

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 10, 2010

CAO File No. 0116-00001-0000

Council File No. 09-0600

Council District: All

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

From: Miguel A. Santana, City Administrative Officer



Reference: 2009-10 Budget

Subject: **YEAR-END FINANCIAL STATUS REPORT**

SUMMARY

The Office of the City Administrative Officer (CAO) monitors the budget and transmits periodic reports to the Mayor and Council detailing the City's current financial condition. As instructed in the 2009-10 Budget, this Office is transmitting the Year-End Financial Status Report (FSR) for this fiscal year. This report provides an update on the current-year budget deficit—including department revenue and expenditures, the Reserve Fund, four-year outlook, and current issues of concern and their potential impact to the City. Recommendations totaling \$189.2 million for appropriations, transfers and other budgetary adjustments—including a recommendation to transfer \$52.4 million from the Reserve Fund to address the current-year deficit—are included in this report. The report also updates the status of the City's budget solution efforts.

2009-10 Budget Deficit and Revenue Shortfall

Throughout the fiscal year, the City has progressed to put itself on the path to fiscal sustainability. Since the 2009-10 Fourth FSR, the City has made continuing progress in reducing the current-year deficit. In the Fourth FSR, the projected budget deficit was lowered from \$211.7 million as reported in the Mid-Year FSR, to \$148.9 million—a figure which includes the Power Revenue transfer from the Department of Water and Power. At this time, expenditure and revenue projections show that this deficit has been further reduced by approximately \$16.5 million to \$132.4 million.

The City's 2009-10 Adopted Budget included \$4.399 billion in anticipated General Receipts and reflected corresponding appropriations. The total appropriation amount included \$320 million in unallocated budget solutions that would be achieved through Shared Responsibility and Sacrifice. Throughout the fiscal year, the Mayor, Council and City managers, along with contributions from the City's labor partners, developed and implemented the required budget solutions as follows:

Table 1. 2009-10 Budget Solution Estimated Savings
(\$ millions)

Early Retirement Incentive Program	\$ 47.2
Labor Agreements	148.4
Canceled General Receipt Transfer	46.8
Fire Department Modified Deployment Plan	39.0
Employee Furloughs	34.0
Other Departmental Savings	<u>17.2</u>
Total	\$ 332.6

As illustrated above, the savings measures have more than achieved the goal of ensuring that total current year expenditures funded by General Receipts remain within the 2009-10 Adopted Budget total account appropriation amount of \$4.399 billion. At this time, committed General Fund expenditures are not expected to exceed \$4.387 billion, reflecting \$12.6 million in additional savings. Please note that this amount is net of other budget solutions implemented this fiscal year to address budget appropriation issues that have arisen (e.g. Solid Waste Fee Lifeline Program).

Regrettably, while the City worked towards implementing \$320 million in Shared Responsibility and Sacrifice budget solutions, the City's General Receipts began to erode as a result of the severe recession. An estimated revenue shortfall of approximately \$145.0 million is anticipated by year-end, primarily due to reduced City receipts from economy sensitive taxes and related revenues. (General Receipts are detailed on Attachment 1 and are consistent with figures presented during the adoption of the 2010-11 Budget.) The 2009-10 fiscal year is anticipated to finish with total General Receipts of approximately \$4.254 billion; \$145 million below the \$4.399 billion adopted budget. The estimated current fiscal year budget deficit of \$132.4 million is consistent with the \$145.0 million decline in General Receipts, offset by the \$12.6 million in additional expenditure savings as illustrated in Table 2. Please note that the anticipated \$4.254 billion in General Receipts is reliant on Council declaration (C.F. No. 09-0600-S209) of a 2009-10 Special Parking Revenue Fund (SPRF) surplus of \$23.46 million and approval of a like amount transfer from SPRF to the General Fund before the year-end, in compliance with the 2009-10 Adopted Budget.

Table 2. 2009-10 Budget Status
(\$ millions)

Projected Expenditures backed by General Receipts	\$ 4,387.2
Projected General Fund Receipts	<u>4,254.8</u>
Total (Expenditures not backed by General Receipts)	\$ 132.4

In the Fourth FSR, \$80 million was transferred from the Reserve Fund to the General Fund to replace eroding General Receipts and provide sufficient cash flow through May for committed expenditures. An additional transfer from the Reserve Fund to the General Fund is now recommended to address the remaining General Receipts shortfall of \$52.4 million and is required to provide the cash flow for anticipated year-end committed expenditures.

Reserve Fund

After the adoption of the Fourth FSR, the Reserve Fund balance was approximately \$126.7 million, which included the transfer of \$80 million from the Reserve Fund to the General Fund to replace eroding General Receipts and provide sufficient cash flow through May. The current Reserve Fund balance is now estimated at \$155.6 million, after accounting for \$28.9 million in loan repayments and other receipts, including the reversion of prior-year encumbrances.

With the transfer of \$52.4 million to the General Fund, as recommended in this report, the balance would be reduced to \$103.2 million. However, the Reserve Fund balance is anticipated to end the fiscal year with \$140.4 million assuming the receipt of the \$31.3 million repayment from the issuance of Judgment Obligation Bonds (JOB) proceeds and the receipt of Council funds as detailed in Table 3.

Table 3. 2009-10 Projected Year-End Status of Reserve Fund

(\$ millions)	
Reserve Fund Balance – As of April 30, 2010	\$ 155.6
Transfer to the General Fund	(52.4)
Repayment of Loans from JOB Proceeds	31.3
Balance of Council Funds (\$960,000 of \$7,126,000 received in April 2010)	5.9
Adjusted Reserve Fund Balance	\$ 140.4

Attachment 2 provides detail on the current status of the Reserve Fund, including all pending and approved Reserve Fund transactions.

Four Year Outlook

Attachment 3 provides an update on the Four Year Budget Outlook, reflecting changes made to the 2010-11 Proposed Budget. The 2011-12 deficit increased by \$84.7 million primarily due to the following changes:

- The LACERS rates, adjusted to include ERIP costs and the lower salary base, went up by nearly 3 percent from 2011-12 to 2013-14. The impact to the 2011-12 Budget is \$40.5 million.
- Council added approximately \$36 million in appropriations to the 2010-11 Proposed Budget.
- The projected revenue in 2011-12 increased by \$8.6 million.
- A one-time upfront payment of the Pensions contribution in July saved approximately \$6.5 million in 2010-11. The incremental change in 2011-12 increased by that amount due to the lower cost basis of the prior year.
- A one-time cash payment of 1.75 percent of Coalition salaries (\$10.3 million) was inadvertently omitted from prior Outlook. This amount has been added to Employee Compensation Adjustments in accordance with the revised schedule of wage increases.

Issues of Concern

The following are significant issues of potential impact to the 2009-10 Budget that this Office is closely tracking:

Fire Department Salary Liability: As mentioned in previous FSRs, a pending lawsuit settlement may require that the Fire Department pay up to \$5 million in back pay to sworn personnel. The payout for the settlement is expected the following fiscal year. Funds totaling \$1.3 million have been set aside in the Department's Sworn Salary account which the Department will request to reappropriate for next fiscal year for other smaller backpay settlements.

Solid Waste Fee Lifeline Program: In previous FSRs, it was reported that the Solid Waste Lifeline Rate Program, for which the General City Purposes Fund provides \$16.7 million to subsidize, was oversubscribed and that an additional \$6.7 million would be needed from the General Fund. However, based on Bureau of Sanitation invoicing, the total shortfall is now projected at \$3.1 million. Refer to Section 1.GG for discussion and recommendation.

Liability Claims: The Fourth FSR reported an estimated shortfall of \$56.1 million for year-end liability claims payouts. The new estimated shortfall is \$55.15 million (\$55 million for claims over \$1million which are potentially eligible for bond financing and \$150,000 for other claims). The shortfall has been reduced due to defense verdicts, reduced settlement amounts, and case deferrals to next year. It is anticipated the year-end shortfall will be largely mitigated via Judgment Obligation Bond (JOB) financing scheduled to occur in June 2010. Refer to Section 2.C for additional discussion and recommendation.

Department of Water and Power-Power Revenue Transfer: As reported in the Fourth FSR, the potential loss of the planned \$73.5 million Power Revenue Transfer would have the adverse affect of increasing the budget deficit. The loss of revenue would have required a larger transfer from the Reserve Fund, potentially reducing the fund to \$39.3 million by year-end. On May 11, 2010, Council approved the transfer, for which funds will be transferred by June 21, 2010 (C.F. No. 10-0234).

State Budget: The May Revision to the State Budget contains major spending reduction proposals that were not included in the Governor's base budget package in January. However, while there are no additional direct consequences to cities beyond those reported in the Fourth FSR, County programs are severely impacted. Section 9 of this report highlights some of the cuts and estimated savings proposed in the budget revisions for Fiscal Year 2010-11 as well as other recent state developments.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$189.0 million are recommended in Sections 1 and 2 of this report. Among these recommendations is the transfer of \$52.4 million from the Reserve Fund to the General Fund to address the remaining General Receipts shortfall and to provide sufficient

cash flow through the year-end. Additionally, transfers totaling \$62.4 million from the Unappropriated Balance (UB), Reserve for Economic Uncertainties are recommended to various departments and funds to address salary and expenditure account deficits, including a \$53.3 million transfer to the Police Department to address the deficit in its sworn salaries account. Other recommended transactions totaling \$74.4 million include:

- \$1.4 million in new appropriations;
- \$34.1 million for transfers between accounts within various departments and funds;
- \$32.6 million for transfers between departments and funds, including:
 - \$8.2 million in transfers to the Unappropriated Balance, Reserve for Economic Uncertainties;
 - \$7.9 million transferred from the General Fund Unappropriated Balance for the City Attorney's Office, General Services Department and the Treasurer's Office (see Attachments 4-a and 4-b for the status of the Unappropriated Balance);
 - \$10.5 million in reduced appropriations; and
 - \$6.0 million in other transfers;
- \$5.9 million in reappropriation requests for fiscal year 2010-11 for the Office of Finance, General Services Department, Information Technology Agency, and Personnel Department and unspecified reappropriations of General City Purposes accounts;
- \$94,000 reversion to the Reserve Fund; and
- \$94,000 in other miscellaneous requests.

Additional Details

Attachments

- 1 Revenue Summary – Fiscal Year 2009-10
- 2 Current Status of the Reserve Fund
- 3 Four-Year Budget Outlook
- 4-a Status of the Unappropriated Balance - General Account
- 4-b Status of the Unappropriated Balance – non-General Accounts
- 5 New Appropriations
- 6 Transfers between Accounts within Departments and Funds
- 7 Transfers between Departments and Funds
- 8 Transfers from the Unappropriated Balance
- 9 Transfers to the Reserve for Economic Uncertainties
- 10 Transfers from the Reserve for Economic Uncertainties
- 11 Employment Level Report
- 12 Status of Voluntary Furlough Program
- 13 Gang Reduction Youth Development Program
- 14 Status of Fee Increases in the 2009-10 Budget

FINANCIAL STATUS REPORT RECOMMENDATIONS

(Refer to Discussion Sections 1 and 2)

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

1. Appropriate \$2,339,598.68 to Department accounts as specified in Attachment 5;
2. Transfer \$34,433,680.11 between accounts within various departments and funds as specified in Attachment 6;
3. Transfer \$11,471,486.75 between various departments and funds as specified in Attachment 7;
4. Appropriate \$7,850,000.00 to Department accounts from the Unappropriated Balance as specified in Attachment 8;
5. Transfer \$8,211,947.00 from various Department and Fund accounts to the Unappropriated Balance, Reserve for Economic Uncertainties account, as specified in Attachment 9;
6. Transfer \$62,359,703.49 to various Department and Fund accounts from the Unappropriated Balance, Reserve for Economic Uncertainties account, as specified in Attachment 10;

Community Development

7. Authorize the Controller to reduce appropriations within the Workforce Investment Act (WIA) Fund and increase appropriations within the Urban Development Action Grant (UDAG) Miscellaneous Revenue Fund to allow the Community Development Department (CDD) to make adjustments that are necessary for the calendar year 2009 salaries of CDD General Manager that exceeded the limit established by federal guidelines and comply with Public Law 109-234, as implemented by the Employment Training Administration, Department of Labor (ETA, DOL) which sets limitations on Executive Level salaries paid by ETA, DOL-funded grants, as follows:

a) Decrease appropriations within WIA Fund No. 44A/22 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F122	CDD	(\$10,000)
F299	Related Costs	<u>(5,600)</u>
	Total	(\$15,600)

b) Increase appropriations within UDAG Miscellaneous Revenue Fund No. 356/22 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F122	CDD	\$10,000
F299	Related Costs	<u>5,600</u>

Total \$15,600

8. Authorize the Controller to transfer appropriations within the Community Development Block Grant (CDBG), the Community Services Block Grant – American Recovery and Reinvestment Act (CSBG-ARRA), CDD and Information Technology Agency to allow CDD to pay consulting expenses incurred under Contract No. 113886 with Commercial Programming Systems as follows:

- a) Transfer \$46,000 in appropriations within the CDBG Fund No. 424/22 from Account No. F132, ITA to Account No. F122, CDD;
- b) Decrease ITA Fund No. 100/32, Account No. 1010, Salaries General by \$46,000;
- c) Increase CDD Fund No. 100/22, Account No. 3040, Contractual Services by \$46,000;
- d) Transfer \$46,000 in appropriations within the CSBG-ARRA Fund No. 51H/22 from Account No. F122, CDD to Account No. F132, ITA;
- e) Decrease CDD Fund No. 100/22, Account No. 3040, Contractual Services by \$46,000;
- f) Increase ITA Fund No. 100/32, Account No. 1010, Salaries General by \$46,000;

9. Authorize the Controller to transfer appropriations within CDBG and CSBG to allow CDD to align appropriations with actual expenditures and fully expend CSBG funds by the grant deadline of June 30, 2010 as follows:

a) Increase appropriation within CSBG Fund No. 428/22 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F122	CDD	\$385,000
F299	Related Costs	<u>217,178</u>
	Total	\$602,178

b) Decrease appropriation within WIA, Fund No. 44A/22, Account F122, CDD, by \$385,000;

c) Increase appropriation within CSBG Fund No. 428/22 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F132	ITA, Salaries General	\$39,362
F299	Related Costs	<u>21,642</u>
	Total	\$61,004

d) Transfer \$61,004 in appropriations within CDBG Fund No. 424/22 from various accounts, as detailed below, to Account No. F741, CDD Admin:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
F132	ITA, Salaries General	\$39,362
F291	Related Costs	<u>21,642</u>

Total \$61,004

Council

10. Instruct the City Clerk to unencumber a total of \$94,107.67 within various accounts in General City Purposes Fund No. 100/56, as detailed below; and thereafter request the Controller to revert a like amount from these accounts to the Reserve Fund and appropriate therefrom to the General City Purposes Fund No. 100/56 Account No. 0714, Community Services District 14 and instruct the City Clerk to encumber a like amount within the 2009-10 Fund No. 100/56 Account No. 0714 by June 30, 2010:

<u>Fiscal Year</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1999-00	0714	Community Services District 14	\$9,949.61
2000-01	0714	Community Services District 14	1,887.00
2001-02	0714	Community Services District 14	4,630.00
2002-03	0714	Community Services District 14	11,445.89
2002-03	0814	Neighborhood and Community Improvement Services, Council District 14	297.33
2004-05	0714	Community Services District 14	2,869.99
2006-07	0714	Community Services District 14	31,381.03
2007-08	0714	Community Services District 14	18,804.48
2008-09	0714	Community Services District 14	<u>12,842.34</u>
Total			\$94,107.67

11. Authorize the City Clerk to place on the agenda for the first regular Council meeting after July 1, 2010, or shortly thereafter, the following instructions:

Authorize the Controller to transfer all other 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, 2010 to Council Fund No.100/28, Account No. 1010, Salaries General;

Ethics

12. Declare a surplus and transfer \$93,844 from the available cash balance of the Public Campaign Matching Trust Fund No. 875 to the Reserve Fund;

Finance

13. Authorize the City Clerk to place on the agenda for the first regular Council meeting after July 1, 2010, or shortly thereafter, the following instruction:

Reappropriate the amount not to exceed \$100,000 from the unencumbered balance remaining in the Office of Finance Fund No. 100/39, Account No. 3040, Contractual Services, for the annual Communications Users' Tax Independent Audit from funds that were budgeted in 2009-10 but were not committed due to delays;

General Services

14. a) Reduce appropriations within the Energy Conservation Loan Fund No. 45E/40, approved in the First Financial Status Report in the General Services Fund No. 100/40 (C.F. No. 09-0600-S141) by a total \$979,782.32 in various accounts, as detailed below, to an amount not to exceed \$829,676.68 to reflect actual receipts from loan proceeds:

<u>Account No.</u>	<u>Account Name</u>	<u>Previous Appropriation</u>	<u>Decrease</u>	<u>Revised Appropriation</u>
1014	Construction Salaries	\$100,000.00	(\$55,000.00)	\$ 45,000.00
1101	Hiring Hall Salaries, Construction	650,000.00	(358,000.00)	292,000.00
1121	Hiring Hall, Constr. Fringe Benefits	292,500.00	(161,500.00)	131,000.00
1191	Hiring Hall, Construction Overtime	50,000.00	(28,000.00)	22,000.00
3180	Construction Materials	<u>716,959.00</u>	<u>(377,282.32)</u>	<u>339,676.68</u>
		Total \$1,809,459.00	(\$979,782.32)	\$829,676.68

b) In conjunction with the above request, transfer \$87,000 from the Energy Conservation Loan Fund No. 45E/40, Account No. 3040, Contractual Services to the following accounts in the General Services Fund No. 100/40, to replace funding from unrealized loan proceeds:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1101	Hiring Hall Salaries, Construction	\$37,826
1121	Hiring Hall, Construction Fringe Benefits	\$14,374
3180	Construction Materials	<u>\$34,800</u>
		Total \$87,000

15. Authorize the City Clerk to place on the agenda for the first regular Council meeting after July 1, 2010, or shortly thereafter, the following instructions:

Reappropriate an amount not to exceed \$120,000 from the unencumbered balance remaining in the General Services Fund No. 100/40, Account No. 3040, Contractual Services, to pay for the cost of a fleet utilization study;

Information Technology

16. Authorize the City Clerk to place on the agenda for the first regular Council meeting after July 1, 2010, or shortly thereafter, the following instructions:

a) Reappropriate an amount not to exceed \$93,689 from the unencumbered balance remaining in Information Technology Agency Fund No. 100/32, Account No. 1010, Salaries General, for staff support of Los Angeles Computer Access Network project that were appropriated in 2009-10 but not committed due to the project timeline;

b) Reappropriate an amount not to exceed \$600,000 from the unencumbered balance remaining in Information Technology Agency Fund No. 100/32, Account No. 6010, Office and Administrative Expenses, for equipment and related purchases for the Public Safety Systems

Project from funds that were budgeted in 2009-10 but were not committed due to project delays; and

- c) Reappropriate an amount not to exceed \$3,600,400 from the unencumbered balance remaining in the Unappropriated Balance Fund. No. 100/58, Account No. 0219, LINX Replacement (Risk Management System), in the same amount and into the same account as exists on June 30, 2010;

Mayor

17. Authorize the Controller to transfer \$62,512.08 from the Targeting Violent Crime Initiative (TVCI) Grant Fund No. 50H/46 to the Mayor's Office Fund No. 100/46 to support FY 2009-10 Mayor's Office Gang Reduction and Youth Development salaries and fringe benefit costs associated with implementation of 77th-Florence/Graham Street GRYD Zone as follows:
- a) Transfer appropriations in the amount of \$51,151.36 within TVCI Fund No. 50H/46, Account No. E246, Mayor's Office Salaries – Prior Years to Mayor's Office Fund 100/46, Account 1010 Salaries General;
 - b) Transfer funds from TVCI Fund No. 50H/46 to Mayor's Office Fund No. 100/46, upon receipt of grant funds;
 - c) Transfer \$11,360.72 within TVCI Fund No. 50H/46 from Account No. E299 Fringe Benefits to Account No. F299, Fringe Benefits and reimburse therefrom to General Fund Revenue Source Code No. 4681, Related Costs Reimbursement, upon receipt of grant funds;

Personnel

18. Authorize the City Clerk to place on the agenda for the first regular Council meeting after July 1, 2010, or shortly thereafter, the following instruction:
- Reappropriate an amount not to exceed \$1,346,000 from the unencumbered balance remaining in Personnel Department Fund No. 100/66, Account No. 3040, Contractual Services Account, for the Alternative Dispute Resolution (ADR) contract, which was approved by Council (C.F. No. 10-0389), as the Department was unable to execute a new contract before the end of the fiscal year;

