

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 20, 2022

CAO File No. 0590-00098-5237
Council File No. 22-0600
Council District: ALL

To: Eric Garcetti, Mayor
Paul Krekorian, Council President and Chair, Budget and Finance Committee

From: Matthew W. Szabo, City Administrative Officer 

Reference: 2022-23 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the First Financial Status Report (FSR) for Fiscal Year 2022-23. This report provides an update on the current-year budget including projected departmental and non-departmental expenditures, the status of the Reserve Fund, updates on the American Rescue Plan Act (ARPA), actual receipts from 2021-22, revenue projections for 2022-23, and a discussion on issues of concern which may impact the City's finances.

Entering our first fiscal year following the COVID-19 pandemic, the City's revenues have stabilized, as pandemic restrictions have largely been lifted; however, the City now faces a different set of headwinds. In an effort to control ongoing inflation, the Federal Reserve has raised interest rates, which has increased the risk of an economic downturn as the economy continues to contract. The continued global supply chain issues, increased energy costs and the escalating conflict in Ukraine further contribute to the risk of an economic downturn. The cumulative effect of these risk factors has the potential to stymie the City's forecasted economic growth. In light of this, this Office recommends preserving the City's currently healthy General Fund reserves to maximize our ability to maintain service levels in the case of an economic downturn.

The preliminary year-end estimate of 2021-22 receipts totals \$7.59 billion, which is \$15 million below the revised 2021-22 General Fund revenue budget and represents a variance of less than 1 percent. Within the current fiscal year, General Fund revenues through September are \$58.3 million above plan, although there is increasing downside risk to documentary transfer tax receipts and other economically sensitive revenues due to the economic headwinds we identified above.

We have identified \$78.08 million in expenditures above plan in the current year. The largest over-expenditures are due to delays in the Human Resources Payroll (HRP) Project and Fire Department unbudgeted sworn salary payouts, unbudgeted contract obligations, increased fleet maintenance and repair costs, one-time budget reductions, increased staff overtime, and increased retirement sick payout obligations. Other significant over-expenditures are related to increased fuel and utilities costs for the General Services Department. Several departments, report increased

costs from inflationary pressures on fuel, materials, and other commodity prices. The impact from the recent increase in consumer prices is manageable as most departments that reported overspending attributed to inflation will be able to use savings in other accounts to fully address the overspending. We will continue to monitor these pressures and provide updates in future FSRs. Funding is also set aside in the Unappropriated Balance, Department Payroll Reconciliation Account. The intended use of these funds was to pay for the cost of employee contract reopeners that the City completed after the adoption of the 2022-23 Budget. Due to the high vacancy rates in many departments, however, a portion of this account may become available to address overspending that cannot be absorbed by departments. This report recommends \$2.24 million in solutions to partially address the projected budget gap and identifies \$75.84 million in potential future actions to address the projected remaining budget gap.

In this report, we discuss two issues of concern that may impact the City's budget this fiscal year, with the most significant impact anticipated from the delayed HRP Project. Our second issue of concern is potential costs associated with the Tentative Agreement with the Coalition of City Unions. While it is likely that many departments will be able to absorb these costs due to staff vacancies, we have not included the estimated cost impact in the projections in this FSR.

The Reserve Fund balance is \$532.88 million or 7.16 percent of 2022-23 General Fund revenue, after accounting for transactions approved since July 1 and the recommendations in this report. While this balance remains above the five percent Reserve Fund policy, the overspending identified in this report, the impact of inflation on City operational costs, and the risk of economic downturn may require the use of the Reserve Fund. We continue to recommend that the City take a cautious approach to using the Reserve Fund and refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations at this time.

American Rescue Plan Act – State and Local Fiscal Recovery Funds No Recommendation

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law establishing the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (SLFRF). The intent of these funds is to provide support to state, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The SLFRF provided the City with approximately \$1.28 billion in recovery funds. On May 18, 2021, the City received the first tranche of SLFRF totaling \$639,450,464. The City moved the first tranche of SLFRF funding into the General Fund revenue, which allowed the City to balance the 2020-21 General Fund budget without drawing on reserves or deficit borrowing. The City received the second tranche of SLFRF of \$639,450,464 on June 3, 2022. The 2021-22 Budget also treated those funds as General Fund revenue.

The CAO is responsible for administering the SLFRF funds and for preparing all required reports for the U.S. Treasury on behalf of the City. This Office submitted the Annual Recovery Plan Report

and the third quarterly Project and Expenditures Report by the July 31, 2022, due date. Consistent with the Annual Recovery Plan Report's purpose, this Office presented an overview of the intended use of the entire award in that report. The purpose of the quarterly Project and Expenditure Reports is to identify actual and obligated spending. In the July 31, 2022 report, the CAO identified spending of approximately \$643 million from April 1, 2022 through June 30, 2022 and total spending of approximately \$976 million to date.

General Fund Revenue

Attachment 1A – 2021-22 Adopted and Revised General Fund Revenue

Attachment 1B – 2022-23 Adopted General Fund Revenue

Key Findings/Recommendations

- *Preliminary 2021-22 General Fund year-end revenue is \$7.59 billion, ending \$91.6 million above the adopted budget. Should the preliminary year-end revenue figure hold firm, it will fall \$15 million below the revised 2021-22 budget of \$7.61 billion.*
- *2022-23 General Fund revenue through September is \$1.07 billion, \$58.3 million above the adopted plan of \$1.01 billion. Receipts-to-date represent 14.4 percent of the General Fund revenue budget of \$7.45 billion and are 16.3 percent above General Fund receipts of \$918.8 million this time last year*
- *Higher-than-anticipated receipts from property, utility users, business, sales, transient occupancy and parking occupancy taxes, departmental receipts and franchise income are offsetting shortfalls of \$16.6 million and \$5.7 million in documentary transfer tax and parking citation receipts, respectively.*
- *The adopted revenue budget for property tax assumed 6.0 percent growth based on the County Assessor's May 2022 estimate. The Assessor has since provided a 7.0 percent growth estimate for the City's assessed value. This provides a positive outlook for year-end receipts.*
- *Conversely, documentary transfer tax trends highlight a significant risk to year-end receipts due to the multiplying impact of declining sales volume, which at present exceeds the decline assumed in the adopted estimate, and decreasing home prices, which faces downward pressure from increased mortgage rates.*
- *Other economically-sensitive revenues face increasing recessionary risk as the economy contracts under the Federal Reserve's efforts to control inflation, with a recent survey of economists forecasting a 63 percent probability of recession within the next 12 months. The Ukraine conflict, global supply chain issues, and energy costs also contribute to negative economic pressures.*

- *The timing of FEMA grant receipts remains difficult to forecast. The 2022-23 grant estimate assumes \$104.9 million in reimbursements for COVID-19 response efforts.*
- *With only three months of revenue data, it is too early to project year-end revenue. Current year property tax receipts only represent 6 percent of the property tax budget and the first remittance of secured receipts for the next property tax year will not occur until December 2022. Further, 85 percent of business tax receipts are received after January 1.*

2021-22 Actual Revenue

The 2021-22 Adopted Budget assumed \$7.5 billion in General Fund revenue based on assumptions for a steady recovery from pandemic-era lows for economy-sensitive revenues during the first half of the fiscal year. This estimate for total General Fund revenue was subsequently increased by a net \$106.5 million (1.4 percent) to \$7.61 billion with the adoption of the 2022-23 budget. Revisions reflected the quicker-than-assumed recovery of receipts impacted by pandemic-driven closures (sales, business, and transient occupancy taxes), continued strong growth in the real estate market (documentary transfer tax), and other positive variances. These in turn offset the County Assessor's reduction to assessments (property tax), delayed FEMA reimbursements (grants), and shortfalls in departmental receipts, among other negative variances.

The preliminary estimate for actual 2021-22 revenue is \$7.59 billion, \$15 million below the revised budget, with departmental and grant receipts falling \$65.1 million and \$18.8 million below revised estimates, respectively. Other shortfalls from the revised budget include \$6.2 million in lower property tax increment revenue and \$1.8 million less in parking citations. Lower departmental receipts from related costs and other reimbursements (net \$66.0 million) were mainly attributed to lower-than-anticipated salaries. Other shortfalls in departmental receipts included MTA and proprietary departments reimbursements (\$30.8 million and \$4.8 million, respectively). Shortfalls in departmental receipts were offset by ambulance billings (\$8.7 million) and various fees and other revenue (\$27.6 million) that were above plan. The total grants shortfall reported above reflects \$16.7 million in delayed FEMA reimbursements for COVID-19 response efforts.

Continuing recovery in utility users, business, sales, transient occupancy and parking occupancy taxes in the final quarter of the fiscal year partially offset the above shortfalls with a combined \$68.0 million in additional receipts. Other offsets included \$5.5 million in additional documentary transfer tax receipts and \$2.6 million across other various receipts. The 2021-22 Adopted Budget, revised estimates, and actual receipts are summarized in Attachment 1A, along with details on specific revenue surpluses and shortfalls.

2022-23 Adopted Revenue

The 2022-23 Adopted Budget assumes \$7.45 billion in total General Fund revenue, representing a decrease of \$148.7 million from actual 2021-22 receipts. The decline is attributed to the elimination of American Rescue Plan stimulus funds from the current year's revenue budget. After subtracting federal stimulus money (\$639.5 million) from 2021-22 actual receipts, anticipated 2022-23 revenue represents a \$490.7 million increase (7.1 percent growth) from 2021-22 adjusted receipts of \$6.96 billion. This assumed growth reflects the continuing recovery of revenue sources impacted by

pandemic-driven closures and restrictions as well as reimbursements from FEMA for the City's COVID-19 response efforts.

Revenue through September is \$1.07 billion, representing 14.4 percent of total adopted 2022-23 General Fund revenue. This surplus reflects higher-but-slowing growth in pandemic-impacted transient occupancy, parking occupancy, sales and business tax receipts (\$24.4 million), remittances in departmental receipts (\$21.3 million) including those in advance of anticipated appropriations, higher energy costs and other factors impacting utility user taxes and franchise income (\$15.7 million and \$6.6 million, respectively), and prior property tax period receipts (\$13.6 million). Offsetting these higher receipts are shortfalls in documentary transfer tax and parking fines (\$16.6 million and \$5.7 million, respectively).

See the discussion below and Attachment 1 for a summary of the variances from monthly planned receipts and potential risks to year-end receipts.

Table 1. 2022-23 General Fund Revenue and Variance through September
(Thousand dollars)

	Adopted 2022-23 Budget	Plan through September	Receipts through September	Receipts as Percent of Budget	Variance of Receipts from Plan
Property Tax	\$2,535,005	\$138,192	\$151,781	6.0%	\$13,589
Property Tax Ex-CRA Inc.	153,800	-	-	0.0%	-
Department receipts	1,272,944	218,233	239,537	18.8%	21,304
Business Tax	786,900	54,180	56,543	7.2%	2,363
Sales Tax	704,760	180,230	182,791	25.9%	2,561
Utility Users' Tax	614,100	160,000	175,651	28.6%	15,651
Documentary Transfer Tax	298,540	83,970	67,388	22.6%	(16,582)
Transient Occupancy Tax	263,220	65,380	81,188	30.8%	15,808
Power Revenue Transfer	229,721	-	-	0.0%	-
Parking Fines	130,000	32,780	27,076	20.8%	(5,704)
Grant Receipts	122,083	3,175	2,192	1.8%	(983)
Franchise Income	119,831	24,626	31,252	26.1%	6,626
Parking Occupancy Tax	111,270	28,740	32,379	29.1%	3,639
Interest Income	36,610	19,860	19,479	53.2%	(381)
Special Parking Revenue Transfer	30,426	-	-	0.0%	-
Reserve Fund Transfer	16,648	-	-	0.0%	-
Tobacco Settlement	11,489	-	-	0.0%	-
Residential Development Tax	4,800	1,200	1,638	34.1%	438
State Motor Vehicle License Fees	3,900	-	-	0.0%	-
Total General Fund	\$7,446,048	\$1,010,566	\$1,068,896	14.4%	\$58,330

Property taxes: Property tax receipts through September are \$13.6 million ahead of plan across all categories of receipts, including offsetting refunds. Receipts represent remittances from the prior tax period. The County Assessor's forecasted growth City receipts for the next tax period (beginning December 2022) is 7.0 percent compared to 6.0 percent assumed in the adopted budget.

Department receipts: Departmental receipts through September total \$218.2 million, which is \$21.3 million above the adopted plan. General Fund related costs and other reimbursements (-\$22.2 million) and reimbursements from proprietary departments (-\$0.9 million) are lower than anticipated, primarily due to delayed remittances. Offsetting these shortfalls are receipts from ambulance billings (\$8.5 million), MTA reimbursements that include prior-year receipts (\$8.0 million), various fees and other revenue (\$18.0 million), and reimbursements for General City Purposes Project Roomkey costs (\$10 million). Approximately \$16 million of receipts to date represent interim approved and pending appropriations that were not included in the adopted budget.

Business tax: Business tax receipts are \$2.4 million above plan, with receipts from non-cannabis activity offsetting a \$6.2 million shortfall from cannabis activity (as based on LATAX receipts) which has been slowly decreasing from its pandemic peak. Approximately 85 percent of business tax revenue will be recorded in the second half of the fiscal year, coinciding with the 2023 business tax renewal period.

Sales tax: Sales tax is \$2.6 million above planned receipts through September. Higher-than-planned receipts throughout 2021-22 and the first quarter of 2022-23 represent not only recovery from pandemic-driven closures and restrictions, but also the impact of inflation on taxable sales.

Utility users tax: Total receipts through September are \$15.7 million above plan and are attributed to electric users tax (EUT) and gas users tax (\$11.0 million and \$4.6 million, respectively).

Documentary transfer tax: Receipts through September are \$16.6 million below plan as a result of a drop in sales (as based on the number of deeds recorded) that has exceeded the decline assumed in the adopted budget (-6.7 percent vs -5.2 percent). Increasing sales price (based on the revenue per deed) has minimized the reduction to monthly receipts. When sales volume and price components grow (or decline) together, there are significant variances from plan. There is significant downside risk as increasing mortgage interest rates have pushed home prices lower in multiple real estate markets. The anticipated October remittance will increase the documentary transfer tax shortfall to \$22.7 million, with a 9.9 percent drop in annual sales volume and an average sales price unchanged from the previous month, the latter signaling the end of price appreciation.

Transient occupancy tax (TOT): TOT, impacted both by business closures and travel restrictions during the pandemic, continues to recover with receipts through September \$15.8 million above plan and 54.7 percent above prior year receipts through September 2021. Revenue from hotel activity is offsetting a shortfall of \$715,000 in short-term rental remittances, which may be partly attributed to constraints of the homesharing ordinance.

Power Revenue Transfer: After the adoption of the 2022-23 budget, the Board for the Department of Water and Power increased its estimate for the Power Revenue Transfer by \$1.7 million to \$231.5 million. The actual transfer amount will be confirmed by the Board once an audit of 2021 22 Power Revenue Fund financial data is completed.

