



Los Angeles Convention Center®

**LOS ANGELES CONVENTION CENTER
BOARD OF COMMISSIONERS**

Wednesday
April 23, 2014
10:30 a.m. – 12:00 p.m.
Los Angeles Convention Center
1201 S. Figueroa St., L.A., CA 90015
Executive Board Room

1. Call to Order / Roll Call
2. Public Comment
3. Approval of the Meeting Minutes from March 5, 2014
4. Executive Director’s Report
 - a. Budget Review–Miguel Santana, CAO
 - b. Update on Governance Ordinance – Bud Ovrom
 - c. LATCB Contract Extension – Bud Ovrom
5. Budget Update
 - a. FY 14/15 – Marla Bleavins
 - b. FY 13/14 – Marla Bleavins
6. Agenda Forecast / Special Topics:
 - May 7, 2014 - Monthly Status Reports for March 2014
 - May 21, 2014 - Ethics Training
 - June 4, 2014
 - June 18, 2014
7. Adjournment

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Materials related to an item on this agenda submitted to the Los Angeles Convention Center Department Commission after distribution of the agenda packet are available for public inspection in the Executive Office of the Los Angeles Convention Center, 1201 S. Figueroa Street, Los Angeles, CA 90015, during normal business hours.

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**LOS ANGELES CONVENTION CENTER
BOARD OF COMMISSIONERS**

Regular Meeting Minutes

**March 5, 2014
9:00 a.m.**

The Los Angeles Convention Center Department Commission (Commission) convened a regular meeting on Wednesday, March 5, 2014 at 9:14 a.m. The meeting took place at the Los Angeles Convention Center (LACC), located at 1201 South Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

ITEM NO. 1 CALL TO ORDER / ROLL CALL

The meeting was called to order by President Jon Vein.

Commissioners Present:

President Jon F. Vein
Vice President Ray Bidenost
Commissioner Nicole Duckett Fricke
Commissioner Gillian Zucker

Commissioners Absent:

Commissioner Otto Padron

Department Staff Present:

Robert R. "Bud" Ovrom, Executive Director
Tom Fields, COO & Assistant General Manager
Marla Bleavins, Assistant General Manager - Finance and Administration
Cristine Villorante, Recording Secretary

Guests Present:

Brad Gessner, Sr. Vice President & General Manager of the LACC – AEG
Darren Green, Sr. Vice President of Sales – Los Angeles Tourism & Convention Board
Barbara Kirklighter, Sr. Director of Research & Revenue Strategy – Los Angeles Tourism & Convention Board

ITEM NO. 2 PUBLIC COMMENT

There was no public comment to report.

ITEM NO. 3 APPROVAL OF THE FEBRUARY 12, 2014 MINUTES

The Joint Commission meeting minutes from February 12, 2014 were unanimously approved.

ITEM NO. 4 MONTHLY STATUS REPORT FOR JANUARY 2014

a. AEG

Mr. Brad Gessner presented the Commission with AEG's January status report. The highlights are as follows:

- Introduction of AEG's senior management team.
- Rian Hanneman, Director of Operations for Levy Restaurants, gave a brief presentation on the upgrades made to the food service at the LACC, its new branding "Taste of L.A," biodegradable service ware, purchasing from local sources, and an introduction to Groundwork Coffee Company and Melissa Produce.
- Summary of transition from LACC to AEG.
- Summary of Management Transition.
- 10 contracts equating to \$1 million and 30% of AEG's service contracts were awarded to minority-owned, women-owned, or small business enterprise which exceeds the City's requirement for contracted services.
- Staffing is at its leanest in history with 81 full time and 71 part time employees. AEG plans to hire more employees next fiscal year.
- Total of 24 events in January.
- Total revenue is \$250K above forecast.
- Total expenses are \$200K favorable to forecast.
- Initiatives include maximizing parking, food & beverage, filming, advertising & sponsorship sales, and utility contractors' commissions.

b. LATCB

Mr. Darren Green presented the Commission with LATCB's January status report. The highlights are as follows:

- Room night comparison from 2010-2016 showing upward growth from earlier years.
- Summary of 2014 Citywide Conventions with five actualized and five upcoming. Repeat events include Neighborworks America and Zumba. National Cable & Telecommunications Association will do well in auxiliary spending with electrical services and catering.
- Lead production goal is 200 for FY13/14 with a 128 leads year-to-date.

- Booked room nights plan for FY13/14 is 440,000 room nights with 101,000 room nights year-to-date.
- A total of nine promotional trips to promote Los Angeles are planned for FY13/14.
- Marketing services for FY13/14 include \$36M in publication and broadcast circulation value.

ITEM NO. 5 EXECUTIVE DIRECTOR'S REPORT

a. Update on Governance Ordinance

Mr. Ovrom reported that Council Member LaBonge expressed a willingness to call a Special Meeting of the Trade, Commerce and Tourism Committee for the purpose of adopting the Governance Ordinance. Mr. Ovrom and the City Administrative Officer, Mr. Miguel Santana, have made calls to Council Member Krekorian to request that the Governance Ordinance be waived out of the Budget and Finance Committee and be forwarded to the full City Council and adopted.

b. Capital Improvement Projects (CIP) Report

Mr. Fields explained the CIP spread sheet which summarized LACC's CIP projects, with Plan B in mind. The projects highlighted were security surveillance and solar roof. President Vein requested that the Commission be updated on a monthly basis.

c. Budget Update

Ms. Bleavins reported on the budget. The highlights are as follows:

- Currently working on two budgets: resolving the current fiscal year budget and working on the next fiscal year budget, which is currently being considered by the Mayor's office.
- Budget Summary for FY13/14
 - \$26.1M budget
 - Projected deficit of \$1.6M due to aggressive revenue projections at the beginning of the fiscal year, less rental space and ancillary revenue.
 - Change in electrical model resulted in decrease in gross revenue, however there are corresponding cost reductions.
 - Current budget was established months ago and did not assume a private operator would come on board, which incurred transition costs such as IT transitions, and employee payouts for accumulated vacation time and retirement.
 - LACC can cover operating costs; the concern is the \$2M that must be paid to the City in related costs (pension, health care benefits).
 - LACC is mitigating shortfalls by delaying capital expenditures, salary savings from high vacancy rates, AEG's lower cost structure, AEG's low staffing levels, and contracting of services.

- In terms of the City's process for addressing budget issues, the City Administrative Officer (CAO) has a Financial Status Report (FSR) issued four to five times each year that makes adjustments for City Department. The current FSR was heard at the Budget and Finance Committee last Monday and approved by City Council this morning. Currently, there are no recommendations for transferring funds to the LACC. The CAO wants to wait until the next FSR to see if it's really needed.
- Options that are under consideration by staff, in working with the Budget committee, are to request a relief/reduction of the LACC's General Fund obligations (\$2M in related costs and Staples Center incremental parking revenues that pays the debt service) or borrow from the General Fund and pay it back the following fiscal year.
- Some of the revenue enhancements include the parking revenues and the lower cost margin of the food & beverage provider.

President Vein mentioned the increasing trend of unlimited vacation, with a caveat that the employee's work is done, for AEG's consideration.

President Vein also mentioned the Commission's establishment of two sub-committees: a Budget Committee, with Pres. Vein and Commissioner Zucker, to investigate details on budget issues and a Dispute Committee, with Vice Pres. Bidenost and Commissioner Padron, to handle client disputes.

ITEM NO. 6 AGENDA FORECAST / SPECIAL TOPICS

Due to timing issues, the schedule of the AEG and LATCB monthly reports will be adjusted to the first meeting of the month to report on the month before last.

Commissioners Duckett Fricke and Zucker gave notification that they will not be available to attend the Commission meeting scheduled on March 19, 2014.

President Vein and Commissioner Duckett Fricke gave notification that they will not be available to attend the Commission meeting scheduled on April 2, 2014.

ITEM NO. 7 ADJOURNMENT

The meeting was adjourned at 10:37 a.m.

CITY OF LOS ANGELES FISCAL YEAR 2014-15 BUDGET SUMMARY AS PRESENTED BY MAYOR ERIC GARCETTI

CHANGING THE CONVERSATION: FROM SHORT-TERM FIXES TO LONG-TERM FISCAL SUSTAINABILITY



MESSAGE FROM THE MAYOR



Dear Angelenos,

This is my first Proposed Budget as Mayor, and it is my goal to work with you to bring **long-term sustainability to the City's finances**.

Five years ago, the worst economic crisis since the Great Depression caused General Fund revenues to plunge and our pension investments to lose 30% of their value. **The Great Recession created a billion dollar hole in the General Fund Budget. That massive gap required drastic steps to keep the City solvent.** Year after year, departments were asked to make deep reductions; some endured cumulative cuts of as much as half their budgets. Overall, the City's workforce was reduced to levels last seen at the end of the Bradley Administration.

In the midst of an unfolding crisis there was not the opportunity to implement comprehensive structural reforms. Now with a recovering economy and replenished reserves, we not only have that opportunity, *we have that responsibility.*

This Budget begins that process. **As I stressed at Budget Town Halls held throughout Los Angeles, we are running a marathon, not a sprint.** Our goals are clear, and the message we consistently heard in every venue echoed them. Success is dependent on our work to:

- Promote good jobs for Angelenos all across Los Angeles
- Restore the city services that make our neighborhoods livable and attractive
- Make our communities the safest in the nation
- Create a more sustainable and livable city

To achieve our goals, this year we introduced comprehensive Performance Budgeting. The budgeting status quo was based on adding or subtracting from last year's Budget. Performance Budgeting instead identifies the specific results we want and prioritizes our spending to achieve those results.

Progress this first year will be modest. Although revenues are on the rise, deferred costs have risen even faster. Personnel costs—including salaries, pensions and health care—have increased by nearly \$200 million. Urgent investment is also required to replace long-obsolete technology and to maintain long-neglected critical infrastructure.

This Budget represents a transition year toward a deliberate path of restructuring our city government to live within its means and make Los Angeles more prosperous, more well-run, safer and more livable by rebuilding vital services and investing in our future.

My Proposed Budget moves our city forward on our most vital goals:

A SAFE CITY: We will continue to invest in a safer Los Angeles by maintaining the currently funded level of 10,000 police officers and expanding in-car video. We are also replacing an outmoded property and evidence tracking system to aid detectives in solving crimes. We will begin modernizing the Fire Department with new investment to improve management of its resources, technology, personnel and operations to reduce response times. The Police and Fire Departments will partner on a consolidated dispatch center to improve emergency response. In addition, we are providing ongoing funding to the expansion of Neighborhood Prosecutors in the City Attorney's office that was temporarily approved by the City Council this year.

A PROSPEROUS CITY: We will implement systematic reform of our entitlement and permitting process across departments as endorsed by the City Council. We will also move forward with a comprehensive effort to improve our customer service to businesses, large and small. We will support the public-private partnership to create at least 10,000 youth jobs this summer. Finally, we will begin reforming our outmoded Business Tax by adopting a long-term plan to steadily reduce the punitive top rate over the next four years, beginning on January 1, 2016.

A LIVABLE AND SUSTAINABLE CITY: We will invest in a cleaner and greener Los Angeles by expanding pilot neighborhood clean-up efforts and significantly augment our neighborhood code enforcement staffing, two priorities emphasized by participants in our Budget Town Halls. We expect to pave 2400 lane miles of city streets, exceeding previous records (although falling short of the long-term need) and we have doubled funding for sidewalk repair. Library hours will be expanded. We will complete a comprehensive Sustainability Plan to achieve our city's critical goals including efficiency savings of 15% of electricity demand by 2020, reduction in our reliance on imported water by 50% by 2025 and installation of 600 MW of local solar energy.

A WELL-RUN CITY GOVERNMENT: We will create a new "Innovation Fund" to spur new ideas and investments across all departments. We will implement the LAPD's successful COMPSTAT model of tracking performance in every City department and we will support a robust open data portal to partner with civic and private entrepreneurs to jointly tackle our biggest civic challenges. We will replace our outmoded budget system with new software that will enable a full transition to performance budgeting.

Overall, we have had to continue to trim, even in departments where staffing and funding have been slashed over the past five years in order to shift resources to our highest priorities. We have had to deny or defer a long list of worthwhile additional requests. We cannot afford to grant cost of living increases and we must ensure that employees share healthcare costs. By holding the line, however, we ensure that the progress we are making is fiscally sustainable. **This Budget preserves the Budget Stabilization Fund and continues rebuilding our General Fund Reserve. We began last year with a Reserve of 5.37%. We will begin next year at 5.5%.**

Above all, this Administration's first budget lays the ground work for a multi-year plan of fiscal reform to rebuild the capacity to achieve the results that matter most to Angelenos.

Bringing long-term balance to the City's finances requires rigorous re-examination of the entire way we do business. **As Mayor, I am committed to the systematic reform effort that began on my first day in office—when I took the unprecedented step of asking all our departmental General Managers to reapply for their jobs.**

This comprehensive effort will change how we budget; how we measure performance; how we deploy technology; how we handle service requests and complaints from residents; how we procure goods and services; how we process entitlements and permits; how we manage workers compensation claims; how we hire, train, evaluate, promote, motivate and hold accountable our workforce; and how we pursue open data and transparency.

Our goal is to establish Los Angeles as the best-run big city in America. Our primary strategy for achieving that goal is to build a data-driven culture of innovation and excellence. This is not an idle or idealistic notion – it is rooted in the history and potential of who we are as a city.

When it comes to a model of successful municipal reform, we need look no further than the Los Angeles Police Department. Once hailed as a national model, by 2002 it had reached a crisis of public confidence under the jurisdiction of a Federal Consent Decree. The magnitude and scope of the reform effort should not be oversimplified. But no one can dispute the significance of innovative leadership, the pioneering application of performance management through computerized crime statistics (COMPSTAT), the embrace of partnerships under the banner of community policing, or the continued investment in technology, training and additional sworn officers.

The results have been startling. Crime has declined every year since 2002, with fewer violent crimes than any year since 1956, and fewer homicides than any year since 1966, despite the huge increase in population. Today, the Los Angeles Police Department is now a global model of effective law enforcement and management.

The principles that achieved these successes are the same ones this administration is applying to every aspect of city government: innovative leadership; performance management; community partnerships; and long-term investments in technology, training and personnel. We will both cut costs and improve performance. By publicly committing to rigorous performance standards the citizens of Los Angeles can hold our government—and me—accountable for delivering results.

It will be especially challenging to achieve these goals in a time of fiscal discipline. But we have no choice: **we must make hard decisions and invest in successes that may be years in the making.**

Our residents understand this. At Budget Town Halls across the city, hundreds turned out to discuss and debate the most important priorities for creating a greater city -- with a shared understanding that we cannot reach all our goals and fulfill all our dreams at once.

With that long-term perspective in mind, I submit to you my Proposed Budget for Fiscal Year 2014-15. **I look forward to working with you to adopt a balanced budget that puts Los Angeles on a path to fiscal sustainability and on a course toward a safer, more prosperous, and livable city, served by the best-run city government in America.**

Sincerely,



ERIC GARCETTI
Mayor of the City of Los Angeles



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A NEW BUDGET PROCESS



Mayor Garcetti is changing the way Los Angeles does budgeting. Like most cities, we have traditionally allocated money by line-item: each incremental change in revenue and expenditure is individually added to or subtracted from the status quo. This limits the debate to what “cuts” or “enhancements” are made each year. What gets lost are fundamental questions — *What matters most? Are we getting the highest value for our money?*

Fiscal year 2014-2015 begins to shift the budget conversation from “*What are we cutting?*” to “*What are we buying?*” Los

Angeles is starting on a multi-year path toward true performance budgeting, a model that focuses on outcomes and results. While stressing “this is a marathon, not a sprint,” we’ve seen departments begin to make funding requests based on real performance data and specific outcomes that can be achieved. This changes the focus from “*How much are we spending?*” to “*How much can we achieve?*”

This is just the beginning. Replacing our outmoded, stand-alone budget software with a new system directly linked to the citywide financial accounting program will make it far easier to tie budgeting to results — and make those results far more transparent to the residents we serve.

BUDGET TOWN HALLS

Recognizing that public participation is critical for aligning services to what matters most, Mayor Garcetti convened five Budget Town Halls around the City to gather input from residents, community groups, and businesses. More than 1400 civic leaders and active citizens attended to participate in defining “what matters most” to them and their neighbors. Small group discussions gave participants the opportunity to answer key questions that helped shape the final Budget:

- What does a great city look like to you?
- What matters most to you?
- How do we prioritize these outcomes?
- How do we you measure success?

RESULTS TEAMS

Perhaps the most innovative addition to the Budget process was the work done by “Results Teams” focused on the Garcetti Administration’s four main goals. Comprised of a broad cross-section of staff expertise from departments, Council, Mayor, City Administrative Officer, and Chief Legislative Analyst offices, Results Teams determine the criteria for evaluating budget proposals, helping to shape the difficult trade-offs reflected in this Budget.

What is Performance Budgeting?

Simply put, Performance Budgeting better aligns spending with outcomes (what we want to achieve). Some key elements include:

- Greater emphasis on what citizens want through outreach like Budget Town Halls
- Setting desired outcomes at the *start* of the budget process
- Ranking funding proposals using Results Teams to prioritize spending to achieve the desired outcomes
- And, most importantly, comprehensive data-driven performance metrics to measure results

COMPSTAT: How we manage performance

For the first time, budgeting in LA is being driven by performance, requiring departments to connect funding to results through metrics. The gold standard for data-driven management is LAPD's COMPSTAT. For the past 15 years, LAPD has used the system to pinpoint problems, quickly deploy resources, create effective solutions and evaluate results. As a result, Los Angeles has seen a 5.2% drop in Part 1 crimes since 2012 and a 21% drop since 2008. Building on this success and applying COMPSTAT principles to everything we do, the Mayor is focused on delivering the same kind of results citywide.

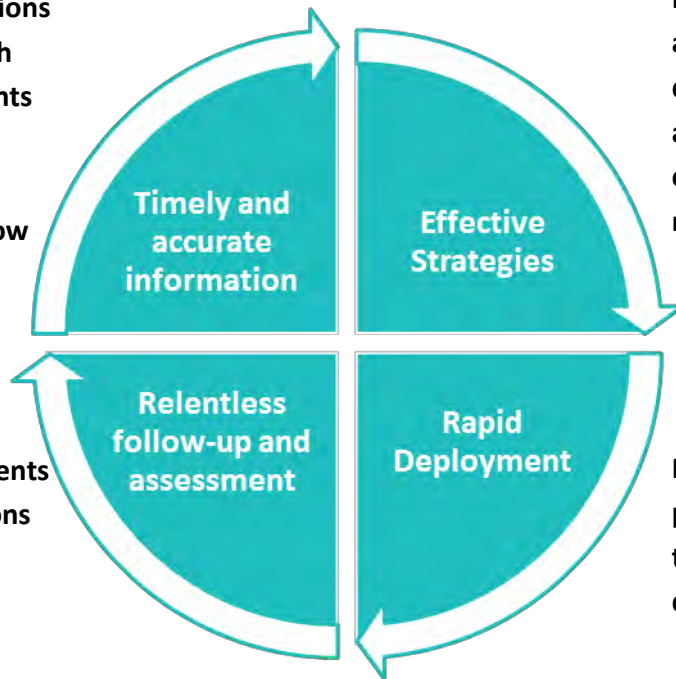


Each department is adapting the COMPSTAT model to the unique challenges of their specific missions — as well as collaborating for a data-driven culture of excellence and innovation. Starting with the Mayor's key priorities, specific measures have been developed for everything from paving streets to reducing homelessness. Results data is used to inform decision making and help managers strategically allocate resources. The Mayor quotes Peter Drucker who said, "What gets measured is what gets done!"

How COMPSTAT Works:

The Mayor sets expectations by establishing goals with departments. Departments are responsible for delivering on goals and providing the data to show progress.

The Mayor and departments follow up on past decisions to assess progress and evaluate performance.



Based upon the data analyzed, managers develop strategies to achieve goals — or make course-corrections when necessary.

Resources, including personnel, are deployed to implement strategic decisions.

DEVELOPING NEXT YEAR'S BUDGET



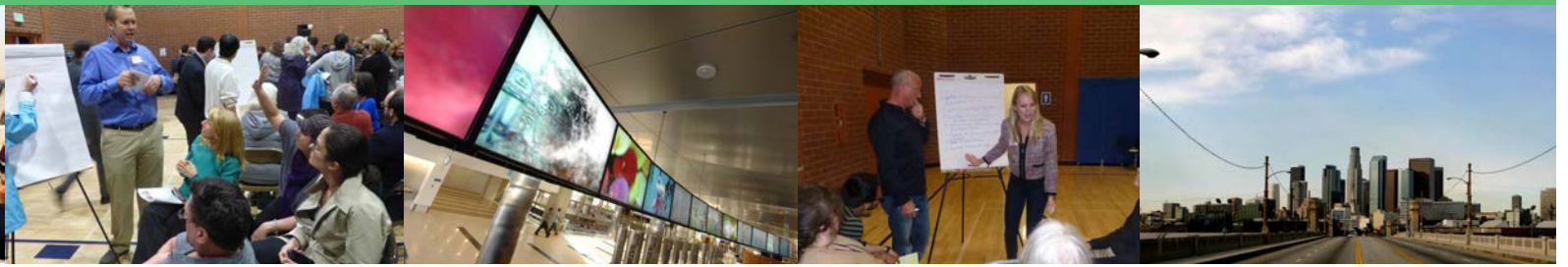
Yearly True-Up: The adopted Budget sets the stage for next fiscal year's work. For the first time, the City will "true-up"—ensuring that the metrics reflect the Budget. This will also serve as an end-of-year review and a baseline for planning future budgets.

