

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: September 29, 2011

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Council File No. 11-0600

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: 2011-12 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

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**SUMMARY**

Pursuant to the City Charter Section 291, 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 such, this Office is transmitting the First Financial Status Report (FSR) for this fiscal year. This report summarizes the close-out of the 2010-11 budget and provides an update on the current-year budget—including the projected departmental deficits, early trends in revenues, the Reserve Fund, and current issues of concern and their potential impact to the City. Recommendations totaling \$129.9 million for appropriations, transfers and other budgetary adjustments are included in this report.

Shortly after the start of the fiscal year, the Council and Mayor approved budget adjustments to most departments to address salary shortfalls that were anticipated to occur based on the recently approved agreements with employee bargaining units (C.F. No. 11-0600-S104). At this time, only three departments are projecting shortfalls within their budgets. The total for Animal Services Department, Fire Department and Police Department may be as high as \$13.3 million, representing projected expenditures in excess of their department budget. These expenditures include new and deferred bargaining unit payouts, salary bonuses, sworn overtime, and civilian salary costs from reduced furloughs. However, other departments are not currently reporting any deficits at this time due to the aforementioned transfer and the realization of savings from negotiated savings measures, including the non-payment of cash overtime and excess sick leave and the freezing of salary step increases. While additional savings in department budgets may be realized, it is too early in the fiscal year to project whether such savings would be sufficient to offset the deficits for the Animal Services, Fire and Police Departments. Additionally, other variables, such as continuing negotiations with the Engineers and Architects Association and other bargaining units will likely affect the projections made in this report.

No deficit in Citywide revenue is currently projected; however, there are downside risks to economy-sensitive revenues, such as sales, business and utility tax revenues, associated with the latest economic indicators. Moreover, related cost reimbursements for City departments may be adversely affected by decreased employment levels and furloughs. Recommendations in this report address both projected shortfalls in department expenditures and revenues.

### **2010-11 and 2011-12 Balanced Budget and Projected Departmental Deficits**

Over the past several years, the City has implemented austerity measures to address growing budget deficits. These measures included the elimination of entire departments, the transfer of employees to special-funded positions, the reduction in the civilian work force through the Early Retirement Incentive Program (ERIP) and layoffs, and the reduction in labor costs through furloughs and other savings measures agreed upon by employee bargaining units, including benefit cost-sharing. As a result of cost-cutting measures identified in last years' Operational Plan and Alternative Plan to the P3 Concession Agreement reports (C.F. Nos. 10-0600-S48 and 10-0139-S2), fiscal year 2010-11 closed within budget and without an additional transfer from the Reserve Fund. Moreover, higher than projected departmental savings at the close of the fiscal year resulted in July 1, 2011 Reserve Fund balance that exceeds the balance projected in the 2011-12 adopted budget by \$23.5 million.

With the adoption of the 2011-12 Budget, the City began the fiscal year with a balanced budget. However, with the approval of new employee bargaining unit agreements post-budget adoption, department salary accounts have been impacted with the elimination of furloughs. To address a portion of the increased salary expenditures, the Mayor and Council approved budgetary adjustments to the 2011-12 budget by appropriating savings from the approved agreements to salary accounts (C.F. No. 11-0600-S104). These savings resulted from increased employee contributions towards retiree health benefits that allowed the City to reduce its contribution towards the sworn and civilian retirement systems, as well as from changes in Civilian FLEX benefits negotiated by the Joint Labor Management Benefits Committee that resulted in a surplus in the Human Resources Benefits fund (C.F. No. 10-1627). Finally, any remaining salary deficit would be addressed with savings realized in the department's budget from delayed salary step increases, reduced sick leave payouts and reduced overtime cash payouts.

It should be noted that subsequent to the approval of the budget adjustments, the Los Angeles City Attorney Attorneys Association rejected the proposed amendment to its contract. The Office of City Attorney will reduce the number of working days for those employees to prevent a budget shortfall.

Based on expenditure data through August, most departments are projecting to complete the year within budget. However, three departments—Animal Services Department, Fire Department and Police Department—are reporting increased expenditures well above those projected in the budgetary adjustment report. This total estimated department shortfall is between \$10.3 million and \$13.3 million, mainly attributed to the Fire Department (\$5 million to \$8 million) and Police Department (\$5 million). While there may be surpluses realized in other department and non-department accounts to offset these shortfalls, these surpluses may be required to offset other expenditure or revenue shortfalls or fund additional working days for employees represented by the

Engineers and Architects Association. As such, it is recommended that the Fire and Police Departments report on plans to address their respective deficits internally in the Second FSR.

### **2010-11 Revised Revenue and 2011-12 Projected Revenue**

Receipts in Fiscal Year 2010-11 were close to the revised budget – down a total of \$5 million or one-tenth of one percent (Attachment 1-A). The property, sales, utility users' and transient occupancy taxes were above the revised budget, while the business, parking and documentary taxes were slightly below plan. The most significant revenue shortfall, \$18 million, was in departmental receipts.

Fiscal year 2011-12 receipts though August remain very close to budget (Attachment 1-B). Receipts-to-date include the receipt of \$10.6 million in a onetime adjustment and carryover of prior year Motor Vehicle License Fee (MVLFF) revenue from the State. However, the adopted MVLFF revenue of \$14.7 million will not be received as a result of the State's shifting this revenue from the City to fund county law enforcement programs.

While the economy-sensitive revenues are close to plan, the underlying economy is a cause for concern. Recent economic indicators show that U.S. retail sales have stalled (Attachment 1-C) and that local unemployment is again rising (Attachment 1-D). Because of the timing of accounting activity, City receipts lag the economy by about one calendar quarter. For example, the City sales tax receipts in fiscal year 2010-11 were 5.9 percent higher than the recession-impacted fiscal year 2009-10 (Attachment 1-E) and the first quarter of the current fiscal year showed growth in the City's sales tax allocation of more than 9 percent (Attachment 1-F). Conversely, any impact of downward trends in the economy would be reflected in future receipts.

Property taxes declined in each of the previous two fiscal years. Although fiscal year 2010-11 receipts were lower than fiscal year 2009-10, receipts were above the budget target (Attachment 1-G). For the current fiscal year, receipts at August are below budget plan, but early results are not indicative of final collections. The County Assessor's final valuation for the current tax year was increased from 0.7 percent growth to 1.3 percent growth. This change is expected to result in higher secured receipts later in the fiscal year. At this point no change is recommended in the estimate for property tax receipts (Attachment 1-H).

The licenses, permits, fees and fines account, known as departmental receipts, was the principal reason receipts were below the revised budget last year and account for most of variance from plan in the first two months of the current fiscal year. Several departments did not make the budgeted reimbursements to the General Fund for related costs last fiscal year. Early reimbursements for the current year are also below plan. (Attachment 1-I)

Information on other major revenue sources is displayed in attachments 1-J through P and is discussed in Section 3 of this report. At this point this Office recommends no adjustments in General Fund revenue; however, receipts in the coming months, along with economic indicators, will be closely monitored.

## Four Year Outlook and Future Budget Outlook

The most recent update to the Four-Year Outlook, last updated on June 8, 2011 to reflect new terms with bargaining units represented by the Coalition, reported a budget gap of \$196 million for 2012-13. However, this deficit is expected to increase to between \$200 million and \$250 million. A more precise number will be determined after the adoption of new actuarial and experience studies by both the Los Angeles City Employees' Retirement System (LACERS) and the Los Angeles Fire and Police Pension (LAFPP) system. Already LAFPP has adopted changes to actuarial assumptions, which include rates for the age of retirement, DROP utilization, DROP participation period, and mortality, based on findings from the latest experience study. Moreover, LACERS has signaled a change to its economic assumptions, including the investment rate of return. Other factors such as bargaining unit agreements or health care costs could also affect the budget gap. Furthermore, the projected deficit has the potential to grow even larger in subsequent fiscal years, if components of the structural deficit are not addressed further. Among the key expenditure pressures are projected growth in pension system contributions, increased cost of health benefits, and employee compensation adjustments. The outlook will be revised in the Second Financial Status report to reflect any current year changes to these costs, as well as any changes in revenue assumptions based on actual receipts or economic forecasts.

In addition to the aforementioned concerns, there are additional factors that may adversely impact expenditures and revenues; the size and/or timing of which cannot be accurately determined at this time:

*Business Tax Elimination:* Business tax revenue is about ten percent of General Fund revenue and six percent of the total budget. The Business Tax Advisory Committee (BTAC) recently recommended an irrevocable phase-out of the business tax by reducing business tax revenue during a four-year period by 25 percent each year. If adopted, the BTAC recommendation would reduce revenue by \$106 million in the first year and by another \$106 million in each of the next three years. Thereafter, the on-going fiscal impact would be a reduction of approximately \$425 million in business tax receipts. The BTAC recommendation believes elimination of the business tax would not only be revenue neutral to the City; it would actually result in substantial additional revenue from increased economic activity, which would lead to additional revenue from other revenue such as property, sales, and utility taxes. This Office and the Chief Legislative Analyst, in consultation with the Office of Finance, are preparing a joint report on this issue.

*Class Action Liability:* The California Supreme court ruled in *Ardon v. City of Los Angeles* that taxpayers may file a class action claim against a municipal government entity for the refund of local telephone use taxes, overturning an earlier Court of Appeal ruling. The Ardon lawsuit challenges the validity of the City's telephone users' tax that was previously based on a federal government interpretation of the federal excise tax. The Supreme Court concluded that class claims for tax refunds against a local governmental entity are permissible, and remanded the matter back to the trial court for consideration on the merits. If the plaintiffs prevail, the City's liability could potentially be as high as \$750 million, payable later this fiscal year or next.

**Reserve Fund and Budget Stabilization Fund**

The Controller reports that the preliminary July 1, 2011, Reserve Fund cash balance was approximately \$217.7 million. After reappropriations, the return of short-term loans made by the Controller at year-end, and the proposed transfer to the 2011-12 Budget, the July 1, 2011, Available Balance is approximately \$200.7 million which represents 4.58 percent of the General Fund Budget, or 0.42 percent short of the reserve fund goal set by Mayor and Council.

The Available Balance, as presented in the charts below, is nearly \$23.5 million greater than the adopted budget. In comparison, the July 1, 2010, Available Balance was \$171 million, or 3.92 percent of the 2010-11 General Fund Budget.

**Table 1**  
**2011-12 Reserve Fund Available Balance**  
**(millions)**

	Budget	Actual	Difference
Cash Balance, June 30	\$201.8	\$217.7	\$15.9
Other Adjustments	(24.6)	(17.0)	7.6
July 1, 2011 Available Balance	\$177.2	\$200.7	\$23.5
<i>Emergency Account</i>	\$120.6	\$120.6	-
<i>Contingency Account</i>	56.6	80.1	\$23.5
Reserve Fund as Percent of General Fund	4.04%	4.58%	0.54%

The \$23.5 million increase in the Available Balance from budget is primarily due to higher than projected reversions, the reduced year-end transfer, and lower reappropriations at the beginning of the year. Departmental reversions shown in Attachment 2 were made possible by various austerity measures taken by the Mayor and Council to ensure that the City remained on budget last fiscal year.

**Table 2**  
**Basis for Increase in Reserve Fund**  
**(millions)**

	Difference
Revenue (Attachment 1-B)	\$(5.1)
Reversions (Attachment 2)	9.0
Reappropriations	7.9
Year-End Transfers	9.4
Others	<u>2.3</u>
Total	\$23.5

The current Reserve Fund Balance is nearly \$193.4 million, after providing for transfers included in the 2010-11 Year End FSR and other transactions, consisting of \$120.6 million in Emergency Reserve and \$72.8 million in Contingency Reserve. The current reserve fund balance represents 4.41 percent of the General Fund budget. Meeting the 5 percent requirement established by the

City's Financial Policies would require a balance of \$219.3 million, or an increase of \$25.9 million. Please refer to Attachment 3 for greater detail on the Reserve Fund.

While the July 1, 2011, Reserve Fund balance is greater in comparison to prior fiscal years, the City must be extremely cautious despite this positive news. Recent troubling developments in the economy include a reported 12 percent State and 12.9 percent Los Angeles jobless rates (July 2011); continued weakness in real estate, construction, mortgage-related and other financial services sectors; a 30-year low in a key measure of consumer confidence; extreme volatility in the stock market amid fears of heightened recession risks in the U.S. and a European debt crisis. The City must try to maintain and build up a higher level of liquidity given the uncertainty in the economic outlook and indication of prolonged weakness or possible decline in the economy.

As explained within the Reserve Fund policy, the five percent requirement ensures that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls, so that the City remains in a strong fiscal position so that it is able to weather periods of economic decline or slowdown, like the conditions the City is currently experiencing. As such, this Office recommends that we continue to build the Reserve and minimize its use towards offsetting deficits.

To supplement the Reserve Fund, the Budget Stabilization Fund (BSF) was established as part of the 2008-09 Budget to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years. The current balance is \$500,000, deposited in fiscal year 2009-10.

### **Issues of Concern**

In addition to current department salary shortfalls, the potential impact from an economic downturn, and the pressures on the growing budget gap, the following issues may adversely affect the City:

*Sworn retiree health:* Earlier this year, the City adopted an ordinance to freeze the health subsidy for future retirees. The Los Angeles Fire and Police Pensions (LAFPP) Board requested and obtained an outside legal (Olson) opinion claiming the action is in violation of employee vested rights. However, the City's legal counsel completed an extensive review of the legislative intent when the benefit was adopted and of the resulting legislation that provides the benefit and has concluded that the subsidy increase is not a vested right. Based on this analysis, the City has concluded that it has the right to freeze retiree health subsidies. At present, no legal challenge has been filed. The LAFPP Board will consider the Olson opinion on October 6, 2011. The City is requesting the Board to reject the Olson opinion, accept the Meyers Nave response, and immediately administer the recent Council approved ordinance that freezes the retiree medical subsidy for certain LAFPP members after the conclusion of the "Opt-In" enrollment period for retiree health subsidy benefit increases. Additionally, the Board is requested to recognize the full \$44 million in retirement healthcare savings from freezing any increase in subsidy for sworn employees of the Police and Fire Departments and from the contribution of participating Los Angeles Police Protective League employees towards their increasing retirement healthcare subsidy.

*Considered Governmental Accounting Standards Board (GASB) pension system financial reporting rule changes:* As previously reported by both the Chief Legislative Analyst and the Controller, GASB is considering rule changes to financial reporting requirements regarding pension systems. According to GASB, the purpose of these changes would be to provide state and local government agencies with a standard method of calculating and assigning pension assets and liabilities attributable to the current reporting period and to incorporate the calculated amounts within the financial statements in the Comprehensive Annual Financial Report (CAFR). This is in addition to current GASB rules which provide boundaries regarding methods used to calculate current pension system funding levels/funding obligations and which additionally provide guidelines for the corresponding required supplementary information (RSI) to include in the CAFR. These changes to the financial statements would trigger revisions to the management discussion and analysis (MD&A) section of the CAFR because of a need to relate the revised financial statements with the RSI in a transparent manner.

Whether pension systems may consider changes to their current funding methodologies to facilitate transparency is currently unknown. Although this is expected to impact financial reporting for all pension systems, LACERS' current funding methodology would pose the greatest challenge to producing a transparent revised MD&A section. If this results in changes to the current funding methodology there could be a fiscal impact. Additionally, the increased reporting and auditing requirements that would result from the considered GASB rule changes would increase the workload/costs of the Controller, the contracted actuary and the contracted independent auditor associated with financial reporting. Working with the pension systems and the Office of the Controller, this Office will continue to monitor these considered GASB rule changes and will report back as needed.

*State budget:* In addition to the State Budget's impact to MVLF revenue, the Community Redevelopment Agency, Police Department and Library Department are also affected.

- *Community Redevelopment Agency (CRA/LA):* The State Budget eliminated Redevelopment Agencies unless cities and counties decide to participate in the Voluntary Alternative Redevelopment Program (VARP). With the City's decision to participate in the CRA/LA VARP, it will be obliged to make annual payments to the County: \$96.5 million in 2011-12 and \$25.5 million to \$28.4 million annually thereafter, in the event the legislation is upheld by the Supreme Court. (See Section 11 of this report.) The City has appealed the size of this year's payment to the State Director of Finance and a decision is expected October 15. The California Supreme Court has agreed to hear the legal challenge of the legislation on an expedited basis by the League of California Cities and the California Redevelopment Association, for which it is hoped a decision will be made before the first payment becomes due in January 2012. As a result both the size of the payment and whether it will be due remains to be seen.

If the Supreme Court ruling outcome is unfavorable and the CRA/LA is dissolved, the City would have to determine whether to be the successor agency to the CRA/LA, which could expose the City to potential liability, risks and costs and could result in a negative impact on the City's General Fund. As the successor agency, the CRA/LA staff would become City employees and the City could eventually assume responsibility for payment of employee salaries, pension and retirement contributions. Certain costs (i.e., enforceable obligations) would be paid from the funds made available to the successor agency and any assets realized by the successor agency from the sale

of CRA/LA assets; however, the City could be obligated to pay for any shortfall amounts. If the City elects not to become the successor agency to the CRA/LA, the CRA/LA staff would become employees of another successor entity, which would then be responsible for these costs.

- *Police Department:* the savings to the State resulting from the MVLF reductions will be used to fund the Citizen's Options for Public Safety (COPS) program. City funding from the COPS program is estimated at \$6 million. State regulations for the COPS program are currently being developed and new maintenance of effort (MOE) language was recently added that requires cities to maintain fiscal year 2010-11 funding for their police departments in order to receive COPS funding, so that the COPS program funds cannot be used to supplant other funding sources.
- *Los Angeles Public Library:* The State has eliminated funding to the California Public Library Foundation (PLF). The Los Angeles Public Library (LAPL) has confirmed that it has received its 2011-12 share of funding from the PLF in the amount of \$1.4 million, as the funds were received during the prior fiscal year. However, the state budget reduction is expected to impact LAPL in fiscal year 2012-13. In addition, "trigger reductions" are expected to have an impact on state grant funding with potential reductions for the Library Services and Technology Act (LSTA) grant (\$300,000) and Literacy Program (CLLS) grant (\$200,000). The 2011-12 Library Budget assumes that it will not be receiving these funds in the current year.

*Federal annual budget appropriations:* The Senate Transportation and Housing and Urban Development Appropriations Subcommittee, on September 20, 2011, approved its version of the FY 2012 Housing and Urban Development (HUD) appropriations bill. Potential impacts from the HUD appropriations bill to City are below:

- *Community Development Block Grant (CDBG):* The program is proposed to be cut from \$3.3 billion to \$2.85 billion overall, which is a reduction of \$450 million or 13.6 percent. If the City's share of CDBG dollars is cut proportionately, the City's entitlement may be reduced by \$8.9 million from \$65.2 million to \$56.3 million. Further, while this version of the appropriations bill does not include a reduction in the CDBG administrative/planning cap, such a reduction may be considered prior to the finalization of entitlement amounts.
- *HOME Investment Partnership (HOME):* The program is proposed to be cut from \$1.6 billion to \$1.0 billion, which is a reduction of \$600 million or 37.5 percent. If the City's share of HOME dollars is cut proportionately, the City's entitlement may be reduced \$14.4 million from \$38.3 million to \$23.9 million.

*Joint Select Committee on Deficit Reduction:* In addition to the annual appropriation discussions, Congress has created a Joint Select Committee on Deficit Reduction which was charged with issuing formal recommendations on how to reduce the federal deficit by at least \$1.5 trillion over the next ten years. The deadline for the Committee to vote on a plan with \$1.5 trillion in deficit reductions is November 23; the deadline for both houses to vote on the Committee bill is December 23. The Committee held its first public meetings on September 13 and 22 and had a private, closed-door session on September 15, but neither the Director of the Congressional Budget Office nor the members of the Super Committee publicly provided specific details or plans to reduce the federal deficit.



## Budgetary Adjustments

Budgetary adjustments totaling approximately \$129.9 million are recommended in Sections 1 and 2 of this report which include:

- \$5.3 million in new appropriations;
- \$95.8 million for transfers between accounts within various departments and funds;
- \$9.5 million for transfers between departments and funds;
- \$1.1 million in revenue receipts
- \$2.2 million in decrease appropriations to departments;
- \$10.5 million authorization to spend Municipal Improvement Corporation of Los Angeles funds for the Fire Department and Information Technology Agency for ambulance replacement and systems projects;
- \$4.9 million in reappropriations, of which \$1.4 million will impact the General Fund; and,
- \$600,000 in proposed write offs.

Additionally, there are recommendations in this report to instruct departments to develop plans to offset expenditure deficits and process overhead cost reimbursements.

## Attachments

- 1-A Fiscal Year 2010-11 General Fund Revenue
- 1-B Fiscal Year 2011-12 General Fund Receipts
- 1-C U.S. Retail Sales – Seasonally Adjusted
- 1-D City 1 Percent Sales Tax and Local Unemployment Rate
- 1-E Revenue Monthly Status Report: Sales Tax
- 1-F Change in City Sales Tax Allocation by Quarter
- 1-G Property Tax by Account (table)
- 1-H Property Tax by Account (chart)
- 1-I Licenses, Permits, Fees and Fines
- 1-J City Hotel Tax Receipts
- 1-K Documentary Transfer Tax – Includes Legal Entity Transfers
- 1-L Parking Users' Tax
- 1-M Revenue Monthly Status Report: Utility Users' Tax
- 1-N Revenue Monthly Status Report: Electric Users' Tax
- 1-O Revenue Monthly Status Report: Gas Users' Tax
- 1-P Revenue Monthly Status Report: Telephone Users' Tax
- 2 Schedule of Reversions to Reserve and Other Funds
- 3 Current Status of the Reserve Fund
- 4 New Appropriations
- 5 Transfers between Accounts within Departments and Funds
- 6 Transfers between Departments and Funds
- 7-A Status of the Unappropriated Balance – General Account
- 7-B Status of the Unappropriated Balance – non-General Accounts

- 8 Employment Level Report
- 9 Status of Voluntary Furlough Program
- 10 Status of Fee Increases in the 2010-11 Budget
- 11 GRYD Program Contracts and Organizational Chart

## **FINANCIAL STATUS REPORT RECOMMENDATIONS**

*(Refer to Discussion Sections 1, 2 and 3)*

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

1. Appropriate \$5,314,776.73 to Department accounts as specified in Attachment 4;
2. Transfer \$95,738,889.16 between accounts within various departments and funds as specified in Attachment 5;
3. Transfer \$9,262,842.17 between various departments and funds as specified in Attachment 6;

### Animal Services

4. Authorize the Controller to revert \$37,534 from Fiscal Year 2010-2011, General Fund No 100/06 Account No 004460 Private Veterinary Care Expense, to the Reserve Fund; and thereafter transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No.100/58 and appropriate therefrom to Animal Services, Fund 100/06, Private Veterinary Care Expense Account No. 004460 for payment of outstanding Fiscal Year 2010-11 invoices;

### City Clerk

5. Transfer \$1,043,618.04 from the Michael Jackson Memorial Fund to the General Fund to reimburse costs incurred in conjunction with a memorial tribute to Michael Jackson held at the STAPLES Center on July 7, 2009:
  - a) Increase the appropriation by \$990,000 in the Michael Jackson Memorial Trust Fund No. 51K/14, Account No. 140001; and,
  - b) Transfer \$1,043,618.04 from the Michael Jackson Memorial Trust Fund No. 51K/14, Account No. 140001, to the General Fund No. 100/62, Revenue Source 5301, Reimbursement from Other Funds;
6. Authorize the Controller to revert \$2,786,128.54 from Fiscal Year 2010-2011, General Fund No. 100/14 Account No. 004170 Elections, to the Reserve Fund; and thereafter transfer therefrom to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Clerk, Fund 100/14, Elections Account No. 004170 for payment of outstanding invoices from 2011 Primary and General Elections previously authorized under the Authority for Expenditure FMISAE1E00003M;

Community Development

7. Decrease appropriations in the amount of \$16,295 within the Community Development Trust Fund No. 424/22 Account No. 22H112, City Attorney and decrease appropriations in City Attorney Fund No. 100/12, Account No. 001020, Grant Salaries to adjust City Attorney's budget due to the reduction in the 37th year Community Development Block Grant Entitlement Amount;

8. Decrease appropriations in the amount of \$1,644,436 within the Community Development Block Grant Fund No. 424 to adjust CDD's budget due to the reduction in 37th year Community Development Block Grant Entitlement Amount:

a) Decrease appropriations within the Community Development Trust Fund No. 424 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
22H122	Community Development	(\$1,451,869.00)
22H299	Reimb of Gen Fund Costs - CDD	( 192,567.00)
	Total	(\$1,644,436.00)

b) Increase or (decrease) appropriations in the amount of (\$1,451,869) within Fund No. 100/22 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
001010	Salaries-General	(\$1,713,365.00)
001070	Salaries-As Needed	16,581.00
001090	Overtime	(49,221.00)
002120	Printing and Binding	568.00
002130	Travel	1,619.00
003040	Contractual Services	319,536.00
003310	Transportation	( 61,286.00)
003340	Utilities	85,326.00
006010	Office and Administration	(22,947.00)
006020	Operating Supplies	66,176.00
006030	Leasing	( 94,856.00)
	Total	(\$1,451,869.00)

9. Transfer appropriations in the amount of \$10,200 within the Community Development Trust Fund No. 424 to pay for stipends for the Family Source Program and the Youth Opportunities Movement Program (YOM) as follows:

a) Transfer appropriations in the amount of \$10,200 within the Community Development Trust Fund No. 424 from Account No. 22H122 Community Development Department to accounts detailed below:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
22H626	FSC Stipends	\$1,200.00
22H627	YOM Stipends	9,000.00
	Total	\$10,200.00

b) Decrease appropriations in the amount of \$10,200 within Fund No. 100/22 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
006010	Office and Administration	\$1,200.00
006020	Operating Supplies	<u>9,000.00</u>
	Total	\$10,200.00

10. Transfer cash in the amount of \$60,000 from Cultural Affairs Fund No. 100/30, Account No. 001070, Salaries As-Needed to General Fund Various Programs Fund No. 551/22, Account No. 22H122, Community Development; and thereafter appropriate a like amount to the Community Development Department Fund No. 100/22, Account No. 001070, Salaries As-Needed for the Vera Davis Center (C.F. No. 11-1370);

11. Decrease appropriations in the amount of \$340,220 within the Community Development Block Grant Fund to adjust Housing Department's (LAHD) budget due to the reduction in 37th year Community Development Block Grant Entitlement Amount as follows:

a) Decrease appropriations within the Community Development Trust Fund No. 424/22:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
22H143	LAHD	(\$259,969)
22H298	Related Costs	<u>(80,251)</u>
	Total	(\$340,220)

b) Thereafter, decrease appropriations in the amount of (\$259,696) within Fund No. 100/43:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
001010	Salaries-General	\$111,347
006030	Leasing	<u>148,349</u>
	Total	\$259,696

12. Decrease appropriations in the amount of \$45,170 within the Community Development Trust Fund No. 424/22, Account No. 22H102, Aging and decrease appropriations in Aging Fund No. 100/02 Account No. 001010, Salaries to adjust Aging's budget due to the reduction in the 37th year Community Development Block Grant Entitlement Amount;

Cultural Affairs

13. Reappropriate \$18,462 from Arts and Cultural Facilities and Services Trust Fund No. 480/30, Account No. 30G130, Cultural Affairs, to Cultural Affairs Fund No. 100/30, Account No. 009832 Matching Grant Program, for the Cultural Exchange International Program;

Fire

14. Approve the use of \$6,826,792 in Municipal Improvement Corporation of Los Angeles (MICLA) financing included in the 2011-12 Budget for the purchase of 34 ambulances and the installation of communications equipment to replace ambulances that have exceeded recommended mileage;

