

FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 18, 2011

CAO File No. 0116-00001-0000

Council File No. 10-0600

Council District: All

To: Antonio R. Villaraigosa, Mayor
Eric Garcetti, Council President
Bernard C. Parks, Chair, Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: 2010-11 Budget

Subject: **THIRD 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. Additionally, as prescribed by Charter Section 292, it is within the power of the CAO to recommend to the Mayor and Council improvements to the organization, policies, and practices of appointed offices and departments of the City that will promote economy and efficiency in the conduct of the City government. It is in accordance with these Charter responsibilities, and under the direct instruction of the Mayor and Council, that the CAO transmits the Third Financial Status Report (FSR) for this fiscal year.

This report provides an update on the current-year budget with the recognition of one-time revenues and cuts and makes recommendations to reduce the current year deficit while preserving the Reserve Fund. Moreover, this report summarizes key issues affecting the City's budget, including greater detail concerning the previously reported revenue shortfall of \$34.5 million recently identified by this Office and its impact on the citywide budget deficit, now estimated at \$46.8 million. Also, recommendations totaling \$210.8 million are provided for appropriations, transfers and other budgetary adjustments for departments, which include solutions to reduce the deficit to \$4.1 million.

As was presented in the previous fiscal year, the Mid-Year report has been released with a companion report which includes recommendations to address the projected budget deficit for the coming fiscal year in advance of the Mayor's Proposed Budget. In accordance with the February 4, 2011 letter from the Mayor and Council members Garcetti, Parks and Smith (Attachment 1), these proposals and recommendations will reduce the size and ongoing cost of the workforce, re-organize City government to maximize service levels, and strengthen the status of the Reserve Fund.

2010-11 Budget Deficit and Adopted Budget Balancing Measures

Central to maintaining fiscal solvency, the City makes timely adjustments to address shortfalls in revenue and/or unanticipated increases in expenditures. This process has maintained the City's fiscal health, protected the Reserve Fund, and helped maintain a balanced budget. Fiscal year 2010-11 began with a balanced budget due, in part, to early action on the budget taken by Mayor and Council on proposals contained within the Mid-Year FSR. However, the City was soon again confronted with a budget deficit, with shortfalls from a variety of factors, including the failure of some departments to implement the adopted budget, lower-than projected revenues due the slowing economic recovery, and the Council decision to not complete the concession agreement process for the City's parking structures.

In this Office's last report to Council, the budget deficit was reported at \$54.5 million (C.F. No. 10-0600-S55). To date, this deficit stands at \$46.8 million, reflecting revised projections for revenue and expenditures discussed in this report, as well as previous solutions totaling \$122 million that have already been presented and adopted by the Mayor and Council as part of the 2010-11 Operational Plan, the Second FSR, and the Alternative Plan to the P3 Concession Agreement (C.F. Nos. 10-0600-S48, 10-0600-S58 and 10-0139-S2). Had these solutions not been adopted, the projected deficit for 2010-11 would now stand at \$176 million.

Change in deficit from the Second FSR to the Revenue Revision Report

In the Second FSR, the total departmental deficit for 2010-11 was reported to be \$33.14 million, which would be reduced to \$9.5 million with a future transfer of savings in non-Departmental funds as recommended in the Operation Plan Report (C.F. No 10-0600-S48).

The Second FSR reported on the potential impact of the loss of \$53.2 million in budgeted revenue from the planned concession agreement for City parking facilities, which would increase the citywide deficit to \$62.7 million. Subsequently, the Alternative Plan to the P3 Concession Agreement and follow-up reports and Council motions resulted in the approval of additional budget balancing measures to offset \$33.7 million of this deficit. Concurrent with efforts to identify solutions to address the loss of P3 parking concession revenue, this Office released a report concerning revenue revisions for 2010-11 (C.F. No. 10-0600-S55), which highlighted the potential shortfalls in revenue projections, estimated at approximately \$34 million, and recommended using the \$9 million in the Unappropriated Balance to offset the shortfall. The net effect to the deficit was an increase of \$43 million, to \$54.5 million.

Table 1. Deficit: Second FSR to Revenue Revision Report
(\$ millions)

Total citywide Deficit	\$ 9.50
Parking Concession Revenue Loss	53.20
Alternative Plan Solutions	- 33.70
Revenue Shortfall (January)	34.50
UB, Service Mitigation Account	-9.00
Revised citywide Deficit	\$54.50

Change in Deficit from the Revenue Revision Report

Since our last report, department and non-departments expenses have been reviewed based on updated expenditure data and citywide revenues have been updated to reflect receipts through February. The total department deficits have been reduced by an additional \$2.2 million beyond previously identified savings from the Operational Plan and the Alternative Plan reports. However, a new \$3.6 million shortfall in the Solid Waste Fee Lifeline Subsidy account has been identified due to delays in implementing changes to the subsidy and the number of recipients that receive it. (See Sections 1 and 2 for additional information.) Finally, revised revenue projections have decreased the projected shortfall by \$3.1 million, and the previous elimination of \$6 million in ambulance billing revenue has been restored. The net effect to the deficit was a decrease of \$7.7 million, to \$46.8 million.

Table 2. Third FSR Deficit
(\$ millions)

Revised citywide Deficit	\$54.5
Reduction to Reported Depart and Non-Dept Deficits	- 2.2
Solid Waste Fee Lifeline Subsidy Deficit	3.6
Change to Revenue Deficit	- 3.1
Restoration of Ambulance Billing Revenue	- 6.0
Third FSR Deficit	<u>\$46.8</u>

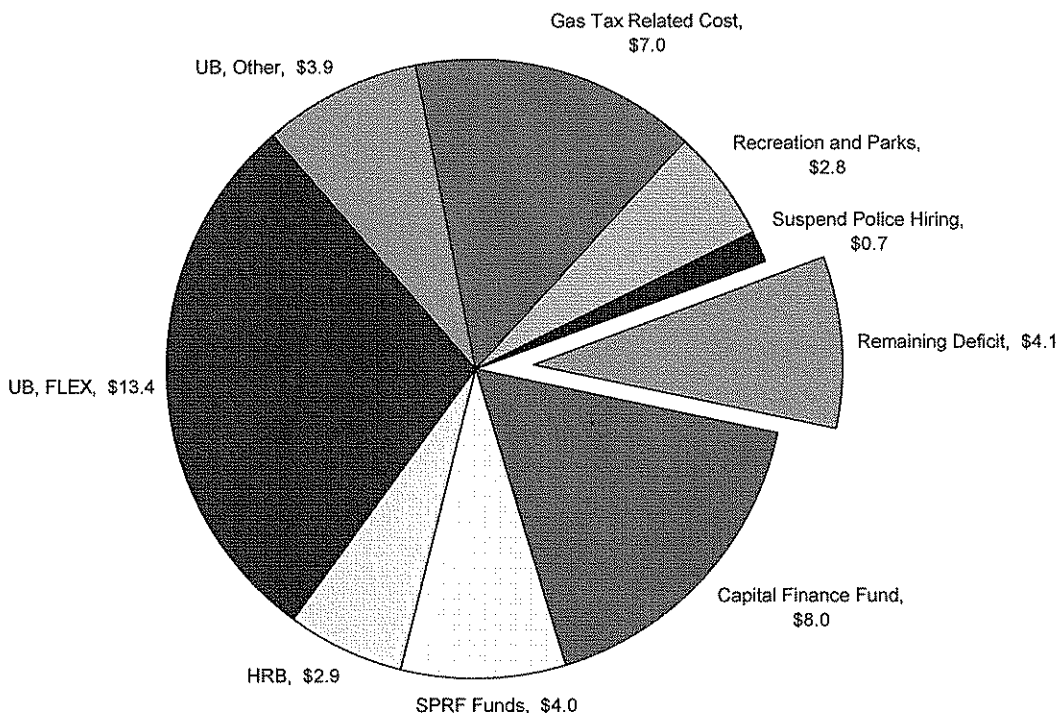
Proposed Budget Balancing Measures

The projected deficit of \$46.8 million consists of \$27.1 million surplus in departmental and non-departmental account appropriations and \$73.9 million shortfall in budgeted revenue. This deficit can be immediately reduced with the approval of additional savings measures recommended in this report and discussed below. These solutions include: sweeping additional funds from the Capital Finance Administration and Special Parking Revenue Funds (\$12 million), utilizing Human Resources Benefits and Unappropriated Balance funds (\$2.9 million and \$17.3 million), increasing related cost reimbursements (\$7.0 million), reducing appropriations to the Department of Recreation and Parks (\$2.8 million); and suspending police hiring for the remainder of the fiscal year (\$0.7 million). If approved, the citywide deficit will be reduced to \$4.1 million.

Table 3. Proposed Solutions to Address \$46.8 million Deficit
(\$ millions)

Third FSR Deficit	\$ 46.8
Sweep Capital Finance Funds	-8.0
Sweep Special Parking Revenue Funds	-4.0
HRB Unemployment Insurance	-2.9
UB: FLEX Benefit, Water & Elec., ERIP	-17.3
Increase Gas Tax Related Cost Reimbursement	-7.0
Reduce Appropriation to Recreation and Parks	-2.8
Suspend Police Hiring	<u>-0.7</u>
Remaining Deficit	<u>\$ 4.1</u>

Chart 1. \$42.7 million Proposed Solutions and \$4.1 million Remaining Deficit



Please refer to Attachment 2 for detail on the breakdown of proposed solutions, including the recognition of changing revenue and expenditure projections, that will address the \$54.5 million deficit that was reported previously during discussion of the Alternative Plan and the Revised Revenue reports (C.F. Nos. 10-0139-S2 and 10-0600-S55).

Recommendations in Sections 1 and 2 of this report include the proposals to reduce the remaining citywide deficit as discussed above, as well as recommendations to continue implementation of the approved Operational Plan and Alternative Plan.

2010-11 Projected Revenue

The February 11, 2011 CAO report on revenue revisions identified a General Fund revenue decline from budget of \$34.5 million, which included \$9 million in new revenue from fines on foreclosed properties and corporate real property transfer tax. This decline was in addition to projected revenue shortfall of \$52.3 million from leasing P3 parking assets. The \$62.2 million projected shortfall from foreclosed property fines, corporate real property transfer tax, and P3 revenue remains unchanged. But the previously reported General Fund shortfall of \$25.0 million in other items is reduced by \$3.1 million to \$22.4 million. Attachment 2 shows currently projected changes from the budget.

First installment secured property tax receipts were higher than anticipated. This does not assure that the second installment receipts will also exceed budget, but it is a positive sign. Partially offsetting

this, redemptions are below plan and refunds, which reduce revenue, are above budget. Based on these offsetting factors we make a positive adjustment of \$5 million to the property tax account.

Both gas and telephone users' taxes show signs of falling further below budget and this report makes an \$8.5 million downward adjustment. All utility tax accounts are being carefully reviewed and additional changes may be indicated. But based on receipts through February, it is prudent to recognize this account could fall below our earlier projection.

The sales tax estimate is increased by \$1 million based on state and federal agency reports and a review of retail activity by local economists and industry sources. We will see the actual results of City Christmas quarter taxable sales later this month and we hope this will provide a basis for a further upward adjustment. Based on receipts to date, positive adjustments are also made in grant receipts and vehicle license fees.

The net positive revenue increase of \$3.1 million reported here could be significantly changed – upward or downward – during next several weeks as fourth quarter sales tax receipts, the bulk of the 2011 business tax, and March utility taxes are received and analyzed. Information on all revenues is now being carefully updated and analyzed and further revisions will accompany the proposed budget.

2011-12 Budget Deficit and Four Year Outlook

The attached Four Year Outlook does not reflect any changes to the assumptions presented in the Second FSR. (See Attachment 4.) The 2011-12 projected budget gap of nearly \$350 million had accounted for the deletion of one-time P3 revenue that was programmed this fiscal year. As reported by this Office in our February 11, 2011, Revenue Revisions for Fiscal Year 2010-11 memo to the Mayor and Council, it is anticipated that General Fund revenue will likely fall short of the budget. The year-end revenue deficit carryovers to the next fiscal year, providing a lower starting base for 2011-12. Areas of concern include the Power Revenue Transfer and the Electric Users' Tax. The combination of these two and other revenue sources may result in a \$30 million to \$50 million reduction in next year's revenue.

There is continued pressure on estimated appropriations in 2011-12 due to employee compensation adjustments, civilian and sworn benefits and pension contribution, and other obligatory expenses. Significant changes to expenditures will have to be adopted to achieve a balance budget, as economy-sensitive revenues will not grow at a pace equivalent to the expected increase in expenditures. The CAO presents various proposals to reduce the budget in the accompanying report. The adoption of ongoing reductions will lower the estimated budget shortfall in future years.

As discussed in more detail in the section below, voters approved a number of charter amendments in the March 2011 ballot that may impact the 2011-12 budget, namely, Proposition M, Taxation of Medical Marijuana; Charter Amendment L, Public Library Funding; and Charter Amendment H, Contract Bidder Campaign Contribution and Fundraising Restrictions.

Reserve Fund

In the Second FSR, the Reserve Fund was reported at approximately \$179 million. The Reserve Fund balance is now estimated to be \$191 million, consisting of \$120.3 million in the Emergency Reserve and \$70.7 million in the Contingency Reserve after accounting for \$12 million in new receipts and other adjustments. Attachment 5 provides detail on all pending and approved Reserve Fund transactions.

The current Reserve Fund balance of \$191 million represents approximately 4.4 percent of the Adopted Budget. Given the City's current fiscal constraints and the projected budget gap next fiscal year, it is essential that the City maintain and further strengthen the Reserve Fund to achieve a cushion of 5 percent of the General Fund budget as stated in the City's Financial Policy. An additional \$28 million should be added to the Reserve Fund to reach this 5 percent threshold. It is recommended that the City continue its deficit reduction efforts through solutions that exclude transfers out of the Reserve Fund. It is even more critical during periods of economic uncertainty, little or no growth in revenues and escalating costs to maintain a prudent Reserve Fund balance.

As explained within the Reserve Fund policy, the five percent requirement ensures that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls, and to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The objective is for the City to be in a strong fiscal position that will be better able to weather periods of economic decline or slowdown, like the conditions the City is currently experiencing. A sufficient reserve is important since the City is bound by the requirements of Proposition 218, which prevents the City from raising taxes without voter approval. Additionally, sufficient reserves are necessary to maintain positive bond ratings, thereby securing favorable interest rates for the issuance of general obligation bonds and all of our general fund debt. Beginning in November 2009, all three Rating Agencies—Fitch Ratings, Moody's Investors Service, and Standard and Poor's—began to downgrade the City's General Rating. All stated as one of their reasons for downgrades was the City's diminished General Fund reserves. To ensure the widest buyers of the City's bonds, including investment funds that are required by federal law to only buy in the AA category, it is essential that the City maintain a "AA" rating. A strong reserve fund as well as good financial management and sustainable expenses, will ensure continued access to financial markets.

The Reserve Fund also provides sufficient cash flow in instances where revenue receipts are delayed, such as in the case of deferred transfers from the State. The occurrences of recent natural disasters further illustrates that the City needs sufficient resources during emergencies and catastrophic events to pay for disaster response and recovery costs. While assistance may be forthcoming from federal and state agencies, it is imperative that the City have the fiscal capacity to provide for extraordinary outlays required in these circumstances and to front-fund allocations made to the City on a reimbursement basis. For these reasons and deficits in light of the continuing weak economy and the forecasted 2011-12 budget gap, this Office recommends that we persist in building the Reserve and minimize its use for offsetting shortfalls.

Our Office will continue its efforts to increase the Reserve Fund through the review of prior-year committed funds (encumbrances) and loan repayments. On February 28, 2011, the CAO released instructions for departments to supplement efforts by the Controller and General Services Supply Management System to identify prior-year encumbrances for reversion to the Reserve Fund. Our Office will work with departments to make repayments to the Reserve Fund for loans extended in prior-years.

City Election

On March 8, 2011, City voters approved several ballot measures that concern the City's budget:

Charter Amendment G – Fire and Police Pension Plan: The measure establishes a new pension tier for new sworn employees in the Fire, Police and Harbor Departments and makes other modifications to the plan. The plan guarantees a minimum 40 percent pension at age 50 with 20 years service and maximum 90 percent pension with 33 years service. Employee contributions of 9 percent of salary towards the pension and an additional 2 percent of salary towards retiree health benefits are required. Assuming the City continues to hire public safety employees to maintain its current workforce, the City is estimated to save approximately \$152 million over the next ten years.

Charter Amendment H – Contract Bidder Campaign Contribution and Fundraising Restrictions: The measure would amend the City Charter to restrict campaign contributions and fundraising and require increased disclosure by prospective City contract bidders and ban violators from future contracts. Moreover, the measure lifts the \$8 million cap on the City's Matching Campaign Trust Fund, as adjusted by the Consumer Price Index, which is currently \$12.292 million and requires an \$2 million annual appropriation to the Matching Campaign Trust Fund, as adjusted by the Consumer Price Index, which is currently \$3.073 million. During a declared fiscal emergency, the annual contribution may be suspended and/or funds may be borrowed from the trust, in excess of the maximum established balance, to be used for other purposes. The measure specifies this process, as well as the process for repaying funds.

Charter Amendment J – DWP Preliminary Budget to City Council; Procedures for Transfers to Reserve Fund: The measure requires the Department of Water and Power (DWP) to submit a preliminary budget to Council for informational purposes and establishes procedures for making surplus transfers from the Power Revenue Fund to the City Reserve Fund. This measure is not expected to result in any additional cost to the City. Instead, it specifies how the Power Revenue Fund surplus is defined for its inclusion in the City budget and establishes procedures through which the Board may decide to withhold all or part of the transfer. Specifically, if the DWP Board votes not to make the surplus transfer, it must provide a detailed explanation, to be reviewed by the CAO for a report to the Council and Mayor; and then subsequently vote to either amend or uphold its action.

Charter Amendment L – Public Library Funding: The measure increases the amount of funds guaranteed for Library services from 0.0175 percent to 0.03 percent of the City's assessed property values over four years and requires the Library to pay all of its direct and indirect costs necessary to support its programs and operations beginning July 1, 2014. For fiscal year 2011-12, the City must contribute up to \$6 million from existing General Fund receipts to the Library Fund, subject to increases established by the ballot measure.

Proposition M – Taxation of Medical Marijuana Collectives: This measure establishes a City business tax rate for medical marijuana collectives of \$50 per \$1,000 of gross receipts. These tax revenues would be used to fund general City services. Projected revenue has not been determined at this time, but is dependent on a number of issues, including the number of collectives in operation.

Charter Amendment P – Establishment of Contingency Reserve Fund: The measure establishes the Reserve Fund's Emergency and Contingency Reserve as Charter accounts and sets a minimum balance for the Emergency Reserve account of 2.75 percent of General Fund receipts. The Emergency Reserve can only be spent when at least two thirds of Council and the Mayor determine there is an "urgent economic necessity." Additionally, a Budget Stabilization Fund will be created, with deposits to be made when the economy is strong and actual revenue exceeds the projected revenue target. The current balance of the Emergency Reserve within the Reserve Fund complies with the 2.75 percent balance. The measure does not impact City revenues or expenditures.

State Budget

On January 10, 2011, the Governor released his 2011-12 State Budget Proposal. The proposal identifies a \$25.4 billion budget shortfall (now \$26.6 billion): an \$8.2 billion deficit in 2010-11 and a \$17.2 billion deficit in 2011-12. To offset the shortfall the Governor proposes \$26.4 billion in budget solutions and an accelerated budget process with a March target date in order to have all of the necessary enabling legislation in place for implementation. About \$12 billion of the proposed budget solutions are contingent on statewide voter approval in a June 2011 special election. As of this writing, the 2011-12 Budget package is currently pending a vote by the full Senate and the Assembly. This Office will continue to track the State budget deliberations for any City impacts and report back to Council upon adoption of the 2011-12 State Budget. Please refer to Section 8 in this report for greater detail on the State Budget.

The Governor's budget includes: \$12.5 billion in ongoing program reductions (e.g., Medi-Cal, CalWORKs, and the Department of Developmental Services); the extension of four temporary tax increases (with voter approval); and proposals to realign state and local program responsibilities and significantly alter local economic development efforts. Two of the tax extensions would fund the realignment of programs from state to local entities.

Redevelopment Agencies: The Governor proposes to dissolve all redevelopment agencies (RDAs) effective July 1, 2011 and use funds to pay state obligations, retire redevelopment debts and contractual obligations; and distribute on a one-time basis to cities, counties and special districts proportionate to the countywide property tax. Beginning 2012-13, the balance of funds, less pre-existing RDA debts and contractual obligations, would be redirected to these local and special districts for general purposes. It should be noted that Proposition 22 prohibits the use of RDA funds to pay for state services and a court challenge is likely. On March 2, 2011, the Budget Conference Committee approved a modified proposal.

Local Taxing Authority for Economic Development: The administration proposes a new option for funding economical development at the local level via voter-approved tax increases and bonding against local revenues.

Enterprise Zone Program: The Governor proposes to eliminate the Enterprise Zone Program which currently provides business tax relief in economically depressed areas in order to spur investment. This proposal impacts businesses (which receive hiring credits) and the Community Development Department (who administer the fully reimbursed program at approximately \$500,000 annually). The Budget Conference Committee approved the proposal to eliminate tax incentives associated with Enterprise Zones and various other economic incentive areas.

Elimination of Public Library Foundation and Literacy Funding: The Governor's Budget proposes to eliminate General Fund dollars for the Public Library Foundation, California Library Literacy and English Acquisition Services, and the California Library Services Act and would cut most state funding for local libraries. The Library Department has received between \$1 million to \$6 million annually from this program. The Budget Conference Committee reduced the proposed cut to sustain the programs.

Fire Department and Medi-Cal Payments: The Governor proposes to reduce Medi-Cal provider payments by 10 percent for various services including medical transportation. The Fire Department believes that this could have a potential adverse affect on Medi-Cal payments to cities for ambulance transports with an estimated impact of \$1 million. The Budget Conference Committee approved the reduction.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$210.8 million are recommended in Sections 1 and 2 of this report, which include:

- \$14.1 million in new appropriations;
- \$25.1 million for transfers between accounts within various departments and funds;
- \$32.0 million for transfers between departments and funds;
- \$85.7million transfers to the Unappropriated Balance (UB), Reserve for Economic Uncertainty, including:
 - \$23.1 million in departmental and non-departmental savings per the Operational Plan.
 - \$19.3 million in departmental savings per the Alternative Plan.
 - \$43.3 million in newly identified savings, including surpluses in the Capital Finance Administration Fund and the Special Parking Revenue Fund.
- \$24.5 million in appropriations from various accounts within the Unappropriated Balance, including:
 - \$11.4 million in appropriations from the UB, Reserve for Economic Uncertainty to the Police Department to address deficits in various accounts, offset by revenue identified in the Operational Plan.

- \$4.0 million in appropriations to Departments from the Unappropriated Balance (UB), Budget Balancing Bridge account to offset reduced furlough savings of EAA-represented employee furlough, per the Operational Plan.
- \$7.8 million in appropriations to the City Attorney, General Services Department, Information Technology Agency, Mayor and Council, and the Treasurer's Office to fund litigation, petroleum, systems development, salaries, and bank fee expenses per the Adopted Budget.
- \$1.0 million in appropriations to Departments of special funds within the UB ERIP account to pay for benefits of ERIP-retirees.
- \$250,000 from the UB Budget Balancing Bridge to pay for contracts for the Employee Relations Committee and the Business Tax Advisory Committee.
- \$10.6 million authorization to spend Municipal Improvement Corporation of Los Angeles (MICLA) funds for technology projects;
- \$6.1 million in Special Fund and \$125,000 in General Fund reappropriations;
- \$10.0 million transfer of surplus Special Parking Revenue Funds to the Reserve Fund; and,
- \$2.6 million in miscellaneous actions, including suspending police officer hiring for the remainder of the fiscal year to reduce the Police Department deficit by \$725,000.

Of these recommendations above, \$41.4 million consist of solutions proposed in the 2010-11 Operational Plan, and \$21 million proposed in the Alternative Plan. Attachment 6 provides a summary of expense and revenue surpluses and deficits, which includes deficit reductions recommended in this report.

Attachments

1	February 4, 2011 Letter from Mayor and Councilmembers
2	Realized Reductions and Proposed Solutions to Address \$54.5 million Deficit
3	General Fund Receipts, Estimates for 2010-11
4	Four-Year Budget Outlook
5	Current Status of the Reserve Fund
6	Summary of Expenditure and Revenue Variations from Budget
7	New Appropriations
8	Transfers between Accounts within Departments and Funds
9	Transfers between Departments and Funds
10	Appropriations from the Unappropriated Balance (UB)
11	Transfers to the UB, Reserve for Economic Uncertainty
12	Transfers from the Capital Improvement Expenditure Program to UB
13	Library Report: Undesignated Unreserved Fund Balance (UUFb)
14 a	Status of the Unappropriated Balance – General Accounts
14 b	Status of the Unappropriated Balance – non-General Accounts
15	Employment Level Report
16	Status of Voluntary Furlough Program
17	Status of Fee Increases in the 2010-11 Budget
18	Gang Reduction and Youth Development Status Report of Expenditures/Payments

FINANCIAL STATUS REPORT RECOMMENDATIONS
(Refer to Discussion Sections 1 and 2)

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

- 1. Appropriate \$14,131,797.63 to Department accounts as specified in Attachment 7;
- 2. Transfer \$28,187,832.00 between accounts within various departments and funds as specified in Attachment 8;
- 3. Transfer \$23,294,933.16 between various departments and funds as specified in Attachment 9;
- 4. Appropriate \$21,473,114.00 to Department accounts from the Unappropriated Balance as specified in Attachment 10;
- 5. Transfer \$58,830,408.00 to the Unappropriated Balance, Reserve for Economic Uncertainty from Departmental and Non-Departmental accounts as specified in Attachment 11;

City Administrative Officer

- 6. a) Transfer appropriations in the amount of \$54,586 within Neighborhood Stabilization Program II (NSP II) Fund No. 52J/43 from Account No. G220, CAO/Controller to accounts as detailed below:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
G110	CAO	\$50,925.00
G299	Related Cost	<u>3,661.00</u>
	Total	\$54,586.00

- a) Expend funds not to exceed \$54,586 from the above fund and accounts upon proper written demand of the General Manager, Los Angeles Housing Department (LAHD), or designee;
- b) Appropriate from NSP II Fund No. 52J/43, Account No. G110 to CAO Fund No. 100/10 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries	\$30,530.00
3040	Contractual Services	<u>20,395.00</u>
	Total	\$50,925.00

Community Development

- 7. Authorize the Controller to appropriate and transfer funds within the Community Development Block Grant-American Recovery and Reinvestment Act (CDBG-R) Fund No. 51N/22 for Community Development Department (CDD) salaries and related costs incurred in administering the CDBG-R grant as follows:

- a) Transfer \$166,800.04 in appropriations within CDBG-R Fund No. 51N/22 (\$23,416.52 from Account No. F122, CDD) and (\$143,383.52 from Account No. F299, Related Costs) to:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
G122	CDD	\$119,492.04
G299	Related Cost	<u>47,308.00</u>
	Total	\$166,800.04

- b) Increase CDD Fund No. 100/22, Account No. 1010, Salaries General, by 119,492.04;

8. Authorize the Controller to appropriate and transfer \$134,994.01 within the Community Services Block Grant-American Recovery and Reinvestment Act Fund No. 51H, Account No. G302, Recreation and Parks, to Account No. F302, Subsidized Employment Program, to pay for prior year expenditures incurred in June 2010;

Council

9. Authorize the Controller to transfer \$788,000 from various funds and accounts, including Council Office funds and other Council discretionary funds pursuant to a schedule to be provided by the Chief Legislative Analyst, as previously approved under C.F. No. 10-0139-S2;

Cultural Affairs

10. Instruct Cultural Affairs to unencumber a total of \$24,762.33 within Cultural Affairs Fund No. 100/30 in the accounts as detailed below; and thereafter request the Controller to revert a like amount from the account to the Art and Cultural Facilities and Services Trust Fund No. 480/30 and appropriate therefrom to the Cultural Affairs Fund No. 100/30, Account No. 1010, Salaries General:

<u>FY</u>	<u>Acct. No.</u>	<u>Account Name</u>	<u>Title</u>	<u>Amount</u>
2009	9699	Council Civic Fund	Richard de Armas	\$4,500.00
2009	9831	Regional Arts Assistance	Duncan Gilbert	13.26
2010	6020	Operating Supplies	Waste Management	4.03
2010	6020	Operating Supplies	Earthlink	214.95
2010	6020	Operating Supplies	ADT Security	44.32
2010	6010	Office and Administrative	Hollywood-Bronson Self Help	50.00
2010	9699	Council Civic Fund	Museum of San Fernando Valley	15,000.00
2010	9010	Cultural Grant, Fam & Youth	Theater of Note	4,011.51
2010	9234	Outdoor Festivals & Parades	Ronald Jackson	2.00
2010	9633	Youth Arts & Education	Community Partners FBO	285.00
2010	9831	Regional Arts Assistance	Duncan Gilbert	13.26
2010	6010	Office and Administrative	North American Society Inc.	<u>624.00</u>
			Total	\$24,762.33

El Pueblo

11. Direct the El Pueblo Department to reimburse the General Fund \$213,000 for related costs from the unallocated balance in the El Pueblo Historical Monument Trust Fund No. 737/33;

Fire

12. Reappropriate funds from the Reserve Fund in the amount of \$125,000 into Fire Fund No. 100/38, Account No. 6010, Office and Administrative Expense Account appropriated in fiscal year 2009-10 for the purchase of new furniture for the new dispatch center;
13. a) Authorize the Controller to transfer appropriations in the amount of \$115,000 from MICLA Fund No. 298/38, Account No. E206, Communication Equipment to Information Technology Agency Fund No. 100/32, Account No. 1100, Hiring Hall Salaries, for installation of communications equipment in Fire Department vehicles; and
b) Authorize the Controller to transfer cash from the MICLA Fund No 298/38 to reimburse the General Fund on as-needed basis upon approved documentation from the Fire Department;

Housing

14. Authorize the Controller to appropriate and transfer \$243,300 in Community Development Block Grant funds from the Unappropriated Balance (UB) Early Retirement Incentive Payout (ERIP) account to the Housing Department (LAHD) to pay for Early Retirement Incentive Program related expenses as follows:
 - a) Transfer \$243,300 in appropriations from Fund No. 100/58, Account 0255, Early Retirement Incentive Payout (ERIP) account to Community Development Block Grant Fund No. 424, Account No. G143, LAHD Admin;
 - b) Increase LAHD Fund No. 100/43, Account No. 1010, Salaries General by \$243,300; and
 - c) Expend funds not to exceed \$243,300 from the above funds and accounts upon proper written demand from the General Manager, LAHD or designee;

Information Technology

15. Transfer \$46,000 within the American Reinvestment and Recovery Act (ARRA) - Broadband Technology Opportunities Program (BTOP) Public Computer Center Fund No. 52B/32 from Account No. F300, Los Angeles Computer Access Network (LA-CAN) account to Account No. G132, Information Technology Agency (ITA); and appropriate therefrom a like amount to ITA Fund No. 100/32 to Account No. 9350, Communications Services to support broadband internet connections;
16. Approve the use of \$10,596,580 of Municipal Improvement Corporation of Los Angeles (MICLA) financing provided in the 2010-11 Budget for various information technology projects in the amounts as detailed below:

Fire Dispatch Radio Tower Replacement	\$100,000
Mount Lee Electrical Upgrade	1,200,000
800 MHz Radio Upgrade	400,000
Financial Management System Replacement Project	7,896,580
Network Infrastructure	<u>1,000,000</u>
Total	\$10,596,580

Police

17. a) Authorize the Department to issue a check from Unclaimed Money Seized Trust checking account payable to City of Los Angeles in the amount of \$763,082.33 to be deposited to Unclaimed Money Seized Trust Fund No. 851/70; and,
 - b) Direct the Department, with the assistance of the Treasurer's Office, to escheat \$763,082.33 in the Unclaimed Money Trust Fund No. 851/70 upon the deposit of funds and transfer to Police Fund No. 100/70, RSC No. 4334, Escheatment, per Government Code Sections 50050 through 50053;

18. Authorize the Controller to appropriate \$429,680.50 to a new account entitled "Grant Reimbursement to General Fund" within the Crime Bill/MORE Fund No. 650/70 from the available cash balance; and transfer therefrom to Police Fund No 100/70, Revenue Source Code No. 4745, ARRA Prior Year for the cumulative cash reimbursement from closed grants;

19. Authorize the Controller to appropriate \$461,698.15 to a new account entitled "Grant Reimbursement to General Fund" within the Schiff Cardenas Act Fund No. 45D/70 from the available case balance; and transfer therefrom to Police Fund No. 100/70, Revenue Source Code No. 4610, Reimbursement from Other Funds/Departments for the cumulative case reimbursement from the closed 2006-07 JJCPA Grant;