Collaborative sessions: Departments are where the work gets done — and a deeper understanding of their successes, their struggles, and their plans to deliver results will create a better budget decisions. We will engage departments earlier than ever before to collaboratively achieve the City's goals.



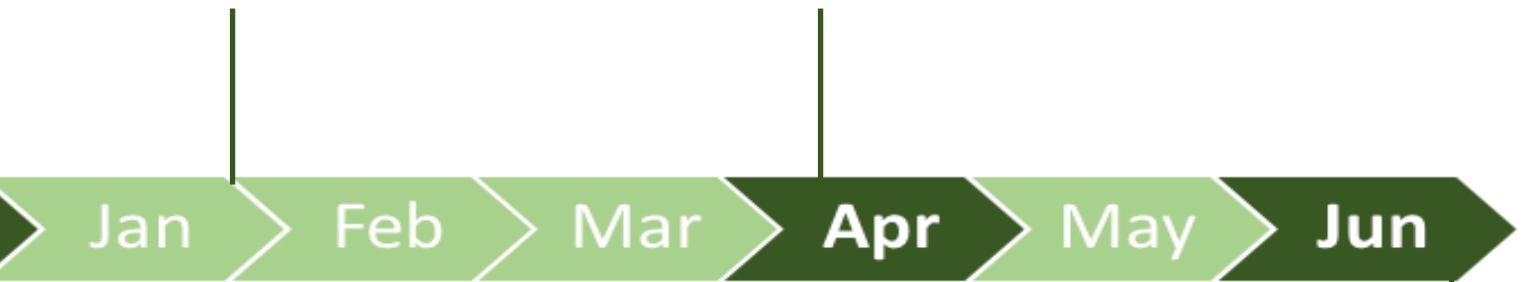
Adjusting course: A Prosperous, Livable and Safe City — and a Well-run City government — will remain our goals. But next year we will look for new and innovative ways of achieving those outcomes. The City will convene panels of experts from inside and outside of local government to help shape the best strategies across departments.





Civic participation: This year's Budget Town Halls brought more than 1400 citizens into the budget process. Through our Neighborhood Councils, social media and other civic partners, we will expand the understanding of the budget process so more Angelenos can participate.

Public deliberation: By charter, the Mayor submits the City's proposed budget by April 20th of every year. At that point, the public, through their elected representatives and through public comment, weighs in on the budget. Typically, the revised budget is approved in May and goes into effect July 1, the start of the next fiscal year.



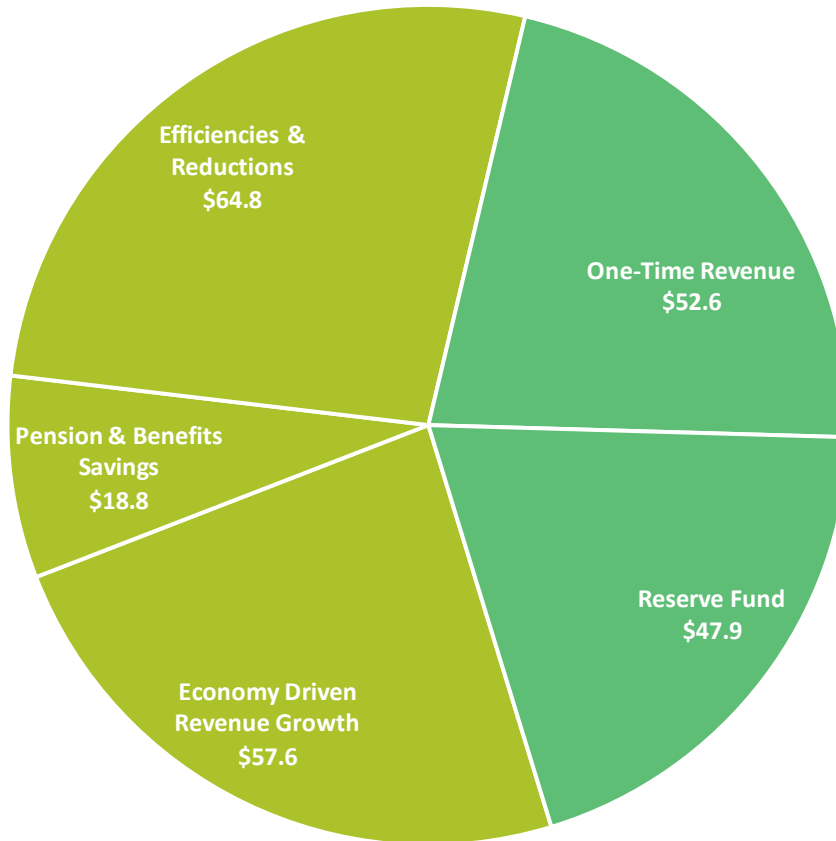
Creating a data-driven budget: This fiscal year, departments began to align themselves toward outcomes. Next year, departments will further connect performance metrics to outcomes and demonstrate tangible, measurable improvements. Due to the size and complexity of the budget, proposals are usually submitted to the Mayor's Budget team in December for detailed consideration.

The cycle starts again: For the first time in decades, the City is investing in a new system that will help facilitate performance budgeting, shedding new light on the process and helping generate longer term savings.



BALANCING THE BUDGET

At the beginning of the fiscal year, the City Administrative Officer projected a \$242 million shortfall for the upcoming 2014-15 budget. The chart below illustrates how the budget was balanced.



Economy Driven Revenue Growth: \$57.6 million – Higher than anticipated growth in major City revenue sources such as Property Tax, Documentary Transfer Tax, and Transient Occupancy Tax.

Pension and Benefits Savings: \$18.8 million – Projected savings in pension and benefits costs due to higher than anticipated investment earnings in the pension funds and lower than projected costs for human resources benefits.

Efficiencies/ Reductions: \$64.8 million – Vacancy deletions, salary and expense reductions, and a reduced assumption for police overtime costs.

One-Time Revenue: \$52.6 million – Grant reimbursements, surplus transfers from the Special Parking Revenue Fund and Telecommunications Development Account, and transfers from various other funds and accounts.

Reserve Fund: \$47.90 million – Funds are transferred from the Reserve Fund to fill the remaining shortfall. Even after this transfer, the 2014-15 Budget proposes growing the Reserve Fund to more than 5.5 percent of General Fund revenue.

PRIORITIES



A **PROSPEROUS** CITY

A **SAFER** CITY

A **LIVABLE AND SUSTAINABLE** CITY

A **WELL-RUN** CITY

PRIORITY: A PROSPEROUS CITY



Los Angeles is the center of a dynamic regional economy, powered by world-leading creative industries and entrepreneurs, top-flight research universities and a diverse workforce. However, we can do much more to foster a thriving economy and the benefits that brings to our residents. Too many hard-working Angelenos still struggle for economic opportunity, held back by lack of access to training and jobs. The Mayor has made good jobs for Angelenos a top priority and is committed to improving the way the City serves businesses large and small.

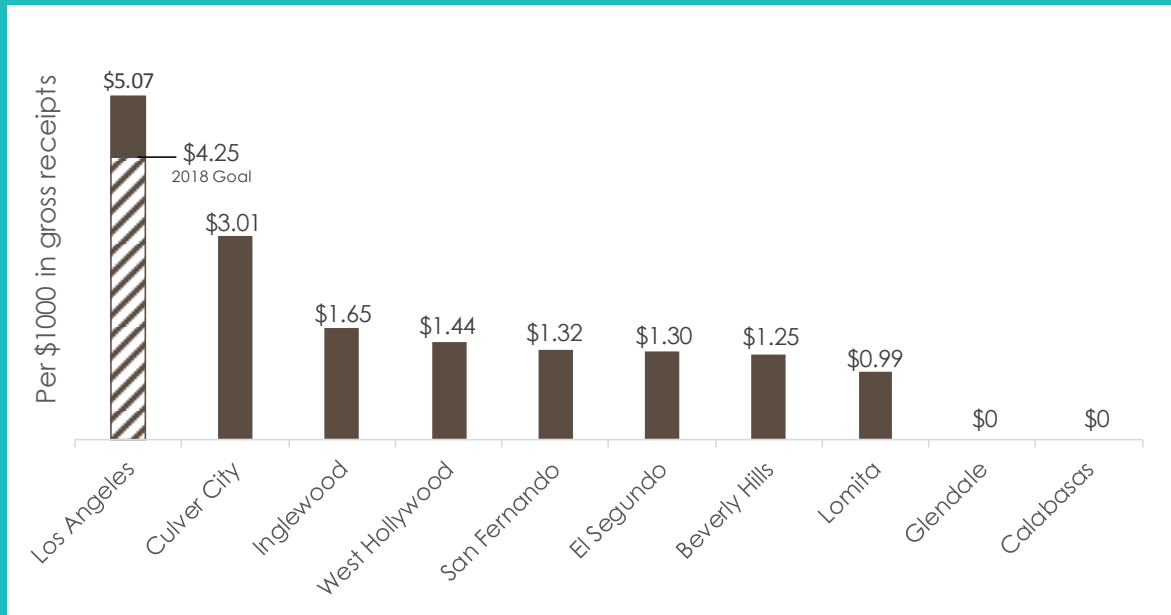
REFORMING THE CITY'S BURDENSOME BUSINESS TAX

Mayor Garcetti supports phasing out the current Business Tax (the highest in the County) to both retain and attract new businesses that create jobs. The first step is a four-year plan to cut the top rate by more than 16%.

PROPOSED SCHEDULE:

Current:	\$5.07 / \$1,000 in gross receipts
2016:	\$4.75 / \$1,000
2017:	\$4.50 / \$1,000
2018:	\$4.25 / \$1,000

How does LA's business tax compare regionally?



Los Angeles's top business tax rate is significantly higher than the highest business tax rates of nearby cities.

PROVIDING SUMMER JOBS FOR LA'S YOUTH



Hire LA's Youth puts young adults to work, providing first time job experience that will set them on the path to become lifetime earners. The Mayor is committed to ensuring no one is turned away, providing 10,000 work opportunities for young people (ages 14-24) who live in the City of Los Angeles. By leveraging the City's \$2 million investment, the Mayor has been able to secure generous donations from organizations like Walt Disney and Citibank.

IMPROVING DEVELOPMENT SERVICES

Years of adding bureaucratic layers have created a complex and outdated entitlement and permitting process. Mayor Garcetti and the City Council have adopted systematic reforms to eliminate duplication, simplify processing and reduce the time and effort needed to open or expand a business as well as meet our development standards for new construction.

KEY INVESTMENTS:

New Construction Inspection Services: \$4,141,146

Growing fee revenue will be directed to allow the Building and Safety Department to enhance new construction services and reduce overall construction inspection time.

Construction Services Center Help Desk: \$689,485

A new help desk for home owners and small business owners will direct customers to the correct services, assist in resolving problems, and provide a simple feasibility study for small projects.

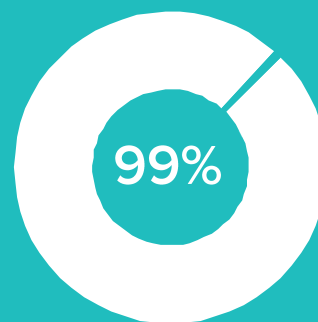
Zoning Review: \$790,464

A pilot program to deploy planners perform zoning plan checks at the beginning of project review, eliminating time consuming "late hits."

BuildLA Technology Support: \$573,294

New systems support staff will help the Building and Safety Department begin implementation of the BuildLA project, which will integrate and streamline development permitting systems and provide a single online development services portal for customers.

Construction Inspections completed within 24 hours:



FY 2014-2015
(Projected)

For LADBS New Construction Inspection

A Regional Economy

The City of Los Angeles is part of a five-county regional economy with a GDP of more than \$800 billion – the world’s third largest urban economy. The greater Los Angeles economy was hit hard by the Great Recession, but is steadily improving with employment, income, and property values on the rise and a new tech start-up launched every 40 hours.

Did you know? LA is:

- the nation’s largest manufacturing center
- the nation’s largest international trade center



LA COUNTY ECONOMIC INDICATORS

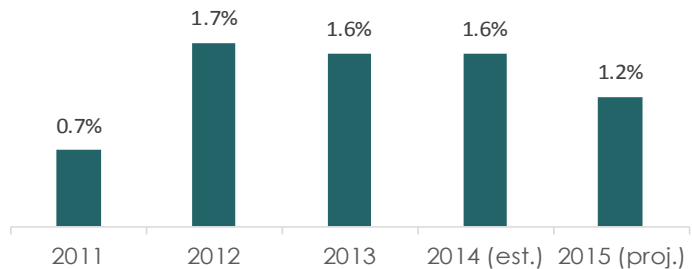
The City of Los Angeles is home to 40% of LA County’s population and is its economic heart. Here’s a snapshot of the economic health of the county.

(Statistics courtesy of the Los Angeles Economic County Development Corporation)

Total Employment:

(Percent change over previous year)

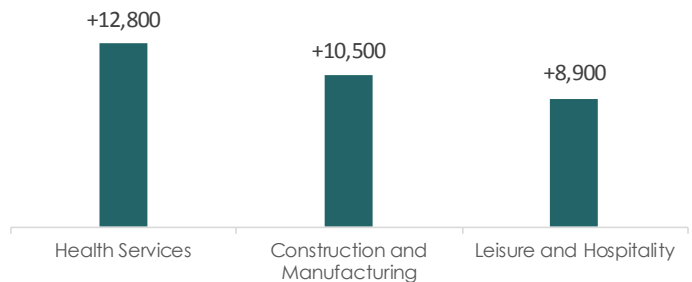
Since the end of the Great Recession, employment in LA County has increased slowly. The county is expected to exceed pre-recession employment by either 2016 or 2017.



Sector Job Growth:

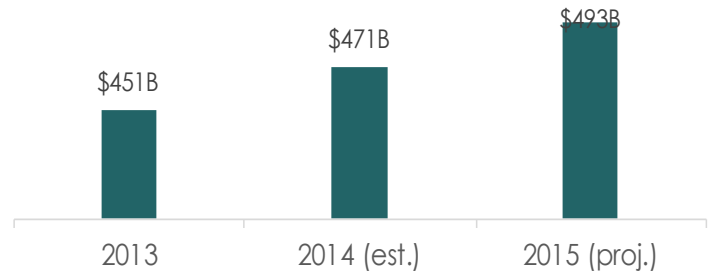
(Projections for highest growth sectors)

In 2014, the total number of job opportunities in LA County is expected to grow by 58,900.



Total Personal Income:

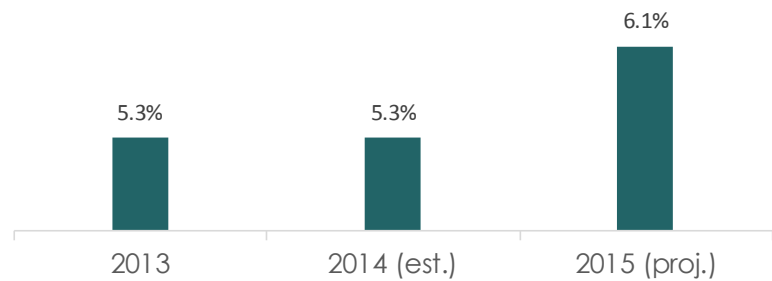
From a recession-low of \$390 billion, total personal income has been steadily growing at a slightly faster rate than employment.



Total Real Estate Value:

(Percent change over previous year)

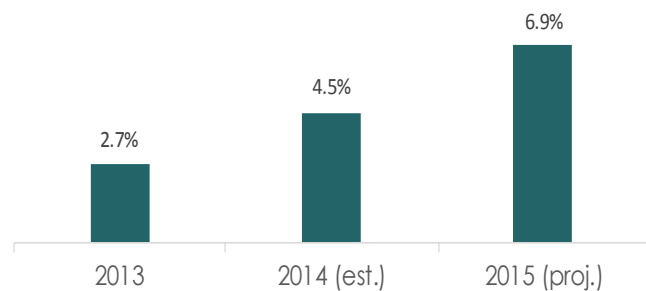
Property values throughout LA County been slowly rising since the end of the Great Recession, and have recently begun to accelerate (the City of Los Angeles has outpaced the rest of the county in property value growth, with a 5.1% increase in 2012).



Value of International Trade:

(Percent change over previous year)

Global trade is the backbone of the Los Angeles regional economy, and a recovering national economy is expected to drive continued growth in the value of trade processed through the region.



PRIORITY: A SAFER CITY



Mayor Garcetti has pledged to ensure LA's communities are the safest in the nation. That doesn't stop with continuing to reduce crime for the 12th straight year. It includes revamping deployment and emergency response for fire and medical emergencies — and preparing for earthquakes and other potential threats. The Budget proposes smart investments to hire and empower a talented workforce and give them the vital tools and technology needed to partner with our citizens to create a safer city.

STRENGTHENING OUR POLICE DEPARTMENT

Key funding investments for the LAPD are focused on continued reductions in crime and improving transparency and accountability for law enforcement.

KEY INVESTMENTS:

Police Force: \$14,766,419

The City will continue hiring efforts to support and maintain a 10,000 Officer force.

In-car video installation: \$8,000,000

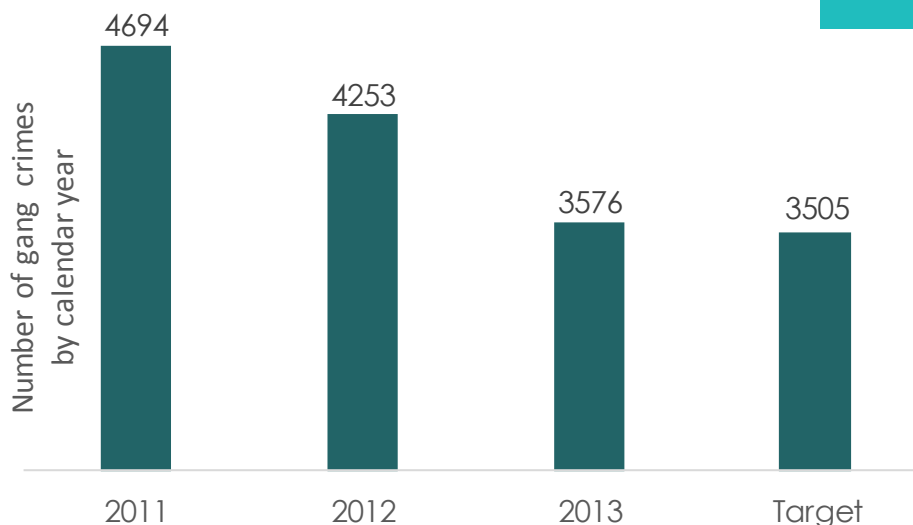
Installing video technology in police vehicles will help law enforcement better document public interactions, provide increased case evidence, and assist with officer training.

Property management technology: \$4,000,000

Replacing the department's outmoded system will help ensure efficient tracking and analysis of the evidence that can put criminals behind bars.

Total Part I crimes are the lowest since

1956



TRANSFORMING OUR FIRE DEPARTMENT

The 2014-15 budget for the Los Angeles Fire Department (LAFD) is a down payment towards reducing response times and improving performance. By revamping management of technology, human resources and public communication and deploying FireStat to use data for more flexible deployment, this Budget begins the transition to a new approach to keeping our residents and neighborhoods safe.

KEY INVESTMENTS:

Geographic Bureau Command Structure Reform: \$1,604,385

The new management structure for LAFD will be organized to focus on the neighborhoods served, not the shifts served by crews.

Firefighter Training and Hiring: \$3,523,082

An additional 140 Firefighters will be recruited and hired to rebuild staffing and reduce the need for overtime.

Computer-aided-dispatch consolidation: \$1,500,000

By having Police and Fire response served by a single operation, we can ensure the right resources get to the scene of emergencies as quickly as possible — and cut costs over time by eliminating duplication and inefficiencies.



PROMOTING COMMUNITY PARTNERSHIPS

The Neighborhood Prosecutors program resolves community related issues through greater cross-collaborative partnerships between the City Attorney's Office, LAPD officers, Council's and Mayor's Offices, City agencies and community stakeholders. The \$1.9 million funding will improve the ability to deliver broader case management and other critical legal services to our residents.