15. a) Authorize the Controller to increase appropriations by \$248,000 to the Information Technology Agency (ITA) Fund 100/32, Account No. 001100, Hiring Hall Salaries, for the installation of communications equipment in Fire Department vehicles purchased in 2010-11 with MICLA funds, and correspondingly transfer a like amount in appropriations within MICLA Fund No. 298/38 from accounts detailed below, to a new account No. 38H132, ITA:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
38E206	Communication Equipment	\$52,000
38G232	Communication Labor	<u>196,000</u>
	Total	\$248,000

- b) Authorize the Controller to transfer cash from MICLA Fund No. 298/38 to reimburse the General Fund on an as-needed basis upon proper documentation from ITA and approval of the City Administrative Officer and the Fire Department;

16. Instruct the Fire Department to prepare and submit an operational plan that will allow it to offset its projected \$5 million to \$8 million deficit for inclusion in the Second Financial Status Report;

General Services

17. Reappropriate \$30,000 from Street Lighting Maintenance Assessment Fund No. 347/50 Account No. 50G140, General Services, to General Services Fund No. 100/40, Account No. 007340 Transportation Equipment for the purchase of a vehicle for the Bureau of Street Lighting;

Information Technology

18. Decrease the appropriation in the Telecommunications Development Account for the General Service Department Fund No. 342/32, Account No. 32140H General Services by \$150,752; and thereafter decrease the appropriation to General Services Fund No. 100/40, Account No. 006030, Leasing, by a like amount, to reflect reduced lease costs from the relocation of Information Technology staff to City Hall East.
19. Reappropriate \$715,916 from the Reserve Fund to the Unappropriated Balance, and appropriate therefrom to the Information Technology Agency Fund No. 100/32, Account No. 003040, Contractual Services, for the payment of network maintenance infrastructure now provided by a new contractor;
20. Approve the use of \$3,694,000 of Municipal Improvement Corporation of Los Angeles (MICLA) financing provided in the 2011-12 Budget for various information technology projects in the amounts detailed below:

800 MHz Radio Upgrade	\$ 400,000
Fire Department Antenna Replacement	350,000
Marvin Braude Data Center Power Upgrade	408,000
Data Backup System Upgrade	336,000
Network Infrastructure	<u>2,200,000</u>
Total:	\$3,694,000

Police

21. Reappropriate \$16,000 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to Police Fund No. 100/70, Account No. 003040, for the purchase of cameras and WiFi equipment per C.F. No. 07-0008-S1;
22. Reappropriate \$39,610 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to Police Fund No. 100/70, Account No. 003010, to ensure prompt payment to the vendor for TASER holsters;
23. Reappropriate \$200,000 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to Police Fund No. 100/70, Account No. 006010, for Amendment No. 1 to MOU 25 for the Police Officers, Captain and Above bargaining unit and the Education Fund expense approved in MOU 24;
24. Reappropriate \$679,831 from Fiscal Year 2010-2011, Street Revenue Furniture Fund No. 43D/50, Account No. F170, Police to Police Fund No. 100/70, Account No. 3040 (Contractual Services), for the purchase and installation of security cameras in Council District 3 per C.F. No. 10-0011-S11;
25. Reappropriate \$392,290 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to Police Fund No. 100/70, Account No. 001010, to comply with an arbitration ruling related to back-pay for Criminalists;
26. Instruct the Police Department to prepare and submit an operational plan that will allow it to offset its projected \$5 million deficit for inclusion in the Second Financial Status Report;

Transportation

27. Authorize the Department of Transportation to write off \$100,800 retained from a 1999 Mobile Source Reduction Committee AB 2766 grant project booked in the Proposition A Local Transit Assistance Fund No. 385 receivables in Fiscal Year 1999 and cancel three invoices totaling \$100,800 from the City's Accounts Receivable System;
28. Authorize the Department of Transportation to write off invoices totaling \$490,350.92 that were issued in error to the Los Angeles Metropolitan Transportation Authority between 1999-2000 and 2004-05 to collect cost of living adjustments that were implemented after the original invoices had been issued and paid;

### Human Resources Benefits

29. In conjunction with Recommendation No. 3 which includes a transfer of \$15,622,215 to a new Contractual Services account within the fund, authorize the Controller to transfer 2011-2012 contractual services expenditures from existing accounts to the newly created account;

### Multiple Departments

30. Instruct all Council-controlled departments charged with collection of overhead cost reimbursements to prepare appropriate accounting transactions on a quarterly or more frequent basis;

### Technical

31. 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**

Based on preliminary estimates, departments are projecting combined shortfalls between \$10.3 million and \$13.3 million from expenditures in excess of budget. No adjustment to budgeted revenue is recommended at this time. Instructions to departments to address projected reported shortfall and to process reimbursements are included in Sections 1 and 3 of this report. Transfers, appropriations and other adjustments totaling approximately \$129.9 million are recommended in Sections 1 and 2. Included in these recommendations is \$10.5 million authorization to utilize Municipal Improvement Corporation of Los Angeles (MICLA) financing.

## **DEBT IMPACT STATEMENT**

With the authorization to use MICLA financing provided for in the adopted budget, it is estimated that the City will need to borrow a total of \$12,115,000 at a 4 percent interest rate. The total interest cost is \$2,703,600. The estimated annual debt service is \$1,481,860 over 10 years.

## **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, 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 \$129.9 million for appropriations, transfers and other budgetary adjustments, and status reports on the City's spending and savings efforts.

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

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## 1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues, provides preliminary projections for year-end deficits, and highlights issues of concern. Recommendations include new appropriations, reappropriations and transfers for operational needs, as well the authorization to expend Municipal Improvement Corporation of Los Angeles (MICLA) funds as provided for in the adopted budget.

Based on department expenditure data through August, a preliminary deficit between \$10.3 and \$13.3 million is projected consisting of a \$300,000 civilian salary shortfall and an up to \$13 million total shortfall for sworn salaries, benefits and overtime. The deficits are attributed to payouts in accordance with bargaining unit agreements (\$8.3 million) and constant staffing overtime costs within the Fire Department (\$2 million to \$5 million).

As these estimates are based on only two months expenditure data, year end projections are likely to change, especially as previously agreed upon bargaining unit provisions are fully implemented and new ones are approved. As such, no budgetary adjustments to address departmental account deficits are recommended at this time. However, recommendations include instructions to the Fire and Police Departments for the development of operational plans to offset reported department shortfalls.

The following are significant issues of potential impact to department budgets that this Office is closely tracking:



**Department Salary Deficits:** The projected salary account deficit for departments is projected to be between \$10.3 million and \$13.3 million, attributed primarily to sworn labor expenditures. Of this amount, \$5 million in the Police Department's sworn salary account is due to a pending payout for firearm and equipment expenses per a bargaining unit (BU) agreement approved post-budget adoption. A \$5 million to \$8 million deficit in the Fire Department (FD) is spread across sworn salary, benefit, and constant staffing overtime accounts, and is attributed to a \$3 million payout per a BU agreement and the undetermined impact of FD's new deployment plan that has increased constant staffing overtime costs. FD's reported deficit already assumes the appropriation of approximately \$6.97 million in the Unappropriated Balance for the restoration of fire services.

This report includes a recommendation to reappropriate \$200,000 to the Police Department for payments due per bargaining unit agreements.

**Department Salary Settlements:** As mentioned in previous FSRs, a pending lawsuit settlement may require that the Fire Department pay up to several million in back pay to sworn personnel. The timing of the payout for the settlement is not known at this time. Last year, funds totaling \$1.3 million were set aside to be recommended for reappropriation for the future payout of this and other smaller settlements.

This report includes a recommendation to reappropriate \$392,000 to the Police Department for the back payment of criminalists per an arbitration ruling.

**Department Revenues:** General Fund related cost revenues may be adversely affected by furloughs and decreasing employment levels. Additional data from pending related costs reimbursements is necessary before any recommendation for adjustment can be made.

The Bureau of Street Services has reported that the elimination of the photo red light traffic citation program will likely reduce current year receipts to the Traffic Safety Fund. This Office is working with the Police Department and County of Los Angeles to identify the fiscal impact of this Council action and any need to reduce services or identify new funding.

#### **A. Aging No Recommendations**

A year-end surplus in special funds of \$153,000 is projected for the Salaries, General account, due to vacancies currently held within the Department. The Department reports that any remaining surplus may be reallocated mid-year to increase services, such as training for seniors enrolled in the Senior Community Service Employment Program (SCSEP), or increase funding for the Information and Assistance Program and Older Americans Month activities.

Aging is in the process of filling six vacancies approved by the Managed Hiring Committee and will request to fill additional grant-funded positions through the Fiscal Year. The department projects that it will meet budgeted revenue.

**B. Animal Services**  
**Recommendation No. 4**

At this time, it is projected the Department will have a deficit of \$305,000 attributed to its Salaries General account. This deficit reflects current staffing levels, unfunded annual liabilities comprised of night, uniform and boot bonuses, and the civilian budget adjustment shortage gap of \$86,000 as reported in this Office's Budgetary Adjustment report (C.F. No. 11-0600-S104). Expenditure accounts will be monitored for potential cost savings to offset the projected salary shortfall.

The following transaction is recommended:

- Revert and reappropriate \$37,534 in prior-year unencumbered funds to pay for private veterinarian care incurred in the fiscal year 2010-11.

**C. Building and Safety**  
**Attachment 6 – Transfers between Departments and Funds**  
**Recommendation No. 3**

At this time a total deficit of \$2.8 million is projected for the Salaries General account in both General Fund and special funds. The deficit is expected to be eliminated by year end through appropriations of Community Development Block Grant (CDBG) funds and the transfer of budgeted amounts for Early Retirement Incentive Program payouts.

The Department has received approximately 20 percent of budgeted fee revenue, and projects to receive all budgeted revenue. Non-compliance fee receipts were lower than anticipated due to the implementation of the Code Violation Inspection Fee. However, the Department has experienced increased receipts in other revenue categories.

The following transactions are recommended:

- Transfer \$95,070 from the LADBS Building Permit Enterprise Fund, Reserve for Unanticipated Costs account to the Personnel Department's Salaries General account (\$70,339) and within the fund for related costs (\$24,731). In compliance with the Mayor's direction to reestablish an Investigations Unit, the transfer is necessary to reimburse the expenses associated with a vacant, unfunded Special Investigator II position within the Personnel Department. The position will report to the Personnel Department administratively (hiring, payroll, and personnel evaluation) and the Building and Safety functionally (daily assignments and meetings). The Personnel Department is coordinating with the Department on this matter and both agencies have signed a Letter of Agreement.
- A recommendation to transfer \$1,106,002 in Community Development Block Grant funds to the Department is recommended in Section 1.G.

**D. City Administrative Officer  
No Recommendations**

It is projected that the Office will complete the fiscal year within budget after reimbursement for staff costs associated with the American Recovery and Reinvestment Act (ARRA) program and other special fund activities.

**E. City Attorney  
No Recommendations**

It is projected that the Department will complete the year within budget, with a surplus in the Salaries General account, offset by shortfalls in the Salaries Grant Reimbursed and Salaries Proprietary accounts. The Department reports that the Salaries General surplus is a result of unexpected attrition in June and July. Additionally, efforts over the course of the last year to transition staff from the General Fund to grant or proprietary related assignments contributed to the surplus, as well as to the deficits in the other two salary accounts. In a subsequent FSR, a transfer from the Salaries, General account may be recommended to offset shortfalls in other salary accounts. This Office will work with the Department to reconcile and realign positions and base funding as appropriate during the 2012-13 Budget process.

Approximately 3 percent of budgeted General Fund revenue has been received to date. However, budgeted revenue is expected to be met at this time.

In the 2010-11 Year-End FSR, the Department requested a Reserve Fund loan of \$1.8 million to ensure continuation of services. The loan was repaid in September 2011 from Consumer Protection Settlements, as planned.

**F. City Clerk  
Attachment 5 – Transfers between Accounts within Departments and Funds  
Recommendation Nos. 2, 5 and 6**

A surplus of \$110,000 is projected in the Department's Salaries, General account, which reflects the transfer of \$100,000 from the Reserve Fund for the Council District 15 Special Election (C.F. No. 11-1800-S1) and salary savings from vacancies and in-lieu positions. The Department projects that it will meet the adopted budget revenue targets.

The following transactions are recommended:

- Transfer of \$199,111 in prior year funding between accounts in the Business Improvement District (BID) Trust Fund. The transfer of funds is requested to meet operational needs of the BID program.
- Transfer \$1,043,618 to the General Fund per the Council File No. 10-1077. These funds were received as a donation by Council on June 29, 2010 to reimburse the City's General Fund for

costs incurred in conjunction with a memorial tribute to Michael Jackson held at the Staples Center on July 7, 2009.

- Revert and re-appropriate Election Funds in the amount of \$2,786,128.54 from Fiscal 2010-2011. These funds were inadvertently disencumbered while processing a payment document in the Financial Management System (FMS). These funds are needed to pay for outstanding invoices from the 2011 Primary and General Elections.

## **G. Community Development Department**

### **Attachment 4 – New Appropriations**

### **Attachment 6 – Transfers between Department and Funds**

### **Recommendation Nos. 1, 3, 7 through 12**

The Department is projected to complete the year within budgeted funding from grant resources. The Department is authorized to fill 308 positions (197 regular and 111 resolution authorities). As of August 2011, 279 positions are filled (including two positions on loan) and 29 positions are vacant. The Department is in the process of filling three vacant positions. We are working with the Department to evaluate available grant resources to fill additional positions. The projected total direct cost for 279 positions is approximately \$20 million and the total related cost is \$8 million. The funding sources for the Department include the Community Development Block Grant (CDBG), the Community Services Block Grant (CSBG), the Workforce Investment Act (WIA), WIA-American Recovery and Reinvestment Act (ARRA), CDBG-ARRA, the Energy Efficiency Conservation Block Grant – ARRA, General Fund and various other grants. As of September 22, 2011, CDD has transferred approximately \$700,000 in related costs for filled positions through August 2011 to the General Fund. The Department projects that it will meet its budgeted revenue of \$8.8 million.

The following actions are recommended:

- Appropriate and transfer \$43,716 (\$1,716 and \$42,000, respectively) within the Human Relations Commission Trust Fund to the Department for expenses related to the Human Relations Commission.
- Appropriate and transfer \$15,069 (\$8,269 and \$6,800, respectively) within the Commission on Status of Women Trust Fund to the Department for expenses related to the Commission on Status of Women.
- Appropriate and transfer \$466,260 within Enterprise Zone Tax Credit (EZTC) Fund within the fund for related costs (\$115,055) and to the Department's operating budget (\$351,205) to allow the Department to pay salary and operating costs associated with the administration of the EZTC Program with fees collected.
- Appropriate and transfer \$266,717 within the CSBG Trust Fund for related costs (\$75,645) and to the Department's operating budget (\$191,072) for costs associated with computer systems work related to grant administration pursuant to C.F. No. 11-0137.
- Appropriate and transfer \$41,504 (\$7,769 and \$33,735, respectively) within the Section 108 Trust Fund to the Department's operating budget for funding adjustments provided in the Department's current budget.

- Appropriate \$50,000 in WIA program income within the WIA Trust Fund to pay for program costs within grant guidelines.
- Transfer a total of \$385,145 within the CDBG-ARRA Trust Fund for related costs (\$102,940) and to the Department's operating budget (\$282,205) to carry forward funds previously approved by Council and Mayor for grant-related activities (C.F. Nos. 09-0648-S6 and 09-0648-S21).
- Transfer \$295,000 within the Broadband Technology Opportunities Program Public Computer Center Trust Fund (ARRA-BTOP) to the Department for computer equipment for WorkSource and FamilySource Centers pursuant to C.F. No. 09-0648-S17.
- Transfer \$1,180,592 within the CDBG Trust Fund to the Department of Building and Safety's operating budget for costs associated with the Pro-Active Code Enforcement (PACE) program pursuant to C.F. No. 10-2440.
- Appropriate and transfer \$15,000 within the CDBG Trust Fund to the City Administrative Officer's operating budget for costs associated with the E-Civis contact pursuant to C.F. No. 10-2440.
- Transfer a total amount of \$965,296 to the City Attorney's operating budget for costs associated with the PACE program and reduce appropriations by \$16,295 within the CDBG Trust Fund to adjust the City Attorney's budget due to the reduction in the 37th Year CDBG entitlement amount pursuant to C.F. No. 10-2440.
- Transfer \$626,000 within the CDBG Trust Fund to the Board of Public Works' operating budget for costs associated with the City Trees, Clean Street Clean Neighborhood and Rivers Keepers Programs pursuant to C.F. No. 10-2440.
- Transfer \$672,000 within the CDBG Trust Fund to Street Lighting's operating budget for costs associated with the Sun Valley and Pacoima Projects pursuant to C.F. 10-2440.
- Transfer \$85,129 within the General Fund Special Programs Fund to the Department's operating budget for costs associated with the 2011 Summer Youth Employment Program pursuant to C.F. No. 11-0859.
- Reduce appropriations totaling \$1,644,436 within the CDBG Trust Fund to adjust the Department's budget due to the reduction in the 37th Year CDBG entitlement amount (C.F. No. 10-2440) and provide appropriations for As-Needed Salaries and expense accounts.
- Appropriate and transfer \$10,200 within the CDBG Trust Fund to pay for stipends for the FamilySource and Youth Opportunities Movement Programs pursuant to C.F. No. 10-2440.
- Transfer \$60,000 from Cultural Affairs Department to the Community Development Department for the Vera Davis Center operations pursuant to C.F. No. 11-1370.
- Reduce appropriations totaling \$340,220 within the CDBG Trust Fund to adjust the Housing Department's budget due to the reduction in the 37th Year CDBG entitlement amount (C.F. No. 10-2440).
- Reduce appropriations totaling \$45,170 within the CDBG Trust Fund to adjust the Aging Department's budget due to the reduction in the 37th Year CDBG entitlement amount (C.F. No. 10-2440).

**H. Controller  
No Recommendations**

The Department expects to complete the year within budget and meet all adopted budget revenue projections. No transactions are recommended at this time.

**I. Convention Center  
No Recommendations**

The Department is projected to complete the year within budget. The Convention Center Revenue Trust Fund (Trust Fund) revenue funds the department's operating cost and a portion of fringe benefit costs (\$2.5 million). The General Fund pays for debt service, the remainder of fringe benefits, and other related costs not covered by the Trust Fund (\$53 million). This Office recommends that any available surpluses from departmental revenues or the Trust Fund be used to further offset General Fund cost.

The Department is requesting appropriations for the purchase of building operating equipment and for their participation in the energy lighting retrofit program through the Department of Water and Power. This Office will continue its review of the requests and makes no recommendation for appropriations at this time.

**J. Cultural Affairs  
Recommendation No. 13**

It is projected that the department will complete the year within budget and that adopted budget revenue targets will be met.

The following transaction is recommended:

- Reappropriate \$18,462 in prior year unencumbered funds within the Arts and Cultural Facilities and Services Trust Fund, Matching Grant Program account, for the Cultural Exchange International Program. The Department issued an award for the contract and the funds were earmarked, however the monies were not encumbered prior to the close of fiscal year 2010-11.

**K. Disability  
No Recommendation**

The Department on Disability projects a surplus of \$40,000 in the Salaries General account by year end. This amount includes savings accrued from two vacancies. The anticipated surplus may be needed to offset potential shortfalls.

The Department's adopted budget includes \$27,500 in revenue. However, the Department has indicated that it will not receive this money this fiscal year. The Department had sought reimbursement from the Los Angeles World Airports (LAWA) services for sign language services.

However Federal Aviation Administration (FAA) requirements state that the City must receive pre-approval from the FAA prior to entering a contract with the City for services. The Department sought to collect payment for services rendered in previous fiscal years and did not receive pre-approval from the FAA. LAWA has not authorized the reimbursement for the services and the Department does not expect to receive the revenue.

**L. El Pueblo**  
**No Recommendations**

It is projected that the Department will have a \$100,000 deficit in its salaries general account due a filled unfunded position and unrealized salary savings due to full employment in the Department. The Department has a report pending before Council requesting a substitute authority for the unfunded position (C.F. No. 11-1226). Projected surpluses in other accounts may be utilized to offset the deficit. In addition, new leases have been signed with the Olvera Street Merchants. The Department projects to meet adopted budget revenue. If the Department is able to collect additional revenue as a result of the rent increases, these funds could be used to offset the projected deficit.

**M. Emergency Management**  
**No Recommendations**

At this time a salary deficit of \$749,000 is projected for the Department. The deficit will be eliminated upon receipt of Regional Catastrophic Preparedness Grant Program appropriations. The department states that adopted budget revenue will be met upon receipt of grant and related cost reimbursements.

**N. Employee Relations Board**  
**No Recommendations**

It is projected that the Board will complete the fiscal year within budget.

**O. Ethics Commission**  
**No Recommendations**

It is projected that the Commission will complete the year within budget. However, a small deficit of \$30,000 currently exists in the Department's Salaries General account. Any shortfalls, including the anticipated salary shortfall, will be monitored and, if necessary, addressed at the Mid-Year using the Special Prosecutor allocation of \$250,000.

Approximately 5 percent of budgeted revenue from fees and fines has been received. However the majority of this revenue is either collected in the third quarter or collection is variable, and is thus too early to estimate projected revenue.

## **P. Finance**

### **Attachment 5 – Transfers between Accounts within Departments and Funds**

### **Attachment 6 – Transfers between Departments and Funds**

### **Recommendation Nos. 2 and 3**

The Department is projected to remain within budget through year-end based on current employment levels. The Department expects to meet budgeted revenue, of which four percent has been collected.

In the 2010-11 Year-End FSR, projected bank service fee expenditures were estimated at \$10.89 million. However, actual 2010-11 expenditures were \$68,967 more than budgeted due to an increase in merchant card fees. As a result the Department will pay remaining 2010-11 bank service fee expenditures with current year funding. The Department is examining ways to reduce costs, and an update on projected 2011-12 bank service fee expenditures will be included in the next FSR.

The following transactions are recommended:

- Transfer \$6,413 from the Advertising and Public Relations account to the Printing and Binding account. The amount was placed in the wrong account in error as part of the Finance/Treasurer consolidation of accounts.
- Transfer \$13,797 from the Department's Salaries General account to the Controller's As Needed Salaries account to reimburse Accounting Resource Pool expenditures through pay period 5.

## **Q. Fire**

### **Recommendation Nos. 14, 15, and 16**

It is projected that the Department will have a \$5 million to \$8 million deficit by year-end primarily attributed to Sworn Constant Staffing Overtime and the Sworn Bonus and Sworn Unused Sick Time deferrals. The reported deficit assumes the future transfer of \$6.9 million in funds placed in the Unappropriated Balance for the Restoration of Neighborhood Fire Services that was included in the adopted budget. Approximately \$3 million of the deficit is attributed to payouts for employees represented by the United Firefighters of Los Angeles City (UFLAC), which may be impacted by ongoing negotiations. The remaining \$2 million to \$5 million deficit in Constant Staffing Overtime is attributed to the implementation of the New Deployment Plan on July 3, 2011. Additional analysis over the next several pay periods is necessary to quantify the overtime impact of the plan, which will be included in the next FSR. It should be noted that the Department canceled the Deployment Plan on September 6<sup>th</sup> and 7<sup>th</sup> due to local fires and the high demand for fire resources.

The revenue budget for this fiscal year is \$142.2 million and the Department is projected to meet budgeted revenue. However, the Industrial Building Inspection fee increase has not been implemented, and the \$1 million revenue is not expected to be collected this fiscal year (see Section 7). The Department projects that other revenue sources will offset this amount.

As reported in previous FSRs, pending lawsuits are estimated to cost several million in back wages. The amount and timing of the settlement is unknown.



The following actions are recommended:

- Approve the use of \$6,826,792 in Municipal Improvement Corporation of Los Angeles (MICLA) financing included in the 2011-12 budget for the purchase of 34 ambulances. The cost of replacing ambulances, which have exceeded recommended mileage, and installing communications equipment is estimated at \$200,000 per vehicle.

If use of MICLA funding is approved, it is estimated that the City will need to borrow \$7,680,000 for the fire ambulances (includes cost of ambulances, costs of issuance, and reserve fund) at 4 percent interest rate. The total interest cost is \$1,714,000. The estimated annual debt service is \$939,400 over 10 years. For the installation of communications equipment, the City will need to borrow \$279,000 (includes installation labor, costs of issuance, and reserve fund) at a 4 percent interest rate. The total interest cost is \$62,300. The estimated annual debt service is \$34,130 over 10 years.

- Transfer \$248,000 in MICLA funds to Information Technology Agency's Hiring Hall Salaries account for installation of communications equipment in Fire Department vehicles purchased in 2010-11 with MICLA funds. MICLA funding includes \$52,000 approved in fiscal year 2008-09, and \$196,000 approved and authorized to expend in fiscal year 2010-11 (C.F. No. 10-0600-S51).
- Instruct the Fire Department to develop an operational plan to address its \$5 million to \$8 million deficit for inclusion in the Second Financial Status Report.

## **R. General Services**

### **Attachment 5 – Transfers between Accounts within Departments and Funds Recommendation Nos. 2 and 17**

It is projected that the Department will finish the year within budget, provided that funds for ERIP payouts are transferred in a future FSR to the Salaries General account. The Adopted Budget allocated \$4 million in Unappropriated Balance (UB) to address uncertainties associated with fuel costs. Assuming that funding set aside in the UB remains available, the Department is not projecting a deficit by year-end based on the price levels of fuel for the first two months of the fiscal year. Our Office will continue to monitor the fuel price levels and usage and recommend any necessary adjustments to the petroleum account in a future financial status report.

As approved in the 2006-07 Adopted Budget, the parking lot sweeping services function and funding for 74 locations was transferred from the General Services Department (GSD) to the Bureau of Street Services to enhance the level of parking lot cleanliness and reduce stormwater runoff pollution from the parking lots. The locations included parking lots for Libraries, Constituent Service Centers and Animal Shelters.

Funding and position authority for this service was eliminated in the 2010-11 Budget. To date, the Bureau has absorbed the cost and continued to provide this service to mitigate stormwater runoff pollution and to maintain the appearance of the facilities. Street Services had previously notified GSD that this service would be discontinued effective September 30, 2011. The Bureau has subsequently indicated that it will continue the services on a limited basis while the Bureau works with the GSD and

this Office to evaluate possible solutions, including the functional transfer back to GSD, to ensure the continuation of sweeping services at these facilities. GSD is developing a cost estimate for this service and will report back on the necessary funding.

General fund receipts are slightly behind plan; however as the majority of General Fund receipts are from related cost billings, it is anticipated that this revenue will be received by the end of the fiscal year.

The following transactions are recommended:

- Transfer \$395,000 from the Department's Hiring Hall Overtime account to the Hiring Hall and Benefits accounts. In the 2011-12 adopted budget, funding of \$395,000 was provided for building maintenance services at the Metro Detention Center (MDC). Funding was inadvertently placed the Hiring Hall Overtime Account, rather than the Hiring Hall Account.
- Reappropriate totaling \$30,000 in the Bureau of Street Lighting Assessment Fund for the purchase of a hybrid sedan for the Bureau of Street Lighting. Funding for the purchase was provided in 2010-11; however, the Department was unable to purchase the vehicle as potential bidders were impacted by the 2011 Japanese earthquake, which disrupted auto manufacturing.

#### **S. Housing**

##### **Attachment 5 – Transfers between Accounts within Departments and Funds**

##### **Attachment 6 – Transfers between Departments and Funds**

##### **Recommendations Nos. 2 and 3**

It is projected that the Department will complete the year within budget. The Department projects to meet budgeted revenue obligations to the General Fund of \$18.9 million. As of the end of August 2011, the Department has recorded General Fund receipts totaling \$1.7 million and projects to receive all anticipated allocations from grant sources. The Department also expects to increase Code and Rent fees prior to the next annual billing cycle, which runs from January 1 through December 31 for calendar year 2012. This request will be subject to Council approval under a separate cover.