Public Works, Engineering

19. Reduce appropriations in the amount of \$4,500,000 in the Bureau of Engineering Fund No. 100/78, Account No. 1010, Salaries General; and thereafter, reduce appropriations by \$4,500,000 in Wastewater System Commercial Paper B Construction Fund No. 70X/50, Account No. F178, PW-Engineering, to reflect reduced salary expenditures in the fund by the Bureau;

Public Works, Sanitation

20. Transfer expenditures in the amount of \$450,000 from Solid Waste Resources Revenue Fund No. 508/50, Account No. F210, DWP Fees, to the Multifamily Bulky Item Fund No. 50D/50, Account No. F401, DWP Fees;

21. Encumber the General City Purposes Fund No. 100/56, Account Nos. 0855 and 0856 balances appropriated for the Solid Waste Lifeline Rate Program and Refuse Service for General Fund Departments to allow payment of invoices beyond July 1, 2010, which must reflect activity through June 30, 2010;

Public Works, Street Services

22. Authorize the Controller to transfer and reappropriate uncommitted funds in the amount of \$61,304.00 from the Terra Bella/Fenton Avenue Drainage District Fund No. 623/50, Account E186 to the following accounts within Bureau of Street Services Fund No. 100/86 for the Terra Bella/Fenton Avenue project:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1090	Salaries, Overtime	\$34,943.28
3030	Construction Expense	15,326.00
6010	Office and Administrative	1,226.08
6020	Operating Supplies	<u>9,808.64</u>
	Total	\$61,304.00

General City Purposes

23. Authorize the City Clerk to place on the agenda for the first City Council meeting date in fiscal year 2010-11, or shortly thereafter, the following instructions:

Reappropriate the unencumbered balance remaining in the General City Purposes Fund No. 100/56, Account No. 0843, Financial Management System, in the same amount and into the same account as exists on June 30, 2010;

Reserve

24. Transfer \$52,410,000 from the Reserve Fund to the Unappropriated Balance and therefrom to Nondepartmental General Fund No. 100/62 Revenue Source No. 4825, Interfund Operating Transfer-Reserve, to reduce the anticipated current-year revenue shortfall and provide sufficient cash flow through the end of the fiscal year;

General City Purposes

25. Authorize the City Clerk to place on the agenda for the first City Council meeting date in fiscal year 2010-11, or shortly thereafter, the following instructions:

Reappropriate \$500,000 in the Unappropriated Balance Fund No. 100/58, Account No. 0246, Financial Management System, in the same amount and into the same account as exists on June 30, 2010; and,

Technical

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

FISCAL IMPACT STATEMENT

The 2009-10 Budget Deficit is now estimated at \$132.4 million, which reflects a further reduction of \$16.5 million since the approval of the Fourth Financial Status Report (FSR), as well as the restoration of the \$73.5 million power revenue transfer from the Department of Water and Power. This deficit is eliminated with the previous transfer of \$80 million from the Reserve Fund to the General Fund, approved with the adoption of the Fourth FSR, and the approval of a second Reserve Fund transfer of \$52.4 million recommended in this report.

With the transfer of \$52.4 million from the Reserve Fund to the General Fund, the Reserve Fund balance at the year-end is estimated to be \$140.4 million, assuming the receipt of anticipated receipts and judgment obligation bond proceeds.

Transfers, appropriations and other adjustments totaling approximately \$189.0 million are recommended in Sections 1 and 2 of this report, which includes a \$53.3 million proposed transfer from the Unappropriated Balance, Reserve for Economic Uncertainties to the Police Department sworn salary account.

DISCUSSION

The Office of the City Administrative Officer (CAO) monitors the budget and transmits reports to the Mayor and Council detailing the City's current financial condition. This report provides an update on the current-year budget deficit, revenue shortfall and reserve fund status as reported in the Fourth FSR, and it highlights current issues of concern and the potential impact to the City. In addition, it provides an update on department revenues and expenditures, which includes recommendations totaling \$189.0 million for appropriations, transfers and other budgetary adjustments, and status reports on the City's spending and savings efforts. At this time, the projected 2009-10 Budget deficit is estimated to be \$132.4 million without the inclusion of Reserve Fund transfers.

The following is a discussion regarding the recommendations included in the report and other budget related items. The discussion is presented in ten sections as follows:

Section 1. Status of Departmental Budgets.....	Page 13
Section 2. Status of Non-Departmental Funds and Special Accounts	Page 36
Section 3. Status of Employment and Labor Cost Savings Efforts.....	Page 38
Section 4. Status of Expenditure Savings Efforts	Page 39
Section 5. Status of Fee Waivers and Subsidies	Page 40
Section 6. Status of Gang Reduction and Youth Development Program	Page 40
Section 7. Status of Fee Increases	Page 41
Section 8. Status of the City's MICLA Commercial Paper Program	Page 41
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1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues, provides projections for year-end deficits and surpluses, and highlights issues of concern. Recommendations include budgetary adjustments to address departmental account deficits, new appropriations and reimbursements to the General Fund from special funds, transfers from the Unappropriated Balance to departments for operational needs, transfers of departmental uncommitted funds to the Reserve for Economic Uncertainties and appropriation reductions.

A. Aging

Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation No. 5

It is projected that the Department will have \$674,000 in uncommitted Older Americans Act – Title III E grant fund monies in the Salaries General account, resulting from managed hiring and furloughs. Any uncommitted grant funds will be returned to the grantor after June 30, 2010. Additionally, the Department has identified \$16,000 in contract and expense account reductions, realized with the implementation of expenditure reduction measures per Council and Mayor direction.

It is recommended that a total of \$16,054 from various Department account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

B. Animal Services

Attachment 6 – Transfers between Accounts within Departments and Funds Attachment 10 – Transfers from the Reserve for Economic Uncertainties Recommendation Nos. 2 and 6

In the Fourth FSR, it was reported that the Department will have a \$1.2 million General Fund deficit by year-end, attributed largely to its deficit in the Salaries, General account. It is now projected that year-end deficit will be \$862,000, reflecting contract and expense account reductions realized with the implementation of expenditure reduction measures per Council and Mayor direction.

Year-to-date General Fund receipts are \$3.3 million, which is 22 percent higher than the Department's projected estimate of \$2.7 million for the ten-month reporting period and is attributed to the revised fee schedule implemented on July 1, 2009. The previously reported grievance process concerning euthanasia bonuses for Veterinary Technicians is still pending, with the potential salary settlement now estimated at \$49,000, up from \$40,000. Resolution of this issue and clarification of the MOU should be completed this fiscal year.

The following transactions are recommended:

- Transfer a total \$455,880 from various Department account appropriations to the Salaries General account to address a portion of the projected deficit in the account.

- Transfer \$862,000 from the Unappropriated Balance, Reserve for Economic Uncertainties to provide sufficient funding for payroll expenses through year-end.

C. Building and Safety

Attachment 9 – Transfers to the Reserve for Economic Uncertainties

Recommendation No. 5

It is projected that the Department will have \$350,000 in uncommitted funds, which includes \$46,600 in General Fund monies as a result of managed hiring, MCIA furlough implementation, the transfers of positions from the General Fund to Special Funds, and requested actions taken in previous FSRs. The Department remains optimistic that it will meet its budgeted revenue for the Building and Safety Building Permit Enterprise Fund. On a 12-month rolling basis, Enterprise Fund revenue is currently 3 percent or \$2.9 million below budget. However, revenue has been increasing steadily in the last few months and the Department indicates that June has historically higher receipts. The Department has reduced expenditures in Enterprise Fund expense accounts to offset reduced revenue so that there will be no impact to the available funding for salary expenditures.

It is recommended that \$13,834 from Office and Administrative account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

D. City Administrative Officer

No Recommendation

As previously reported in the Fourth FSR, the Office will complete the year within budget.

E. City Attorney

Attachment 4 – New Appropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Attachment 8 – Appropriations from the Unappropriated Balance

Attachment 10 – Transfers from the Reserve for Economic Uncertainties

Recommendation Nos. 1, 2, 3, 4 and 6

The Department's 2009-10 Budget included an overall budget reduction of \$18.1 million for shared responsibility and sacrifice, a one-time budget reduction and the removal of uncertain revenues. As reported in the Fourth FSR, the \$18.1 million budgeted shortfall was successfully reduced to \$4.5 million reflecting reductions realized through ERIP retirements, employee furloughs, reduced work schedules, and internal transfers. With the approval of a \$500,000 transfer from the Outside Counsel, Workers Compensation account within the Unappropriated Balance (UB), and various transfers of \$1.1 million, the shortfall will be further reduced to \$3.3 million consisting of deficits in the Salaries General and the Salaries Proprietary accounts, \$2.8 million and \$500,000, respectively. It should also be noted that the reported figures assume an additional appropriation of \$92,000 to the

Contractual Services account which will be addressed with the approval of recommendations in a pending report on the Tobacco Permit Program (C.F. No. 10-0877). Additionally there are uncommitted special funds in the Salaries General account of \$176,700, which will revert back to the fund at year-end.

Revised 2009-10 revenue for the Department is budgeted at \$27 million, an increase of \$2 million from the Adopted Budget. As of mid-May, the Department has received approximately \$24.1 million and further anticipates \$3.1 million in third quarter proprietary reimbursements to be received by year-end. The Department has exceeded their projected departmental receipts for settlements by \$2.4 million as a result of successfully litigating a consumer protection claim.

The following transactions are recommended:

- Transfer \$2.4 million from the Consumer Protection Prosecution Trust Fund to the General Fund to reimburse litigation expenses associated with enforcement cases related to consumer protection laws. Administrative Code Section 5.430 establishes the trust fund for the purpose of funding witness expenses and other types of expenses in consumer protection cases. Since these costs have already been incurred by the General Fund, the transfer is consistent with eligible use of the fund.
- Transfer \$791,918 within the Department to offset a portion of the Salaries General deficit.
- Transfer \$200,000 from the Grants Fund account to the Salaries General account to offset a portion of the deficit. After an additional review of this account, these uncommitted funds have been identified as available for use.
- Transfer \$145,000 from Intellectual Property Trust Fund administered by the City Clerk's Office to the Salaries General account to pay for salary expenditures of staff who handle the City's Intellectual property legal matters.
- Transfer \$182,749 in revenue from Sewer Construction and Maintenance Fund to the Litigation Expense account to pay for litigation expenses for the Bridges case matter.
- Transfer \$550,000 in available funds from the Unappropriated Balance (UB), Outside Counsel, Workers Compensation line item to the Salaries General account offset a portion of the account deficit (\$500,000) and to pay for workers compensation litigation costs (\$50,000).
- Transfer \$3,340,189 from the UB, Reserve for Economic Uncertainties to address the remaining Salaries General deficit and to provide sufficient funding for payroll expenses through the year-end.

F. City Clerk

Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation No. 5

It is projected that the Department will have \$854,600 in uncommitted funds by year-end. Of this amount, \$50,000 is in the Salaries General account from ERIP retirements, employee furloughs and

reduced work schedules, and \$29,600 is projected for the Office and Administrative account from reduced expenditures. In addition, approximately \$775,000 in funds remains from the current year election related expenses as well as costs associated with this year's Council District 2 special election. Of this amount, \$711,000 was reappropriated in the 2010-11 Budget to pay for assessments on City-owned properties within Business Improvement Districts.

It is recommended that a total of \$143,694 from various Department account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

G. Community Development Department
Attachment 6 – Transfers between Accounts within Departments and Funds
Recommendation Nos. 2, 7, 8 and 9

It is projected that the Department will complete the year within budget. The Department reports that there are sufficient resources to provide full cost recovery for all filled positions in 2009-10. The Department is authorized to fill 290 positions, and as of May 16, 2010, 274 positions are filled and 16 positions are vacant. The total estimated related costs reimbursement for 2009-10 is \$11 million, which is transferred to the General Fund as salary expenditures are incurred. As of May 16, 2009, \$7 million (64 percent) has been transferred. The Department expects to transfer the remaining \$5 million by June 30, 2010.

The following transactions are recommended:

- Reduce appropriations within the Workforce Investment Act (WIA) Fund by \$15,600 and increase appropriations by same amount in the Urban Development Action Grant Fund to adjust funding of the 2009 salary of the Department's General Manager, in compliance with federal guidelines.
- Transfer \$46,000 in Community Development Block Grant (CDBG) Funds provided for Information Technology Agency (ITA) salaries to the Department's contractual services account to pay for consulting expenses for development and maintenance of the Department's Integrated Services Information System, Consolidated Plan Application System and website. Additionally, it is recommended that \$46,000 in Community Services Block Grant (CSBG) funds be transferred to ITA's salary account.
- Increase appropriations by \$602,178 in CSBG funds for Department salary costs, while reducing WIA funding and increase appropriations by \$61,004 in CSBG funds for ITA salary costs, while reprogramming CDBG funding for ITA to the Department's administrative costs, to align appropriations with actual expenditures and to fully expend GSBG grant funds by the deadline.
- Transfer \$60,000 back from the Office and Administrative account to the Furniture and Equipment account for Family Source Center program activities. Funding was transferred out of the account in the Fourth FSR (C.F. No. 09-0600-S203) and needs to be restored to comply with previous Council action (C.F. No. 09-0648).

H. Controller

Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation No. 5

It is projected that the Department will have \$290,700 in uncommitted General Fund monies by year-end. Of this amount, a \$234,700 is projected in the Salaries General account as a result of reductions from ERIP retirements, employee furloughs and managed hiring, and \$56,000 remains in various expense accounts resulting from expenditure reduction measures per Council and Mayor direction.

Since 2007-08, Council has authorized a one-time re-appropriation of \$250,000 in Department funds to the Contractual Services account. The 2010-11 Budget again reappropriates this amount, and as such, a smaller transfer of \$26,500 from the Salaries General account appropriation is recommended for transfer to the Unappropriated Balance, Reserve for Economic Uncertainties.

I. Convention Center

Attachment No. 4 – Transfers between Accounts within Departments and Funds Recommendation No. 2

In the Fourth FSR, revenue projections for the Convention Center Revenue Trust Fund were reported at \$20 million. Revenue estimates are now expected to increase to \$20.5 million. Although this is still less than the 2009-10 Budget amount of \$24.5 million, the Department's decrease in expenditure activities in the Salaries General, Salaries Overtime, Contractual Services and other operating accounts balance accordingly. Therefore costs are not anticipated to exceed the cash available.

It is recommended that \$430,000 from the Salaries, General account appropriation be transferred to the Salaries As-Needed and Utilities Expense Private Companies accounts, in the amounts of \$400,000 and \$30,000, respectively, in anticipation of hosting several conventions in May and June.

J. Council

Attachment 6 - Transfers between Accounts within Departments and Funds Recommendation Nos. 2, 10 and 11

The following transactions are requested:

- Reappropriate prior-year encumbrances totaling \$94,108 in various General City Purposes, Council District 14 community services accounts to the current year.
- Transfer all unencumbered funds within the General City Purposes, Council District Community Services line-item to the Council's Salaries General account.
- Transfer \$1 million from the Salaries General account to the Salaries, As Needed account.

K. Cultural Affairs

**Attachment 6 – Transfers between Accounts within Departments and Funds
Recommendation No. 2**

It is projected that the Department will complete the year within budget, with the completion of recommended transfers between Department accounts and from special funds, as recently approved by the Mayor's Office.

It is recommended that a total of \$114,625 in various Department account appropriations be transferred to the Salaries General and Salaries, As Needed accounts—\$55,151 and \$59,474, respectively—to address deficits in those accounts.

L. Disability

**Attachment 9 – Transfers to the Reserve for Economic Uncertainties
Recommendation No. 5**

It is projected that the Department will have a \$102,000 in uncommitted funds by year-end. It is recommended that \$77,000 of this amount be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

M. El Pueblo

No Recommendation

It is projected that the Department will have \$62,500 in uncommitted funds at year-end. The Department reports that revenue is on target. It is recommended that the uncommitted funds remain within the Department's fund.

N. Emergency Management

**Attachment 4 – New Appropriations
Attachment 6- Transfers between Accounts within Departments and Funds
Attachment 9 – Transfers to the Reserve for Economic Uncertainties
Recommendation Nos. 1, 2 and 5**

It is projected that the Department will have \$101,000 in uncommitted General Fund monies by year-end, attributed primarily reductions in the Salaries General account from managed hiring and employee furloughs, as well as the anticipated receipt of approximately \$430,000 in Homeland Security Grant reimbursements.

The following transactions are recommended:

- Appropriate \$113,548 of funding provided by Los Angeles County to various accounts in the Emergency Operations Fund for future vaccination clinics. As stated in the Fourth Financial Status Report, the Department received \$238,798 from Los Angeles County to support the costs of the operation of H1N1 Influenza Virus vaccination clinics that were held in the City during the

fall of 2009. A total of \$125,250 was previously appropriated to reimburse various City Departments for actual expenditures associated with these clinics (C.F. 09-0600-S203). A balance of \$113,548 remains, and the County has allowed the Department to retain these funds to support costs associated with planning for future similar events.

- Transfer \$80,000 from the Regional Catastrophic Preparedness Grant Program (RCPGP) in the Salaries, As Needed account to the Salaries, General account. The Department received \$80,000 from RCPGP to fund the hiring of Administrative Interns to support the grant program, and these funds were previously appropriated to the Salaries, As Needed account (C.F. No. 08-0897). However, due to delays in funding the account, the Department utilized existing Salaries, General account funds for the program.
- Transfer \$101,000 from the Salaries, General and Office and Administrative Expense account appropriations to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

O. Employee Relations Board

Attachment 9 – Transfers to the Reserve for Economic Uncertainties

As reported in the Fourth FSR, it is projected that the Department will complete the year within budget. It recommended that \$10,000 in the Contractual Services Account be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

P. Environmental Affairs

Attachment 6 - Transfers between Accounts within Departments and Funds

Recommendation No. 2

It is projected that the Department will have a total of \$305,000 of uncommitted funds in their Salaries, General account, consisting of \$79,000 in the General Fund and \$226,000 in special funds, by year-end. The amount is primarily due to employee transfers as well as reductions from managed hiring, employee furloughs and reduced work schedules. Any uncommitted amount in special funds may be reprogrammed. On February 3, 2010, Council approved the elimination of the Department (C.F. No. 09-0600-S159). The Department will work closely with the CAO, the Controller's Office, and City departments receiving EAD employees and funds to finalize transfers and close out the accounting function of the department.

It is recommended that \$49,500 be transferred from the Salaries, General account to the Salaries, Overtime account to payout the overtime of employees transferred to other City departments in compliance with Administrative Code Section 4.115, which requires cash compensation of all accumulated overtime upon the transfer.

Q. Ethics Commission

Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation Nos. 5 and 12

It is projected that the Department will have \$60,000 in uncommitted funds by year-end. Also, \$93,844 in uncommitted funds is anticipated for the Ethics Commission Public Campaign Matching Trust Fund. The maximum cash balance allowed for this fund for 2009-10 is \$12,300,800. However, because this overage is at year-end, it is recommended that the overage amount be based upon the 2010-11 maximum cash balance threshold of \$12,292,640. As a result, the overage would be \$93,844, which may then be transferred to the General Fund.

The following transactions are recommended:

- Transfer \$60,030 from the City Ethics Commission Fund to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.
- Transfer \$93,844 from the Ethics Commission Public Campaign Matching Trust Fund to the Reserve Fund to comply with the maximum cash balance threshold.

R. Finance

Attachment 6 – Transfers between Accounts within Departments and Funds Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation Nos. 2, 5 and 13

It is projected that the Department will have \$321,000 in uncommitted funds in various expense accounts and the Salaries Overtime account by year-end. The amount in the Salaries Overtime account is due to the Coalition agreement which increased the overtime bank to 240 hours. The amounts in the various expense accounts are due to cost control efforts throughout the year.

The following transactions are recommended:

- Reappropriate \$100,000 next fiscal year to conduct the annual Communications Users' Tax Independent Audit for the periods of March 2008 through June 2008 and July 2008 through June 2009. The 2009-10 Budget provides \$100,000 in funding for the required audit, pursuant to the 2008 ballot measure approved by City voters which replaced the outdated telephone tax ordinance with a modern communications users tax ordinance (Measure S). According to the Office of Finance, it is unlikely that the contract will be executed by year-end due to staffing shortages and hiring delays.
- Transfer \$23,500 from the Printing and Binding account to the Transportation account to cover additional mileage expenses which resulted from the relocation of mileage employees to the Garland building. The Department must reimburse mileage employees for the cost of their individual parking permit fees when they personal vehicles are used routinely for work, per the Special Parking Memorandum of Understanding.

