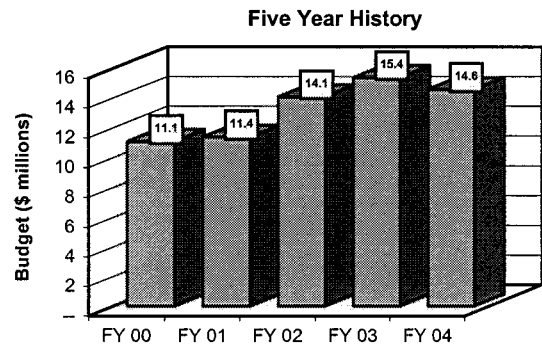


# CONTROLLER

## 2003 - 2004 Proposed Budget

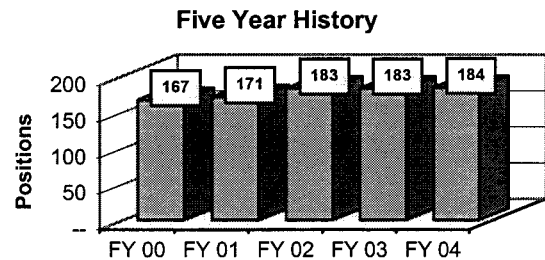
### FUNDING

	2002-03	2002-03	2003-2004 PROPOSED	
	Estimated	Budget	Amount	%Change
Salaries	\$ 12,400,000	\$ 12,496,593	\$ 12,722,679	1.8%
Expense	2,537,000	2,682,518	1,829,128	(31.8)%
Equipment	214,000	214,493	45,785	(78.7)%
Special	--	--	--	-- %
<b>TOTAL</b>	<b>\$ 15,151,000</b>	<b>\$ 15,393,604</b>	<b>\$ 14,597,592</b>	<b>(5.2)%</b>



### STAFFING

	June 30, 2003	2002-2003	2003-2004 PROPOSED	
	Projected Staffing	Adopted Budget	Authorized Staffing	%Change
Regular	172	183	184	0.5%



### BUDGET HIGHLIGHTS

	Direct Cost	Positions
◆ 2002-03 Employee Compensation Adjustment	\$ 115,671	--
◆ 2003-04 Employee Compensation Adjustment	408,899	--
◆ Payroll System Replacement (Seven resolution authorities)	1,195,138	--
◆ Governmental Accounting Standards Board 34 (Four resolution authorities)	272,052	--
◆ FAMIS - Los Angeles World Airports (Four resolution authorities)	275,232	--
◆ Certification and Fiscal Monitoring Program (Two resolution authorities)	109,908	--
◆ Neighborhood Council Support	45,064	1

## Recapitulation of Changes

	Adopted Budget 2002-03	Total Budget Changes	Budget Appropriation 2003-04
<b>EXPENDITURES AND APPROPRIATIONS</b>			
<b>Salaries</b>			
Salaries General . . . . .	12,414,730	226,086	12,640,816
Overtime General . . . . .	81,863	-	81,863
<b>Total Salaries</b> . . . . .	<b>12,496,593</b>	<b>226,086</b>	<b>12,722,679</b>
<b>Expense</b>			
Printing and Binding . . . . .	50,000	-	50,000
Contractual Services . . . . .	1,956,508	(475,440)	1,481,068
Contingent Expense . . . . .	155,000	(100,000)	55,000
Office and Administrative . . . . .	521,010	(277,950)	243,060
<b>Total Expense</b> . . . . .	<b>2,682,518</b>	<b>(853,390)</b>	<b>1,829,128</b>
<b>Equipment</b>			
Furniture, Office and Technical Equipment . . . . .	214,493	(168,708)	45,785
<b>Total Equipment</b> . . . . .	<b>214,493</b>	<b>(168,708)</b>	<b>45,785</b>
<b>Total Controller</b> . . . . .	<b>15,393,604</b>	<b>(796,012)</b>	<b>14,597,592</b>