The following transactions are recommended:

- Transfer \$200,158 within and from the Homelessness Prevention and Rapid Re-Housing Program (HPRP) fund to the Department for direct and indirect costs (\$155,618 and \$44,540, respectively) in support of fiscal year 2012 grant-funded activities. All remaining HPRP unexpended balances will be appropriated for the third and final year of the grant.
- Transfer \$133,686 within and from the Energy Efficiency and Conservation Block Grant (EECBG) fund to the Department for direct and indirect costs (\$95,160 and \$38,526, respectively) in support of fiscal year 2012 grant-funded activities. Unexpended FY10/11 EECBG appropriations will be re-appropriated to FY11/12 accounts to fund financial analysis and construction monitoring of retrofit projects.

**T. Information Technology Agency**  
**Attachment 4 – New Appropriations**  
**Attachment 5 – Transfers between Accounts within Departments and Funds**  
**Attachment 6 – Transfers between Departments and Funds**  
**Recommendation Nos. 1 through 3, 18 through 20**

A deficit of \$948,000 is currently projected for the Information Technology Agency (ITA) across various accounts, which will be fully addressed through pending transfers and actions recommended in this report, including internal transfers, a reappropriation of prior year funds, and various reimbursements for services rendered. Reflected in this deficit is a \$2.3 million Salaries, General account shortfall, attributed to Early Retirement Incentive Program (ERIP) payouts totaling \$1.5 million and the reduction of furlough hours.

ITA has received over 4 percent of its budgeted revenue. General fund receipts are behind plan; however as the majority of General Fund receipts are from related cost billings, it is expected that this revenue will be received by the end of the fiscal year. Special fund receipts are at plan.

The following transactions are recommended:

- Appropriate \$12,170 in funds from the Department of Water and Power for the installation of communications equipment into emergency vehicles.
- Appropriate \$24,000 in funds from the Library for a communications services request to upgrade data lines, and to pay for associated ongoing service costs.
- Transfer \$845,938 from the Salaries, Overtime and Communications Services accounts to address the Salaries, General account to partially address the projected deficit. Savings in the amount of \$450,000 in the Salaries, Overtime account has resulted from restrictions on payment of overtime, while savings of \$395,938 in the Communications Services account is due to reduced maintenance costs from the installation of new equipment on the City's network. The remaining deficit may be addressed with a future \$1.5 million transfer from the ERIP Payout account.
- Transfer \$51,730 from the Contractual Services account to the Police Department to pay for the development and implementation of an interface between the Police Department's CryWolf system with the Citywide Accounts Receivable Reporting system. Funding for interface development was provided during 2010-11 and remains available for this purpose (C.F. No. 10-0600-S33). The interface development plan has been reviewed and approved by the project's oversight committee.
- Decrease the Telecommunications Development Account (TDA) appropriation to the General Services by \$150,752 from \$476,035 to \$325,283 for reduced lease payments for property that Department staff has since vacated. The funds will remain in the TDA and be used for other eligible purposes.
- Reappropriate \$715,916 that reverted to the Reserve Fund from the 2010-11 Contractual Services account to the same account in 2011-12 for network maintenance services. The Controller's Office was unable to encumber the funds to pre-pay current year services due to a change in the contractor providing services.

- Approve the use of \$3,694,000 of Municipal Improvement Corporation of Los Angeles (MICLA) financing for various information technology projects as detailed below.

Reapproval of MICLA Projects: In adopting the 2009-10 Budget, the Mayor and Council required that all future MICLA financing authorized be approved during the fiscal year for which it was budgeted by the Council before expending commercial paper of long-term MICLA bond proceeds. There are five projects identified in the 2010-11 Budget that were designated for MICLA funding with a total value of \$3,694,000. Each is critical to the ongoing operation of the City's public safety communications system or the City's information technology infrastructure, and therefore it is recommended that Council authorize the use of MICLA financing included in the 2011-12 Budget.

1. 800 MHz Radio Upgrade (\$400,000). This is for the third phase of a four phase, \$1.6 million project to upgrade the City's 800 MHz radio system. The system carries all City radio traffic other than that of Police and Fire. Public safety users of the system include the Office of Public Safety and the Emergency Operations Center. Other significant users include the Department of Transportation and the Bureau of Sanitation.
2. Fire Department Antenna Replacement (\$350,000). This is for the continued replacement of obsolete and degraded components of the antenna subsystem for the Fire Department's radio system. The equipment to be replaced is reducing the quality of radio communications over the entire system. MICLA financing totaling \$250,000 was provided as part of the 2009-10 Budget and used to replace four of the nine sites requiring upgrade. ITA is now prepared to use this \$350,000 to complete the upgrade on the remaining five sites.
3. Marvin Braude Data Center Power Upgrade (\$408,000). This is for the replacement of the Uninterruptible Power Supply (UPS) and a new backup generator for the data center located at the Marvin Braude Center. The existing UPS is aging and deficient providing only five minutes of backup power, and there is currently no generator at the facility. In the absence of adequate backup power, this facility cannot be used to store critical City applications or data.
4. Data Backup System Upgrade (\$336,000). This is to upgrade and expand the capacity of the existing data backup infrastructure in the City's Data Center in City Hall East. The existing backup system, used for critical systems including PaySR, the Supply Management System, and the Financial Management System, has reached its capacity and as a result is operating inefficiently and cannot handle more data.
5. Network Infrastructure (\$2,200,000). This is for the fourth and final year of a project to upgrade obsolete routers and switches on the City's data network. The aging components to be replaced are making the system slow, unreliable, and unable to handle the data traffic, which is essential to all departments' operations. MICLA financing totaling \$500,000 was authorized in 2008-09, \$2,200,000 in 2009-10, and \$1,000,000 in 2010-11. While this is the final phase of this project, funding will continue to be required in future years as the recently installed equipment begins to age and the City's network needs expand.

If the use of MICLA funding is approved, it is estimated that the City will need to borrow \$4,156,000 (includes cost of equipment, costs of issuance, and reserve fund) at a 4 percent interest rate. The total interest cost is \$927,300. The estimated annual debt service is \$508,330 over 10 years.

- Additionally a transfer of \$248,000 from the Fire Department for reimbursement of provided services is recommended in Section Q.

#### **U. Library**

##### **No Recommendations**

It is projected that the Department will have a \$1.14 million year-end surplus in its Salaries, General account provided that funds are transferred to salaries from the Department's ERIP account in a future FSR. The Department is reporting a deficit of \$149,160 in Library Fund revenue for the period ending August 31, 2011. Budget revenue was based on restoration of service days at all libraries beginning July 1, 2011, whereas restored days were actually implemented July 18, 2011. The Department expects an increase in revenues in the future, since receipts are based on overdue fines and fees which will increase with the change in service days. This Office will monitor department revenue and expenditures and will transfer funds from various departmental accounts to ensure the Department remains within their budgeted funds.

#### **V. Mayor**

##### **Attachment 4 – New Appropriations**

##### **Attachment 6 – Transfers between Accounts within Departments and Funds**

##### **Attachment 6 – Transfers between Departments and Funds**

##### **Recommendation Nos. 1, 2 and 3**

The Mayor's Office requests the following transactions:

- Authorize the Mayor's Office to accept a donation in the amount of \$77,238 from Community Partners and appropriate the same amount to Mayor's Office, Salaries As-Needed account for salary costs associated with the Million Trees LA Initiative.
- Appropriate \$1,531,405 from the Supplemental Law Enforcement Services Fund (SLESF) to the Police Department's Sworn Salaries account to support staffing costs at nine Community Law Enforcement and Recovery (CLEAR) sites.
- Transfer \$1,500,000 from the Mayor's Salaries General account to the Salaries As Needed account to cover an anticipated shortfall in this account.
- Transfer \$5,145 from the Fiscal Year 09 Arrest Polices Grant Fund within the fund to reimburse fringe benefit costs (C.F. No. 08-0334).
- Appropriate a total of \$55,264 to new accounts within the Fiscal Year 09 Justice Assistance Grant Fund to reimburse Mayor's Office and City Attorney salary and related costs.
- Appropriate and transfer a total of \$747 to new accounts within the 2007 Justice Assistance Grant Fund for Mayor's Office salary and related costs.
- Appropriate and transfer \$15,952 to new accounts within the 2008 Justice Assistance Grant for Mayor's Office salary and related costs.

- Transfer \$50,000 within the Fiscal Year 10 Congressionally Selected Award – Hollenbeck CLEAR Fund to the City Attorney's Salaries General account for costs associated with the CLEAR Program (C.F. No. 08-3217).

**J. Los Angeles Convention and Visitors Bureau (LA Inc.)**  
**Attachment 4 – New Appropriations**  
**Recommendation No. 1**

The City's contract with LA Inc., The Los Angeles Convention and Visitors Bureau provides annual funding in the amount equivalent to one percent of the Transient Occupancy Tax (TOT). Payments are made quarterly based on the estimated TOT and reconciled at the end of the year. In 2010-11, LA Inc. received \$8,747,806, or \$1,353,497 less than owed. It is recommended that funds be appropriated from the Los Angeles Convention and Visitors Bureau Trust Fund No. 429 to permit the final payment for 2010-11.

The following transaction is recommended:

- Appropriate \$1,353,497 from the Los Angeles Convention and Visitors Bureau Trust Fund and authorize the City Administrative Officer to pay LA Inc.'s final 2010-11 invoice from these funds.

**W. Neighborhood Empowerment**  
**No Recommendations**

A year-end deficit of \$34,000 is projected for the Department due to anticipated payments for an on-loan employee assisting the Department with contracting and administrative services. This deficit can be offset by managed hiring of existing vacancies. This Office will continue to monitor the Department and report back in future Financial Status Reports.

**X. Personnel**  
**No Recommendations**

At this time a deficit of \$860,000 is projected for the Department's Salaries General account due to anticipated ERIP payouts and the hiring of new employees. This deficit may be eliminated through the managed hiring process or the transfer of funds from the ERIP Payout account. To date, approximately 1.5 percent budget revenue has been received; however it is currently projected that the Department will meet budget.

**Y. Planning**  
**Attachment 4 – New Appropriations**  
**Attachment 6 – Transfers between Departments and Funds**  
**Recommendation Nos. 1 and 3**

A surplus of approximately \$1.7 million is projected for the Department's Salaries General account, due primarily to savings through furloughs. General fund receipts are delayed pending

reimbursements from special funds. The department projects meeting both General Fund and special fund adopted budget revenue at this time.

The following transactions are recommended:

- Appropriate \$109,200 of the Year 2 payment from the Housing Authority of the City of Los Angeles (HACLA) that was received in August 2011 for authorized expenditures to support the development of the Jordan Downs Specific Plan. The provided services are pursuant to the Cooperation Agreement between the Department and HACLA (C.F. No. 09-0186).
- Appropriate \$25,000 from the General Plan Maintenance Surcharge Fund for training expenses. Planning completed a re-organization in June 2011, and as a result, DCP management plans to cross-train staff to be able to provide better and more efficient services under the new structure. The Fund has a surplus from 2010-11 which may be used for this purpose. The training will include intensive and on-site sessions for staff to see and discuss the implementation of Transit Oriented Districts, Community Plans and Specific Plans in Los Angeles. In addition, staff will see where future projects are going to be executed. The proposed training may also include presentations and panel discussions.
- Transfer \$6,272 to the Controller to pay for the salary of a Senior Accountant performing several essential accounting functions through payroll period 4. The employee is from the Controller's Office accounting resource pool.

## **Z. Police**

### **Recommendation Nos. 22 through 26**

At this time, the Department's deficit is estimated at \$5 million. The deficit is largely attributable to its deficit in the sworn salaries account, offset by savings in the civilian and sworn overtime accounts. The deficit is a result of a one-time payment to members of Los Angeles Police Protective League (bargaining unit 24). Per the bargaining unit agreement, which was approved after the budget was adopted, a \$1,500 cash payment will be made to each sworn officer in December to cover the cost of firearms and equipment. Other salary and expenditure accounts will be monitored for potential cost savings to offset the projected sworn salary shortfall. Department revenues are at 11.5 percent of year-end projections, but two major revenue sources are pending receipt: \$3 million for Community Oriented Policing Services Hiring Recovery Program (COPS ARRA) and \$29 million for Local Public Safety. The Department projects that it will meet budgeted revenue.

Since Fire and Police Pension Tier 6 became effective, 100 Police Officers have been hired. Attrition through August is 63. This net addition brings total sworn payroll to 9,907.

The following transaction is recommended:

- Reappropriate \$16,000 to complete the purchase of cameras and WiFi equipment with a new vendor per C.F. No. 07-0008-S1.
- Reappropriate \$39,610 to ensure prompt payment to the vendor for purchased TASER holsters.

- Reappropriate \$200,000 for bargaining unit payments: \$100,000 for executive development funds per Amendment No. 1 with the Los Angeles Police Commanding Officers Association (Police Officers, Captain and Above MOU 25) and \$100,000 for Education Fund expenses per the agreement with the Los Angeles Police Protective League MOU 24.
- Reappropriate \$679,831 in Street Furniture Revenue funds for the purchase and installation of security cameras in Council District 3 per C.F. No. 10-0011-S11.
- Reappropriate \$392,290 to comply with an arbitration ruling related to back-pay for Criminalists.

**AA. Public Works/Board**  
**No Recommendations**

It is projected that the Board of Public Works will complete the year within budget, subject to the transfer of funds from the Early Retirement Incentive Program (ERIP) payout account to the salaries general account in a future FSR. The Board reports receipt of approximately 19 percent of the \$3.9 million in General Fund revenue budgeted for 2011-12. Since related costs are based on actual hours worked, vacancies could impact the General Fund revenue generated from related costs. Our office will work with the Department to monitor expenditures and revenue.

**BB. Public Works/Bureau of Contract Administration**  
**No Recommendations**

At this time, the Bureau projects a year-end surplus of \$1.45 million; however, it consists of a \$2.27 million General Fund deficit, offset by a \$2.87 million surplus in special funds and \$849,549 in projected new off-budget appropriations for bond programs and special projects. The General Fund deficit is attributed to increased construction activity at the Los Angeles World Airports (LAWA). All direct and indirect costs are reimbursable from LAWA and reflected as General Fund revenue. The special fund surplus is mainly attributed to the deferral of projects within the Sewer Capital Program.

The composition of the Bureau's year-end surplus will most definitely change as work plans are refined and interim appropriations from bond funded and special projects are approved. To date, the Bureau has received, seven and seventeen percent of General Fund and Sewer Construction and Maintenance Fund revenue, respectively. Although revenue receipts from the proprietary departments are lower than the same time last year, it is due to a delay in billing departments for first quarter expenditures. Workload estimates are currently being revised so projected revenue and expenditures for the year are preliminary and subject to change. As such, this Office will monitor the status of funding sources and accounts and report back in subsequent FSRs with necessary actions to address potential shortfalls.

**CC. Public Works/Bureau of Engineering**  
**No Recommendations**

The Bureau is projecting a \$5.31 million year-end surplus at this time. This surplus is comprised of a \$5.01 million surplus in the General Salaries account and a \$300,000 surplus in the Overtime



Salaries account. Furthermore, this surplus is comprised of \$75,000 in General Fund savings and \$5.24 million in savings from various special funds. This surplus assumes that the Bureau will absorb its ERIP obligations and receive additional appropriations of \$9.12 million from various bond-fund programs through interim Council reports. This surplus is also most likely attributed to vacancies in special funded positions and delays in capital projects. No action is recommended at this time and this Office will continue to work closely with the Bureau to monitor the status of these surpluses and report back in subsequent reports on further actions if necessary.

At this time, the Bureau reports that it will meet its annual revenue target. Receipts for the first two months totaled \$3.68 million, which is \$649,000 more than the \$3.03 million collected at this same time last year. If receipts remain constant for the remainder of the year, the Bureau may exceed its revenue target.

#### **DD. Public Works/Bureau of Sanitation**

##### **Attachment 5 – Transfers between Accounts within Departments and Funds**

##### **Attachment 6 – Transfers between Departments and Funds**

##### **Recommendation Nos. 1 and 3**

A surplus of \$13.8 million is projected across the Bureau of Sanitation's special funds as a result of vacancies and expense savings. The Bureau currently has a 14 percent vacancy rate. Rate adjustment proposals for the Clean Water Program are currently under Council review. Through the managed hiring process, only the most critical positions are being authorized for employment to offset turnovers and maintain minimum service levels in refuse collection and clean water operations. Remaining year end savings revert to the respective special funds to support future budget needs.

The following transactions are recommended:

- Transfer a total of \$4,532,000 between Sanitation accounts, as detailed below.
  - 1) Approximately \$3.1 million in solid resources program salary savings to support refuse and recycling operations, including \$3.05 million in Solid Waste Resources Revenue Fund (SWRF) and \$32,000 in Household Hazardous Waste funds. The Bureau has increased reliance on as-needed support and some overtime usage in lieu of filling regular positions for management and operational flexibility.
  - 2) \$325,000 in Stormwater Pollution Abatement Fund salary savings to support overtime (\$260,000) for catch basin cleaning that should be completed prior to the wet weather season (this funding provides, on average, 12 hours of overtime per week for a crew of 30 workers for eight weeks), and miscellaneous operational needs, including mileage for field staff and as-needed support in water quality testing (\$65,000).
  - 3) \$1.125 million in Sewer Construction and Maintenance (SCM) Fund salary savings for overtime (\$825,000) and as-needed (\$75,000) support to meet operational demands in the Clean Water Program given high vacancies (approximately 12 percent), and to provide hiring hall support (\$225,000) for deferred maintenance at the Terminal Island Water Reclamation Plant and other wastewater facilities.

- Transfer of \$311,176 from Sanitation's existing General Fund salaries appropriation to the General City Purposes Fund, Solid Waste Fee Lifeline account for the reimbursement of SWRF expenses incurred in the 2010-11 Solid Waste Fee Lifeline Rate Program. The Lifeline program was budgeted for \$16.6 million in fiscal year 2010-11 with an additional appropriation of \$2.2 million in the Year End FSR for a total subsidy of \$18.8 million. The increase was based on cost estimates associated with ordinance delays and the projected number of participants in the program through the end of the fiscal year. With the fourth quarter close out, the total cost of the program was determined to be \$19.1 million which exceeds the budgeted allocation by \$311,000 (1.6 percent higher). This is attributed to a higher number of participants in the final quarter than anticipated (52,828 vs. 47,827); although, the participant level was well below the Council imposed cap of 58,910 subscribers. At this time, expenditures for this fiscal year are expected to be within budget.
- Transfer a total of \$70,865 between departments and funds, as described below:
  - 1) \$47,254 from various special funds in contractual services to reimburse the Bureau of Engineering for front funding of Sanitation's portion of Environmental System Research Inc. contract costs for Geographic Information Systems maintenance. Funding sources include Stormwater Pollution Abatement Fund (\$19,819), Solid Waste Resources Revenue Fund (\$8,435), and SCM (\$19,000).
  - 2) \$23,611 in SCM expense funding to pay the Information Technology Agency for scheduled communication services, including T1 data line installation at Hyperion and Chandler Boulevard, Slauson Avenue, and Warning Avenue (\$23,089), and for installation of Automatic Vehicle Location devices and related equipment in two field trucks (\$522).

## **EE. Public Works/Bureau of Street Lighting**

### **Attachment 5 – Transfers between Accounts within Departments and Funds Recommendation No. 3**

Pending interim appropriations and reimbursements anticipated later in the fiscal year and approval of the recommendations in this report, it is projected that the Bureau will have a special funds surplus of \$506,000, attributed to its Salaries General account.

The Bureau has received 13 percent of General Fund and 5 percent of special fund budgeted receipts to date, and projects that it will meet budgeted revenue. The largest proportion of receipts comes from maintenance assessments, which are distributed in December and May. Additionally, budgeted construction and energy loan and rebate proceeds to date have not been received.

The following transactions are recommended:

- Reappropriate \$1,081,635 from the Community Development Trust Fund to the Bureau of Street Lighting to complete the Sun Valley Lighting Improvement Phase 3 and the Elysian Valley Lighting Improvement Phase 3 projects (\$653,731 and \$427,904, respectively). These projects were approved for Community Development Block Grant funding in the 36<sup>th</sup> Year Consolidated Plan report, but funds reverted at the end of the 2010-11 fiscal year. Work on Sun Valley Phase 3 will be completed through a contract, while work on Elysian Valley Phase 3 will be completed by Bureau staff.

- Reappropriate \$105,610 from the Street Lighting Maintenance Assessment Fund to the Bureau to complete work on the Olympic Boulevard Streetscape Lighting project. The Bureau was provided funds in 2010-11 (C.F. No.10-1878) by the Community Redevelopment Agency (CRA) to install 37 light poles between Menlo Avenue and Manhattan Place in the Wilshire Center/Koreatown Redevelopment Project Area.
- Reappropriate \$195,585 and transfer an additional \$250,000 from the Proposition C Anti-Gridlock Transit Improvement Fund (Prop C) to the Bureau to install new lighting, replace stolen wiring, and reinforce pullboxes along the LA River Bike Path (Phases 1A through 1C). Funding was originally provided in 2010-11 from the Bicycle Path Maintenance and Transportation Grant accounts within Prop C (C.F. Nos.10-0600-S51 and 10-0600-S60).
- Transfer \$495,000 from the Prop C Capital Improvement Expenditure Program (CIEP) account to the Bureau for construction on bus stop and transit lighting as part of the Security Lighting 17 program. Funding was originally provided in the 2010-11 budget for work to be contracted out, but timing delays have led the Bureau to believe the projects will be completed more quickly with Bureau staff.
- Transfer \$10,000 from the Local Transportation Fund to the Bureau's overtime account for design work on the Headwater Bikeway Lighting project. This project will install approximately 76 solar light-emitting diode (LED) electroliers on the bikeway that extends from Owensmouth Ave. to Mason Ave. along the LA River. Direct salary costs, if needed, will be requested at a later time.
- Reappropriate \$150,000 from the Special Gas Tax Street Improvement Fund to the Bureau to complete stairway and walkway lighting projects as part of the Stairway Walkway Unit 6 program. Locations are selected along the City street system to enhance pedestrian and traffic safety, and are based on need and/or Council Office request. Funding for Unit 6 was originally provided in the 2009-10 Budget, and was transferred to the Bureau at the end of 2010-11 (C.F. 10-0600-S72), but funds reverted shortly afterwards at year-end.
- Transfer up to \$30,000 from Gas Tax to the Bureau of Engineering for assistance on meeting federal reimbursement requirements on Street Lighting general benefit lighting CIEP projects. Engineering's Environmental Management Group will conduct research, prepare necessary submittals to CalTrans, and select a consultant to prepare Phase I Environmental Site Assessment reports. The affected projects include the 8<sup>th</sup> St – Irolo to Western, La Cienega Boulevard – Olympic to Airdrome and Pico Boulevard – Alvira to Robertson Lighting System Improvements.
- Transfer \$150,000 from Gas Tax to the Bureau to install, modify and upgrade streetlights to LED in intersections where the Department of Transportation is upgrading traffic signals to LED. Gas Tax is available to fund these general benefit lighting improvements around DOT new and modified signals.
- Transfer \$165,000 from the Bureau of Street Services to Street Lighting to make street lighting conversions and upgrades as part of the Public Infrastructure Improvement Project in the California Hospital Corridor. Street Services was provided the funds through the American Recovery and Reinvestment Act (ARRA) Community Redevelopment Block Grant allocation (CDBG-R, C.F. 09-0648-S6 and 09-0648-S21). Street Lighting will be making high to low voltage

system conversions and LED and other luminaire upgrades along Hope Street from Pico Blvd. to Venice Blvd.

**FF. Public Works/Bureau of Street Services**  
**Attachment 6 – Transfers between Departments and Funds**  
**Recommendation No. 3**

After accounting for transfers recommended in this report and interim appropriations anticipated throughout the fiscal year, no year-end deficit is projected for the Bureau. This Office will continue to work closely with the Bureau to monitor its fiscal status and report back on any potential shortfalls or deficits.

Approximately 1.37 percent of budgeted revenue has been received. The Bureau reports that all General Fund and special fund revenue targets will be met. The Bureau reports that General Fund revenue from overhead reimbursements is historically received at the end of the fiscal year.

On July 27, 2011, Council approved the phase out of the City's Photo Red Light Traffic Citation Program, effective August 1, 2011 (C.F. No. 11-1015). This action will reduce the number of traffic citations issued and very likely reduce current year receipts for the Traffic Safety Fund (Schedule 4). The Traffic Safety Fund provides the Bureau with \$4.80 million to support the costs of maintaining the City's streets and \$8.32 million for the Department of Transportation to maintain traffic control devices and provide crossing guards. At this time, this Office is working with the Police Department and County of Los Angeles to identify the fiscal impact of this Council action. If this source of funds is significantly reduced, the City will be required to reduce services or identify other available sources of funds.

The following transactions are recommended:

- Transfer \$150,000 from the Gas Tax Fund to the Bureau for bridge and tunnel maintenance per the adopted budget Capital Improvement Expenditure Program (CIEP) (C.F. No. 10-0600).
- Transfer \$150,000 from the Gas Tax Fund to the Bureau for guardrail construction per the adopted budget CIEP
- Transfer \$400,000 from the Gas Tax Fund to the Bureau for various drainage projects per the adopted budget CIEP.

**GG.Recreation and Parks**  
**Attachment 6 – Transfers between Departments and Funds**  
**Recommendation No. 3**

The Department is projected to complete the year within budget; however salary projections include a \$1.6 million shortfall attributed to the recent labor negotiations. The salary deficit will be offset by reimbursements from the Department of Water and Power (DWP) for existing staff working on the SMART Irrigation Project.

The Department projects a \$560,000 revenue shortfall due to lower-than-budgeted reimbursements from the Harbor Department, resulting from a credit for the Department's use of Harbor property. The projected revenue shortfall could be offset by available balances within departmental accounts or potential surpluses in other revenue categories. This Office will closely monitor the Department's revenue streams and report back in future FSRs.

The following transaction is recommended:

- Transfer \$10,000 from Recreation and Parks Salaries Overtime Account to the Office of the Controller Salaries As-Needed Account, for reimbursement for one Principal Accountant II position from the Controller's Accounting Assistance Program needed to assist with critical accounting deadlines and targets.

## **HH. Transportation**

### **Attachment 4 – New Appropriations**

### **Attachment 6 – Transfers between Departments and Funds**

### **Recommendation Nos. 1, 3, 27 and 28**

It is projected that the Department will complete the year within budget, assuming that expected salary appropriations are received in the current year from off-budget special fund programs. Additionally, the timely receipt of anticipated reimbursements will be monitored to ensure a balanced budget by the fiscal year-end. Departmental revenue receipts are anticipated to be on budget at this time. This Office is continuing to monitor parking citation revenue as it pertains to the Part-Time Traffic Officer Program and will report on those receipts in a separate report.

The following transactions are recommended:

- Appropriate and transfer a total of \$1,341,000 from the cash balance of the Transportation Regulation and Enforcement Trust Fund to various accounts within the Fund in order to establish the annual budget for the Bandit Taxicab and Taxicab Regulations Enforcement Programs. Funding is set aside annually for reimbursement of costs in the Los Angeles Police Department, the Department of Transportation and various expenses. Of that amount, \$235,000 will fund the Department's Salaries, Overtime account for the Bandit Taxicab and Taxicab Regulations Enforcement Programs, and \$635,000 will fund the Police Department's Sworn Salaries, Overtime account for the Bandit Taxicab Program.
- Transfer a total of \$90,000 within the Local Transportation Fund to a consolidated annual account for reimbursement of costs associated with the implementation of bikeways projects.
- Transfer a total of \$72,410,000 from various transit operations accounts in the Proposition A Local Transit Assistance Fund to a new account for transit mobility services. In previous years, multiple accounts were established based on the multiple transit operations contracts. This fiscal year, however, the Department consolidated multiple transit operations contracts into one contract (C.F. 11-1188) and now requests that funding for this contract be consolidated into one account.
- Transfer \$50,000 from the Bikeways Program account in the Local Transportation Fund to an account within the Fund to be designated for the Bureau of Street Services. These funds will be

transferred to the Bureau at a later date for work associated with the Sepulveda Boulevard Bike Lane project.

