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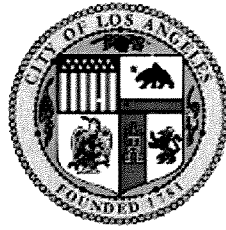
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August 13, 2018

Honorable Paul Krekorian, Chair
Budget and Finance Committee
c/o Office of the City Clerk, City Hall, Room 395

BOARD OF PUBLIC WORKS REAPPROPRIATION REQUESTS FOR OFFICE OF COMMUNITY BEAUTIFICATION SERVICES

RECOMMENDATIONS

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

1. AUTHORIZE the Controller to reappropriate 2016-17 Budget Fiscal Year funding totaling \$538,240.21 from the funds and for the amounts shown in Attachment A to the Board of Public Works, Fund No. 100/74, Account 003040 (Contractual Services);
2. AUTHORIZE the Controller to reappropriate of \$89,958.39 from the Public Works Trust Fund, Fund No. 834/50, to the Board of Public Works, Fund No. 100/74, Account 003040 (Contractual Services) to continue to settle and mitigate I-405 tree removal and fund tree replacements, as instructed in C.F. No. 17-0600-S114; and,
3. AUTHORIZE the Board of Public Works to make technical corrections, as necessary, to the transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

These projects are funded by General and Special Funds. Funding was appropriated in prior years and was not included in any assumptions to balance the 2018-19 Adopted Budget. There is no additional impact to the General Fund.

DISCUSSION

Disencumbered Funding at Year End

On January 22, 2018, the Office of the City Administrative Officer (CAO) reminded all departments of the annual requirement to comply with the General Fund Encumbrance Policy. Under this policy, any encumbered funds that remain unspent for a period longer than one fiscal



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year shall be disencumbered and reverted every fiscal year. Requests for exemptions from this policy were due to the CAO no later than February 21, 2018, in order to be considered as part of the Year-End Financial Status Report (FSR).

On February 15, 2018, the Board of Public Works (Board) submitted to the CAO a total of 20 request for exemptions for the 2016-17 Budget Fiscal Year encumbrances totaling \$568,346.89. The Year-End FSR inadvertently omitted 12 exemption requests totaling \$538,240.21. Since these exemption requests were not sent to Council, the funds were reverted. However, the Board's Office of Community Beautification (OCB) has several existing contracts that are funded with these reverted funds and support various clean-up, graffiti abatement and beautification projects in Council Districts 2, 3, 4, 7, 10 and 15. This reversion impacted the six contracts listed below:

- Harbor Area Gang Alternatives Program (C-122614);
- Hollywood Beautification Team (C-122619);
- Korean Youth and Community (C-122618);
- Northeast Graffiti Busters (C-122617);
- Woods Maintenance Services (C-122616 and C-122764); and,
- Los Angeles Conservation Corps. (C-122589, C-124637 and C-124509)

As a result of the reversion, OCB has held payment on 16 invoices totaling approximately \$220,000.00. The remaining invoices are expected in August to September 2018.

Therefore, the Board is requesting that these funds be re-appropriated in Fiscal Year 2018-19, in order to pay these contractors for services due and continue support for these valuable ongoing projects in the City. CAO staff have indicated that they support the recommendation to re-appropriate these funds.

Reappropriation of C.F. No. 18-0011-S4: I-405 Tree Removal and Replacement

On March 9, 2018, the Council and Mayor approved a transfer of \$143,090 from the Public Works Trust Fund to the Board to settle and mitigate I-405 tree removal and fund tree replacements. This transfer was contingent upon receipt of a third installment payment from the Los Angeles County Metropolitan Transportation Authority (Metro), per Letter of Agreement No. C-126149. On May 16, 2018, the Board received a partial payment of \$53,131.61. This amount was appropriated and encumbered to the Board's Contractual Services Account (Fund 100/74/003040). The remaining amount of \$89,958.39 was not received until July 12, 2018. This remaining amount was processed using the City's Financial Management System and the City Controller instructed the Board to have the transaction backdated to June 29, 2018 to be included in the Fiscal Year 2017-18 revenue. Due to the timing of the deposit, the Board did not have sufficient time to encumber the second revenue installment of \$89,958.39. Therefore, the Board is requesting the reappropriation of funds in the amount of \$89,958.39 to continue the I-405 tree removal and replacement project.

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Questions regarding this report may be referred to Maritza Cruz, Management Analyst at maritza.cruz@lacity.org or (213) 978-0274.

Respectfully submitted,



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Executive Officer, Board of Public Works

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Council District 3
Council District 4
Council District 7
Council District 10
Council District 15