

CITY OF LOS ANGELES  
CALIFORNIA

HOLLY L. WOLCOTT  
Interim City Clerk



ERIC GARCETTI  
MAYOR

Office of the  
CITY CLERK

Council and Public Services  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

SHANNON HOPPES  
Council and Public Services  
Division

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

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

March 10, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-0600-S149, at its meeting held March 5, 2014.

City Clerk  
srb

Mayor's Time Stamp  
OFFICE OF THE MAYOR  
2014 MAR -5 PM 1:14  
CITY OF LOS ANGELES

**FORTHWITH**

City Clerk's Time Stamp  
CITY CLERK'S OFFICE  
2014 MAR -5 PM 1:13  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 13-0600-S149

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE March 5, 2014

RE: MID-YEAR (THIRD) FINANCIAL STATUS REPORT FOR FISCAL YEAR 2013-14

LAST DAY FOR MAYOR TO ACT MAR 17 2014  
(10 Day Charter requirement as per Charter Section 341)

**DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY**

APPROVED

✓

\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL 07 MAR 2014

E. G. [Signature]  
MAYOR

RECEIVED  
CITY CLERK'S OFFICE  
2014 MAR -7 PM 4:16  
BY \_\_\_\_\_  
CITY CLERK  
DEPUTY

BUDGET AND FINANCE COMMITTEE REPORT relative to the Mid-Year (Third) Financial Status Report (FSR) for Fiscal Year (FY) 2013-14.

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

1. APPROPRIATE \$2,634,078.99 to the Department accounts as specified in Attachment 3 of the City Administrative Officer (CAO) report dated February 26, 2014, attached to the Council file.
2. TRANSFER \$29,772,491.00 between accounts within various departments and funds as specified in Attachment 4.
3. TRANSFER \$4,821,437.49 between various departments and funds as specified in Attachment 5.
4. TRANSFER \$11,108,500.00 from various departments and funds to the Unappropriated Balance, Reserve for Economic Uncertainty as specified in Attachment 6.
5. APPROPRIATE \$25,001,884.35 from the Unappropriated Balance to various departments and funds as specified in Attachment 7.
6. Reappropriate \$5,648,608.29 from various special funds as noted in Attachment 14.
7. Relative to the loss of \$500.00 from the Petty Cash Fund of the Department of Building and Safety:
  - a. Approve the request by the Department of Building and Safety to relieve the department of accountability for the loss of \$500.00 in petty cash funds.
  - b. Authorize the Controller to write off the \$500.00 loss from the Department's advances for Petty Cash Fund from the Building and Safety Permit Enterprise Fund (Fund 48R/08).
8. AUTHORIZE the City Clerk to utilize savings from CD 6 Special Election to process the ordinance initiative petition for a Health Commission anticipated in March, 2014.
9. DEFER action and REFER back to Budget and Finance Committee, Recommendation No. 9 of the CAO report that would instruct the Fire Chief to discontinue the Ambulance Augmentation Plan for the last three months of the fiscal year (April through June) to partially offset the Fire Department's \$12 million year-end deficit.
10. AUTHORIZE the Controller to transfer \$33,498.52 from the General City Purposes Fund No. 100/56, Account No. 000570, Social Security Contributions, to a new appropriation account within the General City Purposes Fund No. 100/56 entitled Fire/Police Pensions Defrayal; and AUTHORIZE the Controller to transfer \$33,498.52 therefrom to the Fire

and Police Pensions Fund No. 915/64, (FMS) Revenue Source 5503, Department Revenue Source 5713.

11. Relative to Housing and Community Investment Department (HCID) affordable housing loan agreements approved by the Council pursuant to C.F. Nos. 11-0635, 11-1920 and 10-1869:

a. Retroactively transfer funds awarded from the California State Housing and Community Development Department (HCD) to the borrowers identified below through escrow:

i. Oakridge Family Homes LP per Contract C-121260, Loan Number 11-117922-001, Amount HCD disbursed through escrow: \$1,600,000.

ii. Taylor Yard Master Association per Contract C-121836, Loan Number 13-119113-001, Amount Disbursed through Escrow: \$2,781,694.73.

iii. Taylor Yard Apartments LP per Contract C-121807, Loan Number 11-117797-001, Amount Disbursed through Escrow: \$2,339,725.

