

CITY OF LOS ANGELES
CALIFORNIA

HOLLY L. WOLCOTT
Interim City Clerk



ERIC GARCETTI
MAYOR

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When making inquiries relative to
this matter, please refer to the
Council File No.

March 11, 2014

To All Interested Parties:

City Attorney (w/blue sheet)

The City Council adopted the action(s), as attached, under Council File No. 13-0455,
at its meeting held March 4, 2014.

A handwritten signature in black ink, appearing to read 'Holly L. Wolcott', is written over the printed name of the City Clerk.

City Clerk
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OFFICE OF THE MAYOR
Mayor's Time Stamp
 RECEIVED
 2014 MAR -4 PM 3:13
 CITY OF LOS ANGELES

TIME LIMIT FILES
 ORDINANCES

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 CITY CLERK'S OFFICE
City Clerk's Time Stamp
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 CITY CLERK
 BY _____ DEPUTY

FORTHWITH

COUNCIL FILE NUMBER 13-0455 COUNCIL DISTRICT _____
 COUNCIL APPROVAL DATE MARCH 4, 2014 LAST DAY FOR MAYOR TO ACT MAR 14 2014
 ORDINANCE TYPE: Ord of Intent Zoning Personnel General
 Improvement LAMC LAAC CU or Var Appeals - CPC No. _____

SUBJECT MATTER: ESTABLISHING ACCOUNTS WITHIN THE RESERVE FUND AND ESTABLISHING A NEW BUDGET STABILIZATION FUND

	APPROVED	DISAPPROVED	
PLANNING COMMISSION	_____	_____	RECEIVED CITY CLERK'S OFFICE 2014 MAR 10 PM 2:24 CITY CLERK BY _____ DEPUTY MAR 10 2014
DIRECTOR OF PLANNING	_____	_____	
CITY ATTORNEY	X _____	_____	
CITY ADMINISTRATIVE OFFICER	_____	_____	
OTHER	_____	_____	

DATE OF MAYOR APPROVAL, DEEMED APPROVED OR *VETO _____
 (*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)

DATE RECEIVED FROM MAYOR MAR 10 2014 ORDINANCE NO. 182928
 DATE PUBLISHED MAR 12 2014 DATE POSTED _____ EFFECTIVE DATE APR 12 2014
 ORD OF INTENT: HEARING DATE _____ ASSESSMENT CONFIRMATION _____
 ORDINANCE FOR DISTRIBUTION: YES NO

BUDGET AND FINANCE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to establishing accounts within the Reserve Fund and establishing a new Budget Stabilization Fund.

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

1. PRESENT and ADOPT the accompanying ORDINANCE amending the Los Angeles Administrative Code regarding the Reserve Fund and adding a new Article 4.1 to Chapter 6 of Division 5 of the Los Angeles Administrative Code regarding a Budget Stabilization Fund.
2. REQUEST the City Attorney to prepare and present an amended Ordinance to Council to incorporate changes discussed in the Budget and Finance Committee that reflect in more detail the Budget Stabilization Fund Policy adopted by Council on June 7, 2013.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the City Administrative Officer (CAO) nor the Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting of February 24, 2014, the Budget and Finance Committee considered a City Attorney report and a draft Ordinance relative to establishing two accounts within the Reserve Fund - the Contingency Reserve Account and the Emergency Reserve Account, and to add a new Article 4.1 to Chapter 6 of Division 5 of the Los Angeles Administrative Code regarding a Budget Stabilization Fund (BSF). In June of 2013, the City Attorney was requested, with the assistance of the CAO and CLA, to prepare and present an ordinance to codify the revised Proposed Financial Policy for the BSF, as well as other related ordinances necessary to fully implement this Policy.

As previously reported by the CAO and CLA, the City Charter established the Reserve Fund which holds unrestricted cash set aside outside the budget for unforeseen expenditures, emergencies or natural disasters. Charter Section 344 requires the Controller to transfer surplus general revenues and other unspent appropriations from the General Fund to the Reserve Fund at the end of the fiscal year. In March 2011, voters passed Charter Amendment P which codified the establishment of the Contingency Reserve Account and Emergency Account within the Reserve Fund. Charter Amendment P also established the BSF in the City Treasury and authorized the requirements for transfers or expenditures from the BSF to be established by ordinance.

During Committee discussion, representatives of the CLA and City Attorney provided an overview of the matter and responded to related questions from Committee members. After further consideration and having provided an opportunity for public comment, the Committee recommended that Council adopt an Ordinance to establish accounts within the Reserve Fund and a new Budget Stabilization Fund and that City Attorney prepare an amended

Ordinance for Council to incorporate changes discussed in Committee that reflect in more detail the Budget Stabilization Fund Policy adopted by Council on June 7, 2013. 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:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

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13-0455 2-24-14

-NOT OFFICIAL UNTIL COUNCIL ACTS-

Report
ADOPTED

FEB 28 2014

LOS ANGELES CITY COUNCIL

FEB 28 2014

ORDINANCE OVER TO March 18, 2014

Reconsidered and
Re-ADOPTED

MAR 4 2014

LOS ANGELES CITY COUNCIL

FORTHWITH