20. Authorize the Controller to appropriate \$3,000,000 to a new account entitled "Grant Reimbursement to General Fund" within the Police Grant Fund No.339/70 from the available cash balance; and transfer therefrom to Police Fund No 100/70, Revenue Source Code No. 4610, Reimbursement from Other Funds/Departments for the cumulative cash received from closed grants;

21. Authorize the Controller to transfer \$40,000 from Police Trust Fund No. 885/70, Account No. C170, Police Department, back to Account No. C205, Harbor Juvenile Impact Program; and transfer therefrom \$40,000 to Police Fund 100/70, Revenue Source Code No. 4610, Reimbursement from Other Funds/Departments to offset the Department deficit;

22. Rescind Council File No. 10-1171, Recommendation No. 2 and Council File No. 10-1086, Recommendation No. 2; and authorize the Controller to transfer \$32,722.85 from accounts within Police Trust Fund No. 885/70, as detailed below, to Police Fund No. 100/70, Revenue Source Code No. 4610, Reimbursement from Other Funds/Departments to offset the Department's deficit:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
G308	Van Nuys Juvenile Impact Prog.	\$24,361.98
G310	77 th Div Juvenile Impact Prog.	<u>8,360.87</u>
	Total	\$32,722.85

23. Direct the Police Department to suspend police hiring for the remainder of the fiscal year;

Public Works, Engineering

24. Reduce appropriations in the amount of \$4,000,000 in the Bureau of Engineering Fund No. 100/78, Account No. 1010, Salaries-General; and thereafter reduce appropriations by \$4,000,000 in the Sewer Capital Fund No. 761/50, Account No. G178, PW-Engineering, to reflect salary savings in the fund by the Bureau;

Public Works, Street Lighting

25. Authorize the Controller to write off a Reserve Fund loan to the Bureau of Street Lighting of \$1,316.94. The reimbursing fund is the Community Development Trust Fund No. 424/22, Journal Voucher No. JV84CHARTERADX8 dated June 30, 2008;

26. Authorize the Controller to appropriate and transfer General City Purposes (GCP) funds, as detailed below, in order to promote the City's No Smoking Outdoor Dining Ordinance as previously approved by Council:

- a) Rescind Recommendation No. 1 in C.F. No. 08-1544-S1 transferring \$50,000 from the GCP Fund No. 100/56, Account No. 0857, Special Events Fee Subsidy - Citywide to Street Lighting Fund No. 100/86;
- b) Transfer \$50,000 within the GCP Fund No. 100/56 Account 0857, Special Events Fee Subsidy - Citywide to a New Account No. XXX, entitled "No Smoking Campaign"; and,
- c) Transfer appropriations totaling \$37,315 from the GCP Fund 100/56 Account XXX, No Smoking Campaign to City Attorney and Bureau of Street Lighting funds and accounts (\$7,315 and \$30,000, respectively, as follows:

<u>Fund/Dept/Acct No.</u>	<u>Account Name</u>	<u>Amount</u>
100/12/2120	Printing and Binding	\$ 1,900
100/12/6010	Office and Administrative	5,415
100/84/3040	Contractual Services	<u>30,000</u>
	Total	\$37,315

Public Works, Street Services

27. Authorize the Controller to reappropriate unspent funds totaling \$1,443,026.47 from Special Gas Tax Street Improvements 206/50, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for Gas Tax-SAFETEA-LU projects:

Account No.	Account Name	Amount
1010	Salaries, General	\$720,000
1100	Hiring Hall Salaries	1,000
3030	Construction Expense	505,000
3040	Contractual Services	115,000
6010	Office and Administrative	10,000
6020	Operating Supplies	<u>92,026.47</u>
	Total	\$1,443,026.47

28. Authorize the Controller to reappropriate unspent funds totaling \$50,437.77 from MICLA Lease Revenue Commercial Paper Notes 298/50, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for North Central Yard Truck Wash project:

Account No.	Account Name	Amount
1010	Salaries, General	\$25,000
3030	Construction Expense	18,000
3040	Contractual Services	4,000
6010	Office and Administrative	1,000
6020	Operating Supplies	<u>2,437.77</u>
	Total	\$50,437.77

29. Authorize the Controller to reappropriate unspent funds totaling \$2,240,161.89 from Subventions and Grants 305/50, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for CRA Wilton Place landscaping (\$268,139.91), Olympic Boulevard streetscape improvements (\$295,879.79), CRA Pico-Union Boulevard streetscape project ((\$521,182.15), CRA Huntington Drive public improvement project (\$58,006.63), State of California DOT relinquishment of Gaffey Street (\$219,010), CRA Wilmington E Street Gateway (\$604,668.43), CRA Washington Boulevard median island landscaping design services (\$100,000), CRA Huntington Drive public improvement (\$143,274.98), CRA Wilmington streetscape improvement design (\$30,000) projects:

Account No.	Account Name	Amount
1010	Salaries, General	\$1,168,000
1100	Hiring Hall Salaries	4,000
3030	Construction Expense	739,000
3040	Contractual Services	169,000
6010	Office and Administrative	43,000
6020	Operating Supplies	<u>117,161.89</u>
	Total	\$2,240,161.89

30. Authorize the Controller to reappropriate unspent funds totaling \$1,996,123.21 from the Community Development Trust Fund 424/22, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for Pico-Venice-Washington Boulevard streetscape (\$750,000), Pico-Washington Boulevard streetscape (\$476,334.21), and Pico-Washington Boulevard streetscape (\$769,789) projects:

Account No.	Account Name	Amount
1010	Salaries, General	\$998,000
1100	Hiring Hall Salaries	3,000
3030	Construction Expense	699,000
3040	Contractual Services	160,000
6010	Office and Administrative	15,000
6020	Operating Supplies	<u>121,123.21</u>
	Total	\$1,996,123.21

31. Authorize the Controller to reappropriate unspent funds totaling \$36,758.16 from Street Furniture Revenue Fund 43D/50, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for the CD 10 Washington Boulevard beautification project:

Account No.	Account Name	Amount
1010	Salaries, General	\$18,000
1100	Hiring Hall Salaries	1,000
3030	Construction Expense	12,000
3040	Contractual Services	3,000
6010	Office and Administrative	1,000
6020	Operating Supplies	<u>1,758.16</u>
	Total	\$36,758.16

32. Authorize the Controller to reappropriate unspent funds totaling \$1,478.80 from Sunland Boulevard/Apearsion Drive District 629/50, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for the Wayside Drive concrete berm project:

Account No.	Account Name	Amount
1010	Salaries, General	\$1,000
6010	Office and Administrative	<u>478.80</u>
	Total	\$1,478.80

33. Authorize the Controller to reappropriate unspent funds totaling \$1,504.17 from Council District 15 Real Property Trust Fund 697/14, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for the street widening improvements on 6th Street, between Palos Verdes and Harbor:

Account No.	Account Name	Amount
1010	Salaries, General	\$700
3030	Construction Expense	500
3040	Contractual Services	120
6020	Operating Supplies	<u>184.17</u>
	Total	\$1,504.17

34. Authorize the Controller to reappropriate unspent funds totaling \$360,434.88 from Public Works Trust Fund 834/50, Account F186, to the following accounts within the Bureau of Street Services Fund 100/86 for the SAFETEA-LU Temple Street project:

Account No.	Account Name	Amount
1010	Salaries, General	\$180,000
1100	Hiring Hall Salaries	1,000
3030	Construction Expense	126,000
3040	Contractual Services	29,000
6010	Office and Administrative	5,000
6020	Operating Supplies	<u>19,434.88</u>
	Total	\$360,434.88

Recreation and Parks

35. a) Authorize the Controller to reduce the 2010-11 General Fund appropriation to the Recreation and Parks Fund No. 302/88 by \$2,800,000; and request the Board of Recreation and Park Commissioners to reduce the appropriation to the Recreation and Parks Fund No. 302/88, Account No. 1010, Salaries General Account by \$2,800,000; and,
- b) Transfer \$2,800,000 from the Non-Departmental Fund No. 100/62, Account No. 0302, Recreation and Parks, to the Unappropriated Balance, Account No. 0037, Reserve for Economic Uncertainty;

Transportation

36. Authorize the Department of Transportation to revise its 2009-10 reversion worksheet to decrease expenditures among various sources of funds by approximately \$297,570 and to increase its expenditures to the General Fund by the same amount; and authorize the Controller to make technical corrections and accounting adjustments as necessary;
37. Authorize the Transportation to bill Metro for costs incurred associated with the Metro Rapid Transit Priority System and to deposit reimbursements, as appropriate, into the Proposition C Anti-Gridlock Fund No. 540 and the General Fund;

Capital Finance Administration

38. a) Declare a surplus and authorize the transfer of \$18,100,000 from the available cash balance of Fund No. 26A/50, MICLA Ser2006A Police Facilities Construction as residual equity transfer to Gen Fund No. 100/53, Capital Finance;
- b) Authorize the Controller to revert a like amount to Reserve Fund and appropriate from Reserve Fund to the Unappropriated Balance; therefrom to the Capital Finance Fund No. 100/53, Account No. 0320, Police Headquarters Facility; and
- c) Authorize the Controller to transfer appropriation from the Capital Finance Fund No. 100/53, Account No. 0320, Police Headquarters Facility to the Unappropriated Balance Fund No. 100/58, Account No. 0037, Reserve for Economic Uncertainty;

Capital Improvement Expenditure Program

39. Authorize the Controller to transfer a total of \$2,000,415.74 from various accounts within the Capital Improvement Expenditure Program Fund No. 100/54, as detailed in Attachment 12 to the Unappropriated Balance Fund 100/58, Account No. 0037, Reserve for Economic Uncertainty;

General City Purposes

40. Authorize payments to be made from General City Purposes Fund No. 100/56, Acct. 0874 on a monthly basis per C-95264 and C.F. No. 10-0600-S51.

Special Parking Revenue Fund

41. a) Reduce appropriations in the amount of \$2,819,067 in the Special Parking Revenue Fund No. 363/94 as follows:

FY	Fund/Acct No.	Account Name	Amount
2010	363/94/0170	Bond Administration	21,322.50
2010	363/94/0010	Collection Services	141,843.29
2008	363/94/0050	Contractual Services	200,771.60
2007	363/94/0050	Contractual Services	10,021.34
2010	363/94/0030	Maintenance, Repair, Utility	442,92007.49
2009	363/94/0030	Maintenance, Repair, Utility	479,977.61
2007	363/94/0030	Maintenance, Repair, Utility	25,900.68
2010	363/94/0140	Misc. Eqpt, Office Supplies	2,961.92
2010	363/94/0080	Parking Facility Lease Payments	20,000.00
2009	363/94/0060	Parking Meter/Off-St Parking Admin	114,783.56
2009	363/94/E205	Reimb of General Fund Costs	126,696.00
2010	363/94/0070	Replacement Parts, Tools, Eqpt	40,372.65
2009	363/94/0070	Replacement Parts, Tools, Eqpt	12,567.59
2008	363/94/0070	Replacement Parts, Tools, Eqpt	30,682.94
2007	363/94/0070	Replacement Parts, Tools, Eqpt	75,924.69
2006	363/94/0070	Replacement Parts, Tools, Eqpt	1,671.26
2010	363/94/0150	Training	9,866.16
2009	363/94/E194	Transportation	60,796.00
2010	363/94/F158	Unappropriated Balance	<u>1,000,000.00</u>
Total			2,819,067.28

- b) Declare a Special Parking Revenue Fund surplus for Fiscal Year 2010-11 of \$14,019,067 as detailed in Section 2.H of this report, and authorize the Controller, to transfer \$14,019,067 from the Special Parking Revenue Fund Available Cash Balance to the Reserve Fund;
- c) Transfer \$4,000,000 from the Reserve Fund to Unappropriated Balance and appropriate to the Unappropriated Balance Fund No. 100/58, Account No. 0037, Reserve for Economic Uncertainty to address the citywide deficit; and

- d) Request the City Attorney to prepare and present an ordinance to amend Section 5.117, Subsection 7 of the Los Angeles Administrative Code as follows: a. Eliminate the last line of Subsection 7, which regards the temporary basis of funds transferred from the Fund and requires that funds transferred be returned to the originating account within two years; and, b. Include a sunset date for the Subsection 7 surplus provision of June 30, 2011. Changes beyond Fiscal Year 2010-11 must be submitted to the appropriate policy committee of the City Council for consideration;

Technical

42. Authorize the City Administrative Officer to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

The previously reported deficit of \$54.5 million has decreased by \$7.7 million reflecting revised projections for revenue and expenditures. The deficit of \$46.8 million consists of \$27.1 million surplus in departmental and non-departmental account appropriations and \$73.9 million shortfall in budgeted revenue. Transfers, appropriations and other adjustments totaling approximately \$210.8 million are recommended in Sections 1 and 2 of this report, which include recommendations that, if approved, will reduce the citywide deficit to \$4.1 million.

DISCUSSION

The Office of the City Administrative Officer (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, four-year outlook and reserve fund status, and it highlights current issues of concern and the potential impact to the City. It provides an update on department revenues and expenditures, which includes recommendations totaling \$210.8 million for appropriations, transfers and other budgetary adjustments, and status reports on the City's spending and savings efforts. Of these recommendations above, approximately \$41.4 million consist of solutions proposed in the 2010-11 Operational Plan, and \$21 million proposed in the Alternative Plan for the P3 Concession Agreement Report. Reports on the State budget, employment levels, labor cost savings efforts, fee increases, the MICLA Commercial Paper Program, fee waivers and subsidies are included for informational purposes.

Additionally, a companion report includes proposals for Fiscal Year 2011-12 in advance of the Mayor's Proposed Budget with the intent that, if approved, necessary actions will be undertaken this fiscal year in order to realize a full-year savings in 2011-12.

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

Section 1. Status of Departmental Budgets	21
Section 2. Status of Non-Departmental Funds and Special Accounts	55
Section 3. Status of Employment and Labor Cost Savings Efforts	60
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Section 6. Status of Fee Waivers and Subsidies	62
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1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues through December 2010, provides updated projections for year-end deficits and surpluses, and highlights issues of concern. Recommendations include: new appropriations, transfers between and within funds, reappropriations, authorization to spend Municipal Improvement Corporation of Los Angeles funds, transfers from the Unappropriated Balance (UB) to departments for operational needs, and transfers to the UB to address the citywide deficit. Additionally, recommendations include transfers totaling \$4.0 million from the Budget Balancing Bridge to Departments realizing reduced savings from furloughs and an \$11.4 appropriation to the Police Department from non-departmental accounts per the Operational Plan. Per the Alternative Plan, \$7.2 million in departmental savings is recommended for transfer to the Reserve for Economic Uncertainty. Recommendations that had been approved previously in concept via the Operational Plan and the Alternative Plan for the P3 Concession Agreement (C.F. Nos. 10-0600-S48 and 10-0139-S2) are indicated as such. There are also recommendations to suspend police hiring for the remainder of the fiscal year and to reduce the General Fund appropriation to the Recreation and Parks Department as additional deficit reduction measures.

Since the approval of the Alternative Plan for the P3 Concession Agreement, the total departmental deficit has decreased by \$1.67 million, from \$33.89 to \$32.22 million. (See Table A below and Attachment 6.) Deficit reductions have resulted from department vacancies, the Fire Department's Modified Coverage Plan, and transfers from the Unappropriated Balance and special funds. Deficit increases are seen in departments experiencing less-than-anticipated attrition and those that were unable to absorb the lower transfer for reduced furlough savings. Only three departments—City Attorney, Fire Department, and Police Department—are projecting significant deficits that will likely require additional appropriations by year-end. At this time, an appropriation of \$11.4 million to the Police Department to offset a portion of their deficit using funds identified in the Operational Plan is recommended. It should be noted that many of the deficit reduction measures identified in both the Operational Plan and the Alternative Plan for the P3 Concession Agreement are revenue solutions that may be counted against the expense deficits.

Table A. Change in Department Surpluses/(Deficits)
(\$ millions)

Departments	Post Alt Plan Deficit	Change	Mid Year Reported Deficit
City Attorney	-9.42	1.32	-8.10
Controller	-0.02	0.02	-
Disability	-	-0.03	-0.03
El Pueblo	-0.05	0.05	-
Fire Department	-10.80	2.20	-8.60
General Services	-	-0.13	-0.13
Information Technology	-	-0.11	-0.11
Police	-13.60	-1.50	-15.10
Public Works – Contract Administration	-	-0.15	-0.15
<i>Subtotal Department Deficit</i>	<i>-33.89</i>	<i>1.67</i>	<i>-32.22</i>
Appropriation to Police			11.40
<i>Post Third FSR Department Deficit</i>			<i>-20.82</i>

The following are significant issues of potential impact to department budgets that this Office is closely tracking:

Department Salary Settlements: As mentioned in previous FSRs, a pending lawsuit settlement may require that the Fire Department pay up to several million in back pay to sworn personnel. The timing of the payout for the settlement is not known at this time. Last year, funds totaling \$1.3 million were set aside to be recommended for reappropriation for the payout of this and other smaller settlements in a future financial status report.

Fuel Costs: At this time, the Department of General Services is reporting a deficit in its petroleum account based expenditures for the first six months of the year. The budget provided \$2 million in the Unappropriated Balance to transfer to the Department to cover any shortfall, and a recommendation to transfer is included in the report. However, given the recent increase in the price of fuel, it is possible that an additional \$2 million shortfall may materialize.

A. Aging

Attachment 11 – Transfer to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation No. 5

In the Second FSR, it was projected that the Department would have a \$385,000 special fund surplus; which has since increased to \$550,000. The general fund surplus has increased from \$175,000 to \$195,000. The surpluses are due to vacancies within the Department and furlough savings above the budgeted furlough target.

The Department has received approval to fill grant-funded vacancies through the Managed Hiring process. The projected salary expenditure of the potential hires is \$130,000. The Department is working with grantors on an alternative use for the projected grant-funded salary savings. These grant funds would otherwise be returned to the California Department of Aging if not spent on the Older Americans Act programs. The Department will use the grant funded surplus on one-time projects pending approval from the California Department of Aging.

In accordance with the Alternative Plan for the P3 Concession Agreement, it is recommended that \$176,200 of the General Fund Salary surplus be transferred to the Unappropriated Balance, Reserve for Economic Uncertainty (C.F No. 10-0139-S2).

B. Animal Services

Attachment 9 – Transfers between Departments and Funds

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation Nos. 3 and 5

As reported in the Second FSR, the Department will finish the year within budget. Year-to-date General Fund receipts are \$2.54 million through February, which is \$730,000 behind plan. \$725,000 was added to the Department's revenue goal as part of the 2010-11 budget: \$600,000 for the \$5 dog license increase and \$125,000 for the Administrative Citation Program. Of this revenue increase, \$284,000 will not be collected this year. The Department lost \$159,000 in revenue due to the delayed implementation of the \$5 dog license, which became effective October 1, 2010 instead of July 1. Projected revenue of \$125,000 attributed to Animal Services citations is highly unlikely in the current fiscal year, as the City Attorney is in the process of implementing the City-wide Administrative Citation Program. The remaining revenue shortfall of \$446,000 is attributed to a sharp decline in the number of renewal dog licenses sold.

The Omnibus Dog Licensing Ordinance, for which a projected revenue increase was not included in the Department's budget, is pending in the Budget and Finance Committee. The revenue impact of the additional approved fee increases for various permits that went into effect on November 15, 2010 has not yet been determined.

The following transactions are recommended:

- Transfer \$209,968 from the Salaries As-needed, Overtime, Printing and Binding, Contractual Services, Uniforms, Animal Food/Feed and Grain, Office and Admin and Operating Supplies accounts to the Salaries General account.
- Transfer \$282,276 from the Animal Spay and Neuter Trust Fund to the Salaries General account to reimburse the Department for salary and fringe costs associated with the administration of spay and neuter program.
- In conjunction with the above recommendations, it is recommended that \$404,621 be transferred from the Salaries General, Governmental Meetings, Uniforms, Animal Food/Feed and Grain, Office and Admin, and Microchip accounts to the Unappropriated Balance, Reserve for Economic

Uncertainty in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F No. 10-0139-S2).

C. Building and Safety

Attachment 9 – Transfers between Departments and Funds

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation Nos. 3 and 5

The Department is currently projected to complete the year within budget as a result of furloughs, attrition, previously approved transfers, anticipated additional salary appropriations for grant-funded functions, and the approval of recommendations in this report.

The Building and Safety Building Permit Enterprise Fund is currently exceeding budgeted revenue of \$90 million by approximately \$3 million, or 3 percent. The Department's General Fund revenue was budgeted at \$35.2 million. The Department expects to meet its General Fund targets with the exception of \$5 million in Non-Compliance Fee revenue associated with the Foreclosure Ordinance as discussed in the First FSR. Additionally, there is concern that the Department may not be able to meet the budgeted revenue of \$1 million for the Code Violation Inspection fee for which six months of fee collection was assumed. The ordinance was approved by the Council in December and became effective on February 3, 2011. The Department projects revenue closer to \$700,000. This Office will monitor receipts and report on this revenue source in future FSRs.

In the Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2), the Council and Mayor approved a reduction in code enforcement services and a transfer from the Repair and Demolition Fund to the Department's salary account. The reduction equates to holding four regular and one resolution authority positions vacant: two Building Mechanical Inspectors, one Senior Building Mechanical Inspector, one Clerk Typist, and one Building Inspector. A transfer of \$243,000 from the Repair and Demolition Fund will offset additional General Fund reductions. These actions result in a total of \$401,689 in current year General Fund savings that are recommended to be transferred to the UB Reserve for Economic Uncertainty.

The following transfers are recommended for the Department of Building and Safety:

- Transfer \$450,000 from the Building and Safety Building Permit Enterprise Fund to the Department's Salaries, Overtime account in order to allow the Department to provide expedited plan check and off-hour inspection services, as paid for by fee-paying customers. In the Second FSR, a transfer from the Enterprise Fund was recommended to address a projected \$350,000 shortfall in the account. The Department now indicates that the previously authorized transfer will not be sufficient to reduce and maintain the Department's backlog to an acceptable level with the current trend of construction activities and customer requests, and an additional transfer is now requested.
- Transfer \$401,689 from the Department's Salaries, General account and various expense accounts to the Unappropriated Balance, Reserve for Economic Uncertainty in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F No. 10-0139-S2).

- Transfer a total of \$243,000 from the Repair and Demolition Fund to the Department's Salaries, General account in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F No. 10-0139-S2).

D. City Administrative Officer

Attachment 10 – Appropriations from the Unappropriated Balance

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation No. 4, 5 and 6

As reported in the first two FSRs, it is projected that the CAO will complete the fiscal year within budget after reimbursement for staff costs associated with the American Recovery and Reinvestment Act (ARRA) program and other special fund activities.

The following transactions are recommended:

- Appropriate \$200,000 to the contractual services account to cover the costs of employee relations contracts, such as actuarial studies requested by the Executive Employee Relations Committee and City Council from the Unappropriated Balance (UB), Budget Balancing Bridge. Of this amount, \$3,000 will be transferred to LACERS to obtain outside tax counsel related to pension reform initiatives.
- Transfer funding in the amount of \$302,298 from the Insurance and Bond Special Fund to the UB, Reserve for Economic Uncertainty. These savings would be available to cover costs associated with citywide risk management.
- Appropriate \$54,586 (\$50,925 and \$3,661 respectively for direct and related costs) in ARRA funding to reimburse both costs for both the grants management database contract and staff associated with ARRA oversight, coordination, and reporting activities. The Mayor and Council have set aside ARRA funding for oversight activities in the Neighborhood Stabilization Program II Trust Fund (C.F. No. 10-0799), in the ARRA - EECBG Fund (C.F. No. 09-0648-S15), and in the Community Development Block Grant American Recovery and Reinvestment Act (CDBG-R) Fund (C.F. 09-0648-S21). The recommended actions will allow the Los Angeles Housing Department (LAHD) to pay CAO administrative costs listed in recommendation 5b of C.F. 10-0799 for the Neighborhood Stabilization Program.

E. City Attorney

Attachment 10 – Appropriations from the Unappropriated Balance

Recommendation No. 4

In the Second FSR, the Department's overall projected shortfall was estimated at approximately \$10.8 million, which was reduced to \$9.4 million which included a planned transfer of surplus grant funds and a transfer of funds from the Unappropriated Balance to cover reduced furlough savings per the Operational Plan, and a new appropriation to cover bar dues expenses. The current deficit is now \$8.1 million based on December salary projections, transfers recommended in this FSR and an increased year-end transfer of grant surplus funds. This deficit is attributed to a \$7 million shortfall in general salaries, and a \$1.6 million shortfall in proprietary salaries.

With the implementation of the Department's Operational Plan, which included revenue offsets and anticipated attrition, the overall shortfall may be reduced to \$2.7 million. It should be noted that \$1.07 million in salary savings was included in the operational plan to be achieved through the attrition of twenty eight employees. In addition, the Department is working to reduce their General fund costs by reassigning staff into current vacant Special Funded or Proprietary reimbursed assignments. This transition plan may increase the current shortfall in the Salaries Proprietary account. This Office will continue to monitor attrition and provide an update in the next FSR.

The City Attorney's Operational Plan furthermore identified a series of consumer protection and environmental litigation cases in various stages from which revenue may be considered as an offset to the Salaries, General shortfall. Per Business and Professions Code Section 17200 of the California Code, the use of such funds is allowable by a city attorney for the enforcement of consumer protection laws. The City Attorney anticipates potential year-end revenue of \$4.2 million to assist with salary costs associated with this litigation. This Office is working with the City Attorney's Office to provide a comprehensive report on use of consumer projection revenue resulting from such litigation, along with information on settlement monies received over the last five years and a description of the current process of receiving and expending settlement monies paid to the City as requested in the adopted motion (C.F. 10-1454). In addition, a report back on the City Attorney's Administrative Citation Enforcement Program with the proposed Ordinance has been released under separate cover recommending implementation of a six month pilot program with the Animal Services Department (C.F. No. 10-0085).

The following transactions are recommended:

- In accordance with the Operational Plan, transfer \$713,264 from the Unappropriated Balance (UB), Budget Balancing Bridge to the Department's Salaries General and Salaries Proprietary accounts to offset reduced EAA furlough savings (C.F. No. 10-0600-S48).
- Transfer \$65,700 of Sewer Operational and Maintenance and Sewer Capital Funds (\$30,900 and \$34,800, respectively) in the UB, Early Retirement Incentive Program (ERIP) account to the Department's Salaries General and Salaries Proprietary account to assist with ERIP retiree payouts.
- Transfer \$1.2 million of funding set aside in the UB, Outside Counsel including Workers' Compensation line item to address a projected shortfall in the Department's litigation expense account due to the volume and complexity of cases being filed against the City. The department has expended 76 percent or \$3.5 million of their budgeted appropriation and has requested these funds to cover the projected shortfall. This transfer will pay for this year's current invoices and will enable the department to encumber sufficient funds for 10-11 pending invoices which may be received late this year or early next fiscal year.
- Transfer of \$50,000 of funding set aside in the UB, Outside Counsel including Workers' Compensation line item to the Department's outside counsel, workers' compensation account to cover anticipated billings on cases to be concluded by year-end. No new workers' compensation cases are being referred to outside counsel at this time, but billings for the final installment come in as cases are concluded.

F. City Clerk

Attachment 11, Transfer to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation No. 5

It is projected that the Department will have a year-end surplus of \$14,000 in their Salaries, General account. In the Second FSR, it was projected that the Department would have a \$146,000 deficit in its salaries, general account by year-end due to increased salary expenditures for EAA-represented employees, which would have been completely eliminated with a proposed transfer from the Unappropriated Balance, per the Operational Plan (C.F. No.10-0600-S48). The current surplus reflects the implementation of the Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2). The Alternative Plan designated that no reimbursement funds be transferred to the Department for the reduction of EAA furloughs, that savings in the Printing and Binding account be transferred to the Unappropriated Balance, Reserve for Economic Uncertainty, and that one vacant, unfunded Clerk Typist position be eliminated. The elimination of the position will result in additional savings of \$48,000 in the following fiscal year.

The Clerk's Office reports that the Voter Information Pamphlet (VIP) and the Official Sample Ballot (OSB) could have an impact on the 2010-11 election budget due to the size of the ballot. The extraordinary number of ballot measures and amount of legal text is close to triple the normal amount. The budget allocated \$1.5 million for printing of the ballots and pamphlets. An additional \$2 million to \$3 million may be necessary for printing election materials, publishing official notices of measure ordinances, and other election materials should a run-off election become necessary. The City Clerk will not be able to estimate the final cost for printing materials until the official results of the March 8, 2011 election, which may require 30 days for certification. If there are City runoffs, more printing costs will be required. Any runoffs concerning the Los Angeles Unified School District or the Los Angeles Community College District will be reimbursed.

It is recommended that \$11,536 from the Department's Printing and Binding account be transferred to the Unappropriated Balance, Reserve for Economic Uncertainty in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2).

G. Community Development Department Recommendation Nos. 7 and 8

The Department is projected to complete the year within budgeted funding from grant resources. The Department is authorized to fill 304 positions (197 regular and 107 resolution authorities). As of December 2010, 276 positions are filled and 28 positions are vacant. Nine of the 107 positions are new resolution authorities that were approved for American Recovery and Reinvestment Act, Green Sector and Human Relations Commission work, are in various stages of review for paygrade determination, managed hiring approval and the Department's hiring process.

The Department reports that there are sufficient resources to provide full cost recovery for all filled positions in 2010-11. The Department's 2010-11 budgeted revenue is expected to be reduced from

\$12.4 million to approximately \$9 million due to adjustments for the currently approved Cost Allocation Plan (CAP 32) rate. The Department has incurred approximately \$4 million in related costs for salary expenses through December 2010. Of this amount, \$2.6 million has been transferred to the General Fund.

In December 2010, the Council and Mayor instructed the Department to report back with an analysis of a proposed \$2.5 million reduction to 2010-11 revenues in addition to the \$3.4 million adjustment to current year related costs discussed above. When combined, these adjustments will reduce the Department's budgeted revenue from \$12.4 million to \$6.5 million. The Department was also instructed to provide an assessment of General Fund obligations and corresponding contribution for unrecovered indirect salary costs over the past five years. The Department has provided a transmittal, dated January 5, 2011 regarding this issue. Further information on this issue and the impact to the General Fund will be provided in a separate report from this Office.

The following actions are recommended:

- Appropriate and transfer \$166,800 within Community Development Block Grant American Recovery and Reinvestment Act to the Department's operating budget for direct and indirect salaries incurred in administrating the grant. Funding was approved by Council and Mayor in July 2009 (C.F. No. 09-0648-S6).
- Appropriate and transfer \$134,994 within Community Services Block Grant American Recovery and Reinvestment Act to allow the Department to pay prior year costs for Recreation and Parks.

H. Controller

No Recommendation

The Second FSR identified a year-end deficit of \$433,000 for this department, due to the reduction in furlough days (\$414,000) and ERIP payouts (\$19,000), which would have been significantly reduced with a proposed transfer from the Unappropriated Balance, per the Operational Plan. After accounting for the recent actions in connection to the Alternative Plan to the P3 Concession Agreement and deferred hiring, the deficit has been eliminated. The department agreed to absorb its deficit by modifying its hiring plan through year-end. As reported in previous FSRs, the department initially wanted to fill various positions in the current year as part of its Phase II hiring plan (currently 10 positions). However, if the department maintains current staffing levels, an additional \$111,000 could be available by year end.

The Council and Mayor authorized the Controller to establish a personnel pool of 90-day hires to address a resource shortage of accounting and financial reporting personnel (C.F. No. 10-1397), with implementation beginning early March. This Office was instructed to report in the Third FSR on a more permanent and long term solution to the shortage of accounting and financial reporting personnel as opposed to an interim pilot plan to establish an accounting resource pool. This issue will be examined in the context of the 2011-12 budget.

**I. Convention Center
Attachment 9 – Transfers between Departments and Funds
Recommendation No. 2**

The Department is reporting a projected surplus in the Convention Center Revenue Trust Fund of approximately \$1.8 million (\$1.3 million from Fiscal Year 2010-11 and \$540,000 from Fiscal Year 2009-10). The increase in revenue is due to an increased level of bookings and a high rate in collection of invoices.

The following transactions are recommended:

- Appropriate a total of \$967,500 to the Salaries As-Needed, Overtime, Contractual Services, Water and Electricity, and Building Modification and Repair accounts (\$150,000, \$50,000, \$200,000, \$500,000, and \$67,500, respectively) from the Los Angeles Convention Center Revenue Trust Fund to pay for additional services requested by Convention Center clients.
- Transfer \$400,000 from the Convention Center Revenue Trust Fund to the General Fund for the reimbursement of related costs. The Department's total cost for pensions and health care for this Fiscal Year is approximately \$3.5 million. The 2010-11 Adopted Budget includes a \$2.2 million appropriation to reimburse a portion of the Department's related cost. As part of the Alternative Plan the City Council approved to increase the reimbursement by an additional \$100,000, increasing the total amount from \$2.2 million to \$2.3 million (C.F. No. 10-0139-S2). Given the Department's surplus in special fund revenues, this Office is recommending to further increase the related cost reimbursement by \$400,000 increasing the total amount to General Fund from \$2.3 million to \$2.7 million.