Parking fines: After recovering at the start of the 2022 calendar year, receipts from parking citations have declined again with receipts through September \$5.7 million below the monthly plan.

Grant receipts: Receipts from grant revenue through September are \$2.2 million, which is approximately \$1.0 million below the budgeted plan for departmental grant revenue due to delays in direct and related cost reimbursements from various departments. The total grant budget includes \$104.9 million in FEMA reimbursements for COVID-19 response efforts, the timing of which is challenging to predict.

Franchise income: Total franchise receipts through September are \$6.6 million above plan, with surpluses reflected in every category, including \$4.5 million and \$1.1 million attributed to natural gas and solid waste franchise income, respectively.

Parking occupancy tax: Parking occupancy tax revenue through September is \$3.6 million above the current fiscal year plan. These receipts, which were impacted by business closures and restrictions during the pandemic, are 46.3 percent above prior year receipts recorded through September 2021.

Expenditures

Key Findings/Recommendations

- *This Office has identified approximately \$78.08 million in projected overspending and unfunded items across various departments and funds.*
- *The recommendations in this FSR address \$2.24 million of this overspending leaving \$75.84 million to be addressed. This Office has identified anticipated future actions that would fully address the remaining overspending.*

Based on expenditure data through the end of August 2022, this Office has identified \$78.08 million in projected overspending and unfunded items across various departments and funds. This amount is largely attributed to over-expenditures in the Fire (\$19.7 million) and General Services (\$11.51 million) departments, and costs associated with delayed implementation of the HRP Project (\$30 million). Most departments reported year-end surpluses attributed to salary savings and vacancies. Additionally, this Office has identified approximately \$42.3 million in costs for the Police Department due to the recently approved agreement with the Los Angeles Police Protective League, which were not included in this FSR, as the agreement was approved after we calculated sworn salary costs for this report. This Office will provide updated projections including the LAPPL agreement costs in future FSRs.

The year-end overspending is detailed in Table 2 to follow and is mostly attributed to the following categories:

- Projected overspending of \$19.7 million in the Fire Department primarily due to unbudgeted salary payouts, increased retirement sick payout liabilities, overtime for fire life safety inspections and to maximize fleet availability, unbudgeted contract obligations, and increased fleet maintenance and repair costs.
- Projected overspending of \$11.51 million in the General Services Department primarily due to increased fuel and energy costs, higher projected need for hiring hall staff, and increased overtime due to Fleet Services vacancies.
- Projected overspending totaling \$16.87 million in various departments and funds for increased staff overtime, projected ineligible grant costs, outside counsel costs, graffiti abatement costs, increased benefits and premiums for employee benefits, increased Medicare contributions, higher audit costs, and delays in executing contracts.
- Increased project costs of \$30 million due to delays in the implementation of the HRP Project.

(See Table 2 on next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Departmental and Non-Departmental Overspending		
Department	First FSR	Reason
Animal Services	\$ 0.22	Overspending is due to accrued overtime associated with animal services facilities operating on a 24/7 basis.
City Attorney	4.96	Overspending is due to increased overtime due to higher workload and recruitment challenges, the Special Master Services Agreement related to the Los Angeles Alliance for Human Rights case, and outside counsel costs for the Housing and Urban Development False Claims Act case and more than 40 police protest cases.
Fire	19.70	Overspending is due to one-time budget reductions, unbudgeted salary payouts, increased retirement sick payout liabilities, overtime for fire life safety inspections and to maximize fleet availability, unbudgeted contract obligations, and increased fleet maintenance and repair costs.
General Services	11.51	Overspending is due to increased fuel and energy costs, higher projected need for hiring hall staff, and increased overtime due to Fleet Services vacancies.
Housing	2.45	Overspending is due to higher than anticipated labor and expense costs for the Proposition HHH Program and administrative costs for Community Development Block Grant (CDBG) programs.
Board of Public Works	1.31	Overspending is due to contract costs for Graffiti Abatement Strike Teams.
Bureau of Street Services	0.03	Overspending is due to increased staff travel, contract costs for the installation and upgrade of transit shelters, inflationary pressures on contract hauling costs, materials costs, and waste hauler fees, increased staff overtime to maintain staffing levels due to vacancies, and increased use of hiring hall staff to complete sidewalk repair and transportation projects.
Non-Departmental		
General City Purposes	2.55	Overspending is due to increased Medicare contribution costs, audit costs, and delays in executing agreements with the Sister Cities of Los Angeles, TransLatin@ Coalition, and LA's Best.
Human Resources Benefits	5.35	Overspending due to higher benefits and premium costs than assumed in the budget.
Human Resources and Payroll Project	30.00	Overspending is due to delays in the configuration of the payroll module and costs to maintain the current payroll system.
Total Year-End Overspending	\$ 78.08	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to reduce the year-end overspending from \$78.08 million to \$75.84 million. This Office has identified potential future actions totaling \$75.84 million, which could fully address the remaining year-end overspending. To the extent possible, departments will be required to absorb or manage remaining costs within existing funds.

Table 3. 2022-23 Budget Balancing Solutions		
First FSR Overspending	\$ (78.08)	
First FSR Recommendations		
UB - Fair Work Week	\$ 0.20	Transfer to the City Attorney to implement the Fair Work Week Ordinance.
UB - Reserve for Mid-Year Adjustments	1.75	Transfer to the City Attorney to partially address outside counsel overspending.
UB - Reserve for Mid-Year Adjustments	0.08	Transfer to the General City Purposes Fund for the Sister Cities of LA contract for 2021-22.
UB - Reserve for Mid-Year Adjustments	0.21	Transfer to the General City Purposes Fund to address increases in the 2021 and 2022 annual audit costs.
Subtotal	\$ 2.24	
Potential Future Actions		
UB - Reserve for Mid-Year Adjustments	22.26	Transfer to partially address Citywide overspending.
UB - Graffiti Abatement Strike Teams	1.31	Anticipated transfer to the Board of Public Works to address Graffiti Abatement Strike Team Costs. The Board of Public Works will report to Council separately on costs for this program.
UB - Department Payroll Reconciliation	52.27	Transfer to partially address Citywide overspending.
Subtotal	\$ 75.84	
Year-End Overspending	\$ -	

City Reserves

Key Findings/Recommendations

- The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. After the recommendations in this report, the City's reserves will total approximately \$747.66 million or 10.04 percent of the total 2022-23 General Fund revenue.

Reserves	Balance (In Millions)	%	Purpose
UB, 2022-23 Reserve for Mid-Year Adjustments account	\$ 22.25	0.30%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	532.88	7.16%	Preserved for the most critical needs and matters of urgent economic necessity and are not to be used for ongoing expenses.
Budget Stabilization Fund	192.53	2.58%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 747.66	10.04%	

Unappropriated Balance, 2022-23 Reserve for Mid-Year Adjustments

The 2022-23 Adopted Budget includes \$24.30 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. This report includes transfers totaling \$2.04 million from the UB, Reserve for Mid-Year Adjustments Account to the General City Purposes Account and City Attorney's Office, resulting in a balance of \$22.25 million.

Reserve Fund

Attachment 2 – Current Status of Reserve Fund

Attachment 2A – Schedule of Reversions to the Reserve Fund and Other Funds Recommendation Nos. 8 and 25

According to the Office of the Controller, the preliminary June 30, 2022, Reserve Fund cash balance was \$1.05 billion. After the return of short-term loans made by the Controller at year end, adjustments initiated in the prior year and the 2022-23 Adopted Budget, the transfer to the Budget Stabilization Fund of \$72.79 million, and the transfer to budget of \$16.65 million, the July 1, 2022 Available Balance was \$601.7 million (see Table 5 below). This represented 8.08 percent of the

General Fund Budget and was approximately \$124.19 million above the 2022-23 Budget of \$477.50 million.

	Budget	Actual	Difference
Cash Balance, June 30*	\$869.18	\$1,045.9	\$176.74
Other Adjustments	(302.24)	(354.79)	(52.55)
Transfer to Budget Stabilization Fund	(72.79)	(72.79)	
Transfer to Budget	(16.65)	(16.65)	-
July 1 Available Balance	\$477.50	\$601.70	\$124.19
Emergency Account	\$204.77	\$204.77	-
Contingency Account	272.73	396.93	\$124.19
Reserve Fund as Percent of General Fund	6.41%	8.08%	1.67%

*reflects \$544.01 million in year-end reversions as detailed in Attachment 2A

After accounting for transactions approved since July 1, most notably \$75.47 million in support of Project Roomkey and Project Homekey, and the recommendations in this report, the Reserve Fund balance is \$532.88 million, which consists of \$204.77 million in Emergency Reserve and \$328.11 million in Contingency Reserve.

This balance represents 7.16 percent of the General Fund budget, which is above the five percent Reserve Fund policy. This report presents current year anticipated overspending and revenue risks that may require the use of the Reserve Fund if the City is not able to identify other solutions. Additionally, this Office is aware of internal and external factors that may also require the use of the Reserve Fund, including any current fiscal impact of ongoing negotiations with employee unions and the further delay of the HRP project. In light of these potential uses, coupled with inflationary pressure on City costs and the risk of a recession, this Office recommends maintaining a cautious approach with the Reserve Fund. Specifically, the City should refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations at this time.

Budget Stabilization Fund

To supplement the Reserve Fund, the City established the Budget Stabilization Fund (BSF) as part of the 2008-09 Budget to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years. The 2022-23 Adopted Budget includes a transfer to the Budget Stabilization Fund for \$72.78 million. The current balance in the Budget Stabilization Fund is \$192.53 million.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with employee union negotiations and the fiscal impact from the delayed implementation of the HRP Project.*

Employee Union Negotiations - Coalition Tentative Agreement

The agreements between the City and the various employee bargaining units that are part of the Coalition of City Unions (Coalition) expire in December. This Office has negotiated a Tentative Agreement (TA) with the Coalition, which is in the ratification and approval process. We have not included the cost associated with this TA in the projections in this FSR. The 2022-23 Adopted Budget includes funding in the Unappropriated Balance, Department Payroll Reconciliation Account to address the costs associated with reopeners that the City executed following the adoption of the 2022-23 Budget. Based on Citywide vacancy rates and projected salary expenditures, however, this Office projects that departments will be able to absorb a portion of the cost associated with the reopeners increases, leaving a balance that may be able to offset the cost of the new Coalition TA. This Office will report in future FSRs with updates on the impact of the Coalition TA.

Human Resources and Payroll

The HRP project is the comprehensive replacement of the City's existing PaySR payroll system with a modern human resources and payroll system implemented by the vendor Workday, Inc. The original project timeline assumed a 21-month implementation timeline and a go-live date of January 2022. However, after evaluating factors such as readiness, user impacts, effort, COVID-19 impacts to department participation, risk, and cost, the HRP Steering Committee amended the go-live date to a two-phased approach with April 2022 and December 2022 go-live dates (C.F. 20-0313). The General Fund impact of the phased implementation was an additional \$14.3 million which the project received in 2021-22 (C.F. 20-0313-S4). Phase One was successfully achieved with the implementation of the Human Capital Management (HCM) and Compensation modules in May 2022. However, Phase 2, comprised of several modules including Absence, Benefits, Data/Data Conversion, Integration, Reports, and Payroll, as well as additional Compensation module functionality, has experienced further delay. Based on discussions with the HRP Steering Committee, Phase 2 will not be ready for go-live in the current fiscal year.

According to the HRP Steering Committee, much of the remaining work to implement the HRP Phase 2 has already been completed, with the exception being the Payroll module, which is experiencing significant configuration delays. Nonetheless, given the importance of the Payroll module to the overall HRP project, any delay to this module is a delay to the project as a whole. The Controller's Office, the lead department on the Payroll module, reports a significant amount of work required before the Payroll module is ready for go-live. A new go-live date for Phase 2 has yet to be established but the HRP Steering Committee expects the new system to be fully implemented in 2023-24. Given this delay, the HRP project will need additional resources and contract amendments with Workday and City consultants supporting the project. In addition, the

delayed implementation also requires the City to maintain its current payroll system PaySR in production longer than planned. To ensure PaySR continues to perform accurately and securely, additional one-time investments to PaySR are needed to bolster and secure the payroll system in the interim. According to the Information Technology Agency (ITA), the additional 2022-23 cost for the HRP project and PaySR enhancements are estimated to be in the range of \$20 to \$30 million. ITA is preparing a separate report on behalf of the HRP Steering Committee on this matter with an interim budget request for the required resources. Additional resources will likely be requested as part of the 2023-24 Budget Development Process.

Four-Year Budget Outlook

Attachment 10 – Four-Year General Fund Budget Outlook

The 2022-23 Adopted Budget Outlook projects surpluses for the next four years. The following could reduce the projected surpluses:

- *Increases in pension contributions resulting from lower investment returns.*
- *An economic downturn, continuing extraordinary inflation, or a new outbreak of a COVID-19 variant.*
- *Costs associated with major construction projects.*
- *Increases in employee costs resulting from future labor agreements.*

The 2022-23 Adopted Budget Four-Year Outlook (Outlook) reflects the current-year budget and projections of revenues and expenditures over the next four years. At the time of the Adopted Budget, we projected surpluses in the next four years. Specifically, Attachment 10 illustrates that the City projects to have surpluses of \$39.5 million in 2023-24, \$191.3 million in 2024-25, \$397.3 million in 2025-26, and \$515.8 million in 2026-27.

The Outlook made several assumptions that, if not met, will change future year projections. The Outlook projected strong revenue growth in 2022-23 followed by continued growth at historic averages. If revenue slows as a result of an economic downturn, it would reduce projected surpluses. The Outlook assumed the size of the workforce will remain flat after 2022-23 and there will be no major changes in City services.

In addition, the Outlook assumed that both the Los Angeles City Employees' Retirement System and the Los Angeles Fire and Police Pension System would achieve zero percent investment returns in 2021-22, whereas the actual, unaudited, returns for both systems were approximately negative seven percent through June 30, 2022. While it is premature to determine the actual impact of the lower investment returns on the City's required future contributions, all else being equal this will reduce future-year budget surpluses.

The Outlook does not assume the occurrence of a recession, continuing extraordinary inflation, or a new outbreak of a COVID-19 variant that prompts the reissuing of stay-at-home orders and a resulting economic downturn.

The projected surpluses also do not take into account costs associated with major construction projects including the Civic Center Master Plan, the Los Angeles River Revitalization Master Plan, or mitigation of stormwater pollution. The Outlook does project annual debt expenditures of \$34 million to \$50 million for the expansion of the Convention Center. In addition, the Outlook only reflects salary increases from current labor agreements and approved amendments resulting from reopener provisions. Potential future increases from upcoming and future labor agreements are not included in the Outlook.

