

BUDGET AND FINANCE COMMITTEE REPORT relative to the Year-End Financial Status Report (FSR) for Fiscal Year (FY) 2013-14.

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

1. APPROVE the recommendations of the City Administrative Officer (CAO) contained in the Year-End FSR dated May 29, 2014, attached to the Council file.
2. APPROVE revised Attachment 4 of the Year-End FSR, attached to the Council file, which has been amended to delete the transfer of \$669,642.34 within the General City Purposes Fund 100/56, Account No. 000883, Cultural, Art and City Events.
3. INSTRUCT the City Clerk to place on the agenda for the first regular Council meeting after **JULY 1, 2014**, or shortly thereafter, the following instruction:

Reappropriate the unencumbered balance remaining in the General City Purposes Fund No. 100/56, Account No. 000883, Cultural, Art and City Events, in the same amount and into the same account as exists on June 30, 2014; and upon reappropriation, transfer this amount to Account Nos. 000701 through 000715) Council District Community Services, within the same Fund, with exact amounts to be identified by the City Clerk.

4. APPROVE revised Attachment 6 of the Year-End FSR, attached to the Council file, which has been amended to reduce the proposed transfer to the State AB 1290 Fund 53P/28 from \$1,111,781.94 to \$1,100,000 and correct the account name and number.
5. TRANSFER \$150,000 from Council Fund 100/28, Office and Administrative Expense Account 006010, as follows:
  - a. Council Fund 100/28, Printing and Binding, Account 002120 \$100,000
  - b. Council Fund 100/28, Travel Account, 2130 \$50,000
6. TRANSFER \$400,000 from AB1290 Fund 53P, Account 281204 (CD4) to Council Fund 100/28, Salaries As-Needed, Account Number 1070.
7. TRANSFER \$200,000 from AB1290 Fund 53P, Account 281214 (CD14) to Council Fund 100/28, Salaries As-Needed, Account Number 1070.
8. REAPPROPRIATE, with the assistance of the Chief Legislative Analyst, CAO, and Bureau of Street Services (BSS), the remaining FY 2013-14 AB 1290 (CD 3) funds that were transferred to BSS for work in CD 3 (per Council file no. 13-0676) to FY 2014-15 for this same purpose.
9. AUTHORIZE the Bureau of Street Services to make technical corrections or clarifications to the instructions in above recommendation no. 8.
10. APPROPRIATE up to \$600,000 in CIEP, Fund 100, Account 00K067, to the Department of Recreation and Parks, Fund 302, Department 89, Deferred Maintenance, Account 89704H.

11. APPROPRIATE up to \$700,000 in CIEP, Fund 100, Account 00K067, to the following accounts within the Department of Public Works, Bureau of Street Services Fund 100, Department 86, for Sidewalk Repair:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
001010	Salaries, General	\$250,000
001090	Salaries, Overtime	30,000
001100	Hiring Hall, Salaries	120,000
001120	Hiring Hall, Benefits	60,000
003030	Construction Expense	150,000
003040	Contractual Services	60,000
006020	Operating Supplies	<u>30,000</u>
Total:		\$700,000

12. APPROPRIATE up to \$27,411 in CIEP, Fund 100, Sidewalk Repair, Account 00K06I, to the following accounts within the Department of Public Works, Bureau of Contract Administration (BCA) Fund 100, Department 76, for Sidewalk Repair.

<u>Account</u>	<u>Title</u>	<u>Amount</u>
001010	Salaries, General	\$19,783
001090	Salaries, Overtime	6,528
003310	Transportation	<u>1,100</u>
Total:		\$27,411

13. APPROPRIATE up to \$140,000 in CIEP, Fund 100, Account 00K067, to the Department of Public Works, Bureau of Engineering Fund 100, Department 74, Account 001010, Salaries General, for Sidewalk Repair.

14. AUTHORIZE the CAO to make additional recommendations relative to above recommendation nos. 10, 11, 12 and 13 for transfer therefrom in a Financial Status Report or Construction Projects Report, to implement Mayor and Council intentions.

15. AUTHORIZE the CAO to make any technical corrections required to carry out the intent of the Council and Mayor.

16. TRANSFER \$42,540 from Controller Fund 100/26/002010 to Department of General Services (GSD) Fund 100/40/001040.

17. TRANSFER \$63,808 from Controller Fund 100/26/001010 to GSD Fund 100/40/003180.

Fiscal Impact Statement: The CAO reports that approximately \$19.9 million in expenditure shortfalls and major unbudgeted expenses are identified in this report. The recommendations included therein reduce the deficit to approximately \$5.01 million, with funds remaining in the Unappropriated Balance, Reserve for Economic Uncertainties, to fully offset the remaining \$5.01 million deficit outside of this report. Transfers, appropriations and other adjustments totaling approximately \$99.53 million are recommended in Sections 1 and 2. Included in these

recommendations are transfers of approximately \$16.00 million from the Unappropriated Balance, Reserve for Economic Uncertainties. No adjustment to budgeted revenue is recommended at this time.

Community Impact Statement: None submitted.

## SUMMARY

At its meeting of June 2, 2014, the Budget and Finance Committee considered the CAO's Year-End FSR dated May 29, 2014. The CAO reports that the Year-End FSR provides an update on the projected year-end budget deficit, revenue shortfall and reserve fund status, and it highlights current issues of concern and the potential impact to the City. In addition, it provides an update on department revenues and expenditures, which includes recommendations totaling approximately \$99.53 million for appropriations, transfers and other budgetary adjustments, and status reports on the City's spending and savings efforts.

During discussion of this matter, CAO representatives presented an overview of the Year-End FSR, provided a revenue update, and responded to related questions from Committee members. Discussion continued with department representatives from the Fire Department, City Attorney, GSD, and Convention Center responding to questions related to their respective departments. CAO representatives requested approval of amendments related to sidewalk repair and a Controller representative requested approval of a transfer to GSD to pay for building maintenance required for overdue facilities repairs and upkeep.

After further consideration and having provided an opportunity for public comment, the Budget and Finance Committee recommended to approve the CAO recommendations contained in the Year-End FSR and add the amendments and instructions as reflected above. 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:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**