## SOURCES OF FUNDS

General Fund . . . . .	15,014,533	(871,334)	14,143,199
Community Development Trust Fund (Sch. 8) . . . . .	45,102	81,386	126,488
HOME Invest. Partnerships Program Fund (Sch. 9) . . . . .	31,533	-	31,533
Sewer Construction & Maintenance Fund (Sch. 14) . . . . .	210,334	(6,464)	203,870
Workforce Investment Act Fund (Sch. 22) . . . . .	45,102	-	45,102
Job Training Partnership Act Fund (Sch. 22A) . . . . .	-	-	-
Proposition A Local Transit Fund (Sch. 26) . . . . .	47,000	400	47,400
Prop. C Anti-Gridlock Transit Fund (Sch. 27) . . . . .	-	-	-
<b>Total Funds</b> . . . . .	<b>15,393,604</b>	<b>(796,012)</b>	<b>14,597,592</b>
Percentage Change . . . . .			-5.17%
Positions . . . . .	183	1	184

## Accounting For City Funds

This program provides for the execution of the Controller's Charter duties as chief accounting and auditing officer of the City in exercising general supervision over all accounts of officers and boards, prescribing methods and installation of accounting systems, recording and auditing receipts and disbursements, approving demands, protecting appropriations against overdraft and unauthorized purposes, centrally preparing payrolls, maintaining records of payroll deductions, and maintaining custody of all official bonds except that of the Controller.

Program Changes	Direct Cost	Posi- tions	Total Cost
<b>Changes in Salaries, Expense, Equipment and Special Obligatory</b>			
1 . <b>2002-03 Employee Compensation Adjustment</b> Related costs consist of employee benefits. SG \$115,671 Related Costs: \$12,851	115,671	-	128,522
2 . <b>2003-04 Employee Compensation Adjustment</b> Related costs consist of employee benefits. SG \$408,899 Related Costs: \$45,429	408,899	-	454,328
3 . <b>Salary Step Plan and Turnover Effect</b> Related costs consist of employee benefits. SG \$328,756 Related Costs: \$36,525	328,756	-	365,281
4 . <b>Change in Number of Working Days</b> One more working day. Related costs consist of employee benefits. SG \$46,328 Related Costs: \$5,147	46,328	-	51,475
5 . <b>Deletion of Funding for Resolution Authorities</b> Due to the City's current financial constraints, only critical positions will be continued. Related costs consist of employee benefits.  Delete: GASB 34 (two positions) Los Angeles Payroll System (two positions)  Continue: FAMIS - Los Angeles World Airports (four positions) - See Item 7 GASB 34 (four positions) - See Item 8 Certification and Fiscal Monitoring (two positions) - See Item 9 Los Angeles Payroll System (seven positions) - See Item 11 SG \$(1,176,336); EX \$(1,543,962); EQ \$(214,493) Related Costs: \$(130,691)	(2,934,791)	-	(3,065,482)

<b>Program Changes</b>		<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special</b>				
<b>Targeted Reductions</b>				
6 .	<b>Delete Funds for Vacant Positions</b> Funding for 10 positions of Internal Auditor is eliminated. As these positions have been vacant for more than one year, no service level impact is anticipated. Position authority is retained to allow management flexibility. Related costs consist of employee benefits. SG \$(577,510) Related Costs: \$(72,766)	(577,510)	-	(650,276)
<b>Service Level</b>				
7 .	<b>FAMIS - Los Angeles World Airports (LAWA)</b> Funding and resolution authority are continued for one Fiscal Systems Specialist, one Principal Accountant, one Senior Accountant and one Accountant to support LAWA's Financial, Accounting and Management Information System (FAMIS). These four positions monitor all interfaces between FAMIS and the City's Financial Management Information System, Payroll System and Check Reconciliation System. LAWA has agreed to continue reimbursing the General Fund for these positions. Related costs consist of employee benefits. SG \$275,232 Related Costs: \$59,472	275,232	-	334,704
8 .	<b>Govt. Accounting Standards Board 34 (GASB 34)</b> Funding and resolution authority are continued for one Principal Accountant and three Senior Accountants to ensure implementation and maintenance of the GASB 34 financial reporting model. These four positions prepare the new financial statements that are required under the new financial reporting model. Related costs consist of employee benefits. SG \$272,052 Related Costs: \$59,088	272,052	-	331,140
9 .	<b>Certification and Fiscal Monitoring Program</b> Funding and resolution authority are continued for one Accounting Records Supervisor and one Accounting Clerk to perform the demand audit functions for the Department of Water and Power (DWP) and the Community Redevelopment Agency (CRA) until they are self-certified by the Controller to perform this function. The Controller will finalize the criteria for the self-certification of DWP and CRA in 2003-04. DWP and CRA have agreed to reimburse the General Fund for these positions until they are self-certified by the Controller. Related costs consist of employee benefits. SG \$109,908 Related Costs: \$26,244	109,908	-	136,152