This Office will continue to monitor these issues and make adjustments to the Outlook as part of the Mayor's Proposed Budget for 2023-24.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$146.24 million are recommended in Sections 1, 2, and 5 of this report which include:

- \$49.99 million in new appropriations;
- \$28.92 million for transfers between accounts within various departments and funds;
- \$35.37 million for transfers between various departments and funds;
- \$4.62 million in appropriations from the Unappropriated Balance;
- \$12.65 million in reductions to special fund appropriations
- \$10.65 million in special fund appropriations
- \$0.15 million in transfers from the Reserve Fund
- \$2.8 million in MICLA re-authorizations
- \$0.78 million in special fund reappropriations
- \$0.31 million in other appropriation adjustments

Attachments

- 1A 2021-22 Adopted and Revised General Fund Revenue
- 1B 2022-23 Adopted General Fund Revenue
- 2 Current Status of Reserve Fund
- 3 New Appropriations
- 4 Transfers between Accounts within Departments and Funds
- 5 Transfers between Departments and Funds
- 6 Appropriations from the Unappropriated Balance
- 7A Status of the Unappropriated Balance-General Account
- 7B Status of the Unappropriated Balance-Reserve for Mid-Year Adjustments
- 7C Status of the Unappropriated Balance-non-General Account
- 8 Status of Liability Claims Account
- 9 Employment Level Report
- 10 Four-Year General Fund Budget Outlook

RECOMMENDATIONS

(Refer to Discussion Sections 1, 2, and 5)

That the Council, subject to approve of the Mayor:

1. Appropriate \$49,994,650.73 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$28,917,677.84 between accounts within various departments and funds as specified in Attachment 4;
3. Transfer \$35,366,287.97 between various department and funds as specified in Attachment 5;
4. Transfer \$4,622,717.00 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;

Building and Safety

5. Authorize the Department of Building and Safety, in accordance with Los Angeles Administrative Code Section 5.153, to replenish the \$141 missing amount from the LADBS Cashiers Change Fund (petty cash fund) through the Building and Safety Enterprise Trust Fund No. 48R/08, Account 08W601, Building and Safety Expense.

City Administrative Officer

6. Authorize the Controller to disencumber up to \$160,277.50 in the Fiscal Year 2021-22 encumbered balance for Sherpa Marketing Solutions (Vendor No. VC0000042189, SC 40 CO22139140M) within the General Services Department Fund No. 100/40, Contractual Services Account No. 003040, process the early reversion of the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the Unappropriated Balance, and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Contractual Services Account No. 003040 to provide marketing, outreach, and resources for the Regional Alliance Marketplace for Procurement (RAMP) system.

City Tourism

7. Appropriate \$5,000,711.31 from the cash balance of the Greater Los Angeles Visitors and Convention Bureau Trust Fund No. 429/10 to the LA Convention and Visitors Bureau Account No. 10V475 within that fund and authorize the City Administrative Officer to issue payment to the LATCB for LATCB's share of 2021-22 TOT receipts pursuant to its agreement with the City.
8. Transfer \$1,949.67 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Tourism Department Fund No. 100/48, Overtime General Account No. 001090 for costs associated with the DSW program.

Community Investment for Families

9. Authorize the Controller to disencumber up to \$295,610 in Fiscal Year 2021-22 encumbered balances for Contract C-138578 with Onni 888 Olive Street, LP (SC 21 CO22138578M) within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the Unappropriated Balance, and appropriate therefrom into the same account in the same amount for emergency housing and relocation services in 2022-23.
10. Amend the funding source reflected in the 2022-23 Adopted Budget Schedule 9 from the HOME Investment Partnership Fund No. 561 to the HOME-ARP Fund No. 65M:

- a. Reduce appropriations within the HOME Investment Partnership Fund No. 561/43:

Account	Account Name	Amount
43W121	Community Investment for Families	\$73,135
43W299	Reimbursements of General Fund – (CIFD)	45,223

- b. Create new appropriations within the HOME-ARP Fund No. 65M/43 and increase appropriations as follows:

Account	Account Name	Amount
43W121	Community Investment for Families	\$73,135
43W299	Reimbursements of General Fund – (CIFD)	45,223

11. Relative to the available Community Development Trust Fund No. 424 grant funds:

- a. Increase appropriations in the amount of \$346,000 within Fund No. 424/21, Account No. 21W108, Building and Safety;
- b. Reduce appropriations in the amount of \$346,000 within Fund No. 424/21, Account No. 21W299, Reimbursement of General Fund Costs (Building and Safety);
- c. Reduce appropriations in the amount of \$92,443 within Fund No. 424/21, Account No. 21W581, Domestic Violence & Human Trafficking Shelter Operations;
- d. Reduce appropriations in the amount of \$120,000 within Fund No. 424/21, Account No. 21W784, Summit View Sidewalk and Public Improvements Construction;
- e. Establish a new account and increase appropriations in the amount of \$120,000 within Fund No. 424/21, Account No. 21WB11, Carl St. GAP Closure; and,
- f. Increase appropriations in the amount of \$346,000 within the Department of Building and Safety Fund No. 100/08, Account No. 001010, Salaries General.

12. Relative to \$4,193,263 available in Emergency Shelter Grant Fund No. 517 grant funds:
- a. Increase appropriations in the amount of \$133,833 within Fund No. 517/43, Account No. 43W143, Los Angeles Housing Department;
 - b. Increase appropriations in the amount of \$133,833 within the Los Angeles Housing Department Fund No. 100/43, Account No. 001010, Salaries General;
 - c. Decrease appropriations in the amount of \$45,622 within Fund No. 517/43, Account No. 43W354, LAHSA Homeless Emergency Shelter Services;
 - d. Decrease appropriations in the amount of \$198,269 within Fund No. 517/43, Account No. 43W475, Homeless Management Info System (HMIS); and,
 - e. Increase appropriations in the amount of \$243,890 within Fund No. 517/43, Account No. 43W703, LAHSA Homeless Prevention and RRH.

Council

13. Authorize the Controller to disencumber \$104,708 in encumbrance balances relative to two economic feasibility study contracts. Refund the disencumbered amount of \$104,708 and the uncommitted balance of deposit amount of \$1,970 totaling \$106,678 to developers 544 Pacific LLC (C.F. 20-0719) / (C-138127) and SGRE Fig and Flower Investors 1, LLC (C.F. 18-0367) / (C-134731). Authorize the Controller to refund totals in accordance with the following chart:

Project Developers	Contract Number	Disencumbrance	Uncommitted Deposit Balance	Refund Total
544 Pacific LLC	C-138127	\$ 70,870.00	\$ 1,970.00	\$ 72,840.00
SGRE Fig & Flower	C-134731	\$ 33,837.50	\$ 0.00	\$ 33,837.50
				\$106,677.50

14. Transfer \$75,000 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the General City Purposes Fund No. 100/56, Account No. 000445, Pacoima Beautiful.

Cultural Affairs

15. Correct various names and amounts in the Special Appropriations Schedule included the 2022-23 Adopted Budget as follows:

- a. Within Special Appropriations I Account – Cultural Grants for Families and Youth: reduce the grant awards for Academy of Special Dreams, El Centro del Pueblo, North Hollywood Business Improvement District Corporation, and Sunland Sunspace, Inc. (dba Sun Space) to \$0; increase the grant for Arts For LA from \$51,640 to \$85,750; decrease the grant for National Endowment for the Arts from \$28,060 to \$23,550; and, change grant name for Ghetto Film School to Ghetto Film School LA.
 - b. Within Special Appropriations III Account – Citywide/Regional Arts Support and Community Cultural Programs 2 and 3: change the name of the International Spirit Concert Program to Intercultural Fusion and International Flavors Program.
16. Authorize the Department to appropriate funds totaling \$5,259,287.24 from the Cultural Affairs Trust Fund that was authorized in C.F. 19-0186 to various new accounts in the Community Redevelopment Agency/Los Angeles Fund and to expend therefrom, subject to the General Manager’s approval, as noted in Attachment 3 – New Appropriations.

Fire

- 17. Re-approve the use of \$1.62 million in MICLA funding included in the 2022-23 Adopted Budget for a Fire Department excavator package for dangerous structure demolition.

2022-23 MICLA Adopted Budget					
Fleet Equipment Classification	Unit Cost	Number	Useful Life	Total Cost	Fuel
Caterpillar 336 Excavator w/demo tools	\$1,032,567	1	10 yrs.	\$1,032,567	Diesel
Peterbilt 567 Truck	\$392,000	1	10 yrs.	\$392,000	Diesel
Trail King TK102 HOG Trailer	\$192,804	1	10 yrs.	\$192,804	N/A
Total		3		\$1,617,371	

Housing

- 18. Authorize the Controller to disencumber up to \$11,814.10 in Fiscal Year (FY) 2021-22 encumbered balances for Contract No. C-134780, Urban Futures Bond Administration, Inc. (SC 43 CO22134780Y) within the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, revert the disencumbered amount to the funding sources as shown in the table below, and reappropriate therefrom to the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services to pay for occupancy monitoring services of affordable and supportive housing units in 2022-23 (C-134780).

Fund No.	Fund Name	Amount
561	HOME Investment Partnerships Program Fund	\$ 770.60
815	Municipal Housing Finance Fund	3.50
55J	Low and Moderate Income Housing Fund	118.10
100	General Fund	10,921.90
	Total	\$ 11,814.10

19. Relative to aligning special fund appropriations with anticipated expenditures, reduce and increase appropriations in Account No. 43W143, Housing and Account No. 43W299, Reimbursement of General Fund Costs within various funds as follows:

Fund No.	Fund Name	Account No.	Amount
424	Community Development Trust Fund	21W143	(\$10,053)
424	Community Development Trust Fund	21W299	(6,580)
44G	Affordable Housing Trust Fund	43W143	(15,079)
44G	Affordable Housing Trust Fund	43W299	(9,870)
517	Emergency Shelter Grant	43W143	33,886
517	Emergency Shelter Grant	43W299	22,180
55J	Low and Moderate Income Housing Fund	43W143	(48,966)
55J	Low and Moderate Income Housing Fund	43W299	(32,051)
561	HOME Investment Partnerships Program Fund	43W143	25,133
561	HOME Investment Partnerships Program Fund	43W299	16,451
569	Housing Opportunities for Persons with AIDS Fund	43W143	15,079
569	Housing Opportunities for Persons with AIDS Fund	43W299	9,870
		Total	\$ -

20. Reduce appropriations in the amount of \$9,661,600 in the Accessible Housing Fund No. 10D, Account No. 43V919, Chief Architect to align the appropriation with available cash balance.

21. Reduce appropriations totaling \$1,896,940 from the Housing Department No. 100/43, Account No. 001010, Salaries General to offset increased appropriations to the same account from various funding sources, and reduce corresponding reductions from various funds as follows:

a. Decrease appropriations totaling \$1,896,940 in Account No. 43W143, Housing within various funds as follows:

Fund No.	Fund Name	Amount
10D	Accessible Housing Fund	(\$30,643)
41M	Systematic Code Enforcement Fee Fund	(157,778)
424	Community Development Trust Fund	(11,786)
440	Rent Stabilization Trust Fund	(633,309)
44G	Affordable Housing Trust Fund	(186,049)
55J	Low and Moderate Income Housing Fund	(43,102)
561	HOME Investment Partnerships Program Fund	(11,786)
56V	Foreclosure Registry Program Fund	(10,944)
59T	Housing Impact Trust Fund	(422,945)
815	Municipal Housing Finance Fund	(388,598)
	Total	(\$1,896,940)

- b. Decrease appropriations totaling \$1,087,229 in Account No. 43W299, Reimbursement of General Fund Costs within various funds as follows:

Fund No.	Fund Name	Amount
10D	Accessible Housing Fund	(\$17,161)
41M	Systematic Code Enforcement Fee Fund	(79,313)
424	Community Development Trust Fund	(6,600)
440	Rent Stabilization Trust Fund	(301,842)
44G	Affordable Housing Trust Fund	(120,225)
55J	Low and Moderate Income Housing Fund	(26,025)
561	HOME Investment Partnerships Program Fund	(6,600)
56V	Foreclosure Registry Program Fund	(7,072)
59T	Housing Impact Trust Fund	(272,699)
815	Municipal Housing Finance Fund	(249,692)
	Total	(\$1,087,229)

Los Angeles Fire and Police Pensions

22. Reappropriate \$783,110.75 from the unencumbered balance within the Excess Benefits Fund No. 918/64, Account No. 649700, Fire and Police Excess Benefits into the same amount and into the same account that exists on June 30, 2022 for excess benefits payments for 2022-23.

Mayor

23. Reduce appropriations by \$12,541.10 within the Mayor's Fund No. 100/46, Salaries General Account No. 001010 to align the Mayor's current year appropriations with available funding.

Police

24. Authorize the refund of \$112,170.65 to the Federal Bureau of Investigation (FBI). The Department was involved in a joint project with the FBI and provided funds to upgrade a Department Facility in 2021-22 (RSC5423). Due to time constraints and budgetary requirements, this project was abandoned, and the FBI requested a refund of its investment. This refund consists of the original deposited amount of \$113,440.00 less a \$1,269.35 GSD estimation fee.

Youth Development

25. Transfer \$71,000 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the Youth Development Department Fund 100/19, Salaries, As-Needed Account No. 001070 to provide educational stipends to L.A City Youth Council members in 2022-23.

26. Rescind the following Youth Development Budgetary Footnote in the 2022-23 Adopted Budget, inasmuch as there are insufficient funds to transfer and Recommendation 25 supersedes this instruction:

“Reappropriate up to \$71,000 in unencumbered remaining balances in Youth Development Fund 100/19, Salaries, As-Needed Account into the same account and in the same amount that exists on June 30, 2022, to partially fund stipends.”

Zoo

27. Reauthorize a total of \$1,182,831 in MICLA financing authorized for Municipal Facilities in the 2022-23 Adopted Budget for the Capital Improvement Projects for the Zoo Department and authorize the Zoo to establish appropriations to purchase the following:

Equipment Classification	Qty	Unit Cost	Total Funding
Computer Tomography Scanner	1	\$ 1,182,831	\$ 1,182,831
TOTAL	1		\$ 1,182,831

Technical

28. Authorize the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

A total of \$78.08 million in projected over-expenditures are identified in the First Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$146.24 million are recommended in Sections 1, 2, and 5 of this report. This includes \$4.62 million in transfers from the Unappropriated Balance Reserve for Mid-Year Adjustments Account and \$0.15 million in transfers from the Reserve Fund.

FINANCIAL POLICIES STATEMENT

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 issuance of Municipal Improvement Corporation of Los Angeles (MICLA) debt is a General Fund obligation. The issuance of MICLA for the Fire Department Excavator and Demolition Attachments (\$1,617,371) and Zoo Department Computer Tomography Scanner (\$1,182,831) approved in the 2022-23 Adopted Budget would cause the City to borrow \$2,800,202 at an approximate 5.5 percent interest rate over 10 years. The total estimated debt service for these capital equipment acquisitions is \$3,715,000, including interest of approximately \$915,000. During the life of the bonds, the estimated average annual debt service is \$371,000 over 10 years.

Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. We cannot fully predict what interest rates will be in the future. In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The 2022-23 Adopted Budget non-voter-approved debt ratio is 2.97 percent. The issuance of debt for the capital equipment acquisitions will not cause the City to exceed the six percent non-voter-approved debt limit.

DISCUSSION

The following is a discussion regarding the recommendations included in the report and other budget related items. The discussion is presented in the following sections:

Section 1. Status of Departmental Budgets	25
Section 2. Status of Non-Departmental Funds and Special Accounts	62
Section 3. Status of Employment	65
Section 4. Status of State Budget.....	65
Section 5. Status of Tax and Revenue Anticipation Notes.....	67

1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues, presents projected year-end overspending, and highlights issues of concerns. Recommendations include new appropriations, special fund reappropriations, and transfers for operational needs.

A. Aging

No Recommendation

This Office projects a year-end surplus of \$287,437, comprised of a \$164,002 General Fund surplus and a \$123,435 special fund surplus. The projected surplus is primarily in the Salaries General Account and is due to the Department's 26 percent vacancy rate.

The Department anticipates meeting its General Fund revenue budget of \$258,792 by year end.

Unappropriated Balance, Continuation of Senior Meals Expansion Program

The 2022-23 Adopted Budget includes one-time funding of \$6 million set aside in the UB for the continuation of the Senior Meals Expansion Program. These funds are in addition to the \$5.4 million reappropriated from prior-year savings. The City Council authorized the Department to extend a current sole source contract with Everytable for meal and delivery services until a Request for Proposals (RFP) is released and the competitive bid process is completed (C.F. 22-0080). This Office will continue to update and report on the status of the RFP process and program implementation in future FSRs.

B. Animal Services

No Recommendation

This Office projects a net year-end over-expenditure of \$109,136, comprised of \$220,156 in General Fund overspending and offset by a \$111,020 special fund surplus. The projected General Fund overspending is primarily in the Overtime General Account (\$210,765) due to accrued

overtime associated with animal services facilities operating on a 24/7 basis. The projected special fund surplus is wholly in the Salaries General Account due to special funded vacancies in the Department. This Office will continue to work with the Department to monitor expenditures and report in a future FSR with any necessary transfers to address any over-expenditures.

This Office anticipates a revenue shortfall of \$522,000 in the Department's General Fund revenue budget of \$3.9 million. The shortfall is attributed to a reduction in filming permits, dog licenses, and dog pound fees due to the pandemic and staffing shortages.

C. Building and Safety Recommendation No. 5

This Office projects a year-end special fund surplus of \$17.1 million, comprised entirely of a Salaries General Account surplus which is due to vacancies and under-filled positions in the Department.

In April 2020, the Van Nuys Public Counter Office was the target of a break-in crime that resulted in the theft of \$141 from the LADBS Cashier Change Fund. The Change Fund needs to be replenished to support public counter operations and as the amount missing exceeds \$100, Council approval is required to replenish the fund. This Office recommends that the Council and Mayor authorize the Department to replenish the Department's Cashiers Change Fund. Funding will be provided by the Building and Safety Building Enterprise Fund No. 48R, Building and Safety Expense Account.

The Department projects a year-end General Fund revenue shortfall of \$0.9 million from the Department's General Fund revenue budget of \$75.2 million. The projected shortfall is due to the Mayor's Tolling Order issued in response to the COVID-19 pandemic, which waives some Non-Compliance fees, Code Enforcement Inspection fees, and late fees. The Department projects meeting its Special Fund revenue budget of \$221 million by year end.

Repair and Demolition Fund

The 2022-23 Adopted Budget includes a \$400,000 appropriation to the Fund to address the projected revenue shortfall for 2022-23; however, based on the high cost of scheduled demolition projects and revenue collection through August, the Department and this Office project that an additional \$405,000 may be needed to ensure the continued performance of repair, securing, cleaning and demolition work through year end. This Office will work with the Department to continue to monitor the Fund and provide updates in future FSRs.

This Office recommends the following transaction at this time:

- Authorize the Department to replenish \$141 in missing monies from the LADBS Cashiers Change Fund (Petty Cash Fund) through the Building and Safety Enterprise Trust Fund.

**D. Cannabis Regulation
No Recommendation**

This Office projects a year-end special fund surplus of \$2.38 million, entirely in the Salaries General Account, due to vacancies within the Department. The Department is pursuing an aggressive hiring plan, which may reduce the projected surplus. This Office will continue to monitor the Salaries General Account and report in future FSRs.

This Office projects a revenue shortfall of \$1.53 million from the Department's General Fund revenue budget of \$4.15 million. This is attributed to a reduction in related cost reimbursements due to vacancies and reflects our current hiring projections. We project that the Department will meet its special fund revenue budget of \$21.86 million by year end.

**E. City Administrative Officer
Recommendation No. 6
Attachment 5 – Transfers between Departments and Funds**

The Office of the City Administrative Officer projects completing the year within budget.

This Office anticipates meeting its General Fund revenue budget of \$3.7 million by year end.

This Office recommends the following transaction at this time:

- Reappropriate \$143,650 from the Engineering Special Services Fund to the CAO's Contractual Services for project management and other consultant services for the West Los Angeles Civic Center Project (C.F. 19-0987).

The Chief Procurement Officer and the staff of the Office of Procurement were transferred from the General Services Department to the CAO as part of the 2022-23 Adopted Budget, and this Office recommends the following two transactions to effectuate the transfer of this function to this Office:

- Release a prior year encumbrance in the General Services Department for the Office of Procurement and reappropriate those funds to the CAO to continue marketing, outreach, and support for the Regional Alliance Marketplace for Procurement (RAMP) system.
- Transfer \$225,100 from the Mayor's Contractual Services Account to the CAO's Contractual Services Account for the Targeted Procurement Outreach Program allocated to the Office of Procurement (C.F. 21-0298).

F. City Attorney

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

This Office projects a net year-end over-expenditure of \$7.08 million, comprised of a net \$4.96 million General Fund over-expenditure and a \$2.12 special fund over-expenditure. The projected General Fund overspending is primarily comprised of over-expenditures in the Overtime General (\$0.2 million), Litigation Expense (\$0.2 million), and Outside Counsel (\$5.06 million) accounts, offset by a projected surplus in the Salaries General Account (\$0.5 million) due to vacancies in the Office of the City Attorney. The projected special fund overspending is primarily in the Salaries General Account (\$2.08 million) and is projected to be resolved by approximately \$2.73 million in outstanding special fund and grant transactions for the off-budget positions.

The Overtime General overspending is due to increased workload and continued challenges in recruitment in both the Civil Litigation and Police Litigation Units. The Litigation Expense account overspending is due to the Special Master Services Agreement related to the Los Angeles Alliance for Human Rights case.

This Office recommends a transfer from the General Fund Salaries General Account surplus (\$0.2 million) to the Overtime General Account to address the projected overspending. This Office additionally recommends a transfer from the Unappropriated Balance, Fair Work Week Account (\$0.2 million) to the Salaries General Account to implement the Fair Work Week Ordinance (C.F. 19-0229-S1). In a separate report, this Office recommends a transfer from the State's Homelessness Housing, Assistance, and Prevention Grant Program Round 2 Funding Category 5 – Administrative Costs Account (\$0.2 million) to the Litigation Expense Account to address the projected overspending (C.F. 20-1524).

Outside Counsel

The Outside Counsel Account overspending is primarily due to the Housing and Urban Development False Claims Act case and more than 40 police protest cases that outside counsel is handling. On October 7, 2022, the City Council approved a transfer from the Unappropriated Balance, Outside Counsel Account (\$1.5 million) and the General Fund Salaries General Account surplus (\$0.5 million) to the Outside Counsel Account (C.F. 22-1139) to offset a portion of this overspending. The City Council also instructed the City Administrative Officer to address the projected over-expenditures (Krekorian-Blumenfield, C.F. 22-1139) through the First FSR. This Office has reviewed the City Attorney's estimated Outside Counsel expenditures for the remainder of 2022-23, including invoices received that exceed the current Outside Counsel budget, and projects \$5.06 million in Outside Counsel overspending through the end of the fiscal year. This Office recommends a transfer of \$1.76 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account in this FSR to address projected spending through December of this year.

This Office projects that the Office of the City Attorney will be approximately \$157,320 below its General Fund revenue budget of \$40.65 million by year end. This shortfall is due to delays in hiring

for positions reimbursed by the retirement systems, as well as delays in hiring and vacancies in positions that are reimbursed by special funds, resulting in reduced related cost reimbursements.

This Office will continue to work with the Office of the City Attorney to monitor revenue and expenditures, and provide updates and recommend any necessary transactions in future FSRs.

This Office recommends the following transactions at this time:

- Transfer \$200,000 from the City Attorney's Salaries, General account to the City Attorney's Overtime General Account for overtime payouts to employees that have reached their 240-hour banked overtime limit.
- Transfer \$200,304 from the Unappropriated Balance Fund No. 100/58, Account No. 580385, Fair Work Week to the City Attorney's Salaries, General account for implementation of the Fair Work Week Ordinance.
- Transfer \$1,755,384 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the City Attorney's Outside Counsel Account for various cases including police protest cases.
- Transfer \$133,397 from LA Decreasing Adolescent Tobacco Access (DATA) Program Fund No. 368/12, Account No. 12T643, LA Data Program (2021-23) to the following accounts to address illegal sales of tobacco products to minors (C.F. 13-1204-S6). The DATA Program maintains retailer compliance checks and enforces state and local tobacco laws. This Office recommends reprogramming unexpended grant funds pursuant to modifications of the grant, as approved by the grantor:
 - \$120,309 to Los Angeles Police Department Fund No. 100/70, Account No. 001092, Overtime Sworn; and,
 - \$13,088 to Los Angeles Police Department Fund No. 100/70, Account No. 001090, Overtime General.

G. City Clerk No Recommendation

This Office projects a net year-end General Fund surplus of \$85,631, comprised of a Salaries General Account surplus (\$144,131), offset by a Contractual Services Account over-expenditure (\$58,500). The projected Salaries General Account surplus is due to vacancies and delayed hiring. The projected Contractual Services Account over-expenditure is due to unbudgeted costs associated with the Council Redistricting Commission. This Office will monitor the Department's projected salary surplus and any other expense account surpluses to determine whether sufficient savings are available to offset the projected Contractual Services Account over-expenditures and report in a future FSR.

The Department anticipates meeting its General Fund revenue budget of \$1,089,282 by year end.

H. City Planning No Recommendation

This Office projects a net year-end surplus of \$3.61 million entirely in the Salaries General Account (\$465,025 in General Fund and \$3.14 million in special funds). This surplus is due to the 26.2 percent vacancy rate within the Department. The current labor market, new position control system procedures, and workspace constraints have contributed to hiring delays. The Department is collaborating with the Personnel Department and this Office to develop solutions to streamline future hiring.

The Office anticipates a revenue shortfall of \$7.03 million from the Department's General Fund revenue budget of \$19.42 million. This shortfall is attributed to a reduction in related cost reimbursements from special funds due to special fund vacancies and lower than anticipated economic recovery levels impacting development fee revenues. This Office projects that special fund revenues for the Department will be \$7.21 million lower than the \$54.66 million budgeted amount due to a reduction in development activity. This Office will continue to work with the Department to monitor the Department's revenue accounts and provide updates in future FSRs.

No transactions are recommended at this time.

I. City Tourism Department Recommendation Nos. 7 and 8

This Office projects a year end special fund surplus of \$154,865, consisting of a \$156,815 Salaries General Account surplus due to vacancies in the Department, partially offset by a \$1,950 Overtime General Account over-expenditure due to costs associated with the Disaster Service Worker (DSW) program. This Office recommends a one-time appropriation of \$1,950 from the Reserve Fund to the Overtime General Account to address overspending associated with the DSW program as this cost is not an eligible expense of the special funds that comprise the Department's budget.

Los Angeles Tourism and Convention Board Invoice

The City's contract with the Los Angeles Tourism and Convention Board (LATCB) provides annual funding in an amount equal to one percent of gross Transient Occupancy Tax (TOT) receipts. Payments are made quarterly based on estimated TOT receipts and reconciled at year end. In 2022-23, LATCB received \$13,070,025, which was \$5,000,711 less than owed. This Office recommends an appropriation from the Los Angeles Convention and Visitors Bureau Trust Fund to issue the final payment for 2021-22.

The Department anticipates meeting its General Fund revenue budget of \$481,928 by year end.

This Office recommends the following transactions at this time:

- Appropriate \$5,000,711.31 from the Los Angeles Convention and Visitors Bureau Trust Fund to the Los Angeles Convention Visitors Bureau, and authorize the City Administrative Officer to pay LATCB's final 2020-21 invoice from these funds.
- Transfer \$1,949.67 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the Departments Overtime General Account for costs associated with the DSW program.

J. Civil, Human Rights, and Equity No Recommendation

This Office projects a year-end surplus of \$551,741, comprised of a \$535,733 General Fund surplus and a \$16,008 special fund surplus. The projected surplus is primarily in the Salaries General Account (\$510,404) due to delays in hiring. If approved, the proposed allocation of two Assistant General Manager positions and a pending report to Council to establish an Office of Racial Equity (C.F. 19-1470), will reduce the projected surplus; however, the Department is projected to absorb these costs.

L.A. REPAIR Program

The L.A. REPAIR participatory budget program is scheduled to begin disbursing funds to REPAIR zones and contracting for the establishment of Peace and Healing Centers in January 2023. The L.A. REPAIR Innovation Fund (64T) currently has a balance of approximately \$12 million, which we project the Department to spend by year end. Any delays in the implementation of the program will result in a significant increase in the Department's projected surplus.

The Department has no General Fund revenue.

K. Community Investment for Families Recommendation Nos. 9, 10, 11, and 12 Attachment 3 – New Appropriations Attachment 5 – Transfers between Departments and Funds

This Office projects a year-end special fund over-expenditure of \$260,278 in the Salaries, General (\$255,756) and the Overtime General (\$4,522) accounts. The projected over-expenditure in the Salaries General Account is based on an expedited hiring plan for new positions that were funded with six-months funding in the 2022-23 Adopted Budget. The Department anticipates using unspent Community Development Block Grant CARES funding to address any overspending from the expedited hiring plan. The projected Overtime General overspending is due to higher than anticipated overtime expenditures. This Office will continue to monitor the salary accounts and report in future FSRs.

On October 7, 2021, the Council approved a transfer of \$650,000 from the General City Purposes Fund to the Community Investment for Families to house individuals displaced by the blast that

occurred on June 30, 2021 in the 27th Street neighborhood (C.F. 21-0775-S2). This Office recommends reappropriating the unspent funds to 2022-23.

The 2022-23 Adopted Budget allocated \$73,135 to the Department from the HOME Investment Partnership Program Fund for programs supported by the HOME – American Rescue Plan (ARP). A special fund for HOME-ARP was established subsequent to the approval of the 2022-23 Adopted Budget. This Office recommends to realign salaries (\$73,135) and related costs (\$45,223) from the HOME Investment Partnership Program Fund to the new HOME-ARP special fund.