- Transfer \$321,045 in various Department accounts to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

S. Fire

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers to the Reserve for Economic Uncertainties

Recommendation Nos. 2 and 5

It is projected that the Department will complete the year with \$793,000 in uncommitted General Fund monies as a result of the previously implemented salary expense reduction measures, including the sworn Modified Deployment Plan, the cancellation of the three budgeted Recruit Training classes, and the recent agreement with the United Firefighters of Los Angeles City.

There are several settlements for salary back pay pending, totaling approximately \$6.3 million, with payouts to be made near the end of this fiscal year or early next fiscal year. Funds totaling \$1.3 million have been set aside in the Sworn Salary account for the smaller settlements. The Department will request to reappropriate these funds for next fiscal year if payments are not made by June 2010. Additionally, the Department will request to reappropriate \$400,000 in uncommitted expense account funds designated for the Automatic Vehicle Locator System and E-Commerce projects, if the funds can not be encumbered by June 2010.

In the Fourth FSR, total revenue for fiscal year 2009-10 was reported at \$136.7 million. It is now projected that revenue will be \$140.9 million, or \$5.8 million above the adopted budget. The increase is due primarily to a \$10.1 million anticipated increase in revenue from proprietary departments due to an increase in the overhead Cost Allocation Plan (CAP) rates established by the Controller's Office.

The following transactions are recommended:

- Transfer a total \$13,195,263 from various Department salary and benefit account appropriations to the Salaries Sworn account to address the projected deficit in the account.
- Transfer \$100,000 from the Overtime Variable Staffing account to the Overtime Sworn account to cover the projected deficit. Funds in this account are used to pay for fire safety watch filming and other safety watches, emergency inspections, arson staff emergency calls, court on call and any major emergencies, such as brush fires.
- Transfer \$758,000 from various Department account appropriations to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.
- A transfer of \$363,000 to the Department's transportation equipment account is addressed in Section 1.Y.

T. General Services

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Attachment 8 – Appropriations from the Unappropriated Balance

Recommendation Nos. 2, 3, 4, 14 and 15

The Fourth FSR reported a projected shortfall for the Department of \$6.5 million. The shortfall is now projected at \$6.3 million mainly due to a \$5.8 million deficit in the Salaries General account. This deficit has decreased with salary reduction measures, including employee transfers to special funded departments, ERIP retirements and employee furloughs.

The following transactions are recommended:

- Transfer of a total of \$1 million in the Department's Overtime and Leasing accounts—\$755,000 and \$245,000, respectively—to the Salaries General account to offset a portion of the account deficit.
- Transfer the \$250,000 from the Hiring Hall Salaries account to the Benefits Hiring Hall account to offset the account deficit.
- Transfer of a total of \$255,000 in the Department's Utilities Expense Private Company and Leasing accounts—\$200,000 and \$55,000, respectively—to the Field Equipment Expense account to offset the account deficit attributed to higher costs for repair and parts.
- Transfer \$150,000 from the Overtime account to the Contractual Services account to offset the account deficit attributed to increased security services at the civic center.
- Transfer \$4.8 million of funding from the Unappropriated Balance (UB), New Positions account to the Salaries General account. The 2009-10 Budget provided \$10.3 million in the UB for the Department's salaries and expenses for general maintenance and operations of new and existing facilities. Approximately \$5 million was transferred as part of the Mid-Year FSR. Approval of this recommendation reduces the salary shortfall from \$5.8 million to \$1 million.
- Reduce appropriations by \$979,783 in various Department accounts to correspond to actual funding in conjunction with the Department's Memorandum of Understanding and Loan Agreement with the Department of Water and Power (DWP). Per the MOU, the City will receive a series of loans from DWP to purchase and install energy efficiency measures for City buildings and facilities with General Services as the Project Manager. As part of the First FSR, Council appropriated approximately \$1.8 million from the Energy Conservation Loan Program Fund to various General Services operating accounts to pay for labor, materials, equipment and contractual services costs as part of the Lighting Retrofit Program. However, the Department only received \$829,677 in loan proceeds. Therefore the appropriation of \$1.8 million referenced in the First FSR, Attachment 8, for General Services should be correspondingly reduced.
- In conjunction with the above recommendation, transfer \$87,000 from the Energy Conservation Loan fund, Contractual Services account to pay for energy efficiency retrofit work performed by the Department for Pershing Square and City Hall.

- Return \$84,000 in appropriations from the Municipal Improvement Corporation of Los Angeles (MICLA) to Department's Salaries General account . In Second FSR, the Department received a transfer of \$204,000 to install equipment into Police helicopters (C.F. No. 09-0600-S151). However, the Department will be unable to complete the work this fiscal year due to staffing shortages.
- Reappropriate \$120,000 in the Contractual Services Account to pay for the costs of a fleet utilization study, which will not be committed by year-end. Funding for the fleet utilization study, with a goal of reducing the number of specified vehicles from its current level, was provided in the Fourth FSR (C.F. No. 09-0600-S203).

With the adoption of the Mid-Year FSR, Council directed all departments to cease all MICLA expenditures for fleet equipment (C.F. No. 09-0600-S159). As such, the following request to approve the use of the \$12,230,000 in MICLA funding provided in the 2009-10 budget is not recommended at this time due to the current status of the City Budget and the MICLA Program. The request may be reconsidered the following fiscal year.

In adopting the 2009-10 Budget, the Mayor and Council acted to require that new MICLA financing authorized in 2009-10 be approved by the Council before expending commercial paper or long-term MICLA bond proceeds. In addition, Council instructed this Office to determine whether there were special funding sources available to offset the costs of these projects. The Department has requested to use \$12.23 million of the \$21 million in MICLA funds provided in the 2009-10 Budget for the purchase of fleet equipment for Recreation and Parks, Street Services and Transportation, as detailed below:

<u>Type of Vehicle and Number to Purchase</u>	<u>Cost</u>
Street Sweeper (20)	\$6,600,000
Truck, Aerial Various (4)	680,000
Truck, Crane (1)	180,000
Truck, Dump, Various (4)	710,000
Truck, Fuel (1)	280,000
Truck, Tractor (18)	<u>3,780,000</u>
Total	\$12,230,000

It is recommended that the Department resubmit its request after it has been determined whether alternative sources of funding may be available to offset a portion of the cost.

U. Housing

**Attachment 10 – Transfers from the Reserve for Economic Uncertainties
Recommendation No. 6**

It is projected that the Department will have \$6.0 million in uncommitted special funds by year-end, primarily due to managed hiring, employee furloughs and anticipated retirements. Since this amount consists of restricted federal grant and fee sources, it cannot be used to offset deficits in other City

Departments. However, funds may be used within the Department to fill vacancies with employees displaced from other departments. In March 2010, the Managed Hiring Committee approved a blanket unfreeze for the Department to provide it with the ability to fill existing vacancies through transfers. Uncommitted special funds will be carried over for use in the next fiscal year.

It is recommended that \$37,746 from the UB, Reserve for Economic Uncertainties be transferred to various funds for the additional reimbursement of Housing Department special-funded staff based on actual expenditures. As part of the approved Tax Amnesty Program and the increase to the Audit Penetration Rate (C.F. No. 08-0600-S34), twelve staff members were loaned to Finance from other City departments to support these two programs and maximize revenue collection. A total of \$150,069 was reappropriated within the UB to cover expenses related to the Tax Amnesty Program in 2009-10, and \$46,005 was transferred to various departments for the loaned personnel in the Mid-Year FSR; the remaining balance was transferred to the Reserve for Economic Uncertainties. Subsequently, the Housing Department has submitted additional invoices.

V. Human Services Department

Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation No. 5

It is projected that the Department will have a total of \$564,000 of uncommitted funds in various accounts by year-end. On March 2, 2010, Council approved the elimination of the Department (C.F. No. 09-0600-S162). Consequently, all but five employees have left the Department. With the departure of the Interim General Manager, the remaining staff will be loaned to other departments to be paid by the Human Services Department until the end of the fiscal year.

The Mayor submitted a transmittal to Council to transfer the Young Women from Adversity to Resiliency (YWAR) grant and associated functions to the Mayor's Gang Reduction and Youth Development (GRYD) Office. A second Mayoral transmittal has been provided to Council to transfer some of the activities associated with the Human Relations Commission to the Community Development Department (CDD). In the Proposed Budget, the three volunteer Commissions—the Commission for Children, Youth and Their Families, the Commission on the Status of Women, and the Human Relations Commission—are transferred to CDD.

For the Joy Picus Child Care Center, parents with children in who receive the tuition subsidy have been notified that it will be discontinued as of June 30, 2010. In the proposed budget, the oversight of the contract to manage the Joy Picus Child Care Center has been transferred to Recreation and Parks.

It is recommended that a total of \$556,800 from various Department account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

W. Information Technology Agency
Attachment 7 – Transfers between Departments and Funds
Attachment 9 – Transfers to the Reserve for Economic Uncertainties
Recommendation Nos. 3, 5 and 16

It is projected that the Department will have \$1,865,000 in uncommitted funds in various accounts by year-end. The \$80,000 deficit reported in the Fourth FSR, has been addressed through internal transfers, delays in projects, and cost cutting measures.

The following transactions are recommended:

- Reappropriate \$93,689 of the \$845,000 in uncommitted funds in the Salaries, General account to the 2010-11 Budget. The amount represents grant funds for a position to administer the implementation of the Los Angeles Computer Access Network project to upgrade the public access computers in libraries, job centers, and parks.
- Reappropriate the \$600,000 in the Office and Administrative Expense account to the 2010-11 Budget. The funds are dedicated to the Public Safety Systems Project but were not committed in 2009-10 due to delays in the completion of the Fire Dispatch Center. The project is anticipated to be completed in 2010-11, and these funds are required to equip the Fire Dispatch Center.
- Reappropriate \$3,600,400 in the 2009-10 Budget that is intended for use for the development of a new Citywide Risk Management System to the 2010-11 Unappropriated Balance for this same purpose. This Office is currently preparing a report on the matter for the Council and Mayor; this funding will allow the project to move forward if it is approved.
- Transfer \$170,000 from various Department account appropriations to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

X. Library
No Recommendation

It is projected that the Department will have \$2.8 million in uncommitted funds in its salary accounts at year-end due to salary expense reduction measures. However, it is also anticipated that this amount will be offset by a projected shortfall of \$594,000 in departmental receipts and revenues. It is recommended that the balance of uncommitted funds remain within the Library Department Trust Fund to offset approximately \$2.1 million in projected costs of the ERIP program in 2010-11 and that any remaining funds be recognized as revenue to offset the Department's 2010-11 operational costs.

Y. Mayor
Attachment 7 – Transfers between Departments and Funds
Recommendation No. 17

The following transactions are requested:

- Transfer \$62,513 from 2007 Edward Byrne Memorial Discretionary Targeting Violent Crime Initiative (TVCI) Grant Fund to support 2009-10 salary and fringe benefits costs associated with the implementation of the TVCI grant in the 77th – Florence/Graham Street GRYD Zone, as requested by the Office of Gang Reduction and Youth Development (GRYD). In July 2008, Council approved acceptance of a \$1.65 million TVCI grant funds from the U.S. Department of Justice (C.F. No. 07-2730-S3). The grant term, including two extensions, is effective September 27, 2007 through September 30, 2010.
- Transfer \$363,000 from the 2007 State Homeland Security Grant Program (SHSGP) to the Fire Department's transportation equipment account to purchase a Geographic Information Systems (GIS) mapping vehicle as authorized by Council on November 19, 2008 (C.F. No. 08-2680). This purchase is made possible from a \$550,000 2007 SHSGP award from the United States Department of Homeland Security for this purpose. A cost quotation dated May 17, 2010 from the selected vendor totals approximately \$363,000 for the GIS Mapping Vehicle.

Z. Neighborhood Empowerment

Attachment 9 – Transfers to the Reserve for Economic Uncertainty Recommendation No. 5

It is projected that the Department will have a total of \$344,300 in uncommitted funds attributed to previously implemented salary and expenditure reduction measures and the attrition of employees to special funded departments. The Mayor's proposed consolidation of the Department with the Community Development Department will transfer eighteen of the twenty filled positions to CDD. The Department is currently working to identify transfer opportunities for the two remaining employees.

It is recommended that a total of \$344,300 from various Department account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

AA. Personnel

Attachment 9 – Transfers to the Reserve for Economic Uncertainties Recommendation Nos. 5 and 18

It is projected that the Department will have \$1.9 million in uncommitted funds by year-end, which includes \$1.6 million from the General Fund and \$350,000 in special funds in the Transit Subsidy account. The special funds cannot be transferred to the Reserve Fund because these funds may only be used to support the City's Rideshare Program.

On April 16, 2010, the Council authorized the Department to issue a Request for Proposals (RFP) to expand the Alternative Dispute Resolution (ADR) Program and to transfer \$1.5 million in uncommitted funds from the Human Resources Benefits Fund to the Department's Contractual Services account (C.F. No. 10-0389). The Department was unable to encumber the entire \$1.5 million amount because the RFP process for the new contract has not been completed. The

Department will be able to encumber \$154,000 under the existing contract, and the Department will encumber the remaining \$1,346,000 in 2010-11 after a new contract has been awarded.

It is recommended that a total of \$1,371,800 from various Department account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

BB. Planning

Attachment 4 – New Appropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Attachment 9 – Transfers to the Reserve for Economic Uncertainties

Recommendation Nos. 1 through 3 and 5

It is projected that the Department will have a \$2.3 million in uncommitted funds at year-end, consisting of \$1.1 million in the General Fund and \$1.2 in special funds. Any unexpended special fund amounts will revert to their respective funds at year-end.

Revenue from Planning and Land Use Fees is now projected at \$9.7 million, \$1 million less than the figure reported in the Fourth FSR and \$4.3 million less than the \$14 million in the adopted budget. Special fund revenue is projected at \$3.9 million, or \$1.3 million above the adopted budget.

The following transactions are recommended:

- Appropriate \$723,000 from the Getty Conservation Institute for the City's Survey LA project, Year 3 payment for the authorized expenditures. In August 2005, the Mayor and Council approved a \$2.5 million grant from the Getty Conservation Institute for the project (C.F. No. 02-0173).
- Transfer \$113,167 from the Contractual Services account to the Salaries General account to pay for salary expenditures of staff working in support of the Mangrove Environmental Impact Report. In the First FSR, Council approved allocating the \$300,000 deposit provided by the Mangrove purchaser to the Contractual Services account to hire one of the Department's on-call consultants.
- Re-appropriate a \$4,000 Getty Foundation grant provided in 2008-09 for the Preservation Summer Internship Program to reimburse City for costs incurred in 2009-10. These funds were appropriated the previous fiscal year and reverted back in entirety (C.F. No. 07-0977).
- Reimburse the General Fund a total of \$1,005,195 for the costs incurred for Expedited Permit Services, the Playa Vista Project, the Westfield Project, the Universal Vision Project, and the Metro Universal Project, in the amounts of \$716,368, \$113,966, \$100,820, \$57,070 and \$16,969, respectively, in compliance with the ordinances for Expedited Permit Services and Supplemental Fee Agreements.

- Transfer a total of \$1,123,210 from various Department account appropriations to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

CC. Police

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 10 – Transfers from the Reserve for Economic Uncertainties

Recommendation Nos. 2 and 6

In the Fourth FSR, it was reported that the Department would have a General Fund deficit of \$69.1 million, largely attributed to the deficit in its Sworn Salaries account. Council approved a transfer of \$22 million from the Reserve for Economic Uncertainties to address a portion of the sworn salary deficit, thereby reducing the Department’s total deficit to \$47.1 million (C.F. No. 09-0600-S203). The deficit is now estimated at \$51.9 million, which reflects new and growing deficits in civilian and sworn salary, contractual services and institutional supplies accounts, offset by smaller than previously reported reductions in other salary and expense accounts. The growth in the account deficits are attributed to less-than-anticipated ERIP salary reductions, underfunding of contracted services, and an increase in food costs for City jails.

Net hiring through May 8, 2010 is -26, or 9 under plan. This is due to higher than anticipated attrition and smaller than authorized classes in March and April. In order to maintain the deployment target of 9,963 officers, as instructed by Mayor and Council, a class of 45 recruits entered the Academy on May 24.

2009-10 Year-to-Date Police Hires												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	YTD*
Actual Hires	39	80	40	40	0	0	20	0	25	29	45	318
09-10 Budget	40	80	40	40	40	0	40	40	40	40	40	440
Actual Attrition	25	62	30	27	31	27	44	20	36	33	9	344
09-10 Budget	44	94	41	41	48	23	28	33	28	33	44	457
Actual Net	+14	+18	+10	+13	-31	-27	-24	-20	-11	-4	+36	-26
09-10 Budget Net	-4	-14	-1	-1	-8	-23	+12	+7	+12	+7	-4	-17

*Year-to-Date, through pay period ending May 8.

The following transactions are recommended:

- Transfer a total of \$9,538,000 from various Department account appropriations to the Salaries General, Salaries Sworn, Contractual Services and Institutional Supplies accounts—\$2,000,000, \$6,659,000, \$730,000 and \$149,000, respectively—to address deficits in those accounts. If approved, the remaining sworn salary deficit would be \$53.3 million.
- Transfer \$53,341,000 from the Unappropriated Balance, Reserve for Economic Uncertainties to the Department to meet sworn salary payroll expenses through the end of the year.

DD. Public Works/Board

**Attachment 9 – Transfers to the Reserve for Economic Uncertainties
Recommendation No. 5**

It is projected that the Department will complete the year with a total of \$809,000 in uncommitted funds, consisting of \$175,000 from the General Fund and \$634,000 from special funds. Uncommitted special funds would revert at year-end. The majority of this amount is attributed to previously implemented salary expense reduction measures, including ERIP retirements, and the transfer of employees to special funded departments.

It is recommended that a total of \$161,021 from various Department account appropriations be transferred to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

EE. Public Works/Bureau of Contract Administration

**Attachment 6 – Transfers between Accounts within Departments and Funds
Attachment 9 – Transfers to the Reserve for Economic Uncertainty
Recommendation Nos. 2 and 5**

It is projected that the Department will complete the year with \$3.0 million in uncommitted General Fund monies, largely from ERIP retirements, employee furloughs, and reduced work schedules. The projected amount accounts for the remaining \$120,000 retroactive payout of Cost of Living Adjustments (COLAs) for the Municipal Construction Inspectors Association (MCIA).

Currently, the Department is projecting a net revenue decrease of \$383,000, below the budgeted \$21 million, primarily due to decreased revenues from proprietary departments and delayed transfers. The Department expects to fully expend budgeted special fund reimbursements and anticipates a deficit of \$718,000 in Sewer Capital Funds.

The following transactions are recommended:

- Transfer \$20,000 from the Salaries Overtime account to the Transportation account to eliminate the remaining deficit. The deficit is attributed to the increase in the mileage bonus rates provided under the MCIA MOU and the increased mileage reimbursement rate as established by the Internal Revenue Service. This transfer is in addition to the \$575,245 transferred from the Bureau's Overtime and Salaries accounts earlier this Fiscal Year.
- Transfer a total of \$2,364,450 from various Department account appropriations to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.

FF. Public Works/Bureau of Engineering
Attachment 7 – Transfers between Departments and Funds
Recommendation Nos. 3 and 19

It is projected that the Department will have \$9.3 million in uncommitted funds at year-end, primarily in special funds: \$8 million in salaries; \$790,000 in overtime; and, \$476,000 in expense accounts. The General Fund amount is estimated to be approximately \$1 million. At this time, the transfer of General Fund amount to the Reserve for Economic Uncertainties is not recommended to allow the Department to reconcile expenditures at year-end closing. Any uncommitted General Fund and special fund monies will revert after reconciliation.

The following transactions are recommended:

- Transfer \$250,000 in General Fund salary account appropriations to a new account in the Capital Improvement Expenditure Program to repair sites damaged by the storms of 2010. These repairs are not eligible for funding by special funds.
- Reduce appropriations in the Sewer Capital Fund by \$4.5 million of the projected \$7.5 million in uncommitted funds, as the amount will not be needed for year-end reconciliation.