Reduce hit-and-run collisions by

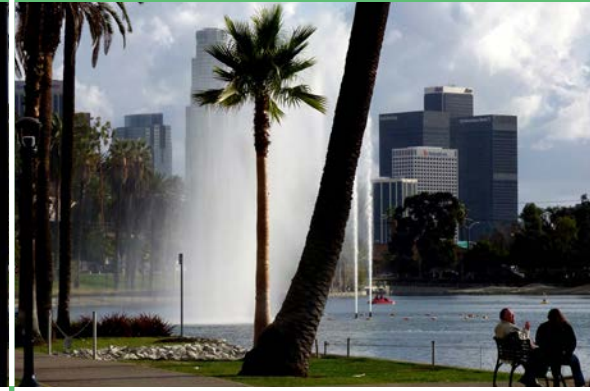
5%

FY 2014-2015
(Projected)



LAPD Goal

PRIORITY: A LIVABLE AND SUSTAINABLE CITY



Los Angeles grew to its current size based on our attractive and healthy quality of life. Long-term sustainability is more than just the environment; it's about building a resilient city that reduces our demand for non-renewable resources. As we reshape our urban environment to take advantage of new transit investments, we must preserve and enhance livability in every neighborhood. Mayor Garcetti's "back to basics" agenda means investing in the infrastructure and services for a cleaner, greener, healthier and more vibrant city.

IMPROVING OUR BUILT ENVIRONMENT

Livability is not just the safety of our buildings, and the cleanliness, accessibility and economic vitality of our neighborhoods—it's also infrastructure like streets and sidewalks. Investments in these areas will ensure delivery of the services that matter most to residents.

KEY INVESTMENTS:

Great Streets Initiative: \$800,000

The Mayor issued Executive Directive #1 establishing the Great Streets Program with the focus of developing corridors that activate public spaces, provide economic revitalization, and support vibrant neighborhoods.

Pavement Preservation: \$142,300,000

To maintain the street network of 28,000 lane miles at its current condition, the City will repair up to 2,400 lane miles of streets and 350,000 potholes.

Sidewalks: \$20,000,000

Repaired sidewalks are an important part of a walkable and accessible community. We are addressing our sidewalk repair backlog by doubling funding to the Bureau of Street Services' Sidewalk Repair program.

Healthy Streets: \$8,000,000

Through the Healthy Streets Program, the Bureau of Sanitation will clean up alleyways and abandoned waste in impacted neighborhoods including the Skid Row area of downtown Los Angeles.

Urban Design Studio: \$171,720

Funding to the Planning department's Urban Design Studio reinforces the Mayor's commitment to improving the compatibility of new development in our neighborhoods and commercial areas.

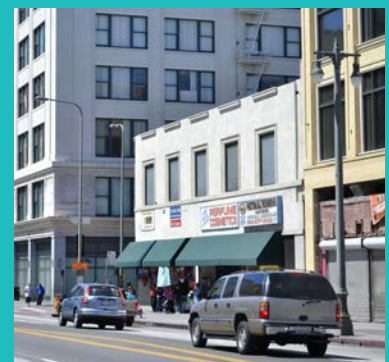
Code Enforcement: \$1,735,268

This funding increases inspectors in the Department of Building and Safety to reduce response time to code enforcement complaints from 25 to 14 business days, targeting unsafe and unsightly conditions in our neighborhoods.

Repairing up to :

2,400
street lane miles

350,000
potholes



RESTORING AND REIMAGINING OUR COMMUNITY LIBRARIES

Libraries are actively redefining their role as repositories of books to interactive community centers that provide a variety of valuable services to city residents. This budget proposes a full restoration of library hours and services that were reduced over the last few years due to the City's previous budget shortfalls.

Library e-media circulation



2,100,500
FY 2013-2014

2,500,000
FY 2014-2015
(Projected)

KEY INVESTMENTS:

Library Hour Restoration and Increased Programming: \$1,807,418

The restoration of hours will enable key locations to not only remain open longer but to increase services offered to LA's job seekers, students, and immigrant populations.

Enhancement of Library Collections: \$2,067,365

This will provide the books and materials necessary to meet the needs of the public.

Digital Learning Labs: \$1,393,149

This program will establish a Digital Learning Lab in the Central Library and one Branch Library to expand digital content.

CONSERVING RESOURCES AND PROTECTING THE ENVIRONMENT

In an effort to further reduce our local natural resource demands, we are developing a comprehensive plan to reach broader short and long-term sustainability goals. To support this, Mayor Garcetti is funding the following programs to conserve water, increase energy efficiency, and reduce greenhouse gas emissions within our municipal facilities.

KEY INVESTMENTS:

San Fernando CNG Fueling Yard: \$4,400,000

The installation of a compressed natural gas (CNG) fueling facility at the San Fernando Yard will create significant long-term fuel savings for our fleet.

Energy and Water Management: \$4,000,000

Funding supports the City's energy and conservation goals through retrofitting City facilities which will provide long-term savings from reduced energy and water consumption.

LED Retrofit Phase II: \$2,700,000

The continued LED streetlight conversion will result in immediate and long-term savings from reduced energy consumption and maintenance costs and help the City to reach its 15% energy efficiency goal.



PRIORITY: A WELL-RUN CITY



Mayor Garcetti is committed to making Los Angeles the most well-run big city in America. Building a data-driven culture of innovation and excellence doesn't happen overnight. This Budget begins the long-term investment in technology and reform of the City's outmoded core business systems, including hiring, contracting and budgeting. A new Innovation Fund will be a catalyst for funding promising ideas for improving services and saving money. The City's Open Data portal will make citywide and departmental performance data transparent and accessible.

LIVING WITHIN OUR FINANCIAL MEANS

The City has the responsibility to fund what matters most and maximize each dollar spent. After five years of deep departmental cuts, we need to implement comprehensive structural reform to ensure we can deliver high quality services with a smaller workforce. This year's Budget begins the process for strategic investment in improving how we manage performance, how we handle service requests and complaints from residents, how we procure goods and services and how we use technology.

KEY INVESTMENTS:

Performance Budgeting: \$2,700,000

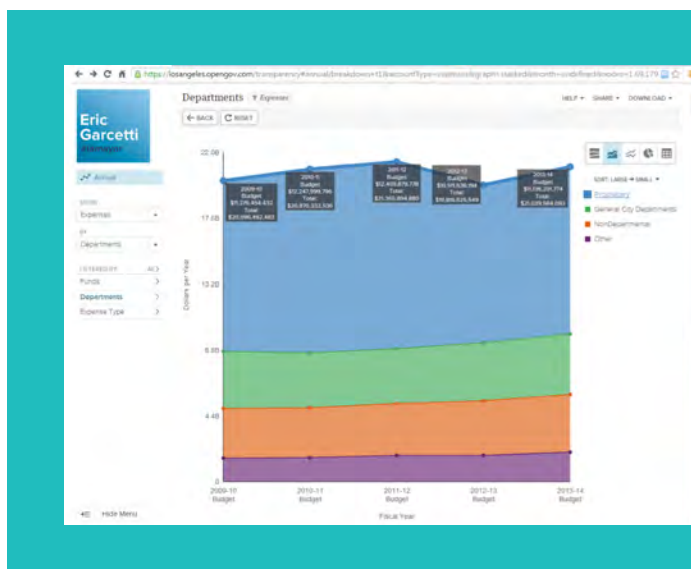
The 25 year-old budgeting system is near end-of-life with half of the documents created outside of the system. Replacing the system creates efficiencies and better facilitates performance budgeting.

Contractual Audit Resources: \$500,000

To solve pressing challenges, the City Controller will now be able to utilize the best expertise available to perform additional audits with an emphasis on best practices.

Litigation and Risk Management System: \$779,000

The City Attorney will implement a new litigation and risk management system to manage data, analyze trends, and identify potential sources of liability.



The Mayor's Open Budget website gives residents a better way to see how their tax dollars are being collected and spent.

Visit: lamayor.org/openbudget



TAKING PRIDE IN PUBLIC SERVICE

Public workers are integral to the City’s performance and improved training can improve service delivery. The Mayor’s Proposed Budget reverses the common trend of first cutting training and development, providing \$190,684 in funding to train, equip, and empower public servants who deliver vital services.

PARTNERING WITH CIVIC AND COMMUNITY GROUPS

To bring about a more open and effective City government, the Mayor is committed to building partnerships with the private, non-profit, and academic sectors, and with all members of our diverse communities. The Mayor’s Proposed Budget provides \$180,000 for a key partnership with Code of America. The City will work with a team of Code for America fellows in a year-long collaboration to build apps and to develop solutions to make City Hall work better for Angelenos.

DEPLOYING INNOVATION AND TECHNOLOGY

In today’s fast-changing world, technology provides business tools to cut costs, improve service, and open the door to fresh solutions to long-standing problems. Through technology investments, the Mayor’s Budget promotes transparency and civic engagement with software solutions that bring Los Angeles City government into the forefront of innovation.

KEY INVESTMENTS:

Innovation Fund: \$1,400,000

The Mayor’s Proposed Budget establishes an Innovation Fund, which will be used to expediently fund or seed qualified innovative initiatives, proposals, competitions, micro-projects or other ideas that develop during the fiscal year. These projects will tangibly and cost-effectively transform City services.

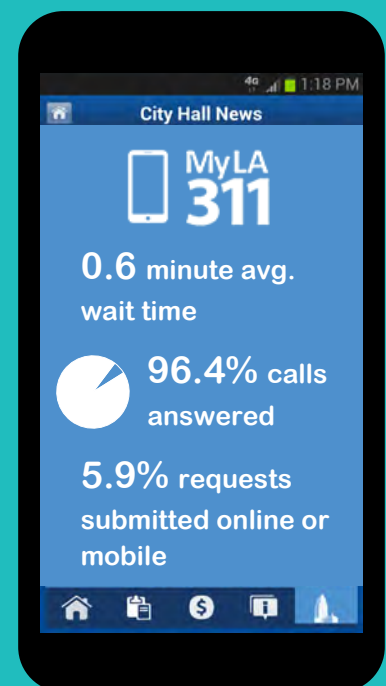
Disaster Recovery for Major Systems: \$578,764

Funding provides off-site disaster recovery capabilities for the City’s major financial and operational systems.

Open Data: \$349,000

The funding allows ITA to establish a City Open Data Portal, which will serve as the central source for departmental open data to promote transparency in government.

MyLA 311 App Stats (March)



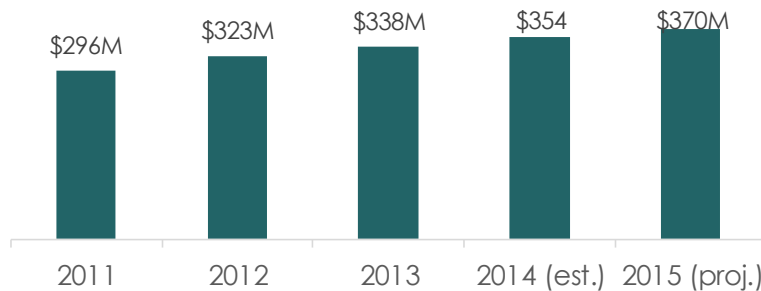
Download the MyLA 311 app at the Apple AppStore or Google Play

REVENUE OUTLOOK

The City's diverse tax base reduces the volatility of overall General Fund revenues. Each of the following revenue sources are affected by the regional economy in different ways. Reflecting the improving economy, most receipts from the City's primary revenue sources—Sales Tax, Property Tax, Transient Occupancy Tax, Document Transfer Tax, Business Tax and Utility Users' Taxes—have been on the rise for the past several years and are expected to continue increasing overall during fiscal year 2013-14 and 2014-15.

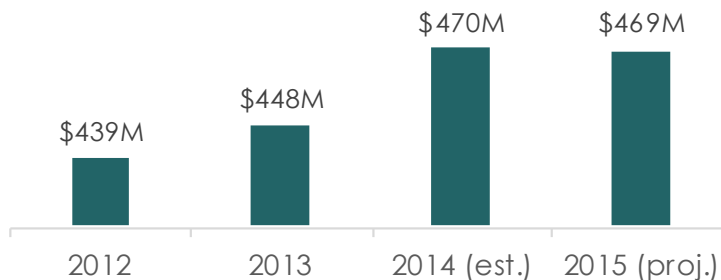
Sales Tax

Sales Tax revenue accounts for about 7% of the General Fund. The City's Sales Tax receipts have been slowly increasing over the past several years. Percent change over previous year:



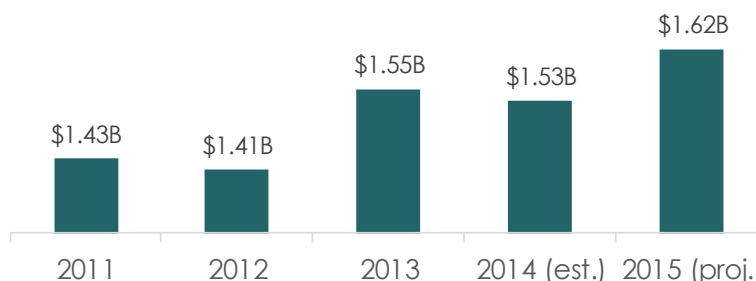
Business Tax:

The Business Tax is based on the “gross receipts” of businesses operating in Los Angeles. Receipts from the Business Tax have increased, partly as a result of an amnesty program this year. It is forecasted to be essentially flat overall in 2014-15.



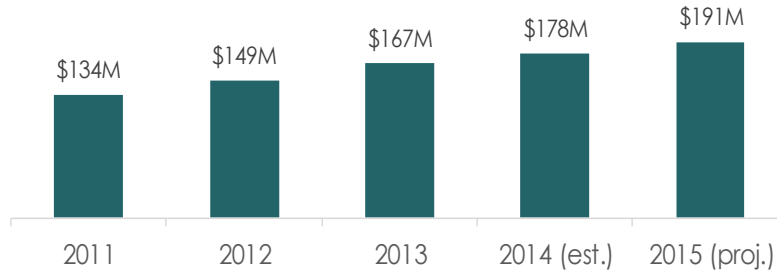
Property Tax:

Property Tax receipts are the largest source of General Fund revenue. Since 2011, Property Tax receipts have seen large increases followed by minor decreases due to timing of receipts.



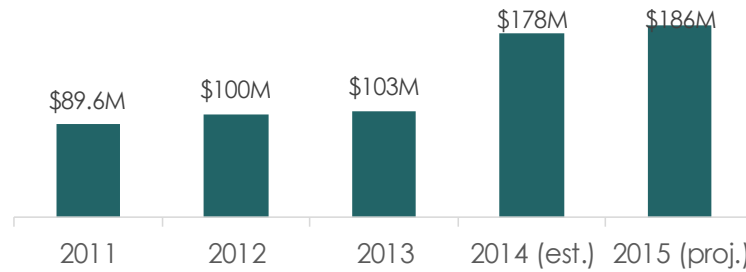
Transient Occupancy Tax

Receipts from the City's hotel tax comprise about 3% of the General Fund. The Transient Occupancy Tax has been growing steadily over the past few years, culminating in LA's record-breaking tourism levels in 2013. Percent change over previous year:



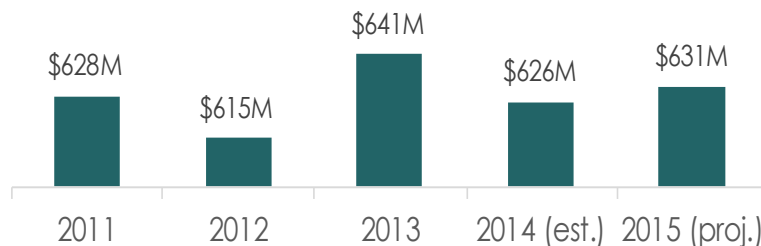
Document Transfer Tax:

The Document Transfer Tax comprises less than 3% of the General Fund. Receipts for the Document Transfer Tax have continued to grow since 2011.



Utility Users' Tax:

Utility Users' Taxes combines tax receipts on electricity, gas, and communication services. Revenues from Utility Users' Taxes have been slowly decreasing over the past several years as the result of new efficient technologies as well as water and energy conservation efforts.



PROPRIETARY DEPARTMENTS

Los Angeles is unique in its operation of major infrastructure assets, which it leverages to promote regional economic development, assist Los Angeles businesses, provide cost-competitive and high-quality services, and ensure environmental quality and sustainability. Our proprietary departments consist of the Port of Los Angeles, Los Angeles World Airports, and the Los Angeles Department of Water and Power. These publically owned and operated entities finalize their budgets outside the City's official process – but are fully engaged in performance management through our departmental CompStat process.

LOS ANGELES DEPARTMENT OF WATER AND POWER

The Los Angeles Department of Water and Power (LADWP) is the largest municipally-owned utility in the nation. The mission of the DWP is to provide clean, reliable water and power and excellent customer service in a safe, environmentally responsible and cost-effective manner. Mayor Garcetti is committed to far-reaching reform of the utility to deliver improved customer service, fiscally responsible management and environmental stewardship worthy of the LADWP's proud legacy.



LOS ANGELES WORLD AIRPORTS

Los Angeles World Airports (LAWA) owns and operates four airports in Southern California: Los Angeles International (LAX), LA/Ontario International, Palmdale Regional Airport, and Van Nuys Airport. LAX is the world's sixth busiest airport by passenger flights and the world's busiest origin and destination airport, and has a regional economic impact of \$60 billion annually.



PORT OF LOS ANGELES

The Port of Los Angeles is America's busiest container port since the turn of the millennium. Past investments in environmental efforts like the clean trucks program and deepening the main channel to allow for bigger vessels will allow the Port to maintain its competitive edge in the ever-changing global economy.



SUMMARY OF APPROPRIATIONS

DEPARTMENTAL EXPENDITURES

	Salaries	Expense	Equipment	Special	Total
Aging	4,029,640	182,229	-	-	4,211,869
Animal Services	21,422,762	1,487,442	-	-	22,910,204
Building and Safety	84,170,454	2,462,113	2,250	-	86,634,817
City Administrative Officer	13,795,019	2,166,194	-	-	15,961,213
City Attorney	108,745,966	8,106,312	-	-	116,852,278
City Clerk	17,625,478	7,952,373	-	-	25,577,851
City Planning	30,362,674	4,481,916	99,540	-	34,944,130
Controller	16,220,263	1,027,648	-	-	17,247,911
Convention Center	1,675,732	40,000	-	5,000	1,720,732
Council	20,974,270	908,219	-	-	21,882,489
Cultural Affairs	4,809,329	553,262	-	4,166,817	9,529,408
Department on Disability	1,490,978	316,792	-	153,863	1,961,633
Economic and Workforce Development	16,695,848	1,399,404	-	-	18,095,252
El Pueblo de Los Angeles	1,330,808	406,957	-	-	1,737,765
Emergency Management	1,773,611	71,036	-	-	1,844,647
Employee Relations Board	323,687	78,320	-	-	402,007
Environmental Affairs	-	-	-	-	-
Ethics Commission	2,129,001	337,046	-	-	2,466,047
Finance	29,586,257	8,545,169	-	-	38,131,426
Fire	530,936,643	30,309,188	-	-	561,245,831
General Services	108,758,356	123,331,422	120,000	3,594,814	235,804,592
Housing and Community Investment	55,891,464	6,533,041	-	500,000	62,924,505
Department of Human Services	-	-	-	-	-
Information Technology Agency	46,946,087	20,202,118	153,314	17,160,893	84,462,412
Mayor	5,737,005	389,256	-	-	6,126,261
Neighborhood Empowerment	1,920,961	149,747	-	6,000	2,076,708
Personnel	46,143,022	6,514,879	-	1,873,564	54,531,465
Police	1,265,036,890	60,206,933	13,170,464	-	1,338,414,287
Board of Public Works	7,230,913	6,426,631	-	-	13,657,544
Bureau of Contract Administration	28,769,123	1,717,328	-	-	30,486,451
Bureau of Engineering	69,639,322	3,262,604	386,103	-	73,288,029
Bureau of Sanitation	218,523,824	7,685,716	27,000	-	226,236,540
Bureau of Street Lighting	20,828,493	1,497,874	1,000	4,182,330	26,509,697
Bureau of Street Services	78,538,360	86,191,708	-	-	164,730,068
Transportation	119,096,063	20,736,832	183,533	-	140,016,428
Treasurer	-	-	-	-	-
Zoo	16,588,681	3,142,326	-	-	19,731,007
Total-Budgetary Departments	2,997,746,984	418,820,035	14,143,204	31,643,281	3,462,353,504
Appropriations to Library Fund	-	-	-	139,401,339	139,401,339
Appropriations to Recreation and Parks Fund	-	-	-	154,355,080	154,355,080
Appropriation to City Employees' Retirement	-	-	-	93,718,332	93,718,332
Appropriations to Fire & Police Pension Fund	-	-	-	-	-
Total-Appropriations	-	-	-	387,474,751	387,474,751
Total-Departmental	2,997,746,984	418,820,035	14,143,204	419,118,032	3,849,828,255
Tax & Revenue Anticipation Notes	-	-	-	1,048,102,618	1,048,102,618
Bond Redemption and Interest	-	-	-	148,889,669	148,889,669
Capital Finance Administration Fund	-	-	-	240,095,761	240,095,761
CIEP -Municipal Facilities	-	-	-	11,612,000	11,612,000
CIEP -Physical Plant	-	-	-	13,925,825	13,925,825
CIEP -Wastewater	-	-	-	183,800,000	183,800,000
General City Purposes	-	-	-	103,706,241	103,706,241
Human Resources Benefits	-	-	-	619,338,916	619,338,916
Judgment Obligation Bonds Debt Service Fund	-	-	-	9,028,225	9,028,225
Liability Claims	-	-	-	47,910,000	47,910,000
Proposition A Local Transit Assistance Fund	-	-	-	257,435,822	257,435,822
Prop. C Anti-Gridlock Transit Improvement Fund	-	-	-	26,339,808	26,339,808
Special Parking Revenue Fund	-	-	-	43,166,102	43,166,102
Local Transportation Fund	-	-	-	902,000	902,000
Unappropriated Balance	-	-	-	106,380,177	106,380,177
Wastewater Special Purpose Fund	-	-	-	463,170,037	463,170,037
Water and Electricity	-	-	-	40,843,000	40,843,000
Other Special Purpose Funds	-	-	-	885,640,612	885,640,612
Total-Nondepartmental	-	-	-	4,250,286,813	4,250,286,813
Total	2,997,746,984	418,820,035	14,143,204	4,669,404,845	8,100,115,068

