

HOLLY L. WOLCOTT  
CITY CLERK

SHANNON D. HOPPE  
EXECUTIVE OFFICER

When making inquiries relative  
to this matter, please refer to  
the **Council File No. 18-0600**

City of Los Angeles  
CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF THE  
CITY CLERK

**Council and Public Services Division**  
200 N. Spring Street, Room 395  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
FAX: (213) 978-1040

PATRICE Y. LATTIMORE  
ACTING DIVISION MANAGER

[clerk.lacity.org](http://clerk.lacity.org)

18-0600

May 30, 2018

The Honorable Ron Galperin  
City Controller  
Room 300, City Hall East

Dear Mr. Galperin:

I transmit herewith the Budget of the City of Los Angeles for the fiscal year beginning July 1, 2018, and ending June 30, 2019, as recommended and submitted to the City Council by the Mayor, and as modified by the Council.

Sincerely,

HOLLY L. WOLCOTT, CITY CLERK

cc: Honorable Eric Garcetti, Mayor  
Richard H. Llewellyn, Jr., City Administrative Officer

Enclosures: Mayor's concurrence of May 29, 2018  
Resolution of Council  
Council's Voting Recap and Motions

HOLLY L. WOLCOTT  
CITY CLERK

SHANNON D. HOPPES  
EXECUTIVE OFFICER

City of Los Angeles  
CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF THE  
CITY CLERK

Council and Public Services Division  
200 N. SPRING STREET, ROOM 395  
LOS ANGELES, CA 90012  
GENERAL INFORMATION - (213) 978-1133  
FAX: (213) 978-1040

PATRICE Y. LATTIMORE  
ACTING DIVISION MANAGER

CLERK.LACITY.ORG

When making inquiries relative to  
this matter, please refer to the  
Council File No.: 18-0600

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 25, 2018

**Council File No.:** 18-0600  
**Council Meeting Date:** May 25, 2018  
**Agenda Item No.:** 12  
**Agenda Description:** ANNUAL BUDGET RESOLUTION FOR FISCAL YEAR 2018-19, TO BE SUBMITTED BY THE CITY ATTORNEY, CITY ADMINISTRATIVE OFFICER AND CHIEF LEGISLATIVE ANALYST.

**Council Action:** ANNUAL BUDGET RESOLUTION FOR FISCAL YEAR 2018-19, RECOMMENDATIONS 7-126, 135, 140-170 AND H1-H4 - ADOPTED FORTHWITH

**Council Vote:**

YES	BLUMENFIELD	YES	HARRIS-DAWSON	YES	O'FARRELL
YES	BONIN	YES	HUIZAR	YES	PRICE
YES	BUSCAINO	YES	KORETZ	YES	RODRIGUEZ
YES	CEDILLO	YES	KREKORIAN	YES	RYU
ABSENT	ENGLANDER	YES	MARTINEZ	ABSENT	WESSON

HOLLY L. WOLCOTT  
CITY CLERK

Pursuant to Charter/Los Angeles Administrative Code Section(s): 314

FILE SENT TO MAYOR:	<input type="text" value="05/25/2018"/>
LAST DAY FOR MAYOR TO ACT:	<input type="text" value="06/04/2018"/>

APPROVED

\*DISAPPROVED

\*VETO

BY \_\_\_\_\_  
CITY CLERK

2018 MAY 29 PM 4:25  
29 MAY 2018  
DATE SIGNED

**CITY OF LOS ANGELES  
RESOLUTION**

A RESOLUTION ADOPTING THE BUDGET OF THE CITY OF LOS ANGELES FOR THE FISCAL YEAR COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019.

WHEREAS, the Mayor of the City of Los Angeles, in accordance with the provisions of Section 312 of the City Charter did recommend and submit to this Council a proposed budget for the fiscal year commencing July 1, 2018 and ending June 30, 2019, which is on file in the Office of the City Clerk of the City; and

WHEREAS, the President of the City Council on May 18, 2018, as a Special Order of Business at 10:00 a.m., provided an opportunity for the public to address the Council on the Mayor's Proposed Budget, and thereafter Council continued consideration of the Proposed Budget to the 21<sup>st</sup> of May, 2018, at the hour of 9:00 a.m., as a Special Order of Business in the Council Chamber in the City Hall, as the day, hour and place for consideration of the Proposed Budget, the public notice of the hearings was given prior to the hearing by publishing notice on the 23<sup>rd</sup> of April, 2018 and the 30<sup>th</sup> of April, 2018 in the Los Angeles Daily Journal; and those who appeared and desired to be heard on the proposed budget or any part or item of the budget would be heard on May 18, 2018; and

WHEREAS, a copy of the proposed budget was available for inspection by the public in Room 395, Office of the City Clerk, City Hall, 200 North Spring Street, Los Angeles, 90012.