GG. Public Works/Bureau of Sanitation
Attachment 6 – Transfers between Accounts within Departments and Funds
Attachment 7 – Transfers between Departments and Funds
Attachment 10 – Transfers from the Reserve from Economic Uncertainties
Recommendation Nos. 2, 3, 6, 20 and 21

In the Fourth FSR, it was projected that the Department would have \$12.2 million in uncommitted special funds at year-end. The uncommitted amount is now projected at \$19 million across special funds, as a result of vacancies, furloughs, early retirement and expense reductions. The amount includes the annual appropriation of \$1.3 million for the Proposition O program which is included in a Construction Projects Report that is pending Council consideration (C.F. No. 09-2535-S2).

The following transactions are recommended:

- Transfer \$14,000 of the Stormwater Pollution Abatement (SPA) Fund salary account appropriation to the Transportation account to cover a projected deficit in mileage expenses for Watershed Protection inspection and other field work.
- Reduce SWRRF related cost obligations by \$5.1 million. Of this amount, a \$4,363,131 million reduction is due to a 6.17 percent net reduction in the published CAP rate (Central Services component) from the draft rate. The recently Adopted Budget recognizes a decline in current year receipts. Similar requests were made for SCM related costs although these are typically handled in the subsequent fiscal year following completion of an audit for current year expenditures. An additional reduction of \$709,983 for the reimbursement of sick and vacation payouts is recommended as these costs are paid for up front by the fund.

- Increase Stormwater Pollution Abatement (SPA) related cost obligations by \$1.0 million as a result of salary expense reductions to offset an unfunded obligation amount up to \$4.8 million, contingent upon Council approval of Proposition O Clean Water Bond appropriations in a separate Construction Projects Report (C.F. No. 09-2535-S2).
- Transfer \$586,222 in Multi-family Bulky Item Program Funds (MBIF) for: debt service for bond financed refuse trucks (\$116,222); Los Angeles Conservation Corps educational outreach services provided to multi-family residents and property owners (\$20,000); and payment to LADWP for the MBIF share of customer billing and collection via an expenditure transfer (\$450,000), as budgeted.
- Reimburse SWRRF \$750,000 in Citywide Recycling Trust Funds, as budgeted, for current year tip fees related to multifamily and commercial yard trimmings delivered to weekend drop-off program facilities.
- Transfer \$271,806 in CLARTS and SWRRF funds to the City Clerk for Community Amenities Fee requirements associated with solid waste tonnages received from private haulers for the period December 2009 through June 2010.
- Transfer \$66,000 in SWRRF funds to reimburse the Board of Public Works for the salary cost of an Accountant II to process SWRRF bond accounting transactions in the current year.
- Transfer \$3.1 million from the Unappropriated Balance, Reserve for Economic Uncertainties to the General City Purposes (GCP) Fund, Solid Waste Fee Lifeline account to provide sufficient funding for the subsidy program. In previous FSRs, it was reported that the Solid Waste Lifeline Rate Program, for which the GCP Fund provides \$16.7 million to subsidize, was oversubscribed and that an additional \$6.7 million would be needed. However, based on Sanitation invoicing, the total cost of the program is trending toward \$19.8 million, reducing the projected shortfall to \$3.1 million.
- Transfer \$577,028 from the Unappropriated Balance, Reserve for Economic Uncertainties to the GCP Fund, Solid Waste Fee Reimbursement to fully fund the cost of refuse service to General Funded City departments. It is not advisable to allow the Solid Resources Program to absorb this shortfall or the Lifeline shortfall due to the Proposition 218 implications. It is also recommended that GCP balances in both accounts be encumbered to allow invoices to be paid after the fiscal year closes. The revision of the Solid Waste Fee for Lifeline and staffing adjustments for refuse service to City departments should bring costs back down to current year budget levels for 2010-11.

The overall General Fund impact of these recommendations is \$7.8 million, which also includes related cost adjustments noted above. Also recommended are special fund transactions totaling \$1.7 million.

HH. Public Works/Bureau of Street Lighting No Recommendation

It is projected that the Department will complete the year with \$3.1 million in uncommitted special funds from ERIP retirements, managed hiring, employee furloughs, and reduced work schedules, as well as other expenditure reductions, including delayed and canceled projects.

II. Public Works/Bureau of Street Services

Attachment 4 – New Appropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Recommendation Nos. 1, 2, 3, and 22

In the Mid-Year FSR it was projected that the Department would have \$12.2 million in uncommitted special funds at year-end; no update was provided for the Fourth FSR. It is now projected that the Department will have \$8.6 million in uncommitted special funds at year-end with the approval of recommendations in this report. The amount reflects reduced salary expenditures from ERIP retirements, managed hiring, employee furloughs, and reduced work schedules. Uncommitted funds for off-budget and special funded projects will either be reappropriated in Fiscal Year 2010-11, or revert to their original funding source, not to the General Fund.

Uncommitted funds include \$4 million in Municipal Improvement Corporation of Los Angeles (MICLA) salary appropriations authorized to front-fund American Recovery and Reinvestment Act (ARRA) street resurfacing and pedestrian improvement projects. The Department plans to fill vacant positions with existing City employees who may be subject to layoff. This may include the voluntary retraining of employees through the Transitional Worker classification. Uncommitted salary appropriations will be reappropriated next fiscal year to allow the continuation of the Bureau's ARRA projects in 2010-11. As a result of diminished resources reported above, the Bureau is reporting a service level reduction in the Street Resurfacing Program from the budgeted 235 miles to 150 miles.

General Fund receipts are in line with revised Fiscal Year 2009-10 revenue projections. However, the revenue budget for illegal signs was revised downward from \$400,000 to \$200,000. In addition, the budget for newsrack permit fees was reduced from \$900,000 to \$400,000. As reported in the Mid-Year FSR, a special fund revenue shortfall is projected in the Traffic Safety Fund (TSF), with municipal court fines projected to be \$13 million—\$2.7 million or 17 percent—below the \$15.7 million budget. Uncommitted funds totaling \$500,000 in the Department's Salaries General Fund account may offset a portion of the shortfall. Unless there is an unanticipated surge in revenue in May and June, money from the General Fund may be required to cover the shortfall in the TSF funding at year-end when Department expenditures and funding are reconciled.

The Department was assigned the responsibility of coordinating the Special Events permitting process in October 2009. It has received approximately \$767,000 in payments through March 31 from event organizers and is currently working with various departments for distribution of these

funds to reimburse actual costs incurred for special events. The Department will submit transfer requests for these funds as an addendum to the Year-End FSR prior to the Budget and Finance Committee meeting.

The following transactions are recommended:

- Appropriate a total of \$260,173 for three Community Redevelopment Agency (CRA) projects to include: the Huntington Drive Public Improvement project (\$175,266), the installation of access ramps, bus benches and trash cans on Sixth Street in San Pedro (\$54,907), and for streetscape design at E Street and Alameda in the Los Angeles Harbor Industrial Redevelopment Area (\$30,000).
- Appropriate \$1,907 funds for tree removal and planting at the 1200 block of Colton Street.
- Appropriate funds to reimburse the Department for waste tire recycling management services (\$70,076) and illegal dumping services on behalf of Environmental Affairs (\$271,777).
- Transfer \$5 million of uncommitted salary funds from the Special Gas Tax Street Improvement Fund to the construction expense account to purchase construction materials for the Pavement Preservation Program.
- Transfer \$140,000 from the Special Parking Revenue Fund (SPRF) to the Department's Salaries General account to clean various City parking lots operated by the DOT. Funds are provided annually in the SPRF for this purpose.
- Reappropriate \$61,304 in Terra Bella/Fenton Avenue Drainage District Funds to complete work previously approved in a prior fiscal year (C.F. No. 08-0600-S27). The Bureau will make every effort to complete this project by June 30, 2010.
- Department recommendations to transfer funds to various departments for the reimbursement of special event costs will be submitted in a separate report. The Department was assigned the responsibility of coordinating the Special Events permitting process in October 2009 for which event organizers have provided approximately \$767,000 in payments through March 31.

JJ. Recreation and Parks No Recommendation

As reported in the Fourth FSR, the Department is projected to complete the year within budget. The shortfalls in the Salaries General and Hiring Hall accounts were offset by uncommitted funds from Salaries As-Needed account. After a \$3.0 million transfer from Salaries, As-Needed account, it is now projected that there will be a \$1.2 million uncommitted funds in the Salaries General account from ERIP retirements.

In the Fourth FSR, a projected revenue shortfall of \$2.1 million was reported. At this time, the net shortfall is now estimated at \$1.2 million. As reported in the Fourth FSR, golf revenue is estimated to be \$1.5 million below budget due to drop in revenue attributable to fires and the current economic conditions. Based on revenue-to-date, the Department further reduces projected Griffith Observatory

revenue from \$2.1 million to \$2.0 million. The Department also projects revenue shortfalls in camps, parks and tennis revenue categories due to the current economic conditions. Further, the Department is projecting a \$49,000 shortfall in pool revenues due to closures of year-round pools for federally-mandated drain retrofit.

Projected uncommitted funds in the Salaries General account appear to be sufficient to offset any potential revenue shortfall.

KK. Transportation

Attachment 7 – Transfers between Accounts within Departments and Funds

Attachment 9 - Transfers to the Reserve for Economic Uncertainties

Recommendation No. 3 and 5

It is projected that the Department will complete the year within budget.

The following transactions are recommended:

- Transfer a total of \$329,745 from Department expense accounts to the Unappropriated Balance, Reserve for Economic Uncertainties to address the Citywide shortfall.
- Transfer \$200,000 from the Capital Finance Administration Fund (CFAF) to the Unappropriated Balance, Special Parking Revenue Fund (SPRF) source to correct the approval of duplicate requests. The Mayor and City Council recently approved two similar actions, each transferring funding from the Unappropriated Balance, SPRF source to the CFAF for a consultant study on the parking meter system to be administered by the Department. One of these actions approved by the Mayor and Council in the Mid-Year FSR, Recommendation No. 68 (C.F. No. 09-0600-S159), provided a transfer of \$200,000. Separately, through a motion approved by the Mayor and Council (C.F. No. 09-0600-S173), a similar transfer of \$180,000, which was reduced by ten percent to comply with the Citywide initiative to reduce contract expenditures, was approved for the same study. Because both of these actions were approved, the Controller has transferred a total of \$380,000 from the Unappropriated Balance (SPRF Source) to the CFAF, essentially doubling the funding available for the consultant study. Approval of this recommendation will leave \$180,000 in funding for the study.

LL. Treasurer

Attachment 8 – Appropriations from the Unappropriated Balance

Attachment 9 – Transfers to the Reserve for Economic Uncertainties

Attachment 10 – Transfers from the Reserve for Economic Uncertainties

Recommendation Nos. 4, 5, and 6

There are no year-end deficits anticipated for the Department.

As part of the Fourth FSR, the Council instructed the Department to prepare a report on actual and projected 2009-10 bank service fee expenditures, detailed by Department, and further instructed the

Office of Finance to provide the Department a detailed calculation supporting the anticipated \$1.7 million bank service fee savings. The Department released a report on May 6, 2010 which identifies actual year-to-date bank fee expenditures as of March 2010 to be \$6.9 million, and projects year-end expenditures at \$9.1 million. According to the Treasurer, the amount already reflects approximately \$900,000 in savings from the credit card convenience fee. The annual savings realized with the implementation of the convenience fee had been previously estimated at \$1.7 million by the Office of Finance. Projected earnings are now estimated to be \$1.5 million. These earnings will offset bank fee expenditures and reduce the projected year-end expenditures to \$7.5 million.

2009-10 Bank Fee Expenditures and Earnings		
	Actual Through March 2010	Projected Year-End
Total Bank Charges Expenditures	\$6,869,340	\$9,074,440
Interest on Balance (Earnings Allowance)		(1,522,699)
2009-10 Funding Need		\$7,551,741

The following transactions are recommended:

- Transfer the remaining \$2.5 million of the \$7 million provided in the Unappropriated Balance, Bank Fees account to the Department's Bank Service Fees account to partially address the projected year-end funding need of \$2,951,741. If approved the remaining funding need would be \$451,741. To date, the Department has received \$4.6 million in appropriations for bank fees (\$4.5 million from the Unappropriated Balance and \$100,000 from prior year reappropriations).
- Transfer \$451,741 from the Unappropriated Balance, Reserve for Economic Uncertainties Account to the Treasurer's Bank Service Fees account to address the remaining funding need. The funding need is a result of legitimately posting reimbursements from Airports' Bank Service Fees as departmental General Receipts instead of against expenditures. Therefore, there is no fiscal impact to the General Fund.
- Transfer a total of \$13,194 in the salaries overtime and contractual services accounts to the Unappropriated Balance Reserve for Economic Uncertainties to address the Citywide shortfall.

MM. Zoo

No Recommendation

The projected \$186,000 in uncommitted funds in salary and expense accounts reported in the Fourth FSR is now estimated at \$225,000. The amount is largely attributed to the Salaries General account realized from managed hiring, ERIP retirements, and employee transfers to special funded positions, as well as other expenditure reduction measures.

The Department reports that year-to-date attendance and revenue are lower than previously reported in the Fourth FSR, at eight percent and eleven percent below projections, respectively. The decrease in attendance and revenue are due to the continuing effects of the current economic conditions on discretionary spending, inclement weather during normal peak attendance days, and the impact of the parking lot construction. There is also a noticeable increase in prepaid member visits, thus

contributing to the lower revenues. The uncommitted funds in the salary and expense accounts would partially offset the projected revenue shortfall. This Office will continue to work with the Zoo to closely monitor revenues and identify additional offsets.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

This section addresses the status of non-departmental funds, special accounts and programs. Recommendations include the reappropriation of funds to the following fiscal year, the transfer of uncommitted funds and funds from the Reserve for Economic Uncertainties to offset account deficits, and a transfer from the Reserve Fund to the General Fund.

A. General City Purposes Fund Recommendation No. 23

There are no anticipated year-end shortfalls in General City Purposes (GCP).

The following actions are recommended:

- Reappropriate GCP funds for the Financial Management System for the following fiscal year.
- Transfers and reappropriations of GCP Council District Community Services accounts are discussed in Section 1.J.

B. Human Resources Benefits Fund Attachment 6 – Transfers between Accounts within Departments and Funds Recommendation Nos. 2

There are no anticipated year-end shortfalls in the Human Resources Benefits Fund. During 2009-10, \$13.5 million in uncommitted funds within the fund were transferred to the Reserve for Economic Uncertainties as a result of the various actions taken to reduce the City's workforce. Of this amount, \$5.3 million was realized as enrollment in the City's civilian health care plans decreased by 2,496 employees during the year. Additionally, \$3.3 million from the sworn health care plans were realized as enrollment in the police health care plans increased by five officers and enrollment in the fire health care plans decreased by 79 firefighters during the year. Finally \$7.9 million in uncommitted funds for workers' compensation costs were reported during the year. The Council approved the use of \$1.5 million of these uncommitted funds to support the costs of the Alternative Dispute Resolution (ADR) contract (C.F. No. 10-0389), and this Office recommends that an additional \$1.5 million be transferred to the Unemployment Insurance account to offset deficits created by the additional layoffs that were processed this year.

The following transactions are recommended:

- Transfer \$1.5 million from the Contractual Service account to the Unemployment Insurance account to offset deficits created by the additional layoffs that were processed this year.

C. Liability Claims Account
Attachment 10 – Transfers from the Reserve for Economic Uncertainties
Recommendation No. 6

The Fourth FSR reported an estimated shortfall of \$56.1 million for year-end liability claims payouts. The new estimated shortfall is \$55.15 million (\$55 million for claims over \$1million which are potentially eligible for bond financing and \$150,000 for other claims). The shortfall has been reduced due to defense verdicts, reduced settlement amounts, and case deferrals to next year. It is anticipated the year-end shortfall will be mitigated via Judgment Obligation Bond (JOB) financing scheduled to occur in June 2010 for up to \$55 million and \$1,448,595 available in liability claims account to cover most of the payouts now due, leaving a deficit of \$150,000 remaining.

To date the Reserve Fund has provided interim funding for approximately \$32.3 million in liability payouts subject to reimbursement from Judgment Obligation Bond (JOB) proceeds. The issuance is on schedule to be completed by the end of the fiscal year.

In addition, the adopted budget provided \$2 million to cover Attorney Conflict Panel (ACP) cases managed by the CAO. The City was waiting for an appellate decision on judgment awarded for the Burton-Tohill case. The California Supreme Court recently denied the City's appeal and now the City must pay the judgment, totaling approximately \$2.5 million. A separate transmittal is being prepared providing additional details and recommendation for payment. Funds remain in the Liability Claims Account for this judgment and could be reappropriated next fiscal year if necessary.

It is recommended that \$150,000 be transferred from the Unappropriated Balance, Reserve for Economic Uncertainties to the account for Liability Claims Over \$100,000, as current funding, including proceeds from the JOB issuance, is insufficient to cover the remaining payouts due this fiscal year.

D. Reserve Fund
Recommendation No. 24

In the Fourth FSR, the Reserve Fund balance was reported at approximately \$126.7 million, which included the transfer of \$80 million from the Reserve Fund to the General Fund to replace declining General Receipts and provide sufficient cash flow through May. The current Reserve Fund balance is now estimated at \$155.6 million and is anticipated to end the fiscal year with \$140.4 million assuming the receipt of the \$31.3 million repayment from the issuance of Judgment Obligation Bonds (JOB) proceeds, the receipt of Council funds, and a second transfer to the General Fund as detailed below.

It is recommended that \$52,410,000 million be transferred from the Reserve Fund to the General Fund to provide sufficient cash flow through year-end and to address the remaining current-year General Receipts shortfall required to cover remaining current year commitments.

E. Unappropriated Balance

Attachment 10 – Transfers from the Reserve for Economic Uncertainties\ Recommendation Nos. 6 and 25

With the transfers to and from the Unappropriated Balance, Reserve for Economic Uncertainties account recommended in the Mid-Year FSR, Fourth FSR and a Housing, Community, and Economic Development Committee report, the account balance now stands at \$66.9 million (C.F. Nos. 09-0600-S159, 09-0600-S203, and 09-0853). Approval of all recommended transfers in and out of this account in this report will result in a balance of \$12.6 million (See Attachment 4-b.)

The following transactions are recommended:

- Transfer \$500,000 within the Unappropriated Balance fund from the Reserve for Economic Uncertainties account to the Financial Management System account. As part of the adoption of the Three Year Plan for Fiscal Sustainability, the City Council instructed the Office of Finance to implement the first phase of the consolidation of the City's accounts receivable systems. This first phase of this project involves the development of interfaces between the City's major accounts receivable systems and the new Financial Management System, which is currently under development. Funding totaling \$500,000 is recommended to be placed in the Unappropriated Balance account for the Financial Management System Project, to pay for this first phase. This Office will shortly release a report recommending use of those funds based on a plan and a request developed by the Office of Finance and the ITA.
- In conjunction with the above recommendation, reappropriate \$500,000 in the Financial Management System account to the 2010-11 Budget.
- Other recommended transfers of funds from the UB, Reserve for Economic Uncertainties to Departments are addressed in Sections 1.B, 1.E, 1.U, 1.CC, 1.GG, 1.LL and 2.C.

3. STATUS OF EMPLOYMENT AND LABOR COST SAVINGS EFFORTS

A. Employment Level Report

Attachment 11 – Employment Level Report

Citywide employment authority from all funding sources totaled 38,184 at the end of April for both civilian and sworn classes. Filled positions decreased by 1,323, from 34,517 at the end of January 2010 to 33,194 at the end of April. Departments reported a total of 4,990 vacant positions, 3,354 General Fund and 1,636 special funded. Please note that a majority of these vacant positions are not funded and exist primarily to provide management flexibility throughout the fiscal year (e.g. address peak workloads, training classes, and sick leave replacements).

B. Voluntary Furloughs

Attachment 12 – Status of Voluntary Furlough Program

As of May 31, 2010, (Pay Period 24) approximately \$1,940,000 in savings has been achieved across City departments through voluntary furloughs. However, it is estimated that only 53 percent of this amount, approximately \$1,028,000, represents General Fund savings.

C. Early Retirement Incentive Program

To date, 2,263 employees have retired under the City's Early Retirement Incentive Program (ERIP). An additional 137 retirements are anticipated to retire on June 5, 2010, bringing the total number of retirements to the approved capacity of 2,400 ERIP packages. It is projected the ERIP retirements will produce approximately \$41.9 million in General Fund salary savings in Fiscal Year 2009-10 and \$96 million in Fiscal Year 2010-11. In addition, it is anticipated the ERIP retirements will reduce healthcare benefit costs, saving the General Fund approximately \$5.3 million in Fiscal Year 2009-10 and \$13 million in Fiscal Year 2010-11.

