



FY 2017-18

# Budget Summary

## INTRODUCTION

The “Budget Summary” provides a ready reference and summary of the City’s annual budget. This booklet includes information about City revenues and appropriations, state and federal assistance, and related fiscal matters.

Some information is included on the City’s proprietary departments—Airports, Harbor, and Water and Power. These departments are not part of the City’s regular operating budget since they generate their own revenues and are not supported by taxes.

## ELECTED AND FISCAL MUNICIPAL OFFICERS

### MAYOR\*

ERIC GARCETTI

### CITY COUNCIL\*

DISTRICT	COUNCIL MEMBER
1st.....	GILBERT CEDILLO
2nd.....	PAUL KREKORIAN
3rd .....	BOB BLUMENFIELD
4th.....	DAVID E. RYU
5th.....	PAUL KORETZ
6th.....	NURY MARTINEZ
7th.....	MONICA RODRIGUEZ
8th.....	MARQUEECE HARRIS-DAWSON
9th.....	CURREN D. PRICE, JR.
10th.....	HERB J. WESSON, JR. (Council President)
11th.....	MIKE BONIN
12th.....	MITCHELL ENGLANDER
13th.....	MITCH O’FARRELL
14th.....	JOSE HUIZAR
15th.....	JOE BUSCAINO

**CITY ATTORNEY\*** – Mike Feuer

**CONTROLLER\*** – Ron Galperin

**INTERIM CITY ADMINISTRATIVE OFFICER** – Richard H. Llewellyn, Jr.

**OFFICE OF FINANCE / TREASURER** – Claire Bartels

**CITY CLERK** – Holly Wolcott

\*ELECTED

## FINANCIAL NARRATIVE

On April 20, 2017 the Mayor issued his Proposed Budget for Fiscal Year 2017-18. On May 24, 2017 the City Council adopted the Mayor's proposed budget with modifications. On May 25, 2017 the Mayor signed the 2017-18 Adopted Budget as modified by the City Council.

The 2017-18 Adopted Budget addresses the City's financial policies as follows:

- The Reserve Fund is 5.12 percent of General Fund revenues, above the five percent policy threshold.
- Capital improvement funding is 1.28 percent of General Fund revenues, above the one percent policy threshold.
- All one-time revenues are used for one-time expenditures.
- Over \$75 million of the \$83 million in applicable revenue growth is appropriated to the Budget Stabilization Fund or capital investments.

The Adopted Budget also makes important investments. These include:

- Adding \$40 million for liability payouts to address recent budgetary shortfalls.
- Fully funding legal settlements, including those related to gang injunctions and accessibility of sidewalks and affordable housing units.
- Implementing recent actions by voters related to cannabis regulation and new homelessness bond and street and infrastructure improvement programs.
- Funding service improvements in community planning, quality of life, firefighter and police hiring, and the Police Department's Body Worn Video Camera System.

As illustrated below, the 2017-18 Adopted Budget, including the General Fund and most special revenue funds, totals \$9.29 billion, a \$515 million increase from the 2016-17 Adopted Budget. General Fund revenues for 2017-18 are estimated at \$5.83 billion, a net increase of \$250 million from the 2016-17 Adopted Budget, and a net increase of \$216 million from the 2016-17 estimated actual revenues.

<b>KEY DIFFERENCES BETWEEN 2017-18 AND 2016-17 ADOPTED BUDGETS</b>				
	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>Difference</b></u>	<u><b>% Difference</b></u>
Total Adopted Budget	\$9.29 billion	\$8.78 billion	\$515 million	5.9%
General Fund Adopted Budget	\$5.83 billion	\$5.58 billion	\$250 million	4.5%
General Fund Estimate / Actual Revenues	\$5.83 billion	\$5.61 billion	\$216 million	3.8%

Pursuant to the City Charter Section 291, the Office of the City Administrative Officer will monitor the budget and transmit periodic Financial Status Reports to the Mayor and Council detailing the City's current financial condition and recommending any necessary adjustments.

## CITY OF LOS ANGELES BUDGET SYSTEM

The City's budget system is the process of allocating resources to programs for public services. The following is an outline of the City's budget system.

**Budget Formulation** involves annually developing the Mayor's proposed budget for the ensuing fiscal year. The Mayor's proposed budget details City objectives, programs to achieve them, and funding levels.

**Budget Adoption** is the legislative process for reviewing and adopting the Mayor's proposed budget either as submitted or with Council modifications. Also approved through this process, are the resolutions needed to implement the budget.

**Budgetary Control** concerns the accomplishment of the work program within budgeted funds and the receipt of estimated revenues.

**Cost Control** is the reduction of unnecessary costs and the attainment of increased efficiency.

### BUDGET FORMULATION AND ADOPTION

The City's fiscal year runs from July 1st to June 30th. Early in the fiscal year, the Mayor releases a budget policy letter that defines City objectives for the next fiscal year. This letter guides City departments, bureaus, and other offices in preparing their annual budget requests, which are submitted in the fall.

By early March, the Mayor reviews the revenue projections prepared by the Controller and the Office of the City Administrative Officer (CAO). In hearings with CAO and general managers, the Mayor also reviews the various budget requests. The Mayor's proposed budget is then prepared and submitted to the Council. The City Charter requires that the proposed budget be delivered to the Council by April 20th of each year. When April 20th falls on a weekend or City holiday, the period is extended to the next business day.

The five members of the Budget and Finance Committee examine the proposed budget in public hearings involving the department managers, CAO, and staff. The Committee then develops recommendations for Council consideration. The Charter requires the Council, by majority vote, to adopt or modify the proposed budget by June 1st.

Once the Council has acted, the Mayor has five working days to approve or veto any Council changes made to the proposed budget.

Once the Mayor has acted, the Council has five working days to sustain or override the Mayor's actions by a two-thirds vote. The result of this process is the adopted budget for the next fiscal year.

## **BUDGET DOCUMENTS**

The following budget documents and related materials are available for review online in PDF format:

### **PROPOSED BUDGET DOCUMENTS**

<http://cao.lacity.org/budget>

#### **Proposed Budget**

Contains the Mayor's budget message and exhibits on revenue, appropriations, federal grants, and costs of operation of departments, bureaus, and other offices.

#### **Detail of Department Programs (Blue Book)**

Explains the Proposed Budget changes from current budget appropriations for all departments in a program format; details priority outcomes within department programs; and provides a list of employment authorities and salaries of each department, office, or bureau.

#### **Revenue Outlook**

Provides an overview of revenue anticipated in the Proposed Budget, including an explanation of assumptions, changes between the prior year and program year, and a five-year General Fund revenue forecast.

#### **Supporting Information**

Contains various exhibits, summaries and working papers to assist the City Council, the Chief Legislative analyst, other City staff, and the public in the review of the Proposed Budget.