**J. Council
Attachment 10 – Transfers from the Unappropriated Balance
Recommendation Nos. 2 and 9**

The Council requests the following transactions:

- Authorize the Controller, as part of the Council's commitment to addressing the City's budget shortfall, to transfer \$788,000 from various funds and accounts, including Council Office funds and other Council discretionary funds such as but not limited to the Street Furniture Fund, Real Property Fund, and General City Purposes Fund, pursuant to a schedule to be provided by the Chief Legislative Analyst, as previously approved under C.F. No. 10-0139-S2.
- Transfer \$2,829,000 from the Unappropriated Balance, Budget Balancing Bridge to the Salaries As-Needed and the Office and Administrative Expense accounts to address current expenditure patterns.

K. Cultural Affairs

Attachment 9 – Transfers between Departments and Funds Attachment 10 – Transfers from the Unappropriated Balance Recommendation Nos. 2, 3 and 10

At this time, a year-end deficit of \$272,000 is projected for the Department in the salaries as needed account. However, this deficit should be eliminated with an anticipated transfer of Community Development Block Grant Funds (\$142,000) and a transfer from the Capital Improvement Expenditure Program (\$130,000). The primary cause of the deficit is the Department's continued operation of art centers and theaters without an appropriation while the process to partner in the operation of the facilities concludes.

In the Second FSR, a \$242,000 deficit was reported for the salaries general account which was to be eliminated with the planned implementation of operational plan solutions (C.F. No. 10-0600-S48). These solutions included future appropriations of \$103,000 in reimbursements from the Public Art Program and \$139,000 from the Unappropriated Balance to cover the reduced furlough savings of EAA-represented employees. However, the Department's appropriation has since been reduced per the Alternative Plan to the P3 Concession Agreement report, and the Department has identified additional savings measures to offset the reduction as recommended below (C.F. No. 10-0139-S2).

The following transactions are recommended:

- Unencumber funds totaling \$24,762 in prior-year funds in various Department accounts and reappropriate to the Salaries General Account.
- Transfer \$117,806 from the Arts and Cultural Facilities and Services Trust Fund to the Salaries, General account to reimburse the Department for salary expenditures incurred from the Public Art program. The operational plan identified \$103,000 in reimbursements, but the Department has identified additional reimbursements.
- Transfer a total \$76,805 in savings from the Cultural Affairs Trust Fund to the Department's Salaries General Account to address the shortfall per the Alternative Plan.
- Transfer \$130,000 from the Capital Improvement Expenditure Program to the Department's Salaries, As-Needed account to continue operations of the art centers and theaters scheduled to be partnered in 2011-12.
- Transfer \$36,768 from the Unappropriated Balance (UB), Budget Balancing Bridge account to the Salaries, General Account to address the shortfall from reduced EAA furlough savings.
- Transfer \$178,800 from the UB, Early Retirement Incentive Program (ERIP) account for the Department's payout to retired employees. In the 2010-11 Budget, \$178,800 was allocated in the Arts and Cultural Facilities and Services Trust Fund to fund the Department's ERIP obligation payouts.

L. Disability
No Recommendation

In the Second FSR it was reported that the Department would complete the year within budget. A \$35,000 deficit is now projected for the Department, partially attributable to less-than-projected attrition.

M. El Pueblo
Attachment 7 – New Appropriations
Recommendations No. 1 and 11

As reported in the Second FSR, it is projected that the Department will have a \$51,000 deficit in its salaries general account. This deficit will be completely eliminated with the approval of recommendations in this report.

The following actions are recommended:

- Appropriate \$51,000 from the unallocated balance in El Pueblo Historical Monument Trust Fund to the Salaries General account to offset the projected deficit.
- Direct the Department to transfer \$213,000 from the unallocated balance in the Trust Fund reimburse the General Fund for related costs. The surplus monies in the fund are a result of higher revenue than expected in 2009-10.

N. Emergency Management
Attachment 9 – Attachments between Departments and Funds
Attachment 10 – Appropriations from the Unappropriated Balance
Recommendations No. 3 and 4

In the Second FSR, it was reported that the Department's projected deficit of \$1.1 million would be completely eliminated with a planned transfer of \$865,000 in anticipated homeland security grants and the full implementation of operational plan solutions. The projected deficit is now \$608,000, which will be eliminated per solutions recommended in the Alternative Plan for the P3 Concession Agreement and the Operational Plan—including the reduced transfer to cover reduced salary savings from EAA-represented employees and the homeland security grant transfer.

The following transactions are recommended:

- Transfer \$58,000 from the UB, Early Retirement Incentive Program account to the Department's Salaries General account to reduce the shortfall in the account, per the Operational Plan and as revised by the Alternative Plan for the P3 Concession Agreement (C.F. Nos. 10-0600-S48 and 10-0139-S2).
- Transfer \$83,634 from the Emergency Operations Fund to the Salaries General account to address the account deficit per the Operational Plan.

**O. Employee Relations Board
No Recommendation**

As reported in the Second FSR, the Department is projecting to end the year within budget. This Office is closely monitoring the salaries and contractual services accounts. A transfer is not recommended at this time.

P. Ethics Commission

**Attachment Win – Transfers between Accounts within Departments and Funds
Attachment 11 – Transfers to the Unappropriated Balance Reserve for Economic Uncertainty
Recommendation Nos. 2 and 5**

In the Second FSR, a deficit of \$193,000 was reported for the salaries general account which, per the operational plan, would be eliminated with a transfer from the Department's \$250,000 special prosecutor appropriation. A reduced deficit of \$140,000 is now projected reflecting savings that will be achieved per the approved Alternative Plan for P3 Concession Agreement. The special prosecutor appropriation will be used to address lower deficit and other cuts required by the Alternative Plan (\$185,000 total) as recommended below. The balance (\$65,000) of the prosecutor savings will remain in the contractual services account to purchase an automated Statement of Economic Interests (Form 700) filing system.

The following transactions are recommended:

- Transfer \$140,000 from the special prosecutor appropriation in the Contractual Services account to the Salaries General account to address the deficit in the account.
- Transfer \$44,678 of the special prosecutor appropriation to the Unappropriated Balance, Reserve for Economic Uncertainties Account for savings identified in the Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2) equivalent to eliminating one filled Senior Clerk Typist position and holding an Ethics Officer III position vacant.
- Transfer \$33,043 in surplus funds in the Public Campaign Matching Trust Fund cash balance to the Unappropriated Balance, Reserve for Economic Uncertainty. The surplus is above the Fund's allowable maximum cash balance as required by the Charter.

Q. Finance

**Attachment 8 – Transfers between Accounts within Departments and Funds
Attachment 10 – Appropriations from the Unappropriated Balance
Recommendation Nos. 2 and 4**

A year-end deficit of approximately \$967,000 was previously reported in the Second FSR. However this deficit has since been reduced to \$526,000 due to current vacancies within the Department. It was previously anticipated that the deficit would be completely eliminated with an appropriation to fund increased salary expenditures for EAA-represented employees. However, as part of the Alternative Plan for the P3 Concession Agreement, the Department was instructed to absorb

\$259,000 of the shortfall. The deficit will be completely eliminated upon the approval of transactions recommended in this report.

The following transactions are recommended:

- In accordance with the Alternative Plan for the P3 Concession agreement, transfer \$258,920 in appropriations in the Salaries Overtime, Printing and Binding, and Office and Administrative Expense accounts (\$35,720, \$123,200, and \$100,000, respectively) to the Department's Salaries General account (C.F. No. 10-0139-S2). The savings were realized with various operational efficiencies implemented by the Department.
- In accordance with the Operational Plan, transfer \$267,046 from the Unappropriated Balance, Budget Balancing Bridge to the Salaries General account to eliminate the remaining deficit (C.F. No. 10-0600-S48).
- Appropriate \$50,000 to the Department's Contractual Services account from the Unappropriated Balance, Budget Balancing Bridge. On March 2, 2011 the City Council authorized the Office of Finance to execute a contract with Charles Swenson, PhD, CPA, to review and analyze proposed changes to the City's business tax as proposed by the Business Tax Advisory Committee (BTAC) in an amount not to exceed \$50,000 (C.F. No. 09-1914-S1). The Council further instructed that a source of funding be transferred to the Office of Finance Contractual Services account in the amount of \$50,000 to fund the contract.

R. Fire

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty

Recommendation Nos. 2, 5, 12 and 13

It is projected that the Department will have a \$8.6 million deficit in its constant staffing overtime account by year-end. The projected deficit decreased by approximately \$12.2 million from the \$20.8 million reported in the Second FSR, mainly due to the enhanced Modified Coverage Plan (MCP) implemented in January 2011, as well as the implementation of adopted budget items concerning the Emergency Medical Services captains and the Hazardous Materials Squad 48. Several factors, including ongoing labor negotiations, may affect these projections. More accurate estimates will be made in the next FSR.

The revenue budget for this fiscal year is \$141.6 million and the Department is on target to meet this goal, in spite of the delay of some fee increases approved in the adopted budget. As previously reported, a pending lawsuit is estimated to cost several million in back wages. The amount and timing of the settlement is unknown.

The following transactions are recommended:

- Re-appropriate \$125,000 in fiscal year 2009-10 funds from the Reserve Fund to the Department's Office and Administrative Expense account. These funds were budgeted to purchase ergonomic chairs for the new dispatch center. However, the purchase order could not be processed before

the close of the fiscal year. Training is anticipated to start at the new dispatch center in 2011 and chairs need to be purchased now to meet this timeframe.

- Transfer \$115,000 in Municipal Improvement Corporation of Los Angeles (MICLA) funds to the Information Technology Agency to reimburse the installation of MICLA-funded communications equipment in emergency vehicles performed in FY 2010-11.
- Transfer a total of \$6,300,000 from the Salaries Sworn, Variably Staffed Overtime and Uniforms accounts (\$3,000,000, \$2,800,000 and \$500,000, respectively) to the Constant Staffing Overtime account to cover a portion of the projected deficit. Savings in these accounts are due to vacant positions, the Modified Coverage Plan (MCP) and Uniforms savings.
- Transfer \$1,000,000 from the Variably Staffed Overtime account to the Sworn Overtime Account to cover the remaining projected deficit in this account.
- Transfer \$650,000 from the Variably Staffed Overtime account to the Field Equipment Expense Account to cover the remaining projected deficit in this account.
- Transfer \$300,000 from the Variably Staffed Overtime account the Rescue Supplies Account to cover the remaining projected deficit in this account.
- In accordance with the Alternative Plan to the P3 Concession Agreement, transfer \$1,250,000 from the Unappropriated Balance (UB), Professional Standards Division to the UB Reserve for Economic Uncertainty to offset the citywide deficit (C.F. No. 10-0139-S2).

S. General Services

Attachment 7 – New Appropriations

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

Attachment 11 – Transfers to the Unappropriated Balance Reserve for Economic Uncertainty Recommendation Nos. 1 through 5

In the Second FSR, the Department's total projected shortfall was \$10.4 million in the Salaries General account. This deficit was fully addressed by the operational plan solutions, which included a future appropriation of \$700,000 to cover the reduced furlough savings of EAA-represented employees. However, the Department's appropriation for the reduced furlough savings was reduced in half and the Department was directed to identify \$2.67 million in reductions as a result of the Alternative Plan for the P-3 Concession Agreement (C.F. No. 10-0139-S2). The Department's \$2.67 million reduction was reduced by the \$350,000 it was to receive to offset reduced furlough savings. In accordance with the Alternative Plan, the Department has identified \$1,974,000 in transfers to the Unappropriated Balance, Reserve for Economic Uncertainty and \$350,000 to the Department's Salaries General account.

The following transactions are recommended:

- Appropriate \$835,000 from the Department's revenue accounts to the Department's Overtime and Laboratory Expense accounts to reimburse services provided to the Los Angeles World Airport

(LAWA) in conjunction with runway renovation work. The Department is projected to receive \$835,000 above projected revenues from LAWA.

- Transfer a total of \$1,783,136.09 from the Department's Contractual Services, Natural Gas, Operating Supplies, and Travel accounts (\$882,901, \$693,165, \$197,070, and \$10,000, respectively), \$48,725 from the Salvage Trust Fund and \$142,136 from the BRI Parking Authority Rev Bond Servicing Fund to the Unappropriated Balance, Reserve for Economic Uncertainty. The total transfer of \$1,973,997 is in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2).
- Transfer \$350,000 from the Department's Postage, Printing Uniforms, Transportation accounts (\$250,000, \$30,000, \$50,000, and \$20,000, respectively) to offset the Department's Salaries General Account in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2).
- Transfer \$117,000 from the Office and Administrative (\$77,000) and Operating Expenses (\$40,000) to offset the Department's deficit in the Salaries General account.
- Transfer \$140,000 from the Parts Account to Contractual Services to pay for hazardous materials services in compliance with the Controller's Office guidelines.
- Transfer \$500,000 from the Convention Center to the Department's Salaries As-Needed account to reimburse security support costs at special events.
- Appropriate \$2 million in the Unappropriated Balance (UB) to the Department to offset a projected deficit in the Petroleum account based on the price levels for the first six months of the fiscal year. The Adopted Budget allocated \$2 million in the UB to address uncertainties associated with rising fuel costs. As of February 7, unleaded and diesel fuel costs were \$0.59 (\$3.05) and \$0.90 (\$3.34) higher, respectively, than the February average fuel costs from the same period last year. Given the recent increase in the price of fuel, an additional shortfall of \$2 million may materialize. We will continue to monitor the account and report back on any necessary funding adjustments in a future financial status report.
- Appropriate a total of \$440,678 in special funds from the UB, Early Retirement Incentive Program account to the Department's Salaries General Account to fund the cost of ERIP payments for special fund employees. The funding is provided by the Solid Waste Resources Revenue Fund (\$424,556) and Sewer Operations and Maintenance Fund (\$16,122).
- Transfer \$2.4 million from the UB, Water and Electricity account to the Reserve for Economic Uncertainty. Approximately \$1.8 million of this savings was previously identified as part of the Operational Plan. The Water and Electricity account is projected to complete the year within budget.

T. Housing

Attachment 8 – Transfers between Accounts within Departments and Funds Recommendation Nos. 2 and 14

In the Second FSR, it was projected that the Department would have a year-end special fund surplus of \$2.3 million. The projected surplus is now estimated at \$3.2 million due to a high vacancy rate,

14 percent at the end of December. Because the Department is special funded, it is exempted from furloughs and the managed hiring process.

The following transactions are recommended:

- Transfer \$70,000 in Special Fund salary savings to the Lease Account to address a projected end-of-year shortfall in the account. The shortfall is attributable to escalator clauses that are built into the Department's lease agreements at its main headquarters and five regional locations. The agreements are negotiated between the Department of General Services and building owners. All of the lease agreements include annual escalators, which are either based on a fixed percentage increase amount or the Consumer Price Index. Although the Department was aware of these increases, anticipated savings from other operating expense categories associated with the lease agreements did not materialize.
- Transfer \$120,000 from Salaries-General to Contractual Services Account to pay for costs related to the development of a Foreclosure Registry System (FRS). The City's Foreclosure Registry Program went into effect in July 2010. To support the administration of this program, LAHD implemented a Foreclosure Registry System (FRS) which allows lenders to register foreclosed properties and pay for registration fees online. The FRS went live on September 14, 2010 (Phase I). Two phases of the FRS remain to be completed by the end of this fiscal year, which will allow lenders to update property information and make it possible for LAHD to manage foreclosed property data online and send out annual registration renewal notices, among other features. In order to develop the FRS, LAHD reassigned one contract programmer away from a budgeted project to work on the system. The transfer of funds is requested to ensure that the appropriate fund source (from the Code Enforcement Trust Fund) is used to provide compensation. Separately, Housing will seek authority to amend the existing contract for the work. The Department does not anticipate that additional costs for this activity will be incurred in the current year.
- Transfer \$243,300 in special funds from the Unappropriated Balanced, Early Retirement Incentive Program account to cover the Community Development Block Grant (CDBG) payout obligation. For 2010-11, the Department is required to provide ERIP payouts totaling approximately \$872,357 due to the retirement of 46 employees. Special Fund reserves are available to cover these retiree payouts. The Department's CDBG budgeted allocation is only sufficient to cover the salaries of filled positions, leaving no surplus funds available to completely meet the payout. The recommended CDBG funds were approved through the 36th Program Year Consolidated Plan to cover Housing's administrative costs.

U. Information Technology Agency

Attachment 7 – New Appropriations

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

Recommendation Nos. 1, 2, 4, 15 and 16

In the Second FSR, it was reported that the Department's projected \$4.9 million deficit would be completely eliminated with the implementation of the Operational Plan. The Department is currently

projected to have a \$110,000 deficit by year-end, consisting of salaries general deficit of \$589,000 that will be offset by savings in other accounts if the recommendations in this report are approved. The reported salaries general deficit assumes the transfer of approximately \$1.1 million from the Unappropriated Balance to offset the savings that were lost from reducing EAA furloughs, per the Operation Plan.

The following actions are recommended:

- Appropriate \$160,213 in departmental revenue to the Contractual Services account to pay for GroupWise costs incurred to date. In November 2009, the City executed a contract with the Computer Sciences Corporation (CSC) to entirely replace the City's GroupWise e-mail system with Google's system by the end of 2009-10. As a result of implementation delays, some City users, most notably the entire Police Department, continued to use GroupWise in 2010-11. The City has therefore incurred unforeseen costs to pay for the use of GroupWise during 2010-11. On August 1, 2010, the City executed an addendum to its contract with the Computer Science Corporation (CSC) for the implementation of the Google system to address these implementation delays. Among the provisions of the addendum was an agreement that Google would pay for the City's GroupWise costs for the remainder of 2010-11.
- Appropriate \$291,000 in departmental revenue to the Contractual Services and Office and Administrative Expense accounts for Business Assistance Virtual Network (BAVN). The Mayor's recently released Executive Directive 14 requires an upgrade to the BAVN. The Los Angeles Harbor, Airport, and Department of Water and Power have each agreed to transfer funds totaling \$291,000 to pay for this upgrade.
- Appropriate \$37,924 in funds from the Department of Recreation and Parks to pay for communications services requests.
- Appropriate \$25,000 in funds from the Department of Water and Power to Channel 35 for the production of two public service announcement campaigns.
- Transfer \$479,599 in savings in various accounts to the Salaries General account to partially address the deficit. These savings were identified and approved per the Alternative Plan to the P3 Concession Agreement (C.F. No. 10-0139-S2). The remaining salary deficit can be managed through attrition or other adjustments during the remainder of the fiscal year. It should be noted that the Council had approved the use of \$534,000 in anticipated Telecommunications Development Account (TDA) audit receipts to offset the salaries general deficit per the Operational Plan (C,F. No. 10-0600-S48); however receipt of these funds is still pending. TDA funds may be recommended for use in a future report.
- Appropriate a total of \$34,513 from the Unappropriated Balance, Employee Retirement Incentive Program account to the Salaries General account to cover the costs of ERIP payouts that were included in various special fund budgets.
- Transfer \$46,000 in American Reinvestment and Recovery Act (ARRA) funds to the Communications Services account for the installation of internet services for Department of Recreation and Parks' computer centers for the ARRA program. On January 13, 2010 the City

was awarded the ARRA funding to upgrade the City's public computer centers as part of the Broadband Technology Opportunities Program.

- Approve the use of \$10,596,580 of Municipal Improvement Corporation of Los Angeles (MICLA) financing for various information technology projects as detailed below:

Reapproval of MICLA Projects: In adopting the 2009-10 Budget, the Mayor and Council required that all future MICLA financing authorized be approved during the fiscal year for which it was budgeted by the Council before expending commercial paper or long-term MICLA bond proceeds. There are five projects identified in the 2010-11 Budget that were designated for MICLA funding with a total value of \$10,596,580. Each is critical to the ongoing operation of the City's public safety communications systems or information technology infrastructure, and therefore it is recommended that Council authorize the use of MICLA financing included in the 2010-11 Budget. Debt service for these projects includes a 10 percent reserve fund and 2.5 percent costs of issuance (\$1,059,658 and \$264,914, respectively). This Office estimates that the City will need to borrow a total of \$11,921,152 at a 5 percent interest rate to finance the above projects. The total interest cost is \$3,373,000, and the estimated annual debt service is \$1,529,400 over ten years.

1. Fire Dispatch Radio Tower Replacement (\$100,000). This project is to replace a radio tower that supports the Fire Department's Coldwater Canyon backup dispatch center. The current tower is structurally unsound, and its failure would undermine Fire's backup dispatch system.
2. Mount Lee Electrical Upgrade (\$1,200,000). This funding is for the second and final phase of a project to upgrade the electrical system at Mount Lee. Mount Lee is the essential hub of the City's public safety radio system and its failure would seriously disrupt communications. The first phase of the project was approved in 2009-10 to address safety hazards, repair single points of failure, and to develop a plan to upgrade the entire system (\$1,280,000). This second phase of the project replaces obsolete equipment and provides for adequate backup power.
3. 800 MHz Radio Upgrade (\$400,000). This funding is for the second phase of a four phase, \$1.6 million project to upgrade the City's 800 MHz radio system. The system carries all City radio traffic other than that of Police and Fire. Public safety users of the system include the Office of Public Safety and the Emergency Operations Center. Other significant users include the Department of Transportation and the Bureau of Sanitation.
4. Financial Management System Replacement Project (\$7,896,580). This funding is for the replacement of the City's aging Financial Management Information System. The new system will begin to be used on July 5, 2011. Absent this funding, the four-year, \$51 million project would have to be halted.
5. Network Infrastructure (\$1,000,000). This funding is for the third year of a six-year project to upgrade obsolete routers and switches on the City's data network. The aging components to be replaced are making the system slow, unreliable, and unable to handle the data traffic, which is essential to all departments' operations. MICLA financing totaling \$500,000 was authorized in 2008-09 and of \$2,200,000 was authorized 2009-10.

V. Library

Attachment LIB – Library Report on the Undesignated and Unreserved Balance No Recommendations

In the Second FSR, it was reported that the Department's projected \$3.4 million deficit would be eliminated with the implementation of the Operational Plan solutions. The Department is now projected to have a deficit of \$146,000 in their Salaries, General account, due to less-than-anticipated attrition. To address the deficit, the Department will make necessary recommendations for internal transfers to the Board of Library Commissioners, to be submitted for approval in the year-end FSR.

The Department is projecting a deficit of \$175,000 in total revenue as of December 31, 2010. The Library Department will seek approval from the Board to increase certain fines and fees later in the year to mitigate the projected shortfall.

In the Second FSR, the Library was requested to report on the status and utilization of the Library Department Fund Unreserved and Undesignated Fund Balance (UUFB). Charter Section 531 provides that all monies received by the Library Department from fines, sales, gifts or otherwise in connection with the operation of the library, shall be placed to the credit of the Library Department in a fund to be known as the Library Fund. Money in the Library Fund is only used for the financial support of the Library Department and does not revert to the General Fund at year-end. The funds remain in the Library's cash balance, or UUFB, and are used as revenue to fund the operations of the Library. For the current fiscal year, this carryover amount was used to fund the ERIP payouts and used in Operational Plan to cover the Department's salary deficit. The Department projects that these funds will be used for the second phase of ERIP payouts next fiscal year.

The Department was also asked to provide an update on its report concerning the status of the volunteer program (C.F. No. 10-0600-S31). The Department reports that it has so far been unsuccessful in procuring private funds for the expansion of the volunteer program. The funding is necessary to establish a new infrastructure to include the hiring of a Volunteer Coordinator who will be responsible for revitalizing the program and for increasing the number of volunteers. The Department plans to redesign the website to increase publicity efforts to attract more volunteers. It should be noted that funding provided in the Unappropriated Balance (UB) for the Library and Recreation and Parks Departments' volunteer programs was previously identified as an offset to departmental deficits and is recommended for transfer to the UB, Reserve for Economic Uncertainty in Section 2.I.

W. Mayor

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

Recommendation Nos. 2, 3 and 4

The following transactions are requested by the Office of the Mayor:

- Transfer \$500,000 from the Department's Salaries, General account to the Salaries, As-Needed account.
- Transfer \$217,463 from the Fiscal Year 2008 State Homeland Security Grant Program (SHSGP) Grant Fund to reimburse the Emergency Management Department for SHSGP related activities.
- Transfer \$539,000 from the Unappropriated Balance, Budget Balancing Bridge Account to the Department's Salaries, As-Needed Account.

X. Neighborhood Empowerment No Recommendation

As reported in Second FSR, the Department is expected to end the year within budget, with the assumption that the Department will maintain four existing vacancies through the end of the fiscal year and will receive a transfer from the Unappropriated Balance for reduced furlough savings of EAA-represented employees.

Y. Personnel

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

**Attachment 11- Transfers to the Unappropriated Balance Reserve for Economic Uncertainty
Recommendation Nos. 2 through 5**

In the Second FSR, it was projected that the Department would complete the year within budget. The projected deficit is now \$163,000, attributable to shortfalls in the salaries general, salaries as-needed, and office and administrative expense accounts, which will be fully offset with the approval of recommendations in this report.

The following transactions are recommended:

- Transfer \$60,000 from the training expense account to the office and administrative expense account to purchase computer equipment for online training and testing to be installed in the recently completed training rooms in the Department's Medical Services Division building.
- Transfer \$245,000 from the Human Resources Fund, Workers Compensation account to the Department's Salaries General account. The Department recently received Managed Hiring approval to fill nine workers' compensation positions. Per C.F. No. 09-0600-S203, six of these positions will be funded through savings generated in the Human Resources Benefits Workers' Compensation Benefits Account.
- Transfer \$75,000 in funds from the Department of Water and Power (DWP) Water Revenue Fund to the Department's Salaries As-Needed account to pay for background investigations of DWP Security Officer candidates.
- Transfer \$30,000 in funds from the DWP Power System Fund to the Department's Salaries General account (\$15,000) and Salaries, As-Needed to pay for a DWP classification study.

- Appropriate \$63,500 of special funds within the Unappropriated Balance (UB), Early Retirement Incentive Program (ERIP) account to the Department's Salaries General account to pay for ERIP-retiree payouts.
- Appropriate \$100,000 from the UB, LINX Replacement account to the Information Technology Agency's Contractual Services account to pay for consulting services to develop a system project plan to replace the antiquated LINX (Workers' Leave Compensation) System.
- Transfer a total of \$465,000 from the Contractual Services, Transportation, and Office and Administrative Expense accounts (\$330,000, \$50,000 and \$85,000, respectively) to the UB Reserve for Economic Uncertainty per the approved Alternative Plan for the P3 Concession Agreement report (C.F. No. 10-0139-S2).

Z. Planning

Attachment 7 – New Appropriations

Attachment 10 – Appropriations from the Unappropriated Balance

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation Nos. 1, 4 and 5

In the Second FSR, it was reported that with the implementation of the Operational Plan, the Department would complete the year within budget. The Department now projects a year-end surplus of \$132,000 in the salaries general account composed of \$58,000 in General Funds and \$74,000 in special funds.

As part of the Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2), Council approved a reduction of \$150,483 from Planning, which includes \$50,000 from the salaries overtime account and \$100,483 from the contractual services account, with savings to be transferred to the Unappropriated Balance. The Department will absorb the reduction so that it will not affect the year-end balance.

The Department originally estimated General Fund revenue of \$4.9 million. However, the \$2 million in revenue for overhead reimbursement from the Case Processing Special Revenue Fund will not be realized due to a Council decision that the City will subsidize single-family dwelling transactions, along with an overestimate by the Department. In addition, the Department anticipates a reduction of \$225,000 in reimbursements from other departments and an increase of \$74,000 in miscellaneous revenues. Therefore, after the adjustments, Planning projects General Fund revenues of \$2.8 million.

In the Second FSR, the Planning Department reported that revenues from the Planning Case Processing Special Fund would be \$10 million instead of the \$11.6 million included in the Adopted Budget, due in part to the delay in the adoption and implementation of an amendment to the Planning and Land Use Fee ordinance. The amending fee ordinance went into effect February 4, 2011, and it is anticipated that the new fees will generate at least \$310,000. The Department continues to project revenues of \$10 million for the fiscal year.

The following transactions are recommended:

- Appropriate \$88,000 to the Department's Salaries General account for work on the Warner Center Specific Plan.
- Transfer \$700,000 from the Unappropriated Balance (UB), Budget Balancing Bridge to the Department's Salaries General account to fund reduced savings from EAA-represented employees in accordance with the approved Operational Plan (C.F. No. 10-0600-S48).
- Transfer a total of \$150,483 from the Department's Salaries Overtime and Contractual Services accounts (\$50,000 and \$100,483, respectively) to the UB, Reserve for Economic Uncertainty in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2).

AA. Police

Attachment 7 – New Appropriations

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

Recommendation Nos. 1 through 4 and 17 through 23

In the Second FSR, the Department's projected deficit was reported at \$18.1 million, which, with the full implementation of the Operational Plan and the approval of a \$4.5 million transfer from the Unappropriated Balance to the Department's sworn overtime account, was reduced to \$13.6 million. The Department's Salaries General account deficit has increased with less-than-anticipated attrition and a reduced transfer to offset reduced furlough savings; however additional savings and alternative sources of funding identified as solutions in the Alternative Plan to the P3 Concession Agreement, as well as approval of recommendations in this report, reduce the deficit to \$3.7 million.

Through January 31, 2011, 140 Police Officers have been hired and attrition is 173, four higher than projected at this point. For Pay Period 17, anticipated total sworn payroll is 9,934. The Department is projecting attrition to be 52 officers between February 2011 and June 30, 2011. This would lower payroll to 9,882.

The following actions are recommended:

- At this time, the CAO is recommending suspension of police hires for this fiscal year to help offset the Department's General Fund deficit. Assuming this recommendation is approved, it would generate General Fund savings of approximately \$725,000 in the current fiscal year and approximately \$3.6 million in 2011-12. Projected deployment on June 30, 2011 will be between 9,895 and 9,932 officers.
- In accordance with the Alternative Plan for the P3 Concession Agreement, transfer \$763,082 in funds from the Unclaimed Money Seized Trust Fund to the General Fund (C.F. No. 10-0139-S2). These funds are recommended for transfer per Government Code Sections 50050 through 50053 which provides that unclaimed money held longer than three years become property of the City.

- In accordance with the Alternative Plan, transfer \$429,680 of Crime Bill/Making Officer Redeployment Effective (MORE) funds to the General Fund for the cumulative cash reimbursement from closed grants.
- In accordance with the Alternative Plan, transfer \$461,698 from the Schiff Cardenas Act Fund to the General Fund for the cumulative cash reimbursement from the closed 2006-07 Juvenile Justice Crime Prevention Act (JJCPA) Grant.
- Transfer \$3 million from the Police Department Grant Fund to the General Fund for the cumulative cash received from closed grants. It should be noted that Operational Plan originally only identified \$1 million for the transfer.
- In accordance with Alternative Plan, transfer a total of \$72,722 from the Police Trust Fund to the General Fund for to offset the Department's deficit.
- Appropriate \$96,122 to the Department's Office and Administrative Expense account to pay invoices from the Long Beach Grand Prix Association for the use of concrete barriers, panel fencing and bicycle barricades during the 2010 Lakers Championship Parade. The City has received \$1.49 million from the Los Angeles Lakers to reimburse this and other expenses incurred by the City during the Parade. Approximately \$1.29 million of parade expenses incurred by the Police Department were included in the reimbursement.
- In accordance with the Operational Plan, appropriate \$2,230,217 to the Sworn Salary account from the Supplemental Law Enforcement Services Fund (SLESF). The City received a payment from the State in July 2010 totaling approximately \$3.7 million, \$3.6 million over the current year's budget for this Fund. Of this \$3.6 million unanticipated amount, approximately \$1.4 million was utilized to repay outstanding Reserve Fund loans to the SLESF. It is recommended that the balance of \$2.2 million be appropriated to LAPD's Sworn Salaries Account. Funds will be used to cover the salary costs of 19 sworn positions that staff the nine Community Law Enforcement and Recovery (CLEAR) sites. The CLEAR program is a multi-agency gang suppression program that serves areas of the City most impacted by gang violence
- Transfer \$1.5 million of American Recovery and Reinvestment Act (ARRA) funds to reimburse the General Fund for related costs for Community Oriented Policing Services (COPS) hiring.
- In accordance with the Alternative Plan transfer \$430,000 from the Standards and Training for Corrections Trust Fund to the General Fund for the reimbursement of overtime incurred in fiscal years 2007, 2008, 2009 and 2010.
- In accordance with the Operational Plan, transfer \$1,500,000 from the In-Car Video account within the Capital Finance Administration Fund to a new account for the reimbursement of sworn and contractual services costs.
- Transfer \$100,000 from the U.S. Department of Justice (USDOJ) Asset Forfeiture Trust Fund to the Liability Claims Fund for the reimbursement of settlement costs for *Hector Birman, MD v. City of Los Angeles*, per Council direction (C.F. No. 11-0150).
- Transfer \$411,384 from the USDOJ Asset Forfeiture Trust Fund to the General Services Department (GSD)'s various accounts for reimbursements of custodial and building maintenance costs for the Metropolitan Detention Center (MDC).

