

BUDGET AND FINANCE COMMITTEE REPORT relative to the First Financial Status Report (FSR) for Fiscal Year (FY) 2020-21.

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 First FSR for FY 2020-21, dated October 23, 2020 [attached to Council file No. 20-0600-S82].
2. INSTRUCT the CAO to report relative to the proposed reductions and their effects on personnel and services.
3. INSTRUCT the CAO to report relative to staffing levels for the Emergency Management Department during the Separation Incentive Program process, to be considered by the full Council at its meeting of November 10, 2020.
4. INSTRUCT the CAO and the Bureau of Street Services (BSS) to report relative to allocating funds to maintain the Median Maintenance Program, to be considered by the full Council at its meeting of November 10, 2020.
5. INSTRUCT the CAO, BSS, and the Los Angeles Department of Transportation (LADOT) to report on the impact of adjustments on Capital Projects.
6. INSTRUCT the CAO and the LADOT to report relative to addressing or potentially reversing the funding realignment within the Traffic Signal Supplies Fund, to be considered by the full Council at its meeting of November 10, 2020.
7. INSTRUCT the CAO and the Los Angeles Housing and Community Investment Department to report relative to prioritizing vacancies, and to fill their vacancies while ensuring City is reimbursed for all related costs.
8. INSTRUCT the CAO and the Bureau of Engineering, to ensure that all adjustments to the sidewalk repair program are compliant to the Willits Settlement Agreement and make any necessary recommendations to adjust that program budget, to be considered by the full Council at its meeting of November 10, 2020.

Fiscal Impact Statement: The CAO reports that the First FSR identifies a total of \$119.06 million in projected over-expenditures and \$18.05 million in additional General Fund appropriations required to supplement special fund revenue shortfalls. Transfers, appropriations, and other budgetary adjustments totaling approximately \$244.35 million are recommended in Sections 1,2, and 3 of said report.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies as the recommended transactions use current revenues and balances to pay for current operations.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on October 26, 2020, the Budget and Finance Committee considered the CAO's First FSR for FY 2020-21 dated October 23, 2020 (attached to C.F. No. 20-0600-S82). Said CAO report provides an update on the projected department over-expenditures and major deviations from the 2020-21 Budget including the deferral of furloughs and a Separation Incentive Program. This report contains recommendations totaling approximately \$244.35 million for appropriations, transfers, and other budgetary adjustments.

The CAO provided the Committee with an introduction to the First FSR. The CAO's Finance Specialist provided further detailed information related to the First FSR. During further discussion, at the request of the Chair and Members, representatives from the Los Angeles Fire Department, Police Department, Emergency Management Department, Housing and Community Investment Department, Economic and Workforce Development Department, Bureaus of Engineering, Sanitation and Street Services, and the Offices of the City Administrative Officer and City Clerk, responded to questions relative to the First FSR and their respective departments. Additionally, the Chair and Members requested reports as detailed above.

After further consideration, and after providing an opportunity for public comment, the Committee approved the recommendations by the CAO contained in the First FSR for FY 2020-21, as amended, as detailed above. 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:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

MM10-26-20 Council file No. 20-0600-S82

-NOT OFFICIAL UNTIL COUNCIL ACTS-