

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 13, 2012

CAO File No. 0220-04434-0017

Council File No. 09-0648-S5

Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Mayor dated August 6, 2012; referred for report August 8, 2012; additional information received by the City Administrative Officer through September 11, 2012.

Subject: **APPROVAL OF REAPPROPRIATIONS OF FUNDS FOR THE FISCAL YEAR 2009 AMERICAN REINVESTMENT AND RECOVERY ACT (ARRA) JUSTICE ASSISTANCE GRANT (JAG) PROGRAM**

SUMMARY

The Mayor's Office of Homeland Security and Public Safety (Mayor's Office) is requesting to reprogram interest income earned from the Fiscal Year 2009 American Recovery and Reinvestment Act Edward Byrne Memorial Justice Assistance Grant (FY09 ARRA JAG) to be utilized in FY 2012-13 to supplement the salaries of personnel assigned to the Community Law Enforcement and Recovery (CLEAR) program and to modify the Baldwin Hills tower improvement project budget to allow for the continuation of telecommunication services during the relocation and construction of a new microwave shelter facility. Because of the interest earned on the grant, the revised total grant award is \$31,110,625.72.

On November 20, 2009, the Council authorized the Mayor's Office to accept the ARRA JAG award of \$30,514,178 and authorized various contracting and financial authorities associated with the expenditure of the grant award. The City's portion of the ARRA JAG funds totals approximately \$11.1 million, of which \$8.05 million will be utilized for programmatic expenditures and \$3.05 million for administrative costs. Of the \$8.05 million allocated for programmatic expenditures, \$500,000 was allocated to the Community Law Enforcement and Recovery (CLEAR) Program and \$500,000 to the Gang Reduction and Youth Development (GRYD) Office, for a total of \$1 million in approved projects. Council approved the remaining \$7.05 million spending plan on March 18, 2011. On August 19, 2011, Council approved an increase of approximately \$385,769 to the total grant award from interest earned on the grant as well as a grant performance period extension which would enable the City to complete the tower improvement project within the timeline established by the Department of Public Works - Bureau of Engineering and the Information Technology Agency. The revised total grant award from the interest earned was \$30,899,947 and the performance period is extended through February 28, 2014.

CLEAR Program

The CLEAR program was established in 1996 as the City's primary gang suppression program and includes an operational team made up of the Los Angeles Mayor's Office, Los Angeles Police Department, Los Angeles City Attorney's Office, Los Angeles County District Attorney, and the Los Angeles County Probation Department. The primary focus of CLEAR is to facilitate the recovery of gang-infested communities.

As a direct recipient of the ARRA JAG grant, the City is required by the grantor to establish an interest-bearing account in which to deposit funds. Per the Department of Justice, JAG recipients are entitled to reprogram earned interest income to expand and support approved grant programs. The Mayor's Office reports that approximately \$210,680 in interest has been accrued and is requesting to utilize the income to supplement the salaries of three out of nine City Attorneys assigned to the CLEAR program in FY 2012-13. An additional \$30,000 for the three City Attorneys will come from the interest earned on the FY 2009 Edward Byrne Memorial Justice Assistance Grant (FY09 JAG) (C.F. 09-2545). The additional \$30,000 will be requested in the First Financial Status Report (FSR) and will be appropriated to the City Attorney when the FSR is approved by Council. The Mayor's Office is proposing to utilize a total of \$240,680 (\$210,680 in interest from the FY09 ARRA JAG and \$30,000 in interest from the FY09 JAG) to supplement the salaries for City Attorneys assigned to the Boyle Heights, Ramona Gardens, and Southwest CLEAR sites. The annual salary for these three positions total approximately \$439,127. The remaining \$198,447 in salaries not funded by the grant will be an impact to the General Fund. The City Attorney will absorb the remaining salaries not funded by this grant.

The Mayor's Office reports that additional funding for the remaining six City Attorneys assigned to the CLEAR program is anticipated to come from the FY 2012 Juvenile Accountability Block Grant (FY12 JABG) (\$168,728) and the FY 2012 Edward Byrne Memorial Justice Assistance Grant (FY12 JAG) (amount To Be Determined). The Mayor's Office is in the application stages of the FY12 JAG and, therefore, the budget for the CLEAR program under this grant has not yet been finalized. The Mayor's Office will return to Council with a detailed FY12 JAG budget once it has been finalized. Table A on the next page details the funding breakdown of CLEAR sites for FY 2012-13.

Report continued on the next page.

Table A: CLEAR Funding Breakdown for FY 2012-13

CLEAR Site	FY12 JABG	FY12 JAG	FY09 ARRA JAG Interest Earned	FY09 JAG Interest Earned	Total Grant Funding
Boyle Heights	\$ --	\$ --	\$ 70,226.66	\$ 10,000.00	\$ 80,226.66
Ramona Gardens	--	--	70,226.66	10,000.00	80,226.66
Foothill	--	TBD	--	--	TBD
Northeast	--	TBD	--	--	TBD
Newton	--	TBD	--	--	TBD
Rampart	84,364.00	--	--	--	84,364.00
77 th	84,364.00	--	--	--	84,364.00
Southwest	--	--	70,226.66	10,000.00	80,226.66
Southeast	--	TBD	--	--	TBD
Total	\$ 168,728.00	TBD	\$ 210,679.98	\$ 30,000.00	TBD

