

Item No. 55

File No. [19-0600-S172](#)

BUDGET AND FINANCE COMMITTEE REPORT relative to the Second Financial Status Report (FSR) for Fiscal Year (FY) 2019-20.

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 Second FSR for FY 2019-20, dated December 5, 2019 [attached to Council file (C.F.) No. 19-0600-S172].
2. TRANSFER and APPROPRIATE \$200,000 from Council Fund No. 100/28, Account No. 1010 (Salaries - General) to Council Fund No. 100/28, Account No. 6010 (Office and Administration Expenses) to better align with current expenditure patterns.
3. TRANSFER and APPROPRIATE \$20,000,000 from the Unappropriated Balance Fund No. 100/58, Reserve for Extraordinary Liabilities Account No. 580232, to the Liability Claims Fund No. 100/59, Miscellaneous Liability Payouts Account No. 009798.
4. INSTRUCT the CAO to report on the cost reduction measures proposed by all City departments in response to the First FSR, including an analysis of potential impacts on hiring and services resulting from each proposed measure, in time for the report to be scheduled in the Budget and Finance Committee for review and action at the end of January.

Fiscal Impact Statement: The CAO reports that the Second FSR identifies a total of \$154,012,000 in projected over-expenditures and unbudgeted expenses. Sections 1 and 2 of said report recommends transfers, appropriations, and other adjustments totaling approximately \$46,044,000.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on December 9, 2019, the Budget and Finance Committee considered the CAO's Second FSR for FY 2019-20 dated December 5, 2019 (attached to C.F. No. 19-0600-S172). The CAO reports that the Second FSR provides an update on the current-year budget including projected department over-expenditures, trends in revenue, the status of the Reserve Fund, and current issues of concern and their potential impact on the City. This report contains recommendations totaling approximately \$46,044,000 for appropriations, transfers, and other budgetary adjustments.

The CAO's finance specialist provided the Committee with an introduction to the Second FSR. During further discussion of the Second FSR, at the request of the Committee, representatives from the Los Angeles Police Department, Los Angeles Fire Department, Department of City Planning, and the Office of the CAO responded to questions relative to the Second FSR and their respective departments. Additionally, the Chief Legislative Analyst and CAO submitted amendments to the Second FSR, detailed above.

After further consideration, and after providing an opportunity for public comment, the Committee approved the recommendations by the CAO contained in the Second FSR for FY 2019-20 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:	YES
BLUMENFIELD:	YES
BONIN:	YES

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