

BUDGET AND FINANCE COMMITTEE REPORT relative to the Year-End Financial Status Report (FSR) for Fiscal Year 2014-15.

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 28, 2015, attached to the Council file, and amended as follows:
 - a. Amend Recommendation No. 2 of the Year-End FSR to reflect a transfer of \$17,457,322.21 between accounts within various departments and funds as specified in the Revised Attachment 4, attached to the Council file, due to changes in the Los Angeles Police Department transfer amounts.
 - b. Delete Recommendation No. 29(e) of the Year-End FSR relative to a Controller reappropriation.
2. AUTHORIZE the Controller to make the following transfers recommended by the Chief Legislative Analyst (CLA):

From: AB 1290 Fund 53P Account No. 281209, CD 9 \$200,000
To: Council Fund 100/28, Salaries As Needed Account 001070, CD 9
3. INSTRUCT the Animal Services Department to report in the next Financial Status Report with a status update on the hiring of the positions for Animal License Canvassers.
4. INSTRUCT the Fire Department to report on the current Fire Prevention Bureau fleet and the proposed use of the 17 new non-emergency light electric vehicles to be purchased for the Fire Prevention Bureau (Year-End FSR recommendation no. 17).
5. AUTHORIZE the CAO and CLA to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions; and AUTHORIZE the Controller to make such corrections.

Fiscal Impact Statement: The CAO reports that approximately \$9.23 million in expenditure shortfalls and major unbudgeted expenses are identified in this Year-End FSR. The actions in this report fully offset this shortfall. Transfers, appropriations and other adjustments totaling approximately \$123.5 million are recommended in Sections 1, 2, 4, 8, and 9. This includes transfers of approximately \$9.12 million from the Unappropriated Balance, Reserve for Economic Uncertainties, \$25.7 million in Reserve Fund reappropriations, \$25.94 million in prior year FMS (\$25.6 million) and SMS (\$0.34 million) encumbrances exempted from the General Fund Encumbrance Policy; and, \$2.3 million in MICLA.

Debt Impact Statement: The CAO reports that in accordance with the City's Debt Management Policy, the City has set debt ceilings to use as a guide in evaluating the affordability for future debt. The debt ceiling for non-voter direct debt service as percent of General Fund Revenues is six percent. The City is currently at 4.6 percent.

Community Impact Statement: None submitted.

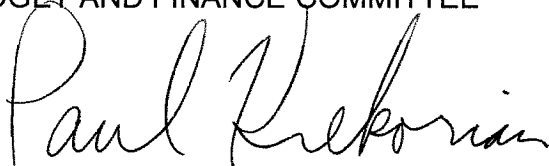
SUMMARY

At its meeting of June 1, 2015, the Budget and Finance Committee considered the CAO's Year-End FSR for FY 2014-15 dated May 28, 2015. The CAO reports that its Office monitors the budget and transmits periodic reports to the Mayor and Council detailing the City's current financial condition. The Year-End FSR provides an update on the current-year budget including changes to projected departmental deficits, trends in revenues, the Reserve Fund, and current issues of concern and their potential impact to the City. Recommendations totaling approximately \$117 million for appropriations, transfers and other budgetary adjustments are included in this report. The CAO report, attached to the Council file, provides a thorough discussion regarding the recommendations included in the Year-End FSR and other budget related items.

During Committee discussion, representatives for the Departments of Animal Services, Fire, Transportation, Economic and Workforce Development, Bureau of Street Services and the Zoo responded to questions from Committee members relative to the respective departments. 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 as amended in Committee and reflected in the above recommendations. Additionally the Committee recommended to instruct the Departments of Animal Services and Fire to report back on various departmental matters. 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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-