

APPROVED
DEC 18 2019

BOARD OF RECREATION
AND PARK COMMISSIONERS

BOARD REPORT

NO. 19-242

DATE December 18, 2019

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TRANSFER OF APPROPRIATIONS FOR CULTURAL PROGRAMMING AT
PERSHING SQUARE

AP Diaz	_____	* S. Pina-Cortez	<u></u>
H. Fujita	_____	C. Santo Domingo	_____
V. Israel	_____	N. Williams	_____


General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS

Appropriate residual funds from the Office of Council District 14 (CD14) in the amount of Thirty-Three Thousand, Fourteen Dollars and Twenty-Two Cents (\$33,014.22) to be used to support cultural programming at Pershing Square.

SUMMARY

Per City Administrative Officer, (CF#18-0600-S159, page 14, Attachment 1) on November 15, 2018 City Council motioned to transfer One Hundred Thousand Dollars (\$100,000) from CD14's Council Community Projects funds, to the Department of Recreation and Parks (RAP). These funds were designated to purchase a Christmas tree and decorations for Pershing Square's 2018 Winter Festival. RAP staff utilized Sixty-Six Thousand, Nine Hundred Eighty-Five Dollars and Seventy-Eight cents (\$66,985.78) of the funds to purchase a tree and decorations. Per the request of CD14, the residual fund balance of Thirty-Three Thousand, Fourteen Dollars and Twenty-Two Cents (\$33,014.22) shall be redirected to support cultural programming at Pershing Square.

FISCAL IMPACT

There is no fiscal impact to RAP's General fund as a result of this transfer of appropriation. The appropriated funds will be deposited into the Pershing Square special account.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:
Goal No. 1: Actively Engage Communities

BOARD REPORT

PG. 2 NO. 19-242

Outcome No. 4: Angelenos connected to increased and diverse cultural programs in the park system.

This Report was prepared by Belinda Jackson, Executive Director, EXPO Center

LIST OF ATTACHMENTS

- 1) November 2, 2018 – Council File # 18-0600-S159

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPE
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

Attachment
OFFICE OF THE
CITY CLERK

Council and Public Services Division
200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213) 978-1040

PATRICE Y. LATTIMORE
ACTING DIVISION MANAGER

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: [18-0600-S159](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

November 2, 2018

Council File No.: [18-0600-S159](#)

Council Meeting Date: November 02, 2018

Agenda Item No.: 32

Agenda Description: BUDGET AND FINANCE COMMITTEE REPORT relative to the First
Financial Status Report (FSR) for Fiscal Year (FY) 2018-19.

Council Action: BUDGET AND FINANCE COMMITTEE REPORT - ADOPTED
FORTHWITH

Council Vote:

YES BLUMENFIELD
YES BONIN
ABSENT BUSCAINO
YES CEDILLO
ABSENT ENGLANDER

YES HARRIS-DAWSON
ABSENT HUIZAR
ABSENT KORETZ
YES KREKORIAN
YES MARTINEZ

YES O'FARRELL
YES PRICE
YES RODRIGUEZ
YES RYU
ABSENT WESSON

HOLLY L. WOLCOTT
CITY CLERK

Pursuant to Charter/Los Angeles Administrative Code Section(s): 341

FILE SENT TO MAYOR:

LAST DAY FOR MAYOR TO ACT:

APPROVED

***DISAPPROVED**

***VETO**

11/02/2018

Mayor

DATE SIGNED

Adopted Report(s)

Title

Report from Budget and Finance Committee

Date

10/30/2018

BUDGET AND FINANCE COMMITTEE REPORT relative to the First Financial Status Report (FSR) for Fiscal Year (FY) 2018-19.

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

1. REAPPROPRIATE \$4,138,579.23 from various special funds as noted in Attachment 5 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to Council file; [C.F.] No. 18-0600-S159).
2. APPROPRIATE \$13,350,215.34 to department accounts as specified in Attachment 6 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
3. TRANSFER \$41,126,736.75 between various departments and funds as specified in Attachment 7 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
4. TRANSFER \$7,642,410.58 between various departments and funds as specified in Attachment 8 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
5. APPROPRIATE \$4,331,000 from the Unappropriated Balance to various departments and funds as specified in Attachment 9; of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
6. AUTHORIZE the Controller to disencumber up to \$805,331.92 in FY 2016-17 encumbered balances (SC 10 MSACO1712644M) for Oliver Wyman Actuarial Consulting, Inc. (Vendor Code 0000022581) within the City Administrative Officer (CAO) Fund No. 100/10, Account No. 003040, Contractual Services, and REVERT \$805,331.92 to the Reserve Fund No. 101; and, TRANSFER therefrom to the Unappropriated Balance Fund No. 100/58; and, APPROPRIATE therefrom to the Office of Public Accountability Fund No. 100/11, Account No. 002040, Contractual Services for Actuarial Consulting Services.
7. AMEND the 2018-19 adopted Budget (C.F. No. 18-0600) Non-Departmental Footnote for the General City Purposes Fund No. 100/56, Account No. 000903, Council Community Projects line item relative to the allocation for Tree Trimming \$1,000,000 in Council District (CD) 14 to repurpose \$975,000 as follows:
 - Night on Broadway (\$300,000)
 - CD 14 Office Tenant Improvements (\$120,000)
 - CD 14 Crosswalk Upgrades (\$300,000)
 - Verdugo Road Medians (\$25,000)
 - Pershing Square Christmas Tree (\$100,000)
 - York Boulevard Lighting (\$50,000)

- ATP 1 Street Lights (\$80,000)

The balance of \$25,000 shall remain set aside for Tree Trimming in CD 14.

