

CITY OF LOS ANGELES

CALIFORNIA



JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer

Office of the
CITY CLERK

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ANTONIO R. VILLARAIGOSA
MAYOR

December 28, 2010

To All Interested Parties:

City Attorney (w/ blue slip)

The City Council adopted the action(s), as attached, under Council file

No. 10-0600-S51, at its meeting held December 15, 2010.

City Clerk
VCW

Mayor's Time Stamp
OFFICE OF THE
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2010 DEC 21 PM 3:02
CITY OF LOS ANGELES

FORTHWITH

City Clerk's Time Stamp
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CITY CLERK
BY _____ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 10-0600-S51

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE December 15, 2010

RE: SECOND FINANCIAL STATUS REPORT FOR FISCAL YEAR 2010-11

JAN 03 2011

LAST DAY FOR MAYOR TO ACT _____
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED

✓

*DISAPPROVED

*Transmit objections in writing
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL

DEC 23 2010



MAYOR

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2010 DEC 27 AM 9:57
CITY CLERK
BY _____ DEPUTY

23
COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

File No. 10-0600-S51

**FROM: COUNCILMEMBER BERNARD C. PARKS, CHAIR
BUDGET AND FINANCE COMMITTEE**

COMMUNICATION FROM CHAIR, BUDGET AND FINANCE (BF) COMMITTEE relative to the Second Financial Status Report for Fiscal Year (FY) 2010-11.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the recommendations of the City Administrative Officer (CAO) contained in the Second Financial Status Report, dated December 10, 2010, attached to the Committee report (Attachment A).
2. INSTRUCT CAO to report on debt service for the purchase of 32 replacement ambulances for the Los Angeles Fire Department (LAFD).
3. TRANSFER \$3,500,000 between accounts within the Bureau of Sanitation as specified in Attachment B, attached to the Committee report.
4. INSTRUCT all General Managers to implement their departmental budgets as adopted for FY 2010-11 including any items that are still pending and propose solutions for any projected budget deficits.
5. REQUEST the City Attorney to submit by January 2011 all outstanding ordinances needed for revenue generation as adopted in the Budget for 2010-11.
6. REQUEST the City Attorney to report in January 2011 with an update on all outstanding litigation and potential exposure for the City.
7. INSTRUCT the CAO and Chief Legislative Analyst to report with an action plan in January 2011 including an update on revenue projections noting significant shortfalls and providing options to address any budget deficits projected for the next six months.
8. INSTRUCT the Los Angeles Fire Department (LAFD) and REQUEST the Mayor's Office to report to Council relative to the delay in implementing its adopted budget and on its plan to reduce Constant Staffing Overtime expense by implementing an expanded Modified Coverage Plan using Adam software analysis.
9. INSTRUCT the CAO, with assistance from the Los Angeles Police Department (LAPD), to provide a chart to Council identifying the savings proposed by the LAPD to provide the difference between its November 16, 2010 operational plan and its current financial status.
10. INSTRUCT the CAO to report to BF Committee in January 2011 on Cost Allocation Plan (CAP) rates.

11. INSTRUCT the Planning Department to report back with an update on the existing Community Plan.
12. INSTRUCT the Emergency Management Department to report back with options that identify funds to offset the proposed use of funds from the Emergency Operations Fund and Sewer Construction and Maintenance Fund.
13. DIRECT the Library Department to report back on its volunteer program.
14. INSTRUCT the CAO to report back on the City Attorney's proposal to appropriate funds from the Consumer Protection Trust Fund and the funding of consumer protection litigation.
15. INSTRUCT the Los Angeles Department of Transportation to report back on the revenue shortfall for parking fines.

Fiscal Impact Statement: The CAO reports that a total departmental deficit of \$33.14 million exists across all departments. This deficit reflects: 1) the \$23.64 million total departmental deficit-after excluding \$3 million in savings from layoffs-reported in the pending 2010-11 Operational Plan report (C.F No. 10-0600-S48); and, 2) a new liability of \$9.5 million for the Police Department. No adjustment to budgeted revenue, including revenue from the P3 concession agreement, is recommended at this time. Transfers, appropriations and other adjustments totaling approximately \$58.9 million are recommended in Sections 1 and 2 of this report. Of these transactions, \$17.4 million consists of solutions proposed by departmental operational plans. Transactions totaling \$4.6 million are transfers to address the total departmental deficit, which, if approved, reduces the remaining departmental deficit to \$28.5 million.

Community Impact Statement: None submitted.

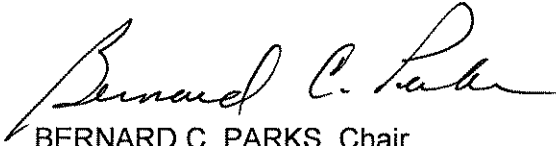
SUMMARY

At its meeting of December 13, 2010, the Chair and Vice Chair of the Budget and Finance Committee considered the CAO's Second Financial Status Report (FSR) for FY 2010-11. The Second FSR provides an update on the current-year budget; including deficits reported in the First FSR and the 2010-11 Operational Plan, recommended solutions, trends in revenues, the Reserve Fund, four-year outlook, and current issues of concern and their potential impact to the City. Recommendations totaling \$58.9 million for appropriations, transfers and other budgetary adjustments are included in the report.

Representatives of the CAO presented an overview of the FSR report and provided detailed recommendations for each department to the BF Committee. Departmental representatives added clarification and responded to related questions from Committee members. After additional consideration and an opportunity for public comment, the Committee Chair recommended approval of the CAO recommendations contained in the Second FSR for FY 2010-11 and recommended amendments and additional instructions as reflected above.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,



BERNARD C. PARKS, Chair
Budget and Finance Committee

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| PARKS: | YES |
| SMITH: | ABSENT |
| ROSENDAHL: | ABSENT |
| HUIZAR: | ABSENT |
| KORETZ: | ABSENT |

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Attachment
10-0600-S51_rpt_bfc_12-14-10

ADOPTED

DEC 15 2010

**LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH**

NOT OFFICIAL UNTIL COUNCIL ACTS

MAYOR WITH FILE