- Transfer \$350,000 from the Transportation Grant Fund Annual Work Program account in the Proposition C Anti-Gridlock Transit Improvement Fund to new account for the Overland Bridge project in the Transportation Grant Fund. This funding is required for the installation of a new traffic signal.
- Transfer \$110,000, as-needed, from the Contractual Services account within the Special Parking Revenue Fund to the Department of General Services Salaries, General account for the operation of the Judge John Aiso Parking Garage.
- Transfer \$24,282 from the Pedestrian Safety Program account within the Local Transportation Fund to the Department's Salaries, General account for design work associated with new pedestrian warning devices.
- Transfer \$85,000 from the Measure R Local Return Fund to the Planning Department's Salaries, General account for anticipated work on the 2010 Bicycle Plan's Five Year Plan Environmental Impact Report.
- Transfer \$150,000 from the Measure R Local Return Fund to the Department's Salaries, General account for anticipated field operations labor costs associated with the installation of bike lane facilities.
- Transfer \$2,941 from the Department of Transportation's Contractual Services account to the Department of General Services' Salaries, Construction account for costs associated with the pad lock projects at the Valley and Western Parking Enforcement Offices.
- Authorize the Department of Transportation to write off \$100,800 in anticipated receipts from a 1999 Mobile Source Reduction Committee AB 2766 grant project. The Department received a grant through the Mobile Source Reduction Committee (MSRC) in 1999 to fund the retrofit of six DASH propane-fueled buses to new hybrid electric configuration. The Proposition A Local Transit Assistance Fund received reimbursement for 80 percent of the amount of this project. The remaining 20 percent (\$100,800) was retained and withheld by the MSRC because the hybrid electric technology did not meet specific operational requirements. The Department appealed to the MSRC to release the remaining grant funds despite not meeting the requirements. However, the MSRC was justified in not releasing the funds and those funds have long been reverted. The Department requires language to write-off this receivable as it is no longer anticipated.
- Authorize the Department of Transportation to write off invoices totaling \$490,350.92 that were issued in error to the Los Angeles Metropolitan Transportation Authority between 1999-2000 and 2004-05 to collect cost of living adjustments that were implemented after the original invoices had been issued and paid.

## **II. Zoo**

### **Attachment 6 – Transfers between Departments and Funds Recommendation No. 3**

The Zoo Department is projected to complete the year within budget. The current salary projection shows a surplus of approximately \$850,000 in the Salaries General Account. This surplus may be required to offset a potential revenue shortfall of \$300,000, as a result of the postponed opening of the Living Amphibians, Insects and Reptiles exhibit and the delayed implementation of the fee increase to General Admission prices at the Los Angeles Zoo. This Office will continue to monitor revenues and report back in future Financial Status Reports.

In a City Administrative Officer report dated June 10, 2011, the Council instructed the Zoo Department to formulate a hiring plan to ensure that only critical positions are filled due to the potential impact on future hires from the proposed Community Partnership (C.F. No. 11-0993). The Department is in the process of developing a hiring plan and will report back on those positions required for the remainder of 2011 12.

The following transaction is recommended:

- Transfer \$10,771 from the Departments' Salaries General account to the Office of the Controller, Salaries, As Needed account for reimbursement of one Principal Accountant I position and one Accounting Clerk I position from the Controller's Accounting Assistance Program.

## **2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS**

This section addresses the status of non-departmental expenditures and revenues and highlights issues of concern. A transfer funds within the Human Resources Benefits fund is recommended.

### **A. General City Purposes No Recommendations**

A net year-end surplus of \$165,000 is projected in the General City Purposes (GCP) Fund mainly due to savings in the Medicare account. No adjustments are recommended at this time. We will continue to monitor these accounts and report back in the next Financial Status Report.

### **B. Human Resources Benefits Attachment 6 – Transfers between Accounts within Departments and Funds Recommendation No. 2 and 29**

In July 2011, Council reduced the Civilian Flex account by \$8 million and the Police Health and Welfare account by \$2 million as recommended in this Office's July 2011 Budgetary Adjustment Report (C.F. 11-0600-S104). The Civilian Flex reduction was projected to be offset by \$4.8 million in savings from Flex plan design changes for Plan Year 2012 and \$3.2 million in funding from a prior-year surplus in the Benefits Trust Fund, subject to the approval of the Joint Labor Management

Benefits Committee (JLMBC). A JLMBC status report is expected in mid October. The \$2 million reduction in the Police Health and Welfare Account may leave a \$1.5 million shortfall, although current projections indicate the possibility of a surplus in the Fire Health and Welfare Account that could be used to offset the Police Health and Welfare Account deficit.

Additionally, there is some concern with the funding levels in the Workers' Compensation account, which has experienced increased expenses over budgeted funding levels during the first two months of the fiscal year. To date, the Fund has received approximately 13 percent of budgeted General Fund revenue. Our office will monitor revenue and expenditures and report in future FSRs.

The following transaction is recommended:

- Transfer contractual services funding totaling \$15,622,215 from the Fund's Civilian Flex and Worker's Compensation accounts (\$1,700,000 and \$13,922,215, respectively) to a new Contractual Services account in the fund. In fiscal year 2010-11, the budget transferred various Contractual Services account funding from the Personnel Department to the Human Resources Benefits fund to facilitate and ensure accurate recordkeeping of spending on contractual service versus other expenses. For the current adopted budget, separation of contractual services funding in the Fund was inadvertently omitted. Remaining contractual service balances in the Civilian Flex and Workers' Compensation accounts should be transferred, and the 2011-2012 expenditures-to-date should be corrected and recorded appropriately.

### **C. Liability Claims Account No Recommendation**

The Adopted Budget provides \$47.85 million to settle claims and pay judgments against the City. To date, \$7.99 million in payouts has been approved by the City or is pending approval. The City Attorney's Office intends to stay within budgeted funds, excluding the potential telephone utility tax case, addressed below.

In July 2011, the California Supreme court ruled in *Ardon v. City of Los Angeles* that taxpayers may file a class action claim against a municipal government entity for the refund of local telephone use taxes, overturning an earlier Court of Appeal ruling. This Supreme Court ruling creates a significant liability to the City either this year or next. This Office is working with the City Attorney's Office, Council and Mayor on potential measures to mitigate the financial impact to the City.

### **D. Reserve Fund and Budget Stabilization Fund Attachment 3 – Status of the Reserve Fund No Recommendation**

The current Reserve Fund Balance is nearly \$193.4 million, after providing for transfers included in the 2010-11 Year End FSR and other transactions, consisting of \$120.6 million in Emergency Reserve and \$72.8 million in Contingency Reserve. The current reserve fund balance represents 4.41 percent of the General Fund budget. Meeting the 5 percent requirement established by the



City's Financial Policies would require a balance of \$219.3 million, or an increase of \$25.9 million. Please refer to Attachment 3 for greater detail on the Reserve Fund.

Of the \$46 million in year-end advances extended to departments, \$17.6 million were for unfunded encumbrances representing technical adjustments that are reversed on July 1<sup>st</sup>, and \$28.4 million were for unfunded expenditures typically incurred due to delayed billing or receipts. In accordance with the Budget and Finance Committee's instruction to departments, this Office will work with the Controller relative to plans to accelerate repayment of Reserve Fund advances for unfunded expenditures (C.F. 11-0600-S143).

To supplement the Reserve Fund, the Budget Stabilization Fund (BSF) was established as part of the 2008-09 Budget. The policy of its funding is to be incorporated in the City's Financial Policies. As originally envisioned, this policy would require compulsory saving when the economy is strong and actual revenue exceeds the projected revenue target. Expenditures from the Fund would be restricted to those fiscal years when actual revenue is less than the adopted revenue target. In 2009-10, \$500,000 was initially deposited into the Fund and the current budget maintains the \$500,000 cash balance. The intent of the BSF is to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years.

#### **E. Unappropriated Balance**

**Attachment 7-A – Status of the Unappropriated Balance – General Accounts**

**Attachment 7-B - Status of the Unappropriated Balance – non-General Accounts**

**No Recommendations**

As of September 2011, \$2,734 has been appropriated from the Unappropriated Balance, General Account, leaving a \$22,266 in funding remaining. With the approval of the adopted budget, the Unappropriated Balance began with a balance of approximately \$21.7 million. To date, approximately \$110.9 million has been transferred or reappropriated to the account (including \$107.4 million approved in the Budgetary Adjustment report, C.F. No. 11-0600-S104), \$90.7 million has been transferred out (\$89.9 million in the Budgetary Adjustment report), leaving a balance of \$41.9 million.

### **3. STATUS OF GENERAL FUND RECEIPTS**

**Attachments 1-A through 1-P**

**Recommendation No. 30**

Receipts in Fiscal Year 2010-11 were close to the revised budget – down \$5 million, or one-tenth of one percent (Attachment 1-A). The property, sales, utility users' and transient occupancy taxes were above the revised budget, while the business, parking and documentary taxes were slightly below plan. The most significant revenue shortfall, \$18 million, was in departmental receipts.

Fiscal year 2011-12 receipts through August remain very close to budget, approximately 2 percent above plan (Attachment 1-B). Receipts-to-date include the receipt of \$10.6 million in a onetime adjustment and carryover of prior year Motor Vehicle License Fee (MVLFF) revenue from the State.

However, the adopted MVLF revenue of \$14.7 million will not be received as a result of the State's shifting this revenue from the City to fund county law enforcement programs. (See Section 11 for the update on the State budget.)

While the economy-sensitive revenues are close to plan, the underlying economy is a cause for concern. Recent economic indicators show that U.S. retail sales have stalled (Attachment 1-C) and that local unemployment is again rising (Attachment 1-D). Because of the timing of accounting activity, City receipts lag the economy by about one calendar quarter. For example, the City sales tax receipts in fiscal year 2010-11 were 5.9 percent higher than the recession-impacted fiscal year 2009-10 (Attachment 1-E) and the first quarter of the current fiscal year showed growth in the City's sales tax allocation of more than 9 percent (Attachment 1-F). Conversely, any impact of downward trends in the economy would be reflected in future receipts.

Property taxes declined in each of the previous two fiscal years. Although fiscal year 2010-11 receipts were lower than fiscal year 2009-10, receipts were above the budget target (Attachment 1-G). For the current fiscal year, receipts at August are below budget plan, but early results are not indicative of final collections. The County Assessor's final valuation for the current tax year was increased from 0.7 percent growth to 1.3 percent growth. This change is expected to result in higher secured receipts later in the fiscal year. At this point no change is recommended in the estimate for property tax receipts (Attachment 1-H).

The licenses, permits, fees and fines account, known as departmental receipts, was the principal reason receipts were below the revised budget last year and account for most of variance from plan in the first two months of the current fiscal year. Several departments did not make the budgeted reimbursements to the General Fund for related costs last fiscal year. Early reimbursements for the current year are also below plan.

Information on other major revenue sources, not discussed in the summary, is displayed in attachments 1-J through P.

- Attachment 1-J illustrates growing revenue in the hotel tax receipts during the local economy's recovery from recession, with receipts above plan.
- Attachment 1-K charts documentary transfer tax receipts, which includes \$2 million in revenue from corporate transfer receipts. Corporate transfers have been received, and receipts are close to plan.
- Attachment 1-L charts parking users' tax receipts, an economy-sensitive revenue that is slightly behind plan.
- Attachment 1-M shows revenue for utility users' taxes, and Attachments 1-N through P breaks down the receipts by utility where receipts are affected by the weather, price of fuel, and changes to the telecommunications marketplace

At this point this Office recommends no adjustments in General Fund revenue; however, receipts in the coming months, along with economic indicators, will be closely monitored.

The following action is recommended:

- Instruct departments charged with collection of overhead cost reimbursements to prepare appropriate accounting transactions on a quarterly or more frequent basis. (See Attachment I). As reported above departmental receipts were down in 2010-11 because several departments did not make budgeted related cost reimbursements. In cases where such reimbursements for prior years are still pending, transfers to the General Fund should be made now.

#### **4. STATUS OF FINANCE/TREASURY CONSOLIDATION**

On June 28, 2011, City Council approved the operational plan to consolidate the Office of Finance and the Office of the Treasurer (C.F. No.11-600-S40). As part of this action, our Office was instructed to report on the status of the consolidation in each FSR until the consolidation is completed. On this same date, the implementing ordinance was presented by the City Attorney and approved by Council. The implementing ordinance went into effect on August 17, 2011. As of that date, all functions and employees of the Office of the Treasurer were officially consolidated into the Office of Finance. However, both the Finance and Treasury budgets were consolidated on July 1, 2011 pursuant to the 2011-12 Adopted Budget.

The 2011-12 Adopted Budget for the Office of Finance is \$37.6 million, consisting of \$25.4 million for revenue collection functions and \$11.7 million for treasury functions (\$9 million of treasury funding is for bank fees). A total of 28 former Treasury employees were transferred to the Office of Finance. However, since the July 1 merger, 2 employees have left the Office. Furthermore, an Assistant Director of Finance position that replaced the Assistant City Treasurer has been filled. The Office of Finance is also in the process of filling other critical treasury-related vacancies including the Director of Cash Management and Departmental Chief Account III.

The Office of Finance has 367 Regular position authorities and 11 Resolution authorities. For the most part, treasury services continue to be provided in the former Treasurer's Office. Physical moves include the following: 1) a Personnel Analyst moved from Treasurer to the Finance Personnel Section; 2) an Accounting Clerk was moved within the former Treasurer's Office from Payroll to Treasury Accounting; 3) three Systems positions were moved from the former Treasurer's Office to the Finance Systems Division at the Garland Building; and, 4) two Assistant Directors of Finance were moved to the former Treasurer Offices.

The treasury-finance consolidation is now complete and per Council direction this completes our report on this item.

## **5. STATUS OF THE THREE-YEAR PLAN**

### **A. Responsible Financial Management**

Consistent with the Three-Year Plan, the City has made responsible financial management a priority and has taken action that makes this priority abundantly clear. These actions have included reverting funds to the Reserve Fund above the budgeted amount; placing a hold on non-essential debt-financing through MICLA; and continuing the Managed Hiring Process. Additionally, the City is considering the following:

- **Personnel Department Human Resources Consolidation**

The Council is currently considering the implementation of a human resource consolidation plan. In May 2011, a joint Personnel-Budget and Finance committee instructed the CAO, CLA, and the Personnel Department to provide an objective analysis of concerns expressed by departments. A follow-up meeting is planned for mid-October 2011 to discuss and finalize the consolidation effort.

### **B. Focus on Core Mission**

The City continues to make an effort to focus its limited resources on the most essential and required functions as detailed below:

- **Planning Department**

To augment regular staff, 90-day contracts for employees were extended to 120-days with the adoption of Proposition Q by voters. In addition, Planning received funding in the budget for As-Needed employees.

- **Fire Deployment Plan**

A new deployment plan was implemented on July 3, 2011 with the reduction of 18 fire resources daily and 318 sworn positions over a three year period through attrition.

- **Civilianization of the Fire Dispatch Center**

Several staffing models are being studied as the Department prepares to transition to the new Dispatch Center in December.

- **Consolidation of the Office of Finance and the Treasurer's Office**

With the adoption of the 2011-12 Budget, the Office of Finance and the Office of the Treasurer were consolidated to provide a more comprehensive approach to the management of the City's funds, as well as achieve cost savings and administrative and operational efficiencies. An update on the status is provided in the previous section.

### **C. Alternative Service Delivery Methods**

The Public Private Partnership (P3) strategy is a critical element of the City's financial solvency and sustainability. The P3 opportunities that are currently being pursued and which are in various stages of development are:

- **Animal Services Northeast Animal Care Center**  
The City is finalizing a contract with Best Friends Animal Society for the operation of the Northeast Animal Care Center.
- **Animal Services South West Los Angeles Animal Care Center - Jefferson Park**  
The City will be issuing a Request for Proposal (RFP) for the operation of the South West Los Angeles Animal Care Center - Jefferson Park before the end of 2011.
- **Children's Museum of Los Angeles**  
The City is seeking partnership with a non-profit operator of the museum. The Proposition K Oversight Committee and the Board of Recreation and Parks are reviewing the exhibit program, operational plans and financing options, all of which will be submitted to Council for approval.
- **Information Technology Agency Alternative Service Delivery for IT Infrastructure**  
An RFP has been developed and released for a Strategic Advisor for Technology Services. The Advisor will evaluate all current City information technology services and make recommendations regarding the provision of these services.
- **Los Angeles Convention Center Operation**  
Council instructed this Office to develop and release the RFP as part of the January 2009 Three-Year Plan to Fiscal Sustainability Report. However, prior to its release, this Office will report back to the City Council. The goal for identifying a potential alternative business model is to allow more flexibility and efficiency with Convention Center operations and to maximize the City's competitive position as a major convention destination. Further, this Office has been tasked with reviewing and recommending an alternative business model that would reduce General Fund costs associated with owning and operating the facility. If an alternative model for operating the facility is recommended, the goal would be to have identified a new operator by the first quarter of the 2012 calendar year.
- **Los Angeles Zoo**  
At its meeting on August 12, 2011, the City Council authorized the CAO to release a RFP to seek an experienced organization or individual to operate and manage the Los Angeles Zoo and Botanical Gardens (C.F. 11-0993). On August 29, 2011, the CAO released the RFP and has advertised the RFP in various news sources and media outlets. Proposals are due by Monday, November 7, 2011.

#### **D. Workforce Modernization**

The City's major cost drivers are salary, retirement contributions, and human resources benefits, including healthcare costs. These costs are driven by base employment and salary levels. The only way to reduce costs is to reduce salaries and benefits to workers and/or reduce the number of workers. To ensure the City of Los Angeles continues to be an employer of choice and maintains the ability to recruit and retain a highly qualified workforce, the City has been pursuing substantive changes to the current compensation and human resource structure. Generally, the City's efforts have been focused on labor negotiations to reduce the cost of benefits and pension reform.

- **Healthcare Benefits Civilian**

At the close of fiscal year 2012, the City came to an agreement with several bargaining units (BU) represented by the Coalition, Service Employees International Union BU nos. 8 and 17, Management Attorneys, Municipal Construction Inspectors Association, and the Fiscal and Policy Professionals Association to further reduce labor costs through both one-time and ongoing savings, which includes a 4 percent salary contribution to fund retiree health benefits. Additionally, in lieu of furloughs in excess of 26 days, said bargaining units have agreed to a combination of other savings measures including furloughs, reduced pay, delayed salary step advances, delayed longevity step increases, and increased sick time and overtime compensation banks. Labor negotiations to identify additional healthcare savings with other civilian bargaining units, including the Engineers and Architect's Association, are continuing.

- **Healthcare Benefits Sworn**

The Los Angeles Fire and Police Pension (LAFPP) Opt-In enrollment period for retiree health benefit subsidy increases commenced on August 15, 2011, and expired on September 29, 2011. During this time, LAFPP members may voluntarily decide to contribute 2 percent of base salary to secure vested rights to future medical subsidy increases. At the conclusion of the Opt-In enrollment period, it is anticipated the Plan's actuary will calculate the offset to the City's contribution, including any offsets resulting from medical subsidy freezes for certain LAFPP members.

- **Pension Reform**

The implementation of a second tier (Tier 2) within the Los Angeles City Employees' Retirement System for new hires has been discussed in Personnel Committee. The matter has been referred back to the Executive Employee Relations Committee for further discussion.

## **6. STATUS OF EMPLOYMENT AND LABOR COST SAVINGS EFFORTS**

### **A. Employment Level Report**

#### **Attachment 8 – Employment Level Report**

Citywide employment authority from all funding sources totaled 34,447 at the end of August for both civilian and sworn classes. There are 31,381 filled positions at the end of August, compared to the 32,025 reported in the 2010-11 Year End Financial Status report (end of April 2010). Departments reported a total of 3,066 vacant positions: 1,345 General Fund and 1,721 special funded.

### **B. Voluntary Furloughs**

#### **Attachment 9 – Status of Voluntary Furlough Program**

As of September 6, 2011 (Pay Period 5), approximately \$422,547 in savings has been achieved across City departments through voluntary furloughs. However, it is estimated that only 53 percent of this amount, approximately \$224,000, represents General Fund savings.

**7. STATUS OF FEE INCREASES**

**Attachment 10 - Status of Fee Increases in the 2011-12 Budget**

Attachment 10 provides a status of fee increases included in the adopted budget, which includes revenue collected by the Animal Services Department (ASD), Fire Department (FD), Police Department, Planning Department, and the Bureau of Street Lighting (BSL). To date, only the Above Ground Inspection Fee (FD) and Planning Fee Increase have been implemented. The Administrative Citation Enforcement Program (ASD) was approved by Council on September 16, with full implementation expected no later than April 1, 2012. The Industrial Building Inspection fee (FD) is in the early stages of the process, and the \$1 million revenue is not expected to be collected this fiscal year. The Alarm System late penalty (PD) should become effective in November and will be ready for the 2012 renewal period. The planned implementation date of Banner Permit Fees and Fines (BSL) is unknown; however, there is no impact to the General Fund as it will only offset revenue from the Street Lighting Maintenance Assessment Fund.

**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 December 2009, the Mayor and Council approved an increase of \$100 million to expand the MICLA CP program from \$200 million to \$300 million.

The CAO anticipates a \$100 million to \$150 million MICLA refinancing to occur in fourth quarter of 2011 which will reduce the amount of CP outstanding.

The 6<sup>th</sup> Street Viaduct Seismic Improvement Project anticipates borrowing approximately \$98.4 million over seven years for its cash flow financing needs. MICLA will be fully reimbursed, including interest costs and costs of issuance, from funds by the Federal Highway Bridge Program and the State Proposition 1B Local Seismic Retrofit Account.

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

Below is the status of the MICLA CP Program through September 21, 2011:

<b>Reporting Period</b>	<b>Amount Outstanding</b>	<b>Range of Interest Rates</b>
05/18/11-09/21/11	\$199,219,000	0.08% to 0.23% (tax-exempt)
05/18/11-09/21/11	\$5,000,000	0.18% to 0.23% (taxable)
	<i>Total:</i>	<hr/> \$204,219,000

## **9. 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.

The Office of the City Clerk, which is responsible for the administration of fee waivers, reports out of available fiscal year funding that 10 fee waivers have been allocated, which includes 8 waivers from the 2010-11 and 1 waiver from fiscal year 2009-10. Approximately \$5 million in Citywide special events and Council District fee subsidies remains to be allocated, \$1.9 million and \$3.1 million, respectively. Currently, there are \$45,705 in Citywide events and \$21,514 for Council District events pending allocation.

No new Convention Center waivers have been approved since the 2010-11 Year-End Financial Status Report.

### **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. No development fee and permits subsidies have been approved since the 2010-11 Year-End Financial Status Report.

## **10. STATUS OF GANG REDUCTION AND YOUTH DEVELOPMENT PROGRAM**

### **Attachment 11 – 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 provides an update of current year Gang Reduction Program spending in the Financial Status Report. This Office was instructed to work with the Mayor's Office to review allocations from all funding sources.

Total funding for the Fiscal Year 2011-12 Gang Reduction Program in the Mayor's Gang Reduction and Youth Development (GRYD) Office is approximately \$22.5 million from the following sources: \$18 million from the General Fund and \$4.5 million from federal and state grants. Of this amount, \$1.3 million is allocated for GRYD salaries and administration and \$21.2 million for contracted agencies. General Fund expenditures (\$2.8 million) and encumbrances (\$14.5 million) total approximately \$17.3 million through September 15, 2011.

Attachment 11 outlines the distribution of funds to each of the GRYD contracted agencies. The GRYD Office is currently comprised of 27 positions as follows: nine (9) staff provide contract and



fiscal management, eleven (11) staff provide program development and implementation, six (6) staff implement the Mayor's Summer Night Lights Program and the Young Women from Adversity to Resiliency (YWAR) program, and one (1) staff provides administrative support. Funds allocated for the GRYD Office, administration and program staff consists of \$1 million in General Funds and \$325,000 in grant funds for a total of \$1.3 million. Salary expenditures as of August 31, 2011 are \$265,000, and estimated salaries from August 29 to September 30, 2011 are \$163,000, totaling \$428,000 for the first quarter. The Mayor's Office will be seeking reimbursement of SNL program and administrative salaries from fiscal year 2010-11 for a total amount of \$598,000. Reimbursed funds will be received in the Mayor's Office salaries accounts.

## **11. STATE BUDGET UPDATE**

On June 30, 2011, Governor Jerry Brown signed the 2011-12 State Budget. The budget includes \$85.9 billion in General Fund expenditures. The Governor also vetoed \$270 million of the budget package of which \$23.8 million pertained to the State General Fund. The vetoed items affect several state departments including the Judicial Branch, Inspector General, Housing and Community Development, Transportation, Parks and Recreation, Education, and Corrections and Rehabilitation among others.

The 2011-12 State Budget closes a \$26.6 billion deficit primarily through spending reductions. This includes \$15 billion in spending cuts to social welfare programs and higher education. The Governor was unable to reach a compromise with Republican legislators to extend taxes.

The majority of the remaining deficit is offset by relying on higher than expected revenue. The Budget projects an additional \$4 billion in estimated 2011-12 revenues. However, there are growing concerns that the higher revenue may not be realized. According to the State Department of Finance, the state revenue forecast for July was \$541 million below the 2011-12 Budget Act Forecast of \$5.87 billion.

### **2011-12 Trigger Reductions**

To address the potential risk to the State's fiscal condition if the higher revenues do not materialize, the Budget provides for trigger reductions. Pursuant to AB 121 (budget trailer bill), the State Department of Finance will be required to project full-year revenue by December 15, 2011 to determine whether the State will meet revenue targets. If revenues are projected to fall short by more than \$1 billion, an additional \$600 million in cuts to higher education, health and human services, and public safety would be implemented beginning in January 2012. If revenues are projected to fall short by more than \$2 billion, an additional \$1.9 billion in education reductions would be implemented-shortening the school year by 7 days, eliminating the home-to-school transportation program, and reducing community college appointments.

Most trigger reductions impact State and County governments. However, there are potential budget impacts to the City of Los Angeles under Tier 2. The City could potentially be impacted by the elimination of state grants for local libraries.

The trigger reductions are detailed below:

*Tier 0:* If revenues are lower than budget estimates by less than \$1 billion, no additional cuts will be enacted. The year-end deficit will rollover to next fiscal year.

*Tier 1:* If revenues are lower than estimates by more than \$1 billion:

- \$100 million reduction to University of California
- \$100 million reduction to California State University
- \$100 million reduction to Department of Developmental Services
- \$100 million reduction to in Home Supportive Services (IHSS) – 20 percent reduction in service hours
- \$72.1 million reduction to Juvenile Justice – increase county charge for youthful offenders sent to CDCR
- \$30 million reduction to community colleges – \$10 per unit fee increase
- \$23 million reduction to child care
- \$20 million reduction to Department of Corrections and Rehabilitations (CDCR)
- \$15.9 million reduction related to elimination of state grants for local libraries (above the \$15 million in cuts in the State Budget)
- \$15 million reduction to Medi-Cal by extending provider cuts and co-payments to all managed car plans
- \$15 million reduction related to elimination of Vertical Prosecution Grants
- \$10 million reduction to IHSS – elimination of funding for local anti-fraud efforts.

*Tier 2:* If revenues fall short of estimates by more than \$2 billion:

- \$1.54 billion reduction in expenditures by reducing school year by 7 days
- \$248 million reduction related to the elimination of home-to-school transportation
- \$72 million reduction to community college apportionments

## **City Impacts**

This Office has reviewed the state budget information for 2011-12 and has identified below the impacts to the City. This Office will continue to monitor state budget issues and report as more information becomes available.