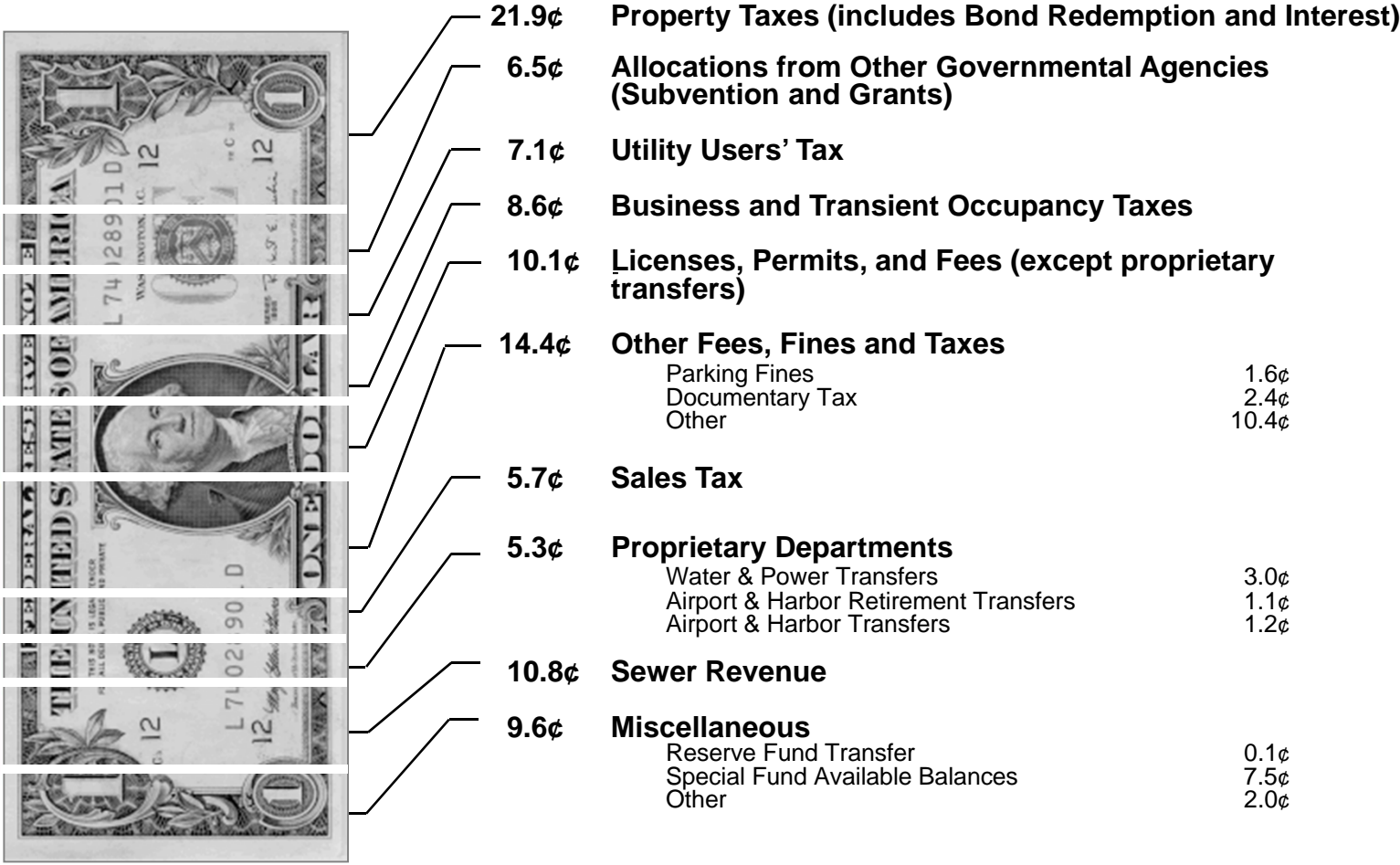
### **ADOPTED BUDGET**

[http://www.lacontroller.org/adopted\\_budgets](http://www.lacontroller.org/adopted_budgets)

Reflects the budget as adopted by the Mayor and City Council.

# 2017-18 BUDGET DOLLAR

## Where the Money Comes From



# RECEIPTS SUMMARY

	Total	% of Total
<b>General Receipts:</b>		
Property Tax .....	\$ 1,833,755,000	19.7%
Property Tax - Ex-CRA Increment.....	74,168,000	0.8%
Utility Users Tax.....	661,200,000	7.1%
Licenses, Permits, Fees, and Fines .....	1,046,994,015	11.3%
Business Tax.....	518,900,000	5.6%
Sales Tax.....	528,670,000	5.7%
Documentary Transfer Tax.....	219,096,000	2.4%
Power Revenue Transfer.....	242,500,000	2.6%
Transient Occupancy Tax.....	282,100,000	3.0%
Parking Fines .....	140,900,000	1.5%
Parking Occupancy Tax.....	112,900,000	1.2%
Franchise Income.....	58,123,000	0.6%
State Motor Vehicle License Fees.....	1,806,000	0.0%
Grants Receipts.....	19,762,428	0.2%
Tobacco Settlement.....	9,084,000	0.1%
Transfer from Telecommunications Dev. Account.....	--	0.0%
Residential Development Tax.....	4,800,000	0.1%
Special Parking Revenue Transfer.....	38,632,909	0.4%
Interest.....	23,957,000	0.3%
Transfer from Reserve Fund.....	9,107,662	0.1%
<b>Total General Receipts.....</b>	<b>\$ 5,826,456,014</b>	<b>62.7%</b>
<b>Special Receipts:</b>		
Property Tax - City Levy for Bond Redemption and Interest.....	\$ 122,623,642	1.3%
Sewer Construction and Maintenance Fund.....	999,789,050	10.7%
Proposition A Local Transit Assistance Fund.....	149,432,903	1.6%
Prop. C Anti-Gridlock Transit Improvement Fund.....	76,893,531	0.8%
Special Parking Revenue Fund.....	52,577,091	0.6%
L. A. Convention and Visitors Bureau Fund.....	21,700,000	0.2%
Solid Waste Resources Revenue Fund.....	312,904,849	3.4%
Forfeited Assets Trust Fund.....	--	0.0%
Fines--State Vehicle Code.....	5,590,000	0.1%
Special Gas Tax Street Improvement Fund.....	122,186,073	1.3%
Housing Department Affordable Housing Trust Fund.....	11,162,180	0.1%
Stormwater Pollution Abatement Fund.....	35,901,568	0.4%
Community Development Trust Fund.....	19,407,771	0.2%
HOME Investment Partnerships Program Fund.....	6,450,646	0.1%
Mobile Source Air Pollution Reduction Fund.....	4,750,000	0.1%
City Employees' Retirement Fund.....	102,213,802	1.1%
Community Services Administration Grant.....	1,837,449	0.0%
Park and Recreational Sites and Facilities Fund.....	2,500,000	0.0%
Convention Center Revenue Fund.....	27,656,632	0.3%
Local Public Safety Fund.....	43,585,631	0.5%
Neighborhood Empowerment Fund.....	2,595,396	0.0%
Street Lighting Maintenance Assessment Fund.....	53,121,977	0.6%
Telecommunications Development Account.....	18,400,000	0.2%
Older Americans Act Fund.....	2,824,648	0.0%
Workforce Innovation Opportunity Act Fund.....	16,663,434	0.2%
Rent Stabilization Trust Fund.....	14,429,625	0.2%
Arts and Cultural Facilities and Services Fund.....	22,757,572	0.2%
Arts Development Fee Trust Fund.....	1,960,000	0.0%
City Employees Ridesharing Fund.....	3,310,000	0.0%
Allocations from Other Sources.....	90,636,679	1.0%
City Ethics Commission Fund.....	3,053,968	0.0%
Staples Arena Special Fund.....	4,184,998	0.0%
Citywide Recycling Fund.....	25,350,000	0.3%
Special Police Comm./911 System Tax Fund.....	--	0.0%
Local Transportation Fund.....	11,492,084	0.1%
Planning Case Processing Revenue Fund.....	35,700,000	0.4%
Disaster Assistance Trust Fund.....	753,000	0.0%
Landfill Maintenance Special Fund.....	--	0.0%
Household Hazardous Waste Special Fund.....	3,393,000	0.0%
Building and Safety Enterprise Fund.....	144,845,604	1.6%
Housing Opportunities for Persons with AIDS.....	565,450	0.0%
Code Enforcement Trust Fund.....	39,728,095	0.4%

