

13-0600-3154

MAY 20 2014

BUDGET & FINANCE

MOTION

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.


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Presented by: 
PAUL KERKORIAN
Councilmember, 2nd District

Seconded by: 

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