

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: All

To: Eric Garcetti, Mayor
Herb J. Wesson, Council President
Paul Krekorian, Chair, Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Reference: 2014-15 Budget

Subject: **SECOND FINANCIAL STATUS REPORT**

SUMMARY

Pursuant to the City Charter Section 291, the Office of the City Administrative Officer (CAO) monitors the budget and transmits periodic reports to the Mayor and Council detailing the City's current financial condition. As such, this Office is transmitting the Second Financial Status Report (FSR) for the 2014-15 fiscal year. This report provides an update on the current-year budget—including changes to projected departmental deficits, early trends in revenues, the Reserve Fund, and current issues of concern and their potential impact to the City. Recommendations totaling approximately \$47.27 million for appropriations, transfers and other budgetary adjustments are included in this report.

The recommended transactions have been deemed necessary to ensure departments have sufficient funds to cover payroll and other obligations pending the release of the Mid-Year FSR. Given the need to expedite the transactions in this report prior to the end of the calendar year, we have not included updates to every department's budgetary status. Instead, we are reporting on the status of major expenditure deficits and providing new information from departments on substantive fiscal issues that warrant immediate notification to the Mayor and Council.

The First FSR identified approximately \$95.28 million in departmental expenditure shortfalls and unbudgeted expenses mainly due to shortfalls in the Police and Fire Departments. After Council and Mayor action on the First FSR, the deficit was subsequently reduced to \$51.94 million.

The deficit continues to decline and is currently projected at \$46.59 million. The decrease is mainly due to overtime savings generated by the Police Department following implementation of overtime control mechanisms. However, these gains are partially offset by increases in the Fire Department's deficit due to liability from FLSA-related litigation and the current year impact from a recent sworn labor agreement. Interim budget requests from the Fire Department and the Office

of the City Attorney have also contributed to a change in the year-end deficit. Furthermore, at this time the full cost impact of the Ferguson-related demonstrations on the LAPD overtime budget and other City departments that responded to these events is unknown. The \$46.59 million year-end shortfall, which is based on expenditures through the end of October, is summarized in Table 1 below.

Table 1.				
Second FSR Projected Shortfalls/Unfunded Expenditures				
(millions)				
Department/Initiative	1st FSR	Change	2ndFSR	Reason for Deficit
Police	\$ 69.78	(53.59)	\$ 16.19	Unfunded Sworn Overtime, unfunded sworn salary adjustments for 950 employees, Detention Officer and Police Officer hiring shortfall partially offset by surpluses in other accounts. Cost impact of Ferguson-related demonstrations is unknown.
Fire	20.01	3.99	24.00	Unfunded Ambulance Augmentation; delayed implementation of 40 hour work week for sworn personnel at Fire Dispatch Center; additional constant staffing overtime costs attributed to a sunset clause in MOU 23 relative to hours paid but not worked (e.g., holiday); back-wage payments owed pursuant to two cases; and, impact of recent labor agreement.
Transportation	2.90	(2.17)	.73	Overtime attributed to special events, street resurfacing projects, Bicycle Plan and one-time unusual occurrences. Cost impact of Ferguson-related demonstrations is unknown.
General Services	1.00	(.27)	.73	Maintenance of 17 LAPD helicopters and increased maintenance of City fleet.
City Clerk	.79	0	.79	Unfunded LAUSD special election.
<i>Non-Departmental</i>				
Attorney Conflicts Panel	.80	0	.80	Increased expenditures for conflict counsel resulting from: 1) new case referrals; 2) number of on-going open litigation assignments; and, 3) number of cases with unusual complexities and with high exposure.
<i>Interim Budget Request</i>				
City Attorney-Qui Tam Staffing	0	.13	.13	Interim staffing request (C.F. 14-1620).
City Attorney-Prop. 47 Staffing	0	.44	.44	Interim staffing request (C.F. 14-1523).
Fire-Staffing	0	2.78	2.78	Interim staffing request (C.F. 14-0600-S249).
Total Shortfall	\$ 95.28	(48.69)	\$ 46.59	

It is anticipated that the \$46.59 million shortfall will be further reduced to \$30.4 million with the continued implementation of sworn overtime control measures and the transfer of \$3.3 million in funding to the Police Department from the Unappropriated Balance (UB), Sworn and Detention Officer Staffing account. Additionally, a potential surplus of \$10 million identified in the Human Resources Benefits Fund, as well as Reserve Fund transfers totaling \$3.22 million recently approved by Council, would further reduce the year-end deficit to \$17.18 million. The anticipated budget balancing solutions previously identified in the First FSR as well as other pending solutions reported in this FSR are summarized in the following table along with the impact on the year-end deficit.

Table 2. Potential 2014-15 Budget Balancing Solutions (millions)		
2nd FSR Deficit	\$ 46.59	
First FSR Anticipated Solutions		
Transfer from UB, Police Sworn and Detention Officer Staffing	(3.30)	Transfer to Police for Detention Officer and Police Officer hiring.
Police-increased management and accountability of overtime across supervisory ranks.	(12.89)	Savings from overtime control measures. Savings of \$13.59 million have been achieved to date with \$12.89 million remaining to be achieved to reach \$26.48 million savings target.
<i>Subtotal</i>	<i>\$30.40</i>	
Other Pending Solutions		
Human Resources Benefits Fund	(10.00)	Anticipated savings from various accounts.
Reserve Fund Transfer to City Attorney	(.44)	City Attorney Proposition 47, C.F. 14-1523.
Reserve Fund Transfer to Fire Department	(2.78)	Fire Interim Request, C.F. 14-0600-S249.
Problem to Solve	\$ 17.18	

It should be noted that the potential remaining problem to solve of \$17.18 million is contingent on the assumed solutions noted in the table above as well as on the City achieving its revenue targets for 2014-15. At this time, no funding is immediately available to close the remaining \$17.18 million gap. However, we continue to believe that we will be able to identify solutions by the end of the fiscal year to mitigate this shortfall. We expect to have a better assessment of the projected year-end deficit as mid-year expenditure and revenue information becomes available.

2014-15 Projected Revenue

To date, total 2014-15 revenue through October is \$21.2 million below planned receipts, representing 17 percent of total adopted General Fund revenue (See Attachment 1-A). As reported in the First FSR, this shortfall may be primarily attributed to the early receipt of secured property tax at the end of 2013-14, leading to a \$28.7 million shortfall in current year property tax revenue. However, since over 90 percent of property tax receipts—including secured property tax revenue—are received after November, it is too early to determine whether this will translate to a year-end deficit. Similarly, the shortfalls in department license, permit, fee and fine revenue and business tax revenue (currently \$8.6 million and \$1.8 million behind estimated receipts, respectively) are not yet indicative of a year-end deficit as the majority of these revenues are received at the latter half of the year.

Other shortfalls may suggest downward trends. Utility user tax revenue, which was reported ahead of plan in the First FSR, is now \$1.2 million behind estimated monthly receipts as a result of a continuing downward trend in communication users tax revenue. Some of this shortfall is offset by higher than projected revenue in the gas and electrical users taxes. Parking fine revenue is also behind estimated receipts as a result of lower ticket issuances and collections (Attachments 1-B and 1-C), which the Department of Transportation attributes to lower full-time and part-time traffic officer staffing. However, at this time no adjustments are recommended.

Offsetting these shortfalls are receipts from documentary transfer tax which are \$6.8 million ahead of plan. As reported in the First FSR, the current surplus is solely attributed to a \$12 million legal entity transfer amount received in August, without which the revenue source would be behind estimated receipts. Transient occupancy tax and franchise income revenues through October are also ahead of estimated receipts, by \$ 4.6 million and \$2.4 million respectively. However, as previous monthly receipts have been below plan, it is not indicative of a trend.

Reserve Fund

The current Reserve Fund balance is \$346 million, after accounting for an additional \$5.5 million in loan repayments and other receipts, and approximately \$6.1 million in approved and proposed loan and transfers. The balance consists of a \$141.3 million Emergency Reserve and \$204.7 million Contingency Reserve. Please refer to Attachment 2 for greater detail on the Reserve Fund.

The current Reserve Fund balance represents 6.73 percent of the Adopted General Fund budget which is similar to what was reported in the First FSR. While the October 31, 2014, Reserve Balance allowed the City to meet the five percent requirement established by the City's Financial Policies, this Office recommends that we continue to remain cautious in using the Reserve Fund to offset current year deficits in light of the forecasted 2015-16 budget gap of \$165.1 million.

Budget Stabilization Fund

The Budget Stabilization Fund (BSF) was established as part of the 2008-09 Budget to supplement the Reserve Fund. The primary purpose of the BSF is to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years. The current BSF balance is approximately \$64.2 million. Including the BSF increases the City's total reserves from 6.73 percent to 7.98 percent of the General Fund budget.

Issues of Concern

In addition to the aforementioned expenditure shortfalls, there are additional internal and external factors that may adversely impact the City, the size and/or timing of which cannot be accurately determined at this time:

Pensions

Los Angeles City Employees Retirement System (LACERS)

Projected 2015-16 City Contribution to LACERS: On October 28, 2014 the Los Angeles City Employee's Retirement System adopted changes to its actuarial assumptions, including a reduction in the assumed investment return rate from 7.75 percent to 7.50 percent. It is anticipated that the economic and demographic assumption changes in LACERS' latest experience study will impact the City contribution to LACERS beginning in 2015-16. However, the actual impact will not be known until the release of the June 2014 LACERS valuation which is anticipated in December 2014. The valuation will identify the required contribution rate for 2015-16.

Employee Relations Board Ruling Regarding Civilian Tier 2: In an effort to control costs, the City Council adopted a new civilian retirement tier which applies to all employees hired on or after July 1, 2013. The new tier was designated to reduce the City's future pension costs by increasing the normal retirement age from 55 to 65, and making various other changes to reduce costs. The City estimates savings from the new tier of \$4 million for fiscal years 2013-14 and 2014-15 (inclusive of savings to the Harbor and Airports departments). The new civilian retirement tier was estimated to result in a five-year savings of \$30 million to \$70 million, a 10-year savings of \$169 million to \$309 million and a 30-year savings of \$3.9 billion to \$4.3 billion. On July 28, 2014, the City Employee Relations Board ruled that the City's action in creating the new civilian retirement tier was illegal because the City did not meet and confer with labor representatives on the matter. The Board ordered that the City rescind the implementation of the new retirement tier. The City is appealing the ruling through the courts. At this time, the new tier still remains in effect.