# RECEIPTS SUMMARY

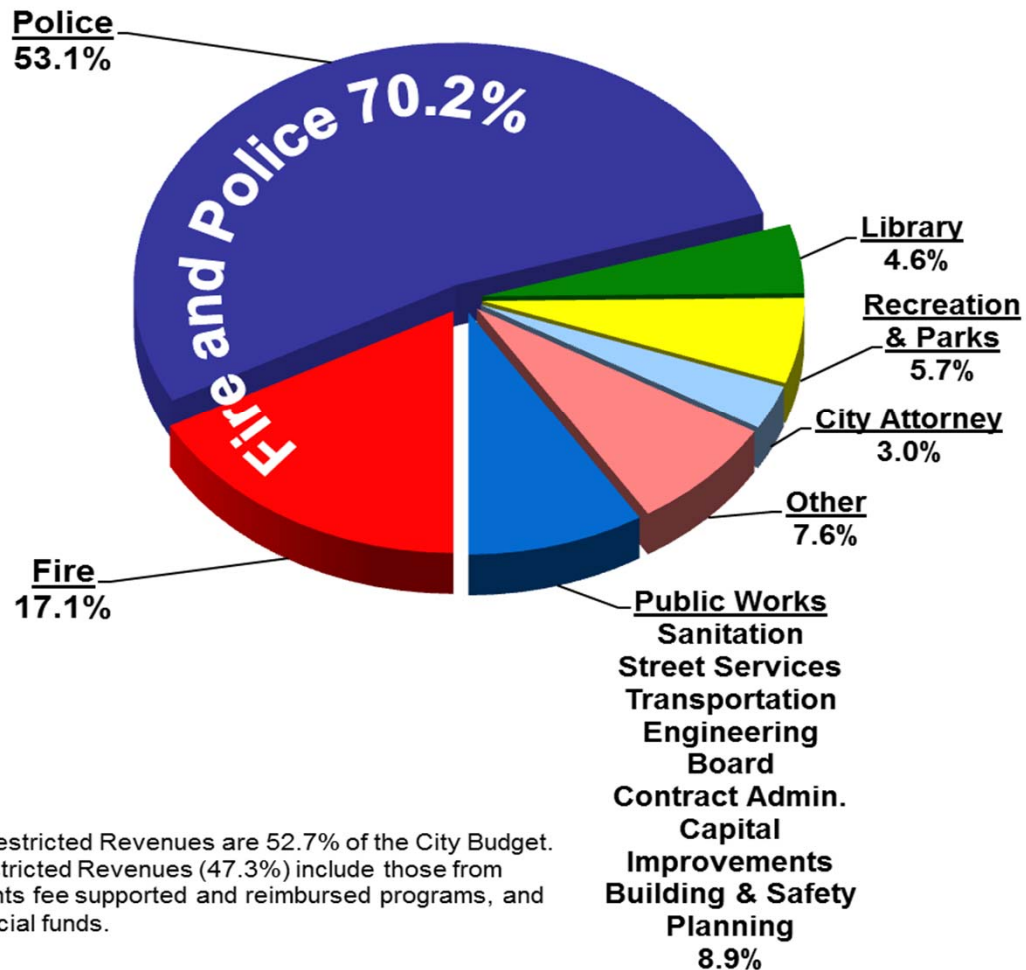
	Total	% of Total
El Pueblo Revenue Fund.....	4,859,619	0.1%
Zoo Enterprise Fund.....	21,279,709	0.2%
Supplemental Law Enforcement Services .....	6,410,354	0.1%
Street Damage Restoration Fee Fund.....	8,310,000	0.1%
Municipal Housing Finance Fund.....	4,827,722	0.1%
Measure R Traffic Relief and Rail Expansion Fund.....	45,400,000	0.5%
Central Recycling and Transfer Fund.....	6,100,000	0.1%
Multi-Family Bulky Item Fund.....	7,380,000	0.1%
Sidewalk Repair Fund.....	13,749,370	0.1%
Measure M Local Return Fund.....	39,100,000	0.4%
<b>Total Special Receipts.....</b>	<b>\$ 2,772,345,122</b>	<b>29.8%</b>
<b>Available Balances:</b>		
Sewer Construction and Maintenance Fund.....	\$ 40,417,779	0.4%
Proposition A Local Transit Assistance Fund.....	107,426,501	1.2%
Prop. C Anti-Gridlock Transit Improvement Fund.....	10,006,117	0.1%
Special Parking Revenue Fund.....	10,044,679	0.1%
L.A. Convention and Visitors Bureau Fund.....	3,366,709	0.0%
Solid Waste Resources Revenue Fund.....	136,293,538	1.5%
Forfeited Assets Trust Fund.....	5,551,189	0.1%
Traffic Safety Fund.....	408,238	0.0%
Special Gas Tax Fund.....	109,154	0.0%
Housing Department Affordable Housing Trust Fund.....	55,883	0.0%
Stormwater Pollution Abatement Fund.....	4,007,207	0.0%
Community Development Fund.....	--	0.0%
HOME Fund.....	--	0.0%
Mobile Source Air Pollution Reduction Fund.....	1,289,168	0.0%
CERS.....	--	0.0%
Community Services Admin.....	--	0.0%
Park and Recreational Sites and Facilities.....	--	0.0%
Convention Center Revenue Fund.....	5,000,000	0.1%
Local Public Safety Fund.....	--	0.0%
Neighborhood Empowerment Fund.....	413,826	0.0%
Street Lighting Maintenance Asmt. Fund.....	14,800,335	0.2%
Telecommunications Development Account.....	1,530,220	0.0%
Older Americans Act Fund.....	--	0.0%
Workforce Innovation Opportunity Act Fund.....	--	0.0%
Rent Stabilization Trust Fund.....	10,826,548	0.1%
Arts and Cultural Facilities and Services Fund.....	866,104	0.0%
Arts Development Fee Trust Fund.....	221,556	0.0%
City Employees Ridesharing Fund.....	1,425,671	0.0%
Allocations From Other Sources.....	--	0.0%
City Ethics Commission Fund.....	265,901	0.0%
Staples Arena Special Fund.....	3,842,653	0.1%
Citywide Recycling Fund.....	26,144,764	0.3%
Special Police Comm./911 System Tax Fund.....	115,081	0.0%
Local Transportation Fund.....	1,036,171	0.0%
Planning Case Processing Revenue Fund.....	14,404,112	0.2%
Disaster Assistance Trust Fund.....	20,234,837	0.2%
Landfill Maintenance Trust Fund.....	--	0.0%
Household Hazardous Waste Special Fund.....	3,038,895	0.0%
Building and Safety Enterprise Fund.....	183,322,232	2.0%
Housing Opportunities for Persons with AIDS Fund.....	--	0.0%
Code Enforcement Trust Fund.....	37,528,986	0.4%
El Pueblo Revenue Fund.....	208,344	0.0%
Zoo Enterprise Trust Fund.....	3,613,245	0.0%
Supplemental Law Enforcement Services Fund.....	6,961,930	0.1%
Street Damage Restoration Fee Fund.....	21,761	0.0%
Municipal Housing Finance Fund.....	1,470,033	0.0%
Measure R Traffic Relief and Rail Expansion Fund.....	18,711,272	0.2%
Central Recycling and Transfer Fund.....	7,583,454	0.1%
Multi-Family Bulky Item Fund.....	4,184,345	0.0%
Sidewalk Repair Fund.....	6,576,165	0.1%
Measure M Local Return Fund.....	--	0.0%
<b>Total Available Balances.....</b>	<b>\$ 693,324,603</b>	<b>7.5%</b>
<b>Total Receipts.....</b>	<b>\$ 9,292,125,739</b>	<b>100.0%</b>