8. DIRECT the Sworn Overtime Task Force, consisting of the Los Angeles Police Department (LAPD), the CAO, and the Chief Legislative Analyst (CLA), and, REQUEST the Mayor's Office, to submit a joint report within 45 days that includes a comprehensive analysis of sworn overtime and recommendations to eliminate the projected sworn overtime over-expenditure, avoids reliance on involuntary overtime banking, and establishes a logical and effective method for budgeting sworn overtime based upon the LAPD's goals and its expenditures and planned resources. The Analysis should also include:
 - a. Actual overtime costs versus what has been budgeted in order to *true-up* those costs when formulating future budgets.
 - b. Projections of patrol overtime and the numbers of personnel under managed attrition (realignment).
 - c. Data on how the LAPD is managing End of Watch time, particularly for planned and unplanned events; and recommendations for electronic tracking of End of Watch rotations.
 - d. Data on the overtime and personnel resources required for deployment at the City's Bridge Housing sites (assuming a minimum of 15 operating sites).
 - e. Prioritization of civilian hiring that will reduce the utilization of sworn overtime in the most cost effective manner and with the greatest effect on crime prevention and crime enforcement
9. DIRECT the LAPD to report within two weeks with findings and recommendations relative to how earmarks impact its budgeting of non-reimbursable sworn overtime and how best to manage this impact within budgeted funding.
10. AUTHORIZE the Department of Public Works to disencumber up to \$100,000 from prior-year Contract Purchase Orders (180000499945, 180000499956, 180000499960, 180000499965, 180000499917) for United Site Services, FY 2017-18, Public Works Board Fund No. 100/74, Account No. 003040, Contractual Services; and, REAPPROPRIATE the same amount to the Board of Public Works Fund No. 100/74, Account No. 003040, Contractual Services for the current fiscal year.
11. AUTHORIZE the Controller to transfer the remaining balance, which includes interest, within the Landfill Maintenance Special Fund (LMSF) to the Solid Waste Resources Revenue Fund to allow for the closure of the LMSF.
12. RESCIND Recommendations No. 3a, 3b, and 5 of the August 15, 2018 Council action (C.F. Nos. 18-0600-S139 and 18-0600-S143) relative to hiring new tree trimming crews for the Public Works - Bureau of Street Services, inasmuch as the related cost

reimbursements associated with these positions in this action are funded by the General Fund and should remain in the Unappropriated Balance.

13. REAPPROVE the use of \$9,389,000 in the Municipal Improvement Corporation of Los Angeles (MICLA) financing provided in the FY 2018-19 Adopted Budget as detailed below, for the Los Angeles Department Convention and Tourism Development (LADCTD):

<u>Project</u>	<u>Budget</u>
1. Escalator and elevator repair/ modernization program	\$250,000
2. Roof replacement - lower West Hall	1,874,000
3. Escalator repair program	1,444,000
4. Replacement of chillers, cooling towers motors and VFD replacement and modernization of chiller plant	5,000,000
5. West Hall elevator	593,000
6. Security surveillance system	<u>228,000</u>
Total:	\$9,389,000

14. AUTHORIZE the LADCTD to pay up to \$9,389,000 from the MICLA Commercial Paper Program (Los Angeles Convention Center) to vendors such as AEG Management LACC, LLC, as appropriate, subject to CAO approval, to pay for the capital improvement projects managed by AEG as noted in the First FSR for FY 2018-19.
15. REAPPROVE the use of \$23,925,597 in MICLA financing included in the 2018-19 Budget for Los Angeles Fire Department fleet and communications purchases as part of the Fleet Replacement Program as noted in Attachment 13 of the First FSR for FY 2018-19 dated October 26, 2018 (attached to the Council file).
16. REAPPROVE the use of \$37,000,000 in MICLA financing provided in the FY 2018-19 Adopted Budget for the Department of General Services (GSD) Citywide Fleet Replacement Program as noted in Attachment 13 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
17. REAPPROVE the use of \$1,000,000 in MICLA financing provided in the FY 2018-19 Adopted Budget for the LAPD's acquisition of 27 specialized vehicles, which is an increase from the 22 vehicles approved in the Adopted Budget as noted in Attachment 13 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
18. REAPPROVE the use of \$5,098,000 in MICLA financing included in the 2018-19 Adopted Budget for Public Works - Bureau of Street Lighting (BSL) fleet purchases as part of the Departmental Fleet as noted in Attachment 13 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to the Council file).
19. AUTHORIZE the Controller to reimburse the General Fund up to \$113,366.57 from MICLA Fund No. 29B/50, MICLA Commercial Paper Notes (Convention Center) Taxable Series B1 Accounting Fund, Account No. 50R076 PW-Contract Administration, to the General Fund No. 100/76, revenue source to be determined, upon CAO approval and receipt of labor services invoices, for labor provided in the prior fiscal year related to the installation of solar panels at the Los Angeles Convention Center.