Los Angeles Fire and Police Pensions System (LAFPP)

Projected 2015-16 City Contribution to LAFPP: On November 20, 2014 the LAFPP Board adopted the June 2014 LAFPP valuation which includes the impact of economic and

demographic assumption changes in LAFPP's latest experience study, including a reduction in the assumed investment return rate from 7.75 percent to 7.50 percent. The LAFPP combined contribution rate for 2015-16 is 46.51 percent which is less than the 2014-15 rate of 47.94 percent and less than the 50.17 percent rate projected in the Adopted Four Year Outlook for 2015-16. Factors contributing to a lower than expected contribution rate include: 1) lower than expected COLA increases for retirees, beneficiaries, and DROP members; 2) investment gains; 3) change in mortality; and, 4) difference in actual vs. expected salary increases. While the contribution rate is less than previously anticipated, it will likely be applied to higher than anticipated sworn payroll which has been increased by recently approved sworn salary adjustments. This will reduce the level of savings.

Update on Litigation Regarding Sworn Health Subsidy Freeze: The case of *Jack Fry, Gary Cline, Sandra Carlsen, Yvette Moreno, and Los Angeles Retired Fire & Police Association, Inc. v. City of Los Angeles* is a lawsuit filed by individual sworn employees regarding the City's action to freeze retiree health benefits for sworn employees who elect not to contribute to these benefits. We previously reported that pursuant to a Writ of Mandate issued by a Court, on October 16, 2014 the LAFPP Board took an action to disregard the health subsidy freeze implemented by the City, and to begin providing the current non-frozen subsidy for members whose subsidies had been frozen (9 retirees) or would have been frozen in the future (about 30 percent of active sworn). Additionally, in the First FSR we reported that the City was seeking appellate review of the Writ.

On November 12, 2014, the State Court of Appeal issued a stay of the previous court order, and all trial proceedings in the Fry case, pending the outcome of the City's appeal. As a result, the stay allows the health subsidy freeze to continue. The timetable for a decision on the appeal is uncertain. Should the City lose the appeal, an increase in the 2015-16 City contribution to LAFPP is anticipated. Further, there will be a negative impact on the City's structural deficit.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$47.27 million are recommended in Sections 1 and 2 of this report which include:

- \$34.6 million in reappropriations from various special funds;
- \$.15 million in new appropriations;
- \$10.12 million for transfers between accounts within various departments and funds;
- \$1.45 million for transfers between departments and funds; and,
- \$.95 million in miscellaneous budget adjustments.

Attachments

- 1-A Fiscal Year 2014-15 General Fund Receipts
- 1-B Revenue Monthly Status Report: Parking Fines
- 1-C Revenue Monthly Status Report: Parking Citation Statistics
- 2 Current Status of the Reserve Fund
- 3 Special Fund Reappropriations
- 4 New Appropriations
- 5 Transfers between Accounts within Departments and Funds
- 6 Transfers between Departments and Funds
- 7-A Status of the Unappropriated Balance – General Account
- 7-B Status of the Unappropriated Balance – non-General Accounts

RECOMMENDATIONS

(Refer to Discussion Sections 1 and 2)

That the Council, subject to the approval of the Mayor:

1. Reappropriate \$34,599,736.93 from various special funds as noted in Attachment 3;
2. Appropriate \$154,108.63 to the Department accounts as specified in Attachment 4;
3. Transfer \$10,123,888.00 between accounts within various departments and funds as specified in Attachment 5;
4. Transfer \$1,452,065.88 between various departments and funds as specified in Attachment 6;

Public Works/Bureau of Street Services

5. Adjust appropriations in Community Development Trust Fund 424 as follows:
 - a) Reduce appropriations by \$750,000.00 in Community Development Trust Fund 424 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
22J566	Calhoun Ave Sidewalk Improvements	\$ 750,000.00

- b) Establish and increase appropriations by \$750,000.00 in Community Development Trust Fund 424, Account 43L186.

6. Transfer and appropriate \$750,000.00 in Community Development Trust Fund 424, Account 43L186, to the following accounts within the Department of Public Works, Bureau of Street Services (BSS) Fund 100/86, for the Calhoun Ave Sidewalk Improvement Project:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
001010	Salaries, General	\$ 370,000.00
001090	Salaries, Overtime	126,000.00
003030	Construction Expense	118,000.00
003040	Contractual Services	67,000.00
006010	Office & Administrative	10,000.00
006020	Operating Supplies	<u>59,000.00</u>
	Total	\$ 750,000.00

Capital Finance Administration Fund

7. Rescind Recommendation No. 17 of the First Financial Status Report (CF 14-0600-S250), which authorized that any remaining proceeds, and any investment earnings thereafter, be transferred from Fund 26M and appropriated to the Capital Finance Administrative Fund No. 100/53, Account 000340;

MICLA

8. Relative to the Fire Department, authorize the Controller to transfer a total of \$200,000 to the Information Technology Agency Fund No. 100/32, Account 001100, Hiring Hall Salaries, for the installation of communications equipment in Fire Department vehicles:
- a) \$80,000 from MICLA Fund No. 298/38, Account 38K232, Communication Labor; to 298/38 Account 38L132 ITA and further to reimburse the General Fund.
 - b) \$120,000 from MICLA AO Series 2002F Acquisition Fund No. 290/38, Account 38J232, Communication Labor. to 290/38 Account 38L132 ITA, and further to reimburse the General Fund.

Forfeited Assets Trust Fund-TASERS

9. Authorize the Controller to establish and appropriate \$1,800,000 to a new account within U.S. Department of Justice Forfeited Asset Fund No. 44D/70, account number to be determined, "Tasers," for the disbursement of the initial payment for the purchase of Electronic Control Devices, also known as Tasers; and,

Technical

10. Authorize the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

Approximately, \$46.59 million in expenditure shortfalls and major unbudgeted expenses are identified in this report. Transfers, appropriations and other adjustments totaling approximately \$47.27 million are recommended in Sections 1 and 2. Further this report authorizes the use of \$1.8 million in Forfeited Assets Trust Funds as initial payment for the purchase of Electronic Control Devices (known as Tasers). This also commits the City to four additional payments of approximately \$574,904 annually that will need to be appropriated through the annual budget process from a source of funds to be determined at that time. The cumulative fiscal impact of this purchase is \$4 million over five years. No adjustment to budgeted revenue is recommended at this time.

DISCUSSION

The CAO monitors the budget and transmits reports to the Mayor and Council detailing the City's current financial condition. This report provides an update on the current-year budget deficit, revenue status and reserve fund status, and it highlights current issues of concern and the potential impact to the City. Recommendations totaling approximately \$47.27 million for appropriations, transfers and other budgetary adjustments are recommended.

The following is a discussion regarding the recommendations included in the report and other budget related items. The discussion is presented in two sections as follows:

Section 1. Status of Departmental Budgets.....	9
Section 2. Status of Non-Departmental Funds and Special Accounts.....	21

1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues, updates projected year-end deficits, and highlights issues of concern. Recommendations include new appropriations, reappropriations and transfers for operational needs.

Department Expenditures: This analysis is based on department expenditure and revenue information through the end of October and assumes that the Managed Hiring Process will continue. The following departments continue to project expenditure shortfalls: Police (\$16.19 million), Fire (\$24 million), Transportation (\$.73 million), and General Services (\$.73 million). Unfunded election expenditures of \$.79 million are continued to be projected for the City Clerk. Interim budget requests totaling \$3.35 million for the Fire Department and City Attorney are also discussed. Further, this Office continues to project a \$.80 million deficit in the Attorney Conflicts Panel Fund which is discussed in Section 2 of this report.

Department Revenues: Departmental General Fund revenue estimates for this reporting period are based on data through the end of October and are discussed in cases where there are significant changes from the information reported in the First FSR. No adjustments are recommended at this time.

**A. City Clerk
No Recommendation**

We previously reported a potential shortfall of \$791,308 for this Department due to unfunded election expenditures related to the Los Angeles Unified School District (LAUSD) 1 Board Member Special Runoff Election held on August 12, 2014. In the First FSR we noted that while the costs are expected to be fully reimbursed by LAUSD, the timing of the receipts is unknown. The Department has now confirmed that LAUSD has been invoiced for these costs. However, it is still unknown whether the reimbursements will be received in the current fiscal year. Funds provided for the 2015 Primary and General Municipal Elections have been used to front fund the LAUSD election costs. The Department anticipates that a supplemental appropriation will be required in the Mid-year FSR to ensure that the Department has sufficient funds to conduct the City's own municipal elections.

**B. Cultural Affairs
Attachment 3 – Special Fund Reappropriations
Attachment 5 – Transfers between Accounts within Departments and Funds**

There are no major changes to expenditure or revenue information.

The following transfers are recommended:

- Transfer \$45,000 from National Endowment for the Arts grant funds to support as-needed staffing for the LA Islam Arts Initiative exhibition at the Los Angeles Municipal Art Gallery and William Grant Still Art Center.
- Appropriate \$100,000 from the cash balance in the Arts and Cultural Facilities Trust Fund and transfer to the following: 1) \$25,000 to DCA's Matching Grant Program account as reimbursement from the Department of Transportation for the Pop Up Broadway Arts Intervention programming and exhibitions held in downtown Los Angeles in September 2014; and, 2) \$75,000 to the Cultural Affairs Trust Fund museum operations account for operations and maintenance needs in support of the re-opening of the Hollyhock House at Barnsdall Park.

C. City Attorney No Recommendations

The City Attorney submitted the following interim 2014-15 budget requests to the City Council:

- **Proposition 47 (the Safe Neighborhoods and Schools Act):** On November 4, 2014, California voters passed Proposition 47 (the Safe Neighborhoods and Schools Act), which reclassifies certain drug and theft offenses from felonies to misdemeanors. Certain drug and theft cases that were previously handled as felonies by the District Attorney would be shifted to misdemeanor cases to be handled by the City Attorney. The new law is effective immediately. The annual impact on the General Fund is currently unknown. However, in response to the anticipated increase in workload, the City Attorney submitted a request for 15 additional positions, which includes eight Deputy City Attorneys and seven Legal Clerks (C.F. 14-1523). The estimated cost of six months funding for the 15 positions is \$437,582. The Council recently approved a Reserve Fund appropriation to the Office of the City Attorney for this purpose. At this time, it is also unknown whether other City departments will be affected by the changes from Proposition 47.
- **Civil Litigators (Qui Tam actions):** On November 14, 2014, the Council adopted the City Attorney's recommendation to effect a settlement in the case *David Sherwin, etc. Relator v. Office Depot, Inc.* arising from the City's allegations that Office Depot failed to honor certain contractual obligations to the City (C.F. 14-1480). In order to pursue Qui Tam actions and other affirmative litigation like this, the Budget and Finance Committee approved a Motion to authorize two Deputy City Attorney positions for the City Attorney's Office (C.F. 14-1620). The two attorneys will pursue civil proceedings on behalf of the public and recover financial losses due to corporate misconduct. The estimated cost of six months funding for the two positions is \$129,957. This Office will report on the appropriate funding source(s) for the positions in a future FSR.

