

Item No. 3

File No. [14-0600-S252](#)

BUDGET AND FINANCE COMMITTEE REPORT relative to the Second Financial Status Report for Fiscal Year 2014-15.

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

1. REAPPROPRIATE \$34,599,736.93 from various special funds as noted in Attachment 3 of the City Administrative Officer (CAO) report dated December 5, 2014 attached to the Council file.
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.
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</u>	<u>Title</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</u>	<u>Title</u>	<u>Amount</u>
001010	Salaries, General	\$370,000
001090	Salaries, Overtime	126,000
003030	Construction Expense	118,000
003040	Contractual Services	67,000
006010	Office & Administrative	10,000
006020	Operating Supplies	<u>59,000</u>
	Total:	\$750,000

7. RESCIND Recommendation No. 17 of the First Financial Status Report (Council file no. 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.
8. AUTHORIZE the Controller, relative to the Fire Department, 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.
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.
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: The CAO reports that 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.

Community Impact Statement: None submitted

SUMMARY

At its meeting of December 8, 2014, the Budget and Finance Committee considered the CAO's Second Financial Status Report (FSR) dated December 5, 2014. The CAO reports that its Office 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 CAO report, attached to the Council file, provides a thorough discussion regarding the recommendations included in the Second FSR and other budget related items.

During Committee discussion, representatives from the Los Angeles Department of Transportation, Office of Finance and General Services Department addressed the Committee and responded to questions relative to their respective departments. After further consideration and having provided an opportunity for public comment, the Budget and Finance Committee recommended to approve the CAO recommendations contained in the Second FSR. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-