, Salaries General	\$ 328,176	1080, Salaries Proprietary	\$ 328,176	
	1020, Salaries Grant Reimbursed	\$ 260,237	1010, Salaries General	\$ 260,237	
		Subtotal	\$ 588,413	Subtotal	\$ 588,413
Ethics Commission	<u>Fund 100/17, Ethics</u>		<u>Fund 100/17, Ethics</u>		
	3040, Contractual Services	\$ 134,217	1010, Salaries General	\$ 134,217	
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>		
	1010, Salaries General	\$ 209,440	1090, Overtime General	\$ 100,000	
	1012, Salaries Sworn	\$ 4,700,000	1092, Overtime Sworn	300,000	
	1050, Unused Sick Time	\$ 300,000	1093, Constant Staffing Overtime	\$ 6,330,892	
	1070, Salaries-As-Needed	\$ 82,000		Subtotal	\$ 6,730,892
	1098, Variable Staffed Overtime	\$ 1,000,000			
	4430, Uniforms	\$ 290,700			
	7300, Furn, Office & Tech Equip	\$ 8,682			
	7340, Transportation Wquip	\$ 140,070			
		Subtotal	\$ 6,730,892		
General City Purposes	<u>100/56, General City Purposes</u>		<u>100/56, General City Purposes</u>		
	0570, Social Security	\$ 125,000	0505, Retirement Contributions	\$ 125,000	
	0577, Pensions Savings Plan	\$ 600,000	0510, Medicare Contributions	\$ 600,000	
		Subtotal	\$ 725,000	Subtotal	\$ 725,000
General Services	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>		
	1010, Salaries General	\$ 515,000	3040, Contractual Services	\$ 255,000	
	1070, Salaries As Needed	\$ 93,313	3160, Maintenance, Materials, Supplies	\$ 80,000	
		Subtotal	\$ 608,313	3170, Custodial Supplies	\$ 160,000
				3180, Construction Materials	\$ 93,313
				6010, Office and Administrative	\$ 20,000
				Subtotal	\$ 608,313

**ATTACHMENT 5
FY 2008-09 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Housing	<u>Fund 100/43, Housing</u>		<u>Fund 100/43, Housing</u>	
	1010, Salaries General	\$ 398,365	2120, Printing & Binding	\$ 28,974
	1070, Salaries As-Needed	77,338	3040, Contractual Services	201,805
	1090, Salaries Overtime	29,171	3310, Transportation	5,266
	2130, Travel	4,259	6010, Office & Administration	8,088
	Subtotal	\$ 509,133	6030, Leases	265,000
		Subtotal	\$ 509,133	
Human Resource Benefits	<u>Fund 100/61, Human Resource Benefits</u>		<u>Fund 100/61, Human Resource Benefits</u>	
	9200, Civilian FLEX Program	\$ 1,220,000	9100, Unemployment Insurance	\$ 1,000,000
	9330, Supplemental Civilian Union Benefits	60,000	9110, Employee Assistance Program	10,000
	Subtotal	\$ 1,280,000	9210, Fire Health and Welfare	50,000
			9220, Police Health and Welfare	220,000
			Subtotal	\$ 1,280,000
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/32, Information Technology Agency</u>	
	1010, Salaries General	\$ 400,000	1090, Salaries Overtime	\$ 550,000
	9350, Communications Services	150,000		
	Subtotal	\$ 550,000		
Planning	<u>Fund 100/68, Planning</u>		<u>Fund 100/68, Planning</u>	
	1010, Salaries General	\$ 75,000	6010, Office and Administrative Expenses	\$ 75,000
	1090, Overtime General	118,680	3040, Contractual Services	118,680
	Subtotal	\$ 193,680	Subtotal	\$ 193,680
Police	<u>Fund 100/70, Police</u>		<u>Fund 100/70, Police</u>	
	1010, Salaries General	\$ 700,000	2120, Printing and Binding	\$ 250,000
			3090, Field Equipment Expense	450,000
		Subtotal	\$ 700,000	
PW/Bureau of Sanitation	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	1010, Salaries General	\$ 166,831	1010, Salaries General	\$ 1,291,958
	1090, Salaries Overtime	841,132	1070, Salaries As-Needed	301,684
	2120, Printing & Binding	30,000	1090, Salaries Overtime	166,831
	3040, Contractual Services	41,393	4430, Uniforms	5,000
	6020, Operating Supplies & Expenses	703,117	6010, Office and Administrative	17,000
	Subtotal	\$ 1,782,473	Subtotal	\$ 1,782,473
PW/Bureau of Street Lighting	<u>Fund 347/50, Street Lighting Maintenance Assessment</u>		<u>Fund 100/12, City Attorney</u>	
	E600, Available Series to Multiple Projects	\$ 150,000	4200, Litigation	\$ 150,000
PW / Bureau of Street Services	<u>Fund 100/86, Bureau of Street Services</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	3030, Construction Expense	\$ 1,300,000	6020, Operating Supplies	\$ 1,000,000
		3090, Field Equipment Expense	300,000	
		Subtotal	\$ 1,300,000	
Transportation	<u>Fund 100/94, Transportation</u>		<u>Fund 100/94, Transportation</u>	
	1010, Salaries General	\$ 661,052	1070, Salaries As-Needed	\$ 661,052