## UNRESTRICTED REVENUES COMPARISON (\$ MILLIONS)

	2015-16	2016-17	2017-18
I. TOTAL GENERAL CITY BUDGET	\$ 8,582.6	\$ 8,777.0	\$ 9,292.1
II. RESTRICTED REVENUES			
All Special Funds	3,172.2	3,200.5	3,465.7
General Fund Revenues from grants, fees for services, and reimbursements	875.5	949.4	931.1
TOTAL RESTRICTED REVENUES	4,047.7	4,149.9	4,396.8
III. UNRESTRICTED REVENUES	\$ 4,534.9	\$ 4,627.1	\$ 4,895.3
IV. CHANGE IN UNRESTRICTED REVENUES FROM PRIOR YEAR		\$ 92.2	\$ 268.2

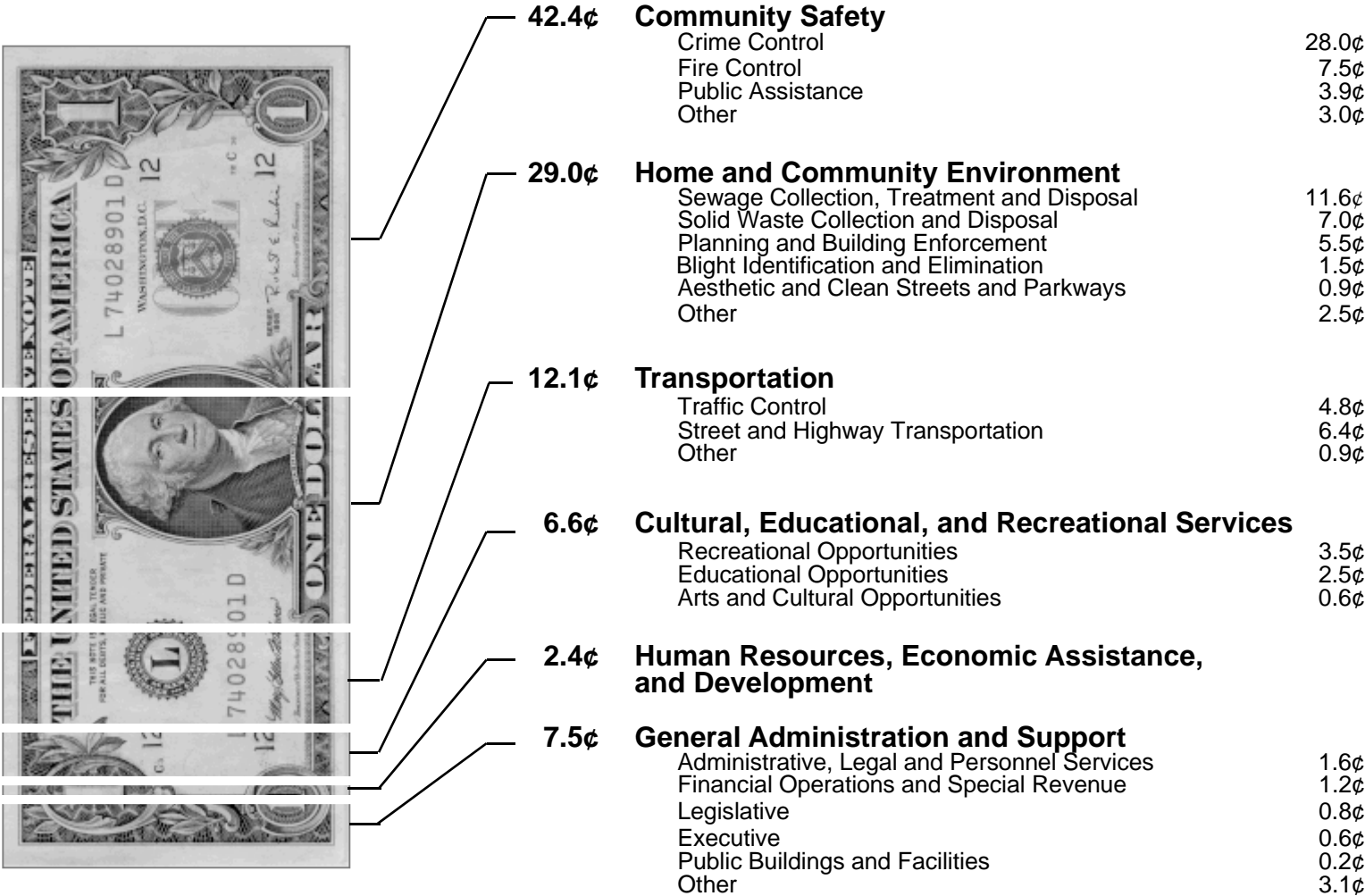
### UNRESTRICTED REVENUES \$4.9 Billion



Unrestricted Revenues are 52.7% of the City Budget. Restricted Revenues (47.3%) include those from grants fee supported and reimbursed programs, and special funds.

