

BUDGET AND FINANCE COMMITTEE REPORT relative to an update on actions taken to implement amendments to the Second Financial Status Report (FSR) of Fiscal Year 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 report dated February 5, 2021, attached to Council file No. 20-0600-S84, as amended, as detailed below.
2. INSTRUCT the El Pueblo de Los Angeles, in coordination with the CAO, to report with recommendations on how to address any outstanding receivables owed to the department and revenue loss by the department due to the loss of rent that takes into account the desire to not put a financial burden on the department or the tenants, to include a look at upcoming rent payments and a strategy for how to address departmental shortfalls while minimizing the impact to tenants.
3. STRIKE Recommendation No. 32 of said CAO report; and, REQUEST the Board of Public Works to report on how to continue the Clean and Green Program.
4. INSTRUCT the Bureau of Sanitation, in coordination with the Department of General Services, to report relative to vehicle purchases from the Solid Waste Resource Revenue Fund.
5. RETAIN the Controller specific positions in the Accounting Assistance Program within the Controller's budget.
6. RETAIN the administration of the Citywide Accounting Assistance Program in the Office of the Controller.
7. DECENTRALIZE the costs of the Citywide Accounting Assistance Program to the participating departments that use these accounting services.

Fiscal Impact Statement: The CAO reports that this report recommends budget balancing actions with a total value of \$69.7 million in the General Fund and \$2.9 million in various special funds. These actions are necessary to offset a portion of the \$750.7 million 2020-21 General Fund budget gap that the City is facing. Combined with actions taken and proposed in the Second FSR and pending changes to the City' labor contracts, these actions will reduce the City's 2020-21 General Fund budget gap to \$77.5 million.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies as the transactions recognize that current year appropriations are limited by the sum of available cash balances and revenues estimated to be received and seek to fund current operations with those current revenues.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on February 8, 2021, the Budget and Finance Committee considered a CAO report dated February 5, 2021, relative to an update on actions taken to implement amendments to the Second FSR of Fiscal Year 2020-21, attached to Council file No. 20-0600-S84. Said CAO report discusses the impacts of and solutions derived from the Mayor and City Council's amendments to the Second FSR, including from the pending changes to all of the City's labor contracts. While the CAO has not updated the 2020-21 estimated \$600 million General Fund revenue shortfall, this analysis presents an increased total budget gap of \$750.7 million. The CAO also proposes budget solutions now totaling \$673.2 million. This leaves the City with a \$77.5 million budget gap (an increase from our earlier reported \$20.8 million gap) for which we have not proposed specific solutions.

The CAO provided the Committee with an overview to the actions taken to implement amendments to the Second FSR. During further discussion, at the request of the Chair and Members, representatives from the Los Angeles Police Department, Recreation and Parks Department, Department of Transportation, Office of Finance, El Pueblo, Board of Public Works, Bureau of Sanitation, Controller, and the Bureau of Engineering responded to questions relative to the actions taken to implement the amendments to the Second FSR and their respective departments. An amendment introduced by the CAO was stated for the record, as well as several amendments introduced by the Chair and members.

After further consideration, and after providing an opportunity for public comment, the Committee approved the recommendations contained in said CAO report, as amended, as detailed above. The matter is now submitted to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
BLUMENFIELD:	YES
DE LEON:	YES
RODRIGUEZ:	YES
PRICE:	YES

MM2-08-21 Council file No. 20-0600-S84

-NOT OFFICIAL UNTIL COUNCIL ACTS-