**ATTACHMENT 5
 FY 2008-09 BUDGET ADJUSTMENTS
 TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation	<u>Fund 385/94, Proposition A Local Transit Assistance</u> E399, Reserve for Future Transit Capital & Service	\$ 350,000	<u>Fund 385/94, Proposition A Local Transit Assistance</u> E419, Reimbursement for MTA Bus Pass Sales	\$ 350,000
Treasurer	<u>Fund 100/96, Treasurer</u> 1090, Salaries Overtime	\$ 5,000	<u>Fund 100/96, Treasurer</u> 1010, Salaries General	\$ 5,000
Water and Electricity	<u>100/60, Water and Electricity</u> 0022, General Services Electricity	\$ 1,500,000	<u>100/60, Water and Electricity</u> 0071, Recreation and Parks Water	\$ 1,500,000
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 17,979,013		\$ 17,979,013

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

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Building and Safety	<u>Fund 46F/08, Off-Site Sign Periodic Fee Trust Fund</u>		<u>100/08, Building and Safety</u>	
	E108, Building and Safety Expenditure* *Account to be set up.	\$ 161,129	1010, Salaries General 3310, Transportation 3040, Contractual Services	\$ 155,305 \$ 5,152 <u>\$ 672</u>
			Subtotal	\$ 161,129
	<u>100/08, Building and Safety</u>		<u>100/08, Building and Safety</u>	
	3741, Revenue from Community Redevelopment Agency	\$ 223,518	1010, Salaries General 3310, Transportation	\$ 218,916 <u>\$ 4,602</u>
			Subtotal	\$ 223,518
City Clerk	<u>Fund 45V/14, Intellectual Property Fund</u>		<u>Fund 100/12, City Attorney</u>	
	E212, City Attorney	\$ 95,000	1010, Salaries General	\$ 95,000
City Attorney	<u>Fund 368/12, City Attorney Grants</u>		<u>Fund 100/12, City Attorney</u>	
	000A, Prior year grant programs	\$ 1,935,000	1010, Salaries General	\$ 945,000
	C851, Personal Services	\$ 107,031	1020, Salaries Grant Reimbursed	\$ 107,031
	Subtotal	\$ 2,042,031	4200, Litigation Expenses	\$ 990,000
			Subtotal	\$ 2,042,031
	<u>Fund 550/12, Consumer Protection Trust Fund</u>		<u>Fund 100/12, City Attorney</u>	
	A301, Environmental Justice Civil Penalty	\$ 157,074	1010, Salaries General	\$ 805,543
	A304, Consumer Protection Penalty	\$ 648,469		
	Subtotal	\$ 805,543		
Council	<u>43D/50, Street Furniture Revenue Fund</u>		<u>Fund 100/28, Council</u>	
	CD 6	\$ 250,000	1010, Salaries General	\$ 285,000
	CD14	\$ 35,000		
	Subtotal	\$ 285,000		
	<u>Fund 47S/14 CLARTS</u>		<u>Fund 100/28, Council</u>	
	Available Cash Balance	\$ 200,000	1010, Salaries General	\$ 200,000

