

TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

Your BUDGET AND FINANCE COMMITTEE

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the Mid-Year (Third) Financial Status Report (FSR) and the Addendum for Fiscal Year 2011-12.

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

1. APPROVE the recommendations of the City Administrative Officer (CAO) contained in the Mid-Year (Third) FSR, dated February 9, 2012, attached to the Council file.
2. APPROVE the recommendations of the CAO contained in the Addendum to the 2011-12 Mid-Year FSR, dated February 13, 2012, attached to the Council file.
3. APPROVE revised Attachments 4 and 5 of the Mid-Year FSR submitted by the CAO for technical corrections to fund numbers and names, attached to the Committee report.
4. DELAY the appropriation of approximately \$1.3 million to reimburse the Los Angeles Police Department for additional costs in responding to the Occupy LA protest until all costs related to Occupy LA are known and reported (see Attachment 7 of the Mid-Year FSR).
5. DELAY the appropriations to the Department of Public Works, Bureau of Street Lighting to accelerate and increase funding for the Bureau's LED Streetlight Conversion program until a cost analysis report relative to the acceleration is submitted and reviewed by the Public Works Committee (see CAO recommendation no. 18 in the Mid-Year FSR).
6. TRANSFER \$200,000 from the Street Furniture Fund 43D/50, CD 7 as follows:
  - a. General City Purposes Fund 100/56, Community Services, CD 7 - \$50,000
  - b. Council Fund 100/28, Salaries As Needed Account No. 1070 - \$150,000
7. TRANSFER \$150,000 from the CLARTS Community Amenities Trust Fund 47S as follows:
  - a. General City Purposes Fund 100/56, Community Services, CD 14 - \$50,000
  - b. Council Fund 100/28, Salaries As Needed Account No. 1070 - \$100,000
8. TRANSFER \$150,000 from the CD 4 portion of AB1290 Fund 53P, Account G304 to Council Fund 100/28, Salaries As Needed Account No. 1070.

**Fiscal Impact Statement:** The CAO reports that in the Second FSR, a Citywide deficit of \$21.4 million was reported with the implementation of solutions proposed within the report. At this time, the Citywide deficit has been eliminated with the implementation of Department Operational Plans and the identification of surpluses in funds and accounts. Transfers,

appropriations and other adjustments totaling approximately \$135.9 million are recommended in Sections 1 and 2 of the Mid-Year FSR.

Further, the CAO reports that approval of the actions in the Addendum report will reduce the available balance within the UB, Reserve for Economic Uncertainty by \$1.3 million to \$9.2 million. Additionally, these actions will reduce the remaining surplus identified to address potential revenue declines by \$1.3 million to \$2.90 million.

Community Impact Statement: None submitted.

SUMMARY

At its meeting of February 13, 2012, the Budget and Finance Committee considered two CAO reports; the Mid-Year (Third) FSR and an Addendum to the Mid-Year FSR. The CAO reports that the Mid-Year FSR provides an update on the current-year budget including the projected departmental deficits, trends in revenues, the Reserve Fund, and current issues of concern and their potential impact to the City. Additionally, the CAO reports that the Addendum to the Mid-Year FSR includes recommendations for technical corrections and modifications to transfers recommended in the Mid-Year report, as well as new recommendations for requests received after the release of the report. Recommendations include transfers of General Fund money set aside for retiree payouts to the Reserve for Economic Uncertainty to offset the previously reported deficit; appropriations to Departments and Funds from this reserve to partially address reported shortfalls; and other actions to realize additional General Fund savings. The CAO reports that approval of these report recommendations will eliminate the projected Citywide deficit. The CAO cautions, however, that the City budget may continue to experience unforeseen expenditure pressures over the remainder of the fiscal year and should continue to comply with the austerity measures it has implemented.

During Committee consideration, the CAO presented an overview of the two reports and responded to related questions from Committee members. Department representatives responded to questions relative to their respective departments. A City Attorney representative presented his department's written request to the Committee that surplus funds remain within the Office of the City Attorney. After further discussion and an opportunity for public comment, the Committee recommended to approve the CAO recommendations contained in the Mid-Year FSR dated February 9, 2012, the Addendum dated February 13, 2012 and the additional amendments and instructions as reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
CARDENAS:	ABSENT
ROSENDAHL:	YES
KORETZ:	YES

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Attachments  
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**-Not Official Until Council Acts-**