D. Economic and Workforce Development

Attachment 4 – New Appropriations

Attachment 5 – Transfers between Accounts within Departments and Funds

The Economic and Workforce Development Department (EWDD) continues to project that it will complete the year within budgeted resources. There are no significant changes from the last reporting period.

The following transactions are recommended so that EWDD can complete the processing of tax credit voucher applications submitted by businesses before the December 31, 2014 deadline. EWDD is responsible for administering the State of California's Enterprise Zone program. The state has phased out the program, and EWDD has received an unusually large volume of applications requiring processing before the deadline. Funding for program administration is derived from a portion of voucher application fees.

- Appropriate \$34,013 within the Enterprise Tax Zone Credit Voucher Fund for as-needed salaries in the department's current budget.
- Transfer \$171,333 appropriations from the General Salaries account to various accounts, including As-Needed Salaries, Overtime, and other expenses, for adjustments to the Enterprise Tax Zone Credit Voucher program.
- Transfer \$62,555 within the Enterprise Tax Zone Credit Voucher Fund to decrease the Related Costs appropriation in accordance with the shift to As-Needed Salaries in the Enterprise Tax Zone Credit Voucher program.

E. Finance

Attachment 5 – Transfers between Accounts within Departments and Funds No

A net year-end General Fund surplus of \$0.6 million is projected, which is comprised of salary savings (\$1.1 million) and a shortfall in Bank Service Fees (\$0.5 million). This is an increase from the previously reported General Fund surplus of \$0.3 million. This increase is primarily attributed to delayed hiring and vacancies within the department. Savings within the Salaries General account may be used offset the projected shortfall in Bank Service Fees. We will continue to monitor the Department's accounts and report back in the next Financial Status Report.

The Department was also provided \$600,000 for a gap analysis to ensure the City is in compliance with the payment card industry (PCI) as part of the 2014-15 Adopted Budget. The Department is currently working with the City's banking provider (Wells Fargo) and the contracted vendor for this study. Therefore it is recommended to transfer \$600,000 from the Contractual Services account to the Bank Service Fees account to cover the cost of the Payment Card Industry Compliance Gap Analysis study.

It is anticipated that the Department will meet all General Fund revenue targets through year-end.

F. Fire

Attachment 5 – Transfers between Accounts within Departments and Funds Recommendation No. 8

After accounting for the recommended transfers in the First FSR, the Fire Department's \$20.01 million year-end deficit (primarily in its Sworn Constant Staffing Overtime and Sworn Overtime accounts) was reduced to \$16.67 million. However, due to various unanticipated factors, the year-end deficit has increased to approximately \$24.00 million. This estimate excludes the Fire Department's Interim Budget Request of \$2.78 million currently pending Council action.

The reasons for the increase to the Department's year-end deficit are discussed below.

- The increase is mainly due to approximately \$5.5 million in back-wage payments resulting from the cases of *Tina Haro et al. v. City of Los Angeles* and *Daniel Ackley et al. v. City of Los Angeles* relative to the Fair Labor Standards Act (FLSA). The City has exhausted its appeals of the judgment and is now required to pay the back-wages to the plaintiffs.
- Subsequent to the approval of the First FSR, the United Firefighters of Los Angeles City (UFLAC) ratified their Memorandum of Understanding with the City. As such, an additional \$1.14 million for bonuses, longevity pay, and union release time will be required in 2014-15.
- There is a total of \$4 million in increased shortfalls in various expense accounts. However, these shortfalls are partially offset by approximately \$1.39 million in surpluses within other accounts. Further, transfers totaling \$2.5 million are recommended in this FSR which virtually address most of the \$4 million shortfall. The deficits are attributed to the following: 1) The Sworn Overtime account is projected to have a deficit of \$1.7 million due to unfunded overtime for sworn resources sent to assist with fighting fires outside of the City (an increase from the \$535,593 reported in the First FSR). Reimbursements will be received later in the year and captured as revenue. 2) An \$800,000 year-end deficit is projected in the Unused Sick Time account due to payouts due at retirement. 3) A \$1.5 million deficit is projected in the Field Equipment Expense account, which is responsible for the ongoing fleet maintenance repairs for more than 1,000 vehicles.

As previously reported, the revenue budget for this Fiscal Year is \$169.6 million. The Department does not project to meet this goal due to a revision downward of \$16.34 million in the AB678 funds (now referred to as the Ground Emergency Medical Transport (GEMT)) for ambulance transport reimbursements. The \$16.34 million in GEMT funds projected to be received in 2014-15 were received by the City in late June 2014.

The following transactions are recommended:

- Transfer \$1 million from the Variable Staffing Overtime account to the Overtime Sworn account to cover the cost of resources deployed to various wildfires outside of the City of Los Angeles that have resulted in a projected deficit in the Overtime Sworn account. This is a reimbursable expenditure and it is anticipated that reimbursements will be received by June 30, 2014.
- Transfer \$500,000 from the Salaries General account to the Unused Sick Time account to cover the cost of sworn unused sick time payouts at retirement. The Department projects approximately 126 retirements this fiscal year and there are insufficient budgeted funds in the Unused Sick Time account to cover the annual unused sick time payout in January and payouts at retirement.

- Transfer \$1 million from the Variable Staffing Overtime account to the Field Equipment Expense account to cover the ongoing fleet maintenance repair costs that are projected to exceed available funding.

MICLA

- Transfer \$200,000 to the Information Technology Agency for the installation of communications equipment in Fire Department vehicles and authorize the Controller to reimburse the General Fund from MICLA funds.

Interim 2014-15 Budget Request

The Council recently approved a 2014-15 Interim Budget Request from the Fire Department for 37 positions and funding for salaries and various expense accounts in the amount of \$2.78 million (C.F. 14-0600-S249). Six-months funding was provided from the Reserve Fund. The matter is now pending Mayoral approval.

G. General Services No Recommendations

The Department's net year-end deficit has decreased from the \$1 million estimate reported in the First FSR to \$732,000, a decrease of \$268,000. This reduction is due to increased salary savings which are available to offset the projected deficit. As previously reported, the deficit is due to the continued maintenance of 17 LAPD helicopters and increased fleet maintenance costs. Further, while shortfalls within the Leasing account and various other expense accounts are still anticipated, surpluses in other accounts are available to offset most of these deficits.

The year-end deficit of \$732,000 within the Salaries, Overtime (\$195,000) and Field Equipment Expense account (\$537,000) is a result of increased maintenance costs to support the extended flight hours for LAPDs helicopters. As instructed in the First FSR, GSD and LAPD will meet to discuss the potential deficit and any potential short-term and long-term solutions. This Office will continue to monitor this account and report back in a future FSR should a supplemental appropriation be required.

GSD projects a \$1.2 million deficit within the Leasing account due to several unfunded expenses. Even after an anticipated transfer of \$885,000 from the UB, Leasing account to GSD, a remaining deficit of \$320,000 is still anticipated. GSD reports that savings within other accounts will be used to fully offset any remaining deficit within the Leasing account. A transfer of \$885,000 from the Unappropriated Balance, Leasing account will be recommended in a future FSR. This Office will continue to monitor the status of this account and report back in future FSRs.

The Petroleum account is currently allocated at \$46 million. GSD has expended/encumbered 34 percent or \$15.7 million. The average cost of fuel per gallon for the week of November 3rd is \$3.48 per gallon for diesel and \$3.41 for unleaded. Prices are generally higher in the summer months and trend downward in the fall and winter. At this time, the Department does not project a

deficit by year-end. Further, there is funding currently in the UB that would be utilized for any contingencies. However, we will need to review additional monthly expenditures for this fiscal year before making any determination on expenditure trends in this account.

H. Library

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 6 – Transfers between Departments and Funds

The following transactions are recommended:

- Transfer \$1,600,000 from the Salaries General account to the Salaries As-Needed account to fund the use of As-Needed staff to maintain service levels when regular staff are absent and to backfill vacant positions.
- Transfer \$20,000 from Salaries General account to the Transportation account to reimburse employees for use of their personal vehicles for City business.

(The above transfers were approved by the Board of Library Commissioners at their meeting on November 20, 2014.)

- Transfer \$134,451 from the Contractual Services account to the Department of General Services' Construction Salaries account (\$67,579) and Construction Materials and Supplies account (\$66,872) for minor construction projects at various branch libraries and work completed at the Benjamin Franklin and Vermont Square Branch Libraries. Funding for Alterations and Improvements for Branch Libraries was approved in the 2014-15 Adopted Budget.

I. Planning

Attachment 5 – Transfers between Accounts within Departments and Funds

There are no significant changes to the Department's year-end outlook from the First FSR which identified a \$4.2 million salary surplus due to a 26 percent vacancy rate within the department.

The First FSR referenced a transfer of \$400,000 from the Planning Department's Salaries General account to its Office and Administrative account to cover the cost of issuing public notices. However, the Controller's instruction was inadvertently omitted from the First FSR recommendations. The transfer is recommended at this time.

As previously reported, the California Environmental Quality Act requires that the Department notify the public of Mitigated Negative Declarations and Environmental Impact Reports in a newspaper of largest circulation among the newspapers of general circulation in the area, such as the Los Angeles Times. The City Clerk previously paid these costs on behalf of the Planning Department, but both Departments have determined it will be more efficient for the Planning

Department to pay the costs directly. The City Clerk will continue to maintain a copy of all such public notices.

J. Police

Attachment 6 – Transfers between Departments and Funds

In the First FSR we reported a year-end deficit of \$69.68 million for this department largely due to deficits in the Overtime Sworn, Salaries Sworn, and Salaries As-Needed accounts. Subsequent to the approval of the First FSR recommendations, the year-end deficit was reduced to \$29.78 million. Of this amount, approximately \$26.48 million related to overtime expenditures was expected to be fully offset by the department through overtime control measures and the remaining \$3.3 million would be offset with funding set aside in the Unappropriated Balance (UB) for Sworn and Detention Officer (DO) hiring. The initial \$69.68 million estimate assumed sworn overtime expenditures at \$96.48 million through year-end. However, based on current overtime expenditure trends, overtime expenditures have been reduced by \$13.59 million to \$82.89 million. As a result, the department's remaining year-end deficit has decreased from \$29.78 million to \$16.19 million. The deficit is further reduced to \$12.89 after accounting for the \$3.3 million transfer from the UB.