b. Authorize the Controller to record the expenditures from HCID per the grant agreement with HCD and reduce the Grant Receivable Account upon proper written demand from the General Manager, Housing Community Investment Department, or designee. The transactions are to reflect expenditures of funds from grants receivable resulting from the transfer of funds from the State HCD directly to the three borrowers as noted above, as follows:

Reduce Grants Receivable

<u>Fund/Dept/Name</u>	<u>Account Name/Number</u>	<u>Amount</u>
54D/43, Disaster Relief Initiative	Acct 1360, Grants Receivable	\$1,600,000.00
54L/43, State HCD	Acct 1360, Grants Receivable	<u>5,121,419.73</u>
	Total	\$6,721,419.73

Increase Expenditures

<u>Fund/Dept/Name</u>	<u>Account Name/Number</u>	<u>Amount</u>
54D/43, Disaster Relief Initiative	Acct H700 Housing Reconstruct.	\$1,600,000.00
54L/43, State HCD	Acct H854 HCD II G	<u>5,121,419.73</u>
	Total	\$6,721,419.73

12. APPROPRIATE \$2,000,000 within the Police Grants Fund No. 339/70 from the available cash balance to an account entitled "Grant Reimbursement to the General Fund"; and transfer therefrom to the Police General Fund 100/70, Revenue Source No. 5301, Reimbursement from Other Funds to recognize cumulative cash received from the grants.
  
13. Relative to the purchase of a Derrick truck for the Bureau of Street Lighting:
  - a. Disencumber \$226,221.87 (Purchase Order No. 1415268; vendor-Altec) in 2012-13 funds from General Services Fund 100/40, Account 007340, Transportation Equipment.
  - b. Revert \$226,221.87 from General Services Fund 100/40, Account 007340, Transportation Equipment, to Street Lighting Maintenance Assessment Fund No. 347/50, Acct 50J140, GSD.
  - c. Transfer \$360,000 within the Street Lighting Maintenance Assessment Fund No. 347/50 from Account 50J140, GSD to Fund No. 347/50, Account 50KLPP, Fleet Replacement.
  
14. AUTHORIZE the Controller to establish two appropriation accounts titled "Grant Reimbursements to Prop C Fund" and "Grant Reimbursements to General Fund" within the Transportation Grant Fund No. 655/94.
  
15. AUTHORIZE the Controller to appropriate \$15,878,264.58 in an account titled "Grant Reimbursements to Prop C Fund" within Fund No. 655/94 and transfer therefrom the same amount to Proposition C Fund No. 540/94, Revenue Source Code 5301, Reimbursement from other funds, for direct labor reimbursements received from grantors in fiscal years 2009-10, 2010-11, 2011-12 and 2012-13.
  
16. AUTHORIZE the Controller to appropriate \$656,116.46 in an account titled "Grant Reimbursements to General Fund" within Fund No. 655/94 and transfer therefrom to the General Fund Revenue Source Code 5346, Related Cost Reimbursements, of various departments for fringe benefits and central services reimbursements received from grantors in fiscal years 2011-12 and 2012-13 as follows:

<u>Department</u>	<u>Fund No.</u>	<u>Amount</u>
Transportation	100/94	\$410,441.36
Bureau of Contract Administration	100/76	10.42
Bureau of Engineering	100/78	67,120.12
Bureau of Street Lighting	100/84	23,518.58
Bureau of Street Services	100/86	<u>155,025.98</u>
		\$656,116.46

