

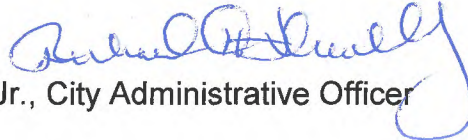
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0100-00438-0030

Date: September 3, 2019

To: The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Subject: **DISASTER ASSISTANCE TRUST FUND ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Recommendation

That the City Council note and file the Disaster Assistance Trust Fund Annual Financial Report for the fiscal year ended June 30, 2019.

Summary

In accordance with Chapter 3, Division 8, Article 9.6, Section 8.72.1 (J) of the Los Angeles Administrative Code, the Office of the City Administrative Officer (CAO) prepared and submits herewith the required annual financial report regarding the Disaster Assistance Trust Fund (DATF) for the fiscal year ended June 30, 2019.

The DATF is administered by the CAO. All grant funds received for disaster relief public assistance and hazard mitigation assistance programs are deposited in the DATF. During Fiscal Year 2018-19, the CAO administered twelve (12) active disaster recovery programs and one (1) pre-disaster mitigation grant. Total revenues received during Fiscal Year 2018-19 amounted to \$3,304,005, including \$218,986 in interest earned on the fund balance.

Transfers and expenditures in the amount of \$2,149,054 were made for the purposes set forth in the grant programs during Fiscal Year 2018-19, including grant reimbursements received in prior fiscal years that were not previously transferred.

Fiscal Impact Statement

There will be no impact on the General Fund or other City funds as a result of adoption of the recommendation of this report.

RHL:HS:03200003c

Attachments

**DISASTER ASSISTANCE TRUST FUND
ANNUAL FINANCIAL REPORT TO THE CITY COUNCIL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

CITY OF LOS ANGELES

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

RICHARD H. LLEWELLYN, JR., CAO

Patricia J. Huber, Executive Officer

Submitted by:

Melissa C. Krance
Chief Administrative Analyst

Heather Smith
Sr. Administrative Analyst I

The Office of the City Administrative Officer (CAO) is required to prepare and submit an annual report to the Los Angeles City Council on the results of operations of the Disaster Assistance Trust Fund (DATF), in accordance with the provisions of the Los Angeles Administrative Code (LAAC), Section 8.72.1 (J).

BACKGROUND

In December 1990, the DATF was created by Ordinance No. 166519, adding Section 8.72.1 (J) to Article 9.6 of Chapter 3 of Division 8 of the LAAC to meet accounting requirements for federal and state disaster assistance programs. The DATF designated as "Fund 872" in the City's Financial Management System is a Special Revenue Fund.

The primary enabling legislation for these disaster assistance programs are the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), Public Law (P.L.) 93-288 and the California Disaster Assistance Act (CDAA). Title 44, Code of Federal Regulations, Part 206 implements PL 93-288. California Code of Regulations, Title 19 implements the CDAA.

SUMMARY

The CAO administered twelve (12) active disaster recovery programs and one (1) pre-disaster mitigation grants in Fiscal Year 2018-19, as follows:

Disaster Recovery Programs:

- 2013 July Inyo Storms;
- 2010 January Winter Storms;
- 2009 Station Fire;
- 2007 Griffith Park Fire;
- January 2017 Storms;
- Late January 2017 Storms;
- 2017 La Tuna Fire;
- 2018 Creek Fire- Los Angeles;
- 2018 Skirball Fire;
- 2017 Creek/Skirball Fire;
- November 2018 California Wildfires; and
- Mid-February 2019 Storms

Pre-Disaster Mitigation Grants:

- 2016 Local Hazard Mitigation Plan Update

The total aggregate amount of federal and state disaster assistance grants received during Fiscal Year 2018-19 is \$3,085,019 (Schedule 1). During Fiscal Year 2018-19 the DATF earned \$218,986 in interest on the fund balance (Schedule 2). This amount is included in the \$3,304,005 million total receipts from all sources.

During Fiscal Year 2018-19, transfers to City departments, proprietary departments, and the General Fund totaled \$2,149,054 (Schedules 3 - 4). These are reimbursements for emergency and facility repair costs incurred by departments and allowed by federal and state agencies. The DATF reimbursed a total amount of \$205,804 to the General Fund in

Fiscal Year 2018-19 for the CAO's administrative costs. The balance of \$1,943,249, reimbursed the Bureau of Sanitation's Stormwater Pollution Abatement Fund (\$500,000), the Department of Water and Power's Power Division (\$68,106), the Emergency Management Department's Emergency Operation Fund (\$150,000), and Recreation and Parks' Recreation and Parks Grant (\$1,225,143). Transfers include receipts from prior years not transferred in those fiscal years due to timing differences between receipt of funds and collection of required documentation.

The Federal Emergency Management Agency (FEMA) applied an administrative allowance to each Project Worksheet (PW) approved prior to November 13, 2007 based on a sliding scale of percentages up to a maximum of 3.5 percent applied to the net eligible costs. However, effective November 13, 2007, FEMA no longer pays an administrative allowance based on the associated expense percentages as allowed under the Stafford Act. The Disaster Mitigation Act of 2000 (PL 106-390) amended the Stafford Act by adding Section 324 "Management Costs." For events on or after November 13, 2007 the recovery of project costs are based on management cost rates established by FEMA. The State of California Office of Emergency Services (CalOES) applies a fixed administrative allowance of ten percent to the state share of approved PWs. The administrative allowance is intended to help with the costs of requesting, obtaining and administering federal and state disaster assistance grants. Typical items that fall under the category of administrative allowance include costs for audits, consultants, bookkeepers, grant administrators, legal services and executive management. The DATF received \$199,046 in federal and state administrative allowances in Fiscal Year 2018-19. This amount is included in the \$3,304,005 million total receipts from all sources.