The projected shortfalls and potential offsets are discussed below:

- **Salaries Sworn:** There is no change to the First FSR projection for this account. We continue to project a \$13.3 million shortfall in the Salaries Sworn account mainly due to the settlement of a lawsuit regarding salary adjustments for approximately 950 employees hired after January 1, 2010, resulting in a \$10 million impact to the 2014-15 Salaries Sworn account. The Department is committed to absorbing the \$10 million impact from anticipated savings in its salaries and expense accounts. Further, the department will be requesting the \$3.3 million in funding set aside in the UB for sworn and Detention Officer (DO) hiring later in the fiscal year. A report is forthcoming regarding sworn and civilian hiring and the related funding in the UB.
- **Sworn Overtime:** The First FSR identified a \$66.48 million shortfall in Sworn Overtime which was partially offset by transferring \$40 million from the UB, Reserve for Economic Uncertainties and the Reserve Fund. The supplemental appropriation increased the total sworn overtime budget to \$70 million and reduced the Sworn Overtime shortfall to \$26.48 million. As previously noted, the Department has implemented overtime control measures which are beginning to show results inasmuch as overtime expenditures have fallen from an average of \$3.94 million per pay period to \$3.01 million since the control measures were implemented in September 2014. This has resulted in savings of \$13.59 million to date. In order to stay within the \$70 million sworn overtime budget, additional savings of \$12.89 million must be achieved by year-end. The Department is confident it will achieve these savings through enforcement of the control measures it is implementing throughout the Department. This Office will continue to closely monitor this issue. See Table 3 for a summary of the Sworn Overtime budget vs. projected expenditures.

Table 3. 2014-15 Sworn Overtime Budget vs. Projected Expenditures*	
2014-15 Projected Expenditures	\$96.48M
2014-15 Budget	\$(15.0)M
Transfer from UB, Police Overtime per C.F. 14-1148	\$(15.0)M
Subtotal Shortfall	\$66.48M
First FSR Offsets	\$(40.0)M
Subtotal Shortfall	26.48M
Second FSR Update	
Reduction in Sworn Overtime	\$(13.59)M
Year-End Shortfall	\$12.89M
*Relative to the recent St. Louis County grand jury decision, the Department went on a tactical alert which increased the use of Sworn Overtime. The Department is in the process of calculating the total cost of this deployment and this Office will report on its impact in the Mid-Year FSR.	

Sworn Hiring

Through November 3, 2014, 160 police officers have been hired versus 170 planned; concurrently, officer attrition was 125 versus 119 planned, making a net 16 fewer officers employed as of November 3, 2014 than planned. The total number of filled sworn positions was 9904, including 68 Municipal Police Officers. The Department currently has 96 (out of 10,000) existing sworn vacancies and is anticipating additional attrition of approximately 258 officers through the end of the fiscal year. A class of 32 officers began on October 6, 2014 and an additional class of 28 began on November 3, 2014.

Revenue

The Department is on target for the majority of its revenue sources for the current period. The bulk of the revenue from police permit fees is received in the second and third quarters of the fiscal year as renewal notices are mailed in November for the 2015 calendar year. The Department is behind on revenue from reimbursements from other agencies due to the timing of the billings. We will continue to monitor Police revenue and report in future FSRs.

The following transaction is recommended:

- In support of a project being led by the Department of Recreation and Parks (RAP) to install 20 security cameras in Venice Beach along the Ocean Front Boardwalk for a total cost of \$500,000, the Police Department is providing \$200,000 to RAP and serving as a technical consultant to ensure the equipment and its installation meets or exceeds the technology standards set by the LAPD Information Technology Bureau. Video from the cameras will feed into the LAPD video monitoring system and will be available as-needed for investigations of incidents on the Boardwalk. RAP will be responsible for ongoing maintenance of the system's hardware. A transfer of \$200,000 from the Police

Department's Contractual Services account to the RAP Deferred Maintenance account is recommended.

K. Public Works/Bureau of Sanitation

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 6 – Transfers between Departments and Funds

As reported in the First FSR, the Bureau of Sanitation was projecting a net \$12.84 million year-end surplus. For the Second FSR, there are no significant changes to this surplus and the Bureau is projected to complete the year within budgeted funds across all accounts.

The following transactions are recommended:

- Transfer \$87,682 from the Central Los Angeles Recycling and Transfer Station (CLARTS) Fund for the Community Amenities Fees associated with solid waste tonnages received at CLARTS as required by Ordinance, for the period July 2013 through June 2014.
- Transfer \$260,000 from the Sanitation Expense and Equipment account to the Bureau's As-Needed Salaries account within the Multi-Family Bulky Item Fund to cover costs for exempt Project Assistants and Clerk Typists hired for the administration of the *Gary Grossman vs. City of Los Angeles* settlement.
- Transfer \$2,000,000 from the General Salaries account to the As-Needed Salaries account within the Sewer Construction and Maintenance Fund (SCM), Solid Waste Resources Revenue Fund (SWRRF), and Stormwater Pollution Abatement (SPA) Funds to address anticipated peak workloads attributed to the upcoming winter weather season.
- Transfer \$55,000 from the Uniforms account to the Printing and Binding (\$10,000), Operating Supplies and Expense (\$40,000), and Office and Administrative Expenses (\$5,000) accounts within SWRRF to address various shortfalls in those accounts.

L. Public Works/Bureau of Street Lighting

Attachment 5 – Transfers between Accounts within Departments and Funds

There is no significant change to the previously reported year-end \$1.65 million surplus for this department. As previously reported, the surplus is due to salary savings from vacancies.

Similarly, revenue continues to be projected on budget. The largest portion of the receipts comes from maintenance assessments, which are distributed in December and May.

The following transaction is recommended:

- Transfer \$370,000 from the Street Lighting Maintenance Assessment Fund to the Bureau of Street Lighting's Hiring Hall Salaries (\$170,000) and Hiring Hall Benefits (\$200,000) accounts for the continued work on the Fire Hydrant High Voltage Conflict Program.

M. Public Works/Bureau of Street Services
Attachment 3 – Special Fund Reappropriations
Attachment 4 – New Appropriations
Recommendation Nos. 5 and 6

Pending approval of the recommendations in this report, it is projected that the Bureau will have a year-end deficit of \$8.6 million (\$5.0 million General Fund and \$0.2 million special fund) primarily resulting from shortfalls in various expense accounts. The deficit is expected to be completely offset by appropriations, reimbursements, and reappropriations that will be made in a future FSR.

The Bureau anticipates meeting most General Fund revenue targets and reports that General Fund revenue from overhead reimbursements is typically received at the end of the fiscal year.

The following transactions are recommended at this time:

- Appropriate \$22,418 from the Subventions and Grants Fund to the Bureau for bus pad installation at Barrington and Wilshire funded by the HY-Max Building Corporation.
- Appropriate \$19,037.63 from the Subventions and Grants Fund to the Bureau for the State of California, Resources Recycling and Recovery, California Tire Recycling Management.
- Appropriate \$3,332 from the Subventions and Grants Fund to the Bureau for the Los Feliz Improvement Association – Commonwealth at Dundee Place Irrigation Repair.
- Appropriate \$75,308 from the Subventions and Grants Fund to the Bureau for the Metropolitan Transit Authority Eastside Access Improvement Project (C.F. 12-1130).
- Reappropriate \$399,295.90 from the Measure R Local Return Fund to the Bureau for the Second Street Tunnel Ventilation Fan Replacement Project (C.F. 12-0600-S170 and C.F. 13-0600-S147).
- Reappropriate \$226,237.03 from the Measure R Local Return Fund to the Bureau for the Third Street Tunnel Ventilation Fan Replacement Project (C.F. 12-0600-S170 and C.F. 13-0600-S147).
- Reappropriate \$378,328.96 from the Measure R Local Return Fund to the Bureau for the Sherman Way Tunnel Ventilation Fan Replacement Project (C.F. 12-0600-S170 and C.F. 13-0600-S147).

- Transfer and appropriate \$750,000 from the Community Development Trust Fund to the Bureau for the Calhoun Avenue Sidewalk Improvement Project.

N. Transportation

Attachment 3 – Special Fund Reappropriations

Attachment 5 – Transfers between Accounts within Departments and Funds

Attachment 6 – Transfers between Departments and Funds

In the First FSR we reported a net year-end deficit of approximately \$5.35 million comprised of a \$6.38 million General Fund deficit and a \$1.03 million special fund surplus. The General Fund shortfall was mainly attributable to a deficit in the Overtime account. After accounting for anticipated special event reimbursements and General Fund savings in the Salaries General and Salaries As-Needed accounts, the General Fund year-end shortfall was reduced to \$2.9 million. However, based on current expenditure patterns, the net year-end projections have changed.

While the net year-end deficit is substantially the same at \$5.24 million and attributed to overtime expenditures, the composition of the deficit has shifted from the General Fund to special funds. Shortfalls of \$2.63 million are now attributed to the General Fund while \$2.61 million is attributed to special funds, mainly Proposition C. The Department intends to offset the Special Fund shortfall with unencumbered balances available from prior-year accounts. Further, after accounting for anticipated reimbursements by year-end, including recommendations in this report, it is anticipated that the department may require a supplemental General Fund appropriation of \$733,575.

The over-time shortfall is largely attributed to Traffic Control services provided at special events throughout the city, including 1st Amendment Events which are non-reimbursable, Traffic Control related to Metro projects, the Street Resurfacing program (Pavement Preservation) and the Bicycle Plan. Lastly, of this overtime amount the Department has reported that \$88,391.93 is attributed to the Made in America festival, for cash overtime paid to Traffic Control Officers, Traffic Control Supervisory Staff, and Signal and Engineering Staff. The reduction in the General Fund overtime shortfall is due to the receipt of interim special event reimbursements from the Transportation Trust Fund to the General Fund under an existing council motion (C.F. 14-1080).

There are no significant changes to the Department's General Fund receipts. It should also be noted that, the majority of the receipts are received in the second half of the fiscal year such as related cost billings.

Current year Parking Fine revenues are budgeted at \$165.19 million. Receipts collected through October 31, 2014 indicate that plan continues to be behind by five percent when compared to monthly projections. However, the Department is expected to meet budgeted revenue by year-end.