NOW THEREFORE, BE IT RESOLVED that the City Council deems it advisable and in the best interests of the City to modify the budget proposed by the Mayor, and the budget is hereby modified as follows:

Attached and incorporated by reference is Appendix I, a document setting forth the appropriations proposed by the Mayor for items listed in the Mayor's Proposed Budget for 2018-19 and modified by the City Council. In columns headed by the words "Council Changes" are bolded figures representing the net effect of increases, decreases, and omissions (deletions) made by the Council with respect to the corresponding proposed appropriation submitted by the Mayor, and in certain cases new items to be added to the budget by the City Council and the amounts to be appropriated for those items. Each item of appropriation in the columns of the Mayor's Proposed Budget headed by the words "Budget Appropriation 2018-19," is hereby increased, decreased, or omitted to reflect the net changes for that item as shown by the bolded amounts set forth in the "Council Changes" columns in Appendix I. New items and appropriations therefore are hereby added to the budget to the same extent that additions are indicated in bold in the "Council Changes" columns in Appendix I. All totals, subtotals, and summaries are changed to reflect the net changes made by the City Council in the columns of the budget headed by the words, "Budget Appropriation 2018-19."

Attached and incorporated by reference is Appendix II, a document setting forth the Revenue and Appropriations information contained in certain Special Purpose Fund Schedules as set forth in the Mayor's Proposed Budget and modified by the City Council. In columns headed by the words "Council Changes" are bolded figures representing the changes made by the City Council with respect to the corresponding figure contained in the columns of the schedules, which are headed by the words "Budget 2018-19." The figures in the columns headed by the words "Budget 2018-19" in the Special Purpose Fund Schedules contained in the Mayor's Proposed Budget are hereby changed to reflect the changes made in the "Council Changes" columns of Appendix II. All totals are changed to reflect the changes made by the City Council in the columns of the schedules headed by the words "Budget 2018-19."

Attached and incorporated by reference is Appendix III, a document setting forth the "Detailed Statement of Receipts" and "Reserve Fund" as contained in the Mayor's Proposed Budget and modified by the City Council. In columns headed by the words "Council Changes" are bolded figures representing the net effect of changes resulting from actions taken by the City Council on the corresponding figures in the Mayor's Proposed Budget. The figures in the columns headed by the words "Budget 2018-19" contained in the corresponding pages of the Mayor's Proposed Budget are hereby changed to reflect the changes made in the "Council Changes" columns of Appendix III. All totals are changed to reflect the changes made by the City Council in the columns headed by the words "Budget 2018-19."

The following contained in the Proposed Budget for 2018-19 are further modified and changed to conform with the above City Council changes:

BUDGETARY DEPARTMENTS (Page 45)

TOTAL DEPARTMENTAL (Page 192)

TOTAL NONDEPARTMENTAL (Page 259)

SUMMARY OF EXPENDITURES AND APPROPRIATIONS (Page 44)

RESERVE FUND (Page 342)

BUDGET STABILIZATION FUND (Page 343)

FUNCTIONAL DISTRIBUTION OF 2018-19 APPROPRIATIONS AND  
ALLOCATED FUNDS (Pages 449 through 453)

CONDITION OF THE TREASURY (Page 344)

EXHIBIT "A," SUMMARY OF APPROPRIATIONS (Pages 31 and 32)

EXHIBIT "B," BUDGET SUMMARY RECEIPTS (Pages 33 through 35)

EXHIBIT "C," TOTAL 2018-19 CITY GOVERNMENT (Page 36)

EXHIBIT "D," UNRESTRICTED REVENUES COMPARISON (Page 37)

EXHIBIT "E," DEPARTMENTAL SHARE OF UNRESTRICTED REVENUES  
(Page 38)

EXHIBIT "F," AUTHORIZED CITY STAFFING (Page 39)

EXHIBIT "G," DIRECT COSTS OF OPERATION INCLUDING COSTS IN  
OTHER BUDGET APPROPRIATIONS (Page 40)

EXHIBIT "H," REQUIRED ORDINANCE CHANGES AND OTHER  
BUDGETARY ACTIONS (Pages 41 through 42)

GOVERNMENT SPENDING LIMITATION (Page 439 and 440)

FEDERAL AND STATE GRANT FUNDING ESTIMATES (Pages 441 through  
448)

THE BUDGET DOLLAR (Pages 454 and 455)

Other affected totals, subtotals, summaries, schedules or supporting data as are necessary to conform to modifications made as noted above.