**Attachment 4 (Revised)**  
**TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO		
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Finance <i>Operational Plan</i>	<u>Fund 100/39, Finance</u>		<u>Fund 100/39, Finance</u>		
	001090, Salaries Overtime	\$ 25,647.00	001010, Salaries General	\$ 125,647.00	
	003040, Contractual Services	\$ 100,000.00			
	Subtotal	\$ 125,647.00			
Fire <i>Account Deficits</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>		
	001012, Sworn Salaries	\$ 10,000,000.00	001030, Sworn Bonuses	\$ 500,000.00	
	001098, Overtime Variable Staffing	\$ 3,350,000.00	001050, Unused Sick Time	\$ 571,125.00	
	002120, Printing and Binding	\$ 100,000.00	001092, Overtime Sworn	\$ 700,000.00	
	003030, Construction Materials	\$ 50,000.00	001093, Overtime Constant Staffing	\$ 13,071,875.00	
	003040, Contractual Services	\$ 200,000.00	003090, Field Equipment Expense	\$ 800,000.00	
	004430, Uniforms	\$ 1,543,000.00			
	004450, Water Control Devices	\$ 50,000.00			
	007300, Furn, Office & Tech Equip	\$ 78,125.00			
	007340, Transportation Equipment	\$ 271,875.00			
	Subtotal	\$ 15,643,000.00	Subtotal	\$ 15,643,000.00	
	General Services <i>Parts Account Deficit</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
		003040, Contractual Services	\$ 150,000.00	003090, Field Equipment Expense	\$ 150,000.00
<i>Operational Plan</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>		
	007300, Furniture, Office & Tech Equipment	\$ 51,000.00	001010, Salaries General	\$ 453,808.00	
	007350, Other Operating Equipment	\$ 120,000.00	001070, As Needed Salaries	\$ 26,608.00	
	002120, Printing and Binding	\$ 25,000.00	001014, Salaries Construction Projects	\$ 153,772.00	
	002130, Travel	\$ 10,000.00			
	003310, Transportation	\$ 20,000.00			
	003330, Utilities Expense Private Company (Natural Gas	\$ 283,188.00			
	004430, Uniforms	\$ 125,000.00			
	Subtotal	\$ 634,188.00	Subtotal	\$ 634,188.00	
	<i>Special Fund (SWRF 501,511, SCM 61,008) and General Fund ERIP Payouts</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
008140, Early Retirement Incentive Program Payout		2,094,851.00	001010, Salaries General	2,094,851.00	
<i>Maintenance of Emergency Generators</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>		
	001090, Salaries Overtime	\$ 215,000.00	001070, As Needed Salaries	\$ 55,000.00	
			001120, Hiring Hall Benefits	110,000.00	
			003160, Maintenance Materials, Supplies	50,000.00	
	Subtotal		Subtotal	\$ 215,000.00	

**Attachment 5 (Revised)**  
**TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Housing <i>Rent Escrow Account Program</i>	<u>Fund 100/43, Housing</u> 001010, Salaries General (F440/43, 43H143)	\$ 20,000.00	<u>Fund 440/43, Rent Stabilization Trust Fund</u> 43H412, Service Delivery	\$ 20,000.00
Information Technology Agency <i>BTOP Grant, Los Angeles Computer Access Network Project</i>	<u>Fund 52B/32, ARRA BTOP Public Computer Center</u> 32F300, LA Computer Access Network Project	\$ 202,767.00	<u>Fund 100/32, Information Technology Agency</u> 001010, Salaries General 003040, Contractual Services	\$ 93,688.00 \$ 30,000.00
			<u>Fund 52B/32, ARRA BTOP Public Computer Center</u> 32H299, Related Costs	\$ 79,079.00
			Subtotal	\$ 202,767.00
Mayor <i>GRYD Program</i>	<u>Fund 301/88, Municipal Sports Account</u> 88053M, Aquatics Division	\$ 20,000.00	<u>Fund 100/46, Mayor</u> 003040 Contractual Services	\$ 20,000.00
Police <i>Cadet Program</i>	<u>Fund 44F/70, State of California Asset Forfeiture Trust</u> 70F517, Gang Intervention Program, St Set Aside	\$ 100,000.00	<u>Fund 100/70, Police</u> 001092, Overtime Sworn	\$ 100,000.00
<i>Mandatory Training</i>	<u>Fund 41Y/70, Standard and Training for Corrections Trust</u> 70F207, Standard and Training Collection 70G207, FY11 Standard and Training Collection 70H207, FY12 Standard and Training Collection	\$ 69,150.44 \$ 180,849.56 \$ 26,000.00	<u>Fund 100/70, Police</u> 001090, Salaries Overtime	\$ 276,000.00
	Subtotal	\$ 276,000.00	Subtotal	\$ 276,000.00
Public Works - Contract Administration <i>Transportation Expense</i>	<u>Fund 100/76, Contract Administration</u> 001010, Salaries, General	\$ 225,000.00	<u>Fund 100/76, Contract Administration</u> 003310, Salaries, Transportation	\$ 225,000.00
Public Works - Sanitation <i>Branching Out Grant</i>	<u>Fund 537/50, Environmental Affairs Trust Fund</u> 50G308, Branching Out - DOT Prop C	\$ 85,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 001070, Salaries As-Needed	\$ 85,000.00
<i>Re-Leaf Grant</i>	50G307, RELEAF For LA	\$ 50,000.00	001070, Salaries As-Needed	\$ 50,000.00
<i>Clean Cities Program</i>	50G311, Clean Cities Programatic Support	\$ 2,000.00	001090, Salaries Overtime	\$ 2,000.00
<i>Mayor's Office Environmental Pgms (\$62,500 SCMO + \$62,500 SWRF)</i>	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General	\$ 125,000.00	<u>Fund 100/46, Mayor's Office</u> 001010, Salaries General	\$ 125,000.00
<i>CLARTS Community Amenities (\$208,490 SWRF)</i>	<u>Fund 47R/50, City of LA Recycling Transfer Station</u> 50H47S, CLARTS Community Amenities <u>Fund 100/82, Bureau of Sanitation</u> 003040, Contractual Services	\$ 73,415.00 \$ 208,490.00	<u>Fund 47S/14, CLARTS Community Amenities Trust Fund</u> 003040, Contractual Services	\$ 281,905.00
	Subtotal	\$ 281,905.00		