NON-DEPARTMENTAL EXPENDITURES

SUMMARY OF RECEIPTS

GENERAL RECEIPTS

Receipts:	Total	% of Total
Property Tax	\$ 1,630,361,000	0.201
Property Tax - Ex-CRA Increment	48023000	0.006
Utility Users' Tax	632600000	0.078
Licenses, Permits, Fees, and Fines	811250709	0.1
Business Tax	459500000	0.057
Sales Tax	374100000	0.046
Documentary Transfer Tax	196800000	0.024
Power Revenue Transfer	261000000	0.032
Transient Occupancy Tax	194100000	0.024
Parking Fines	165900000	0.02
Parking Users' Tax	98400000	0.012
Franchise Income	43153000	0.005
State Motor Vehicle License Fees	1700000	0
Grants Receipts	10240000	0.001
Tobacco Settlement	9006000	0.001
Transfer from Telecommunications Dev. Account	5223022	0.001
Residential Development Tax	3280000	0
Special Parking Revenue Transfer	30635342	0.004
Interest	13491000	0.002
Transfer from Reserve Fund	128765509	0.016
Transfer from Budget Stabilization Fund	0	
Total General Receipts	\$ 5,117,528,582	0.632

SPECIAL RECEIPTS

Property Tax - City Levy for Bond Redemption and Interest	148889669	0.018
Sewer Construction and Maintenance Fund	757832209	0.094
Proposition A Local Transit Assistance Fund	148861089	0.018
Prop. C Anti-Gridlock Transit Improvement Fund	71137883	0.009
Special Parking Revenue Fund	43952113	0.005
L. A. Convention and Visitors Bureau Fund	14931000	0.002
Solid Waste Resources Revenue Fund	326488021	0.04
Forfeited Assets Trust Fund	0	0
Fines--State Vehicle Code	7260000	0.001
Special Gas Tax Street Improvement Fund	115200000	0.014
Housing Department Affordable Housing Trust Fund	1000000	0
Stormwater Pollution Abatement Fund	30915831	0.004
Community Development Trust Fund	22495657	0.003
HOME Investment Partnerships Program Fund	5018122	0.001
Mobile Source Air Pollution Reduction Fund	4698000	0.001
City Employees' Retirement Fund	93718332	0.012
Community Services Administration Grant	1596503	0
Park and Recreational Sites and Facilities Fund	2000000	0
Convention Center Revenue Fund	8622230	0.001
Local Public Safety Fund	40750000	0.005
Neighborhood Empowerment Fund	5547617	0.001
Street Lighting Maintenance Assessment Fund	54102520	0.007
Telecommunications Development Account	21895235	0.003
Older Americans Act Fund	2746480	0
Workforce Investment Act	16822900	0.002
Rent Stabilization Trust Fund	14571450	0.002
Arts and Cultural Facilities and Services Fund	15273725	0.002
Arts Development Fee Trust Fund	1222680	0
City Employees Ridesharing Fund	3527100	0
Allocations from Other Sources	36094896	0.004
City Ethics Commission Fund	2391364	0
Staples Arena Special Fund	6030000	0.001
Citywide Recycling Fund	21506000	0.003
Special Police Comm./911 System Tax Fund	10000	0
Local Transportation Fund	4361605	0.001
Planning Case Processing Revenue Fund	19920398	0.002
Disaster Assistance Trust Fund	56850000	0.007
Landfill Maintenance Special Fund	4599748	0.001
Household Hazardous Waste Special Fund	3393000	0
Building and Safety Enterprise Fund	135690771	0.017
Housing Opportunities for Persons with AIDS	782849	0
Code Enforcement Trust Fund	32745806	0.004
El Pueblo Revenue Fund	4754000	0.001
Zoo Enterprise Fund	19324665	0.002
Local Law Enforcement Block Grant Fund	0	0
Supplemental Law Enforcement Services	5051500	0.001
Street Damage Restoration Fee Fund	8014000	0.001
Municipal Housing Finance Fund	3274000	0
Measure R Traffic Relief and Rail Expansion Fund	44974000	0.006
Efficiency and Police Hires Fund	0	0
Central Recycling and Transfer Fund	3553421	0
Multi-Family Bulky Item Fund	6450000	0.001
Total Special Receipts	\$ 2,400,848,389	0.296

SUMMARY OF RECEIPTS (CONT.)

DEPARTMENTAL EXPENDITURES

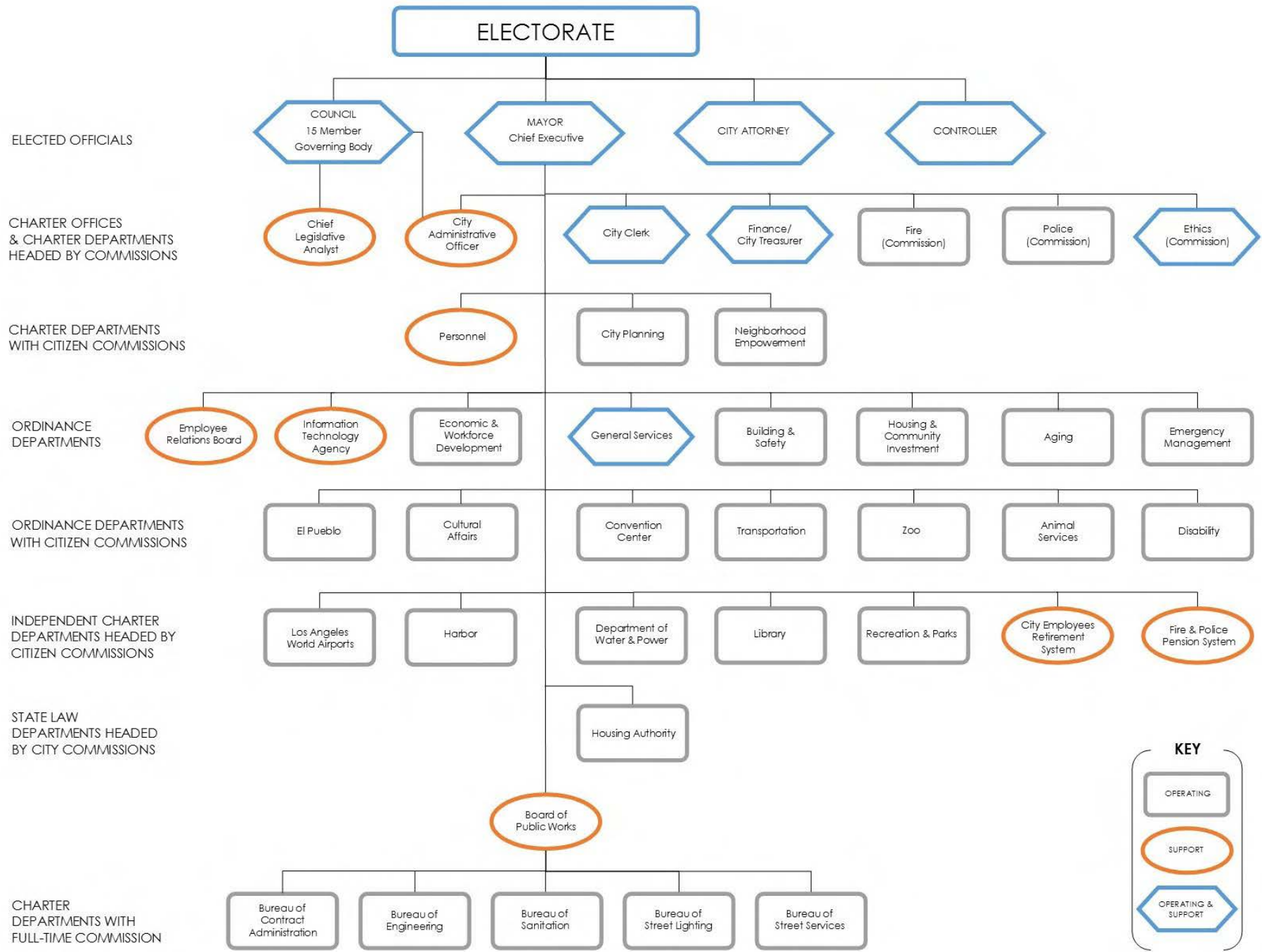
Available Balances:

Sewer Construction and Maintenance Fund	61753344	0.008
Proposition A Local Transit Assistance Fund	116230634	0.014
Prop. C Anti-Gridlock Transit Improvement Fund	4591119	0.001
Special Parking Revenue Fund	5068039	0.001
L.A. Convention and Visitors Bureau Fund	1396971	0
Solid Waste Resources Revenue Fund	118304987	0.015
Forfeited Assets Trust Fund	5558938	0.001
Traffic Safety Fund	985	0
Special Gas Tax Fund	35088834	0.004
Housing Department Affordable Housing Trust Fund	2096000	0
Stormwater Pollution Abatement Fund	0	0
Community Development Fund	0	0
HOME Fund	0	0
Mobile Source Air Pollution Reduction Fund	553836	0
CERS	0	0
Community Services Admin	0	0
Park and Recreational Sites and Facilities	0	0
Convention Center Revenue Fund	0	0
Local Public Safety Fund	1363950	0
Neighborhood Empowerment Fund	203091	0
Street Lighting Maintenance Asmt. Fund	6918799	0.001
Telecommunications Development Account	23649767	0.003
Older Americans Act Fund	0	0
Workforce Investment Act Fund	0	0
Rent Stabilization Trust Fund	8236104	0.001
Arts and Cultural Facilities and Services Fund	84413	0
Arts Development Fee Trust Fund	1145461	0
City Employees Ridesharing Fund	91000	0
Allocations From Other Sources	0	0
City Ethics Commission Fund	257237	0
Staples Arena Special Fund	8114047	0.001
Citywide Recycling Fund	30293657	0.004
Special Police Comm./911 System Tax Fund	2187280	0
Local Transportation Fund	649720	0
Planning Case Processing Revenue Fund	9711055	0.001
Disaster Assistance Trust Fund	5769754	0.001
Landfill Maintenance Trust Fund	490355	0
Household Hazardous Waste Special Fund	2733964	0
Building and Safety Enterprise Fund	70313119	0.009
HOPWA	0	0
Code Enforcement Trust Fund	38905000	0.005
El Pueblo Revenue Fund	176247	0
Zoo Enterprise Trust Fund	2278259	0
Local Law Enforcement Block Grant Fund	0	0
Supplemental Law Enforcement Services Fund	1258932	0
Street Damage Restoration Fee Fund	2826207	0
Municipal Housing Finance Fund	285000	0
Measure R Traffic Relief and Rail Expansion Fund	2766491	0
Efficiency and Police Hires Fund	0	0
Central Recycling and Transfer Fund	3056134	0
Multi-Family Bulky Item Fund	7329367	0.001
Total Available Balances	\$ 581,738,097	0.072
Total Receipts	\$ 8,100,115,068	1





ORGANIZATIONAL CHART



[#backtobasics](#)

Summary of LACC Budget Documents for FY 2014-15

1. LACC Department Budget

- Description of document: contains budget appropriations for salaries, expenses, equipment and special items for the LACC Department only (City employee salaries and related expenses only); also shows sources of funding for department budget
- Location of document: Proposed Budget

2. Schedule 16 - Convention Center Revenue Fund

- Description of document: contains budget appropriations for the LACC Department, other City departments and special purpose appropriations
- Location of document: Proposed Budget

3. Convention Center Revenue Fund – Distribution of LACC Revenues and General Fund Appropriation

- Description of document: contains all expenses related to the Convention Center including operating expenses, debt service and related costs
- Location of document: Blue Book, Volume II

4. AEG Management LACC, LLC

- Description of document: contains AEG's operating budget for the Convention Center
- Location of document: Blue Book, Volume II

5. Los Angeles Tourism and Convention Board (LATCB)

- Description of document: contains the TOT portion of the LATCB's budget
- Location of document: Blue Book, Volume II

6. Convention Center 2014-15

- Description of document: contains the "Blue Book" pages that show the changes from the prior year to the LACC Department budget (City employee salaries and related expenses only)
- Location of document: Blue Book, Volume I

7. Exhibit H

- Description of document: contains the ordinance changes and other actions required to implement the budget
- Location of document: Proposed Budget

8. Schedule 1 – Los Angeles Convention and Visitors Bureau (LACVB) Trust Fund

- Description of document: contains cash balance and appropriations for the LACVB Trust Fund, which is the fund that holds the TOT allocation for the LATCB
- Location of document: Proposed Budget

9. Staples Arena Funding Agreement Reconciliation

- Description of document: contains an accounting of how AEG is meeting its obligation to fully offset the City's costs for debt service on the bonds issued for the Staples Arena pursuant to the Gap Funding Agreement between the City and the AEG. Includes line item for incremental parking revenue from the Convention Center parking operations.
- Location of document: Proposed Budget

10. Schedule 31 – Staples Arena Trust Fund

- Description of document: contains the cash payments received from AEG and tracks reimbursement to the General Fund in connection with AEG's obligation to fully offset the City's costs for debt service on the bonds issued for the Staples Arena pursuant to the Gap Funding Agreement between the City and the AEG. Includes line item for incremental parking revenue from the Convention Center parking operations.
- Location of document: Proposed Budget

11. Capital Finance Administration Fund

- Description of document : contains debt financing expenditures for capital projects, including funding for a LACC project.
- Location of document: Blue Book, Volume II

1. LACC Department Budget

- Description of document: contains budget appropriations for salaries, expenses, equipment and special items for the LACC Department only (City employee salaries and related expenses only); also shows sources of funding for department budget

Convention Center

The Convention Center Department is responsible for strategic planning for tourism and managing the contracts with the operator of the facility and the City's Convention and Visitors Bureau for the purpose of increasing the competitiveness of Los Angeles as a convention and tourist destination so that the City can maximize the economic benefit derived from out-of-town visitors whose spending contributes to the growth of our local economy.

Actual Expenditures 2012-13	Adopted Budget 2013-14	Estimated Expenditures 2013-14		Budget Appropriation 2014-15
EXPENDITURES AND APPROPRIATIONS				
Salaries				
7,855,037	8,387,517	3,964,000	Salaries General	1,620,732
5,621,520	4,390,781	2,934,000	Salaries As-Needed	50,000
825,227	894,000	467,000	Overtime General	5,000
14,301,784	13,672,298	7,365,000	Total Salaries	1,675,732
Expense				
16,095	26,000	4,000	Printing and Binding	5,000
2,513,046	2,487,139	2,585,000	Contractual Services	14,000
26,720	25,000	12,000	Field Equipment Expense	-
188,419	275,000	53,000	Maintenance Materials,Supplies & Services	-
4,750	6,000	7,000	Transportation	6,000
182,849	225,000	89,000	Utilities Expense Private Company	-
4,364,514	4,600,000	2,896,000	Water and Electricity	-
90,350	172,600	2,000	Electrical Service	-
17,041	30,600	1,000	Uniforms	-
151,540	135,000	55,000	Office and Administrative	15,000
55,119	70,000	18,000	Operating Supplies	-
7,610,443	8,052,339	5,722,000	Total Expense	40,000
Equipment				
-	-	-	Furniture, Office and Technical Equipment	-
-	-	-	Total Equipment	-
Special				
133,785	200,000	-	Modifications Repairs Addition	-
48,152	175,000	22,000	Advertising, Travel & Other Promotion	-
999	5,000	5,000	Communication Services	5,000
187,813	190,000	5,000	Building Operating Equipment	-
40,000	40,000	17,000	Earthquake Reserve Fund	-
410,749	610,000	49,000	Total Special	5,000
22,322,976	22,334,637	13,136,000	Subtotal	1,720,732
22,322,976	22,334,637	13,136,000	Total Convention Center	1,720,732

Convention Center

Actual Expenditures 2012-13	Adopted Budget 2013-14	Estimated Expenditures 2013-14	Budget Appropriation 2014-15
SOURCES OF FUNDS			
113,377	-	-	-
-	-	-	185,000
22,209,599	22,334,637	13,136,000	1,535,732
<u>22,322,976</u>	<u>22,334,637</u>	<u>13,136,000</u>	<u>1,720,732</u>
		Total Funds	

Convention Center

SUPPORTING DATA DISTRIBUTION OF 2014-15 TOTAL COST OF PROGRAMS

	EA4803 Convention Center	EA4801 Client Revenue Services	EA4802 Facility and Infrastructure Maintenance	EA4848 Human Resources	EA4850 Revenue Management and Fiscal Control	Total
Budget						
Salaries	1,675,732	-	-	-	-	1,675,732
Expense	40,000	-	-	-	-	40,000
Equipment	-	-	-	-	-	-
Special	5,000	-	-	-	-	5,000
Total Department Budget	<u>1,720,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,720,732</u>
Related and Indirect Costs						
Pensions and Retirement	466,294	-	-	-	-	466,294
Human Resources Benefits	789,297	-	-	-	-	789,297
Water and Electricity	-	-	-	-	-	-
Building Services	3,125,014	-	-	-	-	3,125,014
Other Department Related Costs	5,781,080	-	-	-	-	5,781,080
Capital Finance and Wastewater	54,270,184	-	-	-	-	54,270,184
Bond Interest and Redemption	-	-	-	-	-	-
Liability Claims	4,193	-	-	-	-	4,193
Judgment Obligation Bond Debt Service	-	-	-	-	-	-
Other Special Purpose Allocations	-	-	-	-	-	-
Non-Department Allocations	387,033	-	-	-	-	387,033
Subtotal Related Costs	<u>64,823,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,823,095</u>
Cost Allocated to Other Departments	-	-	-	-	-	-
Total Cost of Program	<u>66,543,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,543,827</u>
Positions	13	-	-	-	-	13

2. Schedule 16 - Convention Center Revenue Fund

- Description of document: contains budget appropriations for the LACC Department, other City departments and special purpose appropriations

SPECIAL PURPOSE FUND SCHEDULES

SCHEDULE 16

CONVENTION CENTER REVENUE FUND

Section 8.148 of the Los Angeles Administrative Code establishes the Convention Center Revenue Fund. All revenues derived from the operation of the Convention Center, shall be paid at the direction of the Executive Director of the Convention Center, into either accounts maintained by the private entity under contract with the City to manage, operate and maintain the Convention Center, or into the fund. Such funds may be used for the expense of operation, management, maintenance and improvement of the Center.

Actual 2012-13	Estimated 2013-14		Budget 2014-15
		REVENUE	
\$ 4,756,500	\$ 4,610,376	Cash Balance, July 1.....	\$ 4,610,376
		Less:	
		Customer Deposits and Other Liabilities.....	4,610,376
<u>\$ 4,756,500</u>	<u>\$ 4,610,376</u>	Balance Available, July 1.....	\$ --
--	--	General Fund.....	5,000,000
27,157,833	16,005,000	Receipts.....	3,622,230
<u>\$ 31,914,333</u>	<u>\$ 20,615,376</u>	Total Revenue.....	<u>\$ 8,622,230</u>
		EXPENDITURES	
\$ 22,209,599	\$ 13,136,000	Convention Center.....	\$ 1,535,732
6,720	--	General Services.....	--
1,069,451	670,000	Police.....	--
90,167	110,000	Personnel.....	--
		Special Purpose Fund Appropriations:	
37,389	40,000	Building and Safety Expense.....	40,000
		AEG Cash Flow.....	5,000,000
		Reserve	2,046,498
3,890,631	2,049,000	Reimbursement of General Fund Costs.....	--
<u>\$ 27,303,957</u>	<u>\$ 16,005,000</u>	Total Appropriations.....	<u>\$ 8,622,230</u>
<u>\$ 4,610,376</u>	<u>\$ 4,610,376</u>	Ending Balance, June 30.....	<u>\$ --</u>

3. Convention Center Revenue Fund – Distribution of LACC Revenues and General Fund Appropriation

- Description of document: contains all expenses related to the Convention Center including operating expenses, debt service and related costs

CONVENTION CENTER REVENUE FUND

DISTRIBUTION OF LOS ANGELES CONVENTION CENTER REVENUES AND GENERAL FUND APPROPRIATION

Section 8.148 of the Los Angeles Administrative Code establishes the Convention Center Revenue Fund. All revenues derived from the operation of the Los Angeles Convention Center (LACC) shall be paid at the direction of the Executive Director of the Convention Center into either accounts maintained by the private entity under contract with the City to manage, operate, and maintain the Convention Center, or into the fund. Such funds may be used for the expense of operations, management, maintenance, and improvement of the Center.

