

BUDGET AND FINANCE COMMITTEE REPORT relative to the Fiscal Year (FY) 2018-19 Year-End (Fourth) Financial Status Report (FSR).

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

1. APPROVE the recommendations of the City Administrative Officer (CAO) as detailed in the Year-End (Fourth) FSR for FY 2018-19, dated May 31, 2019 (attached to Council file [C.F.] No. 18-0600-S169).
2. TRANSFER / APPROPRIATE \$50,000 from Council Fund No. 100/28, Account No. 1010 (Salaries General) to Council Fund No. 100/28, Account No. 2120 (Printing and Binding) to better align with current expenditure patterns.
3. AMEND Attachment 5 of the Year-End (Fourth) FSR for FY 2018-19 as follows:
 - a. For Council, Council District 14, reduce the transfer amount from Fund No. 696/28, Council 14 Real Property Trust Fund to Fund No. 48R/08, Building Permit Enterprise Fund to \$2,600,000.
 - b. For the Information Technology Agency (ITA), Hazardous Material Disposition, amend the *Transfer From* account to Account No. 006020, Operating Supplies; and, reduce the transfer amount to \$56,620.
 - c. For the Los Angeles Police Department, Police Commission Video System, amend the *Transfer To* account to ITA Fund No. 100/32, Account No. 009350, Communication Services Account.
4. AUTHORIZE the CAO to make technical corrections, as necessary, to this report to implement the Mayor and Council's intentions.

Fiscal Impact Statement: The CAO reports that a total of \$14.48 million in projected over-expenditures and unbudgeted expenses has been identified in this Year-End FSR. Transfers, appropriations, and other adjustments totaling approximately \$178.13 million are recommended in Sections 1, 2, and 5 through 8 of the FSR. Additionally, the CAO reports the FSR includes exemptions from the General Fund Encumbrance Policy for up to \$38.94 million in Financial Management System prior-year encumbrance.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on June 3, 2019, the Budget and Finance Committee considered the FY 2018-19 Year-End (Fourth) FSR dated May 31, 2019 (attached to C.F. No. 18-0600-S169). The CAO reports that the Year-End FSR provides projected department over expenditures, trends in revenue, the status of the Reserve Fund, and discussion of current issues of concern. The Year-End FSR contains recommendations totaling approximately \$178.13 million for appropriations, transfers, and other budgetary adjustments.

During consideration, the CAO and staff provided the Committee an overview of the report including an analysis of the Reserve Fund and the expected overspending in the amount of \$14.48 million. The Bureau of Sanitation, Bureau of Street Services, Bureau of Street Lighting, Los Angeles Department of Transportation, Department of Sanitation, and Office of Finance answered the Committee's questions regarding expected over-expenditures and other budgetary concerns. Additionally, during discussion of the FSR, the Chief Legislative Analyst (CLA) and the CAO submitted amendments for the Committee's consideration.

After providing an opportunity for public comment, the Budget and Finance Committee approved the recommendations in the Year-End FSR for FY 2018-19 as amended to include the amendments submitted by the CLA and the CAO (attached to C.F. 18-0600-S169). This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| KREKORIAN | YES |
| PRICE | YES |
| KORETZ | YES |
| BLUMENFIELD | YES |
| BONIN | ABSENT |

AC 6/4/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-