- Transfer \$143,585 from the In-Car Video account within the Capital Finance Administration Fund to GSD's various accounts for reimbursements of utility costs for the MDC.
- In accordance with the Operational Plan, transfer \$1,500,000 from the Department's Accumulated Overtime account to the Department's Sworn Overtime and Contractual Services accounts to offset the Department's deficit.
- In accordance with the Operational Plan and as revised by the Alternative Plan, transfer \$2,050,000 from the Unappropriated Balance (UB), Budget Balancing Bridge to the Department's Salaries General account to offset reduced EAA furlough savings (C.F. No. 10-0600-S48).
- In line with the Operational Plan and Alternative Plan, transfer \$11.4 million into the Department's various accounts to offset projected shortfalls. These appropriations are offset by \$6.7 million fund transfer from LAPD's various special funds to the General Fund and the recognition of \$4.2 million of new revenue from Proposition 69, false alarm fines and impound fees.

BB. Public Works/Board

Attachment 7 – New Appropriations

Attachment 9 – Transfers between Departments and Funds

Recommendation No. 1 and 3

In the Second FSR, a \$61,000 General Fund deficit was projected for the Board of Public Works. It is now projected that the Board will have a net General Fund surplus of \$51,000, assuming the approval of recommendations within this report. The projected General Fund deficit has been eliminated due to the operational plan solutions identified by the Department, including holding eight positions vacant.

In the Alternative to the P3 Plan, the Board was assigned \$90,474 as their targeted number for ten additional furlough days. As an alternative, the Board identified \$90,474 in ongoing permanent reductions in salaries and expense accounts in-lieu of implementing ten additional furlough days. The solutions identified include deletion of one vacant Accountant II position and savings from the overtime and printing and binding accounts.

The following transactions are recommended:

- Appropriate \$117,360 from the Public Works Trust Fund to the Salaries General Account for the salary costs for one Senior Management Analyst II position serving as the Project Restore Director. Funding from Project Restore in this amount has been received and deposited into the Public Works Trust Fund.
- Transfer \$20,373 from the Seismic Bond program to the General Fund for reimbursement of special funded accounting positions performing work in prior fiscal years related to the Bridge Improvement program.
- Transfer \$33,434 from the salaries general account, \$41,998 from the overtime salaries account, and \$15,042 from the printing and binding account, for a total of \$90,474, to the Unappropriated

Balance, in accordance with the approved Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2).

- Transfer \$17,145 in Gas Tax funds in the Unappropriated Balance, Early Retirement Incentive Program (ERIP) account to the Department's Salaries General account to address the deficit is projected from to the unfunded ERIP payouts.

CC. Public Works/Bureau of Contract Administration
Attachment 9 – Transfers between Departments and Funds
Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty
Recommendation Nos. 3 and 5

In the Second FSR, a year-end surplus of \$730,000 was projected for the Bureau. A \$3.58 million year-end surplus is now projected; however, it consists of a \$156,000 General Fund deficit offset by a \$3.74 million surplus in special funds. The special fund surplus is mainly attributed to the \$2.28 million appropriation provided in the Second Construction Projects Report (C.F. No. 10-2498-S1) for the Bureau to provide construction inspection and contract compliance services for various bond funded capital projects.

The \$156,000 General Fund deficit includes a \$387,000 deficit in the Bureau's Salaries Account and a \$231,000 surplus in the Transportation Account. The deficit in the Salaries Account is attributed to increased construction activity at the Los Angeles World Airports (LAWA) where construction crews are now required to work six day, 24-hour work schedules to meet accelerated project delivery deadlines. All direct and indirect costs are reimbursable from LAWA and reflected as General Fund revenue. At this time, sufficient funds are available to support the current operating expenses and no action is recommended. This Office will continue to monitor funding sources and accounts and report back in future FSRs with recommended actions to address projected shortfalls.

The following transactions are recommended:

- In accordance with the Alternative Plan for the P3 Concession Agreement transfer \$47,538 in funds from the Century City Neighborhood Traffic Fund to the General Fund (C.F. No. 10-0139-S2).
- Transfer \$458,417 from the Bureau's Overtime Salaries Account to the Unappropriated Balance, Reserve for Economic Uncertainties Account in accordance with the Alternative Plan.

DD. Public Works/Bureau of Engineering
Attachment 9 – Transfers between Departments and Funds
Recommendation Nos. 3 and 24

Assuming that additional salary appropriations of \$5.9 million are received from off-budget special funded programs, the Bureau projects a total surplus of \$7.6 million, primarily in the Sewer Capital Fund (SCF) and other special funds. Recommendations below include the reduction of SCF appropriations by \$4 million. Similar recommendations for other special fund surpluses are not recommended at this time, but any savings will revert at year-end. General Fund receipts through the

end of December are about \$10.3 million, which is 35 percent of projected total revenue of \$29.4 million. The Bureau anticipates meeting its revenue estimates. It should be noted that the City Attorney's Office notified the Bureau in mid-January that ordinances for seven new fees will likely not be submitted this year. This Office is working with the City Attorney to review the process on implementing fee increases.

To meet the targeted reduction of \$1,042,896 per the Alternative Plan for the P3 Concession Agreement (C.F. No. 10-0139-S2), the Bureau has proposed permanent General Fund reductions of \$208,579 in its accounts and the transfer of \$834,317 in special funds to the General Fund for staff reimbursement for the Cheviot Hills Raised Median Island, Seismic Bridge Improvement Program and the Potrero Canyon projects.

The following transactions are recommended:

- Reduce \$4,000,000 in Sewer Capital Fund appropriations to reflect special fund salary savings.
- Transfer \$208,579 in General Fund monies from the Overtime Account (\$107,990), Office and Administration Account (\$57,500), and Contractual Services Account (\$43,089) to the Unappropriated Balance Reserve for Economic Uncertainties in accordance with the Alternative Plan.
- Transfer \$300,063 from the Century City Neighbor Traffic Fund as reimbursement for prior years staffing costs related to the Cheviot Hills Raised Median Island project in accordance with the Alternative Plan.
- Transfer \$372,343 from the Seismic Bridge Improvement Program as additional reimbursement for 2009-10 staffing costs in accordance with the Alternative Plan.
- Transfer \$161,911 from funds deposited in the Capital Improvement Expenditure Program by the Potrero Canyon Trust Fund as reimbursement for staffing costs related to the Potrero Canyon Unit I project in accordance with the Alternative Plan (C.F. No. 10-2498).

Public Works/Bureau of Sanitation

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Recommendation No. 2 and 3

A surplus of \$10.5 million is projected across special funds as a result of a 14 percent vacancy rate and expense savings. The Bureau is projecting a \$17 million decrease in receipts for the Sewer Construction and Maintenance Fund (SCM) — a 3 percent reduction from the budget of \$557 million. The decrease is due to water conservation, a drop in customers, increased subscribers to low income programs, reduced interest earnings, and uncertainty about FEMA reimbursement from the Northridge Earthquake. The Bureau has been proactive in addressing this shortfall with reduced and deferred expenditures in its operating budget and throughout the Clean Water program. However, it is unlikely that balancing measures in the current year will be sufficient to sustain a viable Clean Water program in the years that follow, particularly with regard to rehabilitation of the aging sewer capital infrastructure. We expect discussion on Sewer Service rate adjustments in the next several

months. The last rate increase occurred on July 1, 2008 which was part of a four-year increase to address critical sewer capital needs, including Collection System Settlement Agreement requirements.

A shortfall of \$3.6 million is projected for the Solid Waste Fee Lifeline Program. The current year funding of \$16.6 million for the program was based on a revision of the City subsidy this year from a full exemption to 65 percent of the Solid Waste fee, as approved on February 2010 (C.F. No. 10-0600-S32), to take effect in the early part of FY 2010-11. However, the final ordinance was not adopted until November 9, 2010 which reduced the anticipated billing period for the fee revision from a year to approximately six months. Additionally, while the Council imposed a cap of 58,910 customers to help mitigate further burden on the General Fund, the program has continued to subscribe additional participants (enrollments are based on Office of Finance approvals for utility user tax and DWP Lifeline exemptions, which automatically subscribe customers for the Solid Waste Lifeline discount). The Bureau's first quarterly reimbursement request for this fiscal year reflects a total of 60,530 customers. A significant offset can be expected from participants who may no longer qualify for the program based on recertification efforts underway by the Bureau. However, removing clients who have not demonstrated eligibility for the program has been a slow process for various reasons. The Bureau is also currently working with DWP and Office of Finance to achieve more control over the subscription of new customers to the Solid Waste Lifeline program (and ultimately maintain the cap on a waiting list basis). We will continue to monitor this item.

The following transactions are recommended:

- Transfer a total of \$175,000 within the Bureau fund to address account deficits. Transfer \$85,000 in operational savings for projected deficits in mileage (\$60,000 - SPA), office administration (\$15,000 - SWRF) and printing and binding (\$10,000 - SWRF) expense accounts. Transfer \$90,000 in Multifamily Bulky Item Fee operational savings for marketing and educational outreach services under contract through the Los Angeles Conservation Corps.
- In accordance with the Alternative Plan for the P3 Concession Agreement, transfer \$200,000 in funds from the Stormwater Pollution Abatement Fund to the General Fund for additional reimbursement of related costs (C.F. No. 10-0139-S2).
- Transfer \$1,055,670 in budgeted tip fees from the Multifamily Bulky Item Fee (MFBI), Landfill Maintenance, and Household Hazardous Waste funds to the Solid Waste Resources Revenue Fund (SWRF) for reimbursement of tip fees costs attributable to those special funds.
- Transfer \$499,377 in MFBI funds for debt service costs, as budgeted, for ten collection vehicles procured under a previous solid resources bond issue.
- Transfer \$85,000 in citywide Recycling Trust Funds to the SWRF for citywide recycling advertisements on refuse collection trucks.
- Transfer \$205,000 in Environmental Affairs Trust Funds (EATF) to the Bureau of Sanitation for recycling/environmental outreach and education associated with the Branching Out (\$100,000), ReLeaf (\$80,000) and Green Business (\$25,000) programs.

- Transfer \$32,940 in SWRF funds to the Department of General Services (GSD) for mailing costs of a second constituent notification for the Solid Waste Fee Lifeline Program (\$10,686) and for safety retrofits completed on several refuse trucks (\$22,254).
- Transfer \$73,620 in Used Oil Grant funds to the Bureau of Sanitation for salary expenditures attributed to used oil recycling and education events.
- Transfer \$187,385 in SCM funds to the Rideshare Fund for the Clean Water program's annual share of costs.
- Transfer \$37,650 in SWRF funds to the City Attorney for legal support of the solid resources program;
- Transfer \$231,823 in Central Los Angeles Recycling and Transfer Station (CLARTS) and SWRF funds for Community Amenities Fees associated with solid waste tonnages received from private haulers at CLARTS, as required under ordinance, for the period June to November 2010. These funds are administered by the City Clerk.
- Transfer \$650,000 in SPA savings to address emergency stormwater projects and liability claims from this year's winter storms. 32 liability claims were received due to flooding as a result of intense rainfall coupled with the astronomical high tides and storm surge in January 2010 in San Pedro area. The Office of City Attorney recommends settlement of these claims. The estimated cost for the settlement is \$ 450,000. Only \$ 100,000 is available in various Liability Claims account.

EE. Public Works/Bureau of Street Lighting

Attachment 7 – New Appropriations

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Recommendation Nos. 1, 2, 3, 25 and 26

After accounting for interim appropriations, reimbursements anticipated later in the fiscal year, and the approval recommendations in this report, it is projected that the Bureau will complete the year with a special fund surplus of \$387,000 in its salaries general account. The vacancy rate in the Bureau remains high, especially among field staff, so the Bureau continues to utilize Hiring Hall and overtime to keep projects and maintenance on schedule.

The following transactions are recommended:

- Appropriate \$520,000 from the Street Lighting Maintenance Assessment Fund to the Bureau to complete work on the Olympic Boulevard Streetscape Lighting project. Funding was provided to the Bureau through the Fund by the Community Redevelopment Agency (CRA) for street improvements in the Wilshire Center/Koreatown Redevelopment Project Area (C.F. No. 10-1878). The funding provided will be used to install 37 light poles between Menlo Avenue and Manhattan Place.
- Transfer \$180,000 from the Salaries, General account to Hiring Hall Salaries and Hiring Hall Benefits accounts to continue fully staffing street light field crews. Due to the City's hiring freeze

and frequent turnover, the Department is unable to fully staff its field crews with City workers and depends on a hiring hall pool of employees to install and perform routine and emergency maintenance on street lights and to keep the Light Emitting Diode street light conversion program on schedule.

- Reappropriate \$164,020 in Proposition A funding that reverted at the end of fiscal year 2009-10. The Department is performing work on the Interstate 405 widening as part of a multi-agency construction project, and the reappropriation of salary funding is required to remain on schedule. Funding for the widening project is provided by the 2009 Metro Rail Annual Work Program (C.F. No. 09-0171). Any new appropriations will be addressed in the upcoming 2010 Metro Annual Work Program report.
- Reappropriate \$184,612 from the Community Development Trust Fund to the Bureau of Street Lighting to complete the Cypress Park Phase 2 and 3 Lighting projects (\$182,544 and \$2,068, respectively). These projects were approved for Community Development Block Grant funding in the 33rd and 34th Year Consolidated Plan reports. Funding will be used by BSL to pay construction contract invoices and contract and construction management salary costs.
- Appropriate and transfer \$55,000 from the Street Banner Revenue Trust Fund to the Bureau to purchase application development laptops, a virtualized server, and software to develop a new street banner permit and program maintenance system. This new system will be tied to the Bureau's Geographical Information System (GIS) and will allow street banner permit applicants to select locations online through a web application. This will allow the Bureau to process applications more efficiently, provide better enforcement, and generate more revenue from the street banner program.
- Transfer \$610,000 from the Bureau's Overtime account to the Local Transportation Fund. The Bureau was provided funds to assist in the construction of the San Fernando Bike Path Phase 2 (C.F. No. 09-1068). However, due to reimbursement issues with other agencies, the project will now be constructed with contractors. The funds provided should be returned to the Local Transportation Fund.
- Transfer \$9,500 from the Street Lighting Maintenance Assessment Fund (SLMAF) Unappropriated Balance to the General Fund to reimburse the City Clerk's Office ERIP payments for retired SLMAF funded employees. These employees retired from the City Clerk Land Records Section before the section and function were transferred to the Bureau of Engineering in the 2010-11 Adopted Budget.
- Transfer a total of \$37,315 to the City Attorney's Office for printing and mailing costs of the No Smoking Outdoor Dining campaign (\$7,315) and to the Bureau's Contractual Services account (\$30,000). The no smoking ordinance was approved earlier this fiscal year and \$50,000 in funds was identified to publicize the No Smoking campaign.
- Write off a Reserve Fund loan to the Bureau of Street Lighting of \$1,316.94. Funds reimbursed from the Community Development Trust Fund were incorrectly deposited to the Bureau's General Fund receipts rather than the Reserve Fund.

FF. Public Works/Bureau of Street Services
Attachment 7 – New Appropriations
Attachment 9 – Transfers between Departments and Funds
Recommendation Nos. 1, 3, 27 through 34

After accounting for interim appropriations and reimbursements anticipated later in the fiscal year and with the approval of recommendations contained within the report, a net year-end surplus of \$16 million in special funds, including Gas Tax, Proposition C and Proposition 1B funds, is projected for the Bureau. The timely receipt of anticipated reimbursements will be monitored to ensure a balanced budget at fiscal year-end.

The Bureau has stated that it will not be able to meet its revised goal to resurface 235 miles. The goal was lowered in the Second FSR, when the Bureau transferred \$5.6 million to the Department of General Services (GSD) to replace lost General Fund appropriations with a corresponding reduction of 16 fewer miles for the resurfacing program. The Bureau now reports that it will only be able to resurface 180 miles. As a consequence of the reduced resurfacing work, savings will be realized to offset the citywide deficit. Approximately \$2.78 million in Gas Tax savings were identified to reimburse the General Fund for related costs as approved in the Alternative Plan for the P3 Concession Agreement report (C.F. 10-0139-S2).

The Bureau recommended using \$2.5 million in Gas Tax savings to exempt all staff from furloughs. A CAO report recommending exempting only resurfacing and pot-hole repair staff was submitted to Council. The CAO report also recommended that \$7 million in Gas Tax savings be used to reimburse the General Fund for employee related costs and avoid the need for five additional furlough days for all General Fund employees.

The following transactions are recommended:

- Appropriate \$6,798 from the Subventions and Grant Fund to the Bureau for the Broadway/College Street Duratherm repair work.
- Appropriate \$2,960 from the Subventions and Grant Fund to the Bureau for the removal and relocation of existing street furniture.
- Appropriate \$693 from the Subventions and Grant Fund to the Bureau for the staffing Asphalt Plant No. 1 for overnight filming.
- Appropriate \$16,761 from the Subventions and Grant Fund to the Bureau for the State of California Recycling Management.
- Appropriate \$1099 from the Subventions and Grant Fund to the Bureau for Bel-Air pothole sweep work.
- Appropriate \$2960 from the Subventions and Grant Fund to the Bureau for the San Pedro Street street furniture removal.
- Appropriate \$1,717,200 from the Subventions and Grant Fund to the Bureau for the Olympic Boulevard streetscape improvements.

- Appropriate \$36,036 fund from the Subventions and Grant Fund to DOT for the CRA Wilton Place landscaping project.
- Appropriate \$482,333 from the Subventions and Grant Fund to Police Department's overtime account to pay for related costs for special events.
- In accordance with the Alternative Plan, transfer \$2,780,905 fund transfer from the Bureau's Contractual Services account to the Gas Tax Street Improvement Fund to reimburse the General Fund for Bureau' related costs.
- Transfer \$53,656 fund from the Local Transportation Fund to the Bureau of Street Services for the MLK Boulevard bike lanes project.
- Transfer \$140,000 fund from the Special Parking Revenue Fund to the Bureau of Street Services for DOT parking lot cleaning.
- Transfer \$483,437.91 from the Subventions and Grant Fund to DOT's overtime account to pay for Special Events-related costs.
- Transfer \$7,000,000 from the Bureau of Street Services Salaries General and Construction Expense accounts to the Gas Tax Street Improvement Fund to reimburse the General Fund for BSS' related costs and to offset the citywide deficit.
- Reappropriate unspent funds totaling \$1,443,026 of Special Gas Tax Street Improvements funds for Gas Tax-SAFETEA-LU projects.
- Reappropriate unspent funds totaling \$50,437 from MICLA Lease Revenue Commercial Paper funds for North Central Yard Truck Wash project.
- Reappropriate unspent funds totaling \$2,240,161 from Subventions and Grants funds for projects as follows: CRA Wilton Place landscaping (\$268,139), Olympic Boulevard streetscape improvements (\$295,879.79), CRA Pico-Union Boulevard streetscape project (\$521,182), CRA Huntington Drive public improvement project (\$58,006), State of California DOT relinquishment of Gaffey Street (\$219,010), CRA Wilmington E Street Gateway (\$604,668), CRA Washington Boulevard median island landscaping design services (\$100,000), CRA Huntington Drive public improvement (\$143,274), CRA Wilmington streetscape improvement design (\$30,000).
- Reappropriate unspent funds totaling \$1,996,123 from the Community Development Trust Fund for projects as follows: Pico-Venice-Washington Boulevard streetscape (\$750,000), Pico-Washington Boulevard streetscape (\$476,334), and Pico-Washington Boulevard streetscape (\$769,789).
- Reappropriate unspent funds totaling \$36,758 from Street Furniture Revenue Fund for the CD 10 Washington Boulevard beautification project.
- Reappropriate unspent funds totaling \$1,478 from Sunland Boulevard/Apearson Drive District fund for the Wayside Drive concrete berm project.
- Reappropriate unspent funds totaling \$1,504 from Council District 15 Real Property Trust Fund for the street widening improvements on 6th Street, between Palos Verdes and Harbor.

- Reappropriate unspent funds totaling \$360,434 from Public Works Trust Fund for the SAFETEA-LU Temple Street project.

GG. Recreation and Parks Recommendation No. 25

As reported in the Second FSR, the Department is projected to complete the year within budget. The anticipated surplus of approximately \$2.1 million in the Salaries General reported in the Second FSR has increased to \$3 million due to the continued managed hiring process. This surplus will be needed to offset unbudgeted expenses and potential revenue shortfalls.

The Department now projects approximately \$253,000 revenue shortfall, or almost \$1.0 million less than the reported \$1.3 million revenue shortfall in the Second FSR. The projected net shortfall is reduced by one-time grant and special fund reimbursements. The total revenue from recreation centers is now projected to be \$600,000 above budget. According to the Department, these projected revenue surpluses highly depend on its ability to provide, at a minimum, the current level of staffing at various Department facilities. As previously reported, the Department projects a shortfall in indirect costs reimbursements from golf operations due to lower employment level caused by attrition and early retirements. The Department also anticipates revenue shortfalls in other revenue categories such as Griffith Observatory, pools, and reimbursements from special funds. These shortfalls could be offset by surpluses in other revenue categories such as Administration and Recreation Centers. This Office will closely monitor the Department's revenue stream closely and report back in future FSRs.

Funding provided in the Unappropriated Balance (UB) for the Library and Recreation and Parks Departments' volunteer programs was previously identified as an offset to departmental deficits and is recommended for transfer to the UB, Reserve for Economic Uncertainty in Section 2.I.

It is recommended that the 2010-11 General Fund appropriation to the Recreation and Parks Fund be reduced by \$2.8 million, with a request to the Recreation and Park Board to offset the amount in the Salaries General account, and the funding transferred to the Unappropriated Balance Reserve for Economic Uncertainty.

HH. Transportation

Attachment 7 – New Appropriations

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 9 – Transfers between Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation Nos. 1 through 5, 36 and 37

It is projected that the Department will complete the year within budget with the completion of the recommended transfers between funds and accounts in this report and those that have already been approved by the City Council and the Mayor.

The following transactions are recommended:

- Appropriate and transfer a total of \$3,967,000 from the Measure R Local Return Fund to new accounts within the Measure R Fund for the following projects: ARRA – Transit Priority System (\$575,000); ARRA – Railroad Grade Panel (\$945,000); ATSAC Harbor Gateway 2 Project (\$1,947,000); and Transportation Contingency (\$500,000). Use of these funds for this purpose has already been approved by the City Council and the Mayor (Transportation Committee Report, Recommendation No. 1, C.F. No. 10-0600-S49).
- Transfer \$25,000 from the new ARRA – Transit Priority System project account to an account within Measure R for Transportation for contract management support of the project, approved by the Mayor and Council (C.F. No. 10-0600-S49; Recommendation 2). These funds will be transferred to the Department’s Salaries, General account in a future report.
- Transfer \$670,000 from the new ARRA – Railroad Grade Panel project account in the Measure R Local Return Fund to the Salaries General accounts of the Bureau of Contract Administration and the Department (\$245,000 and \$425,000, respectively) in order to provide contract management support for the project. The use of funds for this purpose has already been approved by the City Council and the Mayor (C.F. No. 10-0600-S49).
- Transfer \$351,000 collected as reimbursements for special event services, in accordance with the approved Operational Plan (C.F. No. 10-0600-S48). The approved Operational Plan included anticipated collection of a total of \$882,000 for the fiscal year. The Second Financial Status Report included a transfer of \$489,000. Therefore, the remaining balance of \$42,000 may be transferred in the Year End FSR.
- Transfer \$50,000 from the Transportation Grant Fund to the Public Works Department, Bureau of Street Lighting Salaries, Overtime account (\$50,000) in order for the Bureau to perform the necessary construction work for the Safe Routes to Schools King Middle School Hyperion grant project.
- Transfer \$160,000 from the Proposition C Anti-Gridlock Fund to the Bureau of Street Lighting’s Salaries, Overtime account for new lighting at the LA River Bike Path.
- Transfer \$53,656 from the Local Transportation Fund to the Public Works Department, Bureau of Street Services Salaries, General account (\$30,000), Hiring Hall Salaries account (\$2,000), Construction Expense account (\$14,500), Contractual Services account (\$4,056) and Operating Supplies account (\$3,100) in order to implement the Martin Luther King Boulevard Bike Lanes Project, as approved by the Council (C.F. No. 09-1068).
- Transfer \$208,700 from the Unappropriated Balance, Budget Balancing Bridge to the Department’s Salaries, General account to provide for reduced EAA furlough savings in the Department, in accordance with the approved Operational Plan.
- Transfer \$1,199,300 from the Department’s Signal Supplies account to the Unappropriated Balance, Reserve for Economic Uncertainty, in accordance with the approved Alternative Plan for the P3 Concession Agreement (C. F. No. 10-0139-S2).

- Authorize the Department of Transportation to revise its 2009-10 Reversion Worksheet to decrease expenditures to the American Recovery and Reinvestment Act (ARRA) Transportation Project Fund by \$254,299 and to increase its expenditures to the General Fund by the same amount. This need for this action was identified in the review of the Department's 2009-10 Reversion Worksheet, it was discovered that staff had, in error, charged non-reimbursable design costs to the incorrect funding source.
- Authorize the Department to bill Metro for costs incurred associated with the Metro Rapid Transit Priority System and to deposit reimbursements into the Proposition Anti-Gridlock Fund and the General Fund. Metro has agreed to reimburse the City for these costs, estimated to be approximately \$300,000.

II. Treasurer

Attachment 7 – New Appropriations

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 10 – Appropriations from the Unappropriated Balance

**Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty
Recommendations Nos. 1, 2, 4 and 5**

A net year-end surplus of \$76,000 is projected for the Treasurer's Office. Specifically, this consists of a year-end salaries surplus of \$231,000 due to existing vacancies, which is needed to offset a projected deficit in the Bank Service Fees account and to comply with savings measures approved as part of the Alternative Plan for the P3 Concession Agreement

The Treasurer is projecting year-end bank service fee expenditures at \$10.35 million, as compared to 2009-10 expenditures of \$9.2 million. The increase is due to the rising number of banking transactions, particularly the merchant card fees. The budget provided \$4.9 million in funding in the Department's Bank Service Fees account and an additional \$1.1 million in the Unappropriated Balance to fund a portion of these costs. Anticipated reimbursements from other departments in the amount of \$4.2 million will partially offset the remaining expenditures. After accounting for the \$10.2 million in budgeted funds and anticipated reimbursements, the Department projects a deficit in the Bank Service Fees account of \$154,868.

Table B. Bank Fee Appropriations and Expenditures

	<u>Projected Year-End</u>
Total Bank Fees Expenditures	\$10,354,868
2010-11 Appropriation	(\$4,900,000)
2010-11 Unappropriated Balance	(\$1,100,000)
2010-11 Projected Reimbursements	<u>(\$4,200,000)</u>
2010-11 Funding Need	\$154,868

The following transactions are recommended at this time:

- Increase appropriations to the Bank Service Fees account by \$1,012,421 from merchant card activity reimbursements received to date. A large portion of the bank fee charges are comprised

of the City's merchant card activities, including those of proprietary departments (Department of Water and Power and Los Angeles World Airports) and the Department of Transportation (parking meters) who reimburse these expenses. An appropriation equivalent to the balance of projected revenue will be recommended by year-end once more information is available.

- Transfer \$1,100,000 in the Unappropriated Balance, Bank Fees account to the Department's Bank Service Fees account. After accounting for all of the above recommendations and Council and Mayor approved actions to date, the total Bank Services Fees budget will increase from \$4.9 million to \$7.68 million. These funds are expected to cover expenses incurred through the end of March which are billed in April.
- Transfer \$50,000 in salary savings to the Unappropriated Balance, Reserve for Economic Uncertainties to partially offset the City's deficit as part of the Alternative Plan to P-3 Concession Agreement.

JJ. Zoo

No Recommendation

The Department is expected to complete the year with a surplus of \$700,000 with savings realized from managed hiring and existing vacancies. However, budgeted revenue is \$278,000 below budget through December, due to inclement weather and the resulting decrease in attendance. It is recommended that the surplus be held in reserve to address revenue shortfalls.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

This section addresses the status of non-departmental funds, special accounts and programs. Recommendations include new appropriations, transfers within funds, and transfers of funds from the Attorney Conflict Panel, Capital Improvement Expenditure Program, Capital Finance Administration, General City Purposes, Special Parking Revenue, and Unappropriated Balance funds to the Reserve for Economic Uncertainty.

With the development of the Operational Plan, \$23.64 million in surplus funds were set aside in Non-Departmental accounts for use to offset department expenditures deficits, of which \$19 million remained after appropriations to departments in the Second FSR. Per the Alternative Plan for the P3 Concession agreement, non-departmental surpluses increased by \$12.1 million in Capital Finance Administration Funds and Capital Improvement Expenditure Program funds and a \$3 million EAA-Furlough reduced transfer. An additional \$9 million in funds within the Unappropriated Balance, Service Mitigation account was identified to offset a portion of the projected revenue shortfall reported in the Revenue Revision report. Since then, additional surpluses in various non-Department accounts totaling \$29 million, as detailed below, have been identified to address a portion of the remaining citywide deficit. (See Table C below and Attachment 6.)

Table C. Change in Non-Departmental Surpluses/(Deficits)
(\$ millions)

Funds/Accounts	Post Alt Plan Surplus	Change	Mid Year Reported Surplus
General City Purposes			
Pension, Soc Sec, and Retirement	3.80	-	3.80
Solid Waste Lifeline Fee	-	-3.60	-3.60
Human Resources Benefits		2.90	2.90
Unappropriated Balance			
ERIP Account & Budget Balancing Bridge	15.61	1.10	16.71
Water and Electricity	1.80	0.60	2.40
Other UB Accounts	0.80	-	0.80
Service Mitigation Account	9.00	2.15	11.15
FLEX Benefit	-	13.40	13.40
Special Funds			
Various Special Funds	-	0.48	0.48
Capital Finance Administration Fund	10.10	8.00	18.10
Capital Improvement Expenditure Fund	2.00	-	2.00
SPRF Funds	-	4.00	4.00
<i>Subtotal Non-Department Surplus</i>	<u>43.11</u>	<u>29.03</u>	<u>72.14</u>
Appropriation to Police			-11.40
<i>Post Third FSR Non-Department Surplus</i>			<u>60.74</u>

Note: Table does not reflect transfers to and from the UB, Reserve for Economic Uncertainty

A. Attorney Conflict Panel Special Fund

**Attachment 11 – Transfer to the Unappropriated Balance Reserve for Economic Uncertainty
Recommendation No. 5**

Based on projected surplus resulting from a disencumbrance and close-out of Rampart contracts, it is recommended that \$450,000 in the Attorney Conflicts Panel Special Fund be transferred to the Unappropriated Balance, Reserve for Economic Uncertainty.

B. Capital Finance Administration Fund

**Attachment 7 – New Appropriations
Recommendation No. 1 and 38**

In October and November 2010, the City received reimbursements from the Federal Highway Administration (FHWA) totaling \$2,328,697 for the Storm Damage Repair Program. These monies were received in the Capital Finance Administration Fund. It is recommended that these funds be used to pay down the debt service for the Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper program, which was used to fund the Storm Damage Repair Program.

Therefore, an increased appropriation to the Capital Finance Administration Fund, Commercial Paper account is recommended.

The 2010-11 Reserve Fund estimate anticipated \$18 million in early reversion of unencumbered and/or special funds. On January 14, 2011, the Council approved an alternative plan which included actions to offset revenue reductions from the proposed public-private partnership involving the City's parking structures (C.F. No. 10-0139-S2). As part of its actions, the Council approved the transfer of \$10.1 million, of the \$18 million early reversion anticipated for the Reserve Fund from Municipal Improvement Corporation of Los Angeles (MICLA) Fund 26A unspent bond proceeds and interest earnings to the City's General Fund. In order to continue to offset the City's reduced revenues for 2010-11, it is recommended that the transfer be increased by the remaining \$8 million in unencumbered special funds to \$18.1 million. The entire amount shall be reverted to the Reserve Fund and then transferred to the Unappropriated Balance for Economic Uncertainties.

C. Capital Improvement Expenditure Program

Attachment 12 – CIEP Savings for Transfer to the UB, Reserve for Economic Uncertainty Recommendation No. 39

In January 2011, Council adopted the Alternative Plan to the P3 Concession Agreement to offset revenue reductions related to the proposed public-private partnership involving the City's parking structures (C.F. No. 10-0139-S2). As part of its actions, Council approved the transfer of \$2 million of project savings from completed CIEP projects to be used to offset the citywide deficit. The list of CIEP accounts with identified project savings are in Attachment 12. Council approval is now required to transfer \$2,000,416 in savings to the Unappropriated Balance, Reserve for Economic Uncertainty.