20. AUTHORIZE the Controller to reimburse the General Fund up to \$160,273.56 from MICLA Fund No. 29B/50, MICLA Commercial Paper Notes (Convention Center) Taxable Series B1 Accounting Fund, Account No. 50R078 PW-Engineering, to the General Fund No. 100/78 revenue source to be determined, upon CAO approval and receipt of labor services invoices, for labor provided in the prior fiscal year related to the installation of solar panels at the Los Angeles Convention Center.
21. INSTRUCT the following departments to work with the Office of Finance to implement the Credit Card Service Fee Pass-Through Program by January 1, 2019 to defray all General Fund expenditures on merchant service fees related to credit card transactions and report on the status of their implementation in future FSRs: Department of Animal Services, Department of Cultural Affairs, El Pueblo de Los Angeles, City Ethics Commission, LAFD, GSD, Los Angeles Housing and Community Investment Department, Los Angeles Public Library, Board of Public Works, Public Works - Bureau of Engineering, Public Works - Bureau of Sanitation, Public Works - Bureau of Street Services, Department of Recreation and Parks, and Zoo Department.
22. AMEND Recommendation No. 3 relative to Attachment 7 of the First FSR for FY 2018-19, dated October 26, 2018 (attached to C.F No. 18-0600-S159) to strike the transfer of \$259,065.83 from Fund No. 100/70, Police, Account No. 007340, to Account No. 003090 within the same fund.
23. AUTHORIZE the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that a total of \$98.85 million in projected over-expenditures and unbudgeted expenses are identified in the First FSR for FY 2018-19. Transfers, appropriations, and other adjustments totaling approximately \$147 million are recommended in Sections 1, 2, and 5 of the First FSR for FY 2018-19. This includes approximately \$76.41 million in MICLA reauthorizations.

Debt Impact Statement: The CAO reports that the issuance of MICLA Bonds is a General Fund obligation. The acquisition of capital equipment for the BSL, LAFD, LAPD, and GSD would cause the City to borrow \$67,023,597 at an approximate 5.5 percent interest rate over 10 years. The financing of capital improvements to the Los Angeles Convention Center would cause the City to borrow \$9,389,000 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for the acquisition of capital equipment and Los Angeles Convention Center capital improvements is \$104,632,000, including interest of \$28,219,000. During the life of the bonds, the combined estimated average annual debt service over the first 10 years is \$9,678,000 and \$786,000 for the following 10 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The CAO cannot fully predict what interest rates will be in the future.

In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The City is currently at 4.14 percent for 2018-19. The issuance of debt for these projects will not impact the City's debt capacity for non-voted approved debt as the issuance of debt for this project is already included in the debt

ratio. Budgetary adjustments totaling approximately \$147 million are recommended in Sections 1, 2, and 5 of the First FSR for FY 2018-19 which include: \$4.15 million in Special Fund reappropriations, \$13.65 million in new appropriations, \$41 million for transfers between accounts within various departments and funds, \$6.84 million for transfers between departments and funds, \$4.33 million in appropriations from various accounts within the UB, and \$76.41 million in MICLA reauthorizations.

Community Impact Statement: None Submitted.

SUMMARY

At its regular meeting held on October 29, 2018, the Budget and Finance Committee considered the CAO's First FSR for FY 2018-19 dated October 26, 2018 (attached to C.F. No. 18-0600-S159). The CAO reports that the First FSR summarizes and closeout of FY 2017-18 budget and provides an update on the current year budget, including projected department over-expenditure, trends in revenue, the Reserve Fund, and current issues of concern and the potential impact on the City. The First FSR for FY 2018-19 contains recommendations totaling approximately \$147 million for appropriations, transfers and other budgetary adjustments.

During consideration, the CAO and the CAO's budget and debt finance specialist provided the Committee an overview of the report including the budget outlook for FY 2018-19, and expected over-expenditures by various departments in particular the LAPD. Representatives from various City Departments including the LAFD, El Pueblo de Los Angeles, PW - Sanitation, and Cannabis addressed the Committee and responded to the Committee's questions in regards to concerns in the First FSR for FY 2018-19. The Chief of Police addressed the Committee regarding the Committee's concerns about sworn overtime. The Committee requested that LAPD and the Sworn Overtime Task Force to submit a report in 45 days as detailed in the recommendation No. 8 above.

The CAO also recommended an amendment to Attachment 7 of the First FSR for FY 2018-19 to remove a line item transferring funds between accounts detailed in recommendation No. 22 above.

After further consideration, and after providing an opportunity for public comment, the Committee approved the recommendations by the CAO contained in the First FSR for FY 2018-19 as amended. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

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



REW/AC 10/30/18 FILE NO. 18-0600-S159

- NOT OFFICIAL UNTIL CONCIL ACTS -