*Redevelopment:* On June 29, 2011, the State Legislature enacted two Redevelopment Trailer Bills as part of the Fiscal Year 2011-12 State Budget, which eliminated Redevelopment Agencies (RDAs) unless cities and counties elect to participate in the Voluntary Alternative Redevelopment Program (VARP) and provide payments to the County Auditor-Controller (\$1.7 billion payment in 2011-12 and \$400 million annually thereafter). On August 1, 2011, the California Director of Finance (DOF) published calculations for each RDA's remittance payment amount for 2011-12. The City's 2011-12 remittance payment amount is \$96.5 million. Starting in 2012-13, preliminary estimates show that the City's annual remittance payment amount will range between \$25.5 million and \$28.4 million.

On August 10, 2011, the Mayor and Council: 1) adopted an Ordinance authorizing the City's participation in the VARP thereby allowing the continued existence and operation of the Community Redevelopment Agency (CRA/LA), including the making of the required annual remittance payments to the County. On August 12, 2011, the City submitted to the DOF an appeal letter of the City's 2011-12 remittance payment amount.

On August 11, 2011, the California Supreme Court agreed to hear the legal challenge by the League of California Cities and the California Redevelopment Association, staying most of the language in the legislation. The Court however temporarily froze the ability of RDAs to undertake new projects and initiatives while it conducts its legal review and outlined an expedited briefing schedule designed to facilitate oral argument as early as possible in 2011 and a decision prior to January 15, 2012, the date when RDAs are required to make their first remittance payment to the County.

*Motor Vehicle License Fees (MVLFF) Realignment and Local Law Enforcement Grants:* The State has approved shifting MVLFF revenues from cities and counties and using it to fund community law enforcement programs that have been realigned from the State to the county. More information will be forthcoming from the State. The General Fund revenue loss to the City from this action is estimated at \$14.7 million. To date, the City has received one-time payments from the State totaling \$10.6 million in prior year vehicle license fees which partially offsets the \$14.7 million loss (resulting in a net loss of \$4.1 million).

*Citizen's Options for Public Safety (COPS).* The savings to the State resulting from the vehicle license fee reductions will be used to fund the Citizen's Options for Public Safety (COPS) program. City funding from the COPS program is estimated at \$6 million. State regulations for the COPS program are currently being developed. The Los Angeles Police Department is in the process of determining the potential impact of this program to the City. Recently, the League of California Cities reported that new maintenance of effort (MOE) language was recently added to two budget clean-up bills that require cities to maintain fiscal year 2010-11 funding for their police departments in order to receive COPS funding. This will be a significant concern to cities that have made reductions to their police budgets in fiscal year 2011-12 as it could result in forfeiting future COPS funding.

*Enterprise Zones:* The CAO previously reported on the possible elimination of Enterprise Zones as part of the 2011-12 State budget actions. However, following our previous reports, the State changed course. There are currently no significant impacts to Enterprise Zones.

*Los Angeles Public Library:* The State has eliminated funding to the California Public Library Foundation (PLF). The Los Angeles Public Library (LAPL) has confirmed that it has received its 2011-12 share of funding from the PLF in the amount of \$1.4 million, as the funds were received during the prior fiscal year. However, the State budget reduction is expected to impact LAPL in fiscal year 2012-13.

In addition, to the elimination of PLF funding to LAPL, the "trigger reductions" are expected to have an impact on the LAPL's state grant funding. According to LAPL, the specific impact of any State reductions for the Library Services and Technology Act (LSTA) grant (\$300,000) and Literacy

Program (CLLS) grant (\$200,000) is still uncertain. The 2011-12 LAPL Budget assumes that it will not be receiving these funds in the current year.

The following are key components of the State budget:

#### Budget Cuts (\$15 Billion)

##### Health and Human Services

- Reduce Medi-Cal expenditures by \$2.04 billion in total. Changes include requiring co-payments of \$5 per doctor visit, \$50 per emergency room visit, and co-pays on prescription drugs and hospital stays to save \$511 million. Payments to providers will be cut by 10% to save \$623 million.
- Reduce community mental health services spending by \$861 million to be used to cover State mental health service costs.
- Reduce CalWORKS spending by a total of \$837 million. Aid time will be reduced from 60 months to 48 months to save \$103 million. Monthly cash grants will be reduced by 8% to save \$314 million. A reduction in employment services and child care will be extended for another year to save \$369 million.
- Reduce developmental services spending by \$582 million by installing cost-containment procedures.
- Reduce In-Home Supportive Services spending by \$413 million by requiring recipients to obtain medical certification, installing medication-dispensing machines in homes, and acquiring more Federal funds.
- Reduce Supplemental Security Income/State Supplementary Payment grants by \$15 per month to save \$178 million.

##### Education:

- Cal Grants program reduced by \$153 million.
- Reduce UC and CSU spending by \$1.375 billion.
- Reduce K-12 schools spending by \$2.1 billion by deferral.
- Reduce child care spending by \$180 million by reducing pay to providers.

##### Other Reductions

- Reduce employee compensation by \$471 million through labor contracts and operational efficiencies
- Reduce transportation spending by \$1.1 billion through tax swaps and special fund loans involving vehicle weight fees.
- Reduce court spending by \$743 million by reducing direct funding by \$350 million, pausing court construction to save \$310 million, and loans from the State Trial Court Construction Fund.
- Reduce corrections and rehabilitation spending by \$366 million by cutting \$246 million from prison medical-care budget and \$101 million from rehabilitation restructuring.
- Reduce state mandate spending by \$327 million by suspending most state mandates and deferring repayment on costs incurred.

Targeted Revenue Increases (\$0.95 Billion)

- Raise \$900 million by implementing a tax shelter amnesty program, repealing the refundable portion of the Child and Dependent Care Credit, and enforcing an online sales tax.

Fund Shifts and Other Revenues (\$2.9 Billion)

- Raise \$2.9 billion through borrowing, fund shifts, and other changes.

Improved Revenue Outlook (\$8.3 Billion)

- Estimates \$8.3 billion more in state revenue based on higher receipts since previous forecasts. State revenue estimates revised upward by \$4 billion for 2011-12 since May Revision.

  
\_\_\_\_\_  
Melissa Krance, Senior Administrative Analyst

APPROVED:

  
Raymond P. Ciranna, Assistant City Administrative Officer

MAS:RPC:BC/MCK: 01120022

Attachments

Attachment 1-A

Fiscal Year 2010-11 General Fund Revenue Review

\$ Thousands

	Revised per 2011-12 Budget	Actual 2010-11 Receipts	Variance from Revised Budget	Comment
<b>Property Taxes</b>				
<i>Property Tax - 1%</i>	\$1,014,499	\$1,024,469	\$9,970	Property tax receipts were 1% above revised estimate, but 0.6% below prior year.
<i>VLF Swap</i>	312,872	312,872	0	
<i>Sales Tax Replacement</i>	96,772	96,811	39	
<b>Property Tax</b>	<b>\$1,424,143</b>	<b>\$1,434,152</b>	<b>\$10,009</b>	
<b>Utility User Taxes</b>				
<i>Electric Users' Tax</i>	\$302,000	\$303,812	\$1,812	All utility tax components slightly above revised estimate.
<i>Gas Users' Tax</i>	71,811	72,410	599	
<i>Communication Users' Tax</i>	251,087	251,847	760	
<b>Total Utility Users' Tax</b>	<b>\$624,898</b>	<b>\$628,069</b>	<b>\$3,171</b>	
Licenses, Permits, Fees and Fines	710,068	691,280	(18,788)	Significant shortfalls in street services, police and fire.
Business Tax	424,036	418,374	(5,662)	Business and sales tax variances offset
Sales Tax	291,656	296,608	4,952	
Documentary Transfer Tax	102,000	100,413	(1,587)	Corporate tax collections below plan
Power Revenue Transfer	258,815	258,815	0	
Transient Occupancy Tax	127,193	134,796	7,603	13.8% growth from 2009-10.
Parking Fines	133,500	133,808	308	
Parking Users' Tax	84,000	83,162	(838)	
Franchise Income	48,700	44,479	(4,221)	A cable TV provider did not make May franchise payment.
State Motor Vehicle License Fees	13,792	13,147	(645)	
Grant Receipts	12,198	14,542	2,344	Principally from higher related cost reimbursements from grants.
Interest Income	14,890	15,439	549	
Tobacco Settlement	9,500	9,019	(481)	
Transfer from Telecommunications Fund	7,650	5,624	(2,026)	A shortfall in cable TV franchise fees reduced transfer amount.
Residential Development Tax	1,500	1,669	169	
Special Parking Revenue Transfer	10,000	10,019	19	
Transfer from Reserve Fund	3,617	3,617	0	
<b>Total General Fund</b>	<b>\$4,302,156</b>	<b>\$4,297,032</b>	<b>(\$5,124)</b>	

Attachment 1-B

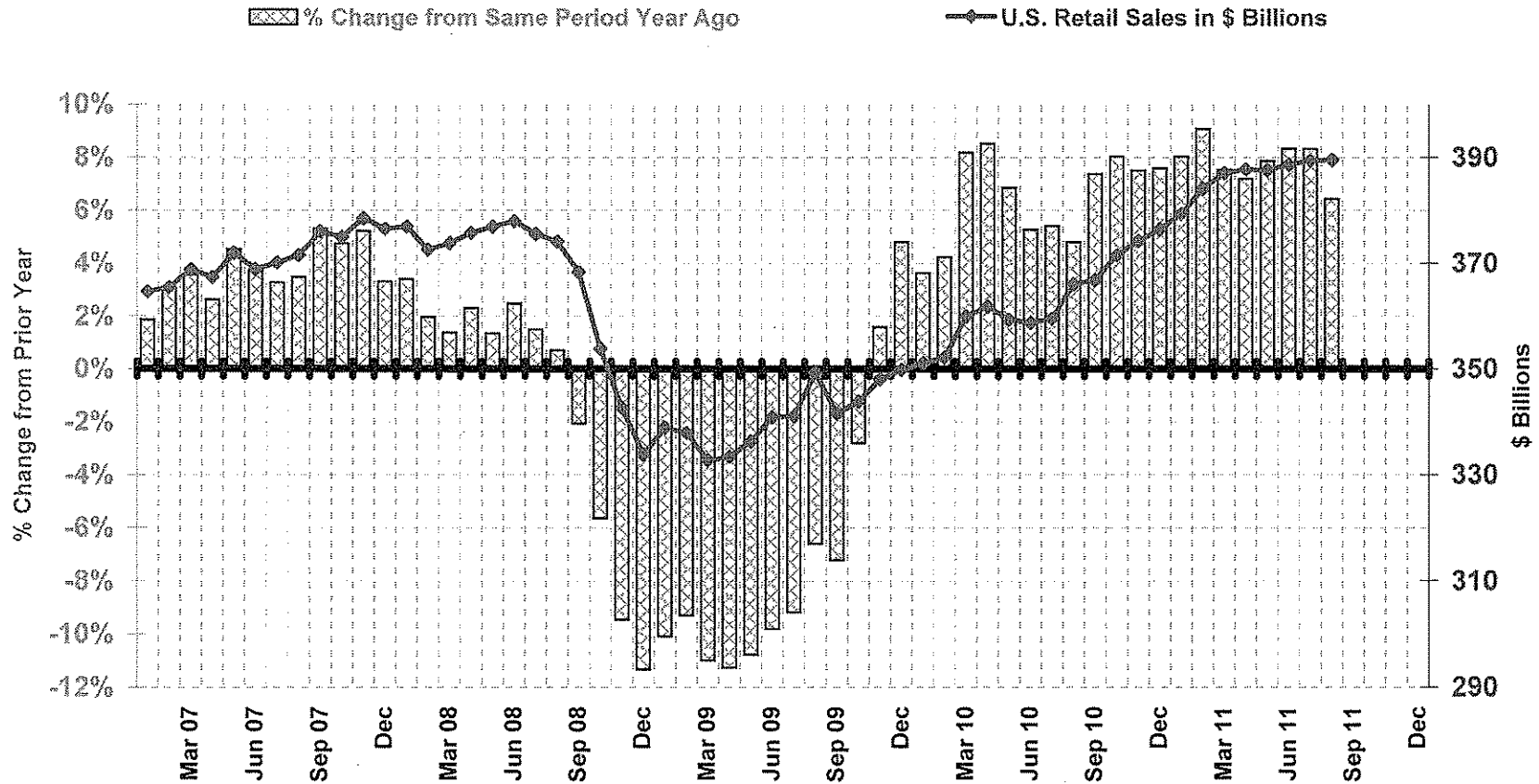
**Fiscal Year 2011-12 General Fund Receipts**

At August 31, 2011

\$ Thousands

	Budget	Plan* @ Aug 31	Receipts @ Aug 31	Variance (Rcpts Less Rev Plan)
Property Tax	\$1,436,363	\$81,571	\$78,436	(\$3,135)
Utility Users' Tax	627,832	103,563	104,641	1,078
Licenses, Permits, Fees and Fines	725,092	63,292	58,358	(4,934)
Business Tax	439,219	11,764	11,409	(355)
Sales Tax	306,239	46,979	47,758	779
Documentary Transfer Tax	107,000	19,584	18,804	(780)
Power Revenue Transfer	254,000	0	0	0
Transient Occupancy Tax	136,200	24,356	28,212	3,856
Parking Fines	136,879	22,800	22,332	(468)
Parking Users' Tax	88,200	15,448	15,804	356
Franchise Income	48,100	10,016	9,833	(183)
Water Revenue Transfer	0	0	0	0
State Motor Vehicle License Fees	14,700	2,450	8,552	6,102
Grant Receipts	9,820	1,636	694	(942)
Tobacco Settlement	9,500	0	0	0
Transfer from Telecommunications	4,915	0	0	0
Residential Development Tax	1,905	316	234	(82)
Special Parking Revenue Transfer	16,509	0	0	0
<b>Subtotal General Fund</b>	<b>\$4,362,473</b>	<b>\$3,405,787</b>	<b>\$405,066</b>	<b>\$1,291</b>
Interest Income	14,280	2,380	10,480	8,100
Transfer from Reserve Fund	8,939	0	0	0
<b>Total General Fund</b>	<b>\$4,385,692</b>	<b>\$3,408,167</b>	<b>\$415,546</b>	<b>\$9,391</b>

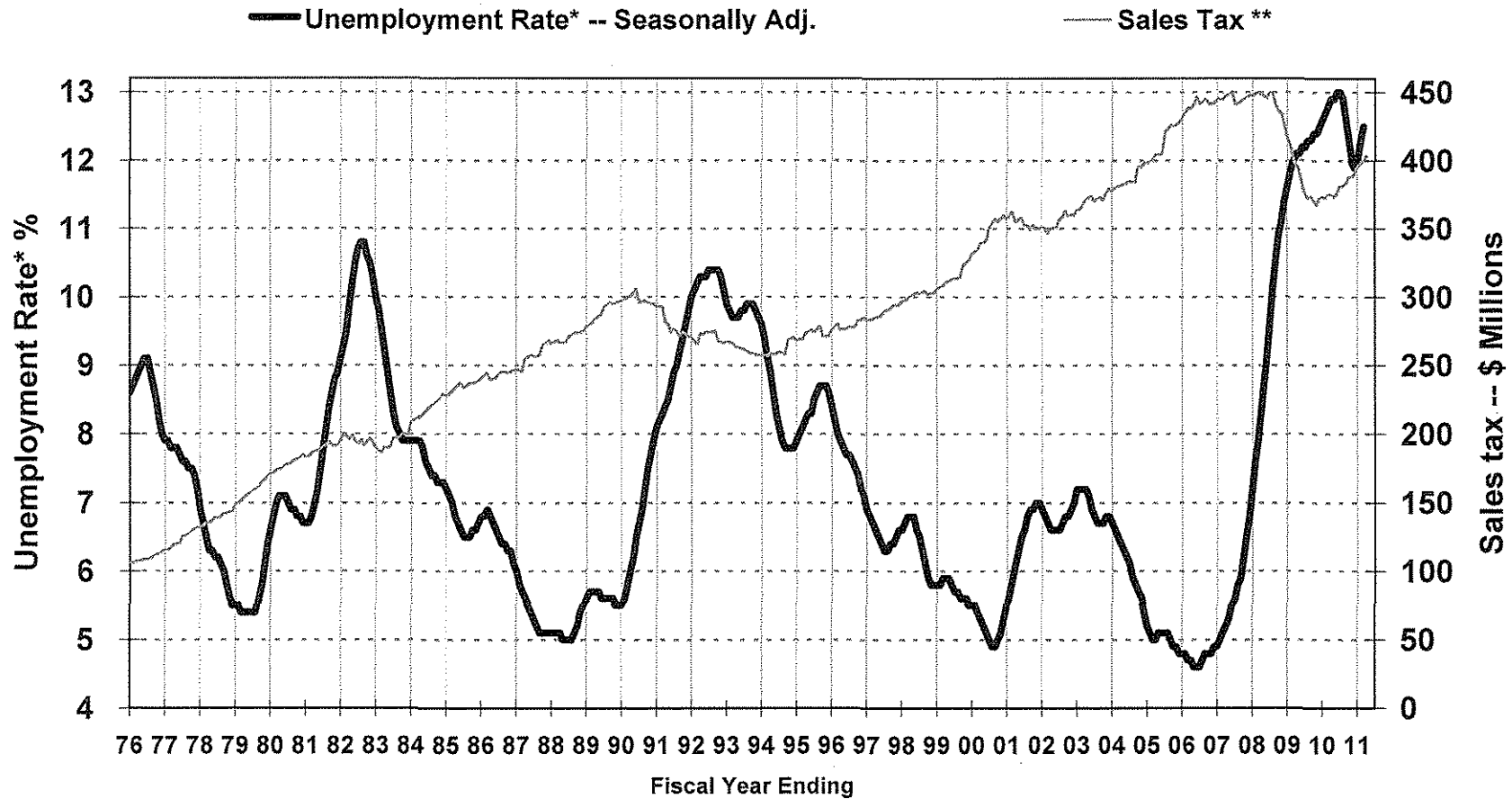
## U.S. Retail Sales -- Seasonally Adjusted



While nationwide retail sales for August 2011 are 6.4% above the same period last year, these sales are only 0.4% above the July 2011 level. Post-recession growth is stalling.



### City 1% Sales Tax and Local Unemployment Rate\*



\* For Los Angeles-Long Beach-Glendale, Seasonally Adjusted.

\*\*Sales tax receipts are stated at the historic 1% tax

**Unemployment Rate Los Angeles County at August 2011: 12.3%** -- Over time, as the local unemployment rate declines (thick line), the rate of growth of City sales tax (thin line) increases. As the unemployment rate increases, growth in City sales tax slows or decreases. The unemployment rate has been increasing during the last four months, which suggests the recent growth in sales tax receipts may not be sustainable.

**Attachment 1-E**

REVENUE MONTHLY STATUS REPORT

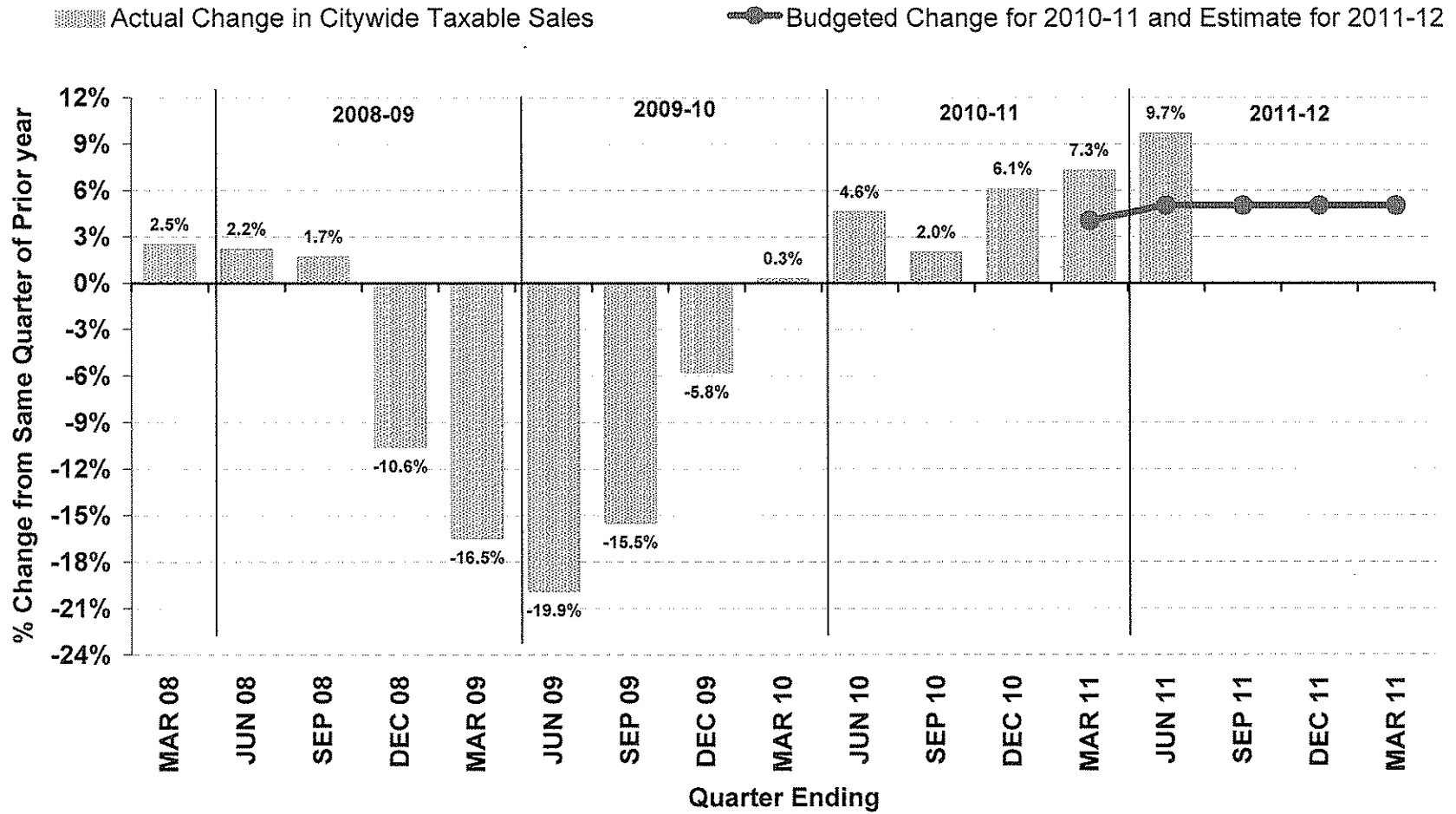
**SALES TAX**

(Thousand Dollars)

	2007-08	2008-09	2009-10	2010-11			2011-12			
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	VARIANCE (Actual less Revised)	PROPOSED	ACTUAL	VARIANCE (Actual less Revised)
<b>ACTUAL</b>										
JULY	\$22,761	\$23,582	\$19,976	\$20,775	\$19,175	\$19,175	\$0	\$20,134	\$20,783	\$649
AUGUST	30,492	31,421	23,675	24,622	25,567	25,567	\$0	26,845	26,974	129
SEPTEMBER	31,158	29,968	27,042	28,124	27,197	27,197	\$0	28,557	30,179	1,622
OCTOBER	23,497	22,829	20,495	21,315	19,093	19,093	\$0	20,048		
NOVEMBER	31,504	30,440	23,228	24,157	25,267	25,267	\$0	26,530		
DECEMBER	28,566	31,743	26,004	27,045	29,964	29,964	\$0	31,462		
JANUARY	23,900	23,330	20,354	21,169	20,457	20,457	\$0	21,480		
FEBRUARY	31,924	25,586	26,546	27,609	27,534	27,534	\$0	28,911		
MARCH	28,773	25,481	23,230	24,257	26,819	26,819	\$0	28,160		
APRIL	21,854	20,314	17,597	18,308	18,250	18,252	2	19,163		
MAY	29,021	21,817	25,679	24,412	24,333	26,766	2,433	25,550		
JUNE	32,113	25,428	26,269	27,619	28,000	30,517	2,517	29,400		
<b>TOTAL</b>	<b>\$335,563</b>	<b>\$311,940</b>	<b>\$280,095</b>	<b>\$289,412</b>	<b>\$291,656</b>	<b>\$296,608</b>	<b>\$4,952</b>	<b>\$306,239</b>	<b>\$77,936</b>	
% CHANGE	0.5%	-7.0%	-10.2%	3.3%	4.1%	5.9%				
% Change from Revised								5.0%		
% Change from Actual								3.2%		
% Change from Same Period Year Ago (July-September 2011 vs. July-September 2010)									8.3%	
<b>TRADITIONAL 1% SALES TAX</b>	<b>\$447,417</b>	<b>\$415,920</b>	<b>\$373,460 #</b>	<b>\$385,882</b>	<b>\$388,875</b>	<b>\$395,477</b>		<b>\$408,318</b>		
	2007-08	2008-09	2009-10	2010-11			2011-12			
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ACTUAL	VARIANCE (Actual less Revised)	PROPOSED	ACTUAL	VARIANCE (Actual less Revised)
<b>CUMULATIVE</b>										
JULY	\$22,761	\$23,582	\$19,976	\$20,775	\$19,175	\$19,175	\$0	\$20,134	\$20,783	\$649
AUGUST	53,253	55,003	43,651	45,397	44,742	44,742	0	46,979	47,757	778
SEPTEMBER	84,411	84,971	70,693	73,521	71,939	71,939	0	75,536	77,936	2,400
OCTOBER	107,908	107,800	91,188	94,836	91,032	91,032	0	95,583		
NOVEMBER	139,412	138,240	114,416	118,993	116,299	116,299	0	122,114		
DECEMBER	167,978	169,984	140,420	146,038	146,263	146,263	0	153,576		
JANUARY	191,878	193,314	160,774	167,207	166,720	166,720	0	175,056		
FEBRUARY	223,802	218,900	187,320	194,816	194,254	194,254	0	203,966		
MARCH	252,575	244,381	210,550	219,073	221,073	221,073	0	232,126		
APRIL	274,429	264,695	228,147	237,381	239,323	239,325	2	251,289		
MAY	303,450	286,512	253,826	261,792	263,656	266,091	2,435	276,839		
JUNE	335,563	311,940	280,095	289,412	291,656	296,608	4,952	306,239		

2010-11 receipts were \$296.6 million -- 5.9% more than 2009-10 receipts. Receipts in the first three months of 2011-12 are 8.3% above the same period last year. But there are signs the economy is slowing.

**Attachment 1-F**  
**Change in City Sales Tax Allocation by Quarter**



The City's fiscal year sales tax revenue (July-June) is based on taxable sales between April of one year and March of the next. Allocations for the 2011 spring quarter were received between June and September 2011. While early receipts are ahead of plan, national, state and local retail sales and employment data suggest caution.