D. General City Purposes Fund

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation No. 5 and 40

At this time it is projected that there will be a total \$3.8 million surplus in various accounts within the General City Purposes Fund. This surplus has been previously identified to offset department deficits reported in the Operational Plan and Second Financial Status reports.

The following actions are recommended:

- Transfer \$3.8 million in savings within the Retirement Contributions, Pension Savings Plan, and Social Security Contributions accounts (\$3.1 million, \$250,000 and \$450,000, respectively) to the Unappropriated Balance, Reserve for Economic Uncertainty to address the citywide deficit per the Operational Plan (C.F. No. 10-0600-S48).
- Authorize payments to be made from the General City Purposes Fund on a monthly basis as part of a settlement agreement. In the Second FSR (C.F. No. 10-0600-S51), it was approved to transfer \$19,759 from the Retirement Contributions account to a new account to reimburse the Los Angeles City Employees' Retirement System (LACERS). The reimbursements are for lifetime monthly payments pursuant to a settlement agreement (C-95264) entered between the City and a

former employee on May 6, 1997. LACERS has administered the monthly payments since the inception of the agreement, and the City reimburses LACERS for the payments plus a small administrative fee on an annual basis. Recently, tax counsel has advised LACERS to discontinue making these payments from existing trust monies subject to reimbursement by the City. The City will take over the administration of the monthly payments.

E. Human Resources Benefits Fund

Attachment 8 – Transfers between Accounts within Departments and Funds

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty Recommendation No. 2 and 5

A \$10.6 million deficit is projected in the Civilian Flex Account, since total funding for this Fiscal Year's program was split between the Civilian Flex Account (\$200.6 million) and the Unappropriated Balance (\$13.4 million). In addition, a \$165,000 deficit is projected in the Civilian Union Supplemental Benefits Account. These deficits may be addressed by transferring savings in other HRB accounts.

The following transactions are recommended:

- Transfer \$10.6 million in savings from the Unemployment Insurance (UI) Account to the Civilian Flex Account.
- Transfer \$165,000 in savings from the UI Account to the Civilian Union Supplemental Benefits Account. This is required to cover higher than anticipated LIUNA Pension contribution requirements.
- Transfer \$2.9 million in savings from the UI Account to the Unappropriated Balance, Reserve for Economic Uncertainty to address the citywide deficit.

F. Liability Claims Account

No Recommendation

The Adopted Budget provides \$48.9 million to settle claims and pay judgments against the City. To date, the City has approved (or has pending for approval) approximately \$26 million in payouts. Based on the City Attorney's recent payout estimates for this fiscal year, shortfalls are not anticipated at this time.

G. Reserve Fund and Budget Stabilization Fund

Attachment 5 - Current Status of the Reserve Fund

In the Second FSR, the Reserve Fund was reported at approximately \$179 million. The Reserve Fund balance is now estimated to be \$191 million, consisting of \$120.3 million in the Emergency Reserve and \$70.7 million in the Contingency Reserve after accounting for \$12 million in new receipts and other adjustments. Attachment 5 provides detail on all pending and approved Reserve Fund transactions.

The current Reserve Fund balance of \$191 million represents approximately 4.4 percent of the Adopted Budget. Given the City's current fiscal constraints and the projected budget gap next fiscal year, it is essential that the City maintain and further strengthen the Reserve Fund to achieve a cushion of 5 percent of the General Fund budget as stated in the City's Financial Policy. An additional \$28 million should be added to the Reserve Fund to reach this 5 percent threshold. Unless additional deficit reduction solutions are identified, an additional transfer may be needed to address the remaining current year commitments.

Our Office will continue its efforts to increase the Reserve Fund such as review of prior-year encumbrances and loan repayments. On February 28, 2011, the CAO released instructions for departments to supplement efforts by the Controller and General Services Supply Management System to identify prior-year encumbrances for reversion to the Reserve Fund. Our Office will work with departments to make repayments to the Reserve Fund for loans extended in prior-years.

The Budget Stabilization Fund created during the adoption of the 2009-10 Budget, has a balance of \$500,000. On March 8, 2011, voters approved Charter Amendment P, which also establishes a Budget Stabilization in the City Treasury, of which the requirements for transfers or expenditures would be established by ordinance. This Office will submit a draft Budget Stabilization Fund Policy for consideration as a new chapter to the City's Financial Policies and serve as a basis for the ordinance. The proposed policy will define the elements essential to its successful administration and maintenance, such as: its purpose; legal basis; the amount of the annual deposit to the Fund, including minimum and maximum funding goals; withdrawal from; and, priority uses of the Fund.

**H. Special Parking Revenue Fund
Recommendation No. 41**

Without impacting the Department of Transportation's Five Year Operations and Maintenance Plan (C.F. 10-0596), a total of \$14 million in surplus funds within the Special Parking Revenue Fund is available for transfer to the General Fund. The 2010-11 SPRF surplus is available as follows:

2010-11 Adopted Budget	\$ 10,000,000
2005-2010 O&M Savings	\$ 1,819,067
FY10 P3 Administration Savings	\$ 1,000,000
2010-11 Meter Revenue Above Budget	\$ 1,200,000
	<hr/>
Total 2010-11 Surplus	\$ 14,019,067

The following transactions are recommended:

- Reduce \$2.82 million in appropriations from the Special Parking Revenue Fund from savings in prior year operations and maintenance and P3 Administration savings.
- Declare a 2010-11 Special Parking Revenue Fund surplus of \$14.02 million and transfer the amount to the Reserve Fund, of which \$4 million from the Reserve Fund would be then transferred to the Unappropriated Balance, Reserve for Economic Uncertainty to be used to offset

the citywide deficit. City Attorney assistance will be required to amend Section 5.117, Subsection 7 of the Los Angeles Administrative Code to carry out the recommendations.

I. Unappropriated Balance

Attachment 11 – Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty

Attachment 14 a – Status of Unappropriated Balance General Account

Attachment 14 b – Status of the Unappropriated Balance – non-General Accounts

Recommendation No. 5

Of the original \$25,000 appropriation within the Unappropriated Balance (UB), General account, approximately \$12,000 remains. With the approval of \$85.7 million recommended transfers to and \$11.4 million from the Unappropriated Balance (UB), Reserve for Economic Uncertainty, the account balance will be \$74.3 million. (See Attachments 14-a and 14-b.)

The following transactions are recommended:

- Transfer \$11,151,483 within the UB, Service Mitigation account to the Reserve for Economic Uncertainty. Per the Adopted Budget, this funding was set aside in the UB for appropriation with the realization of revenue from fine on foreclosed properties and corporate real property transfer tax revenues (\$5 million and \$6 million, respectively). As stated in the Revenue Revision for Fiscal Year 2010-11 report, only \$2 million of this revenue will be realized. In lieu of appropriation, it is recommended that the entire \$11 million be used to offset the revenue shortfall.
- Transfer \$800,000 within the UB, Animal Shelters and Expanded Library/Recreation and Parks Volunteer Program accounts to the Reserve for Economic Uncertainty. This surplus has been previously identified to offset department deficits reported in the Operational Plan and Second Financial Status reports.
- Transfer \$13,400,000 within the UB, FLEX Benefit account to the Reserve for Economic Uncertainty. These savings may be used to offset the citywide deficit.
- Transfer \$2,000,000 within the UB, Budget Balancing account to the Reserve for Economic Uncertainty. These savings may be used to offset the citywide deficit.
- Transfer \$14,708,610 within the UB, Early Retirement Incentive Program account to the Reserve for Economic Uncertainty. These savings may be used to offset the citywide deficit.

3. STATUS OF EMPLOYMENT AND LABOR COST SAVINGS EFFORTS

A. Staffing Reductions

From March 2010 through January 2011, over 360 employees have been laid off from City service. During that same time period, over 800 employee transfers have occurred, more than 480 of which have been from General Fund to proprietary or special fund departments. Combined with early retirements and the deletion of positions in the adopted budget, total staffing has been reduced by 4,000.

B. Employment Level Report
Attachment 15 – Employment Level Report

Citywide employment authority from all funding sources totaled 35,201 at the end of December for both civilian and sworn classes. There are 32,115 filled positions at the end of December, compared to the 32,080 reported in the 2010-11 Second Financial Status Report (end of October 2010). Departments reported a total of 3,086 vacant positions: 1,961 General Fund and 1,125 special funded. Most of the vacant special funded positions must be kept so due to revenue shortfalls or austerity measures.

C. Voluntary Furloughs
Attachment 16 – Status of Voluntary Furlough Program

As of March 7, 2011 (Pay Period 18), approximately \$1.4 million in savings has been achieved across City departments through voluntary furloughs. However, it is estimated that only 53 percent of this amount, approximately \$740,000, represents General Fund savings.

4. STATUS OF FEE INCREASES
Attachment 17- Status of Fee Increases in the 2010-11 Budget

Attachment 17 provides a status of fee increases included in the Adopted Budget, which includes revenue collected by the Bureau of Engineering and the Departments of Animal Services, Building and Safety, Fire and Police. To date, fee increases have been fully implemented for fines on foreclosed properties and brush clearance inspection and re-inspection fees. As previously reported, the Department of Building and Safety reports that it will not be able to collect the budgeted \$5 million in revenue.

In the Second FSR, it was reported that the Fire Department (FD)'s above ground inspection fee was expected to be implemented in January, the Bureau of Engineering (BOE) fees in February, and the FD's industrial building inspection fee in July 2011. Due to City Attorney concerns, the implementation of BOE fees, with estimated revenue of \$225,000, will not occur this year. The implementation of FD's Industrial Building Inspection fee, with associated revenue of \$1 million, has been delayed until next year, and revenue of \$150,000 from the Above Ground Inspection fee will not be realized this fiscal year. The implementation of Industrial Building Inspection was delayed due to workload issues. Additionally, the implementation of fees for the Animal Services Administrative Citation Program is now projected for the end of the fiscal year, with \$125,000 in revenue to be realized next year.

5. STATUS OF THE MICLA COMMERCIAL PAPER PROGRAM

The City's Financial Policies instruct the City Administrative Officer (CAO) to periodically report on the status of the Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper (CP) Program. In June 2004, the Mayor and Council approved a \$200 million MICLA CP program to be used as temporary financing for approved capital construction projects and capital equipment purchases. In December 2009, the Mayor and Council approved an increase of \$100 million to expand the MICLA CP program from \$200 million to \$300 million.

On February 24, 2011, the Letter of Credit (LOC) substitution/extension transaction was completed. The MICLA CP Program is now supported by three LOCs from Wells Fargo Bank, Bank of the West, and JP Morgan Chase Bank.

During the past few months, MICLA CP was used towards the construction and improvements of the Alternative Fuel Infrastructure Facilities, Financial Management System, Neighborhood City Halls, Pachyderm Forest Exhibit, Vine St. Parking Garage, Aiso St. Parking Garage, and Transportation-ARRA projects. Capital equipment and replacement vehicles were purchased for the departments of Fire, General Services, Information Technology Agency and Police.

Below is the status of the MICLA CP Program through March 10, 2011:

Reporting Period	Amount Outstanding	Range of Interest Rates
12/08/10-03/10/11	\$167,670,000	0.27% to 0.32% (tax-exempt)
12/08/10-03/10/11	\$5,000,000	0.32% (taxable)
Total:		\$172,670,000

6. STATUS OF FEE WAIVERS AND SUBSIDIES

A. Special Event and Convention Center Fee Waivers

The Budget and Finance Committee instructed this Office to periodically report on the number and amount of Council-approved fee waivers (subsidies) associated with special events and with Convention Center meetings and events.

The Office of the City Clerk, which is responsible for the administration of fee waivers, reports that 75 fee waivers have been allocated from available funds, which includes 7 waivers from the previous fiscal year. The number does not include allocations that are under review by the Office of the Chief Legislative Analyst or motions that are pending Council approval. Approximately \$3.5 million in citywide special events and Council District fee subsidies remains to be allocated, \$1.3 million and \$2.2 million, respectively.

On March 4, 2011, Council approved a Motion for a \$1,500 Convention Center fee waiver for the Stop the Pain! Teen Summit on Dating Violence and Bullying Prevention event (C.F. No. 11-0324). A \$500 waiver for the Children's Defense Fund Resume Workshop and Career Fair was approved on December 14, 2010 (C.F. No. 10-1883). One other convention center waiver for CASA of Los

Angeles - Glamour Gowns 2011 in the amount of \$3,683.42 (Council File No. 10-1667) was reported in the previous FSR.

B. Development Fee and Permit Subsidies

In accordance with the City's Development Fee Subsidy Policy, this Office is required to report on the number and amount of Council-approved development fee subsidies. There is a joint report from this Office with the Chief Legislative Analyst for the Devonshire Police Activity League Supporters project in the amount of \$18,149 pending Council action (C.F. No. 08-0443). A fee subsidy for the Ride On project in the amount of \$9,259 has already been approved (C.F. No. 09-2144).

7. STATUS OF GANG REDUCTION AND YOUTH DEVELOPMENT PROGRAM

Attachment 18 – Gang Reduction and Youth Development Status Report of Expenditures/Payment

At the request of the Budget and Finance Committee (C.F. 09-0600-S203), the Mayor's Office was requested to provide an update on the status of current year Gang Reduction Program spending in the Financial Status Report. This Office was instructed to work with the Mayor's Office to review allocations from all funding sources.

Total funding for the Fiscal Year 2010-11 Gang Reduction Program in the Mayor's Gang Reduction and Youth Development (GRYD) Office is approximately \$25.6 million from the following sources: \$21 million from the General Fund and \$4.6 million from federal and state grants. Of this amount, \$1.6 million is allocated for GRYD salaries and administration and \$24 million for contracted agencies. As of January 31, 2011, General Fund expenditures (\$7,913,425) and encumbrances (\$11,536,772) total \$19,450,197.

Attachment 18 outlines the distribution of funds to each of the GRYD contracted agencies. The GRYD Office was originally comprised of 34 positions. Due to budget constraints and future budget reductions, staffing has been realigned. There are a total of 31 positions of which three (3) are vacant. Of the filled positions, eleven (11) staff provide contract and fiscal management, twelve (12) staff provide program development and implementation; seven (7) staff implement the Mayor's Summer Night Lights Program and the Young Women from Adversity to Resiliency (YWAR) program; and one (1) staff provides administrative support. Funds allocated for the GRYD Office, administration and program staff consists of \$1.3 million in General Funds and \$413,786 in grant funds. Salary expenditures as of January 31, 2011 are \$948,997.00

8. STATE BUDGET UPDATE

A. Status of Budget Development

On January 10, 2011, the Governor released his 2011-12 State Budget Proposal. The proposal identifies a \$25.4 billion budget problem consisting of an \$8.2 billion deficit in 2010-11 as well as an estimated \$17.2 billion gap in 2011-12. To offset the shortfall the Governor proposes \$26.4 billion in budget solutions. However, a recent decision by the Governor to block the state building sale/leaseback proposal increased the shortfall to \$26.6 billion. If adopted and achieved in full, the Governor's budget plan would leave the state with a reserve of about \$1 billion. The administration has proposed an accelerated budget process with a March target date in order to have all of the necessary enabling legislation in place to implement the budget solutions. About \$12 billion of the proposed budget solutions (tax extensions and changes to Proposition 10) are contingent on statewide voter approval in a June 2011 special election. If the voters reject some or all of these proposals, the Legislature would need to enact additional cuts or alternative revenue solutions prior to the start of 2011-12.

As of this writing, the 2011-12 Budget package is currently pending a vote by the full Senate and the Assembly. Over the past few days, the Governor has been negotiating a State budget agreement to include the placement of state tax extensions before California voters in a June special election. Previously, Republican Senators had expressed a desire to reform redevelopment agencies and enterprise zones rather than eliminate as proposed in the budget. This Office will continue to track the State budget deliberations for any City impacts and report back to Council upon adoption of the 2011-12 State Budget.

B. Proposed Budget Cuts and Tax Extensions

The Governor's budget includes \$12.5 billion in ongoing program reductions which touch nearly every area of state funding. The major areas are Medi-Cal, CalWORKs, the Department of Developmental Services, state operations and employee compensation, the University of California, and the California State University. While some of the reductions will have an impact on the City, it is the realignment of economic development that is of most concern.

Key elements of the Governor's plan consist of:

- 1) A five-year extension of four temporary tax increases previously adopted in February 2009 to be submitted to voters in a June 2011 special election (below):
 - o Maintaining the personal income tax surcharge of .25 percent.
 - o Maintaining lower level of dependent exemption credit.
 - o Maintaining the Vehicle License Fee (VLF) at 1.15 percent (0.5 percent to local government).
 - o Maintaining the state's Sales and Use Tax rate at 6 percent (1 percent to local government).
- 2) Proposals to realign state and local program responsibilities and significantly alter local economic development efforts.

The first phase of the Governor's realignment directly impacts counties and encompasses public safety, including local law enforcement, detention, fire prevention and response, as well as safety of children in the child welfare system, adults in the Adult Protective Services program and supportive services such as mental health and substance abuse treatment. Under the realignment, the Governor proposes to shift \$5.9 billion in state program costs to counties and provide a comparable amount of funds to support these new county commitments. Two of the temporary tax increase proposed for the June special election ballot would be dedicated to funding the realignment of programs from state to local entities (VLF and Sales and Use Tax rate). At this time it is unclear how the Governor plans to replace the proposed temporary taxes when they expire at the end of the five-year period. If voters do not approve the proposed tax extensions, the realignment plan would not be implemented. The administration plans to propose a second realignment (Phase 2) in the future mainly involving health care and social services.

The Proposed Budget shifts responsibility for local economic development programs, phases out existing redevelopment agencies beginning in 2011-12, and eliminates Enterprise Zones.

C. City Impacts of Proposed Budget

Redevelopment Agencies: The Governor proposes to dissolve all redevelopment agencies (RDAs) effective July 1, 2011. For 2011-12, the Governor plans to: 1) shift \$1.7 billion to pay state obligations for Medi-Cal (\$840 million) and trial courts (\$860 million); 2) redirect redevelopment dollars to retire redevelopment debts and contractual obligations; and, 3) leave \$0.2 billion to be distributed on a one-time basis to cities, counties and special districts proportionate to their current share of the countywide property tax. How much of the \$0.2 billion amount will be distributed to the City is unknown at this time. Beginning 2012-13, the amounts remaining after pre-existing RDA debts and contractual obligations would be redirected to cities, counties, non-enterprise special districts and schools for general purposes.

On Wednesday, February 23, 2011 draft legislation implementing the Governor's proposal was released. This legislation immediately stops all current redevelopment activities, describes the process for dissolution, and sets up a new process to manage the assets and obligations of redevelopment areas. In a joint CAO-CLA report dated March 7, 2011 this Office advised that a significant concern with this legislation is that existing protections concerning asset liabilities are not provided to the successor agency (C.F. No. 11-0086). If the City accepts successor agency status, the General Fund could be at risk for a wide range of liabilities, including those associated with brownfield properties.

As previously reported, beginning in 2012-13, the City could receive up to \$49.9 million (this number accounts for debt service obligations but does not account for reductions due to Agency contractual obligations and deductions) in unrestricted General Fund revenue for general City purposes if the following occur: a) the proposed Agreement is not approved; b) the Governor's current proposal is approved; and, c) the Agency is disestablished. The \$49.9 million amount could be lower after the accounting of all Agency contractual obligations and deductions (including the prorata share of administrative costs at least equal to five percent of gross tax increment and one time obligations

such as unfunded California Public Employees' Retirement System and retired employees health care benefit, litigation reserves, etc.).

Proposition 22, approved by voters in November 2010, prohibits the Legislature from enacting statute that would redirect redevelopment agencies (RDA) funds to benefit the State. However, the Legislative Counsel of California has indicated the Governor's effort to take \$1.7 billion to fund state services as part of a proposal to abolish redevelopment is likely illegal under Proposition 22. If the Governor's proposal is approved and \$1.7 billion is used to fund state services, this action is expected to be challenged in court.

Local Taxing Authority for Economic Development: The administration proposes a new option for funding economical development at the local level by calling for a constitutional amendment to provide for 55-percent voter approval for limited tax increases and bonding against local revenues for development projects similar to those currently funded through redevelopment and for infrastructure.

Enterprise Zone Program: The Governor proposes to eliminate the Enterprise Zone Program which currently provides business tax relief in economically depressed areas in order to spur investment (for tax years beginning on or after January 1, 2011). This proposal, which is expected to generate savings of \$924 million for the State, results in immediate negative impacts to both the Los Angeles business community and the Community Development Department (CDD). Per CDD, the existence of the Enterprise Zone Program has proven to be an effective enticement to businesses considering opening or relocating in the City. The approximate value of hiring credits to participating businesses is estimated at \$185.3 million. Over the next five years, the estimated value of the hiring credits is \$925 million. The City's estimated total program costs for the program which have been fully reimbursed are about \$500,000 annually.

Elimination of Public Library Foundation and Literacy Funding: The Governor's Budget proposes to eliminate General Fund dollars for the Public Library Foundation, California Library Literacy and English Acquisition Services, and the California Library Services Act, to generate savings of \$30.4 million in 2011-12. This proposal would cut most state funding for local libraries.

The elimination of the Public Library Foundation fund monies at the above level could have a significant impact on the Los Angeles Public Library (LAPL). Over the years, the LAPL has received between \$1 million to \$6 million annually from this program.

Fire Department and Medi-Cal Payments: The Governor proposes to reduce Medi-Cal provider payments by 10 percent for various services including medical transportation. The Fire Department believes that this could have a potential adverse affect on Medi-Cal payments to cities for ambulance transports. The Fire Department estimates the impact at about \$1 million.

D. City Impacts of Legislative Actions

On March 3, 2011 the Budget Conference Committee approved various elements of the Governor's 2011-12 Budget proposal. The Conference version reflects an overall agreement with the Governor's budget priorities. The Conference Committee took the following actions of interest to the City:

Redevelopment Agencies: Adopted the Governor's proposed elimination of Redevelopment Agencies with the addition of statutory language to allow local jurisdictions to address transition issues through financial flexibility and other strategies. The Conference action anticipates further legislative deliberations regarding the appropriate local successor agency for Redevelopment Agencies, including affordable housing programs.

Enterprise Zones: Adopted the Governor's proposal to eliminate tax incentives associated with Enterprise Zones and various other economic incentive areas.

California State Library: Reduced the magnitude of the Governor's Library reductions by \$15 million to preserve the English Acquisition & Literacy Program, the Public Library Foundation and California Library Services Act. The Los Angeles Public Library advises that it has received all 2011-12 budgeted funds from the Public Library Foundation (PLF) in the amount of \$1.4 million. According to LAPL staff, the proposed budget cuts to the PLF would affect LAPL beginning FY 2012-13. As far as the impact of any state reductions for the Library Services & Technology Act (LSTA) grant (\$300,000) and Literacy Program (CLLS) grant (\$200,000), it is still uncertain. The Budget Conference Committee action proposes to maintain some level of funding for these library programs.


This past year LAPL received about \$180,000 for adult literacy to operate 21 adult literacy centers. If funds are eliminated, the Library would have to reduce the adult literacy center hours. Any reductions in LSTA funding will have a direct impact on the LAPL materials, since these grant funds are used to purchase databases available to the public from our library website.

Medical Payments: Maintained proposed 10 percent rate reductions to Medi-Cal providers.



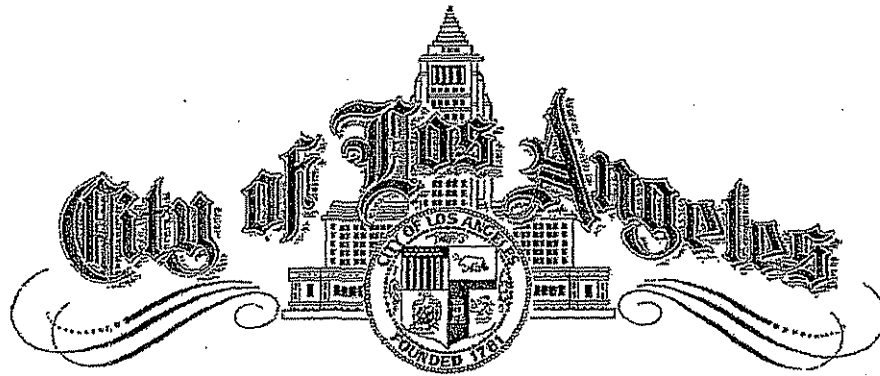
Melissa Krance, Senior Administrative Analyst

APPROVED:


Raymond P. Ciranna, Assistant City Administrative Officer

MAS:RPC:BC/MCK: 01110048

Attachments



CITY HALL
LOS ANGELES, CALIFORNIA 90012

February 4, 2011

Mr. Miguel Santana
City Administrative Officer
200 N. Main Street, 15th Floor
Los Angeles, CA 90012

Dear Mr. Santana:

We commend you for your efforts to work with us to reduce the City's projected year-end deficit of \$62.7 million by more than 50 percent over the last month. By working strategically and aggressively, \$33.7 million in cuts have been enacted, and we are pleased at the level of cooperation and commitment among us and other City entities to swiftly address the remaining \$29 million.

Nevertheless, it is critical, especially in light of your recent projections of economically sensitive revenues continuing to trend downward, with a collective \$20 to \$40 million decrease, that our efforts be redoubled. The necessity for expeditious development and implementation of structural budget reductions and reforms is increased by next year's projected budget deficit of \$300 million.

We must take every opportunity to confront and address these challenges. The preparation of your Mid-year Financial Status Report (FSR) provides an opportunity to address the current year deficit and make the structural changes required to make our City fiscally sustainable.

We expect you to present as part of the FSR a series of proposals and recommendations that will reduce the size and ongoing cost of our workforce, re-organize our government to maximize service levels, and strengthen the status of our Reserve Fund. We encourage you to introduce some of the same proposals under consideration for Fiscal Year 2011-12 to generate a much needed policy discussion of core city services among the City's leadership. The desired outcome is action now to lay the groundwork for solving next year's budget and accelerating long-term structural reform.

We ask that you continue to work closely with our offices to identify proposals to incorporate into the FSR, and we encourage you to present your recommendations based on your best financial analysis.

As always, thank you for your commitment to setting Los Angeles on a sound fiscal footing.

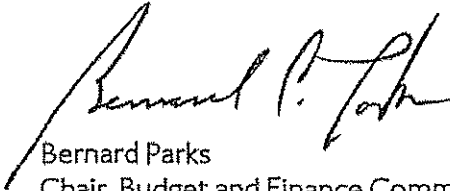
Sincerely,



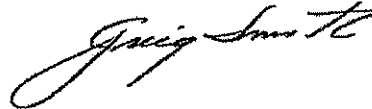
Antonio Villaraigosa
Mayor
City of Los Angeles



Eric Garcetti
President, Los Angeles City Council
Councilmember, 13th District



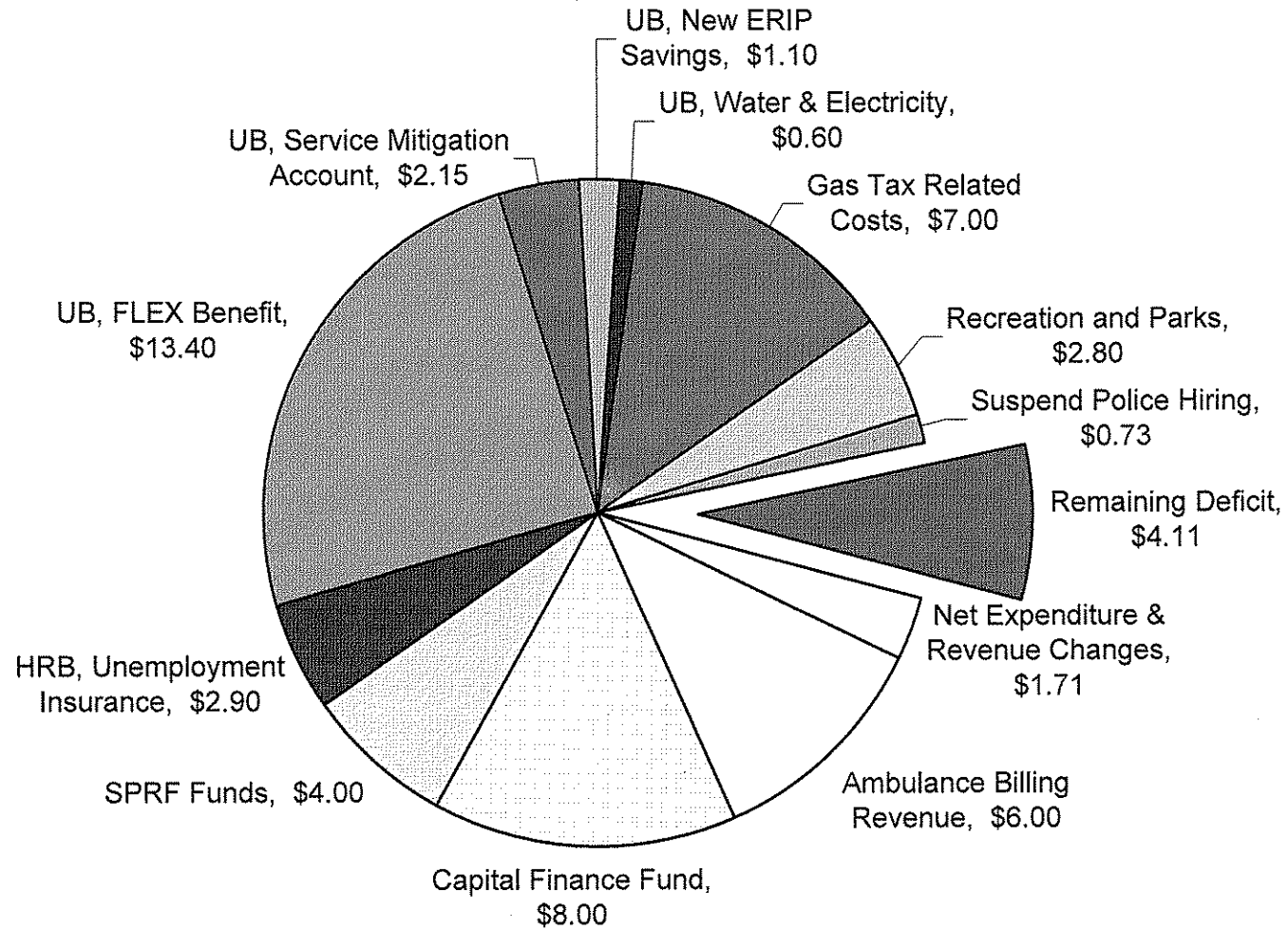
Bernard Parks
Chair, Budget and Finance Committee
Councilmember, 8th District



Greig Smith
Vice-Chair, Budget and Finance Committee
Councilmember, 12th District

Attachment 2

Realized Reductions and Proposed Solutions to Address \$54.5 Million Deficit



Attachment 3

General Fund Receipts Estimates for 2010-11

\$ Thousands

	Budget	Revised Mid-March	Change
Property Taxes			
<i>Property Tax - 1%</i>	\$1,003,261	\$1,008,537	\$5,276
<i>VLF Swap</i>	311,578	312,872	1,294
<i>Sales Tax Replacement</i>	93,690	96,772	3,082
Property Tax	\$1,408,529	\$1,418,181	\$9,652
Utility User Taxes			
<i>Electric Users' Tax</i>	\$315,600	\$305,000	(\$10,600)
<i>Gas Users' Tax</i>	75,000	75,000	
<i>Communication Users' Tax</i>	264,000	255,000	(9,000)
Total Utility Users' Tax	\$654,600	\$635,000	(\$19,600)
Licenses, Permits, Fees and Fines	778,177	699,172	(79,005)
Business Tax	411,960	420,561	8,601
Sales Tax	289,412	290,452	1,040
Documentary Transfer Tax	105,000	100,000	(5,000)
Real Property Transfer Tax -- Corporate	6,000	2,000	(4,000)
Power Revenue Transfer	257,000	258,815	1,815
Transient Occupancy Tax	122,700	130,194	7,494
Parking Fines	142,446	133,500	(8,946)
Parking Users' Tax	85,983	85,983	
Franchise Income	45,541	45,541	
State Motor Vehicle License Fees	12,000	13,792	1,792
Grant Receipts	9,200	12,378	3,178
Interest Income	12,400	12,436	36
Tobacco Settlement	11,300	9,500	(1,800)
Transfer from Telecommunications Fund	7,650	8,016	366
Residential Development Tax	1,700	1,500	(200)
Special Parking Revenue Transfer	10,000	10,000	
Subtotal General Fund	\$4,371,598	\$4,287,021	(\$84,577)
Transfer from Reserve Fund	3,617	3,617	
Total General Fund	\$4,375,215	\$4,290,638	(\$84,577)
Less Previously Identified Special Budget Items			
No Revenue from P3 Parking Assets			\$53,204
Fines on Foreclosed Properties			5,000
Real Property Transfer Tax -- Corporate			4,000
All Other General Fund Revenue			(\$22,373)

Attachment 4
Four-Year Budget Outlook Budget and Finance Report

(\$ millions)
2010-11

	Adopted	2011-12	2012-13	2013-14	2014-15
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 4,399.8	\$ 4,375.2	\$ 4,373.4	\$ 4,490.5	\$ 4,618.0
Revenue Growth (2)					
Property Related Taxes.	0.7	20.1	46.6	57.6	69.8
Sales and Business Taxes	(29.0)	21.9	24.7	22.4	23.1
Utility Users' Tax	(13.3)	12.6	16.5	10.3	10.4
License, Permits and Fees	55.1	(62.4)	7.2	14.5	14.7
Other Fees, Taxes and Transfers	9.8	19.6	22.1	22.7	23.3
SPRF Transfer	(51.4)	(10.0)	-	-	-
Transfer from Reserve Fund	3.6	(3.6)	-	-	-
Total Revenue	\$ 4,375.2	\$ 4,373.4	\$ 4,490.5	\$ 4,618.0	\$ 4,759.4
<i>General Fund Revenue Increase %</i>	<i>-0.6%</i>	<i>0.0%</i>	<i>2.7%</i>	<i>2.8%</i>	<i>3.1%</i>
<i>General Fund Revenue Increase \$</i>	<i>(24.6)</i>	<i>(1.8)</i>	<i>117.1</i>	<i>127.5</i>	<i>141.4</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (3)	\$ 4,399.8	\$ 4,375.1	\$ 4,723.2	\$ 4,936.9	\$ 5,130.5
Incremental Changes to Base: (4)					
Employee Compensation Adjustments (5)	190.9	106.9	35.5	24.8	12.0
City Employees Retirement System (6)	40.9	56.5	72.9	41.9	37.0
Fire and Police Pensions (6)	31.7	112.9	71.5	90.1	55.4
Workers Compensation Benefits (7)	(3.2)	10.6	11.5	12.4	13.4
Health and Dental Benefits (8)	19.9	26.1	19.6	36.0	37.3
Debt Service (9)	16.8	(8.0)	(4.9)	(5.4)	(4.2)
Expense CPI Increases (10)	-	5.3	5.4	5.5	5.6
Delete Reso. Authorities/One-Time Costs (11)	(77.4)	-	-	-	-
Unappropriated Balance (12)	58.2	(13.2)	(21.3)	-	-
New Facilities (13)	3.2	3.5	4.8	2.5	2.5
City Elections (14)	15.6	(15.6)	16.1	(16.1)	16.1
CIEP (15)	(1.5)	48.1	2.7	1.9	1.8
Appropriation to the Reserve Fund	(46.7)	-	-	-	-
Net - Other Additions and Deletions	(273.2)	15.0	-	-	-
Subtotal Expenditures	\$ 4,375.1	\$ 4,723.2	\$ 4,936.9	\$ 5,130.5	\$ 5,307.2
<i>Expenditure Growth %</i>	<i>-0.6%</i>	<i>8.0%</i>	<i>4.5%</i>	<i>3.9%</i>	<i>3.4%</i>
<i>Expenditure Growth \$</i>	<i>(24.7)</i>	<i>348.1</i>	<i>213.7</i>	<i>193.6</i>	<i>176.8</i>
TOTAL BUDGET GAP	\$ -	\$ (349.8)	\$ (446.3)	\$ (512.5)	\$ (547.9)
<i>Incremental Increase %</i>			<i>27.6%</i>	<i>14.8%</i>	<i>6.9%</i>
<i>Incremental Increase \$</i>			<i>(96.6)</i>	<i>(66.1)</i>	<i>(35.4)</i>

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK FOOTNOTES

REVENUE:

(1) General Fund (GF) Base: The General Fund revenue growth is separated from the revenue base. This base excludes the Reserve Fund transfer to the budget.