# 2017-18 BUDGET DOLLAR

## How the Money Is Used



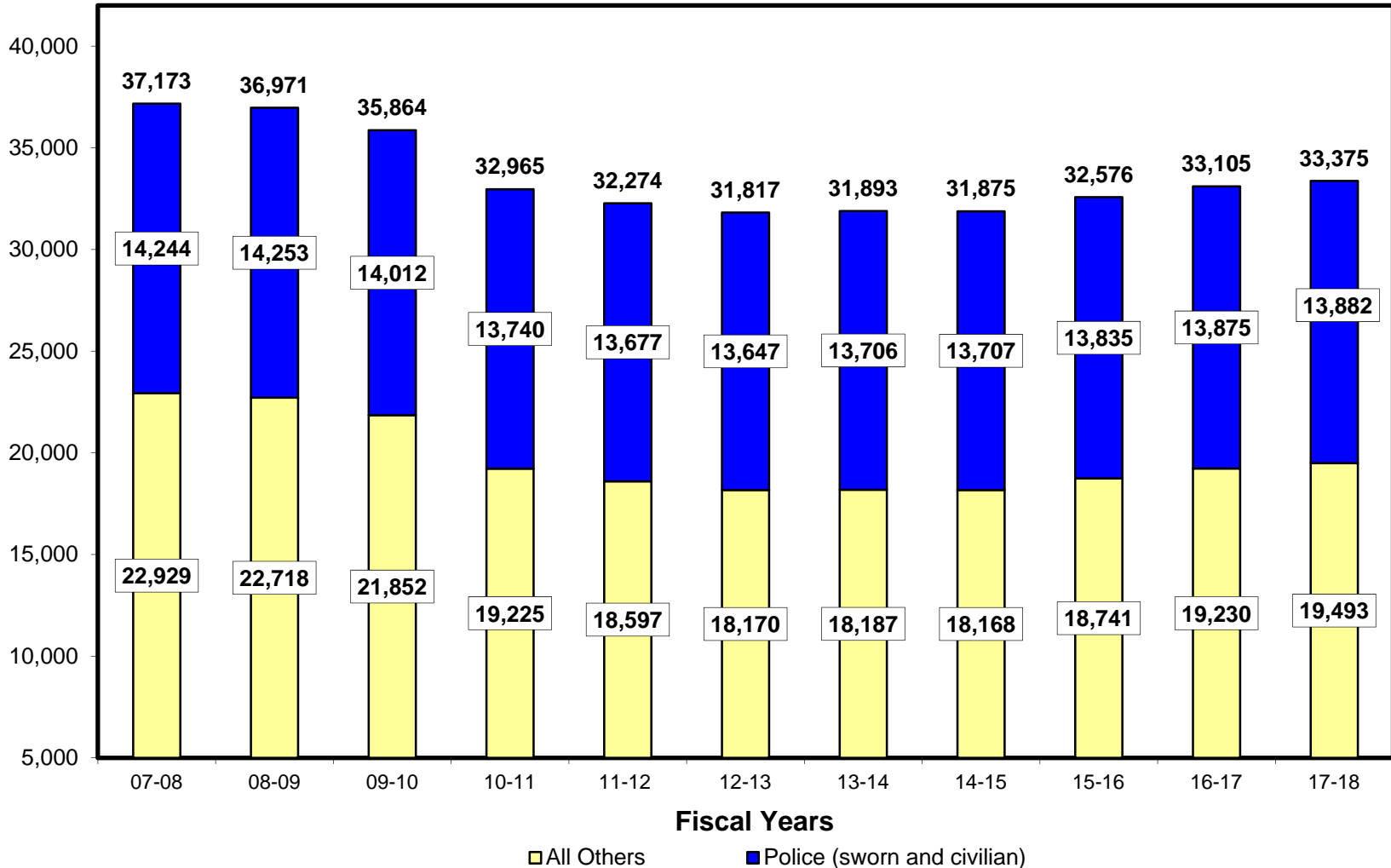
## SUMMARY OF APPROPRIATIONS

	Total	% of Total Budget
Aging .....	6,383,468	0.07%
Animal Services .....	23,510,372	0.25%
Building and Safety .....	113,419,110	1.22%
Cannabis Regulation .....	789,796	0.01%
City Administrative Officer .....	15,993,721	0.17%
City Attorney .....	132,317,890	1.42%
City Clerk .....	11,866,290	0.13%
City Planning .....	52,113,390	0.56%
Controller .....	18,254,672	0.20%
Convention and Tourism Development .....	1,580,844	0.02%
Council .....	27,285,780	0.29%
Cultural Affairs .....	13,130,438	0.14%
Disability .....	3,433,542	0.04%
Economic and Workforce Development .....	21,121,460	0.23%
El Pueblo de Los Angeles .....	1,553,116	0.02%
Emergency Management .....	3,125,610	0.03%
Employee Relations Board .....	418,062	0.00%
Ethics Commission .....	3,111,141	0.03%
Finance .....	38,775,325	0.42%
Fire .....	657,373,170	7.07%
General Services .....	243,540,401	2.62%
Housing and Community Investment .....	79,693,423	0.86%
Information Technology Agency .....	92,504,244	1.00%
Mayor .....	7,147,393	0.08%
Neighborhood Empowerment .....	2,812,028	0.03%
Personnel .....	59,805,272	0.64%
Police .....	1,578,265,278	16.98%
Public Accountability .....	2,374,111	0.03%
Board of Public Works .....	20,235,935	0.22%
Bureau of Contract Administration .....	37,525,950	0.40%
Bureau of Engineering .....	87,645,337	0.94%
Bureau of Sanitation .....	272,526,423	2.93%
Bureau of Street Lighting .....	34,017,036	0.37%
Bureau of Street Services .....	165,513,522	1.78%
Transportation .....	158,499,980	1.71%
Zoo .....	22,012,376	0.24%
Total-Budgetary Departments .....	<u>\$ 4,009,675,906</u>	<u>43.15%</u>
Appropriations to City Employees' Retirement .....	102,213,802	1.10%
Appropriations to Library Fund .....	167,786,809	1.81%
Appropriations to Recreation and Parks Fund .....	189,243,216	2.04%
Total-Appropriations .....	<u>\$ 459,243,827</u>	<u>4.94%</u>
Total-Departmental .....	<u>\$ 4,468,919,733</u>	<u>48.09%</u>
Bond Redemption and Interest .....	122,623,642	1.32%
Capital Finance Administration .....	241,643,420	2.60%
Capital Improvement Expenditure Program .....	371,572,614	4.00%
General City Purposes .....	139,764,373	1.50%
Human Resources Benefits .....	682,788,227	7.35%
Judgment Obligation Bonds Debt Service Fund .....	9,028,175	0.10%
Liability Claims .....	89,090,000	0.96%
Proposition A Local Transit Assistance Fund .....	233,881,616	2.52%
Proposition C Anti-Gridlock Transit Improvement Fund .....	26,927,366	0.29%
Special Parking Revenue Fund .....	55,769,006	0.60%
Tax and Revenue Anticipation Notes .....	1,114,644,814	12.00%
Unappropriated Balance .....	101,969,996	1.10%
Wastewater Special Purpose Fund .....	521,469,820	5.61%
Water and Electricity .....	44,000,000	0.47%
Other Special Purpose Funds .....	1,068,032,937	11.49%
Total-Non Departmental .....	<u>\$ 4,823,206,006</u>	<u>51.91%</u>
Total .....	<u>\$ 9,292,125,739</u>	<u>100.00%</u>