* Source: Mayor's Office

Tower Improvement Project

On August 19, 2011, Council approved the reallocation of \$300,000 towards Contractual Services for the tower improvement project for the transferring and relocation of communication and antenna equipment from existing shelters or towers into new structures. The project will develop and improve existing City communication sites in need of upgrades. Though this is a stand-alone project separate from the Los Angeles Regional Interoperable Communications System (LA-RICS) project, improvements made to existing radio system facilities will be LA-RICS compatible which will allow the LA-RICS project to utilize the sites. A vendor was selected through a Request for Proposals process for the relocation work to be done at the Baldwin Hills site. The current facility at the site will be demolished in order to make space for the new building. Before the demolition can occur, the existing radio equipment must be relocated so that there are no interruptions to service during the relocation and construction of the new building. The Information Technology Agency (ITA) will reroute the existing radio equipment. A total of \$70,000 was transferred from the FY09 ARRA JAG Contractual Services account to ITA's Salaries General account in the FY11-12 Year-End Financial Status Report (FSR) (C.F. 11-0600-S159) for this purpose. Because of the timing of the release of the Year-End FSR, the funds were not expended in FY11-12 as work could not be completed by the end of the fiscal year. Therefore, the Mayor's Office is requesting to transfer the \$70,000 in grant funds into a current year account and to reallocate the funds into ITA's Salaries Overtime account to reimburse ITA for grant related expenditures. Table B on the next page shows the revised budget for the FY09 ARRA JAG grant.

Report continued on the next page.

Table B: FY09 ARRA JAG Revised Budget

Account Name	Original Approved Budget	FY11-12 Budget Changes	FY12-13 Budget Changes	Revised Budget
City Attorney - Salaries	\$ 223,591.28	\$ 374,532.74	\$ 210,679.98	\$ 808,803.02
Mayor - Salaries (all)	1,625,212.72	9,193.99		1,634,406.71
Mayor - Fringe Benefits	487,239.00	2,041.99		489,280.99
Bureau of Engineering - Salaries (all)	537,711.00	--		537,711.00
Fringe Benefits - BOE and ITA	215,127.00	(64,299.00)		150,828.00
ITA - Salaries (all)	235,701.00	(235,701.00)		--
ITA – Salaries, Overtime	--	--	70,000	70,000
LA-RICS/Tower Project - Contractual Services	6,063,444.50	300,000.00	(70,000)	6,293,444.50
GRYD - Contractual Services	500,000.00	--	--	500,000.00
HSPS - Contractual Services	350,000.00	--	--	350,000.00
CLEAR - Contractual Services	310,986.00	--	--	310,986.00
County of Los Angeles	8,051,983.50	--	--	8,051,983.50
LA County Partner Jurisdictions	11,358,793.00	--	--	11,358,793.00
Mayor's Office Operating Costs - Other	91,338.00	--	--	91,338.00
Related Costs	463,051.00	--	--	463,051.00
TOTAL	\$ 30,514,178.00	\$ 385,768.72	\$ 210,679.00	\$ 31,110,625.72

* Source: Mayor's Office

RECOMMENDATIONS

That the Council:

1. Authorize the Mayor, or designee, to modify the previously adopted grant budget to reflect the budget modifications outlined in the report for the Fiscal Year 2009 American Recovery and Reinvestment Act Justice Assistance Grant (FY09 ARRA JAG) (C.F. 09-0648-S5);
2. Authorize the Controller to:
 - a. Expend funds upon presentation and proper demands from the Mayor's Office of Homeland Security and Public Safety (HSPS);
 - b. Increase Fund 51V "ARRA Justice Assistance Grant" receivable by \$210,679.98, for a new total of \$31,110,626.70;

- c. Appropriate interest earned into appropriate appropriations within Fund 51V, 2009 ARRA Justice Assistance Grant Program, as follows:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
51V/46	46J112	City Attorney Salaries	\$ 210,679.98

- d. Transfer funds on an as-needed basis and upon presentation of proper documentation from the City Attorney's Office, subject to the approval of the Mayor's Office, to the General Fund to reimburse for grant related expenditures as follows:

TRANSFER FROM:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
51V/46	46J112	City Attorney Salaries	\$ 210,679.98

TRANSFER TO:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
100/12	001010	Salaries, General	\$ 210,679.98

- e. Transfer appropriations and create new appropriation accounts within Fund 51V, Department 46, for the reallocation of FY09 ARRA JAG funds as follows:

TRANSFER FROM:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
51V/46	46H132	ITA	\$ 70,000

TRANSFER TO:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
51V/46	46J132	ITA	\$ 70,000

- f. Transfer funds on an as-needed basis and upon presentation of proper documentation from the Information Technology Agency, subject to the approval of the Mayor's Office, to the General Fund to reimburse for grant related expenditures as follows:

TRANSFER FROM:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
51V/46	46J132	ITA	\$ 70,000

TRANSFER TO:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
100/32	001090	Salaries, Overtime	\$ 70,000

3. Authorize the Mayor's Office HSPS to prepare Controller instructions for any technical adjustments, subject to the approval of the Office of the City Administrative Officer, and authorize the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

Approval of the recommendations within this report will allow for the continued expenditure of the Fiscal Year 2009 American Recovery and Reinvestment Act Edward Byrne Memorial Justice Assistance Grant funds. There is a General Fund impact of \$198,447 as a result of these grant activities which include the remaining balance of three City Attorney staff salaries. The City Attorney will absorb the remaining salaries not funded by this grant.

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