(2) Revenue Growth: Revenue projections have been revised to reflect the consensus of economists that economic recovery will be slow and that economy-sensitive revenues will take several years to return to pre-recession levels. Amounts represent projected incremental change to the base.

ESTIMATED GENERAL FUND EXPENDITURES:

(3) Estimated Expenditure General Fund Base: Using the 2009-10 General Fund budget as the baseline year, the General Fund base is the "Total Obligatory and Potential Expenditures" carried over to the following fiscal year.

(4) The 2010-11 incremental changes reflect funding adjustments to the 2009-10 General Fund budget. The 4-Year Outlook expenditures included for subsequent years are limited to those obligatory and major expenses known at this time and are subject to change. Amounts represent projected incremental change to the base.

(5) Employee Compensation Adjustments: This includes cost of living adjustment ("COLA"), change in number of working days, salary step and turnover effect, and full funding for partially financed positions.

The 2010-11 Adopted Budget includes the following specific employee compensation adjustments:

- 2009-10 deferred employee salary adjustment for the Coalition of the Los Angeles City Union and Management Attorneys Unit ("Coalition");
- Restoration of undesignated salaries reductions included in the 2009-10 Budget;
- Reduction of 16 or 26 working days for civilian employees (this reduction is restored in 2010-11 Outlook); and,
- Salary savings from the Early Retirement Incentive Program ("ERIP");

Coalition: On Dec. 19, 2007, the Mayor and Council approved the 2007-2012 Memorandum of Understanding ("MOU") for the Coalition of the Los Angeles City Union and Management Attorneys Unit (Coalition). The COLAs approved at that time are reflected in the chart below. Step increases that apply to all workers who have been on Step 5 for one year and to most flat-rated workers at the time of the increase will be effective January 1st of 2010, 2011, and 2012.

Original Coalition MOUs	2007-08	2008-09	2009-10	2010-11	2011-12
COLA	2% + 2%	3%	3%	2.25%	2.25%
Step/Increase			2.75%	2.75%	2.75%

On September 30, 2009, the Mayor and Council initially approved the Early Retirement Incentive Program ("ERIP") ordinance that allows for voluntary civilian employee separations. As part of ERIP, the Coalition ratified a revised five-year agreement with the City on October 23, 2009, and extended the term to 2013-14.

Oct. 2009 Revised Coalition MOUs	2009-10	2010-11	2011-12	2012-13	2013-14
COLA - July 1 st	0%	0%	3%	2.25%	2.25%
Step/Increase - Jan. 1 st	0%	0%	2.75%	2.75%	2.75%
Deferral Recovery - July 1st	0%	0%	0%	0%	1.75%
Cash Payment - Nov. 1 st	n/a	n/a	1.75%	1.75%	0%

The City's agreement with the Coalition requires that all wage movement outlined in the MOU extension will be advanced by one year if the City elects to implement layoffs. The 2010-11 Adopted Budget assumes such layoffs, triggering the following revised schedule of increases.

Coalition MOUs (Advanced)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
COLA - July 1 st	0%	3%	2.25%	2.25%	n/a	n/a
Step/Increase - Jan. 1 st	0%	2.75%	2.75%	2.75%	n/a	n/a
Deferral Recovery – July 1 st	0%	0%	0%	1.75%	n/a	n/a
Cash Payment - Nov. 1 st	n/a	0%	1.75%	0%	n/a	n/a

Sworn Fire and Police Officers: On October 21, 2009, members of the Los Angeles Police Protective League (“LAPPL”) ratified a two-year contract for 2009-10 to 2010-11. On March 25, 2010, members of the United Firefighters of Los Angeles (“UFLAC”) ratified a one-year contract for 2009-10. Negotiations are in process with UFLAC for a successor MOU commencing July 1, 2010. The new MOU COLA’s are also reflected in the chart below.

Sworn MOUs	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
LAPPL	0%	0%	n/a	n/a	n/a	n/a
UFLAC	0%	n/a	n/a	n/a	n/a	n/a

Engineers and Architects Association (“EAA”): EAA ratified a one-year contract for 2010-11 and no EAA COLA’s are assumed in 2010-11 and future years.

(6) City Employment Retirement System (“LACERS”) and Fire & Police Pensions (“Pensions”): The LACERS and Pensions contribution are estimated based on information from the departments’ actuaries and include COLA assumptions as noted above. The amounts reflected in the outlook represent incremental changes. The estimates are mostly driven by changes in assumptions and investment returns.

Assumptions	Market Corridor	Smoothing	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
LACERS								
6/30 th Investment Returns			12.9%	8%	8%	8%	8%	8%
Rate	60:140	7 year	19.46%	24.49%	27.66%	31.12%	33.70%	36.14%
Pensions								
6/30 th Investment Returns			13.91%	7.75%	7.75%	7.75%	7.75%	7.75%
Rate	60:140	7 year	28.24%	30.12%	39.08%	44.67%	51.71%	56.04%

(7) Workers Compensation Benefits (WC): The WC budget increase of 8% is applied through 2011-12.

(8) Health and Dental Benefits: The Personnel Department reports that the civilian FLEX medical premium are expected to increase by 9.0% for 2011-12; 9.4% for 2012-13; 9.0% for 2013-14; 8.4% for 2014-15; and 7.5% for 2015-16; other dental, life and disability rate increases are also based on consultant projections. Police and Fire health medical subsidy increases are based on the average expenditure changes for the past three years. The latter premiums are higher due to the type of coverage and lower deductible health plans. Police and Fire enrollment projections are consistent with the current year hiring plan. For purposes of this Outlook, \$13.4 million budgeted for potential Health Benefits costs in the 2010-11 Unappropriated Balance is included in this section.

(9) Debt Service: The debt service amounts include Capital Finance and Judgement Obligation Bond budgets.

(10) Expense CPI Increases: The CPI increases in future years are anticipated at 2% per annum.

(11) Delete One-time Resolution Authorities and Other Costs: Reflects City practice of deleting programs and costs that are limited-term and temporary in nature at the start of the budget process. Funding for these positions, programs, and expenses is reviewed on a case-by-case basis and dependent upon continuing need for the fiscal year. Continued or new items added are embedded in the “Net – Additions and Deletions” line item of the forecast. None are deleted in subsequent years to provide a placeholder for continuation of resolution authority positions for various programs, as well as equipment, and other one-time expenses incurred annually. As such, these costs are therefore incorporated into the beginning General Fund base of subsequent years.

(12) Unappropriated Balance (UB): The total 2010-11 UB budget of \$71.6 million includes \$21.2 million for the first of two ERIP payout installments and \$13.2 million for Budget Balancing Bridge as a contingency for delayed implementation of budgeted savings. The ERIP payout and the Budget Balancing Bridge items would not be budgeted in 2012-13 and 2011-12, respectively. Other UB items are not eliminated the following year to provide a placeholder for various ongoing and/or contingency requirements in the future. For purposes of the Outlook, \$13.4 million budgeted for Health Benefits costs are included in the Health and Dental Benefits section (see note 8).

(13) New Facilities: Funding projections are based on preliminary departmental estimates for ongoing staffing and expenses that have not been prioritized.

(14) Elections: Citywide elections occur bi-annually.

(15) Capital Improvement Expenditure Program (CIEP): The 2010-11 budget includes nearly \$6 million for various capital projects, a decrease of \$1.5 million from 2009-10. For future years, the CIEP amounts assume compliance with the policy of budgeting 1% of the General Fund for capital improvement projects.

Attachment 5
STATUS OF RESERVE FUND AS OF 2/28/2011

Council File No. Item Description	Amount
Balance Available, 7/1/2010	\$ 171,490,968
Less: Emergency Reserve Account	120,318,000
Contingency Reserve Account 7/1/2010	\$ 51,172,968
Loan Repayment and Other Receipts	32,265,330
Contingency Reserve Account	\$ 83,438,298
Loans and Transfers Approved to Date	
CAO memo LACVB	(846,178)
CAO memo LA Inc.	(553,950)
09-0600 YE Risk Management System (Linx) (reappropriation)	(3,600,400)
09-0648-S12 Capital Finance Administration Commercial Paper	(3,122,365)
09-0600 YE Alternative Dispute Resolution (reappropriation)	(1,346,000)
09-0600 YE Financial Management System	(1,296,448)
09-0600 YE Public Safety Systems Project	(523,136)
09-0600 YE Financial Management System	(500,000)
10-1520 Cash Balance Adjustment / General Ledger	(378,291)
10-0600 1st FSR E-Commerce Contract	(200,000)
09-0600 YE Fleet utilization study	(120,000)
09-0600 YE Communications Users' Tax Independent Audit	(100,000)
06-0010-S36 Kaitlyn Avila	(50,000)
07-0010-S46 Pulod Davlatnazarov/Vladimir Akkerman	(50,000)
10-0600 1st FSR UB General	(25,000)
10-0600 1st FSR CRA-funded cameras/equipment	(24,999)
10-1330-S2 55th Street and Grand Ave. Illegal Dumping Award	(1,000)
10-1330-S3 Wyandotte Street Illegal Dumping Award	(1,000)
10-1330-S1 La Tuna Canyon Illegal Dumping Award	(1,000)
09-2181-S1 Metropolitan Los Angeles Branch Engineering	(580)
10-2482 Solar Leadership Roundtable	(290)
Mid Year Fire Department - Dispatch Center Furniture Purchase	(125,000)
Loans and Transfers Approved to Date Subtotal	\$ (12,865,637)
Contingency Reserve Available Balance as of 2/28/2011	\$ 70,572,661
Total Emergency and Contingency Reserve Fund	\$ 190,890,661

**Attachment 6
Summary of Expenditure and Revenue Variations from Budget**

DEPARTMENTS	Second FSR Deficit*	Second FSR UB Recommendations	Post Second FSR Deficit	Alt Plan Deficit	Alt Plan Solutions	Post Alt Plan Deficit	Mid Year Reported Deficit	Deficit Reduction Recommendations	Post Mid Year Deficit
City Attorney	(9,571,000)	148,000	(9,423,000)	(9,423,000)		(9,423,000)	(8,100,000)		(8,100,000)
Controller	(19,000)		(19,000)	(19,000)		(19,000)	0		0
Disability	0		0	0		0	(30,000)		(30,000)
El Pueblo	(50,000)		(50,000)	(50,000)		(50,000)	0		0
Fire Department	(10,800,000)		(10,800,000)	(10,800,000)		(10,800,000)	(8,600,000)		(8,600,000)
General Services	0		0	0		0	(125,000)		(125,000)
Information Technology	0		0	0		0	(110,000)		(110,000)
Police	(18,100,000)	4,500,000	(13,600,000)	(13,600,000)		(13,600,000)	(15,100,000)	11,400,000	(3,700,000)
Public Works - Contract Administration	0		0	0		0	(156,000)		(156,000)
SUBTOTAL DEPARTMENT DEFICIT	(38,540,000)	4,648,000	(33,892,000)	(33,892,000)	0	(33,892,000)	(32,221,000)	11,400,000	(20,821,000)
Recreation and Parks Reduction							2,800,000	(2,800,000)	0
Police Hiring Savings							725,000		725,000
City Attorney Pending Solutions	5,400,000		5,400,000	5,400,000		5,400,000	5,400,000		5,400,000
SUBTOTAL DEPT DEFICIT w/Approve and Pending Red	(33,140,000)	4,648,000	(28,492,000)	(28,492,000)	0	(28,492,000)	(23,296,000)	8,600,000	(14,696,000)
GENERAL CITY PURPOSES									
Pension, Soc Sec, and Retirement	3,800,000		3,800,000	3,800,000		3,800,000	3,800,000	(3,800,000)	0
Solid Waste Lifeline Fee							(3,600,000)		(3,600,000)
HUMAN RESOURCES BENEFITS (UI)							2,900,000	(2,900,000)	0
UNAPPROPRIATED BALANCE									
ERIP Account and Budget Balancing Bridge	17,240,000	(4,648,000)	12,592,000	12,592,000	3,016,610	15,608,610	16,708,610	(16,708,610)	0
Water and Electricity	1,800,000		1,800,000	1,800,000		1,800,000	2,400,000	(2,400,000)	0
Other UB Accounts	800,000		800,000	800,000		800,000	800,000	(800,000)	0
Service Mitigation Fund						9,000,000	11,151,483	(11,151,483)	0
FLEX Benefit							13,400,000	(13,400,000)	0
Reserve for Economic Uncertainty							0	74,330,824	74,330,824
SPECIAL FUNDS							483,043	(483,043)	0
Capital Improvement Expenditure Program					2,000,416	2,000,416	2,000,416	(2,000,416)	0
Capital Finance Fund					10,100,000	10,100,000	18,100,000	(18,100,000)	0
SPRF Surplus							4,000,000	(4,000,000)	0
SUBTOTAL NON-DEPARTMENTAL DEFICIT	23,640,000	(4,648,000)	18,992,000	18,992,000	15,117,026	43,109,026	72,143,552	(1,412,728)	70,730,824
SUBTOTAL ALT PLAN EXPENDITURE SOLUTIONS					13,920,899	13,920,899	13,920,899	(7,187,272)	6,733,627
TOTAL EXPENDITURE SURPLUS/(DEFICIT)	(9,500,000)	0	(9,500,000)	(9,500,000)	29,037,925	28,537,925	62,768,451	0	62,768,451
Projected Revenue Loss (All Sources)				(53,200,000)		(87,700,000)	(87,700,000)		(87,700,000)
Alternative Plan Revenue Solutions					4,662,075	4,662,075	4,662,075		4,662,075
Ambulance Billing Revenue							6,000,000		6,000,000
Gas Tax Related Cost							7,000,000		7,000,000
Net Change To Revenue Since Feb 11							3,156,000		3,156,000
TOTAL REVENUE SURPLUS/(DEFICIT)				(53,200,000)	4,662,075	(83,037,925)	(66,881,925)	0	(66,881,925)
TOTAL CITYWIDE DEFICIT	(9,500,000)	0	(9,500,000)	(62,700,000)	33,700,000	(54,500,000)	(4,113,474)	0	(4,113,474)

**Attachment 7
NEW APPROPRIATIONS**

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
El Pueblo Salaries General Deficit	<u>Fund 737/33, El Pueblo Historical Monument Trust Fund</u> 200G, Unallocated Balance	\$ 51,000.00	<u>100/33, El Pueblo</u> 1010, Salaries, General	\$ 51,000.00	
General Services Runway Renovation	<u>Fund 100/40, General Services</u> RSC 4194, Services to Proprietary Departments	\$ 835,000.00	<u>Fund 100/40, General Services</u> 1090, Overtime 4500, Laboratory Expenses	\$ 620,000.00 \$ 215,000.00	
	Subtotal	<u>\$ 835,000.00</u>		Subtotal	<u>\$ 835,000.00</u>
Information Technology Agency GroupWise Costs	<u>Fund 100/32, Information Technology Agency</u> RSC 4551, Miscellaneous Revenues	\$ 160,213.50	<u>Fund 100/32, Information Technology Agency</u> 3040, Contractual Services	\$ 160,213.50	
Business Assistance Virtual Network	RSC 4194, Services to Proprietaries - Airports RSC 4195, Services to Proprietaries - DWP RSC 4196, Services to Proprietaries - Harbor	\$ 97,000.00 \$ 97,000.00 \$ 97,000.00	3040, Contractual Services 6010, Office and Administrative	\$ 120,000.00 \$ 171,000.00	
	Subtotal	<u>\$ 291,000.00</u>		Subtotal	<u>\$ 291,000.00</u>
Communications Service Requests Recreation and Parks	RSC 4610, Reimbursement from Depts./Funds	\$ 37,924.65	1090, Salaries Overtime 1190, Hiring Hall, Overtime 9350, Communications Services	\$ 17,553.00 \$ 223.65 \$ 20,148.00	
	Subtotal	<u>\$ 37,924.65</u>		Subtotal	<u>\$ 37,924.65</u>
DWP Public Service Announcements	<u>Fund 342/32, Telecommunications Development Account</u> RSC 4190, Channel 35 Receipts	\$ 25,000.00	<u>Fund 342/32, Telecommunications Development Account</u> 015G, LA CityView Channel 35 Operations	\$ 25,000.00	
Personnel DWP Position Reimbursement	<u>Water Revenue Fund 01</u> To be determined	\$ 75,000.00	<u>Fund 100/66 Personnel Department</u> 1070, Salaries As-Needed	\$ 75,000.00	
Classification Study Reimbursement	<u>Power System Fund 704/98</u> RSC 4559, Deposit Receipts (Agency Funds)	\$ 30,000.00	<u>Fund 100/66 Personnel Department</u> 1010, Salaries General 1070, Salaries As-Needed	\$ 15,000.00 \$ 15,000.00	
	Subtotal	<u>\$ 30,000.00</u>		Subtotal	<u>\$ 30,000.00</u>
Planning Warner Center Specific Plan	<u>Fund 573/94, Warner Center</u> RSC 4403, Interest Income, Warner Center Specific Plan	\$ 88,000.00	<u>Fund 100/68, Planning</u> 1010, Salaries General	\$ 88,000.00	
Police Operational Plan CLEAR Program	<u>Fund 667/46, Supplemental Law Enforcement Services</u> RSC 3523, Other County Grants	\$ 2,230,217.46	<u>Fund 100/70, Police</u> 1012, Salaries Sworn	\$ 2,230,217.46	
Laker Parade Reimbursement	<u>Fund 100/46, Mayor</u> RSC 4512, Donations	\$ 96,122.00	<u>Fund 100/70, Police</u> 6010, Office and Administrative	\$ 96,122.00	
Public Works -Board of Public Works Project Restore	<u>Fund 834/50, Board of Public Works</u> Available Balance	\$ 117,360.00	<u>Fund 100/74, General Fund</u> 1010, Salaries General	\$ 117,360.00	

**Attachment 7
NEW APPROPRIATIONS**

		TRANSFER FROM				TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT			AMOUNT
Public Works - Street Lighting <i>Olympic Blvd Streetscape</i>	<u>Fund 347/50, Street Lighting Maint Assessment</u>		<u>Fund 100/84, Street Lighting</u>				
	RSC, 3734, Reimbursement from Other Agencies	\$ 520,000.00	1090, Overtime	\$ 150,000.00			
			8780, Street Lighting Imprvmt/Supplies	\$ 370,000.00			
		Subtotal		Subtotal			
		\$ 520,000.00		\$ 520,000.00			
Broadway/College Street <i>Duratherm repair work</i>	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 4195, Serv to Propr Dept-Water/Power	\$ 6,798.00	1010, Salaries General	\$ 3,670.00			
			3030, Construction Expense	\$ 2,100.00			
			3040, Contractual Services	\$ 544.00			
			6020, Operating Supplies	\$ 484.00			
		Subtotal		Subtotal			
		\$ 6,798.00		\$ 6,798.00			
Removal and relocation of existing <i>street furniture</i>	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 3734, Reimb From Other Agencies	\$ 2,960.00	1010, Salaries General	\$ 1,000.00			
			3040, Contractual Services	\$ 1,000.00			
			6020, Operating Supplies	\$ 960.00			
		Subtotal		Subtotal			
		\$ 2,960.00		\$ 2,960.00			
Staffing Asphalt Plant I for overnight <i>filming</i>	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 3734, Reimb From Other Agencies	\$ 693.00	1090, Salaries Overtime	\$ 693.00			
State of CA tire recycling <i>management</i>	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 3734, Reimb From Other Agencies	\$ 16,761.47	1010, Salaries General	\$ 8,380.00			
			6010, Office and Administrative	\$ 4,000.00			
			6020, Operating Supplies	\$ 4,381.47			
		Subtotal		Subtotal			
		\$ 16,761.47		\$ 16,761.47			
Bel-Air pot hole sweep work	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 3734, Reimb From Other Agencies	\$ 1,099.00	1010, Salaries General	\$ 620.00			
			3030, Construction Expense	\$ 261.00			
			3040, Contractual Services	\$ 172.00			
			6020, Operating Supplies	\$ 46.00			
		Subtotal		Subtotal			
		\$ 1,099.00		\$ 1,099.00			
San Pedro Street street furniture removal	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 3741, Revenue From Comm Redev Agency	\$ 2,960.00	1010, Salaries General	\$ 1,500.00			
			3030, Construction Expense	\$ 846.00			
			3040, Contractual Services	\$ 375.00			
			6020, Operating Supplies	\$ 239.00			
		Subtotal		Subtotal			
		\$ 2,960.00		\$ 2,960.00			
Olympic Boulevard streetscape <i>improvements</i>	<u>Fund 305/50 Subventions and Grant Fund</u>		<u>Fund 100/86, Street Services</u>				
	RSC 3741, Revenue From Comm Redev Agency	\$ 1,717,200.00	1010, Salaries General	\$ 1,000,000.00			
			3030, Construction Expense	\$ 407,000.00			
			3040, Contractual Services	\$ 180,200.00			
			6010, Office and Administrative	\$ 15,000.00			
			6020, Operating Supplies	\$ 115,000.00			
		Subtotal		Subtotal			
		\$ 1,717,200.00		\$ 1,717,200.00			

**Attachment 7
NEW APPROPRIATIONS**

		TRANSFER FROM				TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT		FUND/ACCOUNT		AMOUNT	
Public Works - Street Lighting <i>CRA Wilton Place landscaping project (DOT design & construction)</i>	<u>Fund 305/50 Subventions and Grant Fund</u> RSC 3734, Reimb From Other Agencies	\$ 36,036.44		<u>Fund 100/94, Transportation</u> 1010, Salaries General		\$ 4,861.25	
				1090, Overtime General		\$ 21,399.25	
				3350, Paint and Sign Maintenance A		\$ 9,775.94	
		<u>Subtotal \$ 36,036.44</u>				<u>Subtotal \$ 36,036.44</u>	
LAPD Special Event Reimbursements (7/2010 - 11/2010)	<u>Fund 305/50, Subventions and Grant Fund</u> RSC 4228, One-Stop Spl Events Rev	\$ 482,333.86		<u>Fund 100/70, Police</u> 1092, Sworn Overtime		\$ 482,333.86	
Transportation <i>CF:10-0600-S49</i>	<u>Fund 51Q/94, Measure R Local Return Fund</u> G400, Unallocated Balance	\$ 3,967,000.00		<u>Fund 51Q/94, Measure R Local Return Fund</u> New Account, ARRA -Transit Priority System		\$ 575,000.00	
				New Account, ARRA - Railroad Grade Panel		\$ 945,000.00	
				New Account, ATSAC Harbor Gateway 2 Project		\$ 1,947,000.00	
				New Account, Transportation Contingency		\$ 500,000.00	
		<u>Subtotal \$ 3,967,000.00</u>				<u>Subtotal \$ 3,967,000.00</u>	
Treasurer <i>Receipts for Bank Fees</i>	<u>Fund 100/96, Treasurer</u> 4610, Reimbursements from Other Funs/Depts	\$ 1,012,421.25		<u>Fund 100/96, Treasurer</u> 4040, Bank Service Fees		\$ 1,012,421.25	
Capital Finance Administration <i>Storm Damage to MICLA Debt Service</i>	<u>Fund 100/53, Capital Finance Administration</u> RSC 4677, Disaster Cost Reimbursement - Federal Govt.	\$ 2,328,697.00		<u>Fund 100/53, Capital Finance Administration</u> 0316, Commercial Paper		\$ 2,328,697.00	
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 14,131,797.63				\$ 14,131,797.63	

Attachment 8
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Animal Services	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>	
<i>Operational Plan Savings</i>	4430, Uniforms	\$ 5,000.00	1010, Salaries General	\$ 87,227.00
	4580, Animal Food/Feed and Grain	\$ 20,000.00		
	6010, Office and Administrative	\$ 10,000.00		
	6020, Operating Supplies	\$ 52,227.00		
	Subtotal	<u>\$ 87,227.00</u>	Subtotal	<u>\$ 87,227.00</u>
<i>Alternative Plan Savings</i>	1070, Salaries As-needed	\$ 15,000.00	1010, Salaries General	\$ 200,086.00
	1090, Overtime General	\$ 13,000.00		
	2120, Printing and Binding	\$ 5,000.00		
	3040, Contractual Services	\$ 6,503.00		
	4160, Governmental Meetings	\$ 1,074.00		
	4430, Uniforms	\$ 4,939.00		
	4580, Animal Food/Feed and Grain	\$ 69,540.00		
	6010, Office and Administrative	\$ 8,196.00		
	6020, Operating Supplies	\$ 76,834.00		
	Subtotal	<u>\$ 200,086.00</u>	Subtotal	<u>\$ 200,086.00</u>
Ethics	<u>Fund 100/17, Ethics</u>		<u>Fund 100/17, Ethics</u>	
<i>Salaries General Deficit</i>	3040, Contractual Services	\$ 140,000.00	1010, Salaries, General	\$ 140,000.00
Finance	<u>100/39, Finance</u>		<u>100/39, Finance</u>	
<i>Alternative Plan Savings</i>	1090, Salaries Overtime	\$ 35,720.00	1010, Salaries General	\$ 258,920.00
	2120, Printing and Binding	\$ 123,200.00		
	6010, Office and Administrative Expense	\$ 100,000.00		
	Subtotal	<u>\$ 258,920.00</u>	Subtotal	<u>\$ 258,920.00</u>
Housing	<u>Fund 100/43, Housing</u>		<u>Fund 100/43, Housing</u>	
<i>Lease Cost Increases</i>	1010, Salaries General	\$ 190,000.00	6030, Leases	\$ 70,000.00
			3040, Contractual Services	\$ 120,000.00
	Subtotal	<u>\$ 190,000.00</u>	Subtotal	<u>\$ 190,000.00</u>
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
<i>Sworn Overtime Deficit</i>	1012, Salaries Sworn	\$ 3,000,000.00	1092, Sworn Overtime	\$ 1,000,000.00
<i>Constant Staffing Deficit</i>	1098, Variably Staffed Overtime	\$ 4,750,000.00	1093, Constant Staffing Overtime	\$ 6,300,000.00
<i>Field Equipment Expense Deficit</i>	4430, Uniforms	\$ 500,000.00	3090, Field Equipment Expense	\$ 650,000.00
<i>Rescue Supplies Deficit</i>			3260, Rescue Supplies	\$ 300,000.00
	Subtotal	<u>\$ 8,250,000.00</u>	Subtotal	<u>\$ 8,250,000.00</u>

Attachment 8
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
General Services <i>Alternative Plan Savings</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
	9130, Postage	\$ 250,000.00	1010, Salaries General	\$ 350,000.00
	4430, Uniforms	\$ 50,000.00		
	2120, Printing	\$ 30,000.00		
	3310, Transportation	\$ 20,000.00		
	Subtotal	\$ 350,000.00	Subtotal	\$ 350,000.00
<i>Salaries General Deficit</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
	6010, Office and Administrative	\$ 77,000.00	1010, Salaries General	\$ 117,000.00
	6020, Operating Expenses	\$ 40,000.00		
	Subtotal	\$ 117,000.00	Subtotal	\$ 117,000.00
<i>Hazardous Materials Services</i>	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
	3090, Field Equipment Expense	\$ 140,000.00	3040, Contractual Services	\$ 140,000.00
Information Technology Agency <i>Alternative Plan Savings</i>	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/32, Information Technology Agency</u>	
	3040, Contractual Services	\$ 124,350.00	1010, Salaries General	\$ 479,599.00
	6010, Office and Administrative	\$ 18,000.00		
	6020, Operating Supplies	\$ 30,000.00		
	9350, Communication Services	\$ 307,249.00		
	Subtotal	\$ 479,599.00	Subtotal	\$ 479,599.00
Mayor <i>Temporary Staffing</i>	<u>Fund 100/46, Mayor</u>		<u>Fund 100/46, Mayor</u>	
	1010, Salaries General	\$ 500,000.00	1070, Salaries, As Needed	\$ 500,000.00
Personnel <i>Training Equipment Expenses</i>	<u>Fund 100/66, Personnel Department</u>		<u>Fund 100/66, Personnel Department</u>	
	9570, Training Expense	\$ 60,000.00	6010, Office and Administrative Expense	\$ 60,000.00
Police <i>ARRA-COPS Hiring</i>	<u>Fund 51Y/70, ARRA-2009 COPS Hiring Recovery</u>		<u>Fund 51Y/70, ARRA-2009 COPS Hiring Recovery</u>	
	F201, 2009 CHR	\$ 1,500,000.00	G299, Related Cost	\$ 1,500,000.00
<i>Operational Plan Accumulate OT Savings</i>	<u>Fund 100/70, Police</u>		<u>Fund 100/70, Police</u>	
	1095, Accumulated Overtime	\$ 1,500,000.00	1012, Sworn Salaries	\$ 950,000.00
			1092, Sworn Overtime	550,000.00
	Subtotal	\$ 1,500,000.00	Subtotal	\$ 1,500,000.00
Public Works - Sanitation <i>Various Account Deficits</i> <i>SWRF (\$85,000) and MFB1 (\$90,000)</i>	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	1010, Salaries General	\$ 60,000.00	2120, Printing & Binding	\$ 10,000.00
	4430, Uniforms	\$ 25,000.00	3040, Contractual Services	\$ 90,000.00
	6010, Office and Administrative	\$ 90,000.00	3310, Transportation	\$ 60,000.00
			6010, Office and Administrative	\$ 15,000.00
	Subtotal	\$ 175,000.00	Subtotal	\$ 175,000.00