The following transactions are recommended:

- Transfer a total of \$1,900,000 from General Fund surpluses in the Salaries General, Salaries As-Needed, and Contractual Services accounts to the Salaries Overtime account to provide funding for anticipated shortfalls due to Traffic Control Services at Special Events, First Amendment activities or other non-reimbursable events.
- Transfer \$400,000 from surpluses in the Salaries General account (Proposition C Anti-Gridlock funds) to the Salaries Overtime account for anticipated overtime work related to Street Resurfacing projects, traffic control projects and/or the bicycle plan.
- Transfer \$700,730.72 from the Proposition C Anti-Gridlock Fund to the Department's Salaries Overtime account for anticipated overtime work related to Street Resurfacing projects, traffic control projects and/or the bicycle plan.
- Transfer \$69,202 from the Printing and Binding account to General Services for work associated with the replacement of carpet at the Hollywood Parking Enforcement Facility.
- Reappropriate and transfer a total of \$33,507,926.04 from the unencumbered balance remaining within the Proposition A Local Transit Assistance Fund (\$26,538,372.37) and the Proposition C Anti-Gridlock Transit Improvement Fund (\$6,969,553.67), to the current Fiscal Year, for the same purpose to provide better management and control of Special Funds.
- Create a total of \$2,241,227.91 in new appropriations within the Proposition A Local Transit Assistance Fund and the Proposition C Anti-Gridlock Transit Improvement Fund to a new account; and, transfer \$6,969,553.67 from the unencumbered balances remaining within the Proposition A Local Transit Assistance Fund and \$26,538,372.37 from the unencumbered balances within the Proposition C Anti-Gridlock Transit Improvement Fund to the new appropriation set aside for the same purpose in the current Fiscal Year to provide better management and control of Special Funds.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

This section addresses the status of non-departmental expenditures and revenues and highlights issues of concern.

A. Human Resources Benefits No Recommendations

Year-end expenditures for the Human Resources Benefits Fund are difficult to project this early in the fiscal year, as benefit rates, open enrollment, staff attrition and hiring, MOU negotiations, and workers' compensation claims can result in significant fluctuations in expenditures. However, at

this time we can confirm that the previously anticipated assumption that all employees would contribute 10 percent toward the City-sponsored health plan will not be realized which impacts the Civilian FLEX account. Due to lower than projected average enrollment and premium rate increases, and savings from the Dependent Eligibility Verification audit, there are sufficient savings within the Civilian FLEX account to offset the deficit created from not achieving the 10 percent contribution. After accounting for all these changes, a year-end surplus of \$10 million is preliminarily projected in this Fund across various accounts. Any additional savings from within the Human Resources Benefits Fund will be needed to offset Citywide deficits.

B. Unappropriated Balance

Attachment 7A – Status of the Unappropriated Balance – General Accounts

Attachment 7B – Status of the Unappropriated Balance – non-General Accounts

With the approval of the adopted budget, the Unappropriated Balance (UB) began with a balance of approximately \$117.3 million. Within the UB General Account, as of October 31, 2014, \$5,125 has been appropriated through Council action, reducing the General Account balance from \$50,000 to \$44,875. To date, approximately \$7.6 million has been transferred or reappropriated to the UB and \$53.1 million has been transferred out, leaving a balance of \$71.8 million.

C. Capital Finance Administration Fund

Recommendation No. 7

The following transaction is recommended:

- As part of the First Financial Status Report, the Mayor and Council adopted a recommendation relative to the issuance of MICLA 2011-Qualified Energy Conservation Bonds, which authorized that any remaining proceeds, and any investment earnings thereafter, be transferred from MICLA-Series 2011A Fund No. 26M and appropriated to the Capital Finance Administrative Fund No. 100/53, Account 000340, MICLA 2011-A (QECCB). Given that the approved bond transcripts provided the necessary authority to complete such action, the authority granted through Recommendation No. 17 of the First FSR is no longer necessary. Therefore it is recommended that such action be rescinded.

D. Attorney Conflicts Panel Fund

The Attorney Conflicts Panel (ACP) is responsible for retaining outside counsel to handle conflict-of-interest matters which the City Attorney's Office is precluded from handling. The ACP Fund (Fund 46T) is administered by the City Administrative Officer and has a current budget allocation of \$2.1 million for FY 2014-15.

We previously reported that due to the continuation of rising expenditures, a year-end deficit of \$800,000 is possible. The rising expenditures are based upon various increases, which include:

1) new case referrals; 2) number of on-going open litigation assignments, and 3) number of cases with unusual complexities and with high exposure to the City.

At this time there is no change to this projection. However, this office is in the process of conducting a detailed audit of this fund and additional information will be reported in future financial status reports as it becomes available.

**E. Forfeited Assets Trust Fund-Tasers
Recommendation No. 9**

The Police Department has negotiated a five-year tentative agreement with Taser International, Inc. valued at \$4.09 million to replace the City's aging inventory of 2,220 Electronic Control Devices (ECDs), also known as TASERS. These devices are critical for the safety of police officers and suspects by allowing officers to subdue suspects from a distance rather than through close physical contact, batons, and/or the use of firearms. The Department has deployed ECDs since 1980. According to the Department, all warranties have expired for the existing inventory of ECDs and the manufacturer will stop providing replacement parts in January 2015. Taser International, Inc. is the only available vendor for ECDs at this time.

The proposed replacement agreement would provide the Department with 2,270 new X26P model ECDs by the end of this calendar year and, at no additional cost, 2,270 replacement units five years later (December 2019). This approach has several advantages: 1) It will ensure the Department maintains up-to-date ECD technology that is eligible for warranty coverage; 2) it is estimated to reduce the ten-year cost of ECDs by approximately \$2 million by locking in the current price of ECDs and the discounts being offered by the manufacturer; and, 3) it eliminates the time and expense of renegotiating an agreement in 2019.

In addition to the 2,270 ECD units, the agreement includes full warranty coverage for the first five years, 2,270 battery packs, and 25 data download kits which allow for data collected during use of the device to be retained. Funding for the agreement would be provided over a five-year period initially from the Forfeited Assets Trust Fund (FATF) for the first year and from a source of funds to be identified through the annual budget process for the remaining four years of the agreement as indicated below. This is an eligible expense for the FATF.

Source of Funds	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Forfeited Assets Trust Fund	\$1,800,000	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800,000
TBD	0.00	574,904	574,904	574,904	574,904	2,299,616
Total	\$1,800,000	\$574,904	\$574,904	\$574,904	\$574,904	\$4,099,616

This Office has confirmed that funding is available within the FATF for the first year payment in the amount of \$1.8 million. This proposal has been submitted as part of the Second FSR because

it is time sensitive inasmuch as the Department is expected to secure better pricing if the order is placed before the close of the 2014 calendar year. It should also be noted that the expenditure will be made through a Purchase Order process, therefore no contract authority is being requested at this time.

The following transaction is recommended:

- Authorize the Controller to establish and appropriate \$1,800,000 within the U.S. Department of Justice Forfeited Asset Fund for the disbursement of the initial payment for the purchase of Electronic Control Devices, also known as Tasers.



Maria D. Gutierrez, Finance Specialist

APPROVED:


Ben Ceja, Assistant City Administrative Officer

MAS:BC:JW:MDG: 01150031c

Attachments

Attachment 1-A
General Fund Receipts
Through October 31

\$ Thousands

	2014-15 Budget	Budget Plan Through October 31	Receipts Through October 31	Variance	Comments
Property Tax	\$1,644,811	\$86,459	\$57,700	(28,759)	Shortfall reflects the early receipt of secured property tax in the previous fiscal year.
Property Tax Ex-CRA Inc.	48,023				
Utility Users' Tax	631,850	210,300	209,107	(1,193)	Shortfall attributed to a continuing decline in communication users tax revenue.
Licenses, Permits, Fees and Fines	830,286	168,165	159,576	(8,590)	The majority of LPFF revenue is received in the second half of the year.
Business Tax	459,500	20,700	18,859	(1,841)	Approximately 95 percent of receipts are received in the second half of the fiscal year.
Sales Tax	374,100	118,500	119,104	604	October receipts are behind plan.
Documentary Transfer Tax	196,800	70,800	77,593	6,793	This variance is attributed to \$12 million in legal entity transfer revenue received in August. Other documentary transfer tax revenue is behind plan.
Power Revenue Transfer	261,000				
Transient Occupancy Tax	194,100	66,400	71,000	4,600	Monthly revenue has varied above and below plan.
Parking Fines	165,191	53,700	52,033	(1,667)	Revenue is below estimated receipts and may be attributed to lower staffing levels and declining ticket issuances.
Parking Users' Tax	98,400	32,800	33,470	670	
Franchise Income	43,153	10,080	12,481	2,401	Comprised of six franchise fee components, monthly receipts are typically variable.
State Motor Vehicle License Fees	1,700				
Grant Receipts	10,240	1,960	1,887	(73)	
Tobacco Settlement	9,106				
Transfer from Telecommunications Fund	5,077				
Residential Development Tax	3,280	1,000	1,228	228	
Special Parking Revenue Transfer	30,635				
Subtotal General Fund	\$5,007,253	\$840,864	\$814,037	(\$26,828)	
Interest Income	13,491	4,496	10,122	5,626	This variance is primarily owed to special funds.
Transfer from Reserve Fund	117,546	50,000	50,000		
Total General Fund	\$5,138,290	\$895,360	\$874,159	(\$21,201)	

Attachment 1-B
REVENUE MONTHLY STATUS REPORT
PARKING FINES
(Thousand Dollars)