BE IT FURTHER RESOLVED, that the items and total of the budget recommended and submitted by the Mayor, as modified by this Council, be adopted, stating the estimated amounts of money required to conduct the City government for the fiscal year commencing July 1, 2018 and ending June 30, 2019, including the estimated sums required to pay maturing portions of principal on bonded indebtedness, to pay interest at maturity dates, to maintain the necessary sinking funds to meet these obligations, and the estimate of revenue to be received during the fiscal year. The Controller is hereby authorized and instructed to make these changes in the proposed budget as are necessitated by the above modifications. The Office of the City Administrative Officer and the City Controller are hereby authorized and directed to correct any clerical, typographical, technical or printing errors in the budget consistent with the actions of Council in adopting the 2018-19 Budget.

1. Section 2 of the budget includes the estimated amounts of money required to pay the interest, maturing portion of the principal at respective maturity dates, and to maintain a sinking fund for the bonded indebtedness of the City of Los Angeles and to pay the expenses of conducting the business of City government, including the money required to be set aside for specific purposes by City ordinance, City Charter or State law; that the amount of money so required and the items in detail allowed to each department, officer, board, or fund of the City of Los Angeles is hereby fixed as allowed in this budget, and all these items are hereby appropriated to the departments and purposes

indicated and made subject to expenditure under the provisions of the Charter, and, in addition, subject to the provisions, where applicable, of the expenditure programs prepared or amended and filed as provided in Los Angeles Administrative Code Sections 5.26-5.31, the provisions of which are incorporated by reference; provided however, that all appropriations in excess of the amount indicated as coming from the General Fund are to the extent of the excess, conditional and made contingent upon receipt of moneys in the special purpose fund indicated. Provided further, however, that the amounts shown as Charter appropriations are presented as estimates and are subject to adjustment to conform to the provisions of the Charter governing the appropriations; and notwithstanding the amounts shown in these items, the maximum amount appropriated here to these purposes and departments shall be the amount appropriated for that purpose by the Charter.

2. A determination under Charter Section 1022 shall be required for all new contracts listed in the Supplemental Schedules of the 2018-19 Budget or any proposed during the fiscal year. The Council and boards of commissioners having control of their own revenues and funds shall have the authority to make this determination. In the case of personal services contracts, the authority to make this determination shall be delegated to the Office of the City Administrative Officer and the Personnel Department. Prior to initiating the contract process, the awarding authority shall request a determination from the Personnel Department regarding whether existing position classifications can perform the proposed work. If existing classifications can perform the work, the proposal must be submitted to the Office of the City Administrative Officer for a determination regarding whether it would be more feasible or economic to contract for the proposed work. Written reports of these determinations shall be transmitted to the requesting awarding authority. The awarding authority shall attach a copy of these determinations to the contract that is transmitted to the City Attorney for review and approval as to form. For any service that is currently provided by City employees and is proposed to be "privatized," no bid, request for proposal, request for qualifications or request for information shall be released until the contracting solicitation is first reviewed and approved by Council pursuant to Council File No. 93-2195-S1.

3. All requisitions, purchase orders, interdepartmental orders, rental of equipment or other encumbrances upon any account or appropriated item of any department shall be clearly recorded against the amounts available, both as to number of items and total amount and also subject to the provisions, where applicable, of the expenditure programs prepared or amended and filed as provided in Los Angeles Administrative Code Sections 5.26-5.31, in such a way that there shall never be an overencumbrance or an overexpenditure or a departure from the expenditure program upon any of these accounts or appropriated items, and so the full number of articles set forth and enumerated in the budget or subsequent appropriation can be purchased or acquired out of the amounts appropriated for those purposes. A detailed list of the equipment items shall be furnished to the Purchasing Agent by the Office of the City Administrative Officer to provide for economical expenditure of City funds and other advantages resulting from a planned procurement program. All travel for which funds have been appropriated in this budget will be governed by an authorized travel list, which

shall be furnished to the Controller by the Office of the City Administrative Officer in accordance with Council policy.

4. For the purpose of the budget, the total amount provided for salaries is considered the appropriated items for all salaries except that where separate accounts are shown, the amount of each account shall be considered a separate appropriated item. The item "overtime" shall, for the purposes of the budget, be deemed and construed a separate item and shall not become a part of the general salary items except upon lawful transfer pursuant to the provisions of the Charter.

5. The Controller is requested, in preparation of the final budget, to change the names of capital improvement projects to reflect the new names, if any, adopted by the Council subsequent to the preparation of the budget.

6. The City Council, acting under Section 3 of Chapter 927 of the Statutes of 1968, hereby authorizes and directs the City Controller to file the claims and take all steps required to obtain the replacement of revenue lost by operation of Section 988 of the Revenue and Taxation Code, or of other sections of the Revenue and Taxation Code that empower the City to make claims based on revenue losses due to State exemptions.

7. The omission of an amount opposite any line presented within any one of the account segregations of this budget or the omission of the item itself shall not be a bar to either subsequent appropriation to the item or items if contingencies arise, the appropriations to be made as the Charter provides.