<b>Program Changes</b>		<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special</b>				
<b>Service Level</b>				
10 .	<b>Neighborhood Council Support</b> Funding and regular authority are provided for one Accountant to act as liaison to Neighborhood Councils and ensure the prompt processing of Neighborhood Council requests and payments for products and services. Related costs consist of employee benefits. SG \$36,747; EX \$532; EQ \$7,785 Related Costs: \$9,279	45,064	1	54,343
<b>Productivity Improvement</b>				
11 .	<b>Payroll System Replacement (PaySR)</b> Funding and resolution authority are continued for one Senior Clerk Typist, one Senior Accountant, two Systems Analysts and three Senior Systems Analysts for support of the maintenance and continued development of the Payroll System Replacement (PaySR) project. PaySR Phase II enhancements include the automation of Fair Labor Standards Act enforcement, position control, statutory compliance, and retroactive pay processes. Funding is included to purchase hardware, software, outside support services and programming expertise. Funding is also provided in the Information Technology Agency's and the Personnel Department's budget for a total direct cost of \$3,003,013 (see Information Technology Agency Item 33 and Personnel Department Item 18). Related costs consist of employee benefits. SG \$467,098; EX \$690,040; EQ \$38,000 Related Costs: \$102,240	1,195,138	-	1,297,378
<b>Other Changes or Adjustments</b>				
12 .	<b>Managed Attrition</b> Funding is reduced to reflect the continuation of a hard hiring freeze throughout fiscal year 2003-04. Vacant positions with salaries equal to the amount of attrition will be deleted from the fiscal year 2004-05 budget. Related costs consist of employee benefits. SG \$(80,759) Related Costs: \$(17,264)	(80,759)	-	(98,023)
<b>TOTAL ACCOUNTING FOR CITY FUNDS</b>		<u>(796,012)</u>	<u>1</u>	
2002-03 Program Budget		15,393,604	183	
Changes in Salaries, Expense, Equipment and Special		(796,012)	1	
<b>2003-04 PROGRAM BUDGET</b>		<u>14,597,592</u>	<u>184</u>	

## INDICATORS OF WORKLOAD

	ACTUAL 1997-98	ACTUAL 1998-99	ACTUAL 1999-00	ACTUAL 2000-01	ACTUAL 2001-02	EST. 2002-03	EST. 2003-04
Appropriation control items processed	1,347,292	1,420,411	1,352,439	1,408,958	1,254,634	1,409,000	1,400,000
Demands audited	2,310,068	2,331,201	2,273,861	1,991,691	2,215,687	2,370,000	2,370,000
Paymaster items processed	2,316,259	2,338,005	2,369,376	2,428,699	2,365,012	2,360,000	2,360,000
Payroll deduction variations processed	165,835	151,301	101,652	166,079	159,347	156,679	156,679
Payroll control transactions processed	6,268,408	7,423,382	7,616,458	8,590,792	8,190,142	8,266,660	8,200,000
Performance audits scheduled ^	-	-	-	-	20	20	20
Performance audits completed ^	-	-	-	19	13	-	-
Financial audits scheduled ^	-	-	-	-	19	19	19
Financial audits completed ^	-	-	-	15	13	-	-
Special audits scheduled ^	-	-	-	-	8	-	-
Special audits completed ^	-	-	10	10	6	8	8
Departmental audits completed */**	-	-	-	-	-	-	-
Non-departmental audits completed */**	-	-	-	-	-	-	-
GAAP audits completed */**	-	-	-	-	-	-	-
CRA audits completed */**	-	-	-	-	-	-	-
Scheduled audits */**	-	-	9	-	-	-	-
Audit recommendations implemented ***	-	-	-	-	-	85%	85%
Archives--items filed/retrieved	432,332	445,470	529,022	471,021	472,056	450,000	400,000
Budget and personnel service items processed	19,566	19,000	18,100	19,700	20,457	20,000	20,000
Workers' compensation items processed	251,378	246,937	245,687	258,007	255,045	258,000	258,000
Financial reports prepared or reviewed	149,129	144,125	154,466	160,563	172,635	160,000	160,000
Single audit schedules reviewed	383	314	341	374	382	399	380
General ledger/check reconciliation items processed	1,009,456	1,026,699	993,550	1,021,793	1,103,987	1,000,000	1,000,000
Cost allocation plan analyses performed ****	2,578	2,080	2,618	2,561	2,075	2,146	2,100
FMIS system enhancement steps completed	2,557	4,460	4,013	3,554	3,654	3,900	3,900
Fiscal systems projects completed	376	464	500	515	512	540	540
Grants and travel	199,710	212,194	219,554	208,778	197,056	211,000	211,000