## Attachment 1-G

### Property Tax by Account

Thousand Dollars

	2007-08	2008-09	2009-10	2010-11			Variance
	Actual	Actual	Actual	Budget	Revised	Actual	
Secured	\$858,730	\$945,946	\$944,405	\$917,174	\$940,334	\$943,768	\$3,434
Unsecured	43,434	45,847	45,676	44,762	43,657	43,657	0
Homeowner Exemption	8,657	8,686	8,824	8,825	8,632	8,632	(0)
Supplemental	50,845	22,901	7,859	10,000	12,876	13,200	324
Redemptions	30,350	58,328	55,201	47,000	42,301	45,558	3,257
County Admin Charges	(19,105)	(19,649)	(21,321)	(22,000)	(22,976)	(22,976)	0
Refunds	(3,901)	(4,891)	(4,236)	(3,000)	(12,341)	(10,728)	1,613
Adjustments	995	240	207	0	251	241	(9)
CRA-Litigation Settlement	1,396	18,479	0	0	0	0	0
CRA	1,262	1,006	452	500	1,765	3,132	1,367
<b>1% Property Tax</b>	<b>\$972,662</b>	<b>\$1,076,892</b>	<b>\$1,037,066</b>	<b>\$1,003,261</b>	<b>\$1,014,499</b>	<b>\$1,024,483</b>	<b>\$9,985</b>
							0
VLF Replacement	297,256	320,498	320,223	311,578	312,872	312,872	0
Sales tax Replacement	119,337	111,683	84,976	93,690	96,772	96,811	39
<i>subtotal</i>	<i>416,593</i>	<i>432,181</i>	<i>405,199</i>	<i>405,268</i>	<i>409,644</i>	<i>409,683</i>	<i>39</i>
<b>Property Tax All Sources</b>	<b>\$1,389,255</b>	<b>\$1,509,073</b>	<b>\$1,442,265</b>	<b>\$1,408,529</b>	<b>\$1,424,143</b>	<b>\$1,434,167</b>	<b>\$10,024</b>

#### Percent Change from Year Ago

	2007-08	2008-09	2009-10	2010-11		
	Actual	Actual	Actual	Budget	Revised	Actual
Secured	2.3%	10.2%	-0.2%	-2.9%	-0.4%	-0.1%
Unsecured	5.9%	5.6%	-0.4%	-2.0%	-4.4%	-4.4%
Homeowner Exemption	1.9%	0.3%	1.6%	0.0%	-2.2%	-2.2%
Supplemental	-3.8%	-55.0%	-65.7%	27.2%	63.8%	68.0%
Redemptions	16.9%	92.2%	-5.4%	-14.9%	-23.4%	-17.5%
County Admin Charges	14.4%	2.8%	8.5%	3.2%	7.8%	7.8%
Refunds	-10.2%	25.4%	-13.4%	-29.2%	191.4%	153.3%
Adjustments			-13.8%		21.2%	16.6%
CRA-Related Litigation Settlement						
CRA	-72.8%	-20.3%	-55.1%	10.6%	290.4%	592.9%
<b>1% Property Tax</b>	<b>2.2%</b>	<b>10.7%</b>	<b>-3.7%</b>	<b>-3.3%</b>	<b>-2.2%</b>	<b>-1.2%</b>
VLF Replacement	9.8%	7.8%	-0.1%	-2.7%	-2.3%	0.4%
Sales tax Replacement	6.5%	-6.4%	-23.9%	10.3%	13.9%	3.3%
<b>Property Tax All Sources</b>	<b>4.1%</b>	<b>8.6%</b>	<b>-4.4%</b>	<b>-2.3%</b>	<b>-1.3%</b>	<b>-0.6%</b>

FY 2010-11 receipts were only 0.6% below the 2009-10 level while assessed valuations were 2.3% below 2009-10.

Attachment 1-H

**Property Tax by Account**

Thousand Dollars

**2011-12**

	Estimate	Plan @ August	Actual @ August	Variance
Secured	\$948,370	\$42,000	\$41,506	(\$494)
Unsecured	44,094	34,071	32,710	(1,361)
Homeowner Exemption	8,632			
Supplemental	15,800	2,200	1,848	(352)
Redemptions	37,000	4,000	3,278	(722)
County Admin Charges	(24,000)			
Refunds	(10,519)	(700)	(1,146)	(446)
Adjustments	0		240	240
<b>1% Property Tax</b>	<b>\$1,019,377</b>	<b>\$81,571</b>	<b>\$78,436</b>	<b>(\$3,135)</b>
VLF Replacement	315,375			
Sales tax Replacement	101,611			
<i>subtotal</i>	<i>416,986</i>			
<b>Property Tax All Sources</b>	<b>\$1,436,363</b>	<b>\$81,571</b>	<b>\$78,436</b>	<b>(\$3,135)</b>

Receipts at August are below budget plan. Early results are not indicative of final collections. The County Assessor's final valuation for the current tax year was increased from 0.7% growth to 1.3% growth. This change is expected to result in higher secured receipts later in the fiscal year. At this point no change is recommended in estimated property tax receipts.

## Attachment 1-I

### Licenses, Permits, Fees and Fines

#### FY 2010-11

	Variance	
Street Services	(\$6.1)	Bureau did not transfer \$6.6 million in Prop 1B overhead revenue for 2010-11 and did not transfer \$1.7 million in Measure R revenue from 2009-10. Receipts from other categories only partially offset some of this shortfall.
Police	(5.5)	Shortfalls from revised budget estimates in miscellaneous revenues, impound fees and reimbursements from other funds. Reimbursements from Airports are under review.
Fire	(5.0)	Ambulance revenue down \$2.4 million from department's estimate of \$67.6 million. Shortfalls in both Airport and Harbor reimbursements by \$3 million are under review.
Transportation	(2.3)	Under review
Community Development Department	(2.9)	Full overhead costs not reimbursed
Building & Safety	(2.0)	Full overhead costs not reimbursed
All Other	5.0	
Total Shortfall	<u><u>(\$18.8)</u></u>	

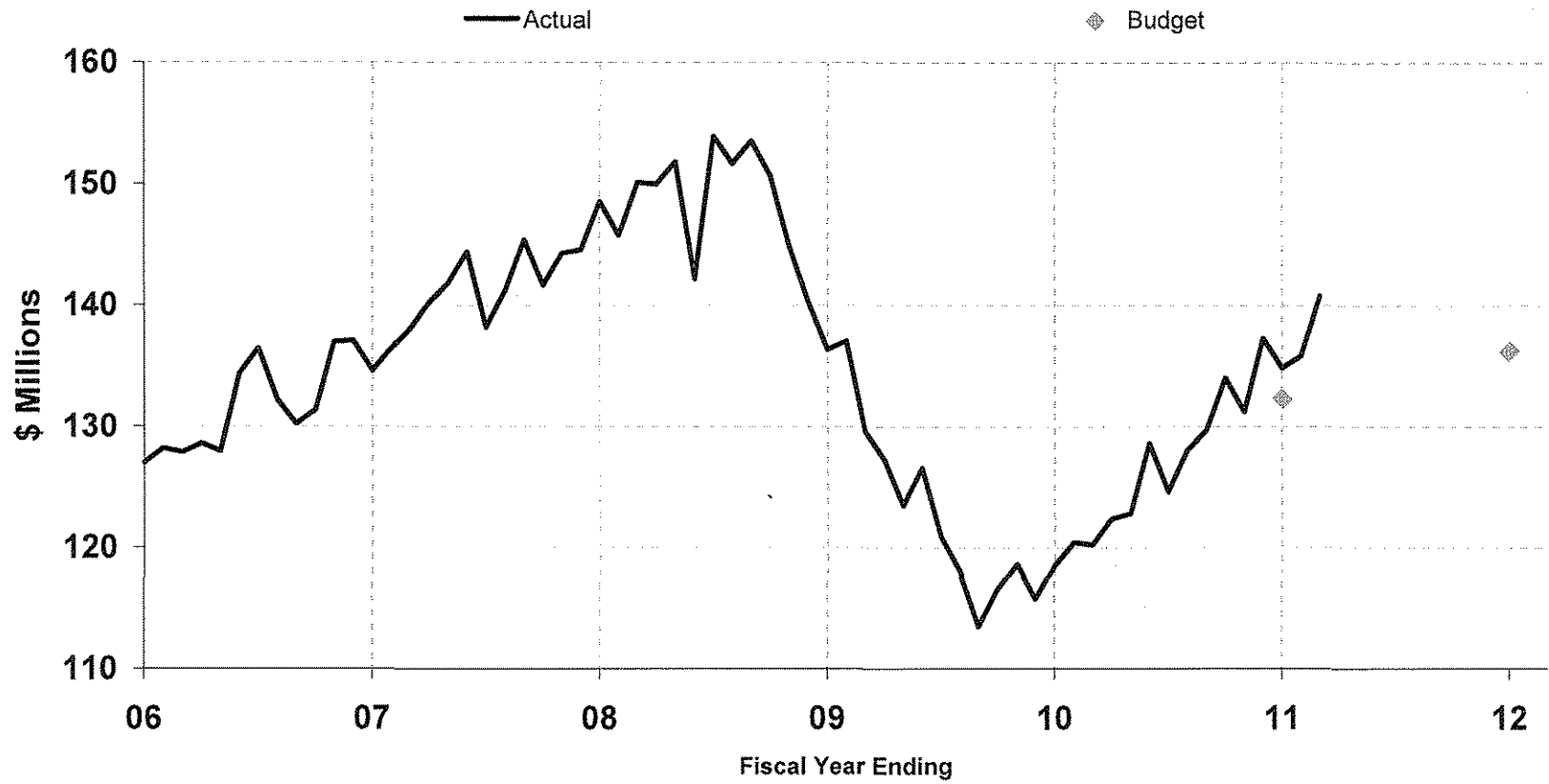
#### FY 2011-12 Through August

All Accounts	(4.9)	Early reimbursements from special funds and proprietary departments are off to a slow start. It is important for departments to ensure overhead transfers are made on at least a quarterly basis. Delaying these transfer payments to the end of the year could create revenue shortfalls in 2011-12 similar to the 2010-11 experience.
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Attachment 1-J

City Hotel Tax Receipts

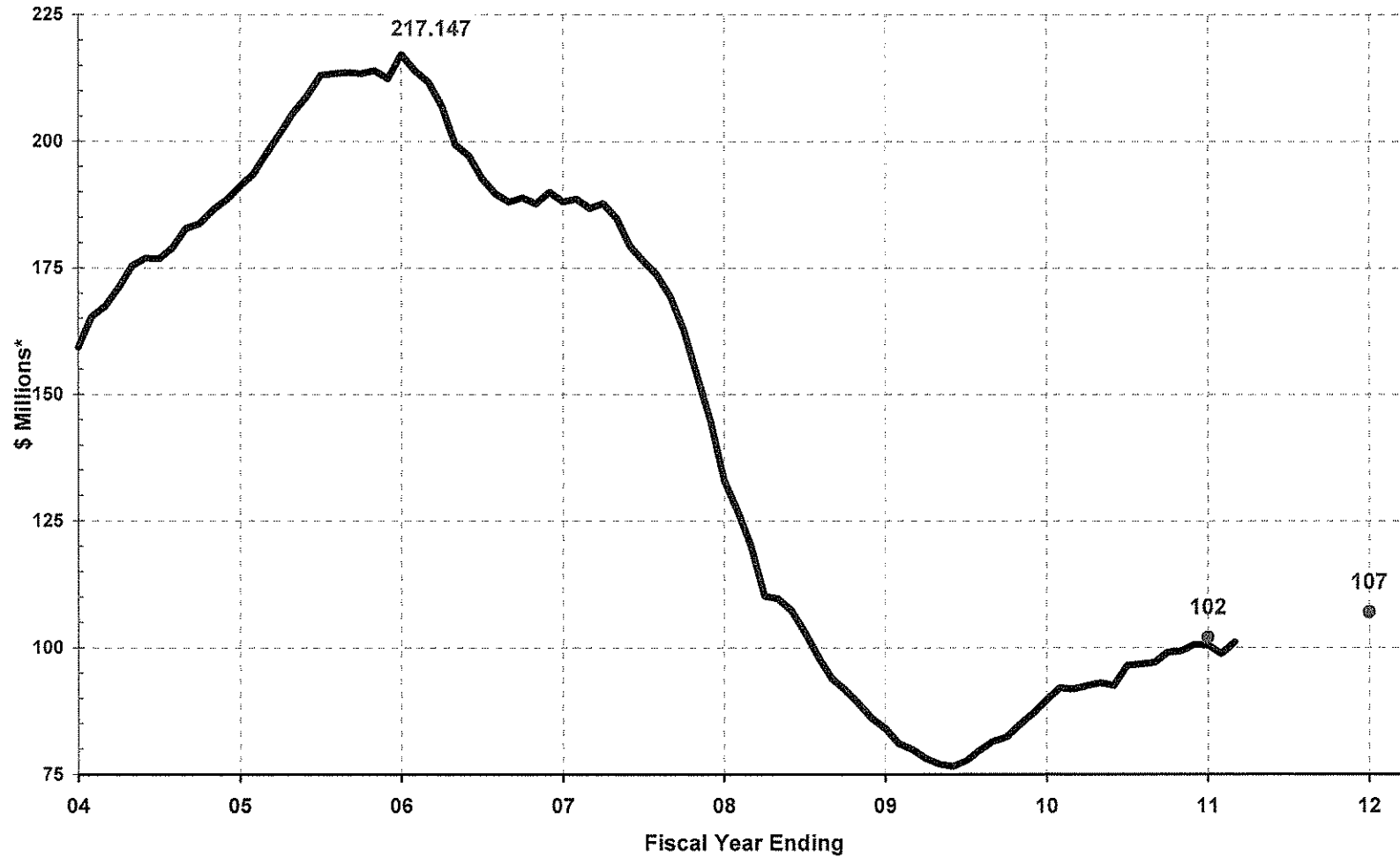
12-Month Moving Sum



This revenue is showing strong recovery from the recession.

Attachment 1-K  
Documentary Transfer Tax -- Includes Legal Entity Transfers

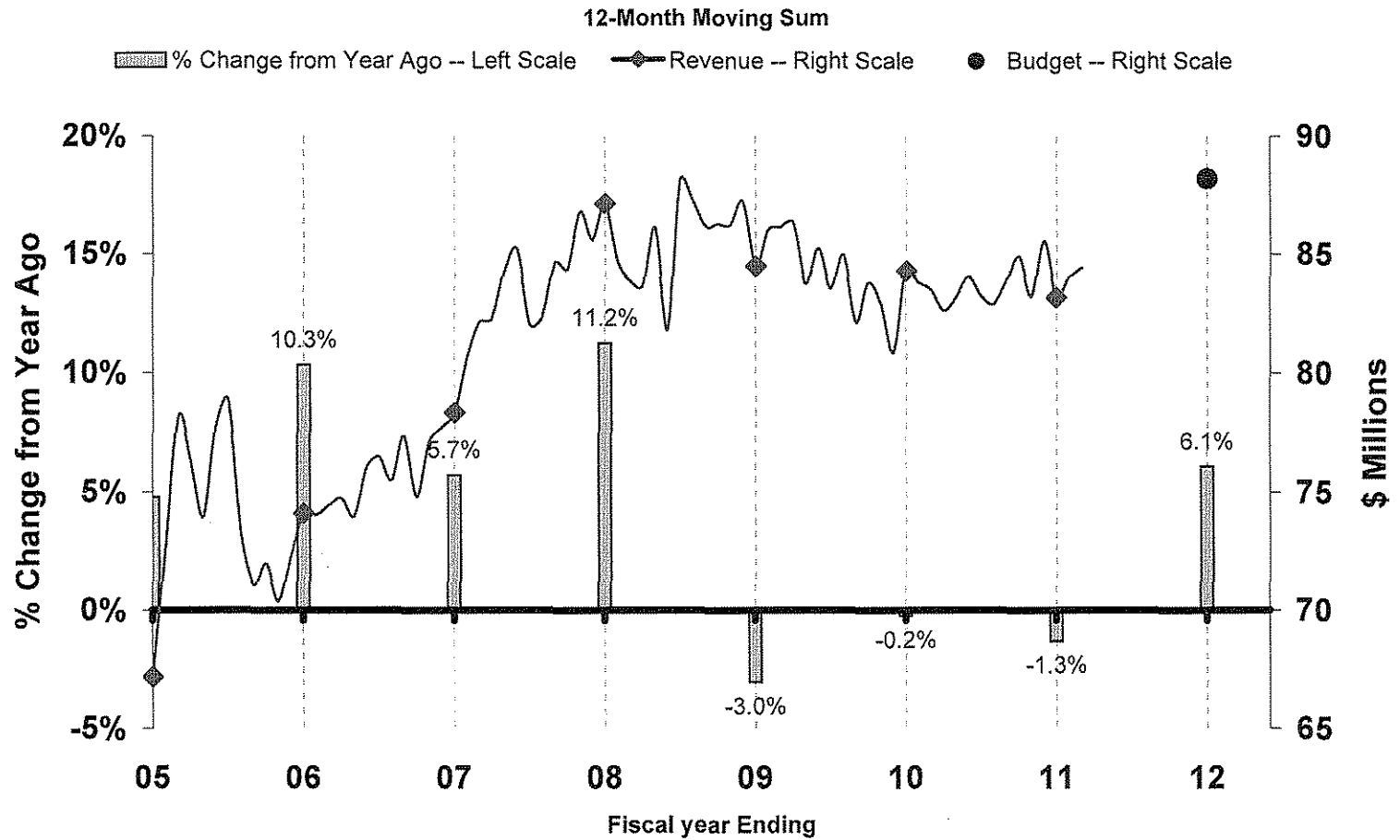
12-Month Moving Sum



FY 2011-12 estimate includes \$2 million for corporate transfer. Corporate transfer receipts last year were \$864,000. Overall receipts through August are close to plan.



# Parking Users' Tax



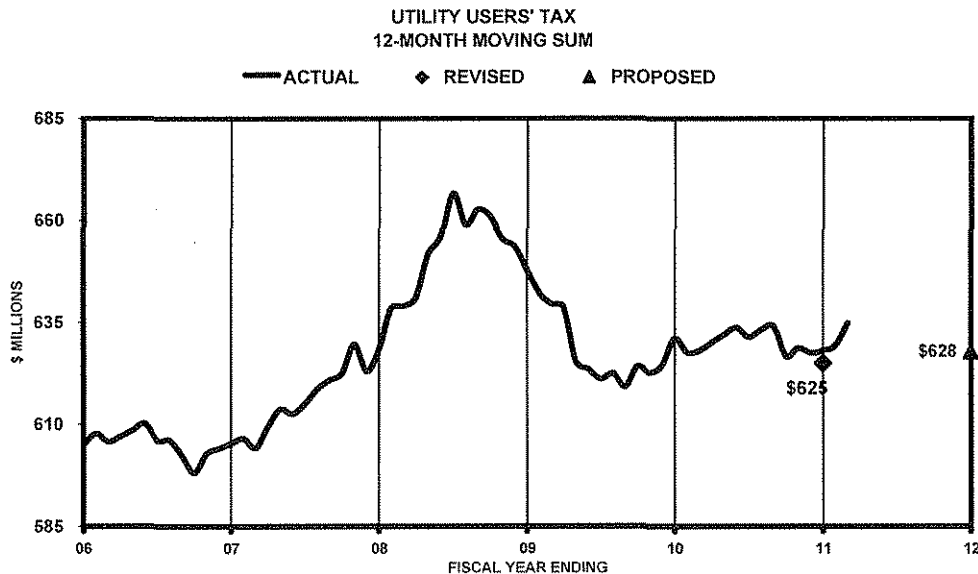
Monthly pattern of receipts is erratic, but when viewed annually, parking tax follows economy.

**Attachment 1-M**  
**REVENUE MONTHLY STATUS REPORT**  
**UTILITY USERS' TAX**  
(Thousand Dollars)

MONTHLY	2008-09	2009-10	2010-11	2011-12		
	ACTUAL	ACTUAL	ACTUAL	PLAN *	ACTUAL	VARIANCE
JULY	\$59,303	\$53,724	\$50,379	\$49,076	\$51,659	\$2,583
AUGUST	49,913	47,181	47,541	54,487	52,981	(1,505)
SEPTEMBER	54,500	53,686	55,708	48,502		
OCTOBER	65,521	52,082	53,945	51,878		
NOVEMBER	59,629	57,871	59,670	51,729		
DECEMBER	55,711	53,270	50,858	59,191		
JANUARY	49,504	50,872	52,714	50,204		
FEBRUARY	55,059	51,744	52,571	52,551		
MARCH	52,745	57,839	50,453	57,741		
APRIL	54,302	52,742	54,820	50,233		
MAY	47,304	49,092	47,891	54,163		
JUNE	44,330	50,945	51,520	48,077		
<b>TOTAL</b>	<b>\$647,822</b>	<b>\$631,048</b>	<b>\$628,068</b>	<b>\$627,832</b>		
% CHANGE	3.1%	-2.6%	-0.5%	0.0%		

\* Adjusted

CUMULATIVE	2008-09	2009-10	2010-11	2011-12		
	ACTUAL	ACTUAL	ACTUAL	PLAN	ACTUAL	VARIANCE
JULY	\$59,303	\$53,724	\$50,379	\$49,076	\$51,659	\$2,583
AUGUST	109,216	100,905	97,920	103,563	104,641	1,077
SEPTEMBER	163,716	154,591	153,627	152,065		
OCTOBER	229,238	206,673	207,572	203,943		
NOVEMBER	288,867	264,543	267,242	255,672		
DECEMBER	344,578	317,813	318,100	314,863		
JANUARY	394,082	368,685	370,814	365,067		
FEBRUARY	449,141	420,430	423,385	417,618		
MARCH	501,886	478,269	473,838	475,359		
APRIL	556,188	531,011	528,658	525,592		
MAY	603,492	580,103	576,549	579,756		
JUNE	647,822	631,048	628,068	627,832		



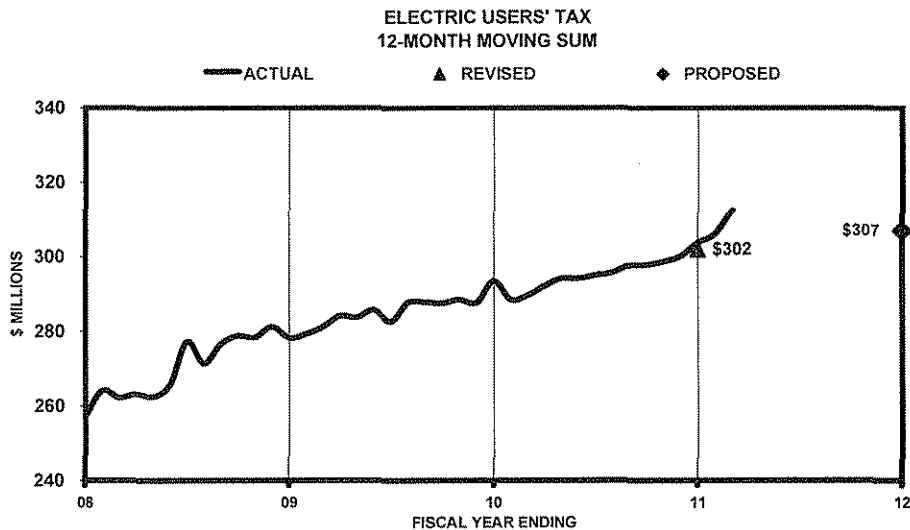
The utility users' tax is composed of the electric, gas and communications users' taxes. Its components are affected by the price of fuel, weather and the changing telecommunications marketplace. The uptick in August is due to the receipt of a 5th electric payment (payments are weekly so that four of the twelve months receive a 5th payment.)

**Attachment 1-N**  
**REVENUE MONTHLY STATUS REPORT**  
**ELECTRIC USERS' TAX**  
(Thousand Dollars)

MONTHLY	2008-09	2009-10	2010-11	2011-12		
	ACTUAL	ACTUAL	ACTUAL	PLAN *	ACTUAL	VARIANCE
JULY	\$26,491	\$27,546	\$22,516	\$23,297	\$24,790	\$1,492
AUGUST	18,694	20,578	21,652	29,122	28,018	(1,104)
SEPTEMBER	24,608	27,592	30,110	23,297		
OCTOBER	26,712	26,290	28,393	26,623		
NOVEMBER	30,497	32,491	32,452	26,623		
DECEMBER	27,739	24,628	25,497	33,279		
JANUARY	18,633	23,838	24,511	21,197		
FEBRUARY	21,490	21,554	23,469	22,468		
MARCH	22,237	21,933	22,148	28,086		
APRIL	24,814	25,804	26,718	22,406		
MAY	19,769	18,892	20,366	28,008		
JUNE	16,523	22,407	25,979	22,427		
<b>TOTAL</b>	<b>\$278,208</b>	<b>\$293,554</b>	<b>\$303,812</b>	<b>\$306,832</b>		
% CHANGE	8.2%	5.5%	3.5%	1.0%		

\* Adjusted

CUMULATIVE	2008-09	2009-10	2010-11	2011-12		
	ACTUAL	ACTUAL	ACTUAL	PLAN	ACTUAL	VARIANCE
JULY	\$26,491	\$27,546	\$22,516	\$23,297	\$24,790	\$1,492
AUGUST	45,186	48,124	44,168	52,419	52,807	389
SEPTEMBER	69,793	75,716	74,279	75,716		
OCTOBER	96,506	102,006	102,672	102,339		
NOVEMBER	127,002	134,497	135,124	128,962		
DECEMBER	154,741	159,125	160,621	162,241		
JANUARY	173,374	182,963	185,132	183,438		
FEBRUARY	194,865	204,517	208,601	205,906		
MARCH	217,101	226,450	230,748	233,992		
APRIL	241,916	252,255	257,466	256,398		
MAY	261,685	271,147	277,832	284,406		
JUNE	278,208	293,554	303,812	306,832		



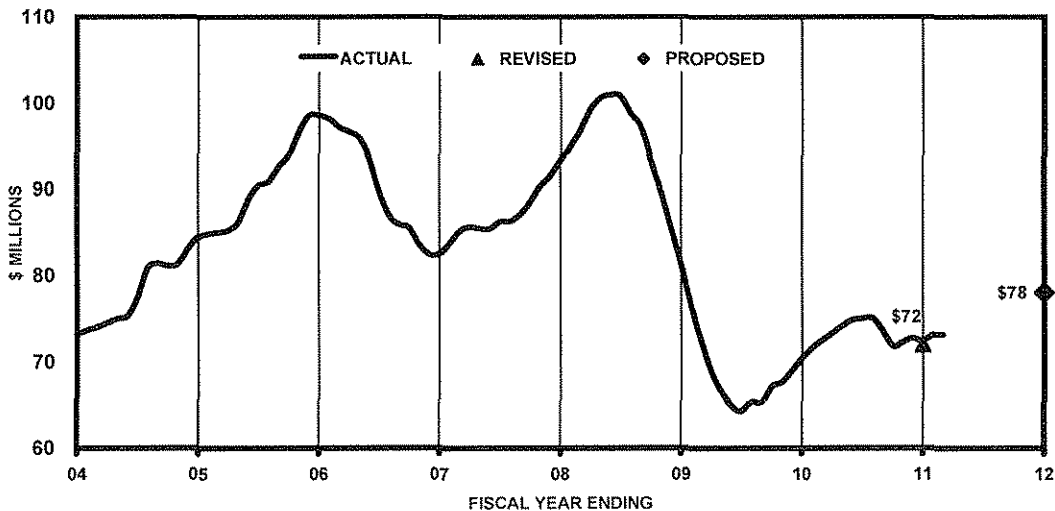
The 2011-12 Budget projects 1.6% growth. The rise in August is due to the receipt of five payments from DWP. The budget plan is adjusted to account for this payment.

