

BUDGET AND FINANCE COMMITTEE REPORT relative to the Year-End 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 Year-End FSR for FY 2020-21, dated May 26, 2021, attached to Council file No.(C.F.) 20-0600-S94, as amended to incorporate the changes and additions as detailed in Recommendation Nos. 2-6 below.

2. TRANSFER / APPROPRIATE \$300,000 from Council Fund No. 100/28, Account No. 1010 (Salaries General) to align with current expenditure patterns, as follows:
 - a. \$100,000 to Council Fund No. 100/28, Account No. 3040 (Contractual Services).

 - b. \$200,000 to Council Fund No. 100/28, Account No. 6010 (Office and Administrative).

3. TRANSFER / APPROPRIATE \$20,540 from General City Purposes Fund No. 100/56, Account No. 000903 to Council Fund No. 100/28, Account No. 6010 (Office and Administrative) to support Council District 10 office and administrative expenses.

4. TRANSFER / APPROPRIATE \$4,390 from AB 1290 Fund No. 53P/28, Account No. 281210 (CD 10 Redevelopment Projects-Services) to Council Fund No. 100/28, Account No. 6010 (Office and Administrative) to support Council District 10 office and administrative expenses.

5. REVISE Recommendations 2, 4, and 5 and corresponding Attachments 4, 6, and 7 to reflect the transactions that were approved by Council Motion (C.F. 20-0600-S93) and to provide furlough restoration for a department that was inadvertently not included in the FSR as follows:
 - a. Transfer \$49,067,172.28 \$49,032,172.28 between accounts within various departments and funds as specified in Attachment 4 Recommendation No. 2).

- b. Remove the following transaction from Attachment 4 – Transfers Between Accounts within Departments and Funds:

TRANSFER FROM			TRANSFER TO	
REQ DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works-Engineering Hiring Hall Salaries	Fund 100/78, Bureau of Engineering (Fund 761/50) 001090, Overtime General	\$ 35,000.00	Fund 100/78, Bureau of Engineering (Fund 761/50) 001100, Hiring Hall Salaries	\$ 35,000.00

- c. Transfer \$103,524,857.12 \$93,962,621.12 from the Unappropriated Balance to various departments and funds as specified in Attachment 6 for Recommendation No. 4.

- d. Remove the following transactions from Attachment 6 – Appropriations from the Unappropriated Balance:

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
<u>Fund, 100/58, Unappropriated Balance</u>		
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/02, Aging</u> 003040, Contractual Services	\$ 2,300,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/14, City Clerk</u> 001010, Salaries General	\$ 1,212,512.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/35, Emergency Management</u> 001010, Salaries General	\$ 50,832.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/74, Board of Public Works</u> 001010, Salaries General	\$ 700,001.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/78, Bureau of Engineering</u> 001010, Salaries General	\$ 4,600,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/84, Bureau of Street Lighting</u> 001010, Salaries General	\$ 1,033,054.00
	001090, Overtime General	\$ 549,886.00
	001100, Hiring Hall Salaries	\$ 60,537.00
	001120, Benefits Hiring Hall	\$ 42,016.00
	008780, Street Lighting Improvements and Supplies	\$ 13,398.00
	Subtotal	\$ 1,698,891.00

- e. Add the following transaction to Attachment 6 – Appropriations from the Unappropriated Balance (continued):

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
<u>Fund, 100/58, Unappropriated Balance</u>		
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/28, Council</u> 001010, Salaries General	\$ 1,000,000.00

f. Transfer \$52,382,005.89 \$53,382,005.89 from various funds to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account as specified in Attachment 7 in Recommendation No. 5.

g. Add the following transaction in Attachment 7 – Appropriations to the Unappropriated Balance:

TRANSFER FROM		TRANSFER TO	
FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
<u>Fund 100/53, Capital Finance Administration Fund</u>		<u>Fund 100/58, Unappropriated Balance</u>	
000334, MICLA 2010-A CP EQUIP REFUND	\$ 323.85	580196, Reserve for Mid-Year Adjustments	\$ 1,000,000.00
000342, MICLA 2012-B CP REAL PROPERTY REFINANCING	\$ 6,253.71		
000343, MICLA 2012-C REFUNDING OF MICLA SERIES 2002-AQ,AR,AU,T & 200	\$ 919,396.00		
000350, MICLA 2014 Commercial Paper Capital Equip Refinancing	\$ 72,055.95		
000353, MICLA 2016-A (Capital Equipment)	\$ 270.44		
000354, MICLA 2016-B (Real Property)	\$ 664.11		
000356, Police Vehicles Financing	\$ 635.13		
000357, MICLA 2018-A (Capital Equipment)	\$ 216.60		
000358, MICLA 2018-B (Real Property)	\$ 105.03		
000359, MICLA 2018-C (MICLA AK Refunding)	\$ 79.18		
Subtotal	\$ 1,000,000.00		

6. Revise Attachment 11 (Police) to include the reappropriation of up to \$1,759,510.50 from the Police Department’s Contractual Services Account for support and maintenance costs of the PremierOne Computer Aided Dispatch System as follows:

TRANSFER FROM			TRANSFER TO	
DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police	<u>Fund 100/70, Police</u>		<u>Fund 100/70, Police</u>	
PreimierOne CAD	003040, Contractual Services (FY 2020-21)	\$ 1,759,510.50	003040, Contractual Services (FY 2021-22)	\$ 1,759,510.50

Fiscal Impact Statement: The CAO reports that a total of \$122.64 million in projected over-expenditures and unbudgeted expenses are identified in the Year-End Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$321.99 million are recommended in Sections 1, 2, 6, and 7 of this report. This report also includes exemptions from the General Fund Encumbrance Policy for up to \$53.05 million in Financial Management System prior-year encumbrances.

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.

Debt Impact Statement: The CAO reports that there is no debt impact to the General Fund as a result of the recommendations in this report as there are no new debt issuance authorizations recommended. The recommendations included in this report include transfers from previously authorized MICLA projects.

SUMMARY

At its special meeting held on June 7, 2021, the Budget and Finance Committee considered the CAO's Year-End FSR for FY 2020-21 dated May 26, 2021 (attached to C.F. No. 20-0600-S94).

This report provides an update on the current year budget that includes projected department overexpenditures, trends in revenue, and the status of the Reserve Fund. The CAO's Finance Specialist provided an overview of the Year-End FSR, and summarized an amendment into the record, attached to the C.F. During further discussion, at the request of the Chair and Members, representatives from the Office of the CAO, Department of Transportation, and the Department of Neighborhood Empowerment responded to questions relative to the Year-End FSR and their respective Departments. An amendment introduced by the Chief Legislative Analyst was also stated for the record.

After further consideration, and after providing an opportunity for public comment, the Committee approved the recommendations by the CAO contained in the Year-End FSR for FY 2020-21, as amended, as detailed above. This report 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 LEÓN:	YES
RODRIGUEZ:	YES
PRICE:	YES

MM 6/7/21 Council file No. 20-0600-S94

-NOT OFFICIAL UNTIL COUNCIL ACTS-