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

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Finance	<u>Fund 100/39, Finance</u>			
	3040, Contractual Services	\$ 67,739	<u>48R/08, Building and Safety Enterprise Fund</u>	
			4610, Reimbursement from General Fund	\$ 16,458
			<u>Fund 100/43, Housing</u>	
		1010, Salaries General	\$ 20,695	
		<u>Fund 302/88, Recreation and Parks</u>		
		1010, Salaries General	\$ 30,586	
		Subtotal	\$ 67,739	
General City Purposes	<u>Fund 100/56, General City Purposes</u>		<u>725/48, Convention Center Revenue Trust Fund</u>	
	0838, Special Fund Fee Subsidy Reimbursement	\$ 7,663	4185, Room Rental	\$ 7,663
General Services	<u>Fund 100/40, General Services</u>		<u>Fund 874/12, Forfeited Asset Trust Fund</u>	
	1014, Construction Salaries	\$ 20,341	L601, Operating Expenses	\$ 81,697
	1101, Hiring Hall Construction	\$ 21,275		
	1121, Construction Fringe Benefits	\$ 7,402		
	3180, Construction Materials & Supplies	\$ 32,679		
	Subtotal	\$ 81,697		
	<u>45E/40, Energy Conservation Loan Fund</u>		<u>Fund 100/40, General Services</u>	
	4551, Miscellaneous Revenue	\$ 1,188,480	1101, Hiring Hall Construction	\$ 500,000
			1121, Hiring Hall Fringe Benefits	\$ 190,000
			3180, Construction Materials and Supplies	\$ 498,480
			Subtotal	\$ 1,188,480
Housing Department	<u>Fund 424/22, Community Development Trust Fund</u>		<u>Fund 424/22, Community Development Trust Fund</u>	
	Available Balance	\$ 208,274	E143, Los Angeles Housing Department	\$ 208,274
	<u>Fund 561/43, HOME Investment Partnerships Program</u>		<u>Fund 561/43, HOME Investment Partnerships Program</u>	
	Available Balance	\$ 62,753	E143, Los Angeles Housing Department	\$ 62,753
	<u>Fund 569/43, Housing Opportunities for Persons w/ AIDs</u>		<u>Fund 569/43, Housing Opportunities for Persons w/ AIDs</u>	
Available Balance	\$ 5,336	E143, Los Angeles Housing Department	\$ 5,336	
	<u>Fund 815/43, Municipal Housing Finance Fund</u>		<u>Fund 815/43, Municipal Housing Finance Fund</u>	
Available Balance	\$ 13,333	E143, Los Angeles Housing Department	\$ 13,333	