4. STATUS OF EXPENDITURE SAVINGS EFFORTS

In conjunction with the approval of the Mid-Year FSR, Departments were instructed by the Council to negotiate a 10 percent reduction to personal services contracts. The CAO issued a status report on April 29, 2010, which detailed the reductions, by department, that were incorporated into the 2010-11 Proposed Budget (C.F. No. 09-0600-S156). In sum, \$8.9 million in General Fund reductions was achieved, or 91 percent of the \$9.8 million adjusted target. The CAO identified an additional \$3.1 million in reductions that may be still be possible, and will report-back with the status of that review prior to July 1, 2010.

The General Services Department (GSD) was instructed to negotiate 10 percent price reductions on all procurement contracts. GSD issued a status report to the Council on March 23, 2010, which stated that of the 563 contractors, 79 contractors have accepted a 10 percent reduction in pricing; and, 104 contractors have made counter-offers at less than 10 percent (C.F. No. 09-0600-S156; Numbers adjusted to reflect the most recent update from GSD). The CAO and GSD are continuing to work together to identify up to \$5 million in SMS contract savings as instructed by Council. This target may be difficult to reach due to the nature of most SMS purchases (e.g. fuel, materials, maintenance and supplies).

On March 10, 2010, the Offices of the Mayor and the Controller issued a joint memorandum directing Departments to freeze all expenditures from non-salary General Fund allocations. In conjunction with this direction, Departments were directed to move their March, April and May expenditure allocations to the June period with the intent to transfer these funds to the Reserve for Economic Uncertainties. Recommendations in the report will transfer \$4.1 million in expense account savings (including \$1.2 million from contractual services accounts) to the Reserve for Economic Uncertainties, if approved. Another \$4.1 million in expense account savings (including \$1.5 million in contractual services

accounts) is recommended to be transferred within department funds to address internal deficits. Moreover, additional savings are expected to revert to the Reserve Fund at year-end.

5. STATUS OF FEE WAIVERS AND SUBSIDIES

A. Special Event and Convention Center Fee Waivers

The Budget and Finance Committee instructed this Office to periodically report on the number and amount of Council-approved fee waivers (subsidies) associated with special events and with Convention Center meetings and events. Since the Fourth FSR, no new special event or convention center fee waivers have been approved.

Prior to the adoption of the amended Special Event Subsidy Policy in October 2009 (C.F. No. 09-0600-S46), 352 special event fee waivers have been approved for a total of \$793,994 for the period from July through October 2009. With the transfer of responsibility for administration of fee waivers to the Office of the City Clerk, \$410,000 has been transferred to the Department of Transportation to cover previous expenditures and approximately \$16,000 has been allocated. Four waivers for organizations have been approved since the implementation of the new policy.

To date, one Convention Center fee waiver has been approved at a cost of \$3,683. The Motion for this event was adopted on January 12, 2010 (C.F. No. 07-0096-S1).

B. Development Fee and Permit Subsidies

In accordance with the City's Development Fee Subsidy Policy, this Office is required to report on the number and amount of Council-approved development fee subsidies. To date, one development fee subsidy has been approved on March 20, 2010 (C.F. No. 09-0117). There are forthcoming joint reports from this Office with the Chief Legislative Analyst on a development fee subsidies for the Devonshire Police Activity League Supporters (C.F. No. 08-0443) and Ride On (C.F. No. 09-2144).

6. STATUS OF GANG REDUCTION AND YOUTH DEVELOPMENT PROGRAM

Attachment 13 – GRYD Program Contracts and Organizational Chart

At the request of the Budget and Finance Committee (C.F. No. 09-0600-S203) the Mayor's Office was requested to provide an update in the Financial Status Report on the status of current year Gang Reduction Program spending.

Committed funding for the 2009-10 Gang Reduction Program in the Mayor's Gang Reduction and Youth Development (GRYD) Office is approximately \$22.6 million from the following sources: \$20.1 million from the General Fund and \$2.5 million from federal and state grants. Of this amount, approximately \$2.0 million is for GRYD staff and 20.6 million for contracted agencies. GRYD has

committed \$18.6 million in General Funds and \$1.9 million in grant funds for contracted agencies. Attachment 13 outlines the distribution of funds to each of the GRYD contracted agencies. It also provides a GRYD organizational chart which identifies a total of 36 staff including: 27 that provide contract and fiscal management, program development and implementation, and evaluation oversight; 5 that oversee the Mayor's Summer Night Lights Program; and, 4 that oversee the Young Women from Adversity to Resiliency (YWAR) program, recently transferred from the Human Services Department. The amounts allocated towards GRYD staff are \$1.5 million in General Funds and \$503,000 in grant funds.

7. STATUS OF FEE INCREASES

Attachment 14 - Status of Fee Increases in the 2009-10 Budget

Attachment 14 provides a status of both General Fund and special fund-related fee increases assumed in the 2009-10 Budget. There is no change in status from the Fourth FSR. Fee increases for the Building and Safety Department, the Bureau of Engineering, the Planning Department and the Treasurer's Office have been implemented. All Fire Department fees, except for the film spot check and the industrial building inspection fees, have been implemented.

8. 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 approved capital construction projects and capital equipment purchases.

In early December 2009, \$89.9 million of CP notes were refinanced into long-term MICLA debt. Subsequently, in mid-December 2009, the Mayor and Council approved an increase of \$100 million to expand the MICLA CP program from \$200 million to \$300 million.

During the reporting period, MICLA CP was used towards the construction and improvements of the Alternative Fuel Infrastructure Facilities, Financial Management System, Neighborhood City Halls, Pachyderm Forest Exhibit and Transportation-ARRA projects. Capital equipment and replacement vehicles were purchased for the departments of Fire, General Services, Information Technology Agency and Police.

The City does not have any taxable notes outstanding at this time. Below is the status of the MICLA CP Program through May 14, 2010:

Reporting Period	Amount Outstanding	Range of Interest Rates
03/16/10 – 05/14/10	\$129,630,000	0.24% to 0.33% (tax-exempt)

9. STATE BUDGET UPDATE

On May 15, 2010 the Governor released the May Revision to the 2010-11 State Budget which proposes additional solutions to address an estimated \$19.1 billion deficit (\$7.7 billion shortfall in fiscal year 2009-10, a \$10.2 billion projected deficit in fiscal year 2010-11, and a reserve of \$1.2 billion).

The Governor's May Revision includes:

- No new taxes or significant new revenue proposals.
- \$12.4 billion in spending cuts and an assumed \$3.4 billion in federal funds.
- \$3.3 billion in other measures, primarily through borrowing from other state funds

Additionally, a *cash flow* problem is anticipated in late summer which may require solutions to reduce the need for external borrowing.

The May Revision contains major spending reduction proposals that were not included in the Governor's base budget package in January. However, while there are no *additional* direct consequences to cities beyond those reported in the Fourth FSR, county programs are severely impacted. The following highlights some of the cuts and estimated savings proposed in the budget revisions for Fiscal Year 2010-11 as well as other recent state developments.

Health and Human Services: Numerous reductions are proposed to health and human services programs. These cuts have no direct impact to City services; however, the proposed changes will directly affect County services and, thus, the Los Angeles City residents who use these programs. Proposals include:

- The elimination of the CalWORKs welfare-to-work program, beginning October 1.
- The elimination of need-based subsidized child care, *except* for preschool and after-school care.
- Reductions to state support for in-home health care.
- Reductions to nearly all funding for county mental health programs.
- Increases to co-payments and premiums for children covered under the Healthy Families program.
- Limits to Medi-Cal services and increases in cost-sharing.
- Beginning October 1, reductions to Supplemental Security Income/State Supplementary Payment grants for low-income elderly, blind or disabled.

Redevelopment Funding: As expected, the Governor's May Revision includes the \$1.7 billion redevelopment fund take this year and \$350 million next fiscal year (a total of about \$2 billion).

On May 10, 2010, California redevelopment agencies made their 2009-10 payments (\$1.7 billion) to the State as the Courts recently upheld the take. Agencies are required to give the State an additional \$350 million in 2010-11, unless the appellate court rules otherwise. As reported in the Fourth FSR, this impacts the Community Redevelopment Agency (CRA/LA) as it will need to pay the State an estimated \$85.4 million over a two-year period: \$70.8 million in 2009-10 and \$14.6 million in 2010-11.

Additionally, recent litigation will result in a shift of additional Property Tax revenue from the Community Redevelopment Agency (CRA) to schools. The resulting impact on the City's General Fund should primarily be limited to the Assembly Bill (AB) 1290 allocations. The latest estimates from the CRA/LA suggest that about 20 percent of the AB 1290 income could be impacted, which could range from about \$1.5 to \$3 million per year depending on Property Tax flow in the various project areas. Depending on the final number of years that could require refunds of prior year collections, the AB 1290 balance could be severely impacted.

Public Safety: The following public safety-related initiatives are included in the May Revision of interest to the City.

- It sends nonviolent, non-sex-offender inmates from state prisons to county jails. The State would provide local public safety block grants and appropriate funds per inmate to counties. Local public safety grant amounts have yet to be determined. It is unclear what, if any, portion of the funding would be directly appropriated to city police departments. There is concern that with population caps on county jails, inmates will be pushed back to communities before their sentence is finished, potentially increasing the burden on frontline law enforcement.
- The 2009-10 budget deal struck in February 2009 authorized a temporary (0.15 percent) increase in the Vehicle License Fee (VLF) and dedicated a portion of the increase to a range of local public safety programs previously supported through state General Fund appropriations. The VLF increase expires at the end of 2010-11.
- The May Revision proposes to make a continuous appropriation of \$502.9 million beginning in 2011-12, from the state General Fund for local public safety programs (e.g. COPS, booking fee reimbursement, rural sheriffs, juvenile probation and crime prevention programs). This shift of reimbursements back to the General Fund would restore funding to 2008-09 levels and represents an increase of roughly \$60 million from the prior year. The City may be able to take advantage of some of the public safety programs funded via the new appropriation in 2010-11. However, any specific impacts on 2010-11 are unknown. In the past, much of this type of funding has gone to counties, not cities.
- The Automated Speed Enforcement Proposal would upgrade existing red light cameras at city and county intersections to fine speeders. About 15 percent of each fine would go to local governments, with the rest of the money going to the State. We are awaiting additional details regarding this proposal to determine how this program would be implemented and how much revenue the City may receive.

Transportation: As reported in the Fourth FSR, in March, the Legislature adopted the transportation tax swap and local Highway Users Tax Account (HUTA) deferrals to address the budget deficit and cash flow problem, respectively. The May Revision does not propose any further cuts to transportation, nor do any of the proposals have a direct affect on cities. The following proposals are included:

- The State borrows \$650 million in HUTA funds to be repaid in June 2013. This does not impact local transportation funding as these funds were a one-time set aside in the Gas Tax Swap agreement for future appropriation by the legislature. It was previously anticipated that these funds would be used to payback previous transportation loans and bond interest. In future years, this funding will be included in the total allocated to cities, counties, and the State as HUTA.
- The Motor Vehicle Account (MVA) loans \$250 million to the General Fund. The MVA contains vehicle license fee revenues and pays for the CA Highway Patrol and Department of Motor Vehicle operations.
- The MVA transfers \$75 million to the General Fund using funds from the sale of documents and miscellaneous services to the public.

Environmental Quality: The May Revision proposes that the Legislature appropriate about \$1 billion in various 2010 Water Bond expenditures. However, this is contingent on passage by California voters in November 2010. This includes \$602.7 million for local and regional drought relief projects, groundwater and conveyance projects, desalination grants, urban and agricultural water management planning grants as well as other natural resources projects. We are awaiting the release of additional details to assess potential funding opportunities for the City.

State Workers: The May Revision maintains a previous employee compensation program from January which reduces state employee salaries by 5 percent, increases employee pension contributions by 5 percent, and increases departmental salary savings by 5 percent in order to reduce state payroll costs. On top of this proposal (known as the 5/5/5 proposal), the Governor recommends a mandatory personal leave program (eight hours per month) for state employees. Also, furlough Fridays would end in June 2010. This package is expected to generate \$2.1 billion in savings.

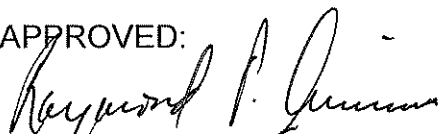
The Governor's May Revisions are now before the State Legislature. On May 19, 2010, the Assembly budget subcommittee voted to reject the Governor's plan to eliminate CalWORKs. The committee also rejected the Governor's proposed reductions to the State's In-Home Supportive Services program and recommended that the Assembly block the elimination of state-subsidized child care. Similarly, the State Legislative Analyst Office (LAO) has also recommended that the Legislature reject the Governor's most drastic spending cuts, including the elimination of CalWORKs and child care funding. Instead, the State LAO provides options such as raising alcohol taxes, reducing funding for public safety local assistance programs, increasing community college fees, suspending corporate tax breaks, and extending an increase in the vehicle license fee that is set to expire in June 2011. There has also been some discussion about a potential realignment of State

responsibilities to local government. We will continue to monitor the State Budget deliberations and report on any impacts to the City.



Melissa Krance, Senior Administrative Analyst

APPROVED:


Raymond P. Ciranna, Assistant City Administrative Officer

MAS:RPC:MF/MCK:01100057

Attachments

Attachment 1
REVENUE SUMMARY
FISCAL YEAR 2009-10
(Thousand Dollars)

	Adopted Budget	Revised Budget
Property Tax	\$1,418,870	\$1,445,403
Licenses, Permits, Fees and Fines	723,126	708,636
Utility Users' Tax	667,875	639,000
Business Tax	426,157	411,286
Sales Tax	304,243	278,274
Power Revenue Transfer	232,000	220,500
Parking Fines	134,000	132,000
Transient Occupancy Tax	130,200	119,000
Documentary Transfer Tax	100,000	90,000
Parking Users' Tax	82,300	83,479
Franchise Income	49,479	42,755
Interest	22,080	15,980
State Motor Vehicle License Fees	12,000	10,000
Tobacco Settlement	12,166	11,300
Grants Receipts	16,000	16,200
Transfer from Telecommunications Development Account	6,223	6,223
Residential Development Tax	1,700	1,324
Special Parking Revenue Transfer	61,371	23,400
Reserve Fund Transfer		132,410 *
Total General Fund Receipts	<u>\$4,399,790</u>	<u>\$4,387,170</u>

*It is recommended that the Reserve Fund transfer amount be adjusted to reflect a lower transfer needed to address the 2009-10 Budget Deficit.

Attachment 2
ANTICIPATED STATUS OF RESERVE FUND AS OF 2009-10 YEAR-END

Council File No. Item Description	Amount
Balance Available, 7/1/09	<u>\$ 152,864,585</u>
Contingency Reserve Account 7/1/09	\$ 31,870,585
General Fund Appropriation to the Reserve Fund \$46,798,058	-
Loan Repayment and Other Receipts	<u>127,156,719</u>
Contingency Reserve Account	\$ 159,027,304
Add: Emergency Reserve Account	\$ 120,994,000
Loans and Transfers Approved to Date	
08-2793 Liability Claims (May Day Litigation)	(12,750,000)
10-0040 Liability Claims (Atkinson et al)	(7,750,000)
10-0038 Liability Claims (Monroy)	(5,000,000)
09-1482 Liability Claims (Bekeredjian)	(4,665,000)
CAO memo LA Inc. Quarterly Paymen	(1,615,016)
09-2632 Liability Claims (Niles Rose) 2nd payment 7/1/1	(1,150,000)
CAO memo LACVB	(1,148,184)
CAO memo LACVB	(1,092,696)
CAO memo LACVB	(1,060,637)
4th FSR Transfer to Budget	(80,000,000)
08-0600-S70 ITA Expense to Salary Account (YE Reappropriator)	(2,200,000)
08-0600-S70 FMIS Replacement (YE reappropriator)	(1,346,448)
08-0600-S70 Public Safety Systems Project (YE reappropriator)	(1,256,649)
09-2627 Liability Claims (Stein)	(1,000,000)
09-0600-S151 Annual Audit (reappropriation)	(774,000)
08-0600-S70 New Fire Station (YE reappropriator)	(540,000)
09-0600 Budget Stabilizator	(500,000)
08-0600-S70 Actuarial Studies (YE reappropriator)	(200,000)
08-0600-S70 Tax Amnesty/Audit Penetration (YE reappropriator)	(150,069)
08-0600-S70 Fuel Management and Purchasing study (YE reappropriator)	(60,000)
09-0600-S151 Cultural Affairs Matching Grant Program (Reappropriator)	(59,038)
09-0600-S 196 South Robertson Neighborhood Council	(25,327)
4th FSR DNA Analysis Salaries	(25,000)
10-1330 Illegal Dumping Apprehension Rewar	(1,000)
08-1013-S2 LA African American Womens Public Policy Institute	(638)
09-2181 Metropolitan LA Branch of the American Society of Civil Engineer	(497)
Loans and Transfers Approved to Date Subtotal	\$ (124,370,199)
Current Emergency and Contingency Reserve Fund Balance	<u>\$ 155,651,105</u>
Proposed Loans and Transfers	
Year End Transfer to Budget	(52,410,000)
Repayment of Loans from JOB Proceed	31,315,000
Balance of Council Funds (\$1.259M of \$7.126M received by May 2010)	5,867,000
Proposed Loans and Transfers Subtotal	\$ (15,228,000)
Anticipated Emergency and Contingency Reserve Fund at Year-End (6/30/10)	<u>\$ 140,423,105</u>

Attachment 3
FOUR-YEAR BUDGET OUTLOOK
(\$ millions)

	2010-11 Adopted	2011-12	2012-13	2013-14	2014-15
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 4,399.8	\$ 4,375.2	\$ 4,373.4	\$ 4,490.5	\$ 4,618.0
Revenue Growth (2)					
Property Related Taxes	0.7	20.1	46.6	57.6	69.8
Sales and Business Taxes	(29.0)	21.9	24.7	22.4	23.1
Utility Users' Tax	(13.3)	12.6	16.5	10.3	10.4
License, Permits and Fees	55.1	(62.4)	7.2	14.5	14.7
Other Fees, Taxes and Transfers	9.8	19.6	22.1	22.7	23.3
SPRF Transfer	(51.4)	(10.0)	-	-	1.0
Transfer from Reserve Fund	3.6	(3.6)			
Total Revenue	\$ 4,375.2	\$ 4,373.4	\$ 4,490.5	\$ 4,618.0	\$ 4,760.4
<i>General Fund Revenue Increase %</i>	<i>-0.6%</i>	<i>0.0%</i>	<i>2.7%</i>	<i>2.8%</i>	<i>3.1%</i>
<i>General Fund Revenue Increase \$</i>	<i>(24.6)</i>	<i>(1.8)</i>	<i>117.1</i>	<i>127.5</i>	<i>142.4</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (3)	\$ 4,399.8	\$ 4,375.2	\$ 4,691.9	\$ 4,920.6	\$ 5,132.6
Incremental Changes to Base: (4)					
Employee Compensation Adjustments (5)	190.9	106.9	35.5	24.8	9.0
City Employees Retirement System (6)	40.9	83.4	76.7	66.3	37.3
Fire and Police Pensions (6)	31.7	63.2	64.3	81.1	49.9
Workers Compensation Benefits (7)	(3.2)	10.6	11.5	12.4	13.4
Health and Dental Benefits (8)	19.9	18.4	37.8	38.8	42.1
Debt Service (9)	17.0	(8.5)	(4.9)	(5.4)	-
Expense CPI Increases (10)	-	5.3	5.4	5.5	5.6
Delete Reso. Authorities/One-Time Costs (11)	(77.4)	-	-	-	-
Unappropriated Balance (12)	58.2	(13.2)	(21.3)	-	-
New Facilities (13)	3.2	3.5	4.8	2.5	2.5
City Elections (14)	15.6	(15.6)	16.1	(16.1)	16.1
CIEP (15)	(1.5)	47.8	2.9	2.1	1.8
Appropriation to the Reserve Fund	(46.7)	-	-	-	-
Net - Other Additions and Deletions	(273.2)	15.0	-	-	-
Subtotal Expenditures	\$ 4,375.2	\$ 4,691.9	\$ 4,920.6	\$ 5,132.6	\$ 5,311.2
<i>Expenditure Growth %</i>	<i>-0.6%</i>	<i>7.2%</i>	<i>4.9%</i>	<i>4.3%</i>	<i>3.5%</i>
<i>Expenditure Growth \$</i>	<i>(24.6)</i>	<i>316.7</i>	<i>228.7</i>	<i>212.0</i>	<i>178.6</i>
TOTAL BUDGET GAP					
	\$ -	\$ (318.5)	\$ (430.1)	\$ (514.7)	\$ (550.9)
<i>Incremental Increase %</i>			<i>35.0%</i>	<i>19.7%</i>	<i>7.0%</i>
<i>Incremental Increase \$</i>			<i>(111.6)</i>	<i>(84.6)</i>	<i>(36.2)</i>

Attachment 3

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK FOOTNOTES

REVENUE:

(1) General Fund (GF) Base: The General Fund revenue growth is separated from the revenue base. This base excludes the Reserve Fund transfer to the budget.