On May 3, 2021, the Council approved the allocation of \$39,166,408 in Community Development Block Grant funding provided to the City through the CARES Act. This amount included an allocation of approximately \$2 million to expand the Library's Tech2Go Hotspot Loan Program, and the allocation was appropriated to the Library Department in 2021-22. The Tech2Go Hotspot Loan Program allows Library patrons to check out a mobile hotspot device for six weeks, which they can use to connect a laptop, tablet, and other Wi-Fi enabled devices to the internet. This Office recommends reappropriating the unspent funds to 2022-23.

On June 20, 2022, the Council approved an allocation of \$554,898 in the 48th Program Year Consolidated Plan (C.F. 21-1186-S1) for the Board of Public Works Restoration Community Development Corporation (RCDC) Shower Trailer Program to provide mobile showers to individuals experiencing homelessness. This Office recommends an appropriation to effectuate this allocation.

The Department anticipates meeting its General Fund revenue budget of \$4.99 million by year end.

This Office recommends the following transactions at this time:

- Disencumber, revert, and reappropriate up to \$295,610 from 2021-22 appropriations from the General Fund to the Department's Contractual Services Account to extend the contract with Onni 888 Olive Street, LP to continue emergency housing for families who were displaced due to the blast in the 27th Street neighborhood.
- Realign \$118,358 from the HOME Investment Partnership Program Fund to the HOME-ARP special fund.
- Reduce appropriations totaling \$92,443 within the Community Development Trust Fund to align 2022-23 budgetary appropriations with available grant funds.
- Increase appropriations totaling \$133,832 within the Emergency Shelter Grant Fund to align budgetary appropriations with available grant funds.
- Reappropriate \$1,937,605.40 from the Community Development Trust Fund to the Library Department's Salaries, General and Office and Administrative accounts to support the Tech2Go Hotspot Program.

- Appropriate \$554,898 from the Community Development Trust Fund for the RCDC Shower Trailer Program (formerly the Mt. Tabor Shower Services) to the Board of Public Works Contractual Services Account.

L. Controller
No Recommendation

This Office projects a year-end General Fund surplus of \$48,389 entirely in the Salaries General Account due to vacancies within the Department. The projected surplus assumes that the Controller will be able to meet its very aggressive hiring plan. If this does not occur, we will likely report continually increasing projected surpluses in future FSRs.

This Office anticipates a revenue shortfall of \$30,500 from the Department's General Fund revenue budget of \$6.25 million. This shortfall is due to a reduction in Controller's fees, payroll deduction fees, and related cost reimbursements from the Workforce Innovation and Opportunity Act.

M. Council
Recommendation Nos. 13 and 14
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

Pacoima Beautiful

The General City Purposes Fund, Youth Programs – CD7 Account had an uncommitted balance of \$75,000 at the close of 2021-22. Council District 7 intended to allocate this funding for Pacoima Beautiful, however a contract was not executed before the end of the fiscal year and the funds reverted to the Reserve Fund in June 30, 2022. This Office recommends reappropriating these funds for the Pacoima Beautiful contract to 2022-23.

The Council requests the following transactions at this time:

- Transfer \$2,825,000 from the Council's Salaries General account to the Salaries As-Needed (\$2,000,000), Travel (\$25,000), Contractual Services (\$200,000), and Office and Administrative (\$600,000) accounts to align the Council's operating budget with current expenditure patterns.
- Transfer \$1,000,000 in AB 1290 funding (Council District 14 Redevelopment Projects – Services) to the Council's Salaries, As-Needed Account to support Council District 14 expenses.
- Transfer \$200,000 in AB 1290 funding (Council District 9 Redevelopment Projects – Services) to the Council's Salaries, As-Needed Account to support Council District 9 expenses.

- Transfer \$180,000 from the General City Purposes (GCP), Council Community Projects account for the Multi-Disciplinary Teams District 4 (CD4) to Council's As-Needed Salaries account to support CD4 expenses.
- Transfer \$123,000 in AB 1290 funding (Council District 4 Redevelopment Projects – Services) to the Council's Salaries, As-Needed Account to support Council District 4 expenses.
- Authorize the Controller to disencumber \$104,708 in encumbrance balances relative to two economic feasibility study contracts, refund the disencumbered amount of \$104,708 and the uncommitted balance of deposit amount of \$1,970 totaling \$106,678 to developers 544 Pacific LLC (C.F. 20-0719) / (C-138127) and SGRE Fig and Flower Investors 1, LLC (C.F. 18-0367) / (C-134731).
- Transfer \$75,000 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the General City Purposes, Pacoima Beautiful Account.

N. Cultural Affairs

Recommendation Nos. 15 and 16

Attachment 3 – New Appropriations

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end special fund over-expenditure of \$5.47 million, comprised of overspending in the Salaries As-Needed (\$0.15 million), Office and Administrative (\$0.24 million), Operating Supplies (\$0.1 million), Special Appropriations I (\$0.17 million), and Special Appropriations III (\$5.06 million) accounts, offset by a surplus in the Salaries General Account (\$0.25 million). The entirety of the projected overspending is related to uncompleted 2021-22 projects and outstanding invoices. This Office recommends using a portion of the available cash balance of the Arts and Cultural Facilities and Services Trust Fund, which was intended to be used for these prior-year projects, to address this overspending. The projected Salaries General Account surplus is due to vacancies in the Department.

The Department anticipates meeting its General Fund revenue budget of \$2.72 million by year end.

This Office recommends the following transactions at this time:

- Appropriate \$250,000 from the 2021-22 Arts and Cultural Facilities and Services Trust Fund available cash balance to the 2022-23 Special Appropriations III Account to be entitled "Covid-19 Memorial" in accordance with C.F. 21-0600 Non-Departmental Footnotes.
- Appropriate \$5,780,723 from the Department's 2021-22 available cash balance to meet financial commitments that carry over into the current year, and increase the Department's operating accounts as follows:

- \$150,000 in the Salaries, As-Needed Account to meet anticipated increases in staffing to support the service provisions needs of art centers and theaters.
 - \$300,000 in the Office and Administrative and \$100,000 in the Operating Supplies Accounts to meet anticipated increases in expenses to support the reopening and service provision needs of art centers and theaters.
 - \$173,500 in the Special Appropriations I Account for various grantee contracts that were delayed last fiscal year.
 - \$5,057,223 in various Special Appropriations III accounts for 2021-22 projects that have been delayed to 2022-23.
- Authorize the Department to appropriate funds totaling \$5,259,287.24 from the Cultural Affairs Trust Fund that was authorized in C.F. 19-0186 to various new accounts in the Community Redevelopment Agency/Los Angeles Fund and to expend therefrom, subject to the General Manager's approval, as noted in Attachment 3 – New Appropriations.
 - Transfer the \$56,500 from 2022-23 Arts and Cultural Facilities and Services Trust Fund to ITA to fund new data network services for the Taxco Theater.
 - Transfer \$14,950 from the 2022-23 Arts and Cultural Facilities and Services Trust Fund to GSD Project Restore to fund landscaping and pool services for the Hollyhock House.
 - Appropriate \$250,000 from the Warner Center Cultural Affairs Trust Fund available cash balance to the Department of City Planning to support the Warner Center Cultural Amenities Master Plan Program.
 - Correct various names and amounts in the Special Appropriations Schedule included the 2022-23 Adopted Budget as follows:
 - Within Special Appropriations I Account – Cultural Grants for Families and Youth: reduce the grant awards for Academy of Special Dreams, El Centro del Pueblo, North Hollywood Business Improvement District Corporation, and Sunland Sunspace, Inc. (dba Sun Space) to \$0; increase the grant for Arts For LA from \$51,640 to \$85,750; decrease the grant for National Endowment for the Arts from \$28,060 to \$23,550; and, change the grant name for Ghetto Film School to Ghetto Film School LA.
 - Within Special Appropriations III Account – Citywide/Regional Arts Support and Community Cultural Programs 2 and 3: change the name of the International Spirit Concert Program to Intercultural Fusion and International Flavors Program.

O. Disability
Attachment 3 – New Appropriations

This Office projects a net year-end surplus of \$26,389, comprised of a \$2,537 General Fund surplus and a \$23,852 special fund surplus. The General Fund surplus is comprised of projected Salaries General Account (\$2,117) overspending due to unbudgeted employee sick time payouts, which is offset by a projected surplus in the Salaries As-Needed Account (\$4,654) due to lower than anticipated as-needed staff expenditures. The projected special fund surplus is due to delays in hiring.

This Office projects the Department will meet its General Fund revenue budget of \$26,223 by year end.

This Office recommends the following transaction at this time:

- Appropriate \$70,094 from the cash balance of the Computerized Information Center for the Disabled Fund for the purchase and distribution of Durable Medical Equipment (DME) for people with disabilities experiencing poverty and homelessness.

P. Economic and Workforce Development
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds
Attachment 6 – Transfers from the Unappropriated Balance

This Office projects a net year-end surplus of \$1.93 million, comprised of a \$1 million General Fund surplus and a net \$0.93 million special fund surplus. The projected surplus is primarily comprised of a Salaries General Account surplus (\$0.5 million General Fund and \$1.01 million special fund) due to vacancies in the Department from ongoing hiring challenges, and a General Fund surplus in the Contractual Services Account (\$0.5 million) due to the need to transfer funding appropriated for the Summer Youth Employment Program prior to expending those funds. These surpluses are offset by total special fund overspending of \$0.15 million across multiple expense accounts. This Office recommends transfers from the CaliforniansForAll Youth Workforce Program Grant and Enterprise Zone Tax Credit Voucher Program (EZTC) funds to address the projected overspending.

This Office projects the Department will meet its adopted General Fund revenue budget of \$4 million.

This Office recommends the following transactions at this time:

- Appropriate \$261,238 from the cash balance of the Economic Development Trust Fund to the Small Business Revolving Loan Fund - PHR Mart LLC and Program Income funds, pursuant to C.F. 16-1058-S3 and related agreements previously authorized by Council.

- Appropriate \$59,997 from the cash balance of the Miscellaneous Sources Fund to the Economic Development Trust Fund Account and subsequently transfer that amount to the MLK Marlton (\$40,000) and the Bethune Nvision Development (\$19,997) accounts in the Economic Development Trust Fund to execute the transfer of Exclusive Negotiating Agreement (ENA) deposits.
- Reappropriate \$2,554,320 in 2021-22 balances in the Californians for All Youth Workforce Development Grant Fund to various current year Department salary and expense accounts (\$761,579), reimbursements of General Fund costs and program oversight accounts (\$1,016,241), and the Community Investment for Families Department, Teen Parent Prosper Project (\$776,500), for grant work that is continuing into 2022-23.
- Reappropriate \$149,426 in 2021-22 balances from the Transit Oriented Development (TOD) Planning Grant Fund to the current fiscal year into the Department's Salaries General and Contractual Services accounts (\$119,287) and Reimbursement of General Fund Costs account (\$30,139), for an ongoing study on the potential establishment of an Enhanced Infrastructure Financing District (EIFD) in Downtown Los Angeles.
- Transfer \$357,831 in Enterprise Zone Tax Credit Voucher Program (EZTC) Funds to various Department salary and expense accounts (\$351,327 for Department costs and \$6,504 for Personnel Department costs) to administer and manage Economic Development Programs.
- Transfer \$20,000 from the Salaries General Account to the Operating Supplies Account for supportive services costs for the Student to Student Success Pilot Program.
- Reappropriate \$15,081,663 in 2021-22 balances in Californians for All Youth Workforce Development Grant funds, to the current fiscal year, for various other departments' program expenses, for grant work that is continuing into 2022-23.
- Transfer \$500,000 in Summer Youth Employment Program funds from the Department's Contractual Services account to the General Fund - Various Programs Fund No. 551 to consolidate SYEP funds in the appropriate account.
- Transfer \$42,814 from the Salaries General Account to reimburse the Personnel Department for human resources support.
- Transfer \$124,000 from the General Fund - Various Programs Fund No. 551 to the Information Technology Agency for the installation of security cameras for the EWDD's Boyle Heights and Watts YouthSource Centers.
- Transfer \$250,000 from Workforce Innovation and Opportunity Act Fund to the Community Investment for Families Department for a Domestic Violence Workforce Pilot Program.

- Transfer \$500,000 from the Community Initiatives line item in the Unappropriated Balance to the General Fund - Various Programs Fund No. 551 for the Sidewalk Vending Program.

**Q. El Pueblo
Attachment 3 – New Appropriations**

This Office projects a net year-end special fund surplus of \$86,871, consisting of a Salaries General Account surplus (98,467) due to vacancies in the Department, partially offset by overspending in the Salaries As-Needed Account (\$11,596) due to the increased need for as-needed staff to maintain adequate staffing levels.

This Office projects a year-end shortfall of \$166,023 from the Departments special fund revenue budget of \$5.12 million. This shortfall is due to lower than projected facilities use and parking fees. This Office will monitor the Department's special fund revenues and provide updates in future FSRs.

This Office recommends the following transaction at this time:

- Transfer and appropriate \$285,000 from the El Pueblo de Los Angeles Historical Monument Revenue Fund (Arts and Cultural Facilities Services Trust Fund) to the El Pueblo Salaries, As-Needed account to assist with art and cultural activities at El Pueblo. These funds have been approved as part of the 2022-23 Adopted Budget.

**R. Emergency Management Department
No Recommendation**

This Office projects a year-end General Fund surplus of \$154,550, primarily due to projected surpluses in the Salaries General (\$84,740), Salaries, As-Needed (\$21,000), and Overtime General (\$30,289) accounts. The projected Salaries General surplus is due to vacancies within the Department. The Salaries, As-Needed surplus is based on the Departments planned usage of as-needed staff to augment regular staff work. The Overtime General surplus is based on spending patterns from the last six years, excluding the outlier year, 2019-20.

This Office projects the Department will meet its General Fund revenue budget of \$232,978 by year-end.

**S. Employee Relations Board
No Recommendation**

This Office projects the Department will complete the year on budget. This projection includes the use of savings in the expense account to offset unbudgeted salary cost obligations.

The Department has no General Fund revenue budget.

T. Ethics
No Recommendation

This Office projects a year-end special fund surplus of \$187,191, consisting of overspending in the Salaries General Account (\$62,809), offset by a surplus in the Contractual Services Account (\$250,000). The projected Salaries General over-expenditure is due to projected unbudgeted sick leave and employee union payouts. The projected surplus in the Contractual Services Account is due to the Department's anticipation that special prosecutor services will not be needed this fiscal year. This Office will work with the Commission to monitor expenditures and recommend any necessary transfers to the Salaries General Account in a future FSR.

The Department anticipates meeting its General Fund revenue budget of \$1.4 million by year end.