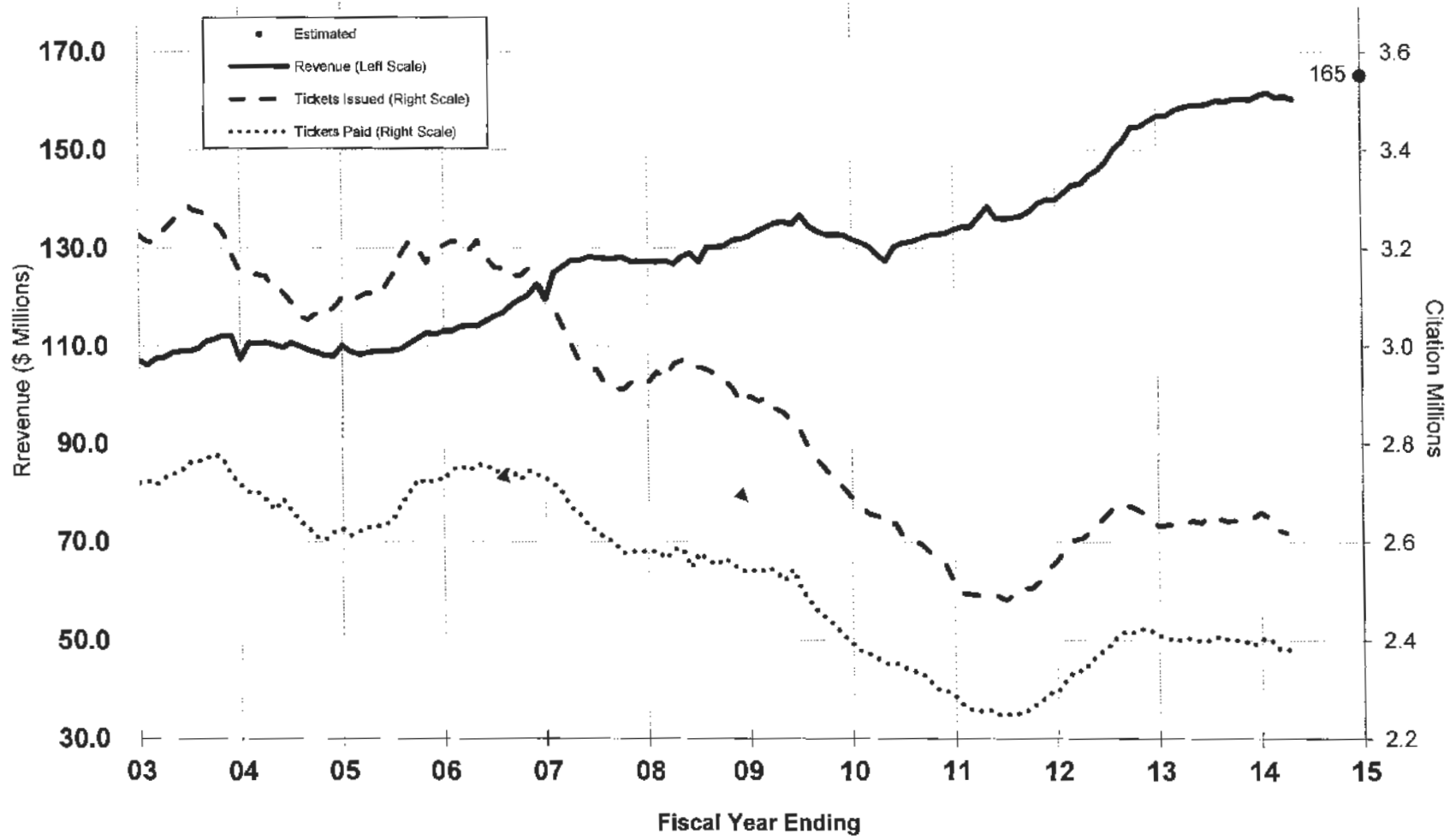
MONTHLY	2011-12	2012-13	2013-14	2014-15			
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED
JULY	\$11,507	\$13,006	\$13,047	\$13,167	\$13,520	\$353	\$13,520
AUGUST	10,825	12,327	13,432	13,567	12,498	(1,069)	\$12,498
SEPTEMBER	11,734	12,031	12,718	12,866	12,928	62	\$12,928
OCTOBER	11,475	13,231	13,605	14,100	13,087	(1,013)	\$13,087
NOVEMBER	11,447	12,489	12,452	13,000			
DECEMBER	10,729	12,394	12,782	13,300			
JANUARY	10,798	13,566	14,152	14,700			
FEBRUARY	11,509	12,968	12,805	13,300			
MARCH	11,780	14,553	15,060	14,891			
APRIL	14,068	14,237	14,284	14,300			
MAY	12,641	13,731	13,552	14,100			
JUNE	24,332	12,345	13,258	13,900			
TOTAL	\$152,844	\$156,878	\$161,146	\$165,191			
% CHANGE	14.2%	2.6%	2.7%	2.7%			

CUMULATIVE	2011-12	2012-13	2013-14	2014-15			
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED
JULY	\$11,507	\$13,006	\$13,047	\$13,167	\$13,520	\$353	\$13,520
AUGUST	22,332	25,333	26,479	26,734	26,018	(716)	26,018
SEPTEMBER	34,066	37,364	39,197	39,600	38,946	(654)	38,946
OCTOBER	45,541	50,595	52,802	53,700	52,033	(1,667)	52,033
NOVEMBER	56,988	63,083	65,254	66,700			
DECEMBER	67,718	75,478	78,036	80,000			
JANUARY	78,515	89,043	92,187	94,700			
FEBRUARY	90,024	102,011	104,992	108,000			
MARCH	101,804	116,564	120,052	122,891			
APRIL	115,871	130,802	134,336	137,191			
MAY	128,512	144,533	147,889	151,291			
JUNE	152,844	156,878	161,146	165,191			

After the addition of part-time traffic officers in Fiscal Year 2011-12 and an increase in parking fines in 2012-13, growth in ticket issuance and corresponding revenue has begun to flatten (see following chart). Fiscal year 2014-15 assumes \$2.0 million in additional revenue from increased collection rate and \$3.0 million from the addition of 50 part-time officers beginning in October. The annual impact of the additional staffing is \$4.0 million.

Attachment 1-C

Parking Citations Statistics 12-Month Moving Sum



**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 10/31/14**

Council File No. Item Description	Amount
Balance Available, 7/1/2014	\$ 382,988,920
Less: Emergency Reserve Account	141,303,000
Contingency Reserve Account 7/1/2014	\$ 241,685,920
General Fund Appropriation to the Reserve Fund	-
Loan Repayment and Other Receipts	9,788,205
Contingency Reserve Account	\$ 251,474,125
Loans and Transfers Approved to Date	
CAO Memo LA Inc.	(1,626,194)
13-0600-S156 Year-End FSR	(19,348,292)
14-0600-S250 LAPD Sworn Overtime	(19,300,000)
14-0600-S250 North Hotel Trust Fund	(2,740,000)
14-0600-S250 Office of the Controller Audit Contracts	(368,884)
14-0600-S250 GCP - Hotel Living Wage	(60,000)
14-0600-S250 LAFD Contractual Svcs Accounts	(51,000)
14-0600-S250 Animal Microchips	(30,849)
14-0600-S250 GCP - Domestic Abuse Response Teams	(22,404)
14-0600-S250 DOT - Westfield Topanga Project	(10,455)
Loans and Transfers Approved to Date Subtotal	\$ (43,558,078)
Proposed Loans and Transfers	
14-0600-S249 Fire Interim Budget Request	\$ (2,776,380)
14-1523 City Attorney - Proposition 47 Request	(437,582)
14-1620	
Proposed Loans and Transfers Subtotal	\$ (3,213,962)
Contingency Reserve Available Balance as of 10/31/2014	\$ 204,702,085
Total Emergency and Contingency Reserve Fund	\$ 346,005,085

ATTACHMENT 3
FY 2014-15 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Cultural Affairs					
<i>Pop-Up Broadway Arts Intervention Programming Reimbursement</i>	<u>Fund 480/30, Arts & Cultural Facilities & Services Trust Fund</u> 1010, Cash Balance	100,000.00	<u>Fund 100/30, Cultural Affairs</u> 009832, Matching Grant Program		25,000.00
<i>Historic Hollyhook House Reopening</i>			<u>Fund 844/30, Cultural Affairs Trust Fund</u> 30004F, Museum Education and Tours		75,000.00
Public Works-Street Services					
<i>Measure R - Second Street Tunnel Ventilation Fan Replacement (C.F. 12-0600-S170 and C.F. 13-0600-S147)</i>	<u>Fund 51Q/94, Measure R</u> 50K186, PW - Street Services	\$ 399,295.90	<u>Fund 100/86, Street Services</u> 001010, Salaries General 001090, Salaries, Overtime 003030, Construction Expense 003040, Contractual Services 006020, Operating Supplies		\$ 40,000.00 40,000.00 40,000.00 240,000.00 39,295.90
				Subtotal	\$ 399,295.90
<i>Measure R - Third Street Tunnel Ventilation Fan Replacement (C.F. 12-0600-S170 and C.F. 13-0600-S147)</i>	<u>Fund 51Q/94, Measure R</u> 50K186, PW - Street Services	\$ 226,237.03	<u>Fund 100/86, Street Services</u> 001010, Salaries General 001090, Salaries, Overtime 003030, Construction Expense 003040, Contractual Services 006020, Operating Supplies		\$ 23,000.00 23,000.00 23,000.00 138,000.00 21,237.03
				Subtotal	\$ 226,237.03
<i>Measure R - Sherman Way Tunnel Ventilation Fan Replacement (C.F. 12-0600-S170 and C.F. 13-0600-S147)</i>	<u>Fund 51Q/94, Measure R</u> 50K186, PW - Street Services	\$ 378,328.96	<u>Fund 100/86, Street Services</u> 001010, Salaries General 001090, Salaries, Overtime 003030, Construction Expense 003040, Contractual Services 006020, Operating Supplies		\$ 35,000.00 35,000.00 35,000.00 240,000.00 33,328.96
				Subtotal	\$ 378,328.96
Transportation					
<i>Transfer and consolidate Prior Year Fiscal Appropriations into a single account to improve management and control of fund.</i>	<u>Fund 385/94, Proposition A Local Transit Assistance Fund</u>		<u>Fund 385/94, Proposition A Local Transit Assistance Fund</u>		
	94W413, FY 2005 Universal Fare System	\$ 97,415.68	94L413, FY 2015 Universal Fare System		\$ 1,884,374.68
	94K413, FY 2014 Universal Fare System	\$ 1,786,959.00			
	Subtotal	\$ 1,884,374.68			
	94Y303, FY 2006 Matching Funds	\$ 1,107,667.00	94L655, FY 2015 Transportation Matching Funds		\$ 3,091,367.00
	94J655, FY 2013 Matching Funds	\$ 1,483,700.00			
	94K655, FY 2014 Matching Funds	\$ 500,000.00			
	Subtotal	\$ 3,091,367.00			