	2012-13 Actual	2013-14 Adopted Budget	2014-15 Proposed Budget	Change From Previous Year
Convention Center Revenues	\$ 27,303,957	\$ 26,114,159	\$ 21,913,948	\$ (4,200,211)
Los Angeles Convention and Tourism Trust Fund Revenue	-	-	185,000	185,000
General Fund Appropriations				
Transient Occupancy Tax	45,181,500	46,960,038	52,258,500	5,298,462
Cash Flow for Private Management Operations	-	-	5,000,000	5,000,000
Booking Policy Offset	5,000,000	5,000,000	5,000,000	-
Sub-Total General Fund	<u>\$ 50,181,500</u>	<u>\$ 51,960,038</u>	<u>\$ 62,258,500</u>	<u>\$ 10,298,462</u>
Total Revenues	<u>\$ 77,485,457</u>	<u>\$ 78,074,197</u>	<u>\$ 84,357,448</u>	<u>\$ 6,283,251</u>
Expenses				
LACC Department	\$ 23,655,588	\$ 22,334,637	\$ 1,720,732	\$ (20,613,905)
Operating Budget for Private Management Firm*	-	-	18,331,718	18,331,718
Cash Flow for Private Management Operations	-	-	5,000,000	5,000,000
LACC Operating Reserve Fund	-	-	2,046,498	2,046,498
General Services Department	6,720	-	-	-
Personnel	90,167	218,235	-	(218,235)
Related Costs	24,860,535	28,447,614	7,040,864	(21,406,750)
Debt Service**	48,419,756	48,355,025	48,285,745	(69,280)
Debt Services (MICLA Purchase)***	-	342,000	-	(342,000)
LACC Commercial Paper Program	-	-	2,000,000	2,000,000
Police	1,069,451	984,875	-	(984,875)
Building Inspection Position	37,389	40,000	40,000	-
Contingency for Obligatory Changes	-	145,752	-	(145,752)
Less:				
Reimbursement of General Fund Costs	(3,890,631)	(2,048,660)	-	2,048,660
Total Expenses	<u>\$ 94,248,975</u>	<u>\$ 98,819,478</u>	<u>\$ 84,465,557</u>	<u>\$ (14,353,921)</u>
Supplemental General Fund Contribution	\$ 16,763,518	\$ 20,745,281	\$ 108,109	\$ (20,637,172)

* Operating Budget for private management firm is off budget however included here for illustration purposes

** Convention Center Lease Obligation in the Capital Finance Administration Fund

*** Parking System financed by the Municipal Improvement Corporation of Los Angeles (MICLA) for 2013-14 and by the LACC Commercial Paper Program for 2014-15

4. AEG Management LACC, LLC

- Description of document: contains AEG's operating budget for the Convention Center

AEG MANAGEMENT LACC, LLC

The 2014-15 Proposed Budget for AEG Management LACC, LLC (AEG) compares to the current year appropriation for the Convention Center operations as follows:

		Amount	% Change
2013-14 Adopted Budget	Convention Center Operating Revenues	\$ 27,114,159	
	Deduction per Staples Agreement	<u>(1,000,000)</u>	
		\$ 26,114,159	
2014-15 Proposed Budget	Convention Center Operating Revenues	\$ 22,913,948	
	Deduction per Staples Agreement	<u>(1,000,000)</u>	
		\$ 21,913,948	
	Change in Revenue from 2013-14 Budget	(\$ 4,200,211)	(16.1%)

In 2013-14, the City Council adopted several initiatives for making the Los Angeles Convention Center (LACC) a top-tier convention center, one of which was the implementation of a private management structure. On June 26, 2013, the City Council approved AEG as the successful bidder to manage and operate the LACC.

On October 9, 2013, the City Council approved a five-year Management Agreement between the City and AEG for the operation and management of the LACC. On December 8, 2013, AEG assumed responsibility for the day-to-day operation of the LACC. The City continues to own the facility, and as such the Convention Center Department continues to exist in an administrative, rather than an operative, role of contract oversight.

DETAIL OF REVENUES

The AEG budget is based on an estimate of all revenues generated by Convention Center operations for Fiscal Year 2014-15. AEG's sources of revenue are categorized as follows:

	Actual 2012-13	Adopted Budget 2013-14	Proposed Budget 2014-15
Space Rent (net of discounts)	\$ 5,082,377	\$ 5,800,000	\$ 6,373,023
Parking	7,733,281	7,000,000	7,722,727
Utility Services	9,482,589	9,000,000	3,802,610
Food & Beverage	2,292,370	750,000	2,231,537
Telecommunication Services	1,787,716	1,000,000	1,068,801
Other *	1,925,624	3,564,159	1,715,250
Staples Incremental Parking Revenue	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net Revenue	\$ 27,303,957	\$ 26,114,159	\$ 21,913,948

Revenues for the prior Fiscal Year through Fiscal Year 2013-14 were collected by the LACC Department and deposited into the Convention Center Revenue Trust Fund. As part of the Management Agreement, AEG collects revenue from Convention Center operations, deposits those funds into a separate off-budget operating account, and expends funds directly from the account.

*Other revenues include advertising, equipment rental, housekeeping, audiovisual, and miscellaneous.

5. Los Angeles Tourism and Convention Board (LATCB)

- Description of document: contains the TOT portion of the LATCB's budget

LOS ANGELES TOURISM AND CONVENTION BOARD

BASIS FOR THE PROPOSED BUDGET

The 2014-15 Proposed Budget for the Los Angeles Tourism and Convention Board (LATCB) relates to current year funding as follows:

	Adopted Budget 2013-14	Proposed Budget 2014-15	% Change
Los Angeles Tourism and Convention Board	\$ 13,417,000	\$ 14,931,000	11.3%

The LATCB budget consists of multiple funding sources, including funds from the City of Los Angeles, the Los Angeles Tourism and Marketing District, and private sources. The amounts reflected represent the City's contribution to the overall LATCB budget, which is equivalent to one percent of the Transient Occupancy Tax (TOT). The TOT is a 14 percent tax on hotel occupants. The City has contracted with the LATCB to market Los Angeles as a convention, meetings, and leisure travel destination.

City Appropriation and Trust Fund Retention

The Los Angeles Convention and Visitors Bureau Trust Fund from which LATCB is paid receives an amount equivalent to one percent of the TOT. The LATCB is paid 95 percent of this amount in accordance with the agreement between the City and LATCB. The remaining five percent is retained in the Trust Fund in the event of a shortfall in TOT collections. Nonetheless, the LATCB prepares its annual budget based on 100 percent of the TOT allocation. In the event the TOT experiences a surplus, LATCB is paid the difference the following fiscal year. LATCB is prohibited by contract from accumulating a reserve of unspent TOT funds.

EXPENDITURES

PROGRAM	Actual 2012-13	Estimated 2013-14	Proposed 2014-15
Convention, Meetings Sales, and Services	\$ 5,696,000	\$ 7,331,000	\$ 7,693,000
Domestic Marketing	4,109,000	3,555,000	3,730,000
Los Angeles Sports and Entertainment Commission	275,000	364,000	382,000
Finance, Information Technology, and Human Resources	2,829,000	2,979,000	3,126,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 12,909,000</u>	<u>\$ 14,229,000</u>	<u>\$ 14,931,000</u>

PROGRAM INFORMATION

To grow visitation, sustain visitor spending, and reduce revenue erosion, strategies and tactics for each segment of the visitor economy will be re-evaluated based on actual results for Fiscal Year 2013-14.

Convention, Meetings Sales, and Services - \$ 7,693,000

The mission of Convention, Meetings Sales, and Services is to market Los Angeles as a destination for meetings, conventions, and trade shows. LATCB's sales are segmented between two different target audiences, Convention Center users and those seeking meeting space in hotels.

Domestic Marketing - \$ 3,730,000

The Domestic Marketing activities of LATCB includes the formation of cooperative marketing alliances and the Bureau's development of industry revenue in cooperative marketing and advertising campaigns. Marketing is responsible for the management of communications and consumer services on the web.

Domestic Marketing enhances the perception and economic vitality of Los Angeles by managing the image, identity and brand of Los Angeles through advertising, public relations and promotions. LATCB partners with other corporate entities to create and distribute regional and national advertising campaigns.

LATCB will continue to create and launch specific cultural promotions in conjunction with partners, such as the Los Angeles County Museum of Art, the Museum of Contemporary Art, and the Museum of Science and Industry. LATCB will continue promotion of Discover the Arts and Los Angeles Arts Month for a sixth consecutive year. The LATCB expects to receive cooperative sponsorship income from entities interested in promoting culture and arts in Los Angeles.

Los Angeles Sports and Entertainment Commission - \$ 382,000

At the request of the Mayor, the Los Angeles Sports and Entertainment Commission (LASEC) was founded in 1995 with the mission to "seek, host, promote and retain major sporting and entertainment events that positively impact the local economy for the City of Los Angeles."

LASEC contributed to the bids to win the GRAMMY Awards annually in February and the Primetime EMMY Awards annually in September.

LASEC partners with local venues to host nationally televised events like the NCAA Men's Basketball West Regional Championship in 2013.

Finance, Information Technology, and Human Resources - \$ 3,126,000

This area provides operational support to the Convention, Meetings Sales, and Services, and Domestic Marketing programs and the Los Angeles Sports and Entertainment Commission. This includes Administrative Services, Finance, Human Resources, Payroll, and Information Technology. Together, these divisions are responsible for maintaining financial controls, operational efficiency, and contract compliance in all entities.

Total 2014-15 LATCB Budget: \$ 14,931,000

ADDITIONAL SOURCES AND USES OF FUNDING

LATCB has a long-term service contract with the Los Angeles Tourism Marketing District (LATMD) which was formed by Los Angeles City hotels in 2011. A Tourism Marketing District (TMD) is similar to a Business Improvement District, but the TMD is based on room revenue while BIDs are based on physical size of the properties in the district. The hotels determined that more funds were needed to competitively sell and market the hotels in the City of Los Angeles. Therefore they established the LATMD which provides for a 1.5 percent assessment on hotel room revenue. By contract, use of these funds is solely restricted to sales and marketing activities that provide specific benefit to the hotels in the LATMD. The contract specifies these funds cannot be used for other purposes. Use of these funds allows LATCB and LATMD to be competitive and to market the hotels in numerous ways including placing cable and digital advertisements in key markets in order to increase visitors with the resulting increase in TOT for both LATCB and the City. In 2014-15, it is estimated that \$19 million will be received by the LATMD.

The Department of Airports (Airports) has a \$2.5 million annual contract with LATCB that expires in October 2014. Use of these funds is restricted by the Federal Aviation Administration solely for the international marketing of the Airports. These funds cannot be used for any other purposes.

Corporate sponsors provide approximately \$1 million of funding which, in accordance with sponsorship agreements, must be used for the benefit and promotion of the sponsors.

LATCB is also a membership organization that represents over 1,400 firms in the hospitality and tourism industry. LATCB receives approximately \$1 million annually from member dues. In exchange members receive various benefits including access to LATCB's convention and event calendar, extranet portal, and internet exposure on the Board's website.

PRODUCTIVITY GOALS

In order to delineate production standards for 2014-15, the following Exhibits itemize Convention, Meetings Sales, and Services bookings and leads goals which are subject to recommendations by the Sales Advisory Board and approval by the Board of Directors of LATCB.

ESTIMATED SALES BOOKINGS

Convention Center Events - This activity is expected to yield 351,000 room nights, \$460,161,000 in commercial activity, and \$9,779,000 million in Transient Occupancy Tax.

Hotel Association and Corporate Meetings - This division directs its sales activity to hotels with meetings and convention facilities. Production is anticipated to yield 199,500 room nights, \$137,256,000 in commercial activity, and \$5,558,000 in TOT.

EXHIBIT A - ESTIMATED REVENUES FROM SALES BOOKINGS FOR 2014-15

	2013-14 Forecast	2014-15 Goals	Estimated Direct Economic Impact	Estimated TOT
Convention Center Events				
Number	38	38		
Room Nights	300,000	351,000	\$ 460,161,000	\$ 9,779,000
Hotel Association and Corporate Meetings				
Number	330	330		
Room Nights	<u>190,000</u>	<u>199,500</u>	<u>137,256,000</u>	<u>5,558,000</u>
TOTALS				
Number	368	368		
Room Nights	<u>490,000</u>	<u>550,500</u>	<u>\$ 597,417,000</u>	<u>\$ 15,337,000</u>

ESTIMATED SALES LEADS - This exhibit outlines sales leads developed by LATCB. Sales leads are potential clients that have expressed interest to book a convention, event or meeting at the Convention Center. It also includes potential clients that have expressed interest to book hotel rooms or meeting space at a hotel within the City’s boundaries. Convention Center sales leads in 2014-15 are projected to be 210. Hotel Association and Corporate Meeting sales leads in 2014-15 are projected to be 1,450.

EXHIBIT B - ESTIMATED REVENUES FROM SALES LEADS FOR 2014-15

	2013-14 Forecast	2014-15 Goals	Estimated Direct Economic Impact	Estimated TOT
Convention Center Events	200	210	\$ 2,094,283,000	\$ 44,506,000
Hotel Association and Corporate Meetings	<u>1,400</u>	<u>1,450</u>	<u>710,291,000</u>	<u>28,763,000</u>
TOTALS	<u><u>1,600</u></u>	<u><u>1,660</u></u>	<u><u>\$ 2,804,574,000</u></u>	<u><u>\$ 73,269,000</u></u>

Average Room Rate: \$199

Average Room Nights per booking for Fiscal Year 2014-15: 7,607 for convention center events and 712 for hotel association and corporate meetings.

- (A) Pending – In view of current year-to-date sales performance, these goals may be adjusted based on the recommendation of the Sales Advisory Committee and approval by the Board of Directors of LATCB.
- (B) Estimated Direct Economic Impact is the total estimated expenditures made directly by convention and meetings organizations and delegates while in Los Angeles. Expenditures include areas such as lodging, food, ground transportation and other types of expenditures. The Direct Economic Impact Multiplier per room night of \$1,311 for Convention Center Events, and \$688 for Hotel Association and Corporate Meetings, is based on information obtained from the LAEDC and DMAI (Destination Management Association International).

6. Convention Center 2014-15

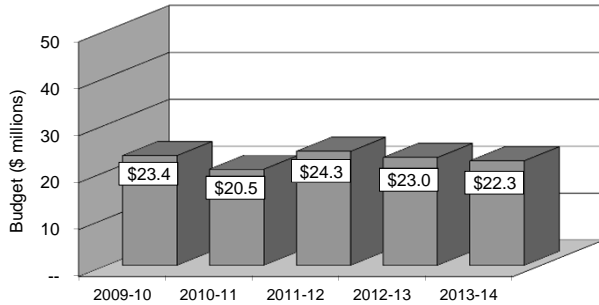
- Description of document: contains the “Blue Book” pages that show the changes from the prior year to the LACC Department budget (City employee salaries and related expenses only)

CONVENTION CENTER

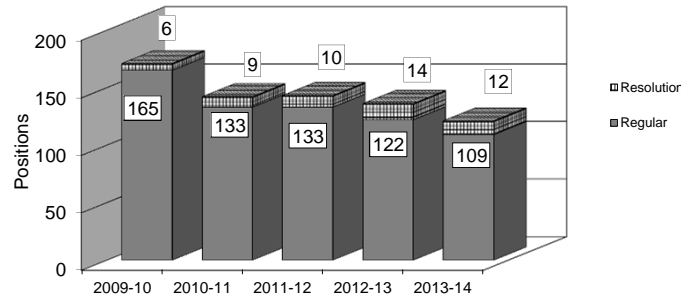
2014-15 Proposed Budget

FIVE YEAR HISTORY OF BUDGET AND POSITION AUTHORITIES

FIVE YEAR BUDGET HISTORY



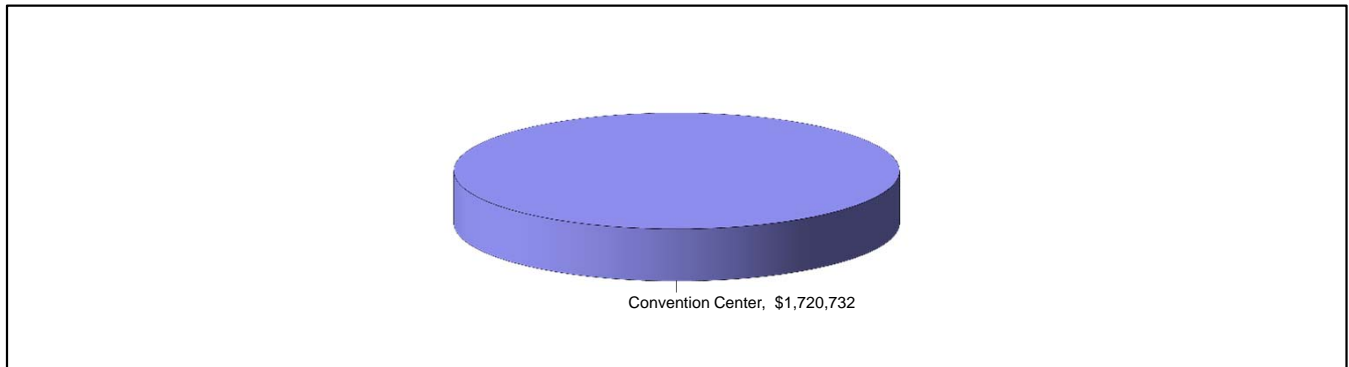
FIVE YEAR POSITION AUTHORITY HISTORY



SUMMARY OF 2014-15 PROPOSED BUDGET CHANGES

	Total Budget			General Fund			Special Fund		
		Regular	Resolution		Regular	Resolution		Regular	Resolution
2013-14 Adopted	\$ 22,334,637	109	12	\$ - 0%	0	0	\$ 22,334,637 100%	109	12
2014-15 Proposed	\$ 1,720,732	13	0	\$ - 0%	0	0	\$ 1,720,732 100%	13	0
Change from Prior Year	\$ (20,613,905)	(96)	(12)	\$ -	0	0	\$ (20,613,905)	(96)	(12)

2014-15 FUNDING DISTRIBUTION BY PROGRAM



MAIN BUDGET ITEMS

	Funding	Positions
◆ Transition from Public to Private Management	\$ (20,333,872)	(97)
◆ Building Repairer Supervisor	\$ 94,272	1
◆ Salary Savings Rate Adjustment	\$ 137,984	-
◆ Funding Realignment	\$ -	-

Recapitulation of Changes

	Adopted Budget 2013-14	Total Budget Changes	Budget Appropriation 2014-15
EXPENDITURES AND APPROPRIATIONS			
Salaries			
Salaries General	8,387,517	(6,766,785)	1,620,732
Salaries As-Needed	4,390,781	(4,340,781)	50,000
Overtime General	894,000	(889,000)	5,000
Total Salaries	13,672,298	(11,996,566)	1,675,732
Expense			
Printing and Binding	26,000	(21,000)	5,000
Contractual Services	2,487,139	(2,473,139)	14,000
Field Equipment Expense	25,000	(25,000)	-
Maintenance Materials,Supplies & Services	275,000	(275,000)	-
Transportation	6,000	-	6,000
Utilities Expense Private Company	225,000	(225,000)	-
Water and Electricity	4,600,000	(4,600,000)	-
Electrical Service	172,600	(172,600)	-
Uniforms	30,600	(30,600)	-
Office and Administrative	135,000	(120,000)	15,000
Operating Supplies	70,000	(70,000)	-
Total Expense	8,052,339	(8,012,339)	40,000
Equipment			
Furniture, Office and Technical Equipment	-	-	-
Total Equipment	-	-	-
Special			
Modifications Repairs Addition	200,000	(200,000)	-
Advertising, Travel & Other Promotion	175,000	(175,000)	-
Communication Services	5,000	-	5,000
Building Operating Equipment	190,000	(190,000)	-
Earthquake Reserve Fund	40,000	(40,000)	-
Total Special	610,000	(605,000)	5,000
Total Convention Center	22,334,637	(20,613,905)	1,720,732

SOURCES OF FUNDS

L.A. Convention & Visitors Bur. Fund (Sch. 1)	-	185,000	185,000
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Recapitulation of Changes

	Adopted Budget 2013-14	Total Budget Changes	Budget Appropriation 2014-15
SOURCES OF FUNDS			
Convention Center Revenue Fund (Sch. 16)	22,334,637	(20,798,905)	1,535,732
Total Funds	<u>22,334,637</u>	<u>(20,613,905)</u>	<u>1,720,732</u>
Percentage Change			-92.3%
Positions	109	(96)	13

Changes Applicable to Various Programs

The following changes involve two or more budgetary programs. These changes are explained below and apportioned as single entries in the affected programs. Single-program changes are shown only in the programs involved.