U. Finance
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$886,282, comprised of an \$800,085 General Fund surplus and an \$86,197 special funds surplus. The surplus is entirely attributed to Salaries General savings of \$2.49 million due to a 26 percent vacancy rate. This surplus is offset by overspending in the Salaries As-Needed (\$225,000) and Overtime General (\$300,000) accounts, which are due to high operational coverage needs related to the annual tax season and high vacancy rates in the Customer Service, Billing and Collections, and Tax and Permit divisions. Overspending is also projected in the Contractual Services (\$610,568) and Office and Administrative (\$467,867) Accounts due to inflationary cost increases to ongoing systems maintenance licenses and fees, supplies, and other services.

A transfer of Salaries General savings to the General Services Department is recommended at this time for construction services related to deferred facility repairs at City Hall, Room 101. This Office recommends transfers to partially address the projected Salaries As-Needed and Overtime General overspending to ensure that sufficient funding is available during the annual tax season. This Office will work with the Department to monitor accounts with projected overspending and report in future FSRs with any necessary transactions.

The Department anticipates meeting its General Fund revenue budget of \$11.1 million by year-end.

This Office recommends the following transactions at this time:

- Transfer \$200,000 from the Department's Salaries General Account to the Department's Salaries, As-Needed Account for additional operational support during the annual tax season and required coverage in divisions with high vacancy rates.

- Transfer \$200,000 from the Department's Salaries General Account to the Department's Overtime, General Account for additional operational support required in division with high vacancy rates.
- Transfer of \$198,032 from the Department's Salaries General Account to the General Services Department to address deferred facility repairs at City Hall, Room 101.

V. Fire

Recommendation No. 17

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end General Fund over-expenditure of \$19.7 million. The projected over-expenditure primarily consists of overspending in the Salaries Sworn (\$19.64 million), Unused Sick Time (\$1.17 million), Overtime General (\$1.54 million), Contractual Services (\$2.88 million), Contract Brush Clearance (\$0.8 million), and Field Equipment Expense (\$2.08 million) accounts, partially offset by surpluses in the Salaries General (\$2.35 million), Overtime Sworn (\$0.27 million), Overtime Constant Staffing (\$5.23 million), and Overtime Variable Staffing (\$0.56 million) accounts. The over-expenditures are attributed to unbudgeted salary payouts, one-time budget reductions, and unbudgeted contractual services obligations.

The projected over-expenditures are summarized by account below:

- Salaries Sworn: Projected overspending is due to one-time budget reductions and unbudgeted salary payouts associated with agreements with sworn employee unions.
- Unused Sick Time: Projected overspending is due to decreased use of sick time by sworn personnel leading to a larger payment liability at retirement.
- Overtime General: Projected overspending is due to the increased need for staff overtime for fire life safety inspections and to maximize fleet vehicle availability due to vacancies in the Department.
- Contractual Services: Projected overspending is due to unbudgeted contract obligations.
- Contract Brush Clearance: Projected overspending is based on prior and current year expenditure patterns.
- Field Equipment Expense: Projected overspending is due to higher than anticipated maintenance and repair costs for emergency vehicles.

The projected surpluses are summarized by account below:

- Salaries General: Projected surplus is due to vacancies in the Department.

- Overtime Sworn: Projected surplus is based on current expenditure patterns but does not project the cost of strike team deployments to respond to wildfires outside the City.
- Overtime Constant Staffing: Projected surplus is based on prior and current year expenditure patterns.
- Overtime Variable Staffing: Projected surplus is due to an anticipated decrease in expenditures due to the reduction in COVID-19 response needs.

The Department anticipates meeting its General Fund revenue budget of \$230.4 million by year end.

This Office recommends the following transactions at this time:

- Transfer \$2.0 million from the Overtime Constant Staffing Account to the Field Equipment Expense Account to maintain continuity in the maintenance and repair of emergency apparatus and fleet vehicles.
- Transfer \$1.0 million from the Salaries General Account to the Overtime General Account to meet workload needs for fleet maintenance and public safety inspections.
- Transfer \$1.0 million from the Overtime Constant Staffing Account to the Unused Sick Time Account to address an increase in sick time payouts.
- Transfer \$280,000 from the Department's Salaries General Account to the Department's Contractual Services Account for unbudgeted expenses related to licensing fees, security costs, and other critical operations.
- Transfer \$25,000 from the Department's Salaries General Account to the Department's Operating Supplies Account for the annual subscription cost to UCSD's WiFire web application for wildfire deployment planning and response.

MICLA

- Reapprove the use of \$1.62 million included in the 2022-23 Adopted Budget for the purchase of an excavator and related equipment.

W. General Services No Recommendation

This Office projects a net year-end over-expenditure of \$7.77 million, comprised of an \$11.51 million General Fund over-expenditure, offset by a \$3.74 million special fund surplus. The projected General Fund over-expenditures are primarily driven by overspending in the Petroleum Products (\$10 million), Utilities (\$4.3 million), Hiring Hall Salaries (\$0.73 million), Benefits Hiring Hall (\$0.62 million), and Overtime General (\$0.42 million) accounts. These General Fund over-expenditures

are partially offset by a projected surplus in the General Fund Salaries Account (\$4.46 million) due to staff vacancies.

The five accounts driving General Fund overspending are discussed below:

- **Petroleum Products:** The projected overspending is based on usage rates from 2021-22 and accounts for higher average fuel prices in July 2022 compared to July 2021 (120 percent higher for diesel and 89 percent higher for unleaded). The Department is reconciling prior-year encumbrances to determine what amount may be used to offset the projected overspending.
- **Utilities:** The projected overspending is due to significant increases in SoCalGas rates and assumes the use of \$1.2 million in prior-year encumbrances.
- **Hiring Hall Salaries and Benefits Hiring Hall:** The projected overspending for these accounts is based on expenditure patterns through August.
- **Overtime General:** The projected overspending is due to higher projected overtime usage due to Fleet Services vacancies, to address a backlog of invoices and to manage the City's heliport warehouse operations after hours and on holidays.

This Office will continue to work with the Department to monitor expenditures from these accounts and will recommend transfers or other actions necessary to address any overspending in a future FSR.

The special fund surplus consists of projected surpluses in the Salaries General Account (\$4.24 million) due to vacancies in the Department and the Petroleum Products Account (\$0.5 million) due to expenditures for alternative fuels, which power Bureau of Sanitation vehicles and are not subject to the volatility of diesel and gas fuel prices. These surpluses are offset by projected overspending in the Overtime General Account (\$0.5 million) due to increased overtime usage associated with Fleet Services vacancies and Field Equipment Expense Account (\$0.5 million) based on historical spending patterns and year-to-date expenditure data.

The Department anticipates meeting its General Fund revenue budget of \$51.78 million by year-end.

Logistics Victory LA (LoVLA)

LoVLA was established during the COVID-19 crisis to help any organization access critical medical supplies like isolation gowns, gloves, and masks. The City purchased the supplies with the intent to sell them to other organizations at cost. The inventory also includes a limited amount of donated supplies. The Department is responsible for the inventory and distribution of the items. Sales have been inconsistent and slow. Assuming the City makes no additional sales this fiscal year, inventory with a total value of over \$224,000 will expire. Additional costs will also have to be incurred to properly discard these supplies. Disposal fees will vary depending on the type of inventory and

whether special handling fees may be required. This Office will provide updates on the additional disposal costs for expired supplies and the repayment of the Reserve Fund loan to LOVLA in a future FSR.

No transactions are recommended at this time.

X. Housing

Recommendation Nos. 18, 19, 20, and 21

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$4.76 million, comprised of \$2.45 million in General Fund over-expenditures and a \$7.21 million special fund surplus. The projected General Fund overspending primarily consists of over-expenditures in the Salaries General (\$2.16 million) and Leasing (\$0.28 million) accounts due to higher than anticipated labor and expense costs for the Proposition HHH Program and administrative costs for Community Development Block Grant (CDBG) programs. These CDBG expenditures will be ineligible for grant reimbursement and become General Fund expenditures if they exceed the Department's CDBG administrative allocation. This Office will work with the Department to identify solutions within the Department's budget for the projected General Fund over-expenditures and will recommend necessary transactions in future FSRs.

The projected special fund surplus primarily consists of a surplus in the Salaries General Account (\$9.7 million) due to vacancies in the Department. The projected special fund surplus is partially offset by projected over-expenditures in the Salaries As-Needed (\$67,869), Overtime General (\$37,102), Printing and Binding (\$90,000), Contractual Services (\$20,893), Transportation (\$109), Office and Administrative (\$248,733) and Leasing (\$2.03 million) accounts. The projected special fund over-expenditures are associated with higher than anticipated costs for software renewals, mailings, the administration of various grant-funded programs, increased overtime expenses due to vacancies, and leasing costs not included in the 2022-23 Adopted Budget.

This Office projects a shortfall of \$6.76 million from the Department's General Fund revenue budget of \$49.73 million due to reduced related costs reimbursements associated with vacancies in the Department.

This Office recommends the following transactions at this time:

- Disencumber, revert, and reappropriate up \$11,814 from 2021-22 appropriations within the HOME Investment Partnerships Program Fund, Municipal Housing Finance Fund, Low and Moderate Income Housing Fund, and General Fund to the Department's Contractual Services account to pay for occupancy monitoring services of affordable and supportive housing units in 2022-23.

- Adjust amounts for the Housing Department and Reimbursement of General Fund Costs accounts within various special funds to align appropriations with anticipated expenditures.
- Reduce appropriations totaling \$4.89 million from the Salaries General Account (\$1.9 million) and corresponding Housing Department (\$1.9 million) accounts, and Reimbursement of General Fund Costs accounts (\$1.09 million) within various special funds to realign staffing costs with the SB 2 Permanent Local Housing Allocation Fund and other grant funding.
- Reduce prior-year appropriations in the amount of \$9.66 million from the Chief Architect Account within the Accessible Housing Fund to align appropriations with the Fund's available cash balance.
- Appropriate \$807,299 from the Proposition HHH Bond Proceeds Fund to the Reimbursement of Prior-Year Salary revenue account to reimburse the General Fund for eligible salary expenses related to the Proposition HHH Program. Per the requirements of the bond, the Department has provided the required backup documentation for expenditures. This Office reviewed and confirmed that expenditures are eligible for reimbursement.
- Appropriate \$101,000 from cash balance of the Housing Production Revolving Fund to the Office and Administrative Account for construction services software renewals.
- Appropriate \$36.85 million from the cash balance of the SB 2 Permanent Local Housing Allocation Fund to the Salaries General (\$462,855), Administrative Reserve (\$1,007,538), Rental - New Construction (\$16,472,816), Rental - Preservation (\$8,965,734), Homeownership MIPA (\$7,933,080), ADU Accelerator Program (\$1,297,013), and Reimbursement of General Fund Costs (\$707,208) accounts to fund eligible SB 2 Permanent Local Housing Allocation activities.
- Appropriate \$22,785 from the cash balance of the Low and Moderate Income Housing Fund to a new Financial Audit account to pay for state-required independent auditing services of the Fund.
- Appropriate \$4,296 from the available cash balance within the Affordable Housing Trust Fund to a new Financial Audit account to pay for state-required independent auditing services of the Fund.
- Transfer \$83,000 from the Salaries General Account to the Printing and Binding Account to pay for the Systematic Code Enforcement Program annual mailings.
- Transfer \$213,260 from the Administrative Reserve Account within the Small Grants and Awards Fund to the Salaries General (\$112,923), Office and Administrative (\$3,530),

Leasing (\$16,938), and Reimbursement of General Fund Costs (\$79,869) accounts for the administration of the Local Early Action Planning (LEAP) Grant.

- Transfer \$215,980 from the Administrative Reserve (\$102,286), Housing Department (\$91,706), and prior-year Reimbursement of General Fund Costs (\$21,988) accounts within the Small Grants and Awards Fund to the Salaries General (\$122,791), Salaries As-Needed (\$41,050), and Reimbursement of General Fund Costs (\$52,139) accounts for the administration of the Regional Early Action Planning (REAP) Grant.
- Transfer \$122,102 from the Administrative Reserve Account within the Community Development Trust Fund to the Salaries General (\$78,371), Leasing (\$11,905), and Reimbursement of General Fund Costs (\$31,826) accounts for costs associated with the COVID-19 Emergency Eviction Defense Program (C.F. 20-1084).
- Transfer \$1.82 million from the Housing Department (\$1.17 million) and Reimbursement of General Fund costs (\$646,586) within the SB 2 Permanent Local Housing Allocation Fund to the Salaries General (\$631,550), Salaries As-Needed (\$25,155), Overtime General (\$30,000), Printing and Binding (\$7,000), Contractual Services (\$20,000), Office and Administrative (\$141,900), Leasing (\$243,745), and Contract Programming - Systems Upgrades (\$716,698) accounts to fund eligible SB 2 Permanent Local Housing Allocation activities.
- Transfer \$780,763 from various accounts within the US Treasury Emergency Rental Assistance Fund to the Salaries General (\$488,450), Leasing (\$76,125), and the Reimbursement of General Fund Costs (\$216,188) accounts for costs associated with the Emergency Rental Assistance Program.
- Transfer \$1.4 million from the Housing Department Account to the Court Monitor Account within the Accessible Housing Fund to fund the Accessible Housing Program court monitor contract.
- Transfer \$20,686 from the Hollywood Arts Collective Account in the Affordable Housing and Sustainable Communities (AHSC) Grant Fund to the Reimbursement of Prior Year Salary revenue account to reimburse the General Fund for eligible salary costs related to the AHSC Grant.

Y. Information Technology Agency

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end General Fund surplus of \$0.39 million, consisting of a projected surplus in the Salaries General account (\$3.25 million) due to vacancies in the Department, partially offset by projected overspending in the Overtime General (\$0.25 million), Hiring Hall Salaries (\$0.9 million), Overtime Hiring Hall (\$0.1 million), Contractual Services (\$1.47 million), and

Communication Services (\$0.14 million) accounts. The projected Overtime General, Hiring Hall Salaries, Overtime Hiring Hall overspending is due to the Department's use of Hiring Hall staff and overtime to cover staff shortages due to delays in the hiring process. The Contractual Services overspending is due to costs associated with the MyLA311 System Replacement project approved in the Adopted Budget (C.F. 22-0600). The Communication Services overspending is due to prior-year costs for construction projects delayed to the current year and the Barnsdall Art Park Residence Project. The overspending related to prior-year costs for construction projects will be addressed in a future Construction Projects Report. This Office recommends transfers in this FSR to offset the projected overspending in the Hiring Hall Salaries, Contractual Services, and Communication Services accounts.

This Office projects the Department will meet its \$10.86 million General Fund revenue budget by year end.

