

BUDGET AND FINANCE COMMITTEE REPORT relative to the annual review of the status of Reserve Fund loans and recommended loan write-offs.

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

1. WRITE OFF \$7,275,895.54 in Reserve Fund loans and advances listed on Attachment 1 of the City Administrative Officer (CAO) report, attached to the Council file.
2. INSTRUCT departments with pending billings to work with the special fund administrators and report back to the CAO in 90 days on the status of loans listed on Attachment 1 as requiring further analysis.
3. INSTRUCT departments to continue to submit invoices as soon as possible to the appropriate City department(s) in order to recover Reserve Fund loans made for special fund expenditures.
4. AUTHORIZE the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that there is no General Fund impact resulting from the actions recommended within this report as the 2013-14 Budget does not assume the repayment of these loans. Additionally, these actions will not impact the current status of the Reserve Fund.

Community Impact Statement: None submitted.

SUMMARY

At its meeting of November 18, 2013, the Budget and Finance Committee considered a CAO report relative to the annual Reserve Fund loan review. The CAO reports that Council instructed its Office to annually review the status of Reserve Fund loans and recommend loan write-offs. The CAO states that its Office has reviewed a total of 284 loans, approximately \$45.2 million, on the City's books as of June 30, 2013, of which 252 were either partially paid or remain unpaid as of September 30, 2013. Loans made after June 30, 2013 are not part of this study. The CAO worked with departments and special fund administrators to determine the status and estimated repayment dates of each loan and to identify uncollectible loans. The result of this study are detailed in the CAO report, attached to the Council file.

After consideration and having provided an opportunity for public comment, the Budget and Finance Committee recommended approval of the CAO recommendations. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

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

-NOT OFFICIAL UNTIL COUNCIL ACTS-