(2) Revenue Growth: Revenue projections have been revised to reflect the consensus of economists that economic recovery will be slow and that economy-sensitive revenues will take several years to return to pre-recession levels. Amounts represent projected incremental change to the base.

ESTIMATED GENERAL FUND EXPENDITURES:

(3) Estimated Expenditure General Fund Base: Using the 2009-10 General Fund budget as the baseline year, the General Fund base is the "Total Obligatory and Potential Expenditures" carried over to the following fiscal year.

(4) The 2010-11 incremental changes reflect funding adjustments to the 2009-10 General Fund budget. The 4-Year Outlook expenditures included for subsequent years are limited to those obligatory and major expenses known at this time and are subject to change. Amounts represent projected incremental change to the base.

(5) Employee Compensation Adjustments: This includes cost of living adjustment ("COLA"), change in number of working days, salary step and turnover effect, and full funding for partially financed positions.

The 2010-11 Adopted Budget includes the following specific employee compensation adjustments:

- 2009-10 deferred employee salary adjustment for the Coalition of the Los Angeles City Union and Management Attorneys Unit ("Coalition");
- Restoration of undesignated salaries reductions included in the 2009-10 Budget;
- Reduction of 16 or 26 working days for civilian employees (this reduction is restored in 2010-11 Outlook); and,
- Salary savings from the Early Retirement Incentive Program ("ERIP");

Coalition: On Dec. 19, 2007, the Mayor and Council approved the 2007-2012 Memorandum of Understanding ("MOU") for the Coalition of the Los Angeles City Union and Management Attorneys Unit (Coalition). The COLAs approved at that time are reflected in the chart below. Step increases that apply to all workers who have been on Step 5 for one year and to most flat-rated workers at the time of the increase will be effective January 1st of 2010, 2011, and 2012.

Original Coalition MOUs	2007-08	2008-09	2009-10	2010-11	2011-12
COLA	2% + 2%	3%	3%	2.25%	2.25%
Step/Increase			2.75%	2.75%	2.75%

On September 30, 2009, the Mayor and Council initially approved the Early Retirement Incentive Program ("ERIP") ordinance that allows for voluntary civilian employee separations. As part of ERIP, the Coalition ratified a revised five-year agreement with the City on October 23, 2009, and extended the term to 2013-14.

Oct. 2009 Revised Coalition MOUs	2009-10	2010-11	2011-12	2012-13	2013-14
COLA - July 1 st	0%	0%	3%	2.25%	2.25%
Step/Increase - Jan. 1 st	0%	0%	2.75%	2.75%	2.75%
Deferral Recovery - July 1 st	0%	0%	0%	0%	1.75%
Cash Payment - Nov. 1 st	n/a	n/a	1.75%	1.75%	0%

The City's agreement with the Coalition requires that all wage movement outlined in the MOU extension will be advanced by one year if the City elects to implement layoffs. The 2010-11 Adopted Budget assumes such layoffs, triggering the following revised schedule of increases.

Coalition MOUs (Advanced)	2009-10	2010-11	2011-12	2012-13	2013-14
COLA - July 1 st	0%	3%	2.25%	2.25%	n/a
Step/Increase - Jan. 1 st	0%	2.75%	2.75%	2.75%	n/a
Deferral Recovery – July 1 st	0%	0%	0%	1.75%	n/a
Cash Payment - Nov. 1 st	n/a	0%	1.75%	0%	n/a

Sworn Fire and Police Officers: On October 21, 2009, members of the Los Angeles Police Protective League ("LAPPL") ratified a two-year contract for 2009-10 to 2010-11. On March 25, 2010, members of the United Firefighters of Los Angeles ("UFLAC") ratified a one-year contract for 2009-10. Negotiations are in process with UFLAC for a successor MOU commencing July 1, 2010. The new MOU COLA's are also reflected in the chart below.

Sworn MOUs	2009-10	2010-11	2011-12	2012-13	2013-14
LAPPL	0%	0%	n/a	n/a	n/a
UFLAC	0%	n/a	n/a	n/a	n/a

Engineers and Architects Association ("EAA"): contract expired on 6/30/2010 and no EAA COLA's are assumed in 2010-11 and future years.

(6) City Employment Retirement System ("LACERS") and Fire & Police Pensions ("Pensions"): The LACERS and Pensions contribution are estimated based on information from the departments' actuaries and include COLA assumptions. The amounts reflected in the outlook represent incremental changes. The estimates are mostly driven by changes in assumptions and investment returns. Additionally, the increased rates reflect gains and losses over two years and changes in demographics.

Assumptions	Market Corridor	Smoothing	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Investment Returns			(20)%	16%	8%	8%	8%	8%	8%
LACERS Rate w/ERIP	50:150	5 year	20.17%	19.46%	24.49%	29.54%	33.16%	37.34%	39.8%
Pensions Rate	60:140	7 year	26.23%	28.24%	30.12%	35.19%	40.22%	46.56%	50.46%

(7) Workers Compensation Benefits (WC): The WC budget increase of 8% is applied through 2011-12.

(8) Health and Dental Benefits: Mercer Consulting provides the civilian plan forecast. Its projected civilian employee FLEX benefits for medical premium increases are 3.3% for 2010; 9.4% for 2011; 8.4% for 2012, and 7.5% for 2013. Employment assumptions reflect fewer enrollees due to ERIP and position eliminations. Police and Fire health medical subsidy rates are historically higher due to the type of coverage and lower deductible health plans. Police and Fire enrollment projections are consistent with the current year hiring plan. For purposes of this Outlook, \$13.4 million budgeted for potential Health Benefits costs in the Unappropriated Balance is included in this section.

(9) Debt Service: The debt service amounts include Capital Finance and Judgement Obligation Bond budgets.

(10) Expense CPI Increases: The CPI increases in future years are anticipated at 2% per annum.

(11) Delete One-time Resolution Authorities and Other Costs: Reflects City practice of deleting programs and costs that are limited-term and temporary in nature at the start of the budget process. Funding for these positions, programs, and expenses is reviewed on a case-by-case basis and dependent upon continuing need for the fiscal year. Continued or new items added are embedded in the "Net – Additions and Deletions" line item of the forecast. None are deleted in subsequent years to provide a placeholder for continuation of resolution authority positions for various programs, as well as equipment, and other one-time expenses incurred annually. As such, these costs are therefore incorporated into the beginning General Fund base of subsequent years.

(12) Unappropriated Balance (UB): The total 2010-11 UB budget of \$71.6 million includes \$21.2 million for the first of two ERIP payout installments and \$13.2 million for Budget Balancing Bridge as a contingency for delayed implementation of budgeted savings. The ERIP payout and the Budget Balancing Bridge items would not be budgeted in 2012-13 and 2011-12, respectively. Other UB items are not eliminated the following year to provide a placeholder for various ongoing and/or contingency requirements in the future. For purposes of the Outlook, \$13.4 million budgeted for Health Benefits costs are included in the Health and Dental Benefits section (see note 8).

(13) New Facilities: Funding projections are based on preliminary departmental estimates for ongoing staffing and expenses that have not been prioritized.

(14) Elections: Citywide elections occur bi-annually.

(15) Capital Improvement Expenditure Program (CIEP): The 2010-11 budget includes nearly \$6 million for various capital projects, a decrease of \$1.5 million from 2009-10. For future years, the CIEP amounts assume compliance with the policy of budgeting 1% of the General Fund for capital improvement projects.

Attachment 4-a
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT as of 4/30/2010

UB Gen C.F.	Appropriations	Date	Amount
	Beginning Balance		\$ 25,000
	Approved Transfer		
09-1681	Trutanich Transition Team	7/14/2009	(473)
09-2244	Hispanic College Fund Youth Symposium	9/11/2009	(426)
09-2388	Tunson Leadership Foundation	10/2/2009	(531)
09-2432	Harbor Department Port Police Officers Association	10/7/2009	(588)
09-2178-S2	Comite de Festejos Centroamericanos (COFECA)	10/14/2009	(852)
09-2580	Lights On Gala	10/27/2009	(682)
09-2409	Child Health and Safety Fair/California Community Foundation	11/24/2009	(555)
09-2982	Reception of Los Angeles Conservancy	12/8/2009	(268)
10-0061	UCLA Government Day	1/20/2010	(680)
09-2178-S3	Comite de Festejos Centroamericanos (COFECA)	1/20/2010	(720)
10-0062	Asociacion Guatemalteca Americana (AGUA)	1/20/2010	(491)
10-0198	AQMD Hearing Van Nuys City Hall	2/12/2010	(576)
10-0269	Los Angeles Association of Black Personnel	2/26/2010	(374)
10-0296	Temple Aliyah Purim Carnival	2/26/2010	(444)
08-0564-S2	48th Assembly District's Women's History Month Celebration	3/5/2010	(461)
10-0456	Nine Norouz Celebration	3/26/2010	(751)
10-0457	Persian New Year celebration	3/26/2010	(937)
08-0696-S1	Cherry Blossom Reception	3/19/2010	(605)
10-0509	Toastmaster International	3/30/2010	(347)
10-0572	Midnight Mission's Easter Day and Passover Celebration	4/16/2010	(666)
10-0593	EML Holiday Party University of Southern California	4/16/2010	(390)
10-0636-S1	Fiesta Broadway Event	4/23/2010	(806)
10-0724	Southwestern Law School	4/30/2010	(440)
	Balance Available		<u><u>11,937</u></u>

Attachment 4-b
STATUS OF THE UNAPPROPRIATED BALANCE - NON-GENERAL ACCOUNTS

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount		
					Appropriated during year	Available Balance	
	General Fund						
	General (see Attachment 4A)		\$ 25,000	\$ -	\$ (13,063)	\$ 11,937	
09-0600-S203	AB 1290		10,000,000		(4,497,383)	5,502,617	
09-0600-S141,-S159, YE FSR	Bank Fees	Treasurer	7,000,000		(7,000,000)	0	
09-0753	Council District Two Special Election	City Clerk	1,800,000		(1,800,000)	0	
09-0600-S159	Equipment, Expenses & Alterations & Improvement	n/a	3,582,900		(3,582,900)	0	
07-2186-S3; 09-2729	Financial Management System (FMS)	Controller	2,000,000		(2,000,000)	0	
09-0600-S159	GSD - Petroleum Products	GSD	4,000,000		(3,000,000)	1,000,000	
09-0600 (Budget Reso); 09-0600-S159	LAPD Consent Decree Program	CLA	328,000	113,142	(441,142)	0	
	LAPD Settlement Compliance Monitoring	CLA	120,000			120,000	
YE FSR	LINX Replacement (Risk Management System)	Personnel	2,000,000			2,000,000	
09-0600-S159	Litigation Expense Account	City Attorney	750,000		(750,000)	0	
09-0600-S141	Neighborhood Council Elections	City Clerk	1,905,000		(1,905,000)	0	
09-0600-S135 (St. Svcs NOTE & FILE); 09-0358-S1 (St. Lighting); 09-0600-S159, YE FSR	New Positions	Various	13,905,625		(9,805,751)	4,099,874	
09-0600-S159	New Police Facilities	Police	1,000,000		(1,000,000)	0	
09-2766	Outside Counsel inc. Workers' Compensation	City Attorney	3,750,000		(2,728,545)	1,021,455	
09-0600-S141; 09-0600-S203	Workplace Violence Prevention Training	Personnel	300,000		(300,000)	0	
	Zero-Base Budget Consultant	CAO	300,000			300,000	
Reapp per 08-0600-S70 YE; 09-0600-S151; 09-0600-S159	New Fire Station (reappropriation)	Fire		540,000	(540,000)	0	
08-0600-S70 YE; 09-0600-S159	Tax Amnesty/Audit Penetration (reapprop)	Finance		150,069	(150,069)	0	
09-0600 (Budget Reso)	Gang Prevention/Intervention/Reduction (Budget Reso reappropriation)			40,000		40,000	
09-0600-S196	Neighborhood Council Rollover	DONE		650,703		650,703	
			\$ 52,766,525	\$ 1,493,914	\$ (39,513,853)	\$ 14,746,586	

**Attachment 4-b
STATUS OF THE UNAPPROPRIATED BALANCE - NON-GENERAL ACCOUNTS**

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reappropri.	Amount	
					Appropriated during year	Available Balance
	Special Funds					
	New Positions - HOME (Fund No. 561)	Housing	59,859			59,859
	New Positions - Rent Stabilization (Fund No. 440)	Housing	83,714			83,714
	New Positions - Code Enforcement (Fund No. 41M)	Housing	27,905			27,905
0220-04501-0000(LED);						
09-0600-S203 4th FSR	New Positions - St. Lighting Maint. (Fund No. 347)	St. Lighting	1,763,731		(1,763,731)	0
	New Positions - Prop. C (Fund No. 540)	St. Lighting	265,304		(265,304)	0
	New Public Access Studio	TDA	2,500,000			2,500,000
09-0600-S120; 09-0600-S173 (R&F); 10-0139-S1; 09-0600-S173 (City Meters)	Public Private Partnership (P3) Study	SPRF	3,000,000		(1,020,000)	1,980,000
			\$ 7,700,513	\$ -	\$ (3,049,035)	\$ 4,651,478
	Grand Total		\$ 60,467,038	\$ 1,493,914	\$ (42,562,888)	\$ 19,398,064
	Reserve for Economic Uncertainties					
09-0600-S159 (Secs 1 & 2)	Surpluses from Multiple Departments and Funds			30,984,505.63		30,984,505.63
09-0600-S159 (Secs 1 & 2)	Fire/Police Pension Defrayal				(17,542.53)	(17,542.53)
09-0600-S159 (Sec 3)	PW Board, Community Beautification Grants			525,000.00		525,000.00
09-0600-S159 (Sec 3)	PW Engineering, CD 14 and Pools			56,206.00		56,206.00
09-0600-S159 (Sec 3)	GCP, LAPD Consent Decree Program Account			1,650,000.00		1,650,000.00
09-0600-S159 (Sec 3)	UB, LAPD Consent Decree Program			441,142.00		441,142.00
09-0600-S159 (Sec 3)	UB, New Fire Stations			260,000.00		260,000.00
09-0600-S159 (Sec 3)	UB, New Police Facilities			1,000,000.00		1,000,000.00
09-0853	CD Salaries General, GCP Comm. Services and Special Events			965,577.00		965,577.00
09-0600-S203	Surpluses from Multiple Departments and Funds			1,749,138.72		1,749,138.72
	- includes appropriation to the Reserve Fund			46,798,058.00		46,798,058.00
09-0600-S203	PD Sworn Salary Deficit for PP 25				(22,000,000.00)	(22,000,000.00)
09-0600-S203 Motion 3A	Airport Hospitality Enhancement Zone				(50,000.00)	(50,000.00)
	UB, AB 1290			4,497,382.72		4,497,382.72
YE Attachment 7	Surpluses from Multiple Departments and Funds			8,211,947.00		8,211,947.00
YE Attachment 8	Deficits in Multiple Departments and Funds				(62,359,703.49)	(62,359,703.49)
10-0877	Tobacco Permit Program				(92,000.00)	(92,000.00)
	Reserve for Economic Uncertainties Balance			\$ 97,138,957	\$ (84,519,246)	\$ 12,619,711

Attachment 5 NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Attorney Public Works	Fund 100/12, City Attorney		Fund 100/12, City Attorney	
	RSC 4552, Reimbursement of Expenditures	\$ 182,749.00	4200, Litigation Expenses	\$ 182,749.00
Emergency Management H1N1 Vaccination Clinics	Fund 100/35, Emergency Management		Fund 392/34, Emergency Operations Fund	
	RSC 3702, Emergency Management Assistance	\$ 113,548.00	2130, Travel	\$ 10,000.00
			3040, Contractual Services	\$ 50,000.00
	Subtotal \$	113,548.00	6010, Office and Administrative	\$ 53,548.00
		Subtotal \$	113,548.00	
Planning Survey LA (Getty)	Fund 46Y/68, City Planning Grant Trust Fund		Fund 46Y/68, City Planning Grant Trust Fund	
	Cash Balance	\$ 723,000.00	F201, Survey LA	\$ 723,000.00
Expedited Projects	Fund 47E/68, Planning Department Expedited Permit Trust Fund		Fund 47E/68, Planning Department Expedited Permit Trust Fund	
	Cash Balance	\$ 716,368.64	F138, Fire Department	\$ 2,540.00
			F268, Planning	\$ 353,993.53
			F299, Related Costs	\$ 359,835.11
	Subtotal \$	716,368.64	Subtotal \$	716,368.64
PW/ Bureau of Street Services CRA Huntington Dr. Public Improv.	Fund 305/50, Subventions & Grants Fund		Fund 100/86, Bureau of Street Services	
	4290, Service to CRA	\$ 175,266.00	1010, Salaries, General	\$ 85,000.00
			3030, Construction Expense	\$ 60,000.00
			3040, Contractual Services	\$ 10,000.00
			6010, Office and Administrative	\$ 5,000.00
		6020, Operating Supplies	\$ 15,266.00	
Subtotal \$	175,266.00	Subtotal \$	175,266.00	
CRA 6th St. Benches & Trash Cans	Fund 305/50, Subventions & Grants Fund		Fund 100/86, Bureau of Street Services	
	3741, Revenue from Community Redevelopment Agency	\$ 54,907.00	1010, Salaries, General	\$ 30,000.00
			3030, Construction Expense	\$ 20,000.00
			3040, Contractual Services	\$ 2,000.00
		6020, Operating Supplies	\$ 2,907.00	
Subtotal \$	54,907.00	Subtotal \$	54,907.00	
CRA Streetscape Improv. Design	Fund 305/50, Subventions & Grants Fund		Fund 100/86, Bureau of Street Services	
	3741, Revenue from Community Redevelopment Agency	\$ 30,000.00	1010, Salaries, General	\$ 25,000.00
			6020, Operating Supplies	\$ 5,000.00
	Subtotal \$	30,000.00	Subtotal \$	30,000.00

Attachment 5

NEW APPROPRIATIONS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
	TRANSFER FROM		TRANSFER TO	
PW / Bureau of Street Services (cont.) Colton St. Tree Removal/Replanting	Fund 305/50, Subventions & Grants Fund	\$ 1,907.00	Fund 100/86, Bureau of Street Services	\$ 1,000.00
	3734, Reimbursement from Other Funds/Departments	\$	1010, Salaries, General	\$ 700.00
		Subtotal \$ 1,907.00	3030, Construction Expense	\$ 207.00
			6020, Operating Supplies	\$ 1,907.00
			Subtotal	\$
CA Tire Recycling Management	Fund 305/50, Subventions & Grants Fund	\$ 70,075.63	Fund 100/86, Bureau of Street Services	\$ 35,000.00
	3734, Reimbursement from Other Funds/Departments	\$	1010, Salaries, General	\$ 17,000.00
		Subtotal \$ 70,075.63	6010, Office and Administrative	\$ 18,075.63
			6020, Operating Supplies	\$ 70,075.63
			Subtotal	\$
EAD Illegal Dumping Services	Fund 100/86, Bureau of Street Services	\$ 271,777.41	Fund 100/86, Bureau of Street Services	\$ 100,000.00
	4610, Reimbursement from Other Funds/Departments	\$	1010, Salaries, General	\$ 95,777.41
		Subtotal \$ 271,777.41	3040, Contractual Services	\$ 20,000.00
			6010, Office and Administrative	\$ 56,000.00
			6020, Operating Supplies	\$ 271,777.41
			Subtotal	\$
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 2,339,598.68		\$ 2,339,598.68