17. AUTHORIZE the Controller to appropriate \$3,147,576.59 in an account titled "Grant Reimbursements to General Fund" within Fund No. 655/94 and transfer therefrom the same amount to Fund No. 100/62, Revenue Source 5331, Reimbursement of Related Costs Prior Year, for fringe benefits and central services reimbursements received from grantors in fiscal years 2011-12 and 2012-13.
18. Relative to the transfer of \$3,967,781.95 from the UB, Reserve for Economic Uncertainties to the Building & Safety Permit Enterprise Fund No. 48R/08, Account No. 08Kxxx (see Attachment 7), AUTHORIZE Building and Safety to draw the necessary demand warrant in the amount of \$3,967,781.95 payable to "Olympic and Georgia Partners, LLC" from the Building & Safety Permit Enterprise Fund No. 48R/08, Account No. 08Kxxx, Reimbursement Offset, to reimburse Olympic and Georgia Partners, LLC for the cost of permit fees related to the development agreement for the JW Marriott Los Angeles LA Live Hotel.
19. AUTHORIZE the City Administrative Officer to expend up to \$25,000 from the Capital Finance Administration Fund, Fund 100/53, General Administration Account, Account Number 0170 for the retention of a consultant to perform research relating to the use of public/private partnerships for streetcar projects.
20. DEFER action and REFER back to Budget and Finance Committee, Recommendation No. 20 of the CAO report that authorizes the transfer of up to \$12.3 million from the following Capital Improvement Expenditure Program projects Celes King III Pool, Lincoln Park Pool, and Manchester Junior Arts Center to a new account within the General City Purposes Fund No. 100/56 entitled Public Services/Community Based Development Organizations to be administered by the Housing and Community Investment Department (HCID) as a one-time funding adjustment for the purpose of continuing the services provided by the impacted agencies, including City departments identified in Attachment 15 for 15 months.
21. DEFER action and REFER back to Budget and Finance Committee, Recommendation No. 21 of the CAO report that instructs the HCID to report back to the Housing Committee on how the funds will be distributed.
22. AUTHORIZE the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.
23. AUTHORIZE the Controller to transfer and appropriate \$122,400 from the Measure R Local Return Fund No. 51Q, Department 94, Account No. 94J689, to the Department of Public Works, Bureau of Street Services (BSS) Fund No. 100, Department 86, to various accounts as follows for the Broadway Dress Rehearsal Project:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
001090	Salaries, Overtime	\$50,000
003030	Construction Expense	35,000
003040	Contractual Services	19,000

006020      Operating Supplies      18,400  
Total: \$122,400

24. DEFER action and REFER back to Budget and Finance Committee, the recommendation in the CAO report that authorizes the transfer of \$490,000 from the Unappropriated Balance, Reserve for Economic Uncertainties to the Emergency Operations Fund (see Attachment 7).
25. AUTHORIZE the Controller to transfer \$350,000 from AB1290 Fund 53P, Account 28214 (CD 14), as follows:
  - a. General City Purposes, Council District Community Services 100/56, Account No. 0714 - \$50,000
  - b. Council Fund 100/28, Salaries As Needed Account No. 1070 - \$300,000
26. INSTRUCT the Los Angeles Police Department to report back on deployment plan projections over the last five years in comparison to the optimum number of officers.
27. INSTRUCT the CAO to report on strategies to increase the return on investment of Reserve Fund and Budget Stabilization Fund monies.

Fiscal Impact Statement: The CAO reports that approximately \$36.6 million in expenditure shortfalls and major unbudgeted expenses are identified in the FSR. The recommendations in this report reduce the deficit to approximately \$21 million. Transfers, appropriations and other adjustments totaling approximately \$120 million are recommended in Sections 1, 2 and 9. Included in these recommendations are transfers of approximately \$8.88 million from the Unappropriated Balance, Reserve for Economic Uncertainties to offset City deficits. No adjustment to budgeted revenue is recommended at this time.

Community Impact Statement: None submitted.

### Summary

At its meeting of March 3, 2014, the Budget and Finance Committee considered the CAO's Mid-Year FSR dated February 26, 2014. The CAO reports that the Mid-Year FSR provides an update on the current-year budget including projected departmental deficits, trends in revenues, the Reserve Fund, and current issues of concern and their potential impact to the City. In addition, it includes recommendations totaling approximately \$120 million for appropriations, transfers and other budgetary adjustments. The Mid-Year FSR, attached to the Council file, includes a thorough discussion of the CAO's recommendations and other budget related items.

During discussion of this matter, a CAO representative presented an overview of the report and responded to related questions from Committee members. Discussion continued with department representatives responding to questions relative to their respective departments.

After further consideration and having provided an opportunity for public comment, the Budget and Finance Committee recommended to defer action on CAO recommendation nos. 9, 20, and 21, defer a recommendation to transfer funds to the Emergency Operations Fund, approve the remaining CAO recommendations, and add the 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
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

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13-0600-S149

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

**ADOPTED**

**MAR 05 2014**

**LOS ANGELES CITY COUNCIL**

**TO THE MAYOR FORTHWITH**

**MAYOR WITH FILE**