

BUDGET AND FINANCE COMMITTEE REPORT relative to 123 special funds with a cumulative balance of \$28 million where there had been no expenditures for the past four years.

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

1. INSTRUCT the departments that administer the funds identified in the Attachment of the City Administrative Officer (CAO) report dated March 29, 2019 (attached to Council file [C.F.] No. 18-0270), to continue to perform the required actions to spend down the balances within these funds.
2. AUTHORIZE the Controller to transfer the remaining balance in Fund No. 40L, the LA Bridges Grant Fund, to the Unappropriated Balance (UB), Fund No. 100/58, Account No. 580196, Reserve for Mid-Year Adjustments, to return the balance to the General Fund, which was the original funding source.
3. AUTHORIZE the Controller to transfer \$1,184 from Fund No. 651, the Juvenile Crime Prevention Demonstration Fund, to the UB, Fund No. 100/58, Account No. 580196, Reserve for Mid-Year Adjustments, to return the balance to the General Fund, which was the original funding source.
4. AUTHORIZE the Controller to transfer the remaining balance of \$3,333,734.77 from Fiscal Year (FY) 2019 Fund No. 44Z, Traffic Congestion Relief Act, Account No. 1010, Cash, to FY 2019 Fund No. 484, ATSAC Trust Fund, Account No. 94PU13, ATSAC Control Center Relocation Project, inasmuch as the initial Projects paid from the Traffic Congestion Relief Act were front funded by the ATSAC Trust Fund, and the remaining balance should now be used to repay that initial expenditure.
5. AUTHORIZE the Controller to transfer \$225,000 from Fund No. 40F, Community Based Service Program AB 2800, Account No. 1010, Cash, to the Reserve Fund to repay the loans identified in C.F. Nos. 99-0989 and 01-1507, which was used to establish a revolving fund for this grant program inasmuch as the grant program terminated in 1999.
6. INSTRUCT the Department of Aging to report on the possible uses, within the criteria of the grant program, of the balance of \$36,015 in Fund No. 40F, Community Based Service Program AB 2800, which will remain after the Reserve Fund loan is paid.
7. AUTHORIZE the Controller to transfer the remaining balance in Fund No. 40C, State One-Stop, to the UB, Fund No. 100/58, Account No. 580196, Reserve for Mid-Year Adjustments, inasmuch as the City Clerk has determined that all obligations related to this Fund have been paid.
8. REQUEST the City Attorney to prepare and present an Ordinance to repeal the Los Angeles Administrative Code (LAAC) Section 5.501 that establishes the State One-Stop Fund inasmuch the program is terminated and all obligations have been paid, after the transfer of the funds as outlined in Recommendation No. 7 of this report.
9. AUTHORIZE the Controller to transfer the remaining balance in Fund No. 48N, Efficiency

Projects and Police Hiring, to the UB, Fund No. 10/58, Account No. 580196, Reserve for Mid-Year Adjustments, in accordance with the ordinance establishing the Fund.

10. REQUEST the City Attorney to prepare and present an Ordinance repealing Los LAAC Sections 5.150.2-3 that establish the Efficiency Projects and Police Hiring Fund inasmuch as the intent of the ordinance is currently effectuated through the City's annual budget process, after the transfer of the funds as outlined in Recommendation No. 9 of this report.
11. AUTHORIZE the Controller to transfer the remaining balance in Fund No. 358, Neighborhood Facilities Match, to the UB, Fund No. 100/58, Account No. 580196, Reserve for Mid-Year Adjustments, to return the balance to the General Fund, which was the original funding source.
12. AUTHORIZE the Controller to transfer \$191 from Fund No. 44V, LA Bridges - Department of Justice Grant, to the UB, Fund No. 10/58, Account No. 580196, Reserve for Mid-Year Adjustments, to return the balance to the General Fund, which was the original funding source.
13. AUTHORIZE the CAO to make technical corrections as necessary to those transactions included in this report to implement the Mayor and Council's intentions.
14. INSTRUCT the CAO to report on the expected use of the funds transferred from the Fund No. 303, Industrial/Commercial Revolving Loan, and Fund No. 307, Rental Housing Production.

Fiscal Impact Statement: The CAO reports the recommendations in this report will move \$258,843 from special funds to the General Fund, which includes transfers of \$33,843 to the UB, Reserve for the Mid-Year Adjustments, and the repayment of a \$225,000 Reserve Fund loan. These actions comply with the City's Financial Policies in that the balances to be transferred are one-time in nature and are recommended to be used for one-time purposes (Fiscal Policy No. 5). The CAO further reports, the CAO will continue its efforts to ensure the special funds are used in accordance with the mandates of the funding source (Fiscal Policy No. 3) and the evaluation of these fund balances supports efforts to reconcile fund balances (Fiscal Policy No. 10).

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on April 15, 2019, the Budget and Finance Committee considered a CAO report relative to 123 special funds with a cumulative balance of \$28 million where there had been no expenditures for the past four years. A representative from the CAO presented the report and answered the Committee's questions.

During consideration, the Committee commended the CAO's office for the tedious work of identifying the inactive funds. The CAO reported that if the recommendations are adopted, \$258,843 will move from special funds to the General Fund, which includes transfers of \$33,843 to the UB, Reserve for the Mid-Year Adjustments, and the repayment of a \$225,000 Reserve

Fund loan.

After providing an opportunity for public comment, the Budget and Finance Committee approved the CAO report as amended to include instructions to the CAO to report on the expected use of the funds transferred from the Fund No. 303, Industrial/Commercial Revolving Loan, and Fund No. 307, Rental Housing Production. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
PRICE	YES
KORETZ	ABSENT
BONIN	ABSENT
BLUMENFIELD	YES

AC 4/15/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-