^ New for 2000-01

\* From FY 1997 through FY 2000, all audits were categorized as either Scheduled or Special audits.

\*\* Beginning fiscal year 2000-01, all audits will be categorized as Performance, Financial, of Special audits.

\*\*\* A percentage of audit recommendations implemented by departments/agencies to be measured beginning fiscal year 2001.

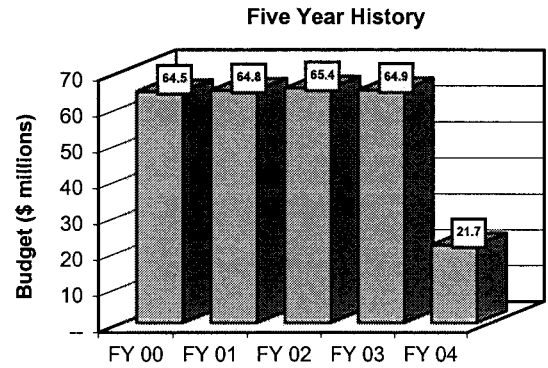
\*\*\*\* Cost Allocation Plan's estimates for fiscal years 2001 and 2002 reflect changes in workunit reporting.

# CONVENTION CENTER

## 2003 - 2004 Proposed Budget

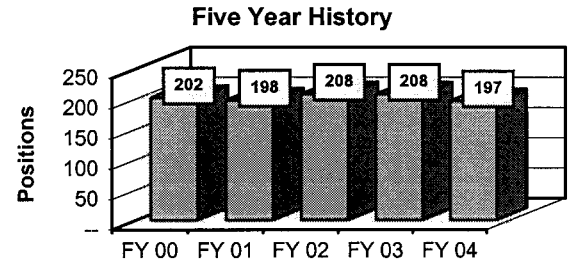
### FUNDING

	2002-03	2002-03	2003-2004 PROPOSED	
	Estimated	Budget	Amount	%Change
Salaries	\$ 13,083,000	\$ 13,108,667	\$ 13,204,912	0.7%
Expense	8,246,000	9,234,321	7,958,821	(13.8)%
Equipment	89,000	--	--	100.0%
Special	42,771,000	42,593,379	556,200	(98.7)%
<b>TOTAL</b>	<b>\$ 64,189,000</b>	<b>\$ 64,936,367</b>	<b>\$ 21,719,933</b>	<b>(66.6)%</b>



### STAFFING

	June 30, 2003	2002-2003	2003-2004 PROPOSED	
	Projected Staffing	Adopted Budget	Authorized Staffing	%Change
Regular	168	208	197	(5.3)%



### BUDGET HIGHLIGHTS

	Direct Cost	Positions
◆ 2002-03 Employee Compensation Adjustment	\$ 103,796	--
◆ 2003-04 Employee Compensation Adjustment	366,918	--
◆ Salary Step Plan and Turnover Effect	1,266,073	--
◆ Transfer of Lease Obligation Funding	(42,173,179)	--
◆ Convention Center Revenue Offset	(1,403,500)	--
◆ Deletion of Vacancies	(389,936)	(13)
◆ Event and Operational Support	(18,072)	2
◆ Transfer of Insurance Premiums	(1,141,000)	--
◆ Building Maintenance	190,000	--