**Attachment 1-O**  
**REVENUE MONTHLY STATUS REPORT**  
**GAS USERS' TAX**  
(Thousand Dollars)

MONTHLY	2008-09	2009-10	2010-11	2011-12		
	ACTUAL	ACTUAL	ACTUAL	PLAN	ACTUAL	VARIANCE
JULY	\$8,621	\$3,783	\$4,962	\$5,529	\$5,667	\$138
AUGUST	7,728	3,707	4,591	5,115	4,614	(502)
SEPTEMBER	7,225	3,619	4,447	4,955		
OCTOBER	5,885	3,647	4,492	5,005		
NOVEMBER	5,222	3,666	4,358	4,856		
DECEMBER	5,642	4,922	5,081	5,662		
JANUARY	6,651	7,756	7,859	8,758		
FEBRUARY	10,383	10,319	8,824	9,832		
MARCH	8,381	10,223	8,441	9,406		
APRIL	6,495	6,977	7,443	7,577		
MAY	4,732	6,042	6,518	5,906		
JUNE	4,292	5,737	5,394	5,400		
<b>TOTAL</b>	<b>\$81,258</b>	<b>\$70,397</b>	<b>\$72,410</b>	<b>\$78,000</b>		
% CHANGE	-12.9%	-13.4%	2.9%	7.7%		

CUMULATIVE	2008-09	2009-10	2010-11	2011-12		
	ACTUAL	ACTUAL	ACTUAL	PLAN	ACTUAL	VARIANCE
JULY	\$8,621	\$3,783	\$4,962	\$5,529	\$5,667	\$138
AUGUST	16,350	7,490	9,553	10,644	10,281	(363)
SEPTEMBER	23,575	11,108	13,999	15,599		
OCTOBER	29,460	14,755	18,491	20,604		
NOVEMBER	34,682	18,421	22,849	25,460		
DECEMBER	40,324	23,343	27,930	31,122		
JANUARY	46,975	31,099	35,789	39,879		
FEBRUARY	57,358	41,418	44,613	49,712		
MARCH	65,739	51,641	53,054	59,117		
APRIL	72,233	58,618	60,498	66,695		
MAY	76,966	64,659	67,016	72,600		
JUNE	81,258	70,397	72,410	78,000		

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

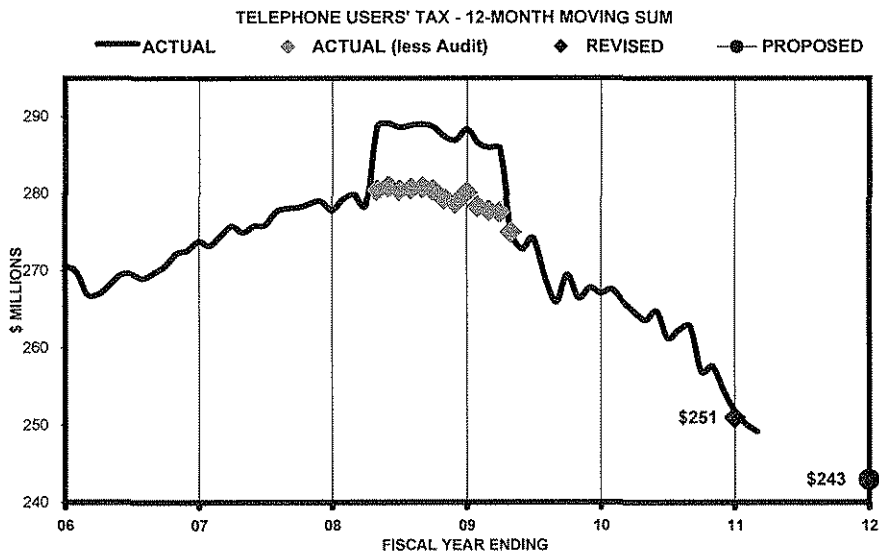


Gas users' tax revenue is close to plan.

**Attachment 1-P**  
**REVENUE MONTHLY STATUS REPORT**  
**TELEPHONE USERS' TAX**  
(Thousand Dollars)

2008-09	2009-10	2010-11		2011-12	
ACTUAL	ACTUAL	ACTUAL	PLAN	ACTUAL	VARIANCE
\$24,190	\$22,395	\$22,901	\$20,250	\$21,202	\$952
23,491	22,896	21,298	20,250	20,350	100
22,667	22,475	21,151	20,250		
32,924	22,145	21,060	20,250		
23,910	21,715	22,860	20,250		
22,330	23,719	20,280	20,250		
24,220	19,278	20,343	20,250		
23,186	19,871	20,278	20,250		
22,128	25,683	19,865	20,250		
22,993	19,961	20,658	20,250		
22,803	24,158	21,007	20,250		
23,514	22,801	20,146	20,250		
<b>\$288,356</b>	<b>\$267,097</b>	<b>\$251,847</b>	<b>\$243,000</b>		
3.8%	-7.4%	-5.7%	-3.5%		

2008-09	2009-10	2010-11		2011-12	
ACTUAL	ACTUAL	ACTUAL	PLAN	ACTUAL	VARIANCE
\$24,190	\$22,395	\$22,901	\$20,250	\$21,202	\$952
47,681	45,291	44,199	40,500	41,552	1,052
70,348	67,767	65,349	60,750		
103,272	89,911	86,410	81,000		
127,182	111,626	109,269	101,250		
149,512	135,345	129,549	121,500		
173,732	154,623	149,893	141,750		
196,918	174,494	170,171	162,000		
219,046	200,178	190,036	182,250		
242,039	220,138	210,694	202,500		
264,842	244,296	231,701	222,750		
288,356	267,097	251,847	243,000		



This account has been declining steadily since FY 2009-10.

## Attachment 2

### CITY OF LOS ANGELES SCHEDULE OF REVERSIONS TO RESERVE AND OTHER FUNDS FYE JUNE 30, 2011

Dept No.	Department Name	Adjusted Uncommitted Balance	Reversion to Other Funds and Other Adjustments Total	Adjusted Reversion to Reserve Fund Total
02	Aging	42,882	12,124	30,759
06	Animal Services	400,901	211,707	189,194
08	Building and Safety	303,824	145,156	158,668
10	CAO	667,047	2,807	664,239
12	City Attorney	11,452	0	11,452
14	City Clerk	1,873,464	199,110	1,674,354
17	City Ethics	86,780	86,780	0
20	Status of Women	1,547	0	1,547
22	CDD	176,851	176,851	0
26	Controller	983,683	8,447	975,236
27	Children, Youth & Family	17,797	0	17,797
28	Council	9,540,343	3,039	9,537,303
30	Cultural Affairs	329,903	329,903	0
32	ITA	977,907	35,343	942,564
33	El Pueblo	15,222	15,222	0
35	Emergency Preparedness	1,318	0	1,318
36	Employee Relations	15,846	0	15,846
37	Environmental Affairs	570	0	570
38	Fire	6,442,621	51,840	6,390,782
39	Finance	440,394	0	440,394
40	GSD	7,631,988	3,618,058	4,013,931
43	Housing	1,546	1,546	0
46	Mayor	2,223,387	0	2,223,387
47	Neighborhood Empowerment	122,764	122,764	0
48	Convention Center	868,833	868,833	0
49	Human Relations	28,107	0	28,107
53	Capital Finance	10,112,717	2,375	10,110,342
54	CIP	11,908,128	12,794,505	(886,377)
56	General City Purposes	6,782,977	0	6,782,977
58	Unappropriated Balance	78,520,557	74,694,055	3,826,502
59	Liability Claims	1,836,087	1,836,087	0
60	Water and Electricity	369,870	369,870	0
61	Human Resources	1,483,891	1,483,891	0
62	General	8,517,917	8,517,917	0
65	Disability	7,581	0	7,581
66	Personnel	3,654,561	0	3,654,561
68	Planning	1,132,282	1,045,774	86,508
70	Police	6,600,500	734,836	5,865,664
74	PW Board Office	477,264	302,328	174,937
76	PW Bu of Contract Adm	4,880,206	3,887,046	993,160
78	PW Bu of Engineering	4,953,195	4,803,030	150,165
82	PW Bu of Sanitation	16,975,268	16,975,268	0
84	PW Bu of St Lighting	1,966,998	1,966,998	0
86	PW Bu of St Services	11,208,354	7,364,902	3,843,452
87	Zoo	1,278,285	1,278,285	0
94	Transportation	7,681,428	4,034,133	3,647,296
96	Treasurer	324,836	0	324,836
<b>Year-end Reversion</b>		<b>\$ 213,879,877</b>	<b>\$ 147,980,829</b>	<b>\$ 65,899,048</b>
Total 2010-11 Year-End Reversion			\$ 65,899,048	
2010-11 Reversion Estimated in the 2011-12 Budget			56,870,000	
Difference between Actual and Estimated Reversion			<u>\$ 9,029,048</u>	

**ATTACHMENT 3  
STATUS OF RESERVE FUND AS OF 9/26/2011**

<b>Council File No. Item Description</b>	<b>Amount</b>
<b>Balance Available, 7/1/2011</b>	\$ 200,700,383
<b>Less: Emergency Reserve Account</b>	120,607,000
<b>Contingency Reserve Account 7/1/2011</b>	\$ 80,093,383
<b>Loan Repayment and Other Receipts</b>	3,680,584
<b>Contingency Reserve Account</b>	\$ 83,773,967
 <b>Loans and Transfers Approved to Date</b>	
10-0600-S72 LINX Replacement (reappropriation)	(3,500,400)
11-1800 CD 15 Special Election	(1,500,000)
10-0600-S72 Alternative Dispute Resolution Program (reappropriation)	(1,000,000)
10-0600-S72 FMS Replacement Project (reappropriation) Not to exceed	(410,136)
10-0600-S72 Civic Center Parking Equipment (reappropriation) Not to exceed	(232,344)
10-0600-S72 Treasury Diagnostic and Liquidity Study (reappropriation)	(120,000)
11-1416 Office of Community Beautification (reappropriation)	(40,000)
11-1533 UCLA Advocacy Day	(696)
11-1417 Project Islamic H.O.P.E. CD 13 special reception	(464)
 <b>Loans and Transfers Approved to Date Subtotal</b>	 \$ (6,804,040)
 <b>Proposed Loans and Transfers</b>	
1st FSR 2011 Primary and General Elections (reappropriation)	(2,786,129)
1st FSR Network maintenance infrastructure (reappropriation)	(715,916)
1st FSR Private veterinarian care (reappropriation)	(37,534)
1st FSR Police cameras and WiFi equipment (reappropriation)	(16,000)
1st FSR Police TASER holsters (reappropriation)	(39,610)
1st FSR Police MOU 24 and 25 expenses (reappropriation)	(200,000)
1st FSR Police Criminalists back-pay (reappropriation)	(392,290)
11-1577 SEIU Latino Caucus	(957)
<b>Proposed Loans and Transfers Subtotal</b>	<b>\$ (4,188,436)</b>
<b>Contingency Reserve Available Balance as of 9/26/2011</b>	<b>\$ 72,781,491</b>
 <b>Total Emergency and Contingency Reserve Fund</b>	 <b>\$ 193,388,491</b>

**Attachment 4  
NEW APPROPRIATIONS**

TRANSFER FROM			TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Community Development <i>Human Relations Commission Ordinance No. 181193</i>	<u>Fund 52W/22, Human Relations Commission</u> Cash Balance	\$ 1,716.00	<u>Fund 52W/22, Human Relations Commission</u> 22H360 Human Relations Commission	\$ 1,716.00	
<i>Commission on Status of Women Ordinance No. 181193</i>	<u>Fund 52V/22, Commission on Status of Women</u> Cash Balance	\$ 15,069.00	<u>Fund 52V/22, Commission on Status of Women</u> 22H361 Commission on Status of Women	\$ 8,269.00	
			<u>Fund 100/22 Community Development (22H122)</u> 002120 Printing and Binding	\$ 1,500.00	
			006010 Office and Administration	\$ 5,300.00	
			Subtotal	\$ 15,069.00	
<i>Enterprise Zone Tax Credit Voucher Ordinance No. 176632</i>	<u>Fund 48L/22 Enterprise Zone Tax Credit Voucher</u> Voucher Fees	\$ 466,260.00	<u>Fund 48L/22 Enterprise Zone Tax Credit Voucher</u> 22H299 Related Costs	\$ 115,055.00	
			<u>Fund 100/22 Community Development (22H122)</u> 001010 Salaries General	\$ 272,955.00	
			001070 Salaries As-Needed	\$ 52,200.00	
			006010 Office and Administration	\$ 4,676.00	
			006030 Leasing	\$ 21,374.00	
			Subtotal	\$ 466,260.00	
<i>Community Services Block Grant CF 11-0137 2-9-2011</i>	<u>Fund 428/22 Community Services Block Grant</u> Grant Funds	\$ 266,717.00	<u>Fund 428/22 Community Services Block Grant</u> 22H299 Related Costs	\$ 75,645.00	
			<u>Fund 100/22 Community Development (22H122)</u> 001010 Salaries General	\$ 176,586.00	
			006030 Leasing	\$ 14,486.00	
			Subtotal	\$ 266,717.00	
<i>CDD Section 108 2011-2012 Budget</i>	<u>Fund 43F/22 CDD Section 108</u> Fees	\$ 41,504.00	<u>Fund 43F/22 CDD Section 108</u> 22H299 Related Costs	\$ 7,769.00	
			<u>Fund 100/22 Community Development (22H122)</u> 001010 Salaries General	\$ 20,297.00	
			001070 Salaries As Needed	\$ 564.00	
			006010 Office and Administration	\$ 2,311.00	
			006030 Leasing	\$ 10,563.00	
			Subtotal	\$ 41,504.00	
<i>Workforce Investment Act CF 11-0582 6-22-11</i>	<u>Fund 44A/22 Workforce Investment Act</u> WIA Program Income	\$ 50,000.00	<u>Fund 44A/22 Workforce Investment Act</u> 22H450 WIA Program Income	\$ 50,000.00	



**Attachment 4  
NEW APPROPRIATIONS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Information Technology Agency <i>DWP emergency vehicles communication equipment</i>	<u>Fund 100/32, Information Technology Agency</u> RSC 4596, Services to Dept. of Water and Power	\$ 12,170.00	<u>Fund 100/32 Information Technology</u> 001100, Salaries, Hiring Hall	\$ 12,170.00
<i>Library Communication Services requests</i>	<u>Fund 100/32, Information Technology Agency</u> RSC 5301, Reimbursement from other Funds	\$ 24,000.00	<u>Fund 100/32</u> 009350, Communication Services	\$ 24,000.00
LA Inc. <i>LA Inc. 2010-11 Final Payment</i>	<u>Fund 429/10, Los Angeles Convention and Visitors Bureau Trust Fund</u> Cash Balance	\$ 1,353,497.42	<u>Fund 429/10, Los Angeles Convention and Visitors Bureau Trust Fund</u> 10G429, Los Angeles Convention and Visitors Bureau	\$ 1,353,497.42
Mayor <i>Million Trees LA Initiative</i>	<u>Fund 100/46, Mayor</u> RSC 5161, Reimbursement of Expenditures	\$ 77,238.31	<u>Fund 100/46, Mayor</u> 001070, Salaries As Needed	\$ 77,238.31
<i>Police CLEAR Program</i>	<u>Fund 667/46, Supplemental Law Enforcement Services Fund</u> RSC 3513, Other County Grants	\$ 1,531,405.00	<u>Fund 100/70, Police</u> 001012, Salaries Sworn	\$ 1,531,405.00
Planning <i>Jordan Downs Specific Plan</i>	<u>Fund 52D/68, Planning Case Processing SR Fund</u> RSC 4225, Miscellaneous Adm Services	\$ 109,200.00	<u>Fund 52D/68, Planning Case Processing SR Fund</u> 68701H, Jordan Downs SP (HACLA)	\$ 109,200.00
<i>Training for long-range planning</i>	<u>Fund 52F/68, Planning Long-Range Planning Fund</u> Cash Balance	\$ 25,000.00	<u>Fund 52F/68, Planning Long-Range Planning Fund</u> 68201H, Training - Long-Range Planning	\$ 25,000.00
Transportation <i>Bandit Taxicab and Taxicab Regulations Enforcement</i>	<u>Fund 596/94, Transportation Regulation Trust Fund</u> Cash Balance	\$ 1,341,000.00	<u>Fund 596/94 Transportation Regulation Trust Fund</u> 946304, Contractual Services 946601, Administrative Expense 946602, Operating Expense 946734, Equipment  <u>Fund 100/94, Transportation (94H194)</u> 001090, Salaries Overtime  <u>Fund 100/70, Police (94H170)</u> 001092, Sworn, Overtime	\$ 256,000.00 \$ 70,000.00 \$ 135,000.00 \$ 10,000.00  \$ 235,000.00  \$ 635,000.00
			Subtotal	\$ 1,341,000.00
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>		<b>\$ 5,314,776.73</b>		<b>\$ 5,314,776.73</b>

**Attachment 5**  
**TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Clerk <i>Operational Transfer</i>	<u>Fund 659/14, BID Trust Fund</u> 14G114, City Clerk	\$ 199,110.29	<u>Fund 659/14, BID Trust Fund</u> 140301, BID General	\$ 199,110.29
Finance <i>Printing Services</i>	<u>Fund 100/39, Finance</u> 002010, Advertising and Public Relations	\$ 6,413.00	<u>Fund 100/39, Finance</u> 002120, Printing and Binding	\$ 6,413.00
General Services <i>Metro Detention Center</i>	<u>Fund 100/40, General Services</u> 001110, Hiring Hall Overtime	\$ 395,000.00	<u>Fund 100/40, General Services</u> 001100, Hiring Hall 001120, Benefits Hiring Hall 001190, Overtime Hiring Hall	\$ 238,121.00 \$ 97,629.00 \$ 59,250.00
			Subtotal	\$ 395,000.00
Housing <i>HPRP Program FY12 Related Costs</i>	<u>Fund 51P/43, Homelessness Prevention and Rapid Re-Housing Program</u> 43F299 Related Cost 43F304 Admin Resv	\$ 5,398.80 \$ 39,141.20	<u>Fund 51P/43, Homelessness Prevention and Rapid Re-Housing Program</u> 43H299 Related Costs	\$ 44,540.00
	Subtotal	\$ 44,540.00		
<i>EECBG Program FY12 Related Costs</i>	<u>Fund 52P/43 Energy Efficiency and Conservation Block Grant</u> 43G299 Related Costs 43G818 EECBG Multifamily Housing	\$ 11,691.97 \$ 26,835.00	<u>Fund 52P/43 Energy Efficiency and Conservation Block Grant</u> 43H299 Related Costs	\$ 38,526.97
	Subtotal	\$ 38,526.97		
Information Technology <i>Salaries Deficit</i>	<u>Fund 100/32, Information Technology Agency</u> 001090, Salaries Overtime 009350, Communication Services	\$ 450,000.00 \$ 395,938.00	<u>Fund 100/32, Information Technology Agency</u> 01010, Salaries General	\$ 845,938.00
	Subtotal	\$ 845,938.00		
Mayor <i>Temporary Staffing</i>	<u>Fund 100/46, Mayor</u> 001010, Salaries General	\$ 1,500,000.00	<u>Fund 100/46, Mayor</u> 001070, Salaries, As Needed	\$ 1,500,000.00
<i>Related Costs Reimbursement</i>	<u>Fund 52E/46, FY09 Arrest Policies Grant</u> 46F146, Mayor Salaries	\$ 5,145.90	<u>Fund 52E/46, FY09 Arrest Policies Grant</u> 46H299, Related Costs	\$ 5,145.90
PW - Sanitation <i>SWRF (\$3,050,000)</i> <i>Household Hazardous Waste (\$32,000)</i> <i>SPA (\$325,000)</i> <i>SCM (\$1,125,000)</i>	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General	\$ 4,532,000	<u>Fund 100/82, Bureau of Sanitation</u> 001070, Salaries As-Needed 001090, Salaries Overtime 001100, Salaries Hiring Hall 001120, Hiring Hall Benefits 003310, Transportation	\$ 3,132,000.00 \$ 1,135,000.00 \$ 165,000.00 \$ 60,000.00 \$ 40,000.00
			Subtotal	\$ 4,532,000.00

**Attachment 5**  
**TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation <i>Bikeways Projects</i>	<u>Fund 207/94 Local Transportation Fund</u>		<u>Fund 207/94 Local Transportation Fund</u>	
	94E307, Bicycle Plan	\$ 50,000.00	94F314, Bikeway Program	\$ 90,000.00
	94G325, Bikeways Studies	\$ 40,000.00		
	Subtotal	<u>\$ 90,000.00</u>		
<i>Consolidated Transit Operations</i>	<u>Fund 385/94 Proposition A Local Return Fund</u>		<u>Fund 385/94 Proposition A Local Return Fund</u>	
	94H201, DASH-Central City	\$ 12,670,000.00	NEW, Transit Mobility Services	\$ 72,410,000.00
	94H247, Commuter Express	\$ 18,500,000.00		
	94H250, DASH-Community DASH Areas 1 and 2	\$ 13,990,000.00		
	94H254 DASH-Community DASH Area 3	\$ 5,520,000.00		
	94H256 DASH-Community DASH Area 4	\$ 9,250,000.00		
	94H402 DASH-Community DASH Area 5	\$ 6,480,000.00		
	94H421 Cityride	\$ 6,000,000.00		
Subtotal	<u>\$ 72,410,000.00</u>			
<i>Sepulveda Boulevard Bike Lane</i>	<u>Fund 207/94 Local Transportation Fund</u>		<u>Fund 207/94 Local Transportation Fund</u>	
	94314F, Bikeways Program	\$ 50,000.00	94F186, Bureau of Street Services	\$ 50,000.00
Human Resources Benefits <i>New Contractual Services Account</i>	<u>Fund 100/61 Human Resource Benefits</u>		<u>Fund 100/61 Human Resource Benefits</u>	
	9200, Civilian Flex	\$ 1,700,000.00	3040, Contractual Services	\$ 15,622,215.00
	9910, Workers' Compensation	\$ 13,922,215.00		
	Subtotal	<u>\$ 15,622,215.00</u>		
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>		<b>\$ 95,738,889.16</b>		<b>\$ 95,738,889.16</b>

**Attachment 6**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO		
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Building and Safety <i>Personnel Special Investigator</i> <i>Direct and related cost reimbursement</i>	<u>Fund 48R/08, Enterprise Fund</u>		<u>Fund 100/66, Personnel</u>		
	08H200, Reserve for Unanticipated Costs	\$ 95,070.00	001010, Salaries General	\$ 70,339.00	
			<u>Fund 48R/08, Enterprise Fund</u>		
			08H299, Reimbursement of General Fund Costs	\$ 24,731.00	
		Subtotal	\$ 95,070.00		
Community Development <i>Human Relations Commission</i> <i>Ordinance No. 181193</i>	<u>Fund 52W/22 Human Relations Trust Fund</u>		<u>Fund 100/22, Community Development (22H122)</u>		
	22G122 Community Development	\$ 42,000.00	002120 Printing and Binding	\$ 4,000.00	
			002130 Travel	\$ 5,000.00	
			006010 Office and Administration	\$ 33,000.00	
		Subtotal	\$ 42,000.00		
CDBG-ARRA <i>CF 09-0648-S21 12-17-2010</i>	<u>Fund 51N/22 Community Development Block Grant ARRA</u>		<u>Fund 100/22 Community Development (22H122)</u>		
	22F122 Community Development	\$ 64,484.00	001010 Salaries General	\$ 261,800.00	
	22G122 Community Development	\$ 104,288.00	006010 Office and Administration	\$ 1,145.00	
	22G299 Related Costs	\$216,373.00	006030 Leasing	\$ 19,260.00	
			<u>Fund 51N/22 Community Development Block Grant ARRA</u>		
			22H299 Related Costs	\$ 102,940.00	
	Subtotal	\$ 385,145.00	Subtotal	\$ 385,145.00	
	Community Development For ITA <i>CF 09-0648-S17</i>	<u>Fund 52B/32 ARRA-BTOP Public Computer Center Fund</u>		<u>Fund 100/22 Community Development (32H122)</u>	
		32G122 Community Development	\$ 295,000.00	006010, Office and Administration	\$ 295,000.00
	Community Development Trust Fund <i>PACE, Ordinance No. 181193</i>	<u>Fund 424/22 Community Development Block Grant</u>		<u>Fund 100/08, Building and Safety (22H108)</u>	
22H362 B & S PACE (22H108)		\$ 1,180,592.00	001010, Salaries General	\$ 1,106,002.00	
			003040, Contractual Services	\$ 22,435.00	
			003310, Transportation	\$ 52,155.00	
		Subtotal	\$ 1,180,592.00		
Community Development Trust Fund <i>E-Civis CF 10-2440 6-8-2011</i>	<u>Fund 424/22 Community Development Block Grant</u>		<u>Fund 100/10, City Administrative Officer (22H110)</u>		
	22H110, CAO	\$ 15,000.00	003040, Contractual Services	\$ 15,000.00	
Community Development Trust Fund <i>PACE/FALCON, CF 10-2440 6-8-2011</i>	<u>Fund 424/22 Community Development Block Grant</u>		<u>Fund 100/12, City Attorney (22H122)</u>		
	22H363 City Attorney PACE	\$ 366,953.00	001020, Salaries Grant	\$ 965,296.00	
	22H365 City Attorney FALCON	\$ 598,343.00			
	Subtotal	\$ 965,296.00			
Community Development Trust Fund <i>City Trees/Clean Street/River Keepers</i> <i>CF 10-2440 6-8-2011</i>	<u>Fund 424/22 Community Development Block Grant</u>		<u>Fund 100/74, Public Works Board (22H174)</u>		
	22H507 City Trees	\$ 276,000.00	003040, Contractual Services	\$ 626,000.00	
	22H508 Clean Street Clean Neighborhoods	\$ 100,000.00			
	22H511 River Keepers	\$ 250,000.00			
	Subtotal	\$ 626,000.00			

**Attachment 6**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Community Development Continued <i>Community Development Trust Fund</i> <i>CF 10-2440 6-8-2011</i>	<u>Fund 424/22 Community Development Block Grant</u>		<u>Fund 100/84, Street Lighting (22H184)</u>	
	22H421 Sun Valley Street Lighting (22H184)	\$ 370,000.00	001010 Salaries	\$ 68,000.00
	22H510 Pacoima Street Lighting (22H184)	\$ 302,000.00	001090 Overtime	\$ 114,000.00
			003040 Contractual Services	\$ 330,000.00
			006020 Operating Supplies	\$ 50,000.00
		008780 Street Lighting Improvements	\$ 110,000.00	
	Subtotal	\$ 672,000.00	Subtotal	\$ 672,000.00
Summer Youth Employment Program <i>Salaries and Expenses</i> <i>CF 11-0859 6-10-2011</i>	<u>Fund 551/22 General Fund Special Programs</u>		<u>Fund 100/22 Community Development (22H122)</u>	
	22H623, SYEP	\$ 85,129.00	001070 Salaries-As Needed	\$ 72,364.00
			002120 Printing and Binding	\$ 4,702.00
			006010 Office and Administration	\$ 2,274.00
			006030 Leasing	\$ 5,789.00
	Subtotal	\$ 85,129.00	Subtotal	\$ 85,129.00
LA Housing Department <i>HPRP Program FY12 Direct Costs</i>	<u>Fund 51P/43, Homelessness Prevention and Rapid Re-Housing Program</u>		<u>Fund 100/43, LA Housing Department</u>	
	43F143 LAHD Admin	\$ 3,833.81	001010, Salaries General	\$ 110,025.00
	43F304 Admin Resv	\$ 79,240.80	001070, Salaries As-Needed	\$ 38,093.57
	43G143 LAHD Admin	\$ 72,543.96	002130, Travel	\$ 2,500.00
			006010, Office & Admin	\$ 5,000.00
	Subtotal	\$ 155,618.57	Subtotal	\$ 155,618.57
EECBG Program FY12 Direct Costs	<u>Fund 52P/43 Energy Efficiency and Conservation Block Grant</u>		<u>Fund 100/43, LA Housing Department</u>	
	43G143 LAHD	\$ 32,550.74	001010, Salaries General	\$ 91,360.00
	43G818 EECBG Multifamily Housing	\$ 62,609.26	001090, Salaries Overtime	\$ 3,800.00
		Subtotal	\$ 95,160.00	Subtotal
Finance <i>Reimbursement for Accounting</i> <i>Assistance through pay period 5</i>	<u>Fund 100/39, Finance</u>		<u>Fund 100/26, Controller</u>	
	001010, Salaries General	\$ 13,797.04	001070, Salaries As-Needed	\$ 13,797.04
Information Technology <i>CARR System Interfaces</i>	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/70, Police Department</u>	
	003040, Contractual Services	\$ 51,730.00	003040, Contractual Services	\$ 51,730.00
Mayor <i>Personnel Costs</i>	<u>Fund 52A/46, FY09 Justice Assistance Grant</u>		<u>Fund 52A/46, FY09 Justice Assistance Grant</u>	
	RSRC 4403/4903, Interest Income-Other	\$ 55,264.17	26H299, Related Costs	\$ 1,164.43
			<u>Fund 100/12, City Attorney (46H112)</u>	
			001010, Salaries General	\$ 50,000.00
			<u>Fund 100/46 Mayor (46H146)</u>	
		001020, Salaries Grant Reimbursed	\$ 4,099.74	
	Subtotal	\$ 55,264.17	Subtotal	\$ 55,264.17

