

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

0116-00001-0000

Date: March 20, 2015

To: Budget and Finance Committee  
Attn: Erika Pulst, Office of the City Clerk

From: Miguel A. Santana, City Administrative Officer

Subject: **ADDENDUM TO THE 2014-15 THIRD (MID-YEAR) FINANCIAL STATUS REPORT (C.F. 14-0600-S256)**

The City Administrative Officer issued the Third (Mid-Year) Financial Status Report (FSR) on March 3, 2015 (CF 14-0600-S256). This addendum to the Mid-Year FSR includes amendments that came to our attention subsequent to the release of the FSR, as well as changes that are required pursuant to Council Motion (Krekorian-Koretz) which was approved by Council on March 20, 2015 (C.F. 14-0600-S257). The Motion expedites various Mid-Year FSR transactions under separate action in order for departments to meet payroll or avoid service impacts.

The amendments are identified below:

1. Amend Recommendation Number 3 to reflect the Revised Attachment 5 as follows:
  - Delete various transfers as per C.F. 04-0600-S257 as they are being expedited as part of a separate Council action prior to the consideration of the Mid-Year FSR.
  - Add instructions relative to the Housing and Community Investment Department (HCID) Foreclosure Registry Program Fund which were discussed in the Mid-Year FSR narrative but inadvertently omitted from the Controller instructions.
  - Increase the amount of funds to be transferred from the Bureau of Sanitation's General Salaries account to the Overtime Salaries account by \$1 million. The increased transfer is necessary for the Bureau to make payroll and address an increased shortfall in the overtime account based on updated salary projections.
  - Increase the amount of funds to be transferred from the Department of General Services (GSD) Salaries General account to the Field Equipment Expense account by \$600,000. The increased transfer is necessary for GSD to support the increased maintenance costs associated with the City's refuse collection vehicles.
  - Increase the amount of funds to be transferred to the Department of Transportation's Salaries Overtime account by \$936,819 (Proposition C and Traffic Safety funds), to

address overtime shortfalls associated with the Crossing Guard Program administration and street resurfacing.

2. Amend Recommendation Number 4 to reflect the Revised Attachment 6 as follows:

- Delete various transfers as per CF 04-0600-S257 as they are being expedited as part of a separate Council action prior to the consideration of the FSR.
- Add amendments recommended by the Chief Legislative Analyst to address current expenditure patterns for eligible costs. There will be no impact on the General Fund inasmuch as the transfers involve special funds.
- Add instructions for transfers from HCID special funds for the Annual City Audit which were discussed in the Mid-Year FSR narrative but inadvertently omitted from the Controller instructions.
- Increase transfers to the Department of Transportation's Salaries Overtime account by \$617,568.43 from various special funds to address anticipated shortfalls from various activities including, signal construction and safe routes to school.

3. Amend Recommendation Number 5 to reflect the Revised Attachment 7 which does the following:

- Adds a \$250,000 transfer from the Unappropriated Balance, Pavement Preservation Program account to the GSD for additional Pavement Preservation Program work by the Bureau of Engineering (BOE). GSD administers BOE's hiring hall. The funds will be used by BOE to perform survey work related to pavement preservation.

4. Relative to Recommendation Number 11 regarding funding for the Figueroa Plaza Tower Recovery/Renovation work, substitute the existing recommendation with the following language:

*Transfer \$2,250,000 within the General Services Department Fund No. 100/40, from Account 003230, Petroleum, to Account 003040, Contractual Services, under the Miscellaneous Figueroa Plaza expense line item specifically for building lifecycle investment items as part of the 221 Figueroa Plaza Tower Recovery/Renovation Work. This work requires the approval of the Building Lifecycle/Betterment Working Group for items costing up to \$500,000 and consideration and approval of the Municipal Facilities Committee for all higher cost items of \$500,001 or more.*

The recommendation must be amended to transfer the funds to the General Services Contractual Services account as opposed to creating a new account.

## RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, amend the Third (Mid-Year) Financial Status Report (FSR) dated March 3, 2015 as follows:

1. Amend Recommendation Number 3 to reflect the *Revised Attachment 5*;
2. Amend Recommendation Number 4 to reflect the *Revised Attachment 6*;
3. Amend Recommendation Number 5 to reflect the *Revised Attachment 7*; and,
4. Relative to Recommendation Number 11 regarding funding for the Figueroa Plaza Tower Recovery/Renovation work, substitute the existing recommendation with the following language:

Transfer \$2,250,000 within the General Services Department Fund No. 100/40, from Account 003230, Petroleum, to Account 003040, Contractual Services, under the Miscellaneous Figueroa Plaza expense line item specifically for building lifecycle investment items as part of the 221 Figueroa Plaza Tower Recovery/Renovation Work. This work requires the approval of the Building Lifecycle/Betterment Working Group for items costing up to \$500,000 and consideration and approval of the Municipal Facilities Committee for all higher cost items of \$500,001 or more.

## FISCAL IMPACT

Sufficient funds are available in the 2014-15 Budget to cover the cost of the proposed amendments. There is no additional impact to the General Fund.

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Attachments