Attachment 6

TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM	TRANSFER TO
	FUND/ACCOUNT	FUND/ACCOUNT
	AMOUNT	AMOUNT
Animal Services Salaries Deficit	Fund 100/06, Animal Services	Fund 100/06, Animal Services
	1070, Salaries As-needed	1010, Salaries General
	1090, Overtime	
	3040, Contractual Services	
	3310, Transportation	
	4430, Uniforms	
	4580, Animal Food	
	6010, Office and Administration	
	6020, Operating Supplies	
	Subtotal	\$ 455,880.00
City Attorney Salary Deficit	Fund 100/12, City Attorney	Fund 100/12, City Attorney
	1020, Salaries Grant Reimbursed	1010, Salaries General
	2060, Bar Dues	1010, Salaries General
	Subtotal	\$ 791,918.00
Community Development	Fund 100/22, Community Development	Fund 100/22, Community Development
	6010, Office and Administration	7300 Furniture and Equipment
Convention Center	Fund 100/48, Convention Center	Fund 100/48, Convention Center
	1010, Salaries General	1070, Salaries As-Needed
		3330, Utilities Expense Private Companies
Subtotal	\$ 430,000.00	\$ 400,000.00
Council	Fund 100/28, Council	Fund 100/28, Council
	1010, Salaries General	1070, Salaries As-Needed
Subtotal	\$ 1,000,000.00	\$ 1,000,000.00
Cultural Affairs Salaries General Deficit	Fund 100/30, Cultural Affairs	Fund 100/30, Cultural Affairs
	2120, Printing and Binding	1010, Salaries General
	6010, Office and Administrative Expense	
	Subtotal	\$ 55,151.00
Salaries, As Needed Deficit	4030, Art and Music Expense	1070, Salaries, As Needed
	9444, Community Art Classes for Youth	
Subtotal	\$ 13,811.00	\$ 59,474.00
Emergency Management RCFPG Administrative Interns	Fund 100/35, Emergency Management	Fund 100/35, Emergency Management
	1070, Salaries, As Needed	1010, Salaries, General
Subtotal	\$ 80,000.00	\$ 80,000.00
Environmental Affairs Overtime Payout per Admin Code	Fund 100/37, Environmental Affairs	Fund 100/37, Environmental Affairs
	1010, Salaries, General	1090, Overtime
Subtotal	\$ 49,500.00	\$ 49,500.00

Attachment 6

TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM	TRANSFER TO
	FUND/ACCOUNT	FUND/ACCOUNT
	AMOUNT	AMOUNT
Finance		
Special Parking MOU provision in Garland Building	Fund 100/39, Finance 2120, Printing and Binding	Fund 100/39, Finance 3310, Transportation
	\$ 23,500.00	\$ 23,500.00
Fire		
Salaries Sworn Deficit	Fund 100/38, Fire 1010, Salaries General 1030, Sworn Bontuses 1050, Unused Sick Time 1070, Salaries Overtime 1093, Overtime Constant Staffing 1098, Overtime Variable Staffing	Fund 100/38, Fire 1012, Sworn Salaries
	\$ 679,396.00 \$ 742,867.00 \$ 1,296,000.00 \$ 61,000.00 \$ 5,466,000.00 \$ 4,950,000.00 <u>Subtotal \$ 13,195,263.00</u>	\$ 13,195,263.00
Overtime Sworn Deficit	1098, Overtime Variable Staffing	1092, Overtime Sworn
	\$ 100,000.00	\$ 100,000.00
General Services		
Salaries General Deficit	Fund 100/40, General Services 1090, Overtime 6030, Leasing	Fund 100/40, General Services 1010, Salaries General
	\$ 755,000.00 \$ 245,000.00	\$ 1,000,000.00
Hiring Hall Deficit	1100, Hiring Hall Salaries	1120, Benefits Hiring Hall
	\$ 250,000.00	\$ 250,000.00
Field Equipment Expense Deficit	3330, Utilities Expense Private Company 6030, Leasing	3090, Field Equipment Expense
	\$ 200,000.00 \$ 55,000.00	\$ 255,000.00
Contractual Services Deficit	1090, Overtime	3040, Contractual Services
	\$ 150,000.00	\$ 150,000.00
Planning		
Mangrove EIR	Fund 100/68, Planning 3040, Contractual Services	Fund 100/68, Planning 1010, Salaries, General
	\$ 113,167.00	\$ 113,167.00
Preservation Internship (Gerty)	Fund 46Y/68, Planning E168, Planning	Fund 46Y/68, Planning F202, Preservation Internship
	\$ 4,000.00	\$ 4,000.00
Playa Vista Project	Fund 524/68, Major Projects Review Trust Fund 001F, Playa Vista Collection	Fund 524/68, Major Projects Review Trust Fund 201F, Playa Vista
	\$ 113,966.73	\$ 113,966.73
Westfield Project	004F, Westfield Collection	204F, Westfield 299F, Related Costs
	\$ 100,620.57	\$ 50,615.83 \$ 50,204.74 <u>Subtotal \$ 100,820.57</u>
Universal Vision Project	005F, Universal Vision Collection	205F, Universal Vision 299F, Related Costs
	\$ 57,070.00	\$ 28,283.46 \$ 28,786.54 <u>Subtotal \$ 57,070.00</u>
Metro Universal Project	006F, Metro Universal Collection	206F, Metro Universal 299F, Related Costs
	\$ 16,969.81	\$ 8,406.17 \$ 8,563.64 <u>Subtotal \$ 16,969.81</u>

Attachment 6

TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM	TRANSFER TO
FUND/ACCOUNT	FUND/ACCOUNT	FUND/ACCOUNT
	AMOUNT	AMOUNT
Police		
Multiple Deficits		
	Fund 100/70, Police	Fund 100/70, Police
	1070, Salaries, As-Needed	1010, Salaries, General
	1090, Overtime, General	1012, Salaries, Sworn
	1092, Overtime, Sworn	3040, Contractual Services
	1095, Accumulated Overtime	3110, Institutional Supplies
	2120, Printing and Binding	
	3010, Firearms, Ammunition and Other	
	3290, Traffic and Signal Expense	
	3310, Transportation Expense	
	4310, Secret Service	
	6010, Office and Administrative Expense	
	6020, Operating Supplies and Expense	
	Subtotal	Subtotal
	\$ 9,538,000.00	\$ 9,538,000.00
Public Works-Bureau of Contract Admin.		
Mileage Deficit		
	Fund 100/76, Bureau of Contract Administration	Fund 100/76, Bureau of Contract Administration
	1090, Salaries, Overtime	3310, Transportation
	\$ 20,000.00	\$ 20,000.00
Public Works-Bureau of Sanitation		
Mileage Deficit		
	Fund 100/82, Bureau of Sanitation	Fund 100/82, Bureau of Sanitation
	1010, Salaries General	3310, Transportation
	\$ 14,000.00	\$ 14,000.00
Public Works-Bureau of Street Services		
Pavement Preservation Program		
	Fund 100/86, Bureau of Street Services	Fund 100/86, Bureau of Street Services
	1010, Salaries, General	3030, Construction Expense
	\$ 5,000,000.00	\$ 5,000,000.00
Human Resources Benefits Fund		
	Fund 100/61, Human Resources Benefits Fund	Fund 100/61, Human Resources Benefits Fund
	3040, Contractual Services	9100, Unemployment Insurance
	\$ 1,500,000.00	\$ 1,500,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		TOTAL ALL DEPARTMENTS AND FUNDS
\$ 34,433,680.11		\$ 34,433,680.11

Attachment 7

TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
City Attorney Salaries General Deficit	Fund 368/12, City Attorney 000A, Prior Year Grant Programs	\$ 200,000.00		Fund 100/12, City Attorney 1010, Salaries General	\$ 200,000.00	
City Clerk	Fund 45V/14, Intellectual Property Fund F112, City Attorney	\$ 145,000.00		Fund 100/12, City Attorney 1010, Salaries General	\$ 145,000.00	
Public Works	Fund 760/Sewer Construction and Maintenance F282, Contractual Services Line Item 38	\$ 182,749.00		Fund 100/12, City Attorney RSC 4552, Reimbursement of Expenditures	\$ 182,749.00	
General Services Police Helicopter Equip. Install	Fund 100/40, General Services 1010, Salaries General	\$ 84,000.00		Fund 298/70, Municipal Improvement Corporation of Los Angeles C735, Police Helicopters - MICLA CP08	\$ 84,000.00	
Information Technology LINX Replacement	Fund 100/61, Human Resources Benefits 9910, Workers Compensation	\$ 1,600,400.00		Fund 100/58, Unappropriated Balance 0219, LINX Replacement	\$ 1,600,400.00	
Mayor 2007 State Homeland Security Grant Program (GIS Vehicle)	Fund 49T/46, Mayor E938, L.A. Fire Department Equipment	\$ 363,000.00		Fund 100/38, Los Angeles Fire Department 7340, Transportation Equipment	\$ 363,000.00	
Planning Preservation Internship (Gety)	Fund 46Y/68, Planning F202, Preservation Internship	\$ 4,000.00		Fund 100/68, Planning RSC 4610, Reimbursement from Other Funds/Depts	\$ 4,000.00	
Playa Vista Project direct costs, 2007-08	Fund 524/68, Major Projects Review Trust Fund 201F, Playa Vista	\$ 113,966.73		Fund 48E/08, Building and Safety RSC 4610, Reimbursement from Other Funds/Depts	\$ 113,966.73	
Westfield Project direct costs, 2009-10	Fund 524/68, Major Projects Review Trust Fund 204F, Westfield 289F, Related Costs	\$ 50,615.83 \$ 50,204.74		Fund 100/68, Planning RSC 4610, Reimbursement from Other Funds/Depts RSC 4694, Major Projects Review Related Costs	\$ 33,072.42 \$ 33,618.12	
				Fund 100/78, Engineering RSC 4610, Reimbursement from Other Funds/Depts RSC 4694, Major Projects Review Related Costs	\$ 14,725.33 \$ 16,566.62	
				Fund 438/50, Construction Services Trust Fund RSC 4229, One-Stop Permit Fee	\$ 626.24	
				Fund 568/50, Engineering Equipment & Training Trust Fund RSC 4233, Equipment & Training Surcharge	\$ 2,191.84	
		Subtotal \$ 100,820.57			Subtotal \$ 100,820.57	

Attachment 7

TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Planning (cont.) Universal Vision Project direct costs, 2009-10	Fund 524/68, Major Projects Review Trust Fund		Fund 100/68, Planning		
	205F, Universal Vision	\$ 28,283.46	RSC 4610, Reimbursement from Other Funds/Depts	\$ 28,043.38	
	299F, Related Costs	\$ 28,786.54	RSC 4694, Major Projects Review Related Costs	\$ 28,506.10	
		Subtotal \$ 57,070.00		Subtotal \$ 57,070.00	
Metro Universal Project direct costs, 2009-10	Fund 524/68, Major Projects Review Trust Fund		Fund 100/68, Planning		
	206F, Metro Universal	\$ 8,406.17	RSC 4610, Reimbursement from Other Funds/Depts	\$ 8,282.49	
	299F, Related Costs	\$ 8,563.64	RSC 4694, Major Projects Review Related Costs	\$ 8,419.16	
		Subtotal \$ 16,969.81		Subtotal \$ 16,969.81	
Expedited Projects * direct costs, 2009-10	Fund 47E/68, Planning Expedited Permit Trust Fund		Fund 100/38, Fire Department		
	F138, Fire Department	\$ 2,540.00	1092, Overtime Sworn	\$ 2,540.00	
			Fund 100/68, Planning		
			RSC 4610, Reimbursement from Other Funds/Depts	\$ 353,993.53	
			\$ 359,835.11		
		Subtotal \$ 716,368.64		Subtotal \$ 716,368.64	
Public Works-Bureau of Engineering 2010 Storm Damage	Fund 100/78, Bureau of Engineering		Fund 100/54, Capital Improvement Expenditure Program		
	1010, Salaries General	\$ 250,000.00	NEW, Storm Damage Projects - 2010	\$ 250,000.00	
			Fund 508/50, Solid Waste Resources Revenue Fund		
			1010, Cash Balance	\$ 5,073,114.00	
Public Works-Bureau of Sanitation CAP Rate and SKVC Reduction	Fund 508/50, Solid Waste Resources Revenue Fund		Fund 511/50, Stormwater Pollution Abatement Fund		
	F299, Related Costs	\$ 5,073,114.00	F299, Related Costs	\$ 1,000,000.00	
			Fund 508/50, Solid Waste Resources Revenue Fund		
			RSC 4552, Reimbursement of Expenditures	\$ 116,222.00	
SPA Related Costs**	Fund 100/82, Bureau of Sanitation		Fund 100/74, Board of Public Works		
	1010, Salaries General	\$ 1,000,000.00	3040, Contractual Services	\$ 20,000.00	
			Fund 508/50, Solid Waste Resources Revenue Fund		
			RSC 4552, Reimbursement of Expenditures	\$ 116,222.00	
Refuse Trucks Debt Service	Fund 50D/50, Multi-family Bulky Item Fund		Fund 100/74, Board of Public Works		
	F508, Solid Waste Resources Account	\$ 116,222.00	3040, Contractual Services	\$ 20,000.00	
			Fund 508/50, Solid Waste Resources Revenue Fund		
			RSC 4552, Reimbursement of Expenditures	\$ 116,222.00	
LACC Educational Outreach	Fund 100/82, Bureau of Sanitation		Fund 508/50, Solid Waste Resources Revenue Fund		
	6010, Office & Admin (MSBIF)	\$ 20,000.00	RSC 4552, Reimbursement of Expenditures	\$ 750,000.00	
				\$ 750,000.00	
			Subtotal \$ 750,000.00	Subtotal \$ 750,000.00	
Non-Residential Tip Fees for Yard Trimmings	Fund 46D/50, Citywide Recycling Trust Fund		Fund 508/50, Solid Waste Resources Revenue Fund		
	F508, Solid Waste Resources Account	\$ 750,000.00	RSC 4552, Reimbursement of Expenditures	\$ 750,000.00	
				\$ 750,000.00	
			Subtotal \$ 750,000.00	Subtotal \$ 750,000.00	

Attachment 7

TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Public Works-Bureau of Sanitation (cont.) Community Amenities Fee	Fund 100/82, Bureau of Sanitation 3040, Contractual Services (SWRF) Fund 47R/CLARTS F330, Community Amenities Fee	\$ 247,416.00 \$ 24,390.00 <u>271,806.00</u>		Fund 100/14, City Clerk (47S/14, CLARTS, City Clerk) 3040, Contractual Services	\$ 271,806.00	
SWRRF Accounting Costs	Fund 508/50, Solid Waste Resources Revenue Fund E282, Bureau of Sanitation	\$ 66,000.00		Fund 100/74, Board of Public Works 1010, Salaries General	\$ 66,000.00	
Public Works-Bureau of Street Services Department of Transportation Parking Lot Cleaning	Fund 363/94/0030, Special Parking Revenue Fund 0030, Maintenance Repair & Utility Service for Off-Street Parking Lots	\$ 140,000.00		Fund 100/86, Department of P.W. Bureau of Street Services 1010, Salaries, General	\$ 140,000.00	
Transportation Parking Meter Study Funding Correction	Fund 100/53 Capital Finance Administration Fund 0170, General Administration	\$ 200,000.00		Fund 100/58, Unappropriated Balance 0250, Public-Private Partnership Parking (Special Parking Revenue Fund Source)	\$ 200,000.00	
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 11,471,486.75			\$ 11,471,486.75	

* Reimbursement to occur upon receipt of funds.

**Contingent upon Council approval of Proposition O Clean Water Bond appropriations recommended in Construction Projects Report (C.F. 09-2535-S2)

Attachment 8

APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

DEPARTMENT	APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
City Attorney	Fund 100/58, Unappropriated Balance	Fund 100/12, City Attorney	
Salary Deficit and Outside Counsel Expenditures	0197, Outside Counsel Inc Workers Comp	1010, Salaries General	\$ 500,000.00
		9302, Outside Counsel Workers Comp	\$ 50,000.00
		Subtotal	\$ 550,000.00
GSD	Fund 100/58, Unappropriated Balance	Fund 100/40, General Services Department	
Salary Deficit	0237, GSD - New City Facilities	1010 Salaries, General	\$ 4,800,000.00
Treasurer	Fund 100/58, Unappropriated Balance	Fund 100/96, Treasurer	
Bank Fees	0243, Bank Fees	4040, Bank Service Fees	\$ 2,500,000.00
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE			\$ 7,850,000.00

Attachment 9

TRANSFERS TO THE RESERVE FOR ECONOMIC UNCERTAINTIES

DEPARTMENT	APPROPRIATE FROM:	AMOUNT	APPROPRIATE TO:	AMOUNT
Aging	<u>Fund 100/02, Aging</u>	1,479.00	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainties	\$ 8,211,947.00
	2120, Printing and Binding	200.00		
	2130, Travel	4,100.00		
	3040, Contractual Services	275.00		
	3310, Transportation	10,000.00		
	Subtotal	<u>16,054.00</u>		
Building and Safety	<u>Fund 100/08, Building and Safety</u>	13,834.00		
	6010, Office and Administrative			
Clerk	<u>Fund 100/14, Clerk</u>	50,000.00		
	1010, Salaries General	64,000.00		
	1090, Salaries Overtime	29,694.00		
	6010, Office and Administrative	143,694.00		
	Subtotal	<u>143,694.00</u>		
Controller	<u>Fund 100/26, Controller</u>	26,500.00		
	1010, Salaries General			
Disability	<u>Fund 100/65, Disability</u>	77,000.00		
	1010, Salaries General			
Emergency Management	<u>Fund 100/35, Emergency Management</u>	100,000.00		
	1010, Salaries General	1,000.00		
	6010, Office and Administrative	101,000.00		
	Subtotal	<u>101,000.00</u>		
Employee Relations	<u>Fund 100/36, Employee Relations</u>	10,000.00		
	3040, Contractual Services			
Ethics	<u>Fund 100/61, Non-Departmental General Fund</u>	60,300.00		
	0534, City Ethics Commission			

Attachment 9

TRANSFERS TO THE RESERVE FOR ECONOMIC UNCERTAINTIES

DEPARTMENT	APPROPRIATE FROM:	AMOUNT	APPROPRIATE TO:	AMOUNT
Finance	<u>Fund 100/39, Finance</u>			
	1090, Salaries Overtime	111,847.00		
	2120, Printing and Binding	102,218.00		
	2130, Travel	2,800.00		
	3040, Contractual Services	18,155.00		
	6010, Office and Administrative	86,025.00		
	Subtotal	321,045.00		
Fire	<u>Fund 100/38, Fire</u>			
	1010, Salaries General	134,000.00		
	1050, Unused Sick Time	80,000.00		
	3030, Construction Materials	44,000.00		
	4430, Uniforms	500,000.00		
	Subtotal	758,000.00		
General Services	<u>Fund 100/40, General Services</u>			
	3330, Util Exp Pvt Companies	250,000.00		
Human Services	<u>Fund 100/43, Human Services</u>			
	1010, Salaries General	418,000.00		
	1070, Salaries As-Needed	14,500.00		
	2120, Printing and Binding	20,000.00		
	3040, Contractual Services	45,700.00		
	3310, Transportation	6,100.00		
	6010, Office and Administrative	19,200.00		
6020, Operating Supplies	33,300.00			
	Subtotal	556,800.00		
Information Technology	<u>Fund 100/32, Information Technology</u>			
	1090, Salaries, Overtime	50,000.00		
	2120, Printing and Binding	20,000.00		
	6020, Operating Supplies	100,000.00		
	Subtotal	170,000.00		

Attachment 9

TRANSFERS TO THE RESERVE FOR ECONOMIC UNCERTAINTIES

DEPARTMENT	APPROPRIATE FROM:	AMOUNT	APPROPRIATE TO:	AMOUNT	
Neighborhood Empowerment	Fund 100/47, Neighborhood Empowerment				
	1010, Salaries, General	130,000.00			
	2120, Printing and Binding	76,800.00			
	3040, Contractual Services	128,300.00			
	6010, Office and Administrative Expenses	2,900.00			
	6020, Operating Supplies	2,100.00			
	9350, Communication Services	4,200.00			
	Subtotal	<u>344,300.00</u>			
Personnel	<u>Fund 100/66, Personnel</u>				
	2130, Travel	60,000.00			
	3040, Contractual Services	450,000.00			
	3190, Medical Supplies	61,600.00			
	3310, Transportation Expenses	45,000.00			
	4260, Oral Board Expenses	10,000.00			
	6010, Office and Administrative	600,000.00			
	9570, Tuition Reimbursement	95,200.00			
	9590, Police Officer Recruitment Incentive Program	50,000.00			
		Subtotal	<u>1,371,800.00</u>		
	Planning	<u>Fund 100/68, Planning</u>			
1010, Salaries General		88,992.00			
2120, Printing and Binding		170,417.00			
3040, Contractual Services		550,527.00			
6010, Office and Administrative		263,274.00			
6020, Operating Supplies		50,000.00			
	Subtotal	<u>1,123,210.00</u>			
Public Works, Board	<u>Fund 100/74, Public Works Board</u>				
	1010, Salaries General	125,000.00			
	2120, Printing and Binding	2,308.00			
	3040, Contractual Services	3,530.00			
	6010, Office and Administrative	23,583.00			
	6020, Operating Supplies	6,600.00			
	Subtotal	<u>161,021.00</u>			

