

BUDGET AND FINANCE COMMITTEE REPORT relative to the status of the City's finances and any other pertinent details that substantially impact the city's finances.

Recommendations for Council action, as initiated by Motion (Krekorian - Buscaino):

1. INSTRUCT the City Administrative Officer (CAO) to coordinate the development of spending reduction proposals in all City departments, as included in the Mayor's September 11, 2020, Instructions for Fiscal Restraint memorandum, and in upcoming financial status reports, present these proposals and other concrete actions required to reduce City expenditures to address the revenue shortfall estimated for Fiscal Year 2020-21.
2. INSTRUCT the CAO to provide mid-quarter reports to the Budget and Finance Committee on the status of the City's finances, including updates on revenues, expenditures, the pace at which employees are subscribing to the Separation Incentive Program or the savings generated if it is implemented, and any other pertinent details that substantially impact the city's finances, at its meetings on August 24, September 14, and December 14.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact to the recommendation in this report. The recommendation in this report will initiate a budget reduction exercise that, if enacted, will reduce expenditures to match revenues that are expected to fall short of 2020-21 Budget levels.

Community Impact Statement: None submitted.

SUMMARY:

At its regular meeting held on August 24, 2020, the Budget and Finance Committee considered a Motion (Krekorian - Buscaino) relative to instructing the CAO to provide mid-quarter reports to the Budget and Finance Committee on the status of the City's finances, including updates on revenues, expenditures, the pace at which employees are subscribing to the Separation Incentive Program (SIP) or the savings generated if it is implemented, and any other pertinent details that substantially impact the city's finances, at its meetings on August 24, October 26, and December 14.

At that time, the Assistant CAO presented an overview of the status of the City's finances. Data related to the SIP was not available as the threshold was not met, and negotiations are ongoing with the Executive Employee Relations Committee. The Assistant CAO responded to questions posed by the Budget and Finance Committee. The Chair recommended changing the October 26 date listed in the motion to the September 14 Budget and Finance Committee meeting. The Committee then chose to continue the item to the next Budget and Finance Committee meeting.

At its regular meeting held on September 14, 2020, the Budget and Finance Committee continued consideration of the Motion (Krekorian - Buscaino) as amended in Committee, as well as a CAO report, dated September 11, 2020, attached to the Council file, relative to an update on the status of the City's finances.

The CAO provided the Committee with an overview of the report. After providing an opportunity for public comment, the Budget and Finance Committee recommended that Council approve the recommendations in the CAO report and the Motion, as amended, as stated above. This matter is 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

MM 9-14-20 Council file No. 20-0948

-NOT OFFICIAL UNTIL COUNCIL ACTS-