Attachment 8
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Street Lighting Field Operations	<u>Fund 100/84, Street Lighting</u> 1010, Salaries General	\$ 180,000.00	<u>Fund 100/84, Street Lighting</u> 1100, Hiring Hall Salaries 1120, Hiring Hall Benefits	\$ 82,000.00 \$ 98,000.00
	Subtotal	<u>\$ 180,000.00</u>	Subtotal	<u>\$ 180,000.00</u>
Transportation CF:10-0600-S49 Transit Priority System	<u>Fund 51Q/94, Measure R Local Return Fund</u> New Account, ARRA-Transit Priority System	\$ 25,000.00	<u>Fund 51Q/94, Measure R Local Return Fund</u> G194, Transportation	\$ 25,000.00
CF:10-0600-S49 Railroad Grade Panel	<u>Fund 51Q/94, Measure R Local Return Fund</u> New Account, ARRA-Railroad Grade Panel	\$ 670,000.00	<u>Fund 51Q/94, Measure R Local Return Fund</u> G176, Contract Administration G194, Transportation	\$ 245,000.00 \$ 425,000.00
	Subtotal	<u>\$ 670,000.00</u>	Subtotal	<u>\$ 670,000.00</u>
Human Resources Benefits Civilian Union Supplemental Benefits Deficit	<u>Fund 100/61, Human Resource Benefits</u> 9100, Unemployment Insurance 9100, Unemployment Insurance	\$ 10,600,000.00 \$ 165,000.00	<u>Fund 100/61, Human Resource Benefits</u> 9200, Civilian Flex 9330, Union Supplemental	\$ 10,600,000.00 \$ 165,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 25,587,832.00		\$ 25,587,832.00

Attachment 9
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Animal Services <i>Alternative Plan Savings</i>	<u>Fund 842/06, Spay/Neuter Trust Fund</u> 005A, Spay/Neuter Funds	\$ 282,276.00	<u>Fund 100/06, Animal Services</u> 1010, Salaries General	\$ 282,276.00
<i>Alternative Plan Savings</i>	<u>Fund 41C, Electronic Animal ID Device</u> 201G, Microchips	\$ 45,000.00	<u>Fund 100/06, Animal Services</u> 1010, Salaries General	\$ 45,000.00
Building and Safety <i>Overtime for Expedited Services</i>	<u>Fund 48R/08, Building and Safety Building Permit Enterprise Fund</u> G200, Reserve for Unanticipated Costs	\$ 450,000.00	<u>Fund 100/08, Building and Safety</u> 1090, Overtime General	\$ 450,000.00
<i>Alternative Plan Savings</i>	<u>Fund 346/08, Repair and Demolition Fund</u> 000A, Expenditure	\$ 243,000.00	<u>Fund 100/08, Building and Safety</u> 1010, Salaries General	\$ 243,000.00
Convention Center <i>Increased Services</i>	<u>Fund 725/48, Convention Center Revenue Trust Fund</u> 148G, LA Convention Center Account	\$ 967,500.00	<u>Fund 100/48, Convention Center</u> 1070, Salaries As-Needed 1090, Overtime Salaries 3040, Contractual Services 3340, Water and Electricity 9150, Building Modifications & Repair	\$ 150,000.00 \$ 50,000.00 \$ 200,000.00 \$ 500,000.00 \$ 67,500.00
	Subtotal	\$ 967,500.00	Subtotal	\$ 967,500.00
<i>Alternative Plan Related Cost Reimbursement</i>	<u>Fund 725/48, Convention Center Revenue Trust Fund</u> 299G, Reimbursement of General Fund Cost	\$ 400,000.00	<u>Fund 100/48, Convention Center</u> RSC 4610, Reimbursements from Other Funds/Depts	\$ 400,000.00
Cultural Affairs <i>Percent for Arts Program</i>	<u>Fund 480/30, Arts and Cultural Facilities and Services</u> V338, Fire Dept - Dept for Art Proj V370, LAPD - Percent for Art Proj V378, BOE - Percent Art Proj	\$ 9,927.95 \$ 72,605.79 \$ 35,271.96	<u>Fund 100/30, Cultural Affairs</u> 1010, Salaries General	\$ 117,805.70
	Subtotal	\$ 117,805.70	Subtotal	\$ 117,805.70
<i>Art Center Operations</i>	<u>Fund 100/54, Capital Improvement Expenditure Program</u> F276, One Percent for Art	\$ 130,000.00	<u>Fund 100/30, Cultural Affairs</u> 1070, Salaries As-Needed	\$ 130,000.00

Attachment 9
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Cultural Affairs (Continued) <i>Alternative Plan Savings</i>	<u>Fund 844/30, Cultural Affairs Trust Fund</u>		<u>Fund 100/30, General Services</u>	
	001K, Junior Arts Center	\$ 2,355.70	1010, Salaries General	\$ 76,805.53
	001Y, Cultural Heritage	\$ 409.70		
	002M, Watts Towers Earthquake Repair	\$ 21,318.13		
	002E, Community Arts Division	\$ 14,996.12		
	002Q, Watts Towers Art Center	\$ 154.00		
	002R, Barnsdall Art Center	\$ 1,180.79		
	003N, Services to the Field	\$ 6,421.07		
	004K, Harbor Arts Centers	\$ 129.70		
	010R, William Grant Still Community	\$ 46.64		
	301T, Caltrans Mural Treatment	\$ 7,235.03		
	002W, WTAC - 03 Storm Repair	\$ 2,227.30		
	003W, Watts Tower Repair	\$ 8,258.00		
	156Y, General City Purpose	\$ 200.00		
	204Y, WTAC 04 Storm Repair	\$ 211.00		
	210E, Sony Pictures Media Arts Program	\$ 4,659.49		
	004J, Youth Arts and Education	\$ 6,110.08		
	004F, Museum Education and Tours	\$ 111.95		
	202W, Leimert Park Special Programs	\$ 780.83		
	Subtotal	\$ 76,805.53	Subtotal	\$ 76,805.53
Emergency Management Department <i>Operational Plan Deficit Reduction</i>	<u>Fund 392/34, Emergency Operations Fund</u>		<u>Fund 100/35, Emergency Management</u>	
	3040, Contractual Services, FY03	\$ 618.28	1010, Salaries, General	\$ 83,634.00
	6020, Operating Supplies & Expense, FY03	\$ 51.53		
	2120, Printing & Binding, FY04	\$ 83.01		
	6020, Operating Supplies & Expense, FY05	\$ 86.93		
	3040, Contractual Services, FY06	\$ 1.00		
	2120, Printing & Binding, FY07	\$ 1.00		
	3040, Contractual Services, FY07	\$ 1.00		
	6010, Office & Administrative Expense, FY07	\$ 467.44		
	2130, Travel Expense, FY08	\$ 266.01		
	2120, Printing & Binding, FY09	\$ 43.45		
	2130, Travel Expense, FY09	\$ 21,556.18		
	3040, Contractual Services, FY09	\$ 25,005.15		
	6010, Office & Administrative Expense, FY09	\$ 28,695.98		
	6020, Operating Supplies & Expense, FY09	\$ 6,091.04		
	E140, General Services Department, FY09	\$ 666.00		
	Subtotal	\$ 83,634.00	Subtotal	\$ 83,634.00
General Services <i>Convention Center Security Services</i>	<u>Fund 725/48, LA Convention Center Revenue</u>		<u>Fund 100/40, General Services</u>	
	140G, General Services	\$ 500,000.00	1070, Salaries As-Needed	\$ 500,000.00

Attachment 9
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Mayor* FY08 SHSGP Program	<u>Fund 49T/46, FY08 SHSGP</u> F503, Contractual Services - EMD	\$ 217,463.36	<u>Fund 392/35, Emergency Management</u> 3040, Contractual Services	\$ 217,463.36
Personnel Workers' Compensation Positions	<u>Fund 100/61, Human Resources Benefits</u> 9910, Workers' Compensation Benefits Account	\$ 245,000.00	<u>Fund 100/66 Personnel Department</u> 1010, Salaries General	\$ 245,000.00
Police Standards and Training Alternative Plan Svgs.	<u>Fund 41Y/70, Standards and Training for Corrections Trust Fund</u> C207, Standards and Training Corrections 07 C208, Standards and Training Corrections 08 E207, Standards and Training Corrections 09 F207, Standards and Training Corrections 10 Subtotal	\$ 107,293.89 \$ 16,300.18 \$ 144,901.37 \$ 161,504.56 \$ 430,000.00	<u>Fund 100/70, Police</u> RSC 4610, Reimbursement from Other Depts/Funds	\$ 430,000.00
Operational Plan Deficit Reduction	<u>Fund 100/53, Capital Finance Administration Fund</u> 0329, In-Car Video Phase Two Financing Subtotal	\$ 1,500,000.00 \$ 1,500,000.00	<u>Fund 100/70, Police</u> 1092, Sworn Overtime 3040, Contractual Services Subtotal	\$ 450,000.00 \$ 1,050,000.00 \$ 1,500,000.00
Hollenbeck Settlement Reimbursement	<u>Fund 44D/70, US DOJ, Asset Forfeiture Trust Fund</u> E525, Equipment for New and Replacement Fac.	\$ 100,000.00	<u>Fund 100/59, Liability Claims Fund</u> RSC 4610, Reimbursement from Other Depts/Funds	\$ 100,000.00
MDC Custodial and Building Maintenance	<u>Fund 44D/70, U.S. Department of Justice Asset Forfeiture Trust Fund</u> E525, Equipment for New & Replacement Facilities Subtotal	\$ 411,384.00	<u>Fund 100/40, General Services Department</u> 1100, Hiring Hall 1120, Hiring Hall Fringe Benefits 3040, Contractual Services 3160, Maintenance Materials 6020, Operating Supplies 7350, Operating Equipment Subtotal	\$ 197,233.00 \$ 63,114.00 \$ 53,967.00 \$ 52,070.00 \$ 10,000.00 \$ 35,000.00 \$ 411,384.00
MDC Utility Costs	<u>Fund 100/53, Capital Finance Administration Fund</u> 0329, In-Car Video Phase Two Financing Subtotal	\$ 143,585.00	<u>Fund 100/60, General Services Department</u> 0021, General Services Water 0022, General Services Electricity 3330, Utilities Expense Private Company Subtotal	\$ 11,231.00 \$ 117,862.00 \$ 14,492.00 \$ 143,585.00
Public Works - Board Seismic Bond Reimbursement	<u>Fund 608/50, Bridge Improvement Program</u> F299, Related Costs	\$ 20,373.10	<u>Fund 100/74, General Fund</u> RSC 4690, Seismic Bond Fund	\$ 20,373.10
Public Works - Contract Administration Alternative Plan - Cheviot Hills Median Island	<u>Fund 47M/50, Century City Neighborhood Traffic</u> V201, Constellation Place Neighborhood	\$ 47,538.00	<u>Fund 100/76, Contract Administration</u> RSC 4610, Reimbursements from Other Funds/Dept	\$ 47,538.00

Attachment 9
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Engineering <i>Cheviot Hills Raised Median Island</i>	<u>Fund 47M/50, Century City Neighbor Traffic</u> V201, Constellation Place Neighborhood	\$ 300,063.00	<u>Fund 100/78, Bureau of Engineering</u> RSC 4610, Reimbursements from other Funds/Depts	\$ 834,317.00
<i>Seismic Bridge Improvement Program</i>	<u>Fund 608/50, Seismic Bond Reimburse Fund</u> F299, Related Costs	\$ 372,343.00		
<i>Potrero Canyon Unit I</i>	<u>Fund 100/54, Capital Improvement Expenditure Program</u> G998, Potrero Canyon Stabilization & Park	\$ 161,911.00		
	Subtotal	\$ 834,317.00	Subtotal	\$ 834,317.00
Public Works - Sanitation ** <i>Alternative Plan - SPA Related Costs</i>	<u>Fund 100/82, Related Costs</u> 1010, Salaries General	\$ 200,000.00	<u>Fund 511/50, Stormwater Pollution Abatement Fund</u> G299, Related Costs	\$ 200,000.00
<i>Tip Fee Reimbursements</i>	<u>Fund 567/50, Household Hazardous Waste Fund</u> G282, Sanitation Exp & Equip	\$ 184,642.00	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u> RSC 4610, Reimb from Other Funds/Depts	\$ 1,055,670.00
	<u>Fund 50D/50, Multifamily Bulky Item Fund</u> G282, Sanitation Exp & Equip	\$ 802,265.00		
	<u>Fund 46D/50, Citywide Recycling Trust Fund</u> G282, Sanitation Exp & Equip	\$ 68,763.00		
	Subtotal	\$ 1,055,670.00	Subtotal	\$ 1,055,670.00
<i>Debt Services Costs for Collection Vehicles</i>	<u>Fund 50D/50, Multifamily Bulky Item Fund</u> G508, Solid Waste Resources Fund	\$ 499,377.00	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u> RSC 4552, Reimbursement of Expenditures	\$ 499,377.00
<i>Recycling Advertisements</i>	<u>Fund 46D/50, Citywide Recycling Trust Fund</u> G350, Commercial and Recycling Development & Ca	\$ 85,000.00	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u> RSC 4428, Leases & Rentals	\$ 85,000.00
<i>Recycling / Environmental Outreach</i>	<u>Fund 537/50, Environmental Affairs Trust Fund</u> 1010, Available Cash Balance	\$ 25,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 3040, Contractual Services (Line 70 - Recycling Educatio	\$ 25,000.00
	G307, ReLeaf for LA	\$ 80,000.00	1070, Salaries As-Needed	\$ 180,000.00
	G307, Branching Out	\$ 100,000.00		
	Subtotal	\$ 205,000.00	Subtotal	\$ 205,000.00
<i>Mailing Costs and Safety Retrofits</i>	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u> E282, Sanitation Exp & Equip	\$ 22,254.00	<u>Fund 100/40, General Services</u> 3040, Contractual Services	\$ 22,254.00
	F282, Sanitation Exp & Equip	\$ 10,686.00	9130, Mailing Services	\$ 10,686.00
	Subtotal	\$ 32,940.00	Subtotal	\$ 32,940.00
<i>Oil Recycling and Education Events</i>	<u>Fund 586/50, Used Oil Fund</u> 1010, Available Cash Balance	\$ 73,620.00	<u>Fund 100/82, Bureau of Sanitation</u> 1010, Salaries General	\$ 60,000.00
			1070, Salaries As-Needed	\$ 13,620.00
	Subtotal	\$ 73,620.00	Subtotal	\$ 73,620.00

Attachment 9
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

TRANSFER FROM			TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Sanitation (Continued) <i>Rideshare Costs</i>	<u>Fund 760/50, Sewer Operations & Maintenance Fund</u> G782, Sanitation Exp & Equip (Project Related)	\$ 187,385.00	<u>Fund 525/66, City Employees Rideshare Fund</u> RSC 4552, Reimbursement of Expenditures	\$ 187,385.00
<i>Legal Reports</i>	<u>Fund 100/82, Bureau of Sanitation</u> 1010, Salaries General (SWRF)	\$ 37,650.00	<u>Fund 100/12, City Attorney</u> 1010, Salaries General	\$ 37,650.00
<i>Community Amenities Fees</i>	<u>Fund 100/82, Bureau of Sanitation</u> 3040, Contractual Services (Line 67 - Com Amenities) <u>Fund 47R/50, CLARTS Trust Fund</u> G330, Community Amenities Fee	\$ 174,960.00 \$ 56,863.00 <u>Subtotal \$ 231,823.00</u>	<u>Fund 47S/14, CLARTS/City Clerk</u> 3040, Contractual Services	\$ 231,823.00 <u>Subtotal \$ 231,823.00</u>
<i>Stormwater projects and liability claims</i> <i>SPA Savings (511/50/G182)</i>	<u>Fund 100/82, Bureau of Sanitation</u> 1010, Salaries General	\$ 650,000.00 <u>Subtotal \$ 650,000.00</u>	<u>Fund 511/50, Stormwater Pollution Abatement</u> G387, On-Call Emergency Projects G259, Liability Claims	\$ 300,000.00 \$ 350,000.00 <u>Subtotal \$ 650,000.00</u>
Public Works-Street Lighting <i>Metro Rail Annual Work Program</i>	<u>Fund 385/94, Proposition A</u> F184, Street Lighting	\$ 164,020.00	<u>Fund 100/84, Street Lighting</u> 1010, Salaries	\$ 164,020.00
<i>Cypress Park Lighting Phase 2</i>	<u>Fund 424/22, Community Development Trust</u> C184, Street Lighting F184, Street Lighting	\$ 177,180.00 \$ 5,364.00 <u>Subtotal \$ 182,544.00</u>	<u>Fund 100/84, Street Lighting</u> 1010, Salaries 3040, Contractual Services	\$ 5,364.00 \$ 177,180.00 <u>Subtotal \$ 182,544.00</u>
<i>Cypress Park Lighting Phase 3</i>	<u>Fund 424/22, Community Development Trust</u> F184, Street Lighting	\$ 2,067.56	<u>Fund 100/84, Street Lighting</u> 1010, Salaries	\$ 2,067.56
<i>Street Banner Technology</i>	<u>Fund 43U/50, Street Banner Revenue Trust</u> Cash Balance	\$ 55,000.00 <u>Subtotal \$ 55,000.00</u>	<u>Fund 100/84, Street Lighting</u> 6010, Office and Administrative 7300, Furniture, Office and Technology	\$ 25,000.00 \$ 30,000.00 <u>Subtotal \$ 55,000.00</u>
<i>San Fernando Bike Path Phase 2</i>	<u>Fund 100/84, Street Lighting</u> 1090, Overtime	\$ 610,000.00	<u>Fund 207/94, Local Transportation</u> TBD	\$ 610,000.00
<i>City Clerk SLMAF ERIP Payout</i>	<u>Fund 347/50, Street Ltg Maintenance Assessment</u> G158, Unappropriated Balance	\$ 9,500.00	<u>Fund 100/14, City Clerk</u> RSC 4551, Miscellaneous Revenue	\$ 9,500.00
Public Works-Street Services <i>Gas Tax-Related Costs</i>	<u>Fund 100/86 Street Services</u> 3040, Contractual Services	\$ 2,780,905.00	<u>Fund 206/50, Special Gas Tax Street Improvements</u> G299, Related Costs	\$ 2,780,905.00

Attachment 9
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works-Street Services (Continued)	<u>Fund 207/94 Local Transportation Fund</u>		<u>Fund 100/86, Street Services</u>	
<i>MLK Boulevard bike lanes project (island removal/repair)</i>	F314, Bikeways Program	\$ 53,656.00	1010, Salaries General	\$ 30,000.00
			1100, Hiring Hall Salaries	\$ 2,000.00
			3030, Construction Expense	\$ 14,500.00
			3040, Contractual Services	\$ 4,056.00
			6020, Operating Supplies	\$ 3,100.00
	Subtotal	\$ 53,656.00	Subtotal	\$ 53,656.00
<i>DOT parking lot cleaning</i>	<u>Fund 363/94, Special Parking Revenue</u>		<u>Fund 100/86, Street Services</u>	
	0030, Maint Repair & Utility Svcs	\$ 140,000.00	1010, Salaries General	\$ 140,000.00
<i>Reimbursement for Special Events (7/2010 - 11/2010)</i>	<u>Fund 305/50, Subventions and Grant Fund</u>		<u>Fund 100/94, Transportation</u>	
	4228-03, One-Stop Spl Events Rev	\$ 483,437.91	1090, Salaries Overtime	\$ 483,437.91
<i>Gas Tax-Related Costs</i>	<u>Fund 100/86 Street Services</u>		<u>Fund 206/50, Special Gas Tax Street Improvements</u>	
	1010, Salaries General	\$ 5,000,000.00	G299, Related Costs	\$ 7,000,000.00
	3030, Construction Expense	\$ 2,000,000.00		
	Subtotal	\$ 7,000,000.00	Subtotal	\$ 7,000,000.00
Transportation				
<i>CF:10-0600-S40 Rec No.32 Transit Priority System</i>	<u>Fund 51Q/94, Measure R Local Return Fund</u>		<u>Fund 100/94, Transportation</u>	
	G194, Transportation	\$ 25,000.00	1010, Salaries General	\$ 25,000.00
<i>CF:10-0600-S40 Rec No.32 Railroad Grade Panel - Con Admin Railroad Grade Panel - Transportation</i>	<u>Fund 51Q/94, Measure R Local Return Fund</u>		<u>Fund 100/76, Contract Administration</u>	
	G176, Contract Administration	\$ 245,000.00	1010, Salaries General	\$ 245,000.00
	G194, Transportation	\$ 425,000.00	1010, Salaries General	\$ 425,000.00
<i>Operational Plan Transfer</i>	<u>Fund 840/94, Department of Transportation Trust Fund</u>		<u>Fund 100/94, Transportation</u>	
	2200, Miscellaneous Deposits	\$ 351,000.00	1010, Salaries General	\$ 351,000.00
<i>Street Services SR2S King Middle School Hyperion</i>	<u>Fund 655/94, Transportation Grant Fund</u>		<u>Fund 100/84, Street Lighting</u>	
	G655, Annual Work Program	\$ 50,000.00	1090, Salaries Overtime	\$ 50,000.00
<i>New Lighting at LA River Bike Path Street Lighting</i>	<u>Fund 540/94 Proposition C Anti-Gridlock Fund</u>		<u>Fund 100/84, Street Lighting</u>	
	G307, Bicycle Maintenance	\$ 160,000.00	1090, Salaries Overtime	\$ 160,000.00
<i>MLK Blvd Bike Lanes Project</i>	<u>Fund 207/94 Local Transportation Fund</u>		<u>Fund 100/86, Street Services</u>	
	F314, Bikeways Program	\$ 53,656.00	1010, General Salaries	\$ 30,000.00
			1100, Hiring Hall Salaries	\$ 2,000.00
			3030, Construction Expense	\$ 14,500.00
			3040, Contractual Services	\$ 4,056.00
			6020, Operating Supplies	\$ 3,100.00
	Subtotal	\$ 53,656.00	Subtotal	\$ 53,656.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 23,294,933.16		\$ 23,294,933.16

*Upon presentation of proper documentation and demand by the Mayor's Office, authorize the Controller to transfer appropriations in an amount not to exceed \$217,463.36 from FY08 SHSGP Grant Fund 49T/46,

**Authorize the Controller to proceed with transactions, and transfer cash upon proper demand of the Director, Bureau of Sanitation, or designee

Attachment 10

APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

<u>DEPARTMENT</u>	<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
City Administrative Officer <i>ERD Contractual Services</i>	<u>Fund 100/58, Unappropriated Balance</u> 0254, Budget Balancing Bridge	<u>Fund 100/12, City Attorney</u> 3040, Contractual Services	\$ 200,000.00
City Attorney <i>EAA Furlough Savings Offset</i>	<u>Fund 100/58, Unappropriated Balance</u> 0254, Budget Balancing Bridge	<u>Fund 100/12, City Attorney</u> 1010, Salaries General 1080, Salaries Proprietary	\$ 666,864.00 \$ 46,400.00 Subtotal \$ 713,264.00
<i>Special Fund ERIP-Retiree Payouts</i> <i>Sewer Capital Fund (761/50/G158)</i> <i>Sewer Operations & Maint. (760/50/G158)</i>	0255, Early Retirement Incentive Program	1010, Salaries General	\$ 34,800.00 \$ 30,900.00 Subtotal \$ 65,700.00
<i>Litigation Expenses</i>	0197, City Attorney Outside Counsel	4200, Litigation Expense	\$ 1,200,000.00
<i>Workers Compensation Billings</i>	0197, City Attorney Outside Counsel	9302, Outside Counsel Worker's Compensation	\$ 50,000.00
Council <i>Current Expenditure Program</i>	<u>Fund 100/28, Council</u> 1010, Salaries General	<u>Fund 100/28, Council</u> 1070, Salaries, As-Needed 6010, Office and Administrative	\$ 2,729,000.00 \$ 100,000.00 Subtotal \$ 2,829,000.00
Cultural Affairs <i>EAA Furlough Savings Offset</i>	<u>Fund 100/58, Unappropriated Balance</u> 0254, Budget Balancing Bridge	<u>Fund 100/10, Cultural Affairs</u> 1010, Salaries General	\$ 36,768.00
<i>Special Fund ERIP-Retiree Payouts</i> <i>Arts and Cultural Trust Fund (480/30/G158)</i>	0255, Early Retirement Incentive Program	1010, Salaries General	\$ 178,800.00
Emergency Management <i>EAA Furlough Savings Offset</i>	<u>Fund 100/58, Unappropriated Balance</u> 0254, Budget Balancing Bridge	<u>Fund 100/35, Emergency Management</u> 1010, Salaries General	\$ 58,000.00
Finance <i>Business Tax Advisor Committee Contract</i>	<u>Fund 100/58, Unappropriated Balance</u> 0254, Budget Balancing Bridge	<u>Fund 100/39, Finance</u> 3040, Contractual Services	\$ 50,000.00
<i>EAA Furlough Savings Offset</i>	0254, Budget Balancing Bridge	1010, Salaries General	\$ 267,046.00
General Services <i>Petroleum Deficit</i>	<u>Fund 100/58, Unappropriated Balance</u> 0130, GSD-Petroleum Products	<u>Fund 100/40, General Services</u> 3230, Petroleum Products	\$ 2,000,000.00
<i>Special Fund ERIP-Retiree Payouts</i> <i>Solid Waste Resources (508/50/G158)</i> <i>Sewer Operations & Maint. (760/50/G158)</i>	0255, Early Retirement Incentive Program	1010, Salaries General	\$ 424,556.00 \$ 16,122.00 Subtotal \$ 440,678.00

Attachment 10

APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

<u>DEPARTMENT</u>	<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
Information Technology			
<i>Special Fund ERIP-Retiree Payouts</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/32, Information Technology Agency</u>	
<i>Telecom Liquidated Damages (342/32/G158)</i>	0255, Early Retirement Incentive Program	1010, Salaries General	\$ 21,700.00
<i>Sewer Operations & Maint. (760/50/G158)</i>			\$ 7,688.00
<i>Sewer Capital Fund (761/50/G158)</i>			\$ 5,125.00
		Subtotal	<u>\$ 34,513.00</u>
Mayor			
<i>Budget Balancing Bridge</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/46, Mayor</u>	
	0254, Budget Balancing Bridge	1070, Salaries As Needed	\$ 539,000.00
Personnel			
<i>Special Fund ERIP-Retiree Payouts</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/66, Personnel Department</u>	
<i>Sewer Operations & Maint. (760/50/G158)</i>	0255, Early Retirement Incentive Program	1010, Salaries General	\$ 63,500.00
<i>LINX System Replacement</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/12, City Attorney</u>	
	0219, LINX Replacement	3040, Contractual Services	\$ 100,000.00
Planning			
<i>EAA Furlough Savings Offset</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/70, Police</u>	
	0254, Budget Balancing Bridge	1010, Salaries General	\$ 700,000.00
Police			
<i>EAA Furlough Savings Offset</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/70, Police</u>	
	0254, Budget Balancing Bridge	1010, Salaries General	\$ 2,050,000.00
<i>Operational Plan Revenue-Backed Appropriation</i>	0037, Reserve for Economic Uncertainty	1010, General Salaries	\$ 7,250,000.00
		1092, Sworn Overtime	\$ 2,200,000.00
		3040, Contractual Services	\$ 950,000.00
		3090, Field Equipment Expense	\$ 1,000,000.00
		Subtotal	<u>\$ 11,400,000.00</u>
Public Works-Board of Public Works			
<i>Special Fund ERIP-Retiree Payouts</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/74, Public Works</u>	
<i>Special Gas Tax Street Impr.Fund (206/50/G158)</i>	0255, Early Retirement Incentive Program	1010, Salaries General	\$ 17,145.00
Transportation			
<i>EAA Furlough Savings Offset</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/94 Transportation</u>	
	0254, Budget Balancing Bridge	1010, Salaries General	\$ 208,700.00
Treasurer			
<i>Bank Fee Deficit</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/96, Treasurer</u>	
	0243, Bank Service Fees	4040, Bank Service Fees	\$ 1,100,000.00
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE			<u>\$ 24,302,114.00</u>

Attachment 11

TRANSFERS TO THE UNAPPROPRIATED BALANCE RESERVE FOR ECONOMIC UNCERTAINTY

<u>DEPARTMENT</u>	<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
Animal Services <i>Alternative Plan Savings</i>	<u>Fund 100/06, Animal Services</u> 1010, Salaries General	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 404,621.00
Aging <i>Alternative Plan Savings</i>	<u>Fund 100/02, Aging</u> 1010, Salaries General	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 176,200.00
Building and Safety <i>Alternative Plan Savings</i>	<u>Fund 100/08, Building and Safety</u> 1010, Salaries General 2120, Printing and Binding 3040, Contractual Services 3310, Transportation 6010, Office and Administrative 6020, Operating Supplies	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 391,001.00 \$ 1,157.00 \$ 2,065.00 \$ 5,277.00 \$ 1,604.00 \$ 585.00
		Subtotal	<u>\$ 401,689.00</u>
City Administrative Officer <i>Risk Management</i>	<u>Fund 46S/10, Insurance Premiums Special Fund</u> 0230, Insurance Premiums	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 302,298.00
City Clerk <i>Alternative Plan Savings</i>	<u>Fund 100/14, City Clerk</u> 2120, Printing and Binding	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 11,536.00
Ethics <i>Trust Fund Surplus</i>	<u>Fund 875/17, Public Campaign Matching Trust</u> Cash Balance	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 33,043.00
<i>Alternative Plan Savings</i>	<u>Fund 100/17, Ethics</u> 3040, Contractual Services	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 44,678.00
Fire <i>Alternative Plan Savings</i>	<u>Fund 100/58, Unappropriated Balance</u> 0289, Professional Standard Division	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 1,250,000.00
General Services <i>Alternative Plan Savings</i>	<u>Fund 100/40, General Services</u> 3040, Contractual Services 3330, Natural Gas 6020, Operating Supplies 2130, Travel	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 882,901.00 \$ 693,165.00 \$ 197,070.09 \$ 10,000.00
		Subtotal	<u>\$ 1,783,136.09</u>

Attachment 11

TRANSFERS TO THE UNAPPROPRIATED BALANCE RESERVE FOR ECONOMIC UNCERTAINTY

DEPARTMENT	APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
General Services <i>Alternative Plan Savings (Cont.)</i>	<u>Fund 423/40, Salvage Trust Fund</u> Cash Balance	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 48,725.00
	<u>Fund T27/40, BRI Parking Authority Rev</u> Cash Balance	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 34,320.51
	<u>Fund T26/40, BRI Parking Authority Rev</u> Cash Balance	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 107,815.40
<i>Operational Plan & New Savings</i>	<u>Fund 100/58, Unappropriated Balance</u> 0200, Water and Electricity	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 2,400,000.00
Personnel <i>Alternative Plan Savings</i>	<u>Fund 100/66, Personnel</u> 3040, Contractual Services	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 330,000.00
	3310, Transportation		\$ 50,000.00
	6010, Office and Administrative		\$ 85,000.00
	Subtotal		<u>\$ 465,000.00</u>
Planning <i>Alternative Plan Savings</i>	<u>Fund 100/68, General Fund</u> 1090, Salaries Overtime	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 50,000.00
	3040, Contractual Services		\$ 100,483.00
	Subtotal		<u>\$ 150,483.00</u>
Public Works - Board <i>Alternative Plan Savings</i>	<u>Fund 100/74, Board of Public Works</u> 1010, Salaries General	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 33,434.00
	1090, Salaries Overtime		\$ 41,998.00
	2120, Printing and Binding		\$ 15,042.00
	Subtotal		<u>\$ 90,474.00</u>
Public Works - Contract Administration <i>Alternative Plan Savings</i>	<u>Fund 100/76, Contract Administration</u> 1090, Salaries Overtime	<u>Fund 100/58, Unappropriated Balance</u> 0037, Reserve for Economic Uncertainty	\$ 458,417.00