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

DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
	<u>Fund 44G/43, Affordable Housing Trust Fund</u>		<u>Fund 44G/43, Affordable Housing Trust Fund</u>	
	Available Balance	\$ 12,399	E143, Los Angeles Housing Department	\$ 12,399
			Subtotal	\$ 302,095
	<u>Fund 424/22, Community Development Trust Fund</u>		<u>Fund 100/43 Los Angeles Housing Department</u>	
	E143, Los Angeles Housing Department	\$ 208,274	1010, Salaries General	\$ 302,095
	<u>Fund 561/43, HOME Investment Partnerships Program</u>			
	E143, Los Angeles Housing Department	\$ 62,753		
	<u>Fund 569/43, Housing Opportunities for Persons w/ AIDs</u>			
	E143, Los Angeles Housing Department	\$ 5,336		
	<u>Fund 815/43, Municipal Housing Finance Fund</u>			
	E143, Los Angeles Housing Department	\$ 13,333		
	<u>Fund 44G/43, Affordable Housing Trust Fund</u>			
	E143, Los Angeles Housing Department	\$ 12,399		
PW/Bureau of Sanitation (Wastewater Programs)	<u>Fund 760/50, Sewer Operations & Maintenance Fund</u>		<u>Fund 525/66, City Employee Rideshare Fund</u>	
	E282, Bureau of Sanitation	\$ 233,668	4552, Reimburs. of Expense - SCM Rideshare Costs	\$ 233,668
(Stormwater Programs)	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 511/50, Stormwater Pollution Abatement Fund</u>	
	1010, Salaries General	\$ 800,000	E299, Related Costs	\$ 800,000
(Solid Resources Programs)	<u>Fund 47R/50, CLARTS</u>		<u>Fund 47R/50, CLARTS</u>	
	E254, Unallocated	\$ 80,000	E320, Private Hauling Expense	\$ 5,000
	E330, Community Amenities Fee	\$ 75,697	E310, Private Landfill Disposal Fee	\$ 75,000
	Subtotal	\$ 155,697	Subtotal	\$ 80,000
			<u>Fund 47S/14, City Clerk</u>	
			3040, Contractual Services	\$ 75,697
	<u>Fund 100/82, Bureau of Sanitation (Source: SWRRF)</u>		<u>Fund 47S/14, City Clerk</u>	
	3040, Contractual Services	\$ 440,953	3040, Contractual Services	\$ 440,953

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

TRANSFER FROM		TRANSFER TO		
DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
	<u>Fund 100/82, Bureau of Sanitation (Source: CURB)</u>		<u>Fund 100/40, General Services</u>	
	3040, Contractual Services	\$ 6,517	1101, Salaries Hiring Hall	\$ 3,046
			1121, Hiring Hall Benefits	\$ 1,330
			3180, Construction Materials & Supplies	\$ 2,141
			Subtotal	\$ 6,517
	<u>Fund 49G/50, Solid Waste Res RB2006A Acquisition</u>		<u>Fund 100/40, General Services</u>	
	A312, CLARTS Improvements	\$ 451,511	1014, Construction Salaries	\$ 205,599
			1101, Salaries Hiring Hall	\$ 78,128
			1121, Hiring Hall Benefits	\$ 10,000
			3180, Construction Materials & Supplies	\$ 127,784
			Subtotal	\$ 421,511
			<u>Fund 100/78, Bureau of Engineering</u>	
			1010, Salaries General	\$ 30,000
	<u>Fund 46D/50, Citywide Recycling Trust Fund</u>		<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>	
	E350, Commercial Recycling Dev. & Capital Fund	\$ 499,612	Revenue Source Code 4712, Reimb Miscellaneous	\$ 375,000
			<u>Fund 100/82, Bureau of Sanitation (Source: CRTF)</u>	
			1010, Salaries, General	\$ 124,612
	<u>Fund 100/82, Bureau of Sanitation (Source: SWRRF)</u>		<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>	
	6020, Operating Supplies and Expenses	\$ 4,000,000	1010, Cash Balance	\$ 4,000,000
	<u>Fund 556/50, Integrated Solid Waste Mgmt Fund</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	E500, Beverage Container Recycling	\$ 15,000	1090, Salaries Overtime	\$ 15,000
	<u>Fund 100/82, Bureau of Sanitation (Source: MFBI)</u>		<u>Fund 100/40, General Services</u>	
	1010, Salaries General	\$ 1,920	1090, Salaries Overtime	\$ 1,920
	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>	
	E299, Related Costs	\$ 8,000,000	1010, Cash Balance	\$ 8,000,000
PW / Bureau of Street Services	<u>Fund 305/50, Subventions & Grants Fund</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	3741, Revenue from Comm. Redevelopment Agency	\$ 737,643	1010, Salaries, General	\$ 412,739
			3030, Construction Expense	\$ 250,592
			3040, Contractual Services	\$ 7,579
			6010, Office and Administrative	\$ 22,111
			6020, Operating Supplies	\$ 44,622
			Subtotal	\$ 737,643

