

BUDGET AND FINANCE COMMITTEE REPORT relative to the annual review of the status of Reserve Fund loans and recommended loan write-offs.

Recommendations for Council action:

1. WRITE OFF \$4,232,359.97 in Reserve Fund loans and advances listed on Attachment 1 of the City Administrative Officer (CAO) report dated October 19, 2015 (attached to Council file [C.F.] No. 13-1465).
2. INSTRUCT departments with pending billings to work with the special fund administrators and report back to the CAO in 90 days on the status of loans listed on Attachment 1 of the CAO report dated October 19, 2015 (attached to C.F. 13-1465) as requiring further analysis.
3. INSTRUCT departments to continue to submit invoices as soon as possible to the appropriate City department(s) in order to recover Reserve Fund loans made for special fund expenditures.
4. AUTHORIZE the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that there is no General Fund impact resulting from the actions recommended within this report as the 2015-16 Budget does not assume the repayment of these loans. Additionally, these actions will not impact the current status of the Reserve Fund.

Community Impact Statement: None submitted.

## SUMMARY

At its regular meeting held on November 9, 2015, the Budget and Finance Committee considered a report from the CAO dated October 19, 2015 relative to the annual review of the status of Reserve Fund loans and recommended loan write-offs. The CAO reports that Council instructed its Office to annually review the status of Reserve Fund loans and recommend loan write-offs. The CAO states that its Office has reviewed a total of 83 loans, approximately \$18.8 million, on the City's books as of May 31, 2015, of which 77 were either partially paid or remain unpaid as of September 30, 2015. Loans made after May 31, 2015 are not part of this study. The CAO worked with departments and special fund administrators to determine the status and estimated repayment dates of each loan and to identify uncollectible loans. The results of this study are detailed in the CAO report and attachment which are attached to the Council file. Based on the study the CAO recommends 22 loans for either partial or full write-off for a total of \$4,232,359.97.

After providing an opportunity for public comment, the Budget and Finance Committee approved the recommendations in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<b>MEMBER</b>	<b>VOTE</b>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW  
11/12/15  
FILE No. 13-1465

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**