Program Changes	Direct Cost	Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special			
Obligatory Changes			
1 . 2013-14 Employee Compensation Adjustment	132,473	-	169,645
Related costs consist of employee benefits.			
SG \$132,473			
Related Costs: \$37,172			
2 . 2014-15 Employee Compensation Adjustment	8,632	-	11,054
Related costs consist of employee benefits.			
SG \$8,632			
Related Costs: \$2,422			
3 . Salary Step Plan and Turnover Effect	251,658	-	322,273
Related costs consist of employee benefits.			
SG \$251,658			
Related Costs: \$70,615			
Deletion of One-Time Services			
4 . Deletion of Funding for Resolution Authorities	(905,052)	-	(1,147,878)
Delete funding for 12 resolution authority positions. Resolution authorities are reviewed annually and continued only if sufficient funding is available to maintain the current service level. Related costs consist of employee benefits.			
One position is continued as a regular position: Building Repairer Supervisor (One position)			
11 positions are not continued: Marketing and Event Services (Four positions) Show Operations and Support (Two position) Convention Center Modernization Development (One position) Facility Infrastructure and Maintenance Division (Four positions) SG \$(905,052) Related Costs: \$(242,826)			

Program Changes		Direct Cost	Convention Center Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special				
Efficiencies to Services				
5 .	Transition from Public to Private Management Delete funding and regular authority for 97 positions. In Fiscal Year 2013-14, the City Council authorized a five year management and operations agreement with Anschutz Entertainment Group (AEG) to provide day-to-day management services for the Los Angeles Convention Center (LACC). The transfer of operations included the placement of all full-time and half-time employees who did not transition to work for AEG in other City departments. The operational budget will be managed by AEG. The LACC will continue to exist as a smaller department that is responsible for strategic planning for tourism and managing the contracts for AEG and the Los Angeles Tourism and Convention Bureau. The total regular authority positions have been reduced from 109 to 12 and the Department's total budget, not including the Salaries General Account, has been reduced to \$100,000. SG \$(6,486,752); SOT \$(889,000); SAN \$(4,340,781); SP \$(605,000); EX \$(8,012,339) Related Costs: \$(797,760)	(20,333,872)	(97)	(21,131,632)
TOTAL CHANGES APPLICABLE TO VARIOUS PROGRAMS		(20,846,161)	(97)	

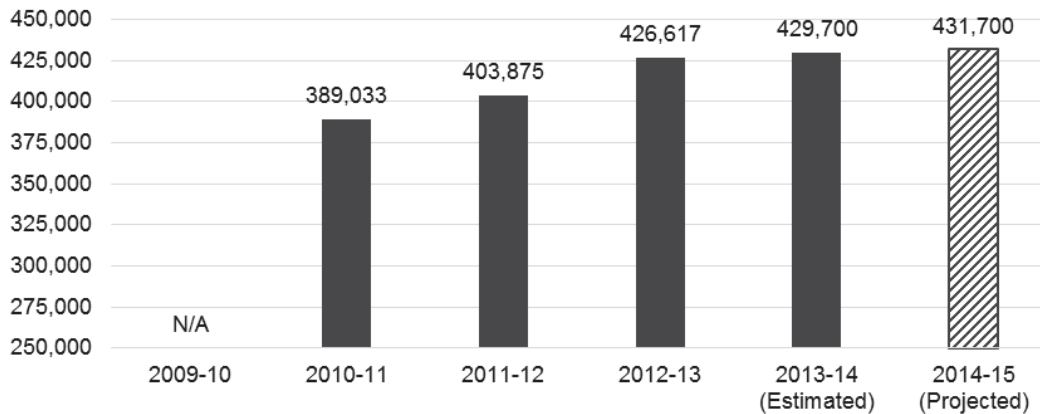
Convention Center

Priority Outcome: Promote good jobs for Angelenos all across Los Angeles

This program attracts and hosts conventions at a world class facility with world class service and drives economic development and job creation by marketing the City's unique cultural, sports, entertainment, and leisure attractions.

This is a new budgetary program created to reflect the Department's proposed organizational structure.

Number of leisure/hospitality jobs in Los Angeles County



Program Changes		Direct Cost	Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special				
6 . Apportionment of Changes Applicable to Various Programs		1,488,476	12	2,024,682
Related costs consist of employee benefits				
Related Costs: \$536,206				
Continuation of Services				
7 . Building Repairer Supervisor		94,272	1	132,936
Continue funding and add regular authority for one Building Repairer Supervisor. This position will assist in developing a capital plan for improvements and modernization of the Convention Center facility. Related costs consist of employee benefits.				
SG \$94,272				
Related Costs: \$38,664				
Other Changes or Adjustments				
8 . Salary Savings Rate Adjustment		137,984	-	176,702
Increase Salaries General Account to reflect a reduction of the Department's salary savings rate from ten percent to zero percent based on the anticipated level of attrition and vacancies. Related costs consist of employee benefits.				
SG \$137,984				
Related Costs: \$38,718				

		Convention Center																	
Program Changes		Direct Cost	Posi- tions	Total Cost															
Changes in Salaries, Expense, Equipment and Special																			
Other Changes or Adjustments																			
9 .	Funding Realignment	-	-	-															
	Realign funding totaling \$185,000 from the Los Angeles Convention and Visitors Bureau Trust Fund to the Los Angeles Convention Center Trust Fund to reimburse for administrative costs related to administering the Los Angeles Tourism and Convention Bureau contract. There is no net change to the total funding provided to the Department.																		
TOTAL CONVENTION CENTER		<u>1,720,732</u>	<u>13</u>																
<table border="0" style="width: 100%;"> <tr> <td style="width: 10%;">2013-14 Program Budget</td> <td style="width: 50%;"></td> <td style="width: 15%; text-align: center;">-</td> <td style="width: 15%; text-align: center;">-</td> <td style="width: 15%;"></td> </tr> <tr> <td style="padding-left: 20px;">Changes in Salaries, Expense, Equipment and Special</td> <td></td> <td style="text-align: center;"><u>1,720,732</u></td> <td style="text-align: center;"><u>13</u></td> <td></td> </tr> <tr> <td>2014-15 PROGRAM BUDGET</td> <td></td> <td style="text-align: center;"><u>1,720,732</u></td> <td style="text-align: center;"><u>13</u></td> <td></td> </tr> </table>					2013-14 Program Budget		-	-		Changes in Salaries, Expense, Equipment and Special		<u>1,720,732</u>	<u>13</u>		2014-15 PROGRAM BUDGET		<u>1,720,732</u>	<u>13</u>	
2013-14 Program Budget		-	-																
Changes in Salaries, Expense, Equipment and Special		<u>1,720,732</u>	<u>13</u>																
2014-15 PROGRAM BUDGET		<u>1,720,732</u>	<u>13</u>																

Client Revenue Services

As a result of the privatization of the management and operation of the Los Angeles Convention Center, the function of this budgetary program is now being performed by a private operating entity.

Program Changes	Direct Cost	Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special			
10 . Apportionment of Changes Applicable to Various Programs	(15,250,003)	(54)	(15,976,594)
Related costs consist of employee benefits			
Related Costs: \$(726,591)			
TOTAL CLIENT REVENUE SERVICES	<u>(15,250,003)</u>	<u>(54)</u>	
2013-14 Program Budget	15,250,003	54	
Changes in Salaries, Expense, Equipment and Special	<u>(15,250,003)</u>	<u>(54)</u>	
2014-15 PROGRAM BUDGET	<u>-</u>	<u>-</u>	

Facility and Infrastructure Maintenance

As a result of the privatization of the management and operation of the Los Angeles Convention Center, the function of this budgetary program is now being performed by a private operating entity.

Program Changes	Direct Cost	Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special			
11 . Apportionment of Changes Applicable to Various Programs	(4,924,565)	(34)	(5,379,082)
Related costs consist of employee benefits			
Related Costs: \$(454,517)			
TOTAL FACILITY AND INFRASTRUCTURE MAINTENANCE	<u>(4,924,565)</u>	<u>(34)</u>	
2013-14 Program Budget	4,924,565	34	
Changes in Salaries, Expense, Equipment and Special	<u>(4,924,565)</u>	<u>(34)</u>	
2014-15 PROGRAM BUDGET	<u>-</u>	<u>-</u>	

Human Resources

As a result of the privatization of the management and operation of the Los Angeles Convention Center, the function of this budgetary program is now being performed by a private operating entity.

Program Changes	Direct Cost	Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special			
12 . Apportionment of Changes Applicable to Various Programs	(118,469)	(1)	(131,725)
Related costs consist of employee benefits			
Related Costs: \$(13,256)			
TOTAL HUMAN RESOURCES	<u>(118,469)</u>	<u>(1)</u>	
2013-14 Program Budget	118,469	1	
Changes in Salaries, Expense, Equipment and Special	<u>(118,469)</u>	<u>(1)</u>	
2014-15 PROGRAM BUDGET	<u>-</u>	<u>-</u>	

Revenue Management and Fiscal Control

As a result of the privatization of the management and operation of the Los Angeles Convention Center, the function of this budgetary program is now being performed by a private operating entity.

Program Changes	Direct Cost	Posi- tions	Total Cost
Changes in Salaries, Expense, Equipment and Special			
13 . Apportionment of Changes Applicable to Various Programs	(2,041,600)	(20)	(2,313,819)
Related costs consist of employee benefits			
Related Costs: \$(272,219)			
TOTAL REVENUE MANAGEMENT AND FISCAL CONTROL	<u>(2,041,600)</u>	<u>(20)</u>	
2013-14 Program Budget	2,041,600	20	
Changes in Salaries, Expense, Equipment and Special	<u>(2,041,600)</u>	<u>(20)</u>	
2014-15 PROGRAM BUDGET	<u>-</u>	<u>-</u>	

**CONVENTION CENTER
DETAIL OF CONTRACTUAL SERVICES ACCOUNT**

2013-14 Contract Amount	Program/Code/Description	2014-15 Contract Amount
Client Revenue Services - EA4801		
\$ 94,044	1. Software Application & Events Systems Support & Maintenance.....	\$ -
445,000	2. Telecommunications/Voice Systems Support & Maintenance.....	-
<u>124,850</u>	3. Event Support & Equipment Rental.....	<u>-</u>
<u>\$ 663,894</u>	Client Revenue Services Total	<u>\$ -</u>
Facility and Infrastructure Maintenance - EA4802		
\$ 118,220	4. HVAC Pneumatic Controls & Building Automation Maintenance.....	\$ -
428,595	5. Miscellaneous Building Components, Repair & Maintenance.....	-
71,430	6. Electrical/Lighting Component Maintenance.....	-
<u>1,205,000</u>	7. Interior/Exterior Maintenance & Cleaning.....	<u>-</u>
<u>\$ 1,823,245</u>	Facility and Infrastructure Maintenance Total	<u>\$ -</u>
Convention Center - EA4803		
<u>\$ -</u>	8. Consulting Services.....	<u>\$ 14,000</u>
<u>\$ -</u>	Convention Center Total	<u>\$ 14,000</u>
<u><u>\$ 2,487,139</u></u>	TOTAL CONTRACTUAL SERVICES ACCOUNT	<u><u>\$ 14,000</u></u>

CONVENTION CENTER

Position Counts				Code	Title	2014-15 Salary Range and Annual Salary	
2013-14	Change	2014-15					
<u>GENERAL</u>							
<u>Regular Positions</u>							
3	(3)	-	1116	Secretary	2499	(52,179- 64,811)*	
2	(1)	1	1117-2	Executive Administrative Assistant II	3007	(62,786- 78,007)*	
1	-	1	1117-3	Executive Administrative Assistant III	3223	(67,296- 83,603)*	
1	(1)	-	1170-1	Payroll Supervisor I	3044	(63,558- 78,968)*	
2	(2)	-	1223-1	Accounting Clerk I	2299	(48,003- 59,633)*	
5	(5)	-	1223-2	Accounting Clerk II	2428	(50,696- 62,974)*	
1	(1)	-	1253	Chief Clerk	3164	(66,064- 82,079)*	
5	(5)	-	1358	Clerk Typist	1861	(38,857- 48,295)*	
7	(6)	1	1368	Senior Clerk Typist	2299	(48,003- 59,633)*	
1	(1)	-	1470	Data Base Architect	4681	(97,739-121,438)*	
2	(1)	1	1513-2	Accountant II	2635	(55,018- 68,361)*	
1	(1)	-	1517-1	Auditor I	2828	(59,048- 73,372)*	
1	(1)	-	1523-1	Senior Accountant I	3061	(63,913- 79,406)*	
1	(1)	-	1525-2	Principal Accountant II	4018	(83,895-104,253)*	
1	-	1	1593-2	Departmental Chief Accountant II	4807	(100,370-124,695)*	
1	(1)	-	1596-2	Systems Analyst II	3359	(70,135- 87,132)*	
1	(1)	-	1597-1	Senior Systems Analyst I	3971	(82,914-103,021)*	
1	(1)	-	1597-2	Senior Systems Analyst II	4916	(102,646-127,493)*	
1	(1)	-	1785-2	Public Relations Specialist II	2726	(56,918- 70,699)*	
1	(1)	-	3115	Maintenance and Construction Helper	1964	(41,008- 50,968)*	
4	(4)	-	3168	Senior Event Attendant	1990	(41,551- 51,636)*	
1	(1)	-	3169-1	Event Supervisor I	2523	(52,680- 65,479)*	
1	(1)	-	3170	Event Services Manager	5205	(108,680-134,989)*	
5	(5)	-	3172	Event Attendant	1544(3)	(35,934- 40,047)*	
2	(2)	-	3330-1	Convention Center Building Superintendent I	4622	(96,507-119,892)*	
1	-	1	3330-2	Convention Center Building Superintendent II	5489	(114,610-142,380)*	
-	1	1	3338	Building Repairer Supervisor	3634(3)	(84,584- 94,273)*	
2	(2)	-	3344	Carpenter		(75,919)*	
2	(2)	-	3423	Painter		(72,766)*	
1	(1)	-	3424	Senior Painter		(80,033)*	
2	(2)	-	3443	Plumber		(83,081)*	
1	(1)	-	3444	Senior Plumber		(91,266)*	
2	(2)	-	3523	Light Equipment Operator	2245	(46,875- 58,234)*	
2	(2)	-	3529-2	Senior Parking Attendant II	2053	(42,866- 53,264)*	
2	(2)	-	3530-1	Parking Attendant I	1302(3)	(30,317- 33,783)*	
1	(1)	-	3537	Parking Services Supervisor	2449	(51,135- 63,537)*	
2	(2)	-	3686	Communications Electrician		(79,719)*	
1	(1)	-	3689	Communications Electrician Supervisor		(91,579)*	

CONVENTION CENTER

Position Counts			Code	Title	2014-15 Salary Range and Annual Salary	
2013-14	Change	2014-15				
<u>GENERAL</u>						
<u>Regular Positions</u>						
1	(1)	-	3771	Mechanical Helper	2068	(43,179- 53,661)*
3	(3)	-	3773-2	Mechanical Repairer II		(72,119)****
3	(3)	-	3799	Electrical Craft Helper	2157	(45,038- 55,958)*
6	(6)	-	3863	Electrician		(79,719)*
2	(2)	-	3864	Senior Electrician		(87,508)*
1	(1)	-	3865	Electrician Supervisor		(91,579)*
4	(4)	-	5923	Building Operating Engineer		(81,223)****
1	(1)	-	5925	Senior Building Operating Engineer		(94,836)****
1	(1)	-	5927	Chief Building Operating Engineer		(110,622)****
1	(1)	-	7926-2	Architectural Associate II	3670	(76,629- 95,212)*
1	(1)	-	9170-1	Parking Manager I	3541	(73,936- 91,830)*
1	-	1	9171-2	Senior Management Analyst II	4915	(102,625-127,472)*
1	-	1	9184-1	Management Analyst I	2846	(59,424- 73,852)*
1	-	1	9184-2	Management Analyst II	3359	(70,135- 87,132)*
1	(1)	-	9631-1	Event Services Coordinator I	2804	(58,547- 72,725)*
3	(3)	-	9631-2	Event Services Coordinator II	3359	(70,135- 87,132)*
1	(1)	-	9631-3	Event Services Coordinator III	3545	(74,019- 91,976)*
1	(1)	-	9635	Marketing Manager	5343	(111,561-138,622)*
1	(1)	-	9636-1	Senior Sales Representative I	4202	(87,737-108,993)*
1	(1)	-	9636-2	Senior Sales Representative II	4425	(92,394-114,777)*
2	-	2	9694	Assistant General Manager Convention Center	6099	(127,347-158,207)*
1	-	1	9695	Executive Director, Convention Center		(230,536)*
109	(96)	13				
<u>Commissioner Positions</u>						
5	-	5	0101-1	Commissioner		\$25.00/mtg*
5	-	5				

AS NEEDED

To be Employed As Needed in Such Numbers as Required

0587	Senior Legal Clerk I	2299	(48,003- 59,633)*
0717-2	Event Attendant II	\$13.54/hr.*	
0717-3	Event Attendant III	1309(5)	(33,950)*
0841	Guest Services Representative	\$17.31/hr.*	
0850	Mechanical Repairer - Exempt	\$32.73/hr.****	
0851	Electrical Craft Helper - Exempt	\$26.77/hr.*	
0917	Electrician - Exempt	\$38.18/hr.*	
0965	Plumber - Exempt	\$39.79/hr.*	
1121-1	Delivery Driver I	1809	(37,771- 46,917)*

CONVENTION CENTER

Position Counts			Code	Title	2014-15 Salary Range and Annual Salary	
2013-14	Change	2014-15				
<u>AS NEEDED</u>						
<u>To be Employed As Needed in Such Numbers as Required</u>						
			1223-1	Accounting Clerk I	2299	(48,003- 59,633)*
			1358	Clerk Typist	1861	(38,857- 48,295)*
			1461-1	Communications Information Representative I	2066	(43,138- 53,598)*
			1470	Data Base Architect	4681	(97,739-121,438)*
			1513-2	Accountant II	2635	(55,018- 68,361)*
			1517-1	Auditor I	2828	(59,048- 73,372)*
			1596-1	Systems Analyst I	2843(2)	(62,681- 73,769)*
			1785-1	Public Relations Specialist I	2387	(49,840- 61,930)*
			1785-2	Public Relations Specialist II	2726	(56,918- 70,699)*
			1793-1	Photographer I	2480	(51,782- 64,331)*
			1793-2	Photographer II	2856	(59,633- 74,061)*
			1793-3	Photographer III	3006	(62,765- 77,986)*
			1832-1	Warehouse and Toolroom Worker I	1964	(41,008- 50,968)*
			3115	Maintenance and Construction Helper	1964	(41,008- 50,968)*
			3157-1	Senior Custodian I	1686	(35,203- 43,743)*
			3168	Senior Event Attendant	1990	(41,551- 51,636)*
			3172	Event Attendant	1544(3)	(35,934- 40,047)*
			3333-1	Building Repairer I	2200	(45,936- 57,085)*
			3344	Carpenter		(75,919)*
			3423	Painter		(72,766)*
			3443	Plumber		(83,081)*
			3476	Roofer		(67,797)*
			3523	Light Equipment Operator	2245	(46,875- 58,234)*
			3529-1	Senior Parking Attendant I	1835	(38,314- 47,585)*
			3530-1	Parking Attendant I	1302(3)	(30,317- 33,783)*
			3530-2	Parking Attendant II	1365(3)	(31,758- 35,412)*
			3686	Communications Electrician		(79,719)*
			3771	Mechanical Helper	2068	(43,179- 53,661)*
			5923	Building Operating Engineer		(81,223)****
			7229	Drafting Aide	2104	(43,931- 54,580)*
			9184-1	Management Analyst I	2846	(59,424- 73,852)*
			9631-1	Event Services Coordinator I	2804	(58,547- 72,725)*
			9631-2	Event Services Coordinator II	3359	(70,135- 87,132)*
			9636-1	Senior Sales Representative I	4202	(87,737-108,993)*
			9636-2	Senior Sales Representative II	4425	(92,394-114,777)*

HIRING HALL

Hiring Hall to be Employed in Such Numbers as Required

0862	Electrical Craft Helper - Hiring Hall	++
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7. Exhibit H

- Description of document: contains the ordinance changes and other actions required to implement the budget

EXHIBIT H

REQUIRED ORDINANCE CHANGES AND OTHER BUDGETARY ACTIONS

II. OTHER ACTIONS

Animal Services

- Instruct the Animal Services Department, with the assistance of the City Administrative Officer, to review the feasibility of repurposing the vacant South Los Angeles Jefferson Park animal shelter into a related job training facility and/or a kennel through a partnership with a non-profit.
- Instruct the Animal Services Department, with the assistance of the City Attorney, to develop an ordinance and/or process which requires all veterinarians to notify the Animal Services Department whenever they have treated an unlicensed dog.