**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 cont.	<u>Fund 305/50, Subventions & Grants Fund</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	3734, Reimbursement from Other Funds/Departments	\$ 14,755	1010, Salaries, General	\$ 9,296
			6010, Office and Administrative	\$ 2,213
			6020, Operating Supplies	\$ 3,246
		Subtotal	\$ 14,755	
	<u>Fund 305/50, Subventions & Grants Fund</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	4511, Contributions from Non-Government Sources	\$ 16,987	3030, Construction Expense	\$ 16,987
	<u>Fund 760/50, Sewer Construction & Maintenance Fund</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	E282/304, Contractual Services	\$ 22,000	1010, Salaries, General	\$ 12,000
			6010, Office and Administrative	\$ 2,000
			6020, Operating Supplies	\$ 8,000
		Subtotal	\$ 22,000	
	<u>Fund 100/86, Bureau of Street Services</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	4552, Reimbursement of Expenditures	\$ 8,577	3030, Construction Expense	\$ 8,577
Transportation	<u>Fund 385/94, Proposition A Local Transit Assistance</u>		<u>Fund 100/76, PW Contract Administration</u>	
	C176, PW Contract Administration	\$ 17,655	1010, Salaries General	\$ 17,655
	<u>Fund 363/94, Special Parking Revenue Fund</u>		<u>Fund 100/94, Transportation</u>	
	0060, Parking Administration	\$ 68,100	1070, Salaries As-Needed	\$ 68,100
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 21,252,585		\$ 21,252,585

**ATTACHMENT 7
 FY 2008-09 BUDGET ADJUSTMENTS
 APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

APPROPRIATE FROM:	APPROPRIATE TO:		
DEPARTMENT	FUND/ACCOUNT		AMOUNT
0197, Outside Counsel Inc. Work. Comp.	<u>100/12, City Attorney</u> 9302, Outside Counsel Workers Comp.	\$	30,000
0037, Reserve for Economic Uncertainties	<u>100/06, Animal Services</u> 1090, Salaries Overtime	\$	55,428
	<u>100/12, City Attorney</u> 1010, Salaries General	\$	150,000
	1080, Salaries Proprietary	\$	822,088
	3040, Contractual Services	\$	92,000
	Subtotal	\$	<u>1,064,088</u>
	<u>100/10, City Administrative Officer</u> 3040, Contractual Services	\$	200,000
	<u>100/65, Disability</u> 1010, Salaries General	\$	12,376
	3040, Contractual Services	\$	67,862
	Subtotal	\$	<u>80,238</u>
	<u>100/36, Employee Relations Board</u> 3040, Contractual Services	\$	50,000
	<u>100/38, Fire</u> 1093, Overtime Constant Staffing	\$	2,291,240
	<u>100/32, Information Technology Agency</u> 1100, Salaries Hiring Hall	\$	24,026
	<u>100/68, Planning</u> 3040, Contractual Services	\$	100,000
	<u>100/96, Treasurer</u> 1010, Salaries General	\$	151,000
	<u>100/53, Capital Finance Administration</u> See Recommendation No. 11	\$	1,700,000
	0320, MICLA 2006-A-Police HQ/PW Building	\$	321,200
	Subtotal	\$	<u>2,021,200</u>
	<u>100/59, Liability Claims</u> 9760, Claims under \$100,000	\$	126,462