# AUTHORIZED CITY STAFFING

Not including Proprietary Departments

Positions

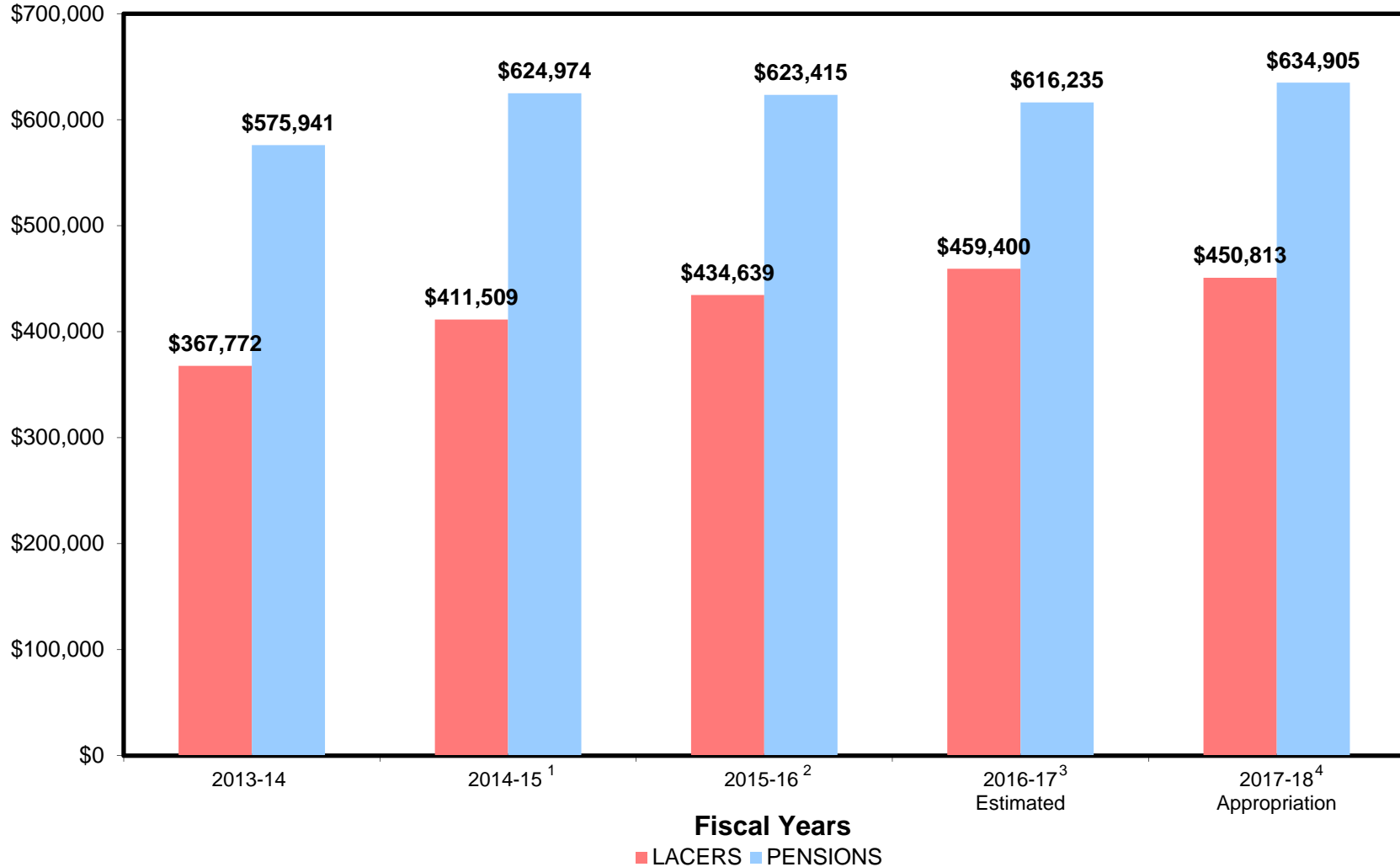


Authorized City Staffing includes all regular position authorities, excluding Commissioner position authorities. In addition to the regular position authorities reflected in the chart, the 2017-18 Adopted Budget includes 1,924 resolution authorities. This exhibit does not include positions in the Department of Airports, Los Angeles City Employees' Retirement System, Harbor Department, Department of Pensions, and Department of Water and Power.

# CITY CONTRIBUTIONS

To the Los Angeles City Employees' Retirement System (LACERS) and the Fire and Police Pensions System (Pensions) for Council-controlled Departments

12



1. Payment for a 2013-14 true-up in the amount of \$6,591,661 was made in 2014-15.
2. Credit for a 2014-15 true-up in the amount of \$15,489,131 was made in 2015-16.
3. Credit for a 2015-16 true-up in the amount of \$5,902,122 was made in 2016-17.
4. Credit for a 2016-17 true-up in the amount of \$16,550,059 was made in 2017-18.

## CAPITAL IMPROVEMENT EXPENDITURE PROGRAM AND INFRASTRUCTURE IMPROVEMENTS

The City annually prepares the Capital Improvement Expenditure Program (CIEP) designed to keep street, sewers, municipal buildings, and other facilities in a safe and efficient operating condition. Physical plant projects are infrastructure improvements such as streets, storm drains, and bikeways. Municipal Facilities projects are public facilities such as libraries, animal shelters, police and fire stations, and parks.

The City also has significant obligations for its sewer system due to mandates of federal and state clean water laws, requiring modifications to the Hyperion Water Reclamation Plant, the three other wastewater treatment facilities, and the extensive collection system to meet increasing regulations. Additionally, improvements continue on the City's Wastewater System to meet federal and state mandates regarding water quality in surface runoff. These costs are expected to grow substantially in future years to comply with mandated standards.

### SOURCE OF FUNDS

General Fund .....	\$ 74,528,322
Convention Center Revenue Fund .....	1,301,373
Local Transportation Fund .....	4,070,047
Measure M Local Return Fund .....	14,075,009
Measure R Traffic Relief and Rail Expansion Fund.....	28,886,374
MICLA .....	31,419,710
Park and Recreational Sites and Facilities Fund .....	2,500,000
Proposition C Anti-Gridlock Transit Fund.....	7,004,268
Proprietary Departments.....	2,667,550
Sewer Construction and Maintenance Fund.....	323,100,000
Special Gas Tax Street Improvement Fund.....	67,544,802
Stormwater Pollution Abatement Fund .....	1,882,733
Street Damage Restoration Fee .....	<u>8,331,761</u>
Total .....	<u>\$ 567,321,949</u>

### EXPENDITURES AND APPROPRIATIONS

#### **CIEP Clean Water Projects**

Collection System .....	\$ 104,646,000
Donald C. Tillman Water Reclamation Plant .....	28,282,000
Hyperion Water Reclamation Plant.....	53,183,000
Los Angeles-Glendale Water Reclamation Plant.....	7,644,000
Pumping Plants .....	41,933,000
System-wide Program Requirements .....	58,517,000
Terminal Island Water Reclamation Plant .....	<u>28,895,000</u>
Subtotal.....	<u>\$ 323,100,000</u>

#### **CIEP Municipal Facilities**

Arts and Cultural Opportunities and Facilities.....	\$ 7,767,840
Building and Facilities .....	44,325,870
Recreation and Parks Facilities .....	<u>3,000,000</u>
Subtotal.....	<u>\$ 55,093,710</u>

## EXPENDITURES AND APPROPRIATIONS (CONT.)

### CIEP Physical Plant

Bikeway and Pedestrian Improvements.....	\$ 2,420,270
Stormwater.....	10,765,432
Street Lighting.....	1,170,000
Street Repair and Improvements.....	11,144,285
Contingencies*.....	<u>600,000</u>
Subtotal.....	<u>\$ 26,099,987</u>

### Other Infrastructure Expenditures

Alley Paving.....	\$ 500,000
Pavement Preservation.....	131,444,775
Sidewalk Repair.....	<u>31,083,477</u>
Subtotal.....	<u>\$ 163,028,252</u>
Total.....	<u>\$ 567,321,949</u>

\*The CAO may approve transfers of any amount from the Contingencies Account to any project listed or any project previously approved by the Mayor and City Council.