City Administrative Officer

- Instruct the City Administrative Officer, with the assistance of the Controller and the Office of Finance, to report back to the Mayor and Council on all fees paid to commercial and investment banks for services provided to all City departments, including but not limited to: investment services, money management services, pension management services, credit card fees, etc. The report shall benchmark what the City has been paying against other entities, both public and private, as well as provide recommendations for negotiating fee reductions based upon leveraging size and scale of the City's financial transactions.
- Instruct the City Administrative Officer to report back to the Mayor and Council on the structural deficit in the Proposition C Anti-Gridlock Transit Assistance Fund along with a five year projection and potential solutions towards reducing and eliminating this deficit.

City Attorney

- Request the City Attorney, with the assistance of the Office of Finance, to review and determine the City's legal authority to collect the modern Communications User Tax, approved by the voters in 2008, at the point of sale for prepaid communications services, including charges for prepaid calling cards and prepaid phones with stored and rechargeable minutes, and if determined to be legal, instruct the Office of Finance to present to the Council and Mayor a proposal with options to begin collecting the Communications User Tax on prepaid charges at the point of sale.

Convention Center

- Instruct the Los Angeles Convention Center, with the assistance of the City Administrative Officer, to reevaluate and modify the expiring agreement with the Los Angeles Tourism and Convention Bureau to better align its budget to benefit the core mission of the Los Angeles Convention Center.

8. Schedule 1 – Los Angeles Convention and Visitors Bureau (LACVB) Trust Fund

- Description of document: contains cash balance and appropriations for the LACVB Trust Fund, which is the fund that holds the TOT allocation for the LATCB

SPECIAL PURPOSE FUND SCHEDULES

SCHEDULE 1

LOS ANGELES CONVENTION AND VISITORS BUREAU TRUST FUND

Receipts from a transient occupancy tax of one percent shall be placed in the Los Angeles Convention and Visitors Bureau Trust Fund in accordance with Section 5.315 of the Los Angeles Administrative Code. Expenditures shall be made solely to finance the promotion and advertising of the City for the purpose of attracting conventions, trade shows and tourism to the City. The Los Angeles Convention and Visitors Bureau shall have the exclusive right to expend funds appropriated to the Fund pursuant to written contract with the City.

Actual 2012-13	Estimated 2013-14		Budget 2014-15
		REVENUE	
\$ 3,113,373	\$ 2,773,896	Cash Balance, July 1.....	\$ 1,396,971
12,910,432	14,229,000	Receipts.....	14,931,000
<hr/>	<hr/>	Total Revenue.....	<hr/>
\$ 16,023,805	\$ 17,002,896		\$ 16,327,971
		EXPENDITURES	
\$ 91,000	\$ 104,000	APPROPRIATIONS	
--	--	City Administrative Officer.....	\$ 50,000
13,158,909	15,501,925	Los Angeles Convention Center.....	185,000
<hr/>	<hr/>	Special Purpose Fund Appropriations:	
		Los Angeles Tourism and Convention Bureau.....	13,961,200
		Unallocated (5% holdback).....	2,131,771
<hr/>	<hr/>	Total Appropriations.....	<hr/>
\$ 13,249,909	\$ 15,605,925		\$ 16,327,971
<hr/>	<hr/>	Ending Balance, June 30.....	<hr/>
\$ 2,773,896	\$ 1,396,971		\$ --

9. Staples Arena Funding Agreement Reconciliation

- Description of document: contains an accounting of how AEG is meeting its obligation to fully offset the City's costs for debt service on the bonds issued for the Staples Arena pursuant to the Gap Funding Agreement between the City and the AEG. Includes line item for incremental parking revenue from the Convention Center parking operations.

STAPLES ARENA FUNDING AGREEMENT RECONCILIATION

The Staples Sports Arena is a sports and entertainment complex located adjacent to the Los Angeles Convention Center. The City entered into various agreements with the Arena Developer to advance approximately \$70 million towards the project. Pursuant to the Gap Funding Agreement between the City and the Developer, the Developer is obligated to fully offset the City's costs for debt service on bonds issued for the Arena, reimbursement for property conveyed to the Developer, and compensation for loss of interest earnings on cash advanced toward the project. The Agreement specifies certain credits that will offset the Developer's obligations to the City. This schedule serves as an accounting of the Developer's obligations and offsetting credits.

Actual 2012-13	Estimated 2013-14		Budget 2014-15
OBLIGATIONS			
\$ 3,847,863	\$ 3,845,000	Arena Debt Service *.....	\$ 3,837,520
730,000	730,000	Reimbursement for Lost Interest Earnings (LACC).....	730,000
451,830	452,000	Reimbursement for City Owned Property.....	451,830
<u>\$ 5,029,693</u>	<u>\$ 5,027,000</u>	Total Obligations.....	<u>\$ 5,019,350</u>
CREDITS			
\$ --	\$ --	Excess Allowable Credits from Prior Period.....	\$ --
6,911,162	8,230,000	Gross Receipts from Staples Arena Admissions Fee.....	6,000,000
556,235	510,000	Shortfall Prepayment per Amendment No. 1.....	464,966
1,000,000	1,000,000	Incremental Convention Center Parking Revenue.....	1,000,000
28,033	30,000	Interest Earnings.....	30,000
<u>\$ 8,495,430</u>	<u>\$ 9,770,000</u>	Total Credits.....	<u>\$ 7,494,966</u>
<u>\$ (3,465,737)</u>	<u>\$ (4,743,000)</u>	Obligation/(Credit) **.....	<u>\$ (2,475,616)</u>

*Debt payments are budgeted within the Capital Finance Administration Fund, with the Staples Arena Trust Fund as the source of funds. Actual cash payment to Trustee may vary from budgeted amount due to interest earnings.

**The 1998 Gap Funding Agreement authorized the Staples Developer to offset the repayment obligations with certain allowable credits. When the allowable credit exceeds the obligation amount, the Staples Developer is allowed to carry the credit forward in the following fiscal year. In 2003, Amendment No. 1 to the Gap Funding Agreement authorized the Staples Developer to prepay its repayment obligations. In exchange for the City's agreement to modify the credit enhancement requirements, the Staples Developer paid the City \$16.5 million, comprised of \$14.7 million for estimated shortfalls and \$1.8 million for additional inducement.

10. Schedule 31 – Staples Arena Trust Fund

- Description of document: contains the cash payments received from AEG and tracks reimbursement to the General Fund in connection with AEG's obligation to fully offset the City's costs for debt service on the bonds issued for the Staples Arena pursuant to the Gap Funding Agreement between the City and the AEG. Includes line item for incremental parking revenue from the Convention Center parking operations.

SPECIAL PURPOSE FUND SCHEDULES

SCHEDULE 31

STAPLES ARENA TRUST FUND

The Staples Sports Arena is a sports and entertainment complex located adjacent to the Los Angeles Convention Center. The City entered into various agreements with the Arena Developer to advance approximately \$70 million towards the Project. Pursuant to the GAP Funding Agreement between the City and the Developer, the Developer is obligated to fully offset the City's costs for debt service on the bonds issued for the Arena, reimbursement for property conveyed to the Developer, and compensation for loss of interest earnings on cash advanced toward the Project. The Agreement specifies certain credits that will offset the Developer's obligations to the City. This schedule records all cash payments received from the Developer and tracks the reimbursements to the General Fund. All unallocated funds are carried forward as a cash balance (credit) towards the obligation for the following year.

Actual 2012-13	Estimated 2013-14		Budget 2014-15
REVENUE			
\$ 1,595,334	\$ 5,457,047	Cash Balance, July 1.....	\$ 8,114,047
6,681,543	5,472,000	Admissions Fee.....	5,000,000
1,000,000	1,000,000	Incremental Parking Revenue.....	1,000,000
28,033	30,000	Interest.....	30,000
<u>\$ 9,304,910</u>	<u>\$ 11,959,047</u>	Total Revenue.....	<u>\$ 14,144,047</u>
EXPENDITURES			
\$ 3,847,863	\$ 3,845,000	APPROPRIATIONS	
		Capital Finance Administration.....	\$ 3,837,520
		Special Purpose Fund Appropriations:	
		Unallocated.....	10,306,527
<u>\$ 3,847,863</u>	<u>\$ 3,845,000</u>	Total Appropriations.....	<u>\$ 14,144,047</u>
<u>\$ 5,457,047</u>	<u>\$ 8,114,047</u>	Ending Balance, June 30.....	<u>\$ --</u>

11. Capital Finance Administration Fund

- Description of document: contains debt financing expenditures for capital projects, including funding for a LACC project.

CAPITAL FINANCE ADMINISTRATION FUND

BASIS FOR THE PROPOSED BUDGET

The 2014-15 Proposed Budget for the Capital Finance Administration (CFA) Fund relates to current year funding as follows:

	Amount	% Change
2013-14 Adopted Budget	\$ 256,285,304	
2014-15 Proposed Budget	\$ 240,095,761	
Change from 2013-14 Budget	\$ (16,189,543)	(6.3%)

The CFA Fund is a special purpose fund established to consolidate non-general obligation bond, long-term City debt financing program expenditures. These financing programs mostly utilize a lease or "lease purchase" paid from General Fund appropriations and the sale of public securities (either lease revenue bonds or certificates of participation) to acquire various facilities and capital equipment items for use by City departments.

The CFA Fund is administered by the City Administrative Officer. Budgeted within the CFA Fund are the lease payments required by each financing's lease and trust indenture, as well as any trustee fees or other administrative expenses required under the terms of the financing. All unencumbered balances remaining at the end of the fiscal year revert to the Reserve Fund. All items within this budget are obligatory, as they are a requirement of the respective leases and trust indentures. The financings were primarily issued through the Municipal Improvement Corporation of Los Angeles (MICLA).

The Proposed Budget reflects:

1. \$2.7 million decrease for MICLA AX to reflect that the principal has been paid off (Item 6).
2. \$21.1 million decrease for Parking Revenue Bonds (Item 36).
3. \$342,000 decrease for Los Angeles Convention Center (LACC) Parking Equipment as this will be financed through the LACC Commercial Paper Program (Item 31).
4. \$2 million increase for LACC Commercial Paper Program (Item 38).

Capital Finance Administration Fund
Debt Service for Outstanding and Proposed Lease Revenue Securities

	Adopted 2013-14	Proposed 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1) MICLA AK (Kodak Theatre 1999)	3,609,163	3,607,398	3,610,113	3,611,875	3,611,388	3,608,288	3,612,213
2) MICLA AS (Pershing Square Refunding 2002)	531,963	530,200	527,269	528,031	522,963	526,375	528,000
3) MICLA AT (Central Library Refunding 2002)	1,776,160	1,771,960	6,627,325	6,628,475	6,634,225	6,633,475	6,630,675
4) MICLA AV (Central Library Refunding 2003)	4,851,975	4,852,025	--	--	--	--	--
5) MICLA AW (Marvin Braude Center 2003)	2,227,338	2,226,950	2,228,175	2,228,175	2,226,775	2,228,775	2,228,975
6) MICLA AX (Equipment & Real Property 2004)	445	--	--	--	--	--	--
7) MICLA AY (Refunding of MICLAs 2005)	138,938	45,788	--	--	--	--	--
8) MICLA 2006-A (Police Headquarters Facility)	22,583,290	22,584,940	22,581,790	22,573,540	22,534,390	22,523,515	22,514,265
9) MICLA 2006-A (Public Works Building)	6,019,635	6,019,085	6,018,260	6,019,710	6,009,035	6,004,785	6,004,285
10) MICLA 2007-A (Capital Equipment Refunding)	17,833,488	17,834,369	--	--	--	--	--
11) MICLA 2007-B (Figueroa Plaza)	13,798,910	13,797,492	13,795,047	13,796,406	13,795,622	13,794,875	13,798,437
12) MICLA 2008-A (Capital Equipment Refunding)	8,563,073	8,646,802	8,650,933	8,651,033	8,647,233	8,651,185	8,650,438
13) MICLA 2008-B (Real Property Refunding)	2,762,093	2,765,805	2,766,005	2,763,705	2,763,668	2,762,030	2,763,587
14) MICLA 2009-A (Capital Equipment Refunding)	7,330,063	7,332,063	7,333,563	7,329,813	7,330,063	7,267,513	--
15) MICLA 2009-B (Real Property Refunding)	3,491,288	3,492,488	3,492,088	3,495,088	3,491,288	3,493,050	3,494,725
16) MICLA 2009-C (Capital Equipment Refunding)	4,863,800	4,864,575	4,866,500	4,868,000	4,862,900	4,867,700	4,867,100
17) MICLA 2009-D (Recovery Zone Econ. Dev. Bonds)	1,924,944	1,912,201	1,903,319	1,888,302	1,872,313	1,860,188	1,846,764
18) MICLA 2009-E (Real Property Refunding)	3,925,825	3,922,450	3,921,700	3,923,325	3,922,200	3,923,200	3,921,200
19) MICLA 2010-A (Capital Equipment Refunding)	3,804,150	3,802,550	3,806,250	3,804,950	3,802,175	3,411,300	3,804,425
20) MICLA 2010-B (Capital Equipment Refunding Recovery Zone Econ. Dev. Bonds taxable)	6,314,655	6,315,491	6,318,000	6,316,353	6,316,138	6,313,801	6,315,159
21) MICLA 2010-C (Real Property Refunding Recovery Zone Econ. Dev. Bonds taxable)	1,539,254	1,536,172	1,536,655	1,540,517	1,537,595	1,537,784	1,539,995
22) MICLA 2010-D (Refunding of MICLAs)	3,290,650	3,491,375	2,337,000	--	--	--	--
23) MICLA 2011 (QECCB)	66,395	1,053,570	1,031,432	1,009,187	986,623	963,846	940,962
24) MICLA 2012-A (Capital Equipment Refunding)	12,449,750	12,454,750	12,454,550	12,453,750	12,453,750	12,450,500	12,450,500
25) MICLA 2012-B (Real Property Refunding)	2,091,925	2,090,575	2,090,375	2,089,175	2,091,975	2,088,575	2,089,175
26) MICLA 2012-C (Refunding of MICLAs)	8,837,508	10,196,781	10,205,581	10,205,181	10,211,781	10,204,800	10,215,550
27) Commercial Paper Program	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
28) Refunding of Commercial Paper	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
29) LA Convention & Exh Center Auth (2003)	35,793,444	35,724,163	35,651,156	--	--	--	--
30) LA Convention & Exh Center Auth (2008)	12,561,581	12,561,582	12,561,581	47,136,863	47,080,931	47,008,681	47,010,519
31) Convention Center Parking Equipment	342,000	--	--	--	--	--	--
32) Debt Service on EWDD Projects	1,000,151	1,776,226	2,400,850	2,272,958	2,315,197	2,388,138	541,359
33) In-Car Video System (Police)	2,545,000	2,576,000	2,576,000	2,576,000	--	--	--
34) Motorola Lease Radios (Police)	5,754,866	5,754,866	2,877,433	--	--	--	--
35) Staples Arena (1998)	3,845,138	3,837,520	3,834,169	3,831,369	3,823,594	3,820,144	3,813,529
36) Parking Revenue Bonds (Refinancing)	25,374,006	4,181,872	4,181,264	4,181,065	4,183,866	4,180,917	4,181,260
37) Street Lighting (Refinancing)	7,137,440	7,180,677	7,180,677	7,180,677	6,716,344	5,282,888	3,562,378
38) LA Convention & Exh Center Auth Commercial Paper Program	--	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Debt Service Subtotal	<u>\$ 255,980,304</u>	<u>\$ 239,740,761</u>	<u>\$ 218,365,061</u>	<u>\$ 211,903,523</u>	<u>\$ 208,744,032</u>	<u>\$ 206,796,328</u>	<u>\$ 196,325,475</u>
39) General Administration	250,000	300,000	300,000	300,000	300,000	300,000	300,000
40) Trustee Fees	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>
TOTAL	<u>\$ 256,285,304</u>	<u>\$ 240,095,761</u>	<u>\$ 218,720,061</u>	<u>\$ 212,258,523</u>	<u>\$ 209,099,032</u>	<u>\$ 207,151,328</u>	<u>\$ 196,680,475</u>

Debt Service for Outstanding and Proposed Lease Revenue Securities Detail**1. Hollywood and Highland Theater Project, Program AK (Taxable Certificates of Participation, 1999)**

The proceeds of this issuance were used to design and construct a live broadcast theater within the Hollywood and Highland development project located in the historic Hollywood area.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 43,210,000
 Principal Outstanding, July 1, 2014: 32,370,000
 Final Payment: 2028-29

2014-15 MICLA AK (Kodak Theatre 1999) Lease Payment: \$ 3,607,398

2. Pershing Square Refunding, Program AS (Certificates of Participation, 2002)

The proceeds of this issuance were used to refund (refinance) the 1992 Pershing Square Certificates of Participation, which financed the construction, design, and installation of improvements at Pershing Square. Funding for lease payments and City administrative costs is provided through Mello-Roos assessments on various properties in the vicinity of Pershing Square.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 7,655,000
 Principal Outstanding, July 1, 2014: 3,275,000
 Final Payment: 2022-23

2014-15 MICLA AS (Pershing Square Refunding 2002) Lease Payment: \$ 530,200

3. Central Library Refunding, Program AT (Certificates of Participation, 2002)

The proceeds of this issuance were used to refund (refinance) Central Library Leasehold Revenue Bonds (MICLA O), resulting in savings to the City. Proceeds from the original 1990 issuance were used for the construction and installation of the East Wing of the Central Library Rehabilitation and Expansion Project.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 30,305,000
 Principal Outstanding, July 1, 2014: 28,520,000
 Final Payment: 2019-20

2014-15 MICLA AT (Central Library Refunding 2002) Lease Payment: \$ 1,771,960

4. Central Library Refunding, Program AV (Leasehold Refunding Revenue Bonds, 2003)

The proceeds of this issuance were used to refund (refinance) a portion of the Leasehold Revenue Bonds, 1990 Series A (MICLA R), which were issued to finance the construction and installation of the East Wing of the Central Library Rehabilitation and Expansion Project.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 43,330,000
 Principal Outstanding, July 1, 2014: 4,610,000
 Final Payment: 2014-15

2014-15 MICLA AV (Central Library Refunding 2003) Lease Payment: \$ 4,852,025

5. **Real Property Acquisition, Program AW (Certificates of Participation, 2003)**

The proceeds of this issuance were used to acquire the Marvin Braude Constituent Services Center building.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 36,220,000
 Principal Outstanding, July 1, 2014: 27,335,000
 Final Payment: 2032-33

2014-15 MICLA AW (Marvin Braude 2003) Lease Payment: \$ 2,226,950

6. **Equipment and Real Property Acquisition, Program AX (Certificates of Participation, 2004)**

The proceeds of this issuance were used to acquire vehicles, fire apparatus, police vehicles, and miscellaneous equipment.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 64,170,000
 Principal Outstanding, July 1, 2014: 0
 Final Payment: 2013-14

2014-15 MICLA AX (Equipment and Real Property 2004) Lease Payment: \$ ---

7. **Refunding of Several MICLAs, Program AY (Certificates of Participation, 2005)**

The proceeds of this issuance were used to refund (refinance) the outstanding debt on several previously issued MICLA bonds, resulting in savings to the City.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 46,395,000
 Principal Outstanding, July 1, 2014: 45,000
 Final Payment: 2014-15

2014-15 MICLA AY (Refunding of MICLAs 2005) Lease Payment: \$ 45,788

8. **MICLA Lease Revenue Bonds, Series 2006-A (Police Headquarters Facility)**

A majority of the proceeds of this issuance were used to construct the Police Headquarters Facility. The remaining proceeds were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire and renovate the Public Works Building.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 448,595,000
 Principal Outstanding, July 1, 2014: 407,655,000
 Final Payment: 2036-37

2014-15 MICLA 2006-A Lease Payment (Police Headquarters Facility): \$ 22,584,940

9. **MICLA Lease Revenue Bonds, Series 2006-A (Public Works Building)**

A majority of the proceeds of this issuance were used to construct the Police Headquarters Facility. The remaining proceeds were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire and renovate the Public Works Building.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 448,595,000
 Principal Outstanding, July 1, 2014: 407,655,000
 Final Payment: 2036-37

2014-15 MICLA 2006-A Lease Payment (Public Works Building): \$ 6,019,085

10. **MICLA Lease Revenue Bonds, Series 2007-A (Capital Equipment Refunding)**

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items (e.g., fleet, fire trucks).