Attachment 11

TRANSFERS TO THE UNAPPROPRIATED BALANCE RESERVE FOR ECONOMIC UNCERTAINTY

DEPARTMENT	APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
Public Works - Engineering <i>Alternative Plan Savings</i>	<u>Fund 100/78, Engineering</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	1090, Salaries Overtime	0037, Reserve for Economic Uncertainty	\$ 107,990.00
	3040, Contractual Services		\$ 43,089.00
	6010, Office and Administration		\$ 57,500.00
	Subtotal		<u>\$ 208,579.00</u>
Transportation <i>Alternative Plan Savings</i>	<u>Fund 100/94, Transportation</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	3360, Signal Supplies	0037, Reserve for Economic Uncertainty	\$ 1,199,300.00
Treasurer <i>Alternative Plan Savings</i>	<u>Fund 100/96, Treasurer</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	1010, Salaries General	0037, Reserve for Economic Uncertainty	\$ 50,000.00
Attorney Conflict Panel <i>Rampart Contracts Close Out</i>	<u>Fund 46T/10, Attorney Conflicts Panel Special Fu</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	0594, Attorney Conflicts Panel	0037, Reserve for Economic Uncertainty	\$ 450,000.00
General City Purposes <i>Operational Plan Savings</i>	<u>Fund 100/56, General City Purposes</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	0505, Retirement Contributions	0037, Reserve for Economic Uncertainty	\$ 3,100,000.00
	0570, Social Security Contributions		\$ 450,000.00
	0577, Pension Savings Plan		\$ 250,000.00
	Subtotal		<u>\$ 3,800,000.00</u>
Human Resources Benefits <i>Unemployment Insurance Savings</i>	<u>Fund 100/61, Human Resource Benefits</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	9100, Unemployment Insurance	0037, Reserve for Economic Uncertainty	\$ 2,900,000.00
Unappropriated Balance <i>Service Reduction Mitigation Svgs</i>	<u>Fund 100/58, Unappropriated Balance</u>	<u>Fund 100/58, Unappropriated Balance</u>	
	0261, Service Reduction Mitigation	0037, Reserve for Economic Uncertainty	\$ 11,151,483.00
<i>FLEX Benefit Savings</i>	0255, FLEX Benefit	0037, Reserve for Economic Uncertainty	\$ 13,400,000.00
<i>Operational Plan</i>	0044, Animal Shelters	0037, Reserve for Economic Uncertainty	\$ 300,000.00
	0257, Expanded Library/, Rec and Parks Vol. Prgm.		\$ 500,000.00
	0254, Budget Balancing Bridge		\$ 2,000,000.00
	0255, Early Retirement Incentive Program		\$ 14,708,610.00
	Subtotal		<u>\$ 17,508,610.00</u>
Total Transfers to the Unappropriated Balance, Reserve for Economic Uncertainty			\$ 58,830,408.00

Attachment 12

**Capital Improvement Expenditure Program (CIEP) Fund Project Savings
to be Transferred to the Unappropriated Balance, Reserve for Economic Uncertainty**

From: <u>Fund 100/54, Capital Improvement Expenditure Program</u>			To: <u>Fund 100/58, Unappropriated Balance</u>		
Fiscal Year 2010-11					
Account	Project	Amount	Account		Amount
G318	Contaminated Soil Removal/Mitigation	\$ 458,029.00	0037	Reserve for Economic Uncertainty	#REF!
	Subtotal	\$ 458,029.00			
Fiscal Year 2009-10					
Account	Project	Amount			
F019	Building Hazard Mitigation	\$ 9,218.70			
F077	Citywide Infrastructure Improv	\$ 8,779.44			
F087	Citywide Elevator Repair	\$ 6,061.80			
F098	Citywide Roofing Repair Prog	\$ 1,108.26			
F318	Contaminated Soil Removal/Mitigation	\$ 1,200,000.00			
	Subtotal	\$ 1,225,168.20			
Fiscal Year 2008-09					
Account	Project	Amount			
E077	Citywide Infrastructure Improv	\$ 2,274.00			
E087	Citywide Elevator Repair	\$ 4,470.56			
E276	One percent for Arts set-aside	\$ 74,418.00			
E660	Municipal Facilities Projects	\$ 33,000.00			
	Subtotal	\$ 114,162.56			
Fiscal Year 2006-07					
Account	Project	Amount			
A019	Building Hazard Mitigation	\$ 1,896.53			
A403	Fire Underground Tank Removals	\$ 188,800.95			
	Subtotal	\$ 190,697.48			
Fiscal Year 2005-06					
Account	Project	Amount			
Y087	Citywide Elevator Repair	\$ 6,385.00			
	Subtotal	\$ 6,385.00			
Fiscal Year 2004-05					
Account	Project	Amount			
W087	Citywide Elevator Repair	\$ 3,869.00			
	Subtotal	\$ 3,869.00			
Fiscal Year 2003-04					
Account	Project	Amount			
V087	Citywide Elevator Repair	\$ 1,170.00			
	Subtotal	\$ 1,170.00			
Fiscal Year 1999-00					
Account	Project	Amount			
P083	Fire Dept Facility Improv	\$ 934.50			
	Subtotal	\$ 934.50			
TOTAL ALL PROJECTS		\$ 2,000,415.74			\$ 2,000,415.74

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: February 22, 2011

TO: Miguel Santana, City Administrative Officer

FROM: Martín J. Gómez, City Librarian
Library Department *MJG*

SUBJECT: **LIBRARY DEPARTMENT REPORT BACK – UNDESIGNATED
UNRESERVED FUND BALANCE (UUFB)**

On December 13, 2010, the Budget and Finance Committee considered the Second Financial Status Report, which included a recommendation directing the Library Department to provide a report on the status and utilization of the Undesignated and Unreserved Fund Balance (UUFB) for inclusion in the Financial Status Report.

In the Second Financial Status Report, the Library Department requested and received approval to increase the appropriation limit for its Salaries-General account by \$2.7 million to offset a projected deficit. The funds were available in the Library's UUFB. The last time that the Library requested Council approval for the use of funds in its UUFB was in FY 2000-01 to partially fund Phase III of expanded library service hours.

What is the UUFB?

The UUFB is a "fund balance" within the Library Fund and is created from excess revenues over expenditures. A year-end carryover balance in the UUFB is generated when revenues are higher than budget and/or actual expenditures are lower than budget. However, the fund balance showing at year-end may not be the actual available balance due to unposted obligations (pending invoices, encumbrances, etc.). It should be noted that the UUFB is not unique to the Library Fund. Most special funds also have a UUFB.

The UUFB is not an appropriation account since departments are unable to expend funds directly against a UUFB. UUFB funds are available for appropriation by the board or legislative body to either fund unanticipated shortfalls or to fund new, unbudgeted projects and/or services.

Library Charter Authority

City Charter Section 531 provides that all monies received by the Library Department from "fines, sales, gifts or otherwise in connection with the operation of the library, shall be placed to the credit of the Library Department in a fund to be known as the Library Fund. Money in the Library Fund shall be used only for the financial support of the Library Department."

As such, Library Funds do not revert to the General Fund at year-end, but remain in the Library's UUFb. All such remaining monies are used to fund the operations of the Library and are used as a source of revenue in subsequent fiscal years. For the current fiscal year, this carryover amount was used to fund the first phase of ERIP payouts. It is anticipated that these funds will again be used for the second phase of ERIP payouts next fiscal year.

Available Library UUFb Funds

The Library projects that approximately \$1 million will be available at fiscal year end. This amount has been included in the Library's FY 2011-12 proposed budget for next fiscal year's operations.

If you have any questions, please feel free to contact Kyle Millager, Library Business Manager, at 228-7465 or by email at kmillager@lapl.org.

cc: Terry Sauer, CAO
Elaine Owens-Sanchez, CAO
Kris Morita, Library
Kyle Millager, Library

Attachment 14 a
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT AS OF NOVEMBER 30, 2010

C.F.	Appropriations	Date	Amount (\$)
	2nd FSR		\$ 25,000
	Approved Transfer		
10-1418	Prime Minister of Belize/Reception	8/13/2010	(1,160)
10-2436	Midnight Mission / Annual Thanksgiving Dinner Celebration / FI	9/29/2010	(666)
08-0144-S6	Farmers Market / South Lawn of City Hall	10/13/2010	(2,700)
10-1558	Grateful Hearts	10/20/2010	(555)
10-1642	Council District Nine Woodcraft Ranger Reception	10/27/2010	(522)
10-1643	Council District Nine Collage Dance Theatre	10/27/2010	(290)
08-2862-S1	CD 5 UCLA Day	10/26/2010	(696)
10-1704	Main Street Canoga Park Dia de los Muertos	11/5/2010	(555)
10-1884	Seventh Annual San Fernando Valley Christmas Celebration	12/14/2010	(667)
10-1643-S1	2010 Collage Dance Theatre Council District Nine	12/15/2010	(3,287)
11-0210	Midnight Mission for their Homeless Spring Barbecue	2/15/2011	(666)
11-0231	Council District Nine Trailblazer Reception	2/18/2011	(438)
11-0291	Los Angeles City College 10,000 Small Businesses Program	3/2/2011	(348)
09-0112-S3	Da Camera Society of Mount St. Mary's College	3/4/2011	(230)
10-0296-S1	Temple Aliyah Purium Carnival	3/8/2011	(666)
	Balance Available		<u><u>11,554</u></u>

Attachment 14 b
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT AS OF NOVEMBER 30, 2010

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Mid-Year Request	Transfer to Reserve for Reserve for Economic Uncertainties	Available Balance (\$)
	General Fund							
	General (see Attachment 4A)			\$ 25,000	\$ (13,446)		\$ -	\$ 11,554
Mid Year FSR	Animal Shelters	Animal Services	300,000				(300,000)	0
Mid Year FSR 09-2729 (SMS); Controller Salaries As-Needed \$500K (Accountants shortage); MC \$3.582M; IG \$0.35M;	Bank Fees	Treasurer	1,100,000			(1,100,000)		0
Mid Year FSR	Budget Balancing Bridge	Various	13,167,000		(2,315,865)	(7,651,778)	(2,000,000)	1,199,357
2nd FSR	Early Retirement Incentive Program	Various	21,250,000		(19,378,247)			1,871,753
10-0132	East Valley Multi-Purpose Senior Center		35,000		(35,000)			0
Mid Year FSR	Expanded Library and RAP Volunteer Program	LIB and RAP	500,000				(500,000)	0
08-0178-S18	Gang Violence Reduction Effort	Mayor	1,046,013		(1,046,013)			0
Mid Year FSR	GSD Petroleum Products	GSD	2,000,000			(2,000,000)		0
Mid Year FSR	FLEX Benefits	HRB	13,400,000				(13,400,000)	0
2nd FSR	Litigation Expense Account	City Atty	750,000		(750,000)			0
1st FSR; 10-1817, Mid Year FSR	Outside Counsel inc. Workers Comp	City Atty	3,250,000		(821,000)	(2,400,000)		29,000
Mid Year FSR	Professional Standards Division	Fire	1,413,996				(1,250,000)	163,996
Mid Year FSR	Water and Electricity	WE	2,400,000				(2,400,000)	0
Mid Year FSR	Service Reduction Mitigation		11,000,000				(11,000,000)	0
	A. Civil Fines on Foreclosed Properties							0
	B. Documentary Transfer Tax							0
	C. General Fund Commodities							0
1st FSR	D. General Fund Personal Services Contracts			151,483			(151,483)	0
	E. Parking Assets							0
	F. Ambulance Treatment, No Transport							0
	G. EMS Voluntary Fee							0
	H. Increase Dog License Fee							0
	Risk Management System (Linx) (reappropriation)	Personnel		3,600,400		(100,000)		3,500,400
	Financial Management System (reappropriation)	ITA		500,000				500,000
	Reserve for Economic Uncertainty		-	85,730,824		(11,400,000)	-	74,330,824
			\$ 71,612,009	\$ 90,007,707	\$ (24,359,571)	\$ (24,651,778)	\$ (31,001,483)	\$ 81,606,884

Attachment 14 b
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT AS OF NOVEMBER 30, 2010

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Mid-Year Request	Transfer to Reserve for Reserve for Economic Uncertainties	Available Balance (\$)
	Special Funds							
	Early Retirement Incentive Program							0
Mid Year FSR	Solid Waste (Sch 2 Fund 508)		1,342,300			(424,556)		917,744
	Traffic Safety Fund (Sch 4 Fund 306)		248,400					248,400
Mid Year FSR	Special Gas Tax (Sch 5 Fund 206)		762,700			(17,145)		745,555
	Stormwater (Sch 7 Fund 511)		371,900					371,900
2nd FSR	Community Dev Block (Sch 8 Fund 424)		398,800		(146,300)			252,500
	HOME Invest. (Sch 9 Fund 561)		103,900					103,900
	Mobile Source (Sch 10 Fund 528)		63,200					63,200
	Special Parking Rev (Sch 11 Fund 363)		485,400					485,400
2nd FSR	Community Svcs (Sch 13 Fund 428)		28,300		(28,300)			0
Mid Year FSR	Sewer Operation & Maint (Sch 14 Fund 760)		2,001,700			(118,210)		1,883,490
Mid Year FSR	Sewer Capital (Sch 14 Fund 761)		1,705,200			(39,925)		1,665,275
	Convention Center Rev (Sch 16 Fund 725)		382,200					382,200
	St. Lighting Maint (Sch 19 Fund 347)		451,900					451,900
Mid Year FSR	Telecomm Dev Acct (Sch 20 Fund 342)		21,700			(21,700)		0
2nd FSR	Workforce Invest (Sch 22 Fund 44A)		186,900		(186,900)			0
	Rent Stabilization (Sch 23 Fund 440)		78,800					78,800
Mid Year FSR	Arts and Cultural TF (Sch 24 Fund 480)		178,800			(178,800)		0
	Prop. A (Sch 26 Fund 385)		316,700					316,700
	Prop. C (Sch 27 Fund 540)		884,400					884,400
	ARRA Workforce (Sch 29 Fund 51G)		33,600					33,600
2nd FSR	ARRA Community Dev (Sch 29 Fund 51N)		8,600		(8,600)			0
	Integrated Solid Waste (Sch 29 Fund 556)		17,000					17,000
	Citywide Recycling (Sch 32 Fund 46D)		27,900					27,900
	Landfill Maintenance (Sch 38 Fund 558)		71,200					71,200
	BAS Enterprise (Sch 40 Fund 48R)		2,102,200					2,102,200
	Code Enforcement (Sch 42 Fund 41M)		175,200					175,200
10-0082-S2	Reserve for Future Transit Capital	Prop A	15,018,497		(750,000)			14,268,497
			\$ 27,467,397	\$ -	\$ (1,120,100)	\$ (800,336)	\$ -	\$ 25,546,961
	Grand Total		\$ 99,079,406	\$ 90,007,707	\$ (25,479,671)	\$ (25,452,114)	\$ (31,001,483)	\$ 107,153,846

Attachment 14 b
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT AS OF NOVEMBER 30, 2010

Council File No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Amount Appropriated during year	Mid-Year Request	Transfer to Reserve for Reserve for Economic Uncertainties	Available Balance (\$)
	Reserve for Economic Uncertainties Account Detail			-				
Mid Year FSR	Operational Plan Savings			23,108,610				23,108,610
Mid Year FSR	Alternative Plan Savings			7,187,272				7,187,272
Mid Year FSR	Ethics Trust Fund Surplus			483,043				483,043
Mid Year FSR	FLEX Benefit Savings			13,400,000				13,400,000
Mid Year FSR	Service Reduction Mitigation			11,151,483				11,151,483
Mid Year FSR	Remaining Water and Electricity			600,000				600,000
Mid Year FSR	Capital Improvement Expenditure Program (Alt Plan)			2,000,416				2,000,416
Mid Year FSR	Capital Finance (PAB) Surplus (Alt Plan + New)			18,100,000				18,100,000
Mid Year FSR	Human Resources Benefits Fund			2,900,000				2,900,000
Mid Year FSR	Special Parking Revenue Fund			4,000,000				4,000,000
Mid Year FSR	Recreation and Parks			2,800,000				2,800,000
Mid Year FSR	Appropriation to Police Department					(11,400,000)		(11,400,000)
	Reserve for Economic Uncertainties Balance		\$ -	\$ 85,730,824	\$ -	\$ (11,400,000)	\$ -	\$ 74,330,824

Attachment 16

VOLUNTARY FURLOUGH FY 2010/11 - RECAP BY DEPARTMENT - 3/7/2011

Department	PP 1 - 14 (6/20-1/1)		PP 15 (1/2-1/15)		PP 16 (1/16-1/29)		PP 17 (1/30-2/12)		PP 18 (2/13-2/26)		Total	
	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars
Aging	55.5	\$ 1,984.38									55.5	\$1,984.38
Animal Services	196.5	\$ 4,667.61			8.0	\$ 178.80	4.0	\$ 103.48	5.0	\$ 131.60	213.5	\$5,081.49
Building & Safety	1,042.8	\$ 35,299.01	20.0	\$ 851.12	43.0	\$ 1,838.62	77.5	\$ 3,361.40	99.6	\$ 4,353.04	1,282.9	\$45,703.19
CAO	184.0	\$ 6,304.36			6.0	\$ 315.40	4.0	\$ 230.24	4.0	\$ 110.40	198.0	\$6,960.40
CDD	249.5	\$ 8,615.89	24.0	\$ 1,117.60	16.0	\$ 813.68	12.0	\$ 378.20	8.0	\$ 228.08	309.5	\$11,153.45
City Attorney	1,803.8	\$ 97,167.84	112.0	\$ 6,191.50	129.8	\$ 7,519.64	749.6	\$ 28,201.05	386.2	\$ 17,826.10	3,181.4	\$156,906.13
City Clerk	1,286.5	\$ 55,988.88	9.0	\$ 528.21	3.0	\$ 115.71	3.5	\$ 160.15	11.0	\$ 804.05	1,313.0	\$57,597.00
Controller	21.5	\$ 856.21	16.0	\$ 765.76	8.0	\$ 363.76	8.0	\$ 363.76	8.0	\$ 363.76	61.5	\$2,713.25
Council	5,188.5	\$ 161,358.80	534.0	\$ 17,703.80	299.5	\$ 9,782.14	377.0	\$ 12,257.09	684.0	\$ 21,481.14	7,083.0	\$222,582.97
Cultural Affairs	499.0	\$ 16,376.98	14.0	\$ 478.80	60.0	\$ 2,052.00	24.0	\$ 820.80	9.0	\$ 307.80	606.0	\$20,036.38
DONE	2.0	\$ 79.24									2.0	\$79.24
Emergency Mgmt	36.0	\$ 1,661.12	11.0	\$ 499.29	12.0	\$ 539.40			8.0	\$ 378.96	67.0	\$3,078.77
ERB	227.0	\$ 8,584.16	8.0	\$ 214.88	8.0	\$ 220.80	8.0	\$ 220.80			251.0	\$9,240.64
Ethics	476.0	\$ 19,043.48	48.0	\$ 1,925.28	40.0	\$ 1,604.40	48.0	\$ 1,925.28	48.0	\$ 1,925.28	660.0	\$26,423.72
Finance	271.0	\$ 8,226.07									271.0	\$8,226.07
Fire	213.0	\$ 5,255.32									213.0	\$5,255.32
General Services	1,087.5	\$ 35,324.83	42.5	\$ 1,391.88	38.5	\$ 1,316.72	58.5	\$ 1,868.14	75.0	\$ 2,599.91	1,302.0	\$42,501.48
Harbor	8.0	\$ 414.48									8.0	\$414.48
Housing	1,871.5	\$ 65,806.04	95.5	\$ 3,763.47	126.0	\$ 4,180.66	111.5	\$ 3,971.95	90.5	\$ 3,357.00	2,295.0	\$81,079.12
ITA	265.0	\$ 12,045.59	58.0	\$ 2,916.30	64.0	\$ 3,543.44	84.0	\$ 4,387.52	40.0	\$ 2,131.52	511.0	\$25,024.37
LACERS	48.0	\$ 2,604.74	9.0	\$ 464.49					8.0	\$ 412.88	65.0	\$3,482.11
Library	3,140.9	\$ 98,576.54	158.5	\$ 4,941.73	165.5	\$ 4,895.63	148.0	\$ 4,663.09	138.0	\$ 4,319.20	3,750.9	\$117,396.19
Mayor	40.0	\$ 1,849.60									40.0	\$1,849.60
Personnel	965.5	\$ 32,840.90	42.0	\$ 1,547.94	55.5	\$ 2,196.16	67.0	\$ 2,597.41	71.0	\$ 2,629.90	1,201.0	\$41,812.31
Planning	261.5	\$ 10,214.45	75.0	\$ 2,773.82	39.0	\$ 1,536.00	68.0	\$ 3,153.89	-14.0	\$ (705.72)	429.5	\$16,972.44
Police	2,791.6	\$ 91,996.42	220.0	\$ 8,250.78	221.0	\$ 8,531.67	399.5	\$ 14,680.28	399.0	\$ 15,469.67	4,031.1	\$138,928.82
PW Board	154.5	\$ 4,896.44									154.5	\$4,896.44
PW Con Admin	157.0	\$ 5,762.45	4.0	\$ 128.80	13.0	\$ 358.80	18.5	\$ 510.60			192.5	\$6,760.65
PW Engineering	1,990.5	\$ 81,138.97	107.0	\$ 2,146.82	164.5	\$ 6,419.14	106.0	\$ 3,954.56	177.0	\$ 7,687.91	2,545.0	\$101,347.40
PW Sanitation	2,156.5	\$ 75,243.20	80.0	\$ 3,334.90	49.0	\$ 1,637.39	75.0	\$ 2,651.12	81.0	\$ 2,974.96	2,441.5	\$85,841.57
PW Street Lighting	225.5	\$ 8,115.64	9.0	\$ 357.76	8.0	\$ 320.88	8.0	\$ 320.88	8.0	\$ 320.88	258.5	\$9,436.04
PW Street Services	324.5	\$ 9,492.05	40.0	\$ 1,215.04	43.0	\$ 1,237.42	24.0	\$ 566.50	27.0	\$ 797.88	458.5	\$13,308.89
Rec & Parks	2,104.5	\$ 64,227.84	135.0	\$ 4,594.40	149.0	\$ 4,733.41	118.5	\$ 4,431.71	157.0	\$ 5,186.23	2,664.0	\$83,173.59
Transportation	622.0	\$ 25,190.31	16.0	\$ 964.56	27.0	\$ 1,209.88	9.0	\$ 299.60	11.0	\$ 335.00	685.0	\$27,999.15
Treasurer	366.0	\$ 10,096.32									366.0	\$10,096.32
Zoo	111.0	\$ 2,689.83			3.0	\$ 92.80	3.5	\$ 126.35	16.0	\$ 964.32	133.5	\$3,873.30
TOTAL	30,444.1	\$1,069,995.99	1,887.5	\$69,068.93	1,799.3	\$67,554.15	2,614.6	\$96,205.85	2,555.3	\$96,391.75	39,300.8	\$1,399,216.67

**Attachment 17
Status of Fee Increases Funding the 2010-11 Budget**

General Fund

<u>Department</u>	<u>Type of Fee</u>	<u>Proposed Change</u>	<u>Proposed Implementation Date</u>	<u>Effective Date</u>	<u>Notes</u>
Animal Services	Dog license fee	various changes, including 3-yr license and selling licenses on the internet.	July 1, 2010	Oct 1, 2010	\$600,000 was added to the 2010-11 budget. The fee changes went into effect in November; the online program will not be effect until the City Attorney's Office completes their review of the Department's Proposed Program and impacted
Animal Services	Administrative citation program	The net revenue change is \$125,000.	Towards the end of 2010-11		The administrative citation program is under review in the City Attorney's Office; any revenue generated from this program will not be credited to the Department. It is unlikely that this revenue will be recognized in FY 2010-11.
Animal Services	Dog license fee	increase the fee from \$15 to \$20, net revenue change is \$700,000.	October 10, 2010	Oct 10, 2010	The dog license increase was effective 10/10/10.
Building and Safety	Building Code Enforcement Fee	Net revenue change is \$1 million.	January 2011	February 3, 2011	\$1 million was added to the 2010-11 budget. The department believes the ordinance will be effective in January of 2011 and that \$700,000 in revenue will be collected by June 30, 2011. \$1.5 million is expected in 2011-12.
Building and Safety	Civil fines on foreclosed properties	Net revenue change is \$5 million.	July 1, 2010	July 8, 2010	\$5 million was added to the 2010-11 budget. Building and Safety reports that the revenue target is unattainable and cannot estimate if any revenue will be collected.
Fire	Brush Clearance Initial Inspection	Increase fee, net revenue change is \$1,400,000.	July 1, 2010	July 1, 2010	
Fire	Brush Clearance Re-inspection	Increase fee, net revenue change is \$650,000.	July 1, 2010	July 1, 2010	
Fire	Industrial Building Inspection	Increase fee, net revenue change is \$1 million.	Now next fiscal year		Revenue will not likely be received until next fiscal year.
Fire	Asbestos Inspection Fee	New fee, net revenue change \$150,000	July 1, 2010	July 1, 2010	
Fire	Above Ground Inspection fee	New fee, net revenue change \$150,000	January 1, 2011	January 2011	Revenue will not likely be received until next fiscal year.
Engineering	New fees	New fees, net revenue change \$225,000	Original expected implementation date was October 2010, then February 2011 and now next fiscal year.		New fees for: a) the issuance of a new and/or updated official addresses; b) review of street use permits; c) change of street names; d) closure of streets and alleys; e) review and approval of erosion control plans; f) review of waiver of highway dedication requirements; and, g) review of peak hour construction and holiday moratorium exemption requests. Due to City Attorney concerns, it is doubtful these fee changes will occur in 2010-11.
Police	False Alarm fee	Increase fee, net revenue change is \$700,000	July 2010, effective 11/18/2010	Effective 11/18/2010	The increased fee became effective 11/18/2010.

Attachment 18

GANG REDUCTION AND YOUTH DEVELOPMENT OF MAYOR'S OFFICE STATUS REPORT OF EXPENDITURES / PAYMENTS - FY11 AS OF JANUARY 31, 2011

PREVENTION

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund Bal	Not Yet Encumbered
1	VIP Community Mental He	114704M	Ramona Gardens	GF 100 / 3040	1,000,000	1,000,000	485,305	
2	LA Metropolitan Churches	114705M	Florence-Graham	GF 100 / 3040	1,000,000	1,000,000	745,013	
3	Community Build, Inc.	114706M	Baldwin Village	GF 100 / 3040	1,000,000	1,000,000	610,440	
4	Peoples's Coordinated Ser	114716M	Newton	GF 100 / 3040	1,000,000	1,000,000	705,277	
5	El Nido Family Centers	114717M	Pacoima	GF 100 / 3040	1,000,000	1,000,000	714,392	
6	Children's Hospital of LA	114771M	Cypress Park	GF 100 / 3040	1,000,000	1,000,000	1,000,000	
7	New Directions for Youth	115114M	Panorama City	GF 100 / 3040	1,000,000	1,000,000	537,289	
8	Alma Family Services	115115M	Boyle Heights	GF 100 / 3040	657,921	657,921	540,767	
	(increased \$30K in 12/10)	115115Y	Boyle Heights	50W / E931	142,079	142,079		
	2008 CalGRIP	115115Y	Boyle Heights	50W / E923	12,000	12,000		
	2009 CSGP-BH	115115Y	Boyle Heights	Pending	218,000			218,000
9	WLCAC	116452M	Watts	GF 100 / 3040	1,000,000	1,000,000	692,817	
10	AADAP - Asian American	115117M	77th II	GF 100 / 3040	1,000,000	1,000,000	527,509	
11	El Centro Del Pueblo	115118M	Rampart	GF 100 / 3040	500,000	500,000	184,167	
	2009 CalGRIP	115118Y	Rampart	53J/G601	500,000			500,000
12	Brotherhood Crusade	115119M	Southwest II	GF 100 / 3040	1,000,000	1,000,000	551,029	
					Sub Total	11,312,000	7,293,994	718,000

INTERVENTION - GRYD ZONE

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund Bal	Not Yet Encumber
1	Communities In Schools	115407M	Pacoima	GF 100 / 3040	332,559	332,559	76,791	
	CDBG 35th PY	115407Y	Pacoima	50K/F50K	187,441	187,441		
2	Communities In Schools	115270M	Panorama City	GF 100 / 3040	332,560	332,560	79,870	
	CDBG 35th PY	115270Y	Panorama City	50K/F50K	187,440	187,440		
3	Community Build, Inc.	115277M	Baldwin Village	GF 100 / 3040	500,000	500,000	338,907	
4	KUSH, Inc.	115273M	Watts / Southeast	GF 100 / 3040	540,000	540,000	211,624	
5	PHFE/Aztecs Rising	115285M	Cypress Park	GF 100 / 3040	540,000	540,000	540,000	
6	PHFE/Aztecs Rising	115286M	Rampart	GF 100 / 3040	213,232	213,232	213,232	
	2009 CalGRIP	115286Y	Rampart	53J/G601	286,768			286,768
7	Soledad Enrichment Actio	115281M	Florence - Graham	GF 100 / 3040	437,912	437,912	271,095	
	Targeting Violent Crime	115281Y	Florence - Graham	50H/E807	62,088	62,088		
8	Soledad Enrichment Actio	115282M	Newton	GF 100 / 3040	270,000	270,000	192,000	
	FY10 CSGP Newton	115282Y	Newton	53F/G601	250,000	250,000		
9	Soledad Enrichment Actio	115283M	Ramona Gardens	GF 100 / 3040	500,000	500,000	264,516	
10	Soledad Enrichment Actio	115885M	Boyle Heights	GF 100 / 3040	105,000	105,000	30,000	
	FY08 CMA BH/Hollenbeck	115885Y	Boyle Heights	51M / F609	395,000	205,000		190,000
11	Venice 2000/HELPER	116240M	77th II	GF 100 / 3040	500,000	500,000	374,649	
12	Venice 2000/HELPER	115279M	Southwest II	GF 100 / 3040	500,000	500,000	260,567	
					Sub Total	5,663,232	2,853,252	476,768

INTERVENTION - NG ZONE

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund Bal	Not Yet Encumber
1	PHFE/Aztecs Rising	115284M	Belmont	GF 100 / 3040	225,000	225,000	225,000	
2	Toberman Neighborhood C	115271M	San Pedro/Wilmington	GF 100 / 3040	200,000	200,000	30,050	
	CDBG 35th PY	115271Y	San Pedro/Wilmington	50K/F50K	250,000	250,000		
3	Venice 2000/HELPER	115280M	NG - Venice	GF 100 / 3040	225,000	225,000	115,524	
					Sub Total	900,000	370,574	0

PREVENTION - NG ZONE

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund Bal	Not Yet Encumbered
1	AADAP	115278M	NG - Westside	GF 100 / 3040	375,000	375,000	225,691	
2	Child & Family Guidance C	115272M	NG - Valley	GF 100 / 3040	375,000	375,000	246,764	
3	Hathaway-Sycamores	115275M	NG - Central	GF 100 / 3040	375,000	375,000	264,209	
4	WLCAC	115274M	NG - South	GF 100 / 3040	375,000	375,000	276,732	
					Sub Total	1,500,000	1,013,397	0

Attachment 18

**GANG REDUCTION AND YOUTH DEVELOPMENT OF MAYOR'S OFFICE
STATUS REPORT OF EXPENDITURES / PAYMENTS - FY11
AS OF JANUARY 31, 2011**

EVALUATION

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund Bal	Not Yet Encumbered
1	Urban Institute	115573M	All Zones	GF 100 / 3040	825,000		-	825,000
	2009 CalGRIP	115573Y	All Zones	53J/G602	75,000			75,000
				Sub Total	900,000	0	0	900,000
TOTAL					21,470,000	19,375,232	11,531,216	2,094,768

SUMMER LIGHT NIGHTS (SNL)

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund Bal	Not Yet Encumbered
1	LA Conservation Corps	117657M	All Zones	GF 100 / 3040	192,000	192,000	4,394	-
	CDBG 36th PY	117657Y	All Zones	50K/G50K	1,124,881	1,124,881		-
	Homeboy Industries	117755M	All Zones	GF 100 / 3040	123,000	123,000	8	-
	Recreation & Park		All Zones	GF 100 / 3040	720,000			720,000
	SNL-Glassell Park		All Zones	F52Y	50,000	50,000		-
				Sub Total	2,209,881	1,489,881	4,402	720,000

SPECIAL FUND Contracts Pending

	Agency	Contract #	GRYD ZONE	Fund / Acct#	Budget Amount	Encumbered	General Fund	Not Yet Encumbered
1	Homeboy Industries	116348Y	All Zones	47K / V203	260,000			260,000
2	Athena Software (revised)	116216Y	All Zones	50H / F809	30,000			30,000
3	Advancement Project	116646M	All Zones (1/11-)	GF 100 / 3040	200,000			200,000
4	USC/YSET (revised)	118557Y	All Zones (10/10-6/30/11)	53F/G601	145,800			145,800
5	CIS-2010 CSGP Newton	118441Y	San Fernando Valley	53F/G601	125,000	125,000		-
	CIS-2010 CSGP SFV	118441Y	San Fernando Valley	53G/G601	100,000	100,000		-
				Sub Total	860,800	225,000	0	635,800
				Grants	4,601,497	2,695,929	-	1,905,568
				General Fund	19,939,184	18,394,184	11,535,618	1,545,000
					24,540,681	21,090,113	11,535,618	3,450,568

YWAR

1	2010-11 JJCPA			45D	217,034			217,034
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