8. In furtherance of the Council policy adopted on January 7, 1971, under Council File No. 70-1487, no funds shall be expended for design on capital improvement projects not authorized by the Council and the Mayor.

9. In accordance with Charter Section 320 and Los Angeles Administrative Code Section 5.27, department heads are instructed to expend funds only in conformance with the approved departmental expenditure programs, or as modified thereafter. In accordance with generally accepted accounting principles (GAAP), where necessary, the budgetary level of detail may be expressed by object categories such as "Total Salaries," "Total Expenses," "Total Equipment," and "Total Special" to reflect that which is contained in the departmental expenditure programs.

10. The "Tentative List" of construction projects in the General Services Department, as set forth in the Detail of Department Programs to the 2018-19 Budget, together with any modifications of these projects, which are approved prior to adoption of the budget, is part of the budget and is the "Approved List," subject to further modification on or before July 15 by submission of a "Final List" by the Office of the City Administrative Officer with the assistance of the General Services Department, in accordance with the Council's action adopted February 9, 1977, under Council File No. 76-4846.

11. The City Attorney, with the assistance of the Office of the City Administrative Officer and other City departments and offices as necessary, is requested to prepare and present to the Council by June 30, 2018 those ordinances as may be needed to implement the final decisions of the Mayor and the Council on the 2018-19 Budget.

12. In preparing the Departmental Personnel Ordinances for 2018-19, the Office of the City Administrative Officer and the City Attorney shall include in the ordinances the necessary changes in positions to reflect the final action on the City Budget.

13. The Office of the City Administrative Officer is directed to prepare and present to the City Council, on a timely basis, a report setting forth the necessary appropriations limit calculations and the City Council, at a duly noticed meeting, as provided by Government Code Section 7910, shall establish the appropriations limit and other determinations for 2018-19. Documentation used in the determination shall be made available to the public at least 15 days before any City Council meeting discussing this issue. These calculations shall reflect the final decisions of the Mayor and City Council on the 2018-19 Budget and the appropriations limit shall be placed in the final printed budget.

14. The Council hereby transfers and appropriates to the California Constitution, Article XIII B, Section 5, Special Fund, and the Controller is instructed to implement that action at the close of business on June 30, 2019 as follows:

- a. Appropriate all funds in the various items in the Unappropriated Balance at the close of business on June 30, 2019, to the Article XIII B, Section 5, Special Fund.
- b. Appropriate all General Fund revenues in excess of budget requirements at the close of business on June 30, 2019, to the Article XIII B, Section 5, Special Fund.
- c. Appropriate all special purpose fund revenues in excess of budget requirements at the close of business on June 30, 2019, from the revenue sources listed below to the Article XIII B, Section 5, Special Fund:
  - (1) Greater Los Angeles Visitors and Convention Center Trust Fund.
  - (2) Park and Recreational Sites and Facilities Fund.
  - (3) Proposition A Local Transit Assistance Fund.
  - (4) Proposition C Anti-Gridlock Transit Improvement Fund.



- (5) Telecommunications Development Account of the Telecommunications Liquidated Damages and Lost Franchise Fee Fund.
- (6) Special Fire Safety and Paramedic Communications Equipment Tax Fund.

15. The City Council hereby reappropriates the unencumbered balances remaining in each of the following Funds and Accounts in the same amounts and into the same accounts in these Funds as exist on June 30, 2018, and directs the City Controller to take all necessary steps to accomplish this action: Fund No. 100-28; Fund 100-30, Account 9699; Fund 100-40, Accounts 1014, 1097, 1101, 1191, 1121, and 3180; Fund No. 100-46; and Fund 100-56, Accounts 0306, 0501, 0701, 0702, 0703, 0704, 0705, 0706, 0707, 0708, 0709, 0710, 0711, 0712, 0713, 0714, 0715, 0829, 0832, 0883, 0903, and 0926. For amounts reverted by Fund No. 100-40 Accounts 1014, 1097, 1101, 1191, 1121 and 3180, the City Council also hereby returns any uncommitted Special Fund balances for completed projects back to the Special Fund Project account as indicated in the authorizing Council File and authorizes the City Controller to take all necessary steps to accomplish this action.

16. All computer hardware and software material for the City departments and offices provided for in the 2018-19 Budget shall only be purchased by or with the approval of the Information Technology Agency in cooperation with the Purchasing Agent as prescribed by the Charter.

17. The Council directs City Managers to ensure that fees collected do not exceed the cost to provide services and directs the City Administrative Officer to monitor fees and periodically recommend adjustments as needed.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Council of the City of Los Angeles at its meeting held May 25, 2018.

HOLLY L. WOLCOTT, CITY CLERK

BY: 