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 106,900,000
 Principal Outstanding, July 1, 2014: 17,435,000
 Final Payment: 2014-15

2014-15 MICLA 2007-A Lease Payment (Capital Equipment Refunding): \$ 17,834,369

11. **MICLA Lease Revenue Bonds, Series 2007-B (Figueroa Plaza)**

The proceeds of this issuance were used to acquire the Figueroa Plaza office complex.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 221,135,000
 Principal Outstanding, July 1, 2014: 193,295,000
 Final Payment: 2037-38

2014-15 MICLA 2007-B Lease Payment (Figueroa Plaza): \$ 13,797,492

12. **MICLA Lease Revenue Bonds, Series 2008-A (Capital Equipment Refunding)**

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items (e.g., fleet, fire trucks).

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 105,090,000
 Principal Outstanding, July 1, 2014: 83,365,000
 Final Payment: 2026-27

2014-15 MICLA 2008-A Lease Payment (Capital Equipment Refunding): \$ 8,646,802

13. MICLA Lease Revenue Bonds, Series 2008-B (Real Property Refunding)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire or construct several facilities, including the Chicago Building, the Medical Services Building, and several Police Motor Transport Division facility site parcels.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 43,790,000
 Principal Outstanding, July 1, 2014: 39,835,000
 Final Payment: 2038-39

2014-15 MICLA 2008-B Lease Payment (Real Property Refunding): \$ 2,765,805

14. MICLA Lease Revenue Bonds, Series 2009-A (Capital Equipment Refunding)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items (e.g., fleet, fire trucks).

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 57,930,000
 Principal Outstanding, July 1, 2014: 31,960,000
 Final Payment: 2018-19

2014-15 MICLA 2009-A Lease Payment (Capital Equipment Refunding): \$ 7,332,063

15. MICLA Lease Revenue Bonds, Series 2009-B (Real Property Refunding)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to complete improvements to various facilities, including the Griffith Observatory, the Piper Technical Center, and the Los Angeles Zoo.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 52,065,000
 Principal Outstanding, July 1, 2014: 47,325,000
 Final Payment: 2038-39

2014-15 MICLA 2009-B Lease Payment (Real Property Refunding): \$ 3,492,488

16. MICLA Lease Revenue Bonds, Series 2009-C (Capital Equipment Refunding)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items (e.g., fleet, fire trucks).

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 40,095,000
 Principal Outstanding, July 1, 2014: 25,675,000
 Final Payment: 2019-20

2014-15 MICLA 2009-C Lease Payment (Capital Equipment Refunding): \$ 4,864,575

17. **MICLA Lease Revenue Bonds, Series 2009-D (Recovery Zone Economic Development Bonds)**

The proceeds of this issuance were used for capital improvements to several City facilities, including the 7th Street Sweeper Shop Annex Building and the Figueroa Plaza office complex. This issuance consists of taxable bonds that allow the City to receive from the federal government subsidy payments of 45 percent of the interest debt service amounts.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 21,300,000
 Principal Outstanding, July 1, 2014: 19,695,000
 Final Payment: 2039-40

2014-15 MICLA 2009-D Lease Payment (Recovery Zone Econ. Dev. Bonds): \$ 1,912,201

18. **MICLA Lease Revenue Bonds, Series 2009-E (Real Property Refunding)**

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed for the construction of the Police Motor Transport Division facility.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 56,665,000
 Principal Outstanding, July 1, 2014: 53,160,000
 Final Payment: 2039-40

2014-15 MICLA 2009-E Lease Payment (Real Property Refunding): \$ 3,922,450

19. **MICLA Lease Revenue Bonds, Series 2010-A (Capital Equipment Refunding)**

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items (e.g., communication equipment, fleet, trucks).

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 30,355,000
 Principal Outstanding, July 1, 2014: 22,415,000
 Final Payment: 2020-21

2014-15 MICLA 2010-A Lease Payment (Capital Equipment Refunding): \$ 3,802,550

20. **MICLA Lease Revenue Bonds, Series 2010-B (Recovery Zone Economic Development Bonds)**

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items (e.g. fleet, trucks), a fire helicopter and 48 trucks. This issuance consists of taxable bonds that allow the City to receive from the federal government subsidy payments of 45 percent of the interest debt service amounts.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 49,315,000
 Principal Outstanding, July 1, 2014: 36,575,000
 Final Payment: 2020-21

2014-15 MICLA 2010-B Lease Payment (Recovery Zone Econ. Dev. Bonds): \$ 6,315,491

21. MICLA Lease Revenue Bonds, Series 2010-C (Recovery Zone Economic Development Bonds)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed for the capital improvements to various City facilities, and to complete capital improvements at El Pueblo, the Figueroa Plaza buildings and Asphalt Plant No. 1. This issuance consists of taxable bonds that allow the City to receive from the federal government subsidy payments of 45 percent of the interest debt service amounts.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 18,170,000
 Principal Outstanding, July 1, 2014: 17,495,000
 Final Payment: 2040-41

2014-15 MICLA 2010-C Lease Payment (Real Property Refunding): \$ 1,536,172

22. Refunding (Refinancing) of Several MICLAs, Lease Revenue Bonds, Series 2010-D

The proceeds of this issuance were used to refund (refinance) the outstanding debt on several previously issued MICLA bonds, resulting in savings to the City.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 18,705,000
 Principal Outstanding, July 1, 2014: 5,575,000
 Final Payment: 2015-16

2014-15 MICLA 2010-D (Refunding of MICLAs 2010) Lease Payment: \$ 3,491,375

23. MICLA Series 2011-A (Qualified Energy Conservation Bonds)

The proceeds of this issuance are being used for the energy retrofit of 52 buildings located throughout the City. For the first three years, debt service on these bonds will be paid using federal Energy Efficiency and Conservation Block Grant monies. In subsequent years, debt service will be paid from savings generated by the energy retrofit of the buildings.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 11,920,000
 Principal Outstanding, July 1, 2014: 9,990,000
 Final Payment: 2028-29

2014-15 MICLA 2011-A Lease Payment (QECCB): \$ 1,053,570

24. MICLA Lease Revenue Bonds, Series 2012-A (Capital Equipment Refunding)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed to acquire various capital equipment items.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 92,635,000
 Principal Outstanding, July 1, 2014: 80,625,000
 Final Payment: 2021-22

2014-15 MICLA 2012-A Lease Payment (Capital Equipment Refunding): \$ 12,454,750

25. MICLA Lease Revenue Bonds, Series 2012-B (Real Property Refunding)

The proceeds of this issuance were used to refund (refinance) the MICLA Commercial Paper monies borrowed for the capital improvements to various City facilities

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 33,975,000
 Principal Outstanding, July 1, 2014: 32,485,000
 Final Payment: 2041-42

2014-15 MICLA 2012-B Lease Payment (Real Property Refunding): \$ 2,090,575

26. Refunding (Refinancing) of Several MICLAs, Lease Revenue Bonds, Series 2012-C

The proceeds of this issuance were used to refund (refinance) the outstanding debt on several previously issued MICLA bonds, resulting in savings to the City.

Lessor: Municipal Improvement Corporation of Los Angeles
 Amount of Principal: \$ 109,730,000
 Principal Outstanding, July 1, 2014: 98,135,000
 Final Payment: 2031-32

2014-15 MICLA 2012-C (Refunding of MICLAs 2012) Lease Payment: \$ 10,196,781

27. Commercial Paper Program (Lease Revenue Notes)

A Commercial Paper Program was implemented in Spring 2004 to more effectively manage bond issuances and the subsequent expenditure of bond proceeds. The \$7 million lease payment amount reflects an estimate of the debt service to be paid during 2014-15.

Lessor: Municipal Improvement Corporation of Los Angeles

2014-15 Commercial Paper Program Lease Payment: \$ 7,000,000

28. Refunding of Commercial Paper Program

A Commercial Paper Program was implemented in Spring 2004 to more effectively manage bond issuances and the subsequent expenditure of bond proceeds. It is anticipated that a portion of the outstanding Commercial Paper monies will be refunded during 2014-15.

Lessor: Municipal Improvement Corporation of Los Angeles

2014-15 Commercial Paper Program Refunding Lease Payment: \$ 10,000,000

29. Los Angeles Convention and Exhibition Center Authority (Lease Revenue Bonds 2003)

The proceeds of the 2003 issuance were used to refund (refinance) the debt that was issued in 1993

Lessor: Los Angeles Convention and Exhibition Center Authority
 Amount of Principal: \$ 166,635,000
 Principal Outstanding, July 1, 2014: 68,815,000
 Final Payment: 2015-16

2014-15 Los Angeles Convention and Exhibition Center Authority Lease Payment: \$ 35,724,163

30. **Los Angeles Convention and Exhibition Center Authority (Lease Revenue Bonds 2008)**

The proceeds of the 2008 issuance were used to refund (refinance) the variable debt that was issued in 2003.

Lessor: Los Angeles Convention and Exhibition Center Authority
 Amount of Principal: \$ 253,060,000
 Principal Outstanding, July 1, 2014: 253,060,000
 Final Payment: 2022-23

2014-15 Los Angeles Convention and Exhibition Center Authority Lease Payment: \$ 12,561,582

31. **Convention Center Parking Equipment**

The 2013-14 Budget included an appropriation to pay for debt service that would have financed the purchase cost of new parking equipment. The equipment was never purchased for 2013-14 due to the transition from public to private management. This item is recommended to be financed as part of the LACC Commercial Paper Program. See Item No. 38.

2014-15 Debt Service on Convention Center Parking Equipment: \$ _____ --

32. **Debt Service on EWDD Projects**

This item reflects annual debt service on three projects: Chesterfield Square (C.F. 00-1579-S2), Lawry's California Center (C.F. 98-1953) and Plaza Pacoima (C.F. 08-1811). Administration of these projects remains with the Economic and Workforce Development Department.

2014-15 Debt Service on EWDD Projects: \$ 1,776,226

33. **In-Car Video System (Police)**

The Police Department will enter into a municipal lease purchase agreement for the acquisition of an In-Car Video System. The total cost is approximately \$8 million.

2014-15 Debt Service on the Police In-Car Video System: \$ 2,576,000

34. **Motorola Lease Radios (Police)**

The Mayor and Council in Fall 2008 authorized the Police Department to acquire 9,300 handheld radios to replace the Department's current inventory (C.F. 08-2605). The acquisition was completed through a municipal lease-purchase agreement with Motorola, Inc.

2014-15 Debt Service on the Police Motorola Lease Radios: \$ 5,754,866

35. Staples Arena (Convention Center Taxable Lease Revenue Bonds, 1998)

The proceeds of this issuance were used to fund a portion of the City's contribution towards the development of the Staples Center, a sports arena adjacent to the Los Angeles Convention Center. Pursuant to a Gap Funding Agreement with the project developer, the developer is obligated to offset all debt service costs from an admissions fee on arena events. Funds for debt service are paid from the Staples Arena Special Fund.

Lessor: Los Angeles Convention and Exhibition Center Authority
 Amount of Principal: \$ 45,580,000
 Principal Outstanding, July 1, 2014: 29,125,000
 Final Payment: 2024-25

2014-15 Staples Arena (1998) Lease Payment: \$ 3,837,520

36. Refinancing of Parking Revenue Bonds

The Commercial Paper proceeds from this issuance will be used to redeem the 1999-A and 2003-A Parking Bonds. Estimated proceeds of approximately \$22.3 million from the sale of the City's Mangrove property will be used to pay off Commercial Paper debt. Funds for debt service are paid from the Special Parking Revenue Fund.

2014-15 Debt Service: \$ 4,181,872

37. Refinancing of Street Lighting Outstanding Loans

The proceeds from this issuance will be used to refund (refinance) Bureau of Street Lighting's outstanding loans through the Energy Resources Conservation and Development Commission and the Department of Water and Power.

2014-15 Debt Service: \$ 7,180,677

38. Los Angeles Convention Center Commercial Paper Program (Lease Revenue Notes)

A Commercial Paper Program specifically for the Los Angeles Convention Center to more effectively manage bond issuances and the subsequent expenditure of bond proceeds. A portion of the \$2 million covers the lease payment amount to pay debt service during 2014-15 and the cost of creating and administering the program.

Amount required: \$ 2,000,000

39. General Administration

Funds are provided for arbitrage calculations, financial advisory services, corporate tax filings and related administrative expenses.

Amount required: \$ 300,000

40. Trustee Fees

Funds are provided for trustee services required pursuant to the terms of each project's financing.

Amount required: \$ 55,000

2014-15 PROPOSED LEASE FINANCING ADMINISTRATION PROGRAM \$ 240,095,761

2014-15 Proposed MICLA Acquisitions

<u>Item</u>	<u>Funding</u>
1. Fire Vehicle Replacement	\$ 20,319,699
2. Department of General Services (GSD) Vehicle Replacement	24,815,221
3. GSD Materials Testing Equipment	128,000
4. Police American Eurocopter AS350 B-2 helicopter	3,400,000
5. Police In-Car Video System *	8,000,000
6. Police Non-Black and White Vehicle Replacement	<u>10,000,000</u>
	TOTAL \$ <u>66,662,920</u>

2014-15 Proposed LACC Acquisitions

7. Parking Control System	\$ 1,100,000
	TOTAL \$ <u>1,100,000</u>

CAPITAL IMPROVEMENT EXPENDITURE PROGRAM

8. Capital Repair Program – Figueroa Plaza	\$ 1,700,000
9. Capital Repair Program – Police Administration Building	500,000
10. Capital Repair Program – Public Works Building	1,000,000
11. Municipal Buildings Energy and Water Management Conservation	3,600,000
12. Bridge Improvement Program – Seismic Program	2,000,000
13. Space Optimization Tenant Work	1,000,000
14. Rancho Cienega Recreation Center	10,000,000
15. Lincoln Park Pool	1,800,000
16. New Civic Center Building	10,000,000

17.	Bureau of Street Services San Fernando Yard CNG Fueling Station	\$ 4,400,000
18.	Mt. Lee Electrical Upgrades	2,000,000
19.	Manchester Jr. Arts Center/Vision Theatre	3,700,000
20.	Building Equipment Lifecycle Replacement Program	2,500,000
TOTAL		\$ <u>44,200,000</u>

*Commercial Paper

The following items are proposed for MICLA financing during 2014-15:

1. **FIRE VEHICLE REPLACEMENT** - Funding in the amount of \$20,319,699 is provided for the acquisition of various vehicles (e.g. aerial ladder apparatus, ambulances).
2. **GSD VEHICLE REPLACEMENT** - Funding in the amount of \$24,815,221 is provided for the acquisition of replacement vehicles for various departments.
3. **GSD MATERIALS TESTING EQUIPMENT** – Funding in the amount of \$128,000 is provided for the acquisition of materials testing equipment.
4. **POLICE AMERICAN EUROCOPTER AS350 B-2 HELICOPTER** – Funding in the amount of \$3,400,000 is provided for the acquisition of one American Eurocopter AS350 B-2 helicopter used to support regular police operations.
5. **POLICE IN-CAR VIDEO SYSTEM** – Funding in the amount of \$8,000,000 is provided for the acquisition of the in-car video system.
6. **POLICE NON-BLACK AND WHITE VEHICLE REPLACEMENT** - Funding in the amount of \$10,000,000 is provided for the acquisition of various vehicles (i.e. non-patrol vehicles).

The following item is proposed for debt financing during 2014-15:

7. **LACC PARKING CONTROL SYSTEM** – Funding in the amount of \$1,100,000 is provided for the acquisition of a parking control system at the Los Angeles Convention Center.

CAPITAL IMPROVEMENT EXPENDITURE PROGRAM

8. **CAPITAL IMPROVEMENT PROGRAM FIGUEROA PLAZA** – Funding in the amount of \$1,700,000 is provided for capital repair work at Figueroa Plaza.
9. **CAPITAL REPAIR PROGRAM – POLICE ADMINISTRATION BUILDING** – Funding in the amount of \$500,000 is provided for capital repair work at the LAPD Police Administration Building.
10. **CAPITAL REPAIR PROGRAM – PUBLIC WORKS BUILDING** – Funding in the amount of 1,000,000 is provided for capital repair work at the Public Works Building.

11. **MUNICIPAL BUILDINGS ENERGY AND WATER MANAGEMENT CONSERVATION** – Funding in the amount of 3,600,000 is provided for energy audits, engineering, and retrofit work at facilities throughout the City.
12. **BRIDGE IMPROVEMENT PROGRAM** – Contingency funding in the amount of \$2 million is provided for the improvement, including seismic work, of various City bridges.
13. **SPACE OPTIMIZATION TENANT WORK** – Funding in the amount of \$1 million is provided for various tenant improvements.
14. **RANCHO CIENEGA RECREATION CENTER** - Funding in the amount of \$10 million is provided for demolition of the existing recreation complex at the Rancho Cienega Recreation Center and construction of a new replacement complex that includes a gymnasium, fitness annex, bathhouse, and indoor pool, including associated design costs.
15. **LINCOLN PARK POOL** – Funding the amount of \$1,800,000 is provided to fund the remaining balance of the capital project.
16. **NEW CIVIC CENTER BUILDING** – Funding in the amount of \$10 million is provided to pay for structural engineering, demolition drawings and related work to proceed with the new Civic Center building.
17. **BUREAU OF STREET SERVICES SAN FERNANDO YARD CNG FUELING STATION** – Funding in the amount of \$4,400,000 is provided to fund the installation of a fast-fill/time fill compressed natural gas (CNG) fueling facility at the Bureau of Street Services San Fernando Yard.
18. **MT. LEE ELECTRICAL UPGRADES** – Funding in the amount of \$2 million is provided to complete the communication upgrade work at the Mt. Lee site.
19. **MANCHESTER JR. ARTS CENTER/VISION THEATRE** – Funding in the amount of \$3.7 million is provided to fund the final phase of the development project.
20. **BUILDING EQUIPMENT LIFECYCLE REPLACEMENT PROGRAM** – Continue funding in the amount of \$2.5 million for the building equipment lifecycle replacement program for systematic replacement of aging, obsolete and end-of-life cycle building equipment.

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LA INC THE CONVENTION AND VISITORS BUREAU**

AMENDMENT NUMBER 1 TO CONTRACT NO. C-119053

This Amendment No. 1 to Contract No. C-119053 is made and entered into by and between the CITY OF LOS ANGELES (hereinafter referred to as "CITY"), a municipal corporation, and the Los Angeles Tourism and Convention Board, formerly LA Inc. The Convention and Visitors Bureau, Inc., a California nonprofit corporation, (hereinafter "CONTRACTOR"), and is hereby incorporated into and made part of Contract Number C-119053 (hereinafter "AGREEMENT"), effective July 1, 2014. This Amendment is entered into with reference to the following:

R E C I T A L S

WHEREAS, the CITY and CONTRACTOR entered into the AGREEMENT, dated July 1, 2011, to enhance the economy of Los Angeles by promoting the City as a site for business meetings, conventions, trade shows and as a destination for visitors (CF No. 11-0638);

WHEREAS, unless extended, the AGREEMENT will expire on June 30, 2014;

WHEREAS, the CITY and CONTRACTOR desire to extend the term of the AGREEMENT for a limited period of time until such date as a new agreement is negotiated and executed, but not to exceed a period of six (6) months, in order to accommodate the transition to private management of the Los Angeles Convention Center (LACC) and avoid interruption of services to the CITY; and

WHEREAS, the CITY and CONTRACTOR desire to extend the term of the AGREEMENT on the same terms and conditions as currently govern the AGREEMENT, except as otherwise provided in this Amendment No. 1.

NOW, THEREFORE, the CITY and the CONTRACTOR agree to amend the AGREEMENT, Contract C-119053, as follows:

Section 2. Term is amended to read:

The term shall be extended from July 1, 2014 to such date and time as any new contract is entered into and fully executed between the CITY and CONTRACTOR, but not to exceed six (6) months, up to and including December 31, 2014. This Amendment expires immediately upon the execution of any such new contract, or no later than December 31, 2014, whichever shall occur first.

Section 18 Ratification is amended to add the following new section:

Due to the need for the CONTRACTOR’S services to be provided continuously on an ongoing basis, CONTRACTOR may have provided services prior to the execution of this Amendment No. 1. To the extent that said services were performed in accordance with the terms and conditions of the AGREEMENT, those services are hereby ratified.

Except as modified by this Amendment No. 1, all other terms and provisions of the AGREEMENT shall remain in full force and effect.

**** END OF AGREEMENT ****

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Contract No. 119053 to be executed by their duly authorized representatives on the date indicated.

CITY OF LOS ANGELES
a municipal corporation

LOS ANGELES TOURISM AND
CONVENTION BOARD
a California nonprofit corporation

By: _____
MIGUEL A. SANTANA
City Administrative Officer

By: _____
ERNEST WOODEN JR.
President and CEO

Date _____

Date _____

APPROVED AS TO FORM
Michael N. Feuer
City Attorney

ATTEST: Holly L. Wolcott
Interim City Clerk

By _____
Terry Martin-Brown
Assistant City Attorney

By _____

Date _____

Date _____