During Fiscal Year 2018-19, the City successfully closed one (1) disaster recovery program grant for the 2007 Griffith Park Fire. Final payment in the amount of \$4,106 was received on September 28, 2018. CalOES completed a financial reconciliation and application closure and an audit waiver letter was issued on August 9, 2018. In addition, the City successfully closed one (1) legislative pre-disaster mitigation disaster grant program for the Local Hazard Mitigation Plan Update. Final payment in the amount of \$150,000 was received on February 5, 2019. CalOES completed a financial reconciliation and application closure and an audit waiver letter was issued on January 15, 2019.

The schedules on the following pages provide the summary and detail of receipts and transfers in the DATF during the fiscal year, presented in the following order:

Schedule 1	Grant Receipts
Schedule 2	Detail of Interest Received
Schedule 3	Transfers to Departments/Expenditures
Schedule 4	Percentages of Transfers by Department or Fund
Schedule 4	Percentages of Transfers by Disaster Event

2018-19 GRANT RECEIPTS

Disaster assistance grant funds received from the Federal Emergency Management Agency(FEMA) for the following events:

Legislative Pre-Disaster Mitigation Grant for Local Hazard Mitigation Plan Update	\$ 150,000
California La Tuna Fire Fire Management Assistance Grant (FMAG)	<u>2,400,347</u>
<i>Total FEMA grant funds received</i>	<u><u>\$ 2,550,347</u></u>

Disaster assistance grant funds received from the State of California for the following events:

2017 California December Fires (Creek/Skirball)	\$ 530,566
2007 Griffith Park Fire	<u>4,106</u>
<i>Total State grant funds received</i>	<u><u>\$ 534,672</u></u>

Summary:

Total Grant Funds Received from FEMA	\$ 2,550,347
Total Grant Funds Received from the State of California	<u>534,672</u>
Total Federal and State Grant Funds Received	3,085,019
Add: Interest earned on DATF Balance	<u>218,986</u>
Total Receipts from all Sources	<u><u>\$ 3,304,005</u></u>

Amounts rounded to the nearest dollar

DISASTER ASSISTANCE TRUST FUND (DATF)

SCHEDULE NO. 2

2018-19 DETAIL OF INTEREST RECEIVED

<u>Period</u>	<u>Amount Received</u>
July 2018	\$ 23,953.93
August 2018	18,926.24
September 2018	6,382.57
October 2018	24,352.75
November 2018	18,319.59
December 2018	14,830.40
January 2019	19,968.62
February 2019	21,093.92
March 2019	7,493.78
April 2019	25,783.69
May 2019	17,563.42
June 2019	20,316.90
Total	<u>\$ 218,985.81</u>

2018-19 TRANSFERS TO DEPARTMENTS/EXPENDITURES

<u>Event</u>	<u>Department/Fund/Purpose</u>	<u>Amount Transferred</u>	<u>Total</u>
Administrative Allowances Allocation to the CAO	City Administrative Officer/ General Fund Reimbursement	\$ 205,804	\$ 205,804
Legislative Pre-Disaster Mitigation Grant for 25th St. Drainage Improvement	Public Works-Sanitation/ Stormwater Pollution Abatement Fund	500,000	500,000
2010 January Winter Storms	Department of Water and Power/ Power Division Reimbursement	30,102	30,102
Legislative Pre-Disaster Mitigation Grant for Local Hazard Mitigation Plan Update	Emergency Management Department/ Emergency Operations Funds	150,000	150,000
2003 November Storms	Department of Water and Power/ Power Division Reimbursement	38,004	38,004
1994 Northridge Earthquake	Recreation and Parks/ Recreation and Parks Grant	1,225,143	1,225,143
Total transfers			<u>\$ 2,149,054</u>

Amounts rounded to the nearest dollar

SCHEDULE NO. 4

2018-19 PERCENTAGES OF TRANSFERS BY DEPARTMENT OR FUND

<u>Department or Fund</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
City Administrative Officer	\$ 205,804	9.58%
Public Works-Bureau of Sanitation	500,000	23.27%
Department of Water and Power/Power Division	68,106	3.17%
Emergency Management Department	150,000	6.98%
Recreation and Parks	1,225,143	57.01%
Total	<u>\$ 2,149,054</u>	<u>100.00%</u>

PERCENTAGES OF TRANSFERS BY DISASTER EVENT

<u>Disaster Event</u>	<u>Amount Transferred</u>	<u>Percent of Total</u>
Administrative Allowances	\$ 205,804	9.58%
Legislative Pre-Disaster Mitigation Grant for 25th St. Drainage Improvement	500,000	23.27%
2010 January Winter Storms	30,102	1.40%
Legislative Pre-Disaster Mitigation Grant for Local Hazard Mitigation Plan Update	150,000	6.98%
2003 November Storms	38,004	1.77%
1994 Northridge Earthquake	1,225,143	57.01%
Total	<u>\$ 2,149,054</u>	<u>100.00%</u>

Amounts rounded to the nearest dollar

Sources:

Statement of Revenue and Expense June 30, 2019

Statement of Condition of Appropriation-Detail June 30, 2019

CAO Cash Receipts and Disbursements Ledger June 30, 2019