This Office recommends the following transactions at this time:

- Transfer \$900,000 from the Salaries General Account to the Hiring Hall Salaries Account to mitigate a projected overspending associated with project-related expenditures.
- Transfer \$90,245 from the Contractual Services Account to the Solid Waste Resources Fund No. 508, Revenue Source Code 5301, for the annual Oracle software maintenance for the Citywide Customer Relationship Management System.
- Transfer a \$567,649 from the Telecommunications Liquidated Damages & Lost Franchise Fees Fund, MyLA311 Replacement System Account to the Contractual Services Account for the MyLA311 System Replacement project approved in the Adopted Budget (C.F. 22-0600).
- Transfer \$59,462.72 from the Salaries General Account to the Communication Services Account to complete the Barnsdall Art Park Residence Project.

Z. Library

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end special fund surplus of \$6.03 million, primarily comprised of surpluses in the Salaries General (\$2.91 million), Salaries As-Needed (\$0.9 million), Printing and Binding (\$0.2 million), Contractual Services (\$1.53 million), and Office and Administrative (\$0.72 million) accounts, partially offset by overspending in the Overtime General Account (\$0.23 million). The Salaries General surplus is due to vacancies in the Department. The projected Salaries As-Needed, Printing and Binding, Contractual Services, and Office and Administrative surpluses are based on historical expenditure patterns and year-to-date spending. The Overtime General Account overspending is due to increased overtime to address staffing shortages caused by vacancies and employees on sick leave, vacation, and jury duty. The Department plans to request a transfer of \$250,000 of its surplus funds from the Board of Library Commissioners (Board) to

address the over-expenditures in the Overtime General Account. This Office recommends a transfer of \$1.53 million from the Contractual Services Account to GSD to fund alterations, improvements, and repairs at various Library locations.

At its September 22, 2022 meeting, the Board approved a \$11.96 million appropriation from the Unreserved and Undesignated Fund Balance of the Library Fund (cash balance) to various operating accounts in the Department, including \$3.5 million to the Contractual Services Account for repairs to the Ben Franklin branch library. This Office recommends a transfer of \$638,968 from the Contractual Services Account to the Bureau of Engineering to pay for design, consultant, and inspection costs for the Benjamin Franklin branch library renovation.

The Department has no budgeted General Fund revenue for 2022-23.

This Office recommends the following transactions at this time:

- Transfer \$1,530,729 from the Contractual Services Account to the General Services Department to fund alterations, improvements, and repairs at various Library locations.
- Transfer \$638,968 from the Contractual Services Account to the Bureau of Engineering to pay for design, consultant, and inspection costs for the Benjamin Franklin branch library renovation.

AA. Mayor

Recommendation No. 23

Attachment 3 – New Appropriations

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

The Mayor's Office requests the following transactions at this time:

- Establish new appropriation accounts, appropriate, and transfer \$163,136.91 in interest income (\$14,146.99) and from various accounts (\$148,989.92) within the Fiscal Year 2018 Justice Assistance Grant (FY18 JAG) Fund to the Community Law Enforcement and Recovery (CLEAR) Contractual Services Account (\$76,890) to support CLEAR-related activities and to the Mayor's Related Costs Reimbursement from Grants (\$20,445.11), City Attorney Salaries General (\$45,829), and City Attorney's Related Costs Reimbursement from Grants (\$19,972) accounts to reimburse the General Fund for Mayor current year related costs and City Attorney current year salaries and related costs.
- Reduce appropriations by \$12,541.10 within the Salaries General Account (FY2018 Justice Assistance Grant) to align the Mayor's current year appropriations with available funding.

- Transfer \$1,881,432 from the Unappropriated Balance, Equipment, Expense, Alteration and Improvement Account to the Mayor's Salaries General (\$1,100,000) and Salaries As-Needed (\$781,432) accounts to align the Mayor's operating budget with current expenditure patterns.
- Establish a new appropriation account within the Proposition 47 Cohort 2 BSCC Grant Program (Prop 47 Cohort 2 Grant) Fund and transfer \$58,028 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish a new appropriation account within the Fiscal Year 2020 Legislative Pre-Disaster Mitigation (FY20 LPDM) Grant Fund and transfer \$6,590 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish a new appropriation account within the Fiscal Year 2020 Coronavirus Emergency Security Fund (FY20 CESF) and transfer \$68,777 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish new appropriation accounts and transfer \$170,000 from the City Attorney Grant Allocation and \$77,904 from the Mayor's Reimbursement of General Fund accounts within the Fiscal Year 2019 Justice Assistance Grant (FY19 JAG) Fund to reimburse the General Fund for City Attorney current year salaries (\$120,000) and related costs (\$53,000) and Mayor's current year related costs (\$77,904).
- Establish a new appropriation account within the Fiscal Year 2020 Justice Assistance Grant (FY20 JAG) Fund and transfer \$95,134 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish a new appropriation account within the Fiscal Years 2018, 2019, and 2020 Title II Grant Fund and transfer \$15,362 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish a new appropriation account within the Fiscal Year 2019-20 California Violence Intervention and Prevention Program (FY19-20 CalVIP) Grant Fund and transfer \$35,334 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Reappropriate \$2,436,843 from the Fiscal Year 2021-22 Mayor's Contractual Services account to the Fiscal Year 2022-23 Mayor's Contractual Services Account to support Gang Reduction and Youth Development (GRYD) related expenditures.

**BB. Neighborhood Empowerment
No Recommendation**

This Office projects a year-end special fund surplus of \$28,656. The projected surplus is primarily due to surpluses in the Salaries General Account (\$13,179) due to vacancies, and in the Transportation (\$5,391), Office and Administrative (\$3,112), and Operating Supplies (\$3,900), and Communications Service (\$2,600) accounts due to lower than anticipated expenditure rates.

The Department has no budgeted General Fund Revenues.

**CC. Personnel
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds**

This Office projects a net year-end General Fund surplus of \$897,893. The General Fund surplus is comprised of a surplus in the Salaries General Account (\$1,972,893) offset by over-expenditures in the Overtime General (\$400,000) and Contractual Services (\$675,000) accounts. The Salaries General Account surplus is due to higher than anticipated vacancies and filling positions with in-lieu classifications at a lower than budgeted salary cost. The Overtime General Account over-expenditure is due to high workload demands of available staff required to meet the hiring goals for civilian and sworn positions, to support implementation of the Human Resources Payroll Project (HRP), and to provide adequate staffing levels in City jails. The Contractual Services Account over-expenditure is due to unbudgeted expenses for employee Covid-19 testing services and contracted security services, offset by lower anticipated expenses for emergency medical services compared to budget. This Office recommends a transfer in this FSR to address the projected Overtime General Account overspending and will continue to work with the Department to monitor contractual services expenses and report in future FSRs.

The Department projects a revenue shortfall of approximately \$618,000 from its General Fund revenue budget of \$26.62 million. The shortfall is primarily due to a reduced projection for contact tracing revenue as this work was completed in 2021-22.

This Office recommends the following transactions at this time:

- Transfer \$400,000 from the Salaries General Account to the Overtime General Account for anticipated overtime costs necessary to support sworn and civilian hiring demands, HRP implementation, and medical staffing in the City's jails.
- Reappropriate \$25,000 from the Innovation Fund to the Contractual Services Account to fund a contract to conduct a Citywide Inclusion and Anti-Bias Plan Pilot.

DD. Police

Recommendation No. 24

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$49.9 million. The projected surplus is primarily due to surpluses in the Salaries General (\$2.2 million), Salaries Sworn (\$15.2 million), Overtime Sworn (\$25.2 million), and Contractual Services (\$4.7 million) accounts, offset by projected overspending in the Field Equipment Expense Account (\$0.5 million). The projected surpluses in the Salaries General and Salaries Sworn accounts are due to vacancies and ongoing attrition trends. The projected Overtime Sworn and Contractual Services surpluses are due to lower expenditure rates through August. The Overtime Sworn projection also assumes increased spending rates through year-end for the new After-Action Report Implementation Program. The projected Field Equipment Expense overspending is due to inflationary impacts on automotive parts and tools and personal protective equipment expenses.

This Office anticipates that the projected surpluses will be used to address future unbudgeted events such as the NCAA College Football Championship and the U.S. Open golf tournament, and to offset over-expenditures in expense accounts. Additionally, the Salaries Sworn Account projection does not reflect costs associated with the recently approved agreement with the Los Angeles Police Protective League (C.F. 12-0653-S1), as this agreement was approved after we projected sworn salary costs. This Office estimates an additional cost of \$42.3 million from the agreement with LAPPL and anticipates that a portion of this cost will be offset by the projected surpluses. Funding is set aside in the Unappropriated Balance, Department Payroll Reconciliation Account to address the portion of LAPPL agreement costs that cannot be absorbed by the Department. This Office will continue to monitor the Department's expense accounts and provide updated projections in future FSRs that include the cost associated with the agreement with LAPPL.

The Department anticipates meeting its General Fund revenue budget of \$172.62 million by year end.

Sworn Hiring

As of July 2, 2022, there were 9,280 sworn officers deployed Citywide, compared to a deployment of 9,350 officers assumed in the 2022-23 Adopted Budget. The Department hired two recruit classes in July (37) and August (27) for a total of 64 recruits, compared to the 50 recruits per class assumed in the 2022-23 Adopted Budget. The Department's hiring plan assumes 625 new officers by year end. The 2022-23 Adopted Budget authorizes hiring of 780 recruits, with additional funding identified in future FSRs if it becomes necessary. Actual attrition-to-date is 77 officers, compared to projected attrition of 113 officers. As of August 13, 2022, there are 9,284 officers deployed Citywide, including 18 Municipal Police Officers.

This Office recommends the following transactions at this time:

- Make technical corrections to Schedule 3 as follows: Transfer \$15,052 from the Police Account in the U.S. Treasury Asset Forfeiture Fund to the California State Asset Forfeiture Fund, and transfer \$109,635 from the Supplemental Police Account in the U.S. Treasury Asset Forfeiture Fund to the U.S. Department of Justice Asset Forfeiture Fund (\$102,791) and the California State Asset Forfeiture Fund (\$6,844).
- Transfer \$111,000 for the After-Action Report Implementation Plan from the Field Equipment Expense Account to the Office and Administrative Account to better align with the purpose of the funds.
- Transfer \$108,121 from Office and Administrative Account to the Furniture, Office and Technical Equipment for the purchase of Toxicology Equipment pursuant to the Controller’s spending guidelines.
- Transfer \$111,603 from Contractual Services to Furniture, Office and Technical Equipment to fully fund both the purchase of three Force Option Simulators and replacement of the Firearm Shooting Range at Davis Training Facility
- Transfer funds provided by Council District 2 for the LAPD Cadet Program at North Hollywood Park totaling \$267,500 as follows: \$212,500 from the Overtime General and \$55,000 from the Office and Administrative accounts to Overtime Sworn.
- Appropriate \$11,075.57 the cash balance of the Innovation Fund to the Office and Administrative Account.
- Authorize the refund of \$112,170.65 to the Federal Bureau of Investigation (FBI). The Department was involved in a joint project with the FBI and provided funds to upgrade a Department Facility in 2021-22 (RSC5423). Due to time constraints and budgetary requirements, this project was abandoned, and the FBI requested a refund of its investment. This refund consists of the original deposited amount of \$113,440.00 less a \$1,269.35 GSD estimation fee.
- Re-appropriate \$2,148,028 from the uncommitted balance remaining in various accounts within the Police Department from Police Department Grant Funds as follows:

Grant Program	Amount
2021 Selective Task Force Enforcement	\$1,744,264.73
2020 Forensic DNA Capacity Enhancement and Backlog Reduction	129,145.05
2021 Cannabis Tax Fund – Toxicology	5,146.37
2021 Internet Crimes Against Children – CalOES	1,233.09
2021 Internet Crimes Against Children – OJJDP	43,945.62
2020 Intellectual Property Enforcement	956.47
2021 intellectual Property Enforcement	47,888.03
2021 Crisis Response Training	17,366.80

2021 COPS Community Policing Development – De-escalation Training	17,098.46
2020 Port Security Grant	22,279.72
2021 Off-Highway Motor Vehicle Recreation – Law Enforcement	42,146.06
2021 Off-Highway Motor Vehicle Recreation – Education and Safety	21,801.74
2020 Project Safe Neighborhoods	10,325.16
2021 Targeted Violence and Terrorism Prevention	44,430.72
TOTAL	\$2,148,028.02

**EE. Public Accountability
No Recommendation**

This Office projects a year-end General Fund surplus of \$459,064, primarily in the Salaries General Account due to hiring delays.

The Department anticipates a revenue shortfall of \$1.01 million from its General Fund revenue budget of \$6.33 million, due to reduced related costs reimbursements associated with vacancies.

**FF.Public Works/Board
Attachment 3 – New Appropriations**

This Office projects a net year-end over-expenditure of \$1.76 million, consisting of a net \$1.29 million General Fund over-expenditure and a \$0.48 million special fund over-expenditure. The General Fund over-expenditure is comprised of projected overspending in the Contractual Services Account (\$1.54 million) associated with costs for Graffiti Abatement Strike Teams, offset by a surplus in the Salaries General Account (\$0.25 million) due to vacancies in the Board. This Office anticipates that the overspending associated with the Graffiti Abatement Strike Teams will be addressed by a separate report to Council regarding this work and a requested transfer of funds set aside for this purpose in the Unappropriated Balance.

The special fund over-expenditure consists of projected overspending in the Salaries General (\$0.43 million), Travel (\$18,010), Contractual Services (\$18,208), and Office and Administrative (\$6,580) accounts. This Office anticipates that these over-expenditures will be resolved by the transfer of funds from special funds recommended in this FSR and other transfers expected later in the year. This Office will continue to work with the Board to monitor its expenditures and provide updates in future FSRs.

The Board anticipates meeting its General Fund revenue budget of \$5.5 million by year end.

This Office recommends the following transactions at this time:

- Appropriate and transfer \$424,709.16 from the Public Works Trust Fund to the Board’s Salaries General (\$78,586.00) and Contractual Services (\$100,426.66) accounts and the Bureau of Street Services’ Salaries General (\$232,072.50) and Operating Supplies

(\$13,624.00) accounts for costs related to the Tree Guarantee Fee Planting Plan (C.F. 16-0641-S1).

- Appropriate \$385,117.26 within the Public Works Trust Fund to the Board's Contractual Services Account for the I-405 Tree Removal Mitigation and Tree Replacement Project.
- Appropriate \$1,464,175 from the Public Works Trust Fund to the Board's Salaries General (\$209,175), Contractual Services (\$1,250,000), Office and Administrative (\$3,500), and Printing and Binding (\$1,500) accounts to complete the City tree inventory, conduct community engagement and develop an Urban Forest Management Plan, plant 400 trees in high need communities. This scope of work will be reimbursed by the Cal Fire Urban and Community Forestry Grant Program.
- Appropriate \$69,690 from the Innovation Fund to the Board's Travel (\$18,010), Contractual Services (\$16,760), and Office and Administrative (\$6,580) accounts and to the Bureau of Sanitation's Salaries As-Needed Account (\$28,340) for the Historically Black Colleges and Universities Engineering Recruitment Pilot project.

