

CITY OF LOS ANGELES

CALIFORNIA



JUNE LAGMAY
City Clerk

Office of the
CITY CLERK

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KAREN E. KALFAYAN
Executive Officer

KONRAD CARTER
Acting Chief, Council and Public Services
Division

HOLLY L. WOLCOTT
Executive Officer

ANTONIO R. VILLARAIGOSA
MAYOR

www.cityclerk.lacity.org

November 18, 2009

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file
No. 08-1292-S2, at its meeting held on November 17, 2009.

City Clerk
jr

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TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **BUDGET AND FINANCE Committee**

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the Reserve Fund Statement of Condition and Status of all Reserve Fund loans as of June 30, 2009.

Recommendation for Council action:

NOTE and FILE the Controller's report relative to the Reserve Fund Statement of Condition and Status of all Reserve Fund loans as of June 30, 2009, inasmuch as the report is submitted for information only and no further Council action is necessary.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

SUMMARY

At its meeting of October 19, 2009, the Budget and Finance Committee considered the City Controller's report relative to the Reserve Fund Statement of Condition and Status of all Reserve fund loans as of June 30, 2009. The Controller reports that the Mayor and Council approve loans to the General Fund and other special purpose funds to be repaid upon receipt of revenues. As of June 30, 2009, the balance for this type of loan from the Reserve Fund was \$30.5 million. Included in this amount is \$19.6 million that the Controller borrowed from the Reserve Fund on behalf of six City departments to cover expenditures that exceeded appropriations and/or available receipts at June 30, 2009. The borrowings enabled the Controller to reconcile the budget without departments returning to Council at year-end to request additional appropriations. The Controller's report provides additional detail relative to Reserve Fund loan transactions, the plan by City departments to liquidate their outstanding Reserve Fund loans, and the Statement of Cash Condition as of June 30, 2009. The Budget and Finance Committee recommended to note and file the Controller's report relative to the Reserve Fund Statement of Condition and Status of all Reserve Fund loans as of June 30, 2009, inasmuch as the report is submitted for information only and no further Council action is necessary. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	ABSENT
ROSENDAHL:	YES
HUIZAR:	YES
KORETZ:	YES

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Not Official Until Council Acts

ADOPTED

NOV 17 2009

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**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **BUDGET AND FINANCE Committee**

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the Reserve Fund Statement of Condition and Status of all Reserve Fund loans as of September 30, 2009.

Recommendations for Council action:

1. NOTE and FILE the Controller's report relative to the Reserve Fund Statement of Condition and Status of all Reserve Fund loans as of September 30, 2009.
2. REQUEST the Mayor's Office to instruct departments with loans to be repaid to renew emphasis upon retrieving funds before June 30, 2010.
3. INSTRUCT the City Administrative Officer (CAO) to review mediation efforts between departments attempting to resolve unpaid invoices.
4. INSTRUCT the CAO to review whether unpaid loans that will impact the General Fund or Reserve Fund can instead be charged to the subsequent department budget.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

SUMMARY

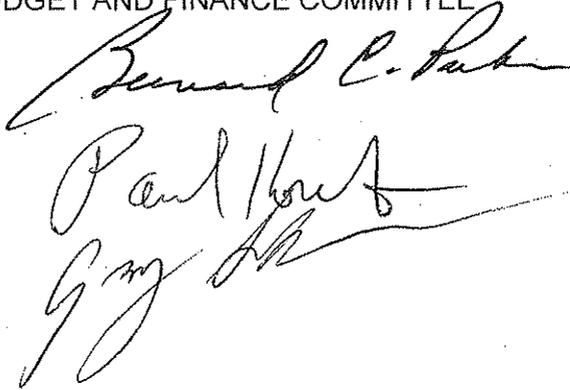
At its meeting of November 9, 2009, the Budget and Finance Committee considered the City Controller's report relative to the Reserve Fund Statement of Condition and Status of all Reserve fund loans as of September 30, 2009. The Controller reports that the Mayor and Council approve loans to the General Fund and other special purpose funds to be repaid upon receipt of revenues. As of September 30, 2009, the balance for this type of loan from the Reserve Fund was \$30.1 million. Included in this amount is \$19.6 million that the Controller borrowed from the Reserve Fund on behalf of six City departments to cover expenditures that exceeded appropriations and/or available receipts at June 30, 2009. The Controller reports that this is more than the previous year of \$0.5 million because the anticipated transfer from the Special Parking Revenue Fund (\$19.6 million) did not occur. The borrowings enabled the Controller to reconcile the budget without departments returning to Council at year-end to request additional appropriations. The Controller's report provides additional detail relative to Reserve Fund loan transactions, the plan by City departments to liquidate their outstanding Reserve Fund loans, and the Statement of Cash Condition as of September 30, 2009.

The Budget and Finance Committee recommended to note and file the Controller's report relative to the Reserve Fund Statement of Condition and Status of all Reserve Fund loans as of September 30, 2009. Further, the Committee recommended the three additional instructions detailed above and summarized as follows: request the Mayor's Office to instruct departments with loans to be repaid to renew emphasis upon retrieving funds before June 30, 2010, instruct the CAO to review

mediation efforts between departments attempting to resolve unpaid invoices and to review whether unpaid loans that will impact the General Fund or Reserve Fund can instead be charged to the subsequent department budget. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	ABSENT
KORETZ:	YES

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