## Recapitulation of Changes

	Adopted Budget 2002-03	Total Budget Changes	Budget Appropriation 2003-04
<b>EXPENDITURES AND APPROPRIATIONS</b>			
<b>Salaries</b>			
Salaries General . . . . .	9,115,001	284,509	9,399,510
Salaries As-Needed . . . . .	3,340,167	(188,264)	3,151,903
Overtime General . . . . .	653,499	-	653,499
<b>Total Salaries . . . . .</b>	<b>13,108,667</b>	<b>96,245</b>	<b>13,204,912</b>
<b>Expense</b>			
Printing and Binding . . . . .	51,500	(5,000)	46,500
Contractual Services . . . . .	2,819,688	-	2,819,688
Field Equipment Expense . . . . .	15,500	-	15,500
Maintenance Materials, Supplies & Services . . . . .	356,986	(2,000)	354,986
Transportation . . . . .	6,000	-	6,000
Utilities Expense Private Company . . . . .	500,000	(100,000)	400,000
Water and Electricity . . . . .	3,832,000	-	3,832,000
Convention Center Insurance . . . . .	1,141,000	(1,141,000)	-
Electrical Service . . . . .	199,300	(10,000)	189,300
Uniforms . . . . .	38,645	(2,500)	36,145
Office and Administrative . . . . .	97,678	(2,000)	95,678
Operating Supplies . . . . .	176,024	(13,000)	163,024
<b>Total Expense . . . . .</b>	<b>9,234,321</b>	<b>(1,275,500)</b>	<b>7,958,821</b>
<b>Equipment</b>			
Furniture, Office and Technical Equipment . . . . .	-	-	-
<b>Total Equipment . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special</b>			
Lease Obligation to Convention Center . . . . .	42,173,179	(42,173,179)	-
Modifications Repairs Addition . . . . .	79,000	190,000	269,000
Advertising, Travel & Other Promotion . . . . .	225,000	(50,000)	175,000
Communication Services . . . . .	10,000	(2,500)	7,500
Building Operating Equipment . . . . .	66,200	(1,500)	64,700
Earthquake Reserve Fund . . . . .	40,000	-	40,000
<b>Total Special . . . . .</b>	<b>42,593,379</b>	<b>(42,037,179)</b>	<b>556,200</b>
<b>Total Convention Center . . . . .</b>	<b>64,936,367</b>	<b>(43,216,434)</b>	<b>21,719,933</b>



**Recapitulation of Changes**

	Adopted Budget 2002-03	Total Budget Changes	Budget Appropriation 2003-04
<b>SOURCES OF FUNDS</b>			
General Fund . . . . .	40,784,367	(38,264,434)	2,519,933
Convention Center Revenue Fund (Sch. 16) . . . . .	24,152,000	(4,952,000)	19,200,000
Total Funds . . . . .	<u>64,936,367</u>	<u>(43,216,434)</u>	<u>21,719,933</u>
Percentage Change . . . . .			-66.55%
Positions . . . . .	208	(11)	197

## Convention and Exhibition Center

This program provides for the operation, maintenance, and promotion of the Los Angeles Convention Center. The Convention Center is owned by the Los Angeles Convention and Exhibition Center Authority which leases the facility to the City. The lease payment is equal to the amount required each year to pay for the bonds reaching retirement and the interest payments owed on the remaining outstanding bonds. The Convention Center is used for conventions, meetings, trade and consumer shows. These events stimulate local trade and commerce and enable the City to fulfill its role as a major commercial center.

Program Changes	Direct Cost	Posi- tions	Total Cost
<b>Changes in Salaries, Expense, Equipment and Special</b>			
<b>Obligatory</b>			
1 . <b>2002-03 Employee Compensation Adjustment</b> Related costs consist of employee benefits. SG \$103,796	103,796	-	103,796
2 . <b>2003-04 Employee Compensation Adjustment</b> Related costs consist of employee benefits. SG \$366,918	366,918	-	366,918
3 . <b>Salary Step Plan and Turnover Effect</b> Related costs consist of employee benefits. SG \$1,266,073	1,266,073	-	1,266,073
4 . <b>Change in Number of Working Days</b> One more working day. Related costs consist of employee benefits. SG \$41,572	41,572	-	41,572
<b>Targeted Reductions</b>			
5 . <b>Convention Center Revenue Offset</b> The Department's expenses are adjusted to reflect the estimated decline in operating revenues. The Department's Salaries General account is reduced by \$1.09 million from the 2002-03 level of \$9,115,001. The Salaries As-Needed account is reduced by \$125,000 from the 2002-03 level of \$3,340,167. The Department will continue a staffing plan designed to achieve salary savings without impacting service levels. Various expense and special accounts are reduced by \$188,500 from the 2002-03 level of \$9,614,521. The Department will continue cost-containment measures to maintain current service levels. Related costs consist of employee benefits. SG \$(1,090,000); SAN \$(125,000); SP \$(54,000); EX \$(134,500)	(1,403,500)	-	(1,403,500)