ATTACHMENT 3
FY 2014-15 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation continued.	94Y315, FY 2006 Bus Insp Facility Purchase	\$ 5,672.28	94L485, FY 2015 Bus Inspection and Maintenance Facility	\$ 17,874,966.50
	94G315, FY 2011 Bus Main Facility Land Purchase	\$ 1,145,726.82		
	94J315, FY 2013 Bus Inspection and Main Facility	\$ 4,223,567.40		
	94K315, FY 2014 Bus Inspection and Main Facility	\$ 12,500,000.00		
	Subtotal	<u>\$ 17,874,966.50</u>		
	94J406, FY 2013 Technology and Communication	\$ 82,476.80	94L406, FY 2015 Technology and Communication	\$ 86,726.68
	94K406, FY 2014 Technology and Communication	\$ 4,249.88		
	Subtotal	<u>\$ 86,726.68</u>		
	94H414, FY 2012 Third Party Inspections for Transit Cap	\$ 5,637.67	94L414, FY 2015 Third Party Inspections Transit Capital	\$ 459,955.31
	94J414, FY 2013 Third Party Inspections for Transit Capi	\$ 204,317.64		
	94K414, FY 2014 Third Party Inspections for Transit Cap	\$ 250,000.00		
	Subtotal	<u>\$ 459,955.31</u>		
	94K426, FY 2014 Transit Bus Radio Audio AVL System	\$ 82,745.52	94L426, FY 2015 Transit Bus Radio Audio AVL System	\$ 82,745.52
	94H427, FY 2012 Transit Facility Security and Maintenanc	\$ 10,000.00	94L427, FY 2015 Transit Facility Security and Maintenance	\$ 10,000.00
	94J415, FY 2013 Office Supplies	\$ 13,726.02	94L415, FY 2015 Office Supplies	\$ 14,275.26
94K415, FY 2014 Office Supplies	\$ 549.24			
Subtotal	<u>\$ 14,275.26</u>			
94K420, FY 2014 Transit Store	\$ 21,033.39	94L420, FY 2015 Transit Store	\$ 21,033.39	
94J425, FY 2013 Inspection Travel Fleet Rep Procureme	\$ 10,000.00	94L425, FY 2014 Inspection Travel Fleet Rep Procurement	\$ 20,000.00	
94K425, FY 2014 Inspection Travel Fleet Rep Procureme	\$ 10,000.00			
Subtotal	<u>\$ 20,000.00</u>			
94K226, FY 2014 Senior Youth Transportaton Charter Bu	\$ 45,750.83	94L226, FY 2015 Senior Youth Transportation Charter Bus	\$ 45,750.83	
94K240, FY 2014 Transit Sign Production and Installatio	\$ 300,000.00	94L240, FY 2015 Transit Sign Production and Installation	\$ 300,000.00	
94K241, FY 2014 Paratransit Program Coordination	\$ 204,245.45	94L241, FY 2015 Paratransit Program Coordination	\$ 204,245.45	
94K419, FY 2014 Reimbursement for MTA Bus Pass Sale	\$ 303,766.55	94L419, FY 2015 Reimbursement for MTA Bus Pass Sales	\$ 303,766.55	
94K422, FY 2014 Cityride Scrip	\$ 937,848.48	94L422, FY 2015 Cityride Scrip	\$ 937,848.48	
94J429, FY 2013 Transit Operations Consultant	\$ 521,765.72	94L429, FY 2015 Transit Operations Consultant	\$ 721,765.72	
94K429, FY 2014 Transit Operatons Consultant	\$ 200,000.00			
Subtotal	<u>\$ 721,765.72</u>			
94J430, FY 2013 Transit Bureau Data Management Syst	\$ 191,500.00	94L430, FY 2015 Transit Bureau Data Management System	\$ 291,500.00	
94K430, FY 2014 Transit Bureau Data Management Syst	\$ 100,000.00			
Subtotal	<u>\$ 291,500.00</u>			

ATTACHMENT 3
FY 2014-15 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation continued.	94K442, FY 2014 Marketing City Transit Programs	\$ 176,000.00	9494L442, FY 2015 Marketing City Transit Programs	\$ 176,000.00
	Fund 540/94, Proposition C Anti-Gridlock Transit Improvement Fund		Fund 540/94, Proposition C Anti-Gridlock Transit Improvement Fund	
	94243T, FY 2008 Tech & Comm Equipment	\$ 819.34	94L406, FY 2015 Tech & Comm Equipment	\$ 251,895.52
	94243T, FY 2009 Tech & Comm Equipment	\$ 3,310.66		
	94H406, FY 2012 Tech & Comm Equipment	\$ 1,363.24		
	94J406, FY 2013 Tech & Comm Equipment	\$ 160,478.90		
	94K406, FY 2014 Tech & Comm Equipment	\$ 85,923.38		
	Subtotal	\$ 251,895.52		
	94G244, FY 2011 Traffic Signal Supplies	\$ 733.66	94L800, FY 2015 Traffic Signal Supplies	\$ 200,012.10
	94H244, FY 2012 Traffic Signal Supplies	\$ 50,000.00		
	94J800, FY 2013 Traffic Signal Supplies	\$ 576.55		
	94K800, FY 2014 Traffic Signal Supplies	\$ 148,701.89		
	Subtotal	\$ 200,012.10		
	94G307, FY 2011 Bicycle Path Maintenance	\$ 45,125.00	94L992, FY 2015 Bicycle Path Maintenance	\$ 911,748.97
	94J307, FY 2013 Bicycle Path Maintenance	\$ 345,146.19		
	94K307, FY 2014 Bicycle Path Maintenance	\$ 521,477.78		
	Subtotal	\$ 911,748.97		
	94G337, FY 2011 School Bike & Educ Program	\$ 21,817.22	94L337, FY 2015 School Bike & Educ Program	\$ 556,863.56
	94H337, FY 2012 School Bike & Educ Program	\$ 5,284.60		
	94J635, FY 2013 School Bike & Educ Program	\$ 478,582.75		
	94K337, FY 2014 School Bike & Educ Program	\$ 51,278.99		
	Subtotal	\$ 556,863.56		
	94J306, FY 2013 Bicycle Plan Program	\$ 49,543.14	94L891, FY 2015 Bicycle Programs	\$ 60,755.25
	94K306, FY 2014 Bicycle Plan Program	\$ 11,212.11		
	Subtotal	\$ 60,755.25		
	94J338, FY 2013 Railroad Crossing Program	\$ 3,696,815.10	94L338, FY 2015 Railroad Crossing Program	\$ 4,542,482.10
	94K338, FY 2014 Railroad Crossing Program	\$ 845,867.00		
	Subtotal	\$ 4,542,482.10		
	94J340, FY 2013 Financial Consultant	\$ 50,000.00	94L340, FY 2014 Consultant Services	\$ 100,000.00
	94K340, FY 2014 Financial Consultant	\$ 50,000.00		
	Subtotal	\$ 100,000.00		
	94J638, FY 2013 Contractual Services Support	\$ 46,918.99	94L638, FY 2015 Contractual Services Support	\$ 96,702.16
	94K638, FY 2014 Contractual Services Support	\$ 49,783.17		
	Subtotal	\$ 96,702.16		
	94K802, FY 2014 LED Replacement Modules	\$ 248,994.01	94L802, FY 2015 LED Replacement Modules	\$ 248,994.01
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 34,599,736.93		\$ 34,599,736.93

ATTACHMENT 4

FY 2014-15 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Economic and Workforce Development	<u>Fund 48L/22, Enterprise Zone Credit Voucher</u>		<u>Fund 100/22, EWDD (22L122)</u>		
<i>Enterprise Tax Zone Credit Voucher</i>	Cash Balance	\$ 34,013.00	001070, Salaries-As Needed	\$ 34,013.00	
Public Works-Street Services	<u>Fund 305/50, Subventions and Grants Fund</u>		<u>Fund 100/86, Street Services</u>		
<i>Bus pad installation N/S Wilshire Blvd W/O Barrington Ave</i>	RSC 381100, Reimbursements from Other Agencies	\$ 22,418.00	001090, Salaries, Overtime	\$ 8,815.00	
			003030, Construction Expense	5,984.00	
			003040, Contractuel Services	2,782.00	
			006020, Operating Supplies	4,837.00	
			Subtotal	\$ 22,418.00	
	<u>Fund 305/50, Subventions and Grants Fund</u>		<u>Fund 100/86, Street Services</u>		
<i>State of California Waste Tire Recycling Management</i>	RSC 381100, Reimbursements from Other Agencies	\$ 19,037.63	001010, Salaries, General	\$ 11,200.00	
			001090, Salaries, Overtime	3,000.00	
			006010, Office and Administrative	1,000.00	
			006020, Operating Supplies	3,837.63	
			Subtotal	\$ 19,037.63	
	<u>Fund 305/50, Subventions and Grants Fund</u>		<u>Fund 100/86, Street Services</u>		
<i>Los Feliz Improvement Association Commonwealth at Dundee Place Irrigation Repair</i>	RSC 381100, Reimbursements from Other Agencies	\$ 3,332.00	001090, Salaries, Overtime	\$ 1,300.00	
			003040, Contractual Services	1,200.00	
			006020, Operating Supplies	832.00	
			Subtotal	\$ 3,332.00	
	<u>Fund 305/50, Subventions and Grants Fund</u>		<u>Fund 100/86, Street Services</u>		
<i>MTA Eastside Access Improvement Project, Invoice #11</i>	RSC 381100, Reimbursements from Other Agencies	\$ 41,500.94	001010, Salaries General	\$ 8,300.00	
			001090, Salaries, Overtime	8,300.00	
			003030, Construction Expense	9,100.00	
			003040, Contractual Services	7,100.00	
			006010, Office and Administrative	1,200.00	
			006020, Operating Supplies	7,500.94	
			Subtotal	\$ 41,500.94	

ATTACHMENT 4

FY 2014-15 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Public Works-Street Services cont.	<u>Fund 305/50, Subventions and Grants Fund</u>		<u>Fund 100/86, Street Services</u>		
<i>MTA Eastside Access Improvement</i>	RSC 381100, Reimbursements from Other Agencies	\$ 33,807.06	001010, Salaries General		\$ 6,700.00
<i>Project, Invoice #12</i>			001090, Salaries, Overtime		6,700.00
			003030, Construction Expense		7,400.00
			003040, Contractual Services		5,700.00
			006010, Office & Administrative Expense		1,000.00
			006020, Operating Supplies		6,307.06
				Subtotal \$	33,807.06
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 154,108.63			\$ 154,108.63