Attachment 9

TRANSFERS TO THE RESERVE FOR ECONOMIC UNCERTAINTIES

DEPARTMENT	APPROPRIATE FROM:	AMOUNT	APPROPRIATE TO:	AMOUNT
Public Works, Contract Administration Fund 100/76, Contract Administration	1010, Salaries General	2,000,000.00		
	1090, Salaries Overtime	337,000.00		
	2120, Printing and Binding	4,000.00		
	6010, Office and Administrative	10,000.00		
	6020, Operating Supplies and Expense	13,450.00		
	Subtotal	2,364,450.00		
Transportation	Fund 100/94, Transportation			
	2120, Printing & Binding	5,685.00		
	3030, Construction Expense	12,060.00		
	3350, Paint and Sign Maintenance and Repairs	102,000.00		
	3360, Signal Supplies & Repairs	200,000.00		
	Subtotal	329,745.00		
Treasurer	100/96, Treasurer			
	3040, Contractual Services	9,244.00		
	1090, Salaries Overtime	3,950.00		
	Subtotal	13,194.00		
TOTAL APPROPRIATIONS TO THE UNAPPROPRIATED BALANCE		\$ 8,211,947.00		\$ 8,211,947.00

Attachment 12
VOLUNTARY FURLOUGH FY 2009/10 - RECAP BY DEPARTMENT - 5/31/10

Department	PP 1 - 20 (6/21/09-3/27/10)		PP 21 (3/28-4/10)		PP 22 (4/11-4/24)		PP 23 (4/25-5/8)		PP 24 (5/9-5/22)		TOTAL	
	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars
Aging	210	\$ 7,719.38	2	\$ 68.00	4	\$ 162.74	2	\$ 68.00	5	\$ 210.11	223	\$ 8,228.23
Animal Services	930	\$ 22,800.16	18	\$ 431.36	16	\$ 374.39	41	\$ 970.66	50	\$ 1,227.79	1,055	\$ 25,804.36
Building & Safety	1,881	\$ 66,166.04	65	\$ 2,515.35	17	\$ 457.46	69	\$ 1,965.44	38	\$ 1,319.55	2,070	\$ 72,423.84
CAO	342	\$ 15,135.28	8	\$ 320.88	10	\$ 363.12	12	\$ 394.80	11	\$ 384.24	383	\$ 16,598.32
CDD	217	\$ 6,156.06					8	\$ 249.68			225	\$ 6,405.74
City Attorney	668	\$ 34,605.31	57	\$ 3,234.14	13	\$ 833.36	23	\$ 1,194.00	100	\$ 6,223.98	851	\$ 46,090.79
City Clerk	125	\$ 5,376.75									125	\$ 5,376.75
Comptroller	96	\$ 3,021.12	24	\$ 1,505.88							120	\$ 4,527.00
Convention Center	14	\$ 272.36									14	\$ 272.36
Council	5,611	\$ 206,726.63	718	\$ 24,875.00	491	\$ 18,258.39	386	\$ 13,911.74	440	\$ 14,963.59	7,646	\$ 278,735.25
Cultural Affairs	382	\$ 12,113.79	26	\$ 844.49	43	\$ 1,420.70	58	\$ 1,950.80	32	\$ 1,061.60	541	\$ 17,391.38
Disability	0	\$ -									0	\$ -
DONE	541	\$ 22,938.99	15	\$ 571.31							556	\$ 23,510.30
El Pueblo	22	\$ 655.75									22	\$ 655.75
Emergency Mgmt	40	\$ 3,277.60									40	\$ 3,277.60
ERB	314	\$ 17,885.44	8	\$ 455.68	8	\$ 455.68	16	\$ 911.36	16	\$ 509.40	362	\$ 20,217.56
Environmental Affairs	50	\$ 2,005.50	36	\$ 1,443.96							13	\$ 911.36
Ethics	551	\$ 20,488.89	23	\$ 873.77	24	\$ 962.64	16	\$ 641.76	22	\$ 882.42	636	\$ 23,849.48
Finance	434	\$ 12,259.62	27	\$ 511.38	18	\$ 363.65	4	\$ 107.96	5	\$ 107.96	488	\$ 13,350.57
Fire	770	\$ 21,547.22	9	\$ 212.36	12	\$ 279.06	10	\$ 233.48	40	\$ 955.23	841	\$ 23,227.35
General Services	2,731	\$ 77,255.17	181	\$ 4,443.77	92	\$ 2,471.25	108	\$ 3,376.82	83	\$ 2,378.22	3,195	\$ 89,925.23
Harbor	27	\$ 1,356.29					8	\$ 414.48			35	\$ 1,770.77
Housing	1,852	\$ 53,491.52	71	\$ 2,047.31	60	\$ 1,923.16	66	\$ 2,083.64	39	\$ 1,384.72	2,088	\$ 60,930.35
Human Services	72	\$ 3,156.80	8	\$ 519.20	-8	\$ (519.20)			1	\$ 22.28	73	\$ 3,179.08
ITA	993	\$ 39,993.97					-32	\$ (1,788.16)	49	\$ 2,548.76	1,010	\$ 40,754.57
LACERS	1,909	\$ 56,899.04	37	\$ 770.88	45	\$ 1,299.09	9	\$ 528.21	9	\$ 528.21	2,009	\$ 60,025.43
Library	4,034	\$ 122,369.56	114	\$ 3,553.06	97	\$ 3,107.29	177	\$ 5,260.59	157	\$ 4,635.46	4,579	\$ 138,925.96
Mayor	410	\$ 13,498.27	72	\$ 1,293.84	40	\$ 718.80					522	\$ 15,510.91
Pensions	0	\$ -									0	\$ -
Personnel	1,728	\$ 58,404.01	97	\$ 2,854.76	84	\$ 3,038.17	86	\$ 3,449.17	73	\$ 2,881.78	2,068	\$ 70,627.89
Planning	39	\$ 1,420.72									39	\$ 1,420.72
Police	7,364	\$ 228,358.41	462	\$ 14,838.46	579	\$ 19,191.25	773	\$ 24,919.77	882	\$ 29,465.97	10,060	\$ 316,773.86
PW Board	312	\$ 9,315.77	11	\$ 335.37	26	\$ 882.94	12	\$ 361.44	2	\$ 52.14	363	\$ 10,947.66
PW Con Admin	571	\$ 20,165.27	2	\$ 52.14	26	\$ 946.14	21	\$ 534.44	20	\$ 521.40	640	\$ 22,219.39
PW Engineering	6,141	\$ 281,343.20	219	\$ 9,025.90	232	\$ 9,550.40	181	\$ 7,451.91	201	\$ 8,874.94	6,974	\$ 296,246.35
PW Sanitation	1,768	\$ 56,815.41	177	\$ 6,374.22	75	\$ 2,839.47	51	\$ 2,149.43	35	\$ 1,446.55	2,106	\$ 69,625.08
PW Street Lighting	42	\$ 1,161.48			2	\$ 52.14					44	\$ 1,213.62
PW Street Services	1,105	\$ 30,424.34	15	\$ 309.07	9	\$ 304.81	16	\$ 369.33	35	\$ 766.59	1,180	\$ 32,174.14
Rec & Parks	2,142	\$ 59,218.88	6	\$ 144.03	30	\$ 650.99	36	\$ 875.54	46	\$ 1,279.95	2,260	\$ 62,169.39
Transportation	803	\$ 24,596.74	13	\$ 890.57	13	\$ 864.50	27	\$ 1,043.93	25	\$ 991.79	881	\$ 28,387.53
Treasurer	101	\$ 2,994.82	26	\$ 672.30	12	\$ 295.67	13	\$ 554.65	26	\$ 867.83	178	\$ 5,385.27
Zoo	561	\$ 15,114.81	24	\$ 689.76	10	\$ 297.58	37	\$ 829.11	20	\$ 569.36	652	\$ 17,500.62
TOTAL	47,893	\$ 1,618,506.27	2,571	\$ 86,678.20	2,080	\$ 71,845.64	2,234	\$ 75,013.98	2,475	\$ 87,973.18	57,253	\$ 1,940,017.27

Attachment 13
Gang Reduction and Youth Development Contracted Agencies
FY 2009-2010

GRYD ZONE	PREVENTION AGENCY	COUNCIL DISTRICTS	CONTRACT PERIOD	AMOUNT FROM GENERAL FUNDS	AMOUNT FROM GRANTS	FULL CONTRACT AMOUNT
77th II	Asian American Drug Abuse Program	8,9	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Baldwin Village	Community Build	8,10	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Boyle Heights	Alma Family Services	14	7/01/09 - 6/30/10	\$ 760,000.00	\$ 270,000	\$ 1,030,000
Cypress Park	Children's Hospital	1,13,14	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Florence-Graham	Los Angeles Metropolitan Churches	8,9	7/01/09 - 6/30/10 (10/1/09 - 10/31/09 suspended)	\$ 746,000	\$ 254,000	\$ 1,000,000
Newton	People Coordinating Services	9	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Pacolina	El Nido Family Services	7	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Panorama City	New Directions for Youth	6,7	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Ramona Gardens	Violence Intervention Program	1,14	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Rampart	El Centro Del Pueblo	1,10,13	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Southwest II	Brotherhood Crusade	8,9	7/01/09 - 6/30/10	\$ 1,000,000	\$ -	\$ 1,000,000
Watts	LACC	8,15	7/1/09 - 12/15/09	\$ 416,667	\$ -	\$ 416,667
Watts	Watts Labor Community Action Committee	8,15	12/01/09 - 6/30/10	\$ 583,333	\$ -	\$ 583,333
Non GRYD (Watts)	Watts Labor Community Action Committee	15	10/01/09 - 6/30/10	\$ 280,500	\$ -	\$ 280,500
Non GRYD (Highland PK)	Halshaw-Sycamore Family Centers	1,14	10/01/09 - 6/30/10	\$ 280,500	\$ -	\$ 280,500
Non GRYD (Wilshire)	Asian American Drug Abuse Program	8,9	10/01/09 - 6/30/10	\$ 280,500	\$ -	\$ 280,500
Non GRYD (Valley)	Child & Family Guidance Center	3	10/01/09 - 6/30/10	\$ 280,500	\$ -	\$ 280,500
TOTAL				\$ 12,628,000	\$ 524,000	\$ 13,152,000

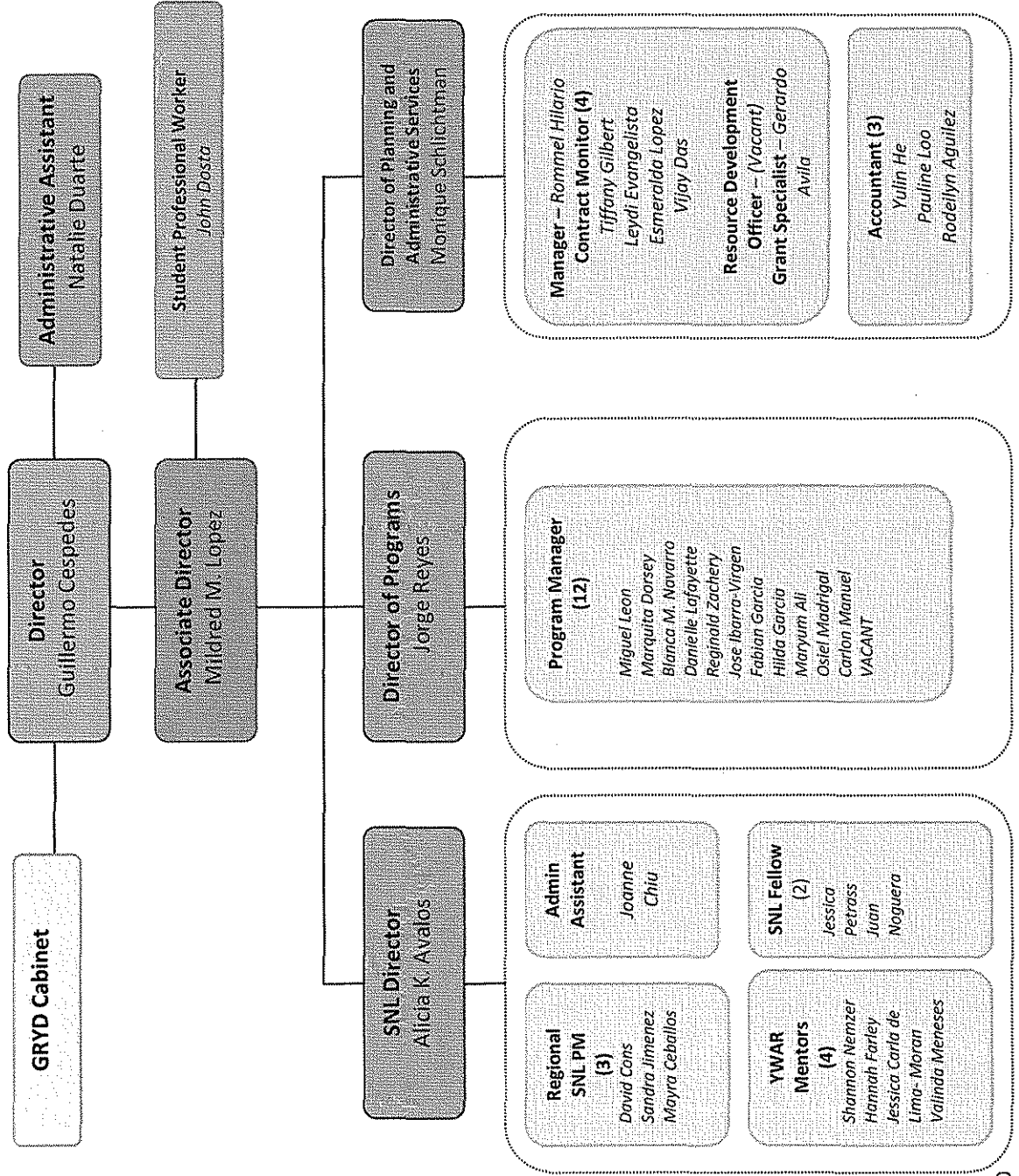
Attachment 13
Gang Reduction and Youth Development Contracted Agencies
FY 2009-2010

GRYD ZONE	INTERVENTION AGENCY	COUNCIL DISTRICTS	CONTRACT PERIOD	GENERAL FUNDS	GRANTS	FULL CONTRACT AMOUNT
77th II	Venice 2000/HELPER Foundation	8,9	8/01/09 - 6/30/10	\$ 416,667	\$ -	\$ 416,667
Baldwin Village	Community Build	8,10	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Boyle Heights	Soledad Enrichment Agency	14	10/01/09 - 6/30/10	\$ -	\$ 375,000	\$ 375,000
Cypress Park	Aztecs Rising	1,13,14	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Florence-Graham	Soledad Enrichment Agency	8,9	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Newton	Soledad Enrichment Agency	9	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Pacoima	Communities in School	7	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Panorama City	Communities in School	6,7	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Ramona Gardens	Soledad Enrichment Agency	1,14	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Rampart	Aztecs Rising	1,10,13	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Southwest II	Venice 2000/HELPER Foundation	8,9	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Watts	KUSH Reaching Out, Inc.	8,15	10/01/09 - 6/30/10	\$ 375,000	\$ -	\$ 375,000
Non GRYD (Harbor)	Toberman Neighborhood Center	15	10/01/09 - 6/30/10	\$ 337,500	\$ -	\$ 337,500
Non GRYD (Venice)	Venice 2000/HELPER Foundation	11	10/01/09 - 6/30/10	\$ 168,750	\$ -	\$ 168,750
Non GRYD (Belmont)	Aztecs Rising	1,13	10/01/09 - 6/30/10	\$ 168,750	\$ -	\$ 168,750
TOTAL				\$ 4,841,667	\$ 375,000	\$ 5,216,667

GRYD ZONE	AGENCY	COUNCIL DISTRICTS	CONTRACT PERIOD	GENERAL FUNDS	GRANTS	FULL CONTRACT AMOUNT
ALL (SNL)	LA Conservation Corps	ALL	6/1/09-9/30/09	\$ 210,000	\$ -	\$ 210,000
ALL (SNL)	LA Conservation Corps	ALL	6/1/09-9/30/09	\$ -	\$ 540,000	\$ 540,000
ALL (SNL)	LA Conservation Corps	ALL	6/1/09-9/30/09	\$ 30,000	\$ -	\$ 30,000
TOTAL				\$ 240,000	\$ 540,000	\$ 780,000

GRYD ZONE	EVALUATION	COUNCIL DISTRICTS	CONTRACT PERIOD	GENERAL FUNDS	GRANTS	FULL CONTRACT AMOUNT
N/A	Urban Institute	ALL	4/01/09 - 6/30/10	\$ 730,000	\$ 170,000	\$ 900,000
	Homeboy Industries (Re-entry)	14	9/1/09 - 6/30/10	\$ -	\$ 240,000	\$ 240,000
	Athena Software	ALL	10/1/09 - 9/30/10	\$ -	\$ 80,000	\$ 80,000
	LAMITA	ALL	1/1/10 - 12/31/10	\$ 200,000	\$ -	\$ 200,000
TOTAL				\$ 930,000	\$ 490,000	\$ 1,420,000
				\$ 18,639,667	\$ 1,929,000	\$ 20,568,667

Attachment 13 Mayor's Office of Gang Reduction and Youth Development (GRYD) Organizational Chart (2009-10)



**Attachment 14
STATUS OF FEE INCREASES FUNDING THE 2009-10 BUDGET**

General Fund

Department	Type of Fee	Proposed Change	Proposed Implementation Date	Effective Date	Notes
Building and Safety	Non-compliance fee	Increase the fee, net revenue change is \$880,000.	10/01/2009	10/21/2009	Increased non-compliance fee for failure to comply with Orders to Comply. The Ordinance passed and new fees became effective October 21, 2009. The Department expects to meet the increased revenue target.
Fire	Film Spot Check Fee	Increase to \$126 per permit, net revenue change is (\$181,000) due to subsidy.	10/01/2009		Film Spot Check fee to be increased to \$126 per permit. The incremental difference above the current \$85 fee will be waived to support new film production in Los Angeles. Instruct LAFD and CAO to report back in 6 months on: number of permits granted for single site and multiple site inspections; recommended adjustments to the waiver for achieving cost recovery based on location data; and an analysis of the impact on overall filming activity.
Fire	Brush Clearance Initial Inspection	Increase fee, net revenue change is \$1,410,000.	10/01/2009	6/24/1999*	Fee increase on schedule for last quarter of Fiscal Year. Revenue of \$1.4 million projected in 2010-11
Fire	Brush Clearance Re-inspection	Increase fee, net revenue change is \$650,000.	10/01/2009	6/24/1999*	Fee increase on schedule for last quarter of Fiscal Year. Revenue of \$650,000 projected in 2010-11.
Fire	Industrial Building Inspection	Increase fee, net revenue change is \$1 million.	10/01/2009		Fee increase scheduled to begin collection between January and March 2011. Revenue of \$1 million projected in 2010-11.
Planning	Planning fees	Nine months revenue collections are \$6 million	10/1/2009	10/26/2009	Based on comprehensive fee study. Fee ordinance approved August 14, 2009 with an expected implementation date of October 26, 2009.
Engineering	Various fee increases	Net revenue change is \$100,000.	7/1/2009	7/11/2009	Board of PW to take necessary action to increase various Engineering fees.
Treasurer	Purchasing card	Net revenue change is \$121,000.	7/1/2009	7/1/2009	Recognize additional revenues from the Treasurer's Purchasing Card Rebate Program

*Implementation of the Brush Clearance Fees occurred the end of the 3rd Quarter 2010.