

CITY OF LOS ANGELES

CALIFORNIA

HOLLY L. WOLCOTT
Interim City Clerk



ERIC GARCETTI
MAYOR

Office of the
CITY CLERK

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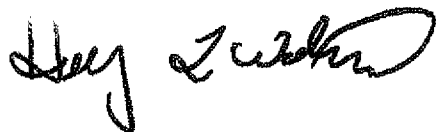
When making inquiries relative to
this matter, please refer to the
Council File No.

May 29, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No.

13-0600-S154, at its meeting held May 27, 2014.



City Clerk
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Mayor's Time Stamp
2014 MAY 28 AM 9:22
CITY OF LOS ANGELES

City Clerk's Time Stamp
CITY CLERK'S OFFICE
2014 MAY 28 AM 9:18
CITY CLERK
BY _____ DEPUTY

FORTHWITH

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 13-0600-S154

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE MAY 27, 2014

RE: THE TRANSFER OF FUNDS TO OFFSET YEAR-END DEFICITS IN THE FIELD EQUIPMENT EXPENSE ACCOUNT OF THE GENERAL SERVICES DEPARTMENT

LAST DAY FOR MAYOR TO ACT JUN 09 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 5/28/14

E.G.
MAYOR

CITY CLERK'S OFFICE
2014 MAY 29 AM 9:26
CITY CLERK
BY _____ DEPUTY

13-0600-3154

MAY 20 2014

BUDGET & FINANCE

MOTION

22

In the Year-End Financial Status Report, the General Services Department (GSD) reported a year-end deficit of \$1.418 million in its Field Equipment Expense Account. As of May 15, 2014, the Field Equipment Expense Account has an uncommitted balance of \$133,000, which may be depleted within one day. Once the account is depleted, fleet vehicles will be placed out of service due to a shortage of replacement parts.

The \$1.418 million deficit is due to the following:

- The increased cost of maintaining the City aging fleet has created a \$650,000 deficit (\$350,000 in the General Fund and \$300,000 in Solid Waste Resources Fund (SWRF)).
- Additionally, a liquefied natural gas (LNG) tank on a refuse vehicle exploded on January 29, 2014. A recommendation to replace and/or repair other LNG tanks as a precautionary measure resulted in an unanticipated cost of \$450,000 from SWRF.
- Another unanticipated expense of \$318,000 is attributed to a Fire Department helicopter that overheated during startup. GSD sent the engine out for repair, while installing a rental engine on the helicopter to prevent it from being placed out of service. The total cost consists of approximately \$14,000 for the rental engine plus \$304,000 to repair the damaged engine.

GSD recommends transfers totaling \$1.418 million to offset the deficit. Although the proposed transfers were requested in the Year-End Financial Status Report (FSR), and recommended by the City Administrative Officer, there is an immediate need for the transfers pending the release of the Year-End FSR.

I THEREFORE MOVE that the Council, subject to the approval of the Mayor, transfer funds in the amount of \$1,418,000 as follows, to offset year-end deficits in the General Services Department:

1. Transfer \$1,100,000 from the General Services Fund 100/40, Account 001010, Salaries General to Account 003090, Field Equipment Expense, within the same Fund;
2. Transfer \$318,000 from the Unappropriated Balance Fund No. 100/58, Account 000037, Reserve for Economic Uncertainties, to the General Services Fund No. 100/40, Account 003090, Field Equipment Expense, for the cost of LAFD helicopter repairs; and,
3. Authorize the City Administrative Officer to make technical corrections to the above instructions as necessary.

MAY 23 2014 - LEFT ON DESK - LOST QUORUM

CONTINUED TO May 27, 2014

Presented by: Paul Kerkorian
PAUL KERKORIAN
Councilmember, 2nd District

[Signature]
MAY 20 2014

ADOPTED

MAY 27 2014

LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH

Seconded by: [Signature]

ORIGINAL