ATTACHMENT 5
FY 2014-15 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Cultural Affairs	<u>Fund 337/30, Cultural Affairs Grant Trust Fund</u> 30265K, Art Works FY 13-14	\$ 45,000.00	<u>Fund 100/30, Cultural Affairs</u> 001070, Salaries As-Needed	\$ 45,000.00
Economic and Workforce Development	<u>Fund 100/22, EWDD</u> <i>Enterprise Zone Tax Credit Voucher</i> 001010, Salaries-General	\$ 171,333.00	<u>Fund 100/22, EWDD</u> 001070, Salaries-As Needed 001090, Overtime 002120, Printing and Binding 002130, Travel 003040, Contractual Services 003310, Transportation 006010, Office and Administrative Expense 006020, Operating Supplies 006030, Leasing	\$ 54,698.00 \$ 137.00 \$ 363.00 \$ 857.00 \$ 18,714.00 \$ 616.00 \$ 10,446.00 \$ 8.00 \$ 85,494.00 <u>Subtotal \$ 171,333.00</u>
	<u>Fund 48L/22, Enterprise Tax Zone Credit Voucher</u> 22L299, Related Costs	\$ 62,555.00	<u>Fund 48L/22, Enterprise Tax Zone Credit Voucher</u> 22L900, Enterprise Tax Zone Credit Vouchers	\$ 62,555.00
Finance	<u>Fund 100/39, Finance</u> 003040, Contractual Services	\$ 600,000.00	<u>Fund 100/39, Finance</u> 004040, Bank Services Fees	\$ 600,000.00
Fire	<u>Fund 100/38, Fire</u> 001010, Salaries General 001098, Overtime Variable Staffing	\$ 500,000.00 \$ 2,000,000.00 <u>Subtotal \$ 2,500,000.00</u>	<u>Fund 100/38, Fire</u> 001050, Unused Sick Time 001092, Overtime Sworn 003090, Field Equipment Expense	\$ 500,000.00 \$ 1,000,000.00 \$ 1,000,000.00 <u>Subtotal \$ 2,500,000.00</u>
Library	<u>Fund 300/44, Library Department</u> <i>Temporary Staffing</i> <i>Transportation/Mileage</i> 001010, Salaries General	\$ 1,620,000.00	<u>Fund 300/44, Library Department</u> 001070, Salaries, As Needed 003310, Transportation	\$ 1,600,000.00 \$ 20,000.00 <u>Subtotal \$ 1,620,000.00</u>
Planning	<u>Fund 100/68, Planning</u> <i>MND/EIR Publication of Notices</i> 001010, Salaries General* * Case Processing Special Rev. Fund 52D.	\$ 400,000.00	<u>Fund 100/68, Planning</u> 006010, Office and Administrative* * Case Processing Special Rev. Fund 52D.	\$ 400,000.00
Public Works-Sanitation	<u>Fund 100/82, Bureau of Sanitation</u> <i>As-Needed Salaries Shortfall</i> 001010, General Salaries (SCMO) 001010, General Salaries (SWRF) 001010, General Salaries (SPA)	\$ 400,000.00 \$ 1,400,000.00 \$ 200,000.00 <u>Subtotal \$ 2,000,000.00</u>	<u>Fund 100/82, Bureau of Sanitation</u> 001070, As-Needed Salaries (SCMO) 001070, As-Needed Salaries (SWRF) 001070, As-Needed Salaries (SPA)	\$ 400,000.00 1,400,000.00 200,000.00 <u>Subtotal \$ 2,000,000.00</u>
	<u>Fund 100/82, Bureau of Sanitation</u> <i>Various Account Shortfalls</i> 004430, Uniforms (SWRF)	\$ 55,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 002120, Printing and Binding (SWRF) 006010, Office and Administrative Expense (SWRF) 006020, Operating Supplies and Expense (SWRF)	\$ 10,000.00 5,000.00 40,000.00 <u>Subtotal \$ 55,000.00</u>

ATTACHMENT 5
FY 2014-15 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
PW-Street Lighting Program	<u>Fund 347/50, Street Lighting Maintenance Assessment Fund</u>		<u>Fund 100/84, Street Lighting</u>	
	50KLR, Fire Hydrant Conflict Program	\$ 370,000.00	001100, Salaries Hiring Hall	\$ 170,000.00
			001120, Benefits Hiring Hall	\$ 200,000.00
			Subtotal	\$ 370,000.00
Transportation Overtime Shortfall-General Fund	<u>100/94, Transportation</u>		<u>100/94, Transportation</u>	
	001010, Salaries General	\$ 700,000.00	001090, Salaries Overtime	\$ 1,900,000.00
	001070, Salaries As-Needed	\$ 700,000.00		
	003040, Contractual Services	\$ 500,000.00		
	Subtotal	\$ 1,900,000.00		
Overtime Shortfall-Prop C	<u>100/94, Transportation</u>		<u>100/94, Transportation</u>	
	001010, Salaries General (Proposition C)	\$ 400,000.00	001090, Salaries Overtime (Proposition C)	\$ 400,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 10,123,888.00		\$ 10,123,888.00

ATTACHMENT 6
FY 2014-15 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Library Department	<u>Fund 300/44, Library Department</u>		<u>Fund 100/40, General Services</u>	
<i>Repairs/Various Branch Libraries</i>	003040, Contractual Services	\$ 134,451.00	001014, Construction Salaries	\$ 67,579.00
			003180, Construction Materials and Supplies	\$ 66,872.00
			Subtotal	\$ 134,451.00
Police	<u>Fund 100/70, Police</u>		<u>Fund 302/89, Recreation and Parks</u>	
<i>Venice</i>	003040, Contractual Services	\$ 200,000.00	89704H, Deferred Maintenance	\$ 200,000.00
Public Works-Sanitation	<u>Fund 47R/50, Central Los Angeles Transfer Station Fund</u>		<u>Fund 47S/14, CLARTS - City Clerk</u>	
<i>Amenities</i>	50K47S, CLARTS Community Amenities	\$ 87,682.16	003040, Contractual Services	\$ 87,682.16
	<u>Fund 50D/50, Multi-family Bulky Item Fund</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
<i>Staff costs for Gary Grossman vs.</i>	50LX82, PW - Sanitation Expense and Equipment	\$ 260,000.00	001070, As-Needed Salaries	\$ 260,000.00
<i>City of Los Angeles Settlement</i>				
Transportation	<u>Fund 540/94, Proposition C Anti-Gridlock</u>		<u>Fund 100/94, Transportation</u>	
<i>Overtime Shortfalls</i>	94K443, Contingency for Obligatory Changes	\$ 700,730.72	001010, Salaries Overtime	\$ 700,730.72
	<u>100/94, Transportation</u>		<u>Fund 100/40, General Services</u>	
<i>Hollywood Parking Enforcement</i>	002120, Printing and Binding	\$ 69,202.00	001014, Salaries Construction	\$ 41,521.00
			003180, Construction Material and Supplies	\$ 27,681.00
			Subtotal	\$ 69,202.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 1,452,065.88		\$ 1,452,065.88

**ATTACHMENT 7A
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT as of 10/31/14**

C.F.	Appropriations	Date	Amount
13-0600	General		\$ 50,000
	Approved Transfer		
14-0878	Career Law Clerk	7/8/2014	(203)
14-1077	Richard Alvarado and the Oldies Car Club, San Fernando Valley	8/21/2014	(696)
12-1641-S2	Community Charter Bus Services	9/8/2014	(3,124)
14-1255	FilAm ARTS	9/23/2014	(290)
14-1321	Reel Image, Inc.	10/7/2014	(232)
14-1406	OCA-GLA Image Awards	10/24/2014	(232)
14-1434	American Society of Civil Engineers Metropolitan LA Branch	10/28/2014	(348)
		Balance Available	<u><u>44,875</u></u>
	Anticipated Appropriations		
14-1255	FilAm ARTS		(290)
14-1321	Reel Image, Inc.		(232)
		Projected Balance Available	<u><u>\$ 44,353</u></u>

ATTACHMENT 7B
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 10/31/2014

Account No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Appropriated during year	First FSR	Second FSR	Mid-Year FSR	Year-End FSR	Available Balance
	General Fund									
000001	General (see Attachment 7A)	All	\$ 50,000	\$ -	\$ (5,125)	\$ -	\$ -	\$ -	\$ -	\$ 44,875
000182	Ambulance Augmentation Plan	Fire	3,340,000			(3,340,000)				
000172	Business Process Improvements	All	500,000							500,000
000169	Citywide Lease Account	GSD	883,018							883,018
000174	Code for America	ITA	180,000			(180,000)				
000148	CRA Pipeline Projects	CAO		1,700,000						1,700,000
000879	Economic Development Initiative	CAO		2,500,000						2,500,000.00
000132	Equipment, Expense, & Alterations & Improvement	All	4,900,000							4,900,000
000176	Fire Department Helitanker	Fire	500,000			(500,000)				
000179	Fire Recruitment and Selection	Fire	560,000			(230,000)				330,000.00
000181	Firefighter Hiring	Personnel	3,000,000							3,000,000
000173	Great Streets	PW/BSS	800,000			(368,285)				411,715
000130	GSD - Petroleum Products	GSD	3,000,000							3,000,000
000177	Healthy Streets - Citywide	PW/San	5,000,000		(5,000,000)					
000149	Liability Claims	City Atty	6,000,000							6,000,000
000168	Office of Public Accountability Studies	CAO	750,000							750,000.00
000160	Off-site Council and Committee Meetings	All	50,000							50,000.00
000183	Operation Healthy Streets - Venice	PW/San	500,000			(100,000)				400,000
000197	Outside Counsel incl. Workers' Comp	City Atty	4,000,000							4,000,000.00
000171	Pavement Preservation	PW/BSS	8,700,000			(2,630,000)				6,070,000
000180	Police - Sworn and Detention Officer Staffing	LAPD	7,290,540							7,290,540
000145	Police Overtime	LAPD	15,000,000		(15,000,000)					
000184	Police/Fire Dispatch System Consolidation	ITA	1,285,000		(1,033,462)					251,538
000167	Proactive Conditional Use Permit	Bldg&Sfty	613,000							613,000.00
000037	Reserve for Economic Uncertainties	All	20,700,000			(20,700,000)				
000141	Sidewalk Repairs	PW/BSS	20,000,000							20,000,000
000178	Standards of Cover Analysis	Fire	400,000							400,000
000139	Strategic Advisor for Technology Services	ITA		300,000						300,000
000175	Supply Management System	GSD	3,965,000		(3,965,000)					
000185	Tree Trimming Services	PW/BSS	2,000,000							2,000,000
000146	VMS Replacement	GSD		3,100,000						3,100,000
			\$ 113,966,558	\$ 7,600,000	\$ (25,003,587)	\$ (28,068,285)	\$ -	\$ -	\$ -	\$ 68,494,686
	Special Funds									
000166	Building and Safety e-Plan	Bldg&Sfty	\$ 572,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	572,000
000161	Data Network Modernization	ITA	2,728,177							2,728,177.00
000169	Citywide Lease Account	GSD	1,982							1,982
			\$ 3,302,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Grand Total		\$ 117,268,717	\$ 7,600,000	\$ (25,003,587)	\$ (28,068,285)	\$ -	\$ -	\$ -	\$ 71,796,845