## FEDERAL AND STATE GRANT FUNDING ESTIMATES BY SUBFUNCTION

The grant-supported programs identified below are funded by federal, state, and other local agencies. Estimates are based on information provided by reporting departments to the City Administrative Officer as of July 7, 2017 and are subject to modification. All grant programs in this Exhibit are subject to approval by Mayor and Council.

Budgetary, Library and Recreation and Parks Departments will participate in grant programs for the 2017-18 period totaling \$305,987,252 of which \$11,796,280 will be the City share and \$294,190,972 will be funded by grants.

Proprietary Department grant programs for the 2017-18 period total \$130,834,833, of which \$24,628,841 will be the City share and \$106,205,992 will be funded by grants.

Subfunction	2015-16 Receipts	2016-17 Estimated Receipts	2017-18 Estimated Receipts
<b>Budgetary, Library, and Recreation and Parks Departments</b>			
Legal Prosecution	\$ 3,501,302	\$ 5,707,172	\$ 5,135,770
Crime Control	80,072,931	112,137,025	65,521,846
Local Emergency Planning Response	9,425,327	29,708,971	4,218,818
Wastewater Collection, Treatment & Disposal	10,308,163	3,560,074	4,348,144
Environmental Quality	2,994,238	4,861,663	1,584,965
Street & Highway Transportation	47,683,728	79,905,552	12,343,514
Mass Transit	796,211	488,562	--
Arts & Cultural Opportunities	142,052	310,452	190,137
Educational Opportunities	213,222	188,875	192,675
Capital	10,591,858	654,650	7,323,909
Economic Opportunities & Development	75,474,806	74,943,390	79,162,795
Employment Opportunities	59,958,603	59,776,388	52,200,058
Human Services	47,019,144	43,148,375	50,763,079
Administrative	11,461,050	12,037,400	11,205,262
<b>Subtotal</b>	<b>\$ 359,642,635</b>	<b>\$ 427,428,549</b>	<b>\$ 294,190,972</b>
<b>Proprietary Departments</b>			
Crime Control	\$ 1,476,472	\$ 1,586,882	\$ 1,875,000
Local Emergency Planning Response	3,791,172	5,462,500	3,445,500
Environmental Quality	18,240,156	23,510,609	18,887,531
Air Transport	47,643,000	112,021,000	70,345,000
Street & Highway Transportation	34,601,283	33,693,671	10,152,961
Economic Opportunities & Development	-	2,124,000	1,500,000
<b>Subtotal</b>	<b>\$ 105,752,083</b>	<b>\$ 178,398,662</b>	<b>\$ 106,205,992</b>
<b>Total City of Los Angeles</b>	<b>\$ 465,394,718</b>	<b>\$ 605,827,211</b>	<b>\$ 400,396,964</b>



## HOMELESS BUDGET

The Homeless Budget provides funding for the provision of housing and services to homeless individuals and families in the City. Items funded as part of the Homeless Budget are included within the individual budgets for the Los Angeles Homeless Services Authority (LAHSA) and City departments. In 2016-17, the City increased funding to LAHSA on a one-time basis to initiate implementation of the City's Comprehensive Homeless Strategy. The reduction in funding in 2017-18 is expected to be offset by an increase in funding to LAHSA from Measure H proceeds for homeless services within the City.

The 2017-18 Special Fund amount includes the Proposition HHH Permanent Supportive Housing Loan Program and the Prop HHH Facilities Program. On November 8, 2016, voters approved Proposition HHH, which provides the City with authority to issue up to \$1.2 billion in General Obligation bonds to finance the development of permanent supportive housing, affordable housing, and facilities. At least 80 percent of bond proceeds will be used to finance permanent supportive housing units and facilities for chronically homeless and homeless households. These housing units are combined with services, which may include mental and health services, drug and alcohol treatment, and education and job training. The facilities will be dedicated to services to the homeless, and include service centers, health centers, shelters, storage, and shower facilities. Up to 20 percent of the bond proceeds may be used for affordable housing, including veterans and housing for extremely low-income, very low-income, or low-income individuals and families, who are at risk of homelessness. Bond proceeds may only be used for "bricks and mortar" (capital), not operations or services.

### SOURCE OF FUNDS

General Fund .....	\$ 40,178,286
Departmental Special Funds .....	4,692,848
Proposition HHH Bond Proceeds .....	<u>89,083,314</u>
Total .....	<u>\$ 133,954,448</u>

### APPROPRIATIONS

#### LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA)

LAHSA Administration and Operations.....	\$ 1,756,712
City Homeless Programs .....	1,000,000
Coordinated Entry System Crisis and Bridge Housing for Singles & Youth System.....	7,257,186
Coordinated Assessment Match .....	59,883
Continuum of Care Planning Program Grant Match .....	156,250
Homeless Management Information System Cash Match.....	193,658
Downtown Drop-In Center/Oasis at San Julian Center .....	225,000
Emergency Response Teams .....	2,279,435
Homeless Families Solutions System Rapid Re-Housing and Crisis Housing for Family System .....	556,625
Annual Homeless Count .....	550,000
Mobile Showers .....	425,000
Operation Healthy Streets .....	2,113,806
Public Right-of-Way Storage Program (Involuntary Storage) .....	554,000
Coordinated Entry System Regional Coordination .....	700,000
Safe Parking .....	347,000
Skid Row Restroom Cleanups .....	500,000
Trauma Informed Care.....	18,000
Winter Shelter Program .....	<u>297,349</u>
Subtotal .....	<u>\$ 18,989,904</u>

## APPROPRIATIONS (CONT.)

### CITY DEPARTMENTS

#### Aging

Older Workers Employment Program..... \$ 450,000

#### Animal Services

Homeless Services Support / Pet Resource Centers..... 65,534

Emergency Housing for Homeless Community Pets / Pilot Kennel Program ..... 55,000

Expansion of Free Spay/Neuter Certificate Program ..... 500,000

#### City Administrative Officer

Homeless Initiative Coordinator ..... 223,624

Proposition HHH Facilities Bond Program ..... 72,292

#### City Planning

Housing Unit..... 615,899

#### Economic and Workforce Development

LA RISE..... 3,000,000

#### Fire

Fast Response Unit..... 299,990

EMS Nurse Practitioner Response Unit ..... 229,430

SOBER Unit ..... 331,521

#### General Services

Sale of Surplus Property ..... 220,289

#### Housing and Community Investment

Domestic Violence Shelter Program ..... 1,222,000

Oversight and Reporting of LAHSA's Homeless Services ..... 178,107

#### Mayor

Homelessness Policy and Implementation Support ..... 300,000

Hot Weather Program ..... 50,000

#### Police

Proactive Engagement Staff / Support for Public Right-of-Way Clean Up ..... 4,706,400

#### Public Works, Bureau of Sanitation

Clean Streets Los Angeles – Fifth Team..... 1,126,543

Homeless Outreach Partnership Endeavor (HOPE) Teams ..... 2,103,087

Fifth HOPE Team ..... 456,524

Sixth HOPE Team – Los Angeles River ..... 765,412

Clean Streets / Operation Healthy Streets / HOPE Teams Related Costs ..... 4,742,000

Operation Healthy Streets ..... 1,622,732

#### Recreation and Parks Department

24-Hour Public Restroom Access at Venice Beach ..... 255,406

Gladys Park Maintenance Program ..... 158,000

Park Restroom Enhancement Program ..... 1,131,440

Subtotal ..... \$ 24,881,230

### NON-DEPARTMENTAL APPROPRIATIONS

Proposition HHH Project Expenditures..... \$ 87,879,381

Proposition HHH Staffing..... 1,203,933

Unappropriated Balance - LA RISE ..... 1,000,000

Subtotal ..... \$ 90,083,314

Total LAHSA, City Departments, and Non-Departmental Appropriations ..... \$ 133,954,448

## LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)

The LACERS Board of Administration is responsible for City Employees' Retirement Fund investments and the administration of retirement, disability, and death benefits for City civilian employees, with the exception of Department of Water and Power employees.