<b>Program Changes</b>		<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special</b>				
<b>Targeted Reductions</b>				
6 .	<b>Deletion of Vacancies</b> Positions which have been vacant for more than one year are deleted. Existing service levels will not be impacted. Related costs consist of employee benefits.  One clerical position in Administration One supervisory position in Operations One building operating position in Operations Six electrical positions in Operations Four service personnel in Operations  SG \$(389,936) Related Costs: \$(162,696)	(389,936)	(13)	(552,632)
<b>Workload</b>				
7 .	<b>Event and Operational Support</b> Authority is provided to convert two intermittent Parking Attendant I positions to full time. To offset the salary costs for the two full-time positions, the Salaries As-Needed account is reduced. Related costs consist of employee benefits. SG \$45,192; SAN \$(63,264) Related Costs: \$18,072	(18,072)	2	-
<b>Transfers Between Departments</b>				
8 .	<b>Transfer of Lease Obligation Funding</b> Funding for the lease payments is transferred to the Capital Finance Administration Fund, which is used to pay the City's lease-related interest and principal costs on outstanding debt. The transfer of the lease payments is consistent with the purpose of the Capital Finance Administration Fund (See Capital Finance Administration Fund Item 23). SP \$(42,173,179)	(42,173,179)	-	(42,173,179)
9 .	<b>Transfer of Insurance Premiums</b> Funding for insurance premiums is transferred to a new Insurance and Bonds Premiums Fund (see Other Special Purpose Fund appropriation to the Insurance and Bonds Premiums Fund). EX \$(1,141,000)	(1,141,000)	-	(1,141,000)

<b>Program Changes</b>	<b>Direct Cost</b>	<b>Posi- tions</b>	<b>Total Cost</b>
<b>Changes in Salaries, Expense, Equipment and Special</b>			
<b>Other Changes or Adjustments</b>			
10. <b>Building Maintenance</b> Additional funding is provided for various health and safety-related maintenance projects. Funding will increase from \$79,000 to \$269,000. Funding is provided to replace two steam boilers (\$125,000), replace microprocessors for the smoke evacuation system (\$65,000), retrofit and repair floor boxes and ports in the South Hall (\$51,000), and replace water-damaged ceilings and torn drapes in meeting rooms (\$28,000). <i>SP \$190,000</i>	190,000	-	190,000
11. <b>Managed Attrition</b> Funding is reduced to reflect the continuation of a hard hiring freeze throughout fiscal year 2003-04. Vacant positions with salaries equal to the amount of attrition will be deleted from the fiscal year 2004-05 budget. Related costs consist of employee benefits. <i>SG \$(59,106)</i> Related Costs: \$(13,895)	(59,106)	-	(73,001)
<b>TOTAL CONVENTION AND EXHIBITION CENTER</b>	<u>(43,216,434)</u>	<u>(11)</u>	
2002-03 Program Budget	64,936,367	208	
Changes in Salaries, Expense, Equipment and Special	<u>(43,216,434)</u>	<u>(11)</u>	
<b>2003-04 PROGRAM BUDGET</b>	<u>21,719,933</u>	<u>197</u>	

## INDICATORS OF WORKLOAD

	ACTUAL 1997-98	ACTUAL 1998-99	ACTUAL 1999-00	ACTUAL 2000-01	ACTUAL 2001-02	EST. 2002-03	EST. 2003-04
<b>SCHEDULED EXHIBIT HALL EVENTS</b>	94	100	132	105	101	95	85
<b>OTHER EVENTS *</b>	269	184	211	220	244	205	210
<b>ATTENDANCE AT EVENTS</b>	2,142,419	2,356,929	2,621,929	1,810,266	1,927,336	1,650,000	1,500,000
<b>AUTOS PARKED PROGRAM **</b>	688,128	733,543	785,575	566,949	573,939	500,000	450,000
<b>UTILIZATION OF EXHIBIT HALLS</b>	71%	80%	84%	78%	71%	68%	66%

\* Includes meeting rooms, Petree Hall and Concourse, but does not include filming events.

\*\* During the Democratic National Convention, the Convention Center's parking lots were not open to public parking.