**ATTACHMENT 7
 FY 2008-09 BUDGET ADJUSTMENTS
 APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

APPROPRIATE FROM:	APPROPRIATE TO:	
DEPARTMENT	FUND/ACCOUNT	AMOUNT
	<u>100/56, General City Purposes</u>	
	0510, Medicare Contributions	\$ 150,000
	TBD, Solid Waste Fee Lifeline Rate Program	\$ 11,214,000
	TBD, Solid Waste Fee Reimbursement	\$ 3,825,000
	Subtotal	<u>\$ 15,189,000</u>
	Reserve for Econ. Un Total	<u>\$ 21,352,682</u>
0240, Short Term Layoff Agreement	<u>100/06, Animal Services</u>	
	1010, Salaries General	\$ 31,876
	<u>100/12, City Attorney</u>	
	1080, Salaries Proprietary	\$ 244,991
	<u>100/28, Council</u>	
	1010, Salaries General	\$ 256,665
	Short Term Layoff Total	<u>\$ 533,532</u>
TOTAL ALL DEPARTMENTS AND FUNDS		<u>\$ 21,916,214</u>

ATTACHMENT 8
FY 2008-09 BUDGET ADJUSTMENTS
TRANSFERS TO UNAPPROPRIATED BALANCE, RESERVE FOR ECONOMIC UNCERTAINTIES

TRANSFER FROM:

<u>DEPARTMENT/FUND</u>	<u>FUND/ACCOUNT</u>	<u>AMOUNT</u>
Unappropriated Balance	<u>Fund 100/58, Unappropriated Balance</u>	
	0075, Neighborhood Council Elections	\$ 53,989
	0239, Neighborhood Council Funding	\$ 149,500
	<i>Subtotal</i>	<u>\$ 203,489</u>
	<u>Fund 100/58, Unappropriated Balance</u>	
	0130, GSD Petroleum Products	\$ 4,000,000
Finance	<u>100/39, Finance</u>	
	1010, Salaries General	\$ 164,000
	2130, Travel	\$ 5,000
	3310, Transportation	\$ 27,192
	6010, Office and Administrative	\$ 20,000
	<i>Subtotal</i>	<u>\$ 216,192</u>
Information Technology Agency	<u>100/32, Information Technolgy</u>	
	3040, Contractual Services	\$ 250,000
Planning	<u>100/98, Planning</u>	
	1010, Salaries General	\$ 758,457
Human Resources Benefits	<u>100/61, Human Resources Benefits Fund</u>	
	9200, Civilian FLEX Program	\$ 1,480,000
	9910, Workers' Compensation	\$ 3,000,000
	<i>Subtotal</i>	<u>\$ 4,480,000</u>
TOTAL ALL DEPARTMENTS AND FUNDS		<u>\$ 9,908,138</u>

Attachment 10
REVENUE SUMMARY
FISCAL YEAR 2008-09
(Thousand Dollars)

	<u>Budget</u>	<u>Revised</u>	<u>Change</u>	
Property Tax	\$1,461,394	\$1,496,181	\$34,787	Carryover from prior year plus higher redemptions.
Utility Users' Tax	637,600	664,751	27,151	Audit recovery from telephone provider plus expanded telephone tax base.
Licenses, Permits, Fees and Fines	804,178	703,876	(100,302)	Reductions in transfer from special parking fund, sale of property, and reimbursements from solid waste fund.
Business Tax	472,395	452,940	(19,455)	Economy
Sales Tax	336,137	320,311	(15,826)	Economy
Documentary Transfer Tax	120,024	90,000	(30,024)	Real estate market decline
Power Revenue Transfer	197,400	222,693	25,293	Supplemental transfer
Transient Occupancy Tax	155,914	140,039	(15,875)	Economy
Parking Fines	134,000	134,000		
Parking Users' Tax	94,480	84,800	(9,680)	Economy
Franchise Income	53,341	53,274	(67)	
Interest	32,172	35,450	3,278	
Water Revenue Transfer				
State Motor Vehicle License Fees	19,700	12,411	(7,289)	Economy
Grants Receipts	17,116	17,116		
Tobacco Settlement	12,028	12,028		
Transfer from Telecommunications Development Account	3,871	3,871		
Residential Development Tax	1,920	1,700	(220)	
Total General Fund Receipts	<u>\$4,553,670</u>	<u>\$4,445,441</u>	<u>(\$108,229)</u>	