**Attachment 6**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Mayor Continued <i>Personnel Costs</i>	<u>Fund 50P/46, FY07 Justice Assistance Grant</u> 46G299, Related Costs	\$ 217.68	<u>Fund 50P/46, FY07 Justice Assistance Grant</u> 46H299, Related Costs	\$ 302.21
	RSRC 4403/4903, Interest Income-Other	\$ 529.88		
			<u>Fund 100/46 Mayor (46H146)</u> 001020, Salaries Grant	\$ 445.35
			Subtotal	\$ 747.56
<i>Personnel Costs</i>	<u>Fund 50P/46, FY08 Justice Assistance Grant</u> RSC 4403/4903, Interest Income-Other	\$ 252.45	<u>Fund 50P/46, FY08 Justice Assistance Grant</u> 46H299, Related Costs	\$ 7,360.54
	E246, Mayor's Salarie Reserve	\$ 6,772.00		
	E937, Operating Costs	\$ 3,435.74	<u>Fund 100/46 Mayor (46H146)</u> 001020, Salaries Grant	\$ 8,565.08
	G299, Related Costs	\$ 5,465.43		
	Subtotal	\$ 15,925.62	Subtotal	\$ 15,925.62
<i>City Attorney CLEAR Program *</i>	<u>Fund 53H/46, FY10 Earmark Hollenbeck CLEAR</u> 46G112, Attorney Salaries	\$ 50,000.00	<u>Fund 100/12, City Attorney (46H112)</u> 001010, Salaries General	\$ 50,000.00
Planning <i>Accounting Resource Pool</i>	<u>Fund 100/68, Planning</u> 001070, Salaries, As-Needed	\$ 6,272.48	<u>Fund 100/26, Controllor</u> 001070, Salaries, As-Needed	\$ 6,272.48
PW - Sanitation <i>Solid Waste Fee Lifeline Shortfall</i>	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General	\$ 311,176.00	<u>Fund 100/56, General City Purposes</u> 000855, Solid Waste Fee Lifeline Rate Program	\$ 311,176.00
<i>Information Technology</i> <i>Automatic Vehicle Location Devices</i>	<u>Fund 760/50, Sewer Operations &amp; Maintenance Fund</u> 50HO82/601, PW, SAN - Office & Administrative	\$ 522.00	<u>Fund 100/32, Information Technology Agency</u> 001100, Hiring Hall Salaries	\$ 522.00
<i>Hyperion T1 Data Line</i> <i>and</i>	<u>Fund 760/50, Sewer Operations &amp; Maintenance Fund</u> 50HO82/304, PW, SAN - Contractual Services	\$ 23,089.00	<u>Fund 100/32, Information Technology Agency</u> 009350, Communication Services	\$ 23,089.00
<i>Engineering Environmental System Research</i> <i>Fund 100 - SPA (\$19,819) SWRF (\$8,435)</i>	<u>Fund 100/82, Bureau of Sanitation</u> 003040, Contractual Services	\$ 28,254.00	<u>Fund 100/78, Engineering</u> 003040, Contractual Services	\$ 47,254.00
	<u>Fund 760/50, Sewer Operations &amp; Maintenance Fund</u> 50HO82/304, PW, SAN - Contractual Services	\$ 19,000.00		
	Subtotal	\$ 70,865.00	Subtotal	\$ 70,865.00
PW - Street Lighting <i>CDBG - Sun Valley Phase 3</i>	<u>Fund 424/22, Community Development Trust Fund</u> 22G184, Street Lighting	\$ 653,731.00	<u>Fund 100/84, Street Lighting</u> 001010, Salaries General	\$ 9,021.00
			001090, Salaries Overtime	\$ 4,710.00
			003040, Contractual Services	\$ 640,000.00
			Subtotal	\$ 653,731.00

**Attachment 6**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM			TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
PW - Street Lighting Continued <i>CDBG - Elysian Valley Phase 3</i>	<u>Fund 424/22, Community Development Trust Fund</u>		<u>Fund 100/84, Street Lighting</u>		
	22G184, Street Lighting	\$ 427,904.00	001090, Salaries Overtime	\$ 167,904.00	
			008780, Street Lighting Improvements/Supplies	\$ 260,000.00	
			Subtotal	\$ 427,904.00	
<i>Olympic Blvd Streetscape</i>	<u>Fund 347/50, Street Lighting Maintenance Assess</u>		<u>Fund 100/84, Street Lighting</u>		
	50G184, Street Lighting	\$ 105,610.00	001090, Salaries Overtime	\$ 98,500.00	
			008780, Street Lighting Improvements/Supplies	\$ 7,110.00	
			Subtotal	\$ 105,610.00	
<i>LA River Bike Path</i> <i>Complete New Lighting Install</i> <i>Replace Stolen Wire Phase 1A</i> <i>Replace Stolen Wire Phase 1C</i>	<u>Fund 540/94, Proposition C</u>		<u>Fund 100/84, Street Lighting</u>		
	94G184, Street Lighting	\$ 65,585.45	001090, Salaries Overtime	\$ 345,585.45	
	94G184, Street Lighting	\$ 130,000.00	008780, Street Lighting Improvements/Supplies	\$ 100,000.00	
	94G307, Bicycle Path Maintenance	\$ 250,000.00			
	Subtotal	\$ 445,585.45	Subtotal	\$ 445,585.45	
<i>Security Lighting 17</i>	<u>Fund 540/94, Proposition C</u>		<u>Fund 100/84, Street Lighting</u>		
	94G211, Street Lighting	\$ 495,000.00	001010, Salaries General	\$ 100,000.00	
			001090, Salaries Overtime	\$ 195,000.00	
			008780, Street Lighting Improvements/Supplies	\$ 200,000.00	
			Subtotal	\$ 495,000.00	
<i>Headwater Bikeway Lighting</i>	<u>Fund 207/94, Local Transportation</u>		<u>Fund 100/84, Street Lighting</u>		
	94314F, Bikeways Program	\$ 10,000.00	001090, Salaries Overtime	\$ 10,000.00	
<i>Stairway Walkway Unit 6</i>	<u>Fund 206/50 Special Gas Tax Street Improvement</u>		<u>Fund 100/84, Street Lighting</u>		
	50G184, Street Lighting	\$ 150,000.00	001090, Salaries Overtime	\$ 60,000.00	
			008780, Street Lighting Improvements/Supplies	\$ 90,000.00	
			Subtotal	\$ 150,000.00	
<i>BOE Environmental Review</i> <i>8th St - Irolo to Western</i> <i>La Cienega- Olympic-Airdrome</i> <i>Pico Bl - Alvira to Robertson</i>	<u>Fund 206/50, Special Gas Tax Street Improvement</u>		<u>Fund 100/78, Engineering</u>		
	50G214, 8th St-Irolo St Light Sys Repl	\$ 10,000.00	001010, Salaries General	\$ 30,000.00	
	50G215, LaCienega-Olympic Bl Light Sys	\$ 10,000.00			
	50G216, Pico Bl-Alvira St Light Sys	\$ 10,000.00			
	Subtotal	\$ 30,000.00			
<i>Intersection Lighting</i>	<u>Fund 206/50, Special Gas Tax Street Improvement</u>		<u>Fund 100/84, Street Lighting</u>		
	50HKBC, St Ltg Imprvmts on DOT Signals	\$ 150,000.00	001010, Salaries General	\$ 50,000.00	
			008780, Street Lighting Improvements/Supplies	\$ 100,000.00	
			Subtotal	\$ 150,000.00	
<i>CDBG-R Calif Hospital Lighting</i>	<u>Fund 100/86, Street Services</u>		<u>Fund 100/84, Street Lighting</u>		
	003040, Contractual Services	\$ 165,000.00	001090, Salaries Overtime	\$ 48,200.00	
			008780, Street Lighting Improvements/Supplies	\$ 116,800.00	
			Subtotal	\$ 165,000.00	

**Attachment 6**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Recreation and Parks <i>ARRA Program Accounting Resource Pool</i>	<u>Fund 302/88, Recreation and Parks</u> 001090, Salaries Overtime	\$ 10,000.00	<u>Fund 100/26, Office of the Controller</u> 001070, Salaries As-Needed	\$ 10,000.00	
Public Works - Street Services <i>Gas Tax - Bridge &amp; Tunnel Maintenance</i>	<u>Fund 206/50 Special Gas Tax Street Improvement</u> H365, Bridge & Tunnel Maintenance	\$ 150,000.00	<u>Fund 100/86, Street Services</u> 001010, Salaries, General 001090, Salaries, Overtime 001100, Hiring Hall Salaries 001120, Hiring Hall Benefits 001190, Hiring Hall Overtime 003030, Construction Expense 003040, Contractual Services 006020, Operating Supplies	\$ 80,000.00 \$ 10,000.00 \$ 7,000.00 \$ 5,000.00 \$ 2,000.00 \$ 20,000.00 \$ 10,000.00 \$ 16,000.00	Subtotal \$ 150,000.00
<i>Gas Tax - Guardrail Construction</i>	<u>Fund 206/50 Special Gas Tax Street Improvement</u> HKAG, Guardrail Construction	\$ 150,000.00	<u>Fund 100/86, Street Services</u> 001010, Salaries, General 001090, Salaries, Overtime 001100, Hiring Hall Salaries 001120, Hiring Hall Benefits 001190, Hiring Hall Overtime 003030, Construction Expense 003040, Contractual Services 006020, Operating Supplies	\$ 80,000.00 \$ 10,000.00 \$ 7,000.00 \$ 5,000.00 \$ 2,000.00 \$ 20,000.00 \$ 10,000.00 \$ 16,000.00	Subtotal \$ 150,000.00
<i>Gas Tax - Drainage Projects - Various Locations</i>	<u>Fund 206/50 Special Gas Tax Street Improvement</u> H704, Drainage Projects - Various Locations	\$ 400,000.00	<u>Fund 100/86, Street Services</u> 001010, Salaries, General 001090, Salaries, Overtime 001100, Hiring Hall Salaries 001120, Hiring Hall Benefits 001190, Hiring Hall Overtime 003030, Construction Expense 003040, Contractual Services 006020, Operating Supplies	\$ 200,000.00 \$ 20,000.00 \$ 15,000.00 \$ 10,000.00 \$ 5,000.00 \$ 40,000.00 \$ 50,000.00 \$ 60,000.00	Subtotal \$ 400,000.00
Transportation <i>Overland Bridge Traffic Signal</i>	<u>Fund 540/94 Proposition C Anti-Gridlock Fund</u> 94H656, Transportation Grant Fund Work Program	\$ 350,000.00	<u>Fund 665/94 Transportation Grant Fund</u> NEW, Overland Bridge - Traffic Signal	\$ 350,000.00	
<i>Judge John Aiso Parking Operations</i>	<u>Fund 383/94 Special Parking Revenue Fund</u> 94H050, Contractual Services	\$ 110,000.00	<u>Fund 100/40, Department of General Services</u> 001010 Salaries General	\$ 110,000.00	



**Attachment 6**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation Continued	<u>Fund 207/94 Local Transportation Fund</u>		<u>Fund 100/94 Transportation</u>	
<i>New Pedestrian Warning Devices</i>	94G320, Pedestrian Safety Program	\$ 24,282.00	001010, Salaries General	\$ 24,282.28
	<u>Fund 51Q/94 Measure R Local Return</u>		<u>Fund 100/68 Planning</u>	
<i>Bicycle Plan Environmental Impact Report</i>	9430G7, Bicycle Lanes	\$ 85,000.00	001010, Salaries General	\$ 85,000.00
	<u>Fund 51Q/94 Measure R Local Return</u>		<u>Fund 100/94 Transportation</u>	
<i>Field Operations</i>	9430G7, Bicycle Lanes	\$ 150,000.00	001010, Salaries General	\$ 150,000.00
	<u>Fund 100/94 Transportation</u>		<u>Fund 100/40 Department of General Services</u>	
<i>General Construction Services</i>	003040, Contractual Services	\$ 2,941.00	001014, Salaries Construction	\$ 2,941.00
Zoo	<u>Fund 302/88, Recreation and Parks</u>		<u>Fund 100/26, Office of the Controller</u>	
<i>Accounting Resource Pool</i>	001090, Salaries Overtime	\$ 10,000.00	001070, Salaries As-Needed	\$ 10,000.00
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>		<b>\$ 9,962,841.89</b>		<b>\$ 9,262,842.17</b>

\* In accordance with recommendations for salary appropriations to the City Attorney, authorize the Controller to transfer cash upon proper documentation and approval by the Mayor's Office.

**Attachment 7-A**  
**STATUS OF UNAPPROPRIATED BALANCE**  
**GENERAL ACCOUNT as of 9/26/2011**

C.F.	Appropriations	Date	Amount
			\$ 25,000
<b>Approved Transfer</b>			
11-1097	Midnight Mission for their Summer Barbecue	7/1/2011	(444)
11-1218	LAAAWPPI Graduation (CD 9)	7/19/2011	(580)
11-1395	California Trout, Inc.	8/17/2011	(696)
11-1436	US-Japan Council Reception	9/6/2011	(348)
11-1465	Mothers in Action - Back to School	9/6/2011	(666)
	<b>Balance Available</b>		<u><u>22,266</u></u>

**Attachment 7-B**  
**STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 9/26/2011**

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Available Balance
	<b>General Fund</b>					
	General (see Attachment 4A)		\$ 25,000		\$ (2,734)	\$ 22,266
	City Disaster Planning Study	EMD	500,000			500,000
	Deferred Entry of Judgement Program	City Atty	520,000			520,000
	Equipment, Expenses & Alterations & Improvement	all	3,582,000			3,582,000
	GSD- Petroleum Products	GSD	4,000,000			4,000,000
	IT Infrastructure Outsourcing	ITA	250,000			250,000
	Merchant Card Convenience Fee Program	Finance	500,000			500,000
	Neighborhood Council Funding	DONE	81,000			81,000
11-1328; 11-1329; 11-1380	Outside Counsel inc. Workers' Comp	City Atty	2,250,000		(650,000)	1,600,000
11-1530	Redistricting Costs for Council and LAUSD	City Clerk	1,500,000		(200,000)	1,300,000
	Software License Claim	ITA	1,000,000			1,000,000
	Water and Electricity	GSD	500,000			500,000
	Restoration of Neighborhood Fire Services	Fire	6,971,000			6,971,000
10-0600-S72	LINX Replacement (reappropriation)			3,500,400		3,500,400
	Gang Prevention/Intervention (reappropriation)			40,000		40,000
11-0600-S104; CAO memo	Budgetary Adjustments for Departments			107,393,836	(89,809,024)	17,584,812
	<b>Grand Total</b>		<b>\$ 21,679,000</b>	<b>\$ 110,934,236</b>	<b>\$ (90,661,758)</b>	<b>\$ 41,951,478</b>

**Attachment 8  
EMPLOYMENT LEVEL REPORT  
FY 2011-12**

Department	Adopted Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of August	Changes	End of August	Start of August	Changes	End of August		
Aging	38	55	-	55	40	1	41	14	0
Animal Services	337	338	-	338	321	(3)	318	20	0
Building and Safety	725	776	-	776	731	1	732	44	3
City Administrative Officer	110	113	-	113	104	(1)	103	10	0
City Attorney	776	908	-	908	884	(2)	882	26	2
City Clerk	100	100	-	100	0	(1)	-1	-	0
Community Development	197	308	-	308	275	2	277	31	0
Controller	152	177	-	177	158	-	158	19	2
Cultural Affairs	40	43	-	43	39	-	39	4	3
Disability	10	16	-	16	15	-	15	1	0
El Pueblo	10	10	-	10	11	-	11	(1)	0
Emergency Management	14	24	-	24	23	-	23	1	0
Employee Relations Board	3	3	-	3	0	-	0	-	0
Ethics Commission	19	19	-	19	18	-	18	1	0
Finance	367	382	(2)	380	358	(3)	355	25	2
Fire - Civilian	319	338	-	338	305	1	306	32	9
Fire - Sworn	3,218	3497	(4)	3493	3445	(6)	3439	54	5
General Services	1,506	1579	1	1580	1538	1	1539	41	12
Housing	534	620	-	620	549	(3)	546	74	0
Information Technology Agency	480	524	-	524	509	(1)	508	16	0
L.A. Convention Center	133	153	-	153	113	1	114	39	9
Neighborhood Empowerment	17	22	-	22	17	-	17	5	0
Personnel	388	406	-	406	372	-	372	34	0
Planning	240	270	-	270	236	(2)	234	36	0
Police - Civilian	3,197	3217	-	3217	2883	(6)	2877	340	19
Police - Sworn	10,480	10554	-	10554	9895	17	9912	642	3
PW/Board of Public Works	95	102	-	102	93	-	93	9	0
PW/Bureau of Contract Admin	230	331	-	331	291	-	291	40	0
PW/Bureau of Engineering	701	828	3	831	741	(1)	740	91	6
PW/Bureau of Sanitation	2,739	2818	-	2818	2439	(4)	2435	383	16
PW/Bureau of Street Lighting	214	245	-	245	0	-	0	-	0
PW/Bureau of Street Services	762	1215	-	1215	1028	(3)	1025	190	0
Transportation	1,341	1530	-	1530	1443	3	1446	84	8
Zoo	229	230	-	230	209	2	211	19	1
<b>Subtotal</b>	<b>29,721</b>	<b>31,751</b>	<b>(2)</b>	<b>31,749</b>	<b>29,083</b>	<b>(7)</b>	<b>29,076</b>	<b>2,673</b>	<b>100</b>
Library	828	888	-	888	824	(4)	820	68	-
Recreation and Parks	1,550	1,810	-	1,810	1,488	(3)	1,485	325	254
<b>Subtotal</b>	<b>2,378</b>	<b>2,698</b>	<b>-</b>	<b>2,698</b>	<b>2,312</b>	<b>(7)</b>	<b>2,305</b>	<b>393</b>	<b>254</b>
<b>Total</b>	<b>32,099</b>	<b>34,449</b>	<b>(2)</b>	<b>34,447</b>	<b>31,395</b>	<b>(14)</b>	<b>31,381</b>	<b>3,066</b>	<b>354</b>

"Position Authorities-Start of August" includes resolution authority and substitute positions.

Monthly Summary	Adopted Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	32,099	34,385	54	34,439	29,880	(23)	29,857	4,582	344
August	32,099	34,449	(2)	34,447	31,395	(14)	31,381	3,066	354
September			-			-		-	
October			-			-		-	
November			-			-		-	
December			-			-		-	
January			-			-		-	
February			-			-		-	
March			-			-		-	
April			-			-		-	
May			-			-		-	
June			-			-		-	

## Attachment 9

## VOLUNTARY FURLOUGH FY 2011/12 - RECAP BY DEPARTMENT - 9/6/2011

Department	PP 1-2 (6/19-7/16)		PP 3 (7/17-7/30)		PP 4 (7/31-8/13)		PP 5 (8/14-8/27)		Total	
	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars
Animal Services	102.0	\$ 2,622.27	8.0	\$ 222.40	16.0	\$ 397.68	4.0	\$ 90.04	130.0	\$3,332.39
Building & Safety	168.0	\$ 5,362.60	82.0	\$ 2,721.18	69.0	\$ 2,565.67	63.0	\$ 1,768.55	382.0	\$12,418.00
CAO	116.0	\$ 5,574.17	68.0	\$ 3,229.06	56.0	\$ 1,902.16	99.9	\$ 4,243.20	339.9	\$14,948.59
CDD	38.0	\$ 1,302.59	26.0	\$ 884.00	8.0	\$ 272.00	18.0	\$ 612.00	90.0	\$3,070.59
City Attorney	262.2	\$ 11,894.27	80.0	\$ 4,839.34	47.3	\$ 1,625.74	102.3	\$ 4,413.83	491.8	\$22,773.18
City Clerk	74.5	\$ 3,182.80	32.0	\$ 1,643.28	8.0	\$ 234.80			114.5	\$5,060.88
Convention Center	0.0	\$ -			8.0	\$ 253.12			8.0	\$253.12
Council	703.0	\$ 22,043.23	144.0	\$ 5,024.82	187.0	\$ 5,748.99	114.0	\$ 3,922.78	1,148.0	\$36,739.82
Cultural Affairs	34.0	\$ 1,083.44	8.0	\$ 273.60	15.0	\$ 474.20	17.0	\$ 542.60	74.0	\$2,373.84
Disability	8.0	\$ 300.24	8.0	\$ 300.24					16.0	\$600.48
DONE	8.0	\$ 320.88							8.0	\$320.88
ERB	8.0	\$ 253.12	8.0	\$ 253.12	8.0	\$ 253.12	-24.0	\$ (759.36)	0.0	\$0.00
Ethics	89.0	\$ 3,199.55	8.0	\$ 457.04			8.0	\$ 457.04	105.0	\$4,113.63
Finance	16.0	\$ 548.44	17.0	\$ 575.86	12.0	\$ 417.66	5.0	\$ 158.20	50.0	\$1,700.16
Fire	40.7	\$ 1,219.82	8.0	\$ 180.08	24.0	\$ 674.88	24.0	\$ 670.08	96.7	\$2,744.86
General Services	73.0	\$ 2,433.09	64.0	\$ 2,092.08	53.5	\$ 1,802.82	65.0	\$ 1,918.75	255.5	\$8,246.74
Housing	245.0	\$ 9,953.05	199.5	\$ 6,872.53	140.5	\$ 5,155.11	186.7	\$ 6,112.65	771.7	\$28,093.34
ITA	144.0	\$ 6,305.44	52.0	\$ 2,248.40	36.0	\$ 1,439.84	32.0	\$ 1,364.40	264.0	\$11,358.08
LACERS	63.0	\$ 2,181.80	26.0	\$ 826.10	17.0	\$ 554.95	8.0	\$ 290.80	114.0	\$3,853.65
Library	427.5	\$ 13,575.82	243.5	\$ 7,237.78	252.5	\$ 7,465.69	269.5	\$ 8,502.20	1,193.0	\$36,781.49
Mayor	8.0	\$ 369.92							8.0	\$369.92
Personnel	150.5	\$ 4,467.84	44.5	\$ 1,009.13	71.0	\$ 1,741.50	76.5	\$ 2,402.63	342.5	\$9,621.10
Planning	360.1	\$ 14,448.40	105.0	\$ 3,950.47	109.0	\$ 3,903.88	98.0	\$ 3,912.03	672.1	\$26,214.78
Police	1,318.0	\$ 44,818.35	488.6	\$ 15,850.64	395.5	\$ 12,941.75	365.8	\$ 11,955.35	2,567.9	\$85,566.09
PW Board	21.0	\$ 779.47			8.0	\$ 185.04			29.0	\$964.51
PW Con Admin	38.3	\$ 1,468.30	-70.0	\$ (2,604.22)					-31.7	-\$1,135.92
PW Engineering	404.0	\$ 16,808.51	158.0	\$ 6,884.09	140.0	\$ 6,134.01	157.5	\$ 6,937.39	859.5	\$36,764.00
PW Sanitation	406.0	\$ 14,575.20	266.0	\$ 9,533.80	176.0	\$ 6,464.38	103.0	\$ 4,006.19	951.0	\$34,579.57
PW Street Lighting	8.0	\$ 320.88	8.0	\$ 320.88	8.0	\$ 320.88	8.0	\$ 320.88	32.0	\$1,283.52
PW Street Services	148.0	\$ 4,983.02	106.0	\$ 4,304.94	24.0	\$ (15.68)	54.5	\$ 2,217.97	332.5	\$11,490.25
Rec & Parks	154.5	\$ 4,879.22	104.5	\$ 2,895.35	87.0	\$ 2,634.06	88.5	\$ 2,530.90	434.5	\$12,939.53
Transportation	52.5	\$ 1,581.78	35.0	\$ 952.84	44.0	\$ 1,041.01	17.0	\$ 606.41	148.5	\$4,182.04
Treasurer	9.0	\$ 256.59							9.0	\$256.59
Zoo	20.0	\$ 423.76			12.0	\$ 243.92			32.0	\$667.68
<b>TOTAL</b>	<b>5,717.8</b>	<b>\$203,537.86</b>	<b>2,327.6</b>	<b>\$82,978.83</b>	<b>2,032.3</b>	<b>\$66,833.18</b>	<b>1,961.2</b>	<b>\$69,197.51</b>	<b>12,038.9</b>	<b>\$422,547.38</b>

## Attachment 10

### Status of Fee Increases Funding the 2011-12 Budget

**General Fund**

Department	Type of Fee	Proposed Change	Proposed Implementation Date	Effective Date	Notes
Animal Services	Administrative code enforcement program	The net revenue change is \$125,000.	April 1, 2012 at the latest		The ordinance was approved by Council on 9/16. The Administrative Citation Enforcement Program which allows the City Attorney to adjudicate the citations is pending in Budget & Finance.
Fire	Industrial Building Inspection	Increase fee, net revenue change is \$1 million.	Unknown		The Department is still in the early stages of the Industrial Building Inspection fee process and does not expect to collect anything for this fee in 2011-12.
Fire	Above Ground Inspection fee	New fee, net revenue change \$150,000	Unknown	September 2011	The Above Ground Inspection fee will be billed on a consolidated invoice with other items covered by the Unified Program Fees; the revenue will be recognized under the Unified Program revenue source code.
Police	Alarm System late penalty fee change.	Increase fee, net revenue change is \$180,000	11/1/2011		These fees should be effective sometime in November and will be ready for the 2012 renewal period.
Street Lighting	Banner permit fees and fines	Fee to be adjusted to recover the costs of the street banner program.	Unknown	Unknown	No revenue was added for this fee increase because it will only offset revenue from SLMAF.
Planning	Planning fee increase.	Increase the fee to recover an additional \$500k in overhead costs.		August 18, 2011	



**Attachment 11**

**SUMMER LIGHT NIGHTS (SNL)**

Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	15% Cash Advanced	Expenditures	General Fund Bal	Grant Fund Bal	Not Yet Encumber	Cash Adv/ Payment
LA Conservation Corps											
CDBG 36th Year	119163Y	All Zones	50K / F300	38,039						38,039	
CDBG 37th Year	119163Y	All Zones	50K/668	1,749,760	1,749,760		785,544		964,216		
HACLA	119163M	All Zones	GF 100 / 3040	440,000	440,000		416,921		23,079		
Homeboy Industries											
HACLA		All Zones	GF 100 / 3040	60,000						60,000	
Recreation & Park		All Zones	GF 100 / 3040	362,201						362,201	
<b>Sub Total</b>				<b>2,650,000</b>	<b>2,189,760</b>	<b>-</b>	<b>1,202,466</b>	<b>-</b>	<b>987,294</b>	<b>460,240</b>	

**SPECIAL FUND Contracts Pending**

Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	15% Cash Advanced	Expenditures	General Fund	Grant Fund Bal	Not Yet Encumber	Cash Adv/ Payment
USC/YSET (revised)	118557M	All Zones (7/11-6/12)	GF 100 / 3040	62,156						62,156	
FY10 CSGP Newton			53F/G601	186,610						186,610	
<b>Sub Total</b>				<b>248,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,766</b>	<b>-</b>

Grants	3,633,699	2,509,050	-	785,544	309,290	1,723,506	1,124,649				
General Fund	19,228,257	12,013,210	1,547,000	416,921	10,026,210	23,079	7,215,047				
<b>Sub Total</b>				<b>22,861,956</b>	<b>14,522,260</b>	<b>1,547,000</b>	<b>1,202,466</b>	<b>10,335,500</b>	<b>1,745,584</b>	<b>8,339,696</b>	<b>-</b>