

BUDGET AND FINANCE COMMITTEE REPORT relative to the revision of the Financial Policies for the City of Los Angeles.

Recommendations for Council action:

1. ADOPT the revised sections of the Financial Policies for the City of Los Angeles, Attachment 1 of the City Administrative Officer (CAO) report dated November 4, 2019 (attached to Council file No. 19-0600-S171).
2. REQUEST the City Attorney, with the assistance of the CAO, to prepare any necessary ordinances required to codify the revised Financial Policies for the City of Los Angeles.
3. AMEND the proposed Financial Policies, as reflected in Attachment 1 of said CAO report, by removing section III.E of the General Fund Reserves Policy Section, "Use of the Excess," to eliminate the proposed 2.75 percent cap on the Budget Stabilization Fund insofar as it duplicates the existing 15 percent cap on the City's cumulative reserves.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact from adopting the recommendations in this report. This review and revision of the Financial Policies will ensure that the City continues to be guided by fiscally responsible policies supporting ongoing efforts to provide and improve services.

Community Impact Statement: None submitted.

### SUMMARY

At its regular meeting held on December 9, 2019, the Budget and Finance Committee considered a CAO report dated November 4, 2019, attached to the Council file, relative to revising the Financial Policies for the City of Los Angeles. The CAO's finance specialist provided the Committee with an overview of the revisions and responded to questions from the Committee.

After further consideration, and after providing an opportunity for public comment, the Committee approved the recommendations of the CAO, as amended. 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:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