### RECEIPTS

City Contributions .....	\$ 553,026,633
Member Contributions .....	242,600,000
Family Death Benefit Plan Member Premiums .....	143,000
Earnings on Investments .....	<u>336,600,000</u>
Total Receipts .....	<u>\$ 1,132,369,633</u>

### EXPENDITURES

Retirement Allowances .....	\$ 863,900,000
Family Death Benefit Plan Allowances .....	1,414,000
Retired Medical and Dental Subsidy .....	115,560,000
Retired Medicare Part B Reimbursements .....	11,547,000
Refund of Member & Deceased Retired Accumulated Contributions .....	15,081,000
Administrative Expense .....	28,911,056
Investment Management Expense .....	<u>68,783,231</u>
Total Expenditures .....	<u>\$ 1,105,196,287</u>
Increase in Fund Balance .....	<u>27,173,346</u>
Total Expenditures and Increase in Fund Balance .....	<u>\$ 1,132,369,633</u>

No. of ACTIVE MEMBERS ..... 24,446  
 No. of RETIRED MEMBERS (includes beneficiaries) ..... 18,357

## PENSIONS

The Board of Pension Commissioners is responsible for the Fire and Police Pension System, New Pension System, and the Safety Members Pension Plan investments and the administration of service, disability, and dependents' pensions for members of the Fire and Police Departments and the Harbor Port Police.

### RECEIPTS

City Contributions .....	\$ 637,651,259
Member Contributions .....	148,421,052
Earnings on Investments .....	464,000,000
Miscellaneous .....	<u>2,500,000</u>
Total Receipts .....	<u>\$ 1,252,572,311</u>

### EXPENDITURES

Service Pensions .....	\$ 634,000,000
Service Pensions DROP payout .....	110,000,000
Disability Pensions .....	115,000,000
Surviving Spouses' and Minors'/Dependents' Pensions .....	129,000,000
Refund of Contributions .....	3,500,000
Health and Death Insurance Subsidy .....	121,500,000
Medicare and Health Insurance Reimbursement .....	14,700,000
Investment Management Expense .....	100,572,158
Administrative Expense .....	<u>23,454,000</u>
Total Expenditures .....	<u>\$ 1,251,726,158</u>
Increase in Fund Balance .....	<u>\$ 846,153</u>
Total Expenditures and Increase in Fund Balance .....	<u>\$ 1,252,572,311</u>

No. of ACTIVE MEMBERS ..... 13,050  
 No. of RETIRED MEMBERS (includes beneficiaries) ..... 12,819

## DEPARTMENT OF AIRPORTS

The Department of Airports, under the Board of Airport Commissioners, is responsible for the management, supervision, and control of all airports and airport facilities under the jurisdiction of the City of Los Angeles. It plans, constructs, and maintains its own buildings, and controls its own funds in accordance with the Los Angeles City Charter.

### RECEIPTS

Balance Available.....	\$ 2,735,069,000
Operating Revenue.....	1,455,300,000
Other Receipts.....	<u>1,901,058,000</u>
Total Receipts .....	<u>\$ 6,091,427,000</u>

### APPROPRIATIONS

Maintenance and Operations Expense.....	\$ 854,079,000
Non-Operating Expense .....	1,665,655,000
Bond Redemption and Interest .....	389,901,000
Airport Reserves .....	<u>3,181,792,000</u>
Total Appropriations .....	<u>\$ 6,091,427,000</u>

## HARBOR DEPARTMENT

The Harbor Department, under the Board of Harbor Commissioners, is responsible for the management, supervision, and control of the harbor district, operates the Port of Los Angeles, operates a pilotage service, and engages in the leasing of land and the production of oil in the district. It constructs and maintains its own facilities and controls its own funds in accordance with the City Charter.

### RECEIPTS

Restricted Funds.....	\$ 88,783,758
Unrestricted Funds Available.....	577,070,655
Operating and Non-Operating Receipts.....	498,944,455
Grant Receipts (Capital).....	<u>10,152,961</u>
Total Receipts.....	<u>\$ 1,174,951,829</u>

### APPROPRIATIONS

Operating Budget.....	\$ 273,763,178
Capital Budget.....	160,544,449
Debt Repayments.....	37,615,000
Restricted Cash .....	88,783,758
Unappropriated Balance.....	<u>614,245,444</u>
Total Appropriations.....	<u>\$ 1,174,951,829</u>

## DEPARTMENT OF WATER AND POWER

The Department of Water and Power, under the City Charter, is responsible for supplying the City and its inhabitants with water and electric energy by constructing, operating, and maintaining for that purpose works extending throughout the City, to Inyo and Mono Counties to import water and electric energy, to other western states to import electric energy.

	<b>Water Revenue Fund</b>	<b>Power Revenue Fund</b>	<b>Retirement Fund, Disability Fund, Death Benefit Fund, and Retiree Health Benefits Plan</b>
<b>RECEIPTS</b>			
Adjusted Balance, July 1	\$ 588,300,000	\$ 684,000,000	\$ -
Sales of Water or Electricity	1,326,000,000	3,819,600,000	-
Revenue Bonds	-	473,500,000	-
Intradepartmental Receipts	341,530,900	326,533,400	-
Other	203,174,387	201,534,000	1,541,313,010
Total Receipts	<u>\$ 2,459,005,287</u>	<u>\$ 5,505,167,400</u>	<u>\$ 1,541,313,010</u>
<b>APPROPRIATIONS</b>			
Salaries	\$ 389,899,700	\$ 891,873,600	\$ -
Materials, Supplies, Equipment	206,193,000	206,507,100	-
Bond Redemption and Interest	313,000,000	551,000,000	-
Intradepartmental Expenses	326,494,800	340,904,400	-
Purchased Water / Fuel and Energy	114,000,000	1,450,900,000	-
Other	768,980,862	1,495,960,515	1,541,313,010
Subtotal	<u>\$ 2,118,568,362</u>	<u>\$ 4,937,145,615</u>	<u>\$ 1,541,313,010</u>
Adjustments	\$ 72,636,925	\$ (137,978,215)	\$ -
Unappropriated Balance	267,800,000	706,000,000	-
Total Appropriations	<u>\$ 2,459,005,287</u>	<u>\$ 5,505,167,400</u>	<u>\$ 1,541,313,010</u>