GG. Public Works/Bureau of Contract Administration
No Recommendation

This Office projects a year-end surplus of \$5.09 million, comprised of \$2.4 million in General Fund and \$2.69 million in special funds. The projected surplus primarily consists of surpluses in the Salaries General (\$3.31 million), Overtime General (\$0.4 million), and Transportation (\$0.52 million) accounts. The Salaries General surplus is due to vacancies in the Bureau. The Overtime General and Transportation surpluses are based on historical and year-to-date expenditure patterns.

The Bureau anticipates meeting its General Fund revenue budget of \$32.53 million by year end.

HH. Public Works/Bureau of Engineering
Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end surplus of \$8.73 million, comprised of a \$63,313 General Fund surplus and a \$8.67 million special fund surplus. The projected surplus is primarily in the Salaries General Account (\$8.7 million) due to special funded vacancies in the Bureau. The projected surplus assumes the Bureau will receive about \$7.0 million in interim appropriations from off-budget and various project funds before year end.

This Office projects a revenue shortfall of \$2.8 million from the Bureau's General Fund revenue budget of \$61.6 million by year end due to a reduction in receipts from development fees and reduced related cost reimbursements due to vacancies. This Office will continue to monitor the Bureau's receipts and provide updated revenue projections in future FSRs.

This Office recommends the following transaction at this time:

- Transfer \$280,000 from the Bureau's Office and Administrative Account to the Other Operating Equipment Account for the purchase of replacement survey equipment.

II. Public Works/Bureau of Sanitation

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$29.92 million, comprised of a \$6.8 million General Fund surplus and a \$23.12 million special fund surplus. The projected surplus is primarily attributed to a surplus in the Salaries General Account (\$41.38 million) due to a 24.2 percent vacancy rate in the Bureau and in the Contractual Services Account (\$2.2 million) due to delayed expenditures for homelessness related clean-up activities. The surplus is partially offset by a projected over-expenditure of \$14.16 million in the Overtime General Account, to address workload issues caused by the Bureau's high vacancy rate, the City's personal leave policy, recovery activities at the Hyperion Water Reclamation Plant, and ongoing impacts of the COVID-19 pandemic.

The Bureau anticipates meeting its General Fund revenue budget of \$97.53 million by year end.

Hyperion Spill

Overtime expenditures related to the wastewater spill in 2021 continue as the Bureau has moved from emergency repairs to recovery efforts. The Bureau has received payments totaling \$22.2 million from the property insurance policy for damage to the Hyperion Water Reclamation Plant. Consultants are working with the Bureau to determine how those funds will be used to reimburse the Sewer Construction and Maintenance Fund (SCM) for eligible expenditures. The full impact of the spill is yet to be determined and this Office will provide updates and potential impacts on SCM in future FSRs.

Rate Increases

Both the Solid Waste Resources Revenue Fund (SWRRF) and SCM are in need of a rate increase. SWRRF has not had a rate increase since 2008 and is currently subsidized by the General Fund in the amount of \$61 million. SCM's last rate increase occurred in 2020. The Bureau is reviewing the SCM rate model in preparation for a rate case in the near future.

Vacancies and Related Costs

The Bureau continues to have a high vacancy rate. As a result, if the Bureau continues to pay the related cost amounts included in its budget, which is its practice, by the end of the year it will have paid related costs in excess of the required amount. We will address this excess payment, if necessary, either in future FSRs or through the annual budget process.

Proposition O

The Bureau projects \$137,000 in expenditures for Proposition O activities. These activities are front funded by the Stormwater Pollution Abatement Fund and reimbursed on a yearly basis. If an appropriation is not received by year end, this will likely result in a Reserve Fund loan.

This Office recommends the following transactions at this time:

- Transfer \$140,000 from the Salaries General Account to the Overtime General (\$20,000) and Contractual Services (\$120,000) accounts within the Citywide Recycling Trust Fund to address projected over-expenditures.
- Transfer \$1,112,935 from the Salaries General Account to the Salaries Hiring Hall Salaries (\$751,972), Benefits Hiring Hall (\$351,963), and Hiring Hall Overtime (\$9,000) accounts within the SCM Fund to address projected over-expenditures.
- Transfer \$120,000 from the Salaries General Account to the Salaries As-Needed Account within the SCM Fund to address projected over-expenditures.
- Transfer \$500,000 from the Sanitation Expense and Equipment Account within the Sewer Operations Fund to the Sanitation Expense and Equipment Account within the Sewer Capital Fund for CCTV services.
- Transfer \$73,046 from the Sanitation Expense and Equipment Account within the Sewer Operations Fund and \$73,047 from the Sanitation Expense and Equipment Account within SWRRF to the Information Technology Agency's Contractual Services Account (\$146,093) for the annual fiber service lease payment.
- Transfer \$165,235 from the Field Equipment Account to the General Services Department's Hiring Hall Construction (\$22,066), Hiring Hall Construction Benefits (\$10,998), and Construction Materials (\$132,231) accounts for fence repairs at the Washington Yard.

JJ. Public Works/Bureau of Street Lighting Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$0.59 million, consisting of a \$666 General Fund surplus and a net \$0.58 million special fund surplus. The projected special fund surplus primarily consists of surpluses in the Salaries General (\$2.24 million), Operating Supplies (\$0.22 million), and Hiring Hall Salaries (\$0.87 million) accounts, offset by overspending in the Contractual Services (\$2.1 million), Office and Administrative (\$0.3 million), and Street Lighting Improvements and Supplies (\$0.41 million) accounts. The Salaries General surplus is due to vacancies in the Bureau. The Operating Supplies and Hiring Hall Salaries surpluses are based on current expenditure trends. The Contractual Services overspending is due to contract costs for the Get Connected Los Angeles Digital Inclusion Project funded by the Community Development Block Grant (CDBG). This Office recommends the transfer of CDBG funds in this FSR to address this overspending. The Office and Administrative overspending is due to higher than anticipated expenditure patterns. The Street Lighting Improvements and Supplies overspending is due to reimbursements from off-budget funds that will be received later in the year.

The Bureau anticipates meeting its General Fund revenue budget of \$18.68 million by year end.

This Office recommends the following transaction at this time:

- Transfer \$2,097,860 from the Get Connected LA Account within the Community Development Trust Fund to the Contractual Services Account to implement the Get Connected Los Angeles Digital Inclusion Project.

KK. Public Works/Bureau of Street Services
Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end surplus of \$1.62 million, consisting of a \$34,329 net General Fund over-expenditure and a \$1.62 million net special fund surplus. The General Fund over-expenditure consists of projected overspending in the Travel (\$50,000), Contractual Services (\$1 million), Overtime General (\$1 million), and Operating Supplies (\$1 million) accounts, offset by projected surpluses in the Salaries General (\$2.97 million) and Uniforms (\$50,000) accounts. The special fund surplus consists of a projected surplus in the Salaries General Account (\$8.65 million) due to vacancies in the Bureau, offset by projected overspending in the Contractual Services (\$3 million), Overtime General (\$1 million), Operating Supplies (\$1 million), Hiring Hall Salaries (\$1.5 million), and Hiring Hall Benefits (\$0.5 million) accounts.

The Travel overspending is due to increased staff travel to conferences as part of the Bureau's efforts to promote equity among new hires. The Contractual Services overspending is due to contract costs for the installation and upgrade of transit shelters and inflationary pressures on contract hauling costs. The Overtime General overspending is due to increased staff overtime to maintain staffing levels due to vacancies in the Bureau. The Operating Supplies overspending is due to inflationary pressures on materials costs and waste hauler fees. The Hiring Hall Salaries and Hiring Hall Benefits overspending is due to the increased use of hiring hall staff to complete sidewalk repair and transportation projects. The Salaries General surplus is due to vacancies in the Bureau. The Uniforms surplus is based on prior and current year expenditure patterns.

This Office recommends transfers from the Salaries General and Uniforms accounts to address projected overspending in the Travel, Overtime General, Operating Supplies, Hiring Hall Salaries, and Hiring Hall Benefits accounts, and to address special fund Contractual Services overspending. This Office will continue to work with the Bureau to monitor General Fund Contractual Services overspending and report in future FSRs.

This Office projects a \$1.03 million shortfall from the Bureau's General Fund revenue budget of \$74.24 million due to a projected reduction in reimbursements for Metro Rail Work.

This Office recommends the following transactions at this time:

- Transfer \$2 million from the Salaries General Account (General Fund) to the Overtime General (\$1 million) and Operating Supplies (\$1 million) accounts to address overspending due to the increased use of overtime due to vacancies and increased costs for waste fees and materials/supplies.

- Transfer \$50,000 from the Uniforms Account (General Fund) to the Travel Account to address costs for Bureau staff traveling to professional conferences and inter-agency symposiums.
- Transfer \$4 million from the Salaries General Account (Special Gas Tax Fund) to the Overtime Salaries (\$1 million), Contractual Services (\$2 million), and Operating Supplies (\$1 million) accounts to address overspending due to the increased use of overtime due to vacancies and cost increases for contract haulers and materials/fees.
- Transfer \$2 million from the Salaries General Account (Measure R Fund) to the Hiring Hall Salaries (\$750,000), Hiring Hall Benefits (\$250,000), and Contractual Services (\$1 million) accounts to address overspending associated with the use of skilled craftsmen for ongoing access ramp work and an increase in consultant and private hauler costs.
- Transfer \$1 million from the Salaries General Account (Sidewalk Repair Fund) to the Hiring Hall Salaries (\$750,000) and Hiring Hall Benefits (\$250,000) accounts to address overspending associated with the use of skilled craftsmen for sidewalk repair due to vacancies.

LL. Recreation and Parks

No Recommendation

This Office projects a net year-end special fund surplus of \$2.44 million, consisting of a surplus in the Salaries General Account (\$6.37 million), offset by overspending in the Salaries As-Needed Account (\$3.93 million). The surplus in the Salaries General Account is due to vacancies in the Department. As Department facilities reopen, the Department plans to increase hiring staff to meet anticipated demand for services, including in areas such as Recreation and Aquatics, Childcare Services, Maintenance and Construction, Public Safety, Capital Planning, Special Facilities, and Administrative Support. The Salaries As-Needed Account overspending is due to the one-time cash payment associated with the agreement with the Coalition of City Unions.

Child Care Centers

The Department reports that four child care centers are currently open: Jim Gilliam Child Care Center, Ralph M. Parsons Preschool, Victory Valley Child Care Center, and Branford Child Care Center. The Jim Gilliam Child Care Center and the Ralph M. Parsons Preschool are two centers that RAP has operated since before the Great Recession.

The 2021-22 Adopted Budget provided \$20 million for child care facility rehabilitation, and nine-months funding for the operation of 10 child care centers that closed during the Great Recession. In August, the Department conducted a “soft” opening of two of these centers: the Victory Valley Child Care Center and the Branford Child Care Centers. Both centers are pending licensing by the State. Under California law, unlicensed child care centers generally may not operate for more than 15 hours per week, and to comply, RAP opened these two centers for only half-days during the

week, or three hours a day. Of the remaining eight centers, the Department anticipates opening six more child care centers in November, one in December, and one in July 2023.

The Department anticipates meeting its special fund revenue budget of \$49.77 million at this time.

MM. Transportation

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$15,955,145, consisting of a \$13.26 million in General Fund surplus and a \$2.69 million in various special funds. The surplus is primarily due to a projected \$18.19 million Salaries General Account surplus (\$10.33 million General Fund and \$7.86 million special fund) due to vacancies in the Department and the projected pace of hiring, and a projected \$2.63 million General Fund, Salaries As-Needed Account surplus based on current expenditure trends. These surpluses are offset by projected special fund overspending in the Salaries As-Needed (\$0.55 million), Overtime General (\$4.62 million), and Travel (\$50,000) accounts.

The Salaries As-Needed overspending is due to higher than anticipated charges to the Traffic Safety Fund and Proposition C Anti-Gridlock Transit Fund. The Overtime General overspending is due to reimbursable work completed for several projects and ad-hoc traffic control services for special events, venues, and protests. The projected Travel Account overspending is based on multi-year expenditure patterns. This Office recommends transfers in this FSR to reduce the projected Overtime General Account overspending to \$1.01 million and to eliminate the Travel Account overspending. This Office will continue to work with the Department to monitor the Salaries As-Needed and Overtime General accounts and report in future FSRs.

This Office projects a shortfall of \$12.9 million in the Department's General Fund Revenue budget of \$92.8 million. This is due to a reduction in related costs reimbursements based on the projected reduction in special fund salary expenditures due to vacancies in the Department. This Office will continue to monitor the Department's revenue and report in future FSRs.

This Office recommends the following transactions at this time:

- Appropriate \$700,000 from the Measure R Local Return Fund's Pavement Preservation Program Account to the Department's Overtime General Account for overtime costs associated with the Pavement Preservation Program.
- Appropriate \$1,830,821 from the Department of Transportation Trust Fund's 2021-22 Transportation Department Account to the Department's Overtime General Account for overtime costs associated with traffic control services at venues and neighboring areas.
- Appropriate \$214,915 from the Department of Transportation Trust Fund's 2021-22 Transportation Department Account to the Department's Overtime General Account for

overtime costs associated with the Metro Crenshaw/LAX Corridor Project, which includes striping and traffic signal loop relocation in conjunction with pavement operations.

- Appropriate \$84,000 from the Department of Transportation Trust Fund's 2021-22 Transportation Department Account to the Department's Salaries General and Overtime General Accounts for salaries and overtime costs associated with the installation of protected left-turn phasing for the eastbound and westbound directions at the intersection of Hughes Avenue along Venice Boulevard in Council District 5 (C.F. 22-0364).
- Appropriate \$94,000 from the Department of Transportation Trust Fund's 2021-22 Transportation Department Account to the Department's Salaries General and Overtime General Accounts for overtime costs associated with the installation of protected left-turn phasing for the eastbound and westbound directions at the intersection of Girard Avenue and Midvale Avenue along Venice Boulevard in Council District 5 (C.F. 22-0367).
- Appropriate \$5,873 from the Department of Transportation Trust Fund's 2021-22 Transportation Department Account to the Department's Overtime General Account for overtime costs associated with curb repainting in the Hollywood area in Council District 13 (C.F. 22-0607).
- Transfer \$50,000 from the Department's Salaries General Account to the Department's Travel Account for anticipated travel expenses related to transportation conventions, trainings, and events.
- Transfer \$496,177 from the Department of Transportation Trust Fund's 2021-22 Transportation Department Account to the Department's Overtime General Account for department labor supporting the Los Angeles Department of Water and Power's Century Trunk Line Unit 1 Project.
- Transfer \$8,370 from the ATSAC Trust Fund's 2021-22 Information Technology Account to the Information Technology Agency's Communication Services Account for services to upgrade data connections related to the Automated Traffic Surveillance and Control (ATSAC) Center to allow ATSAC to share its large volume of data with City information systems.

NN. Youth Development Recommendation Nos. 25 and 26

This Office projects a net year-end surplus of \$697,533, comprised of a \$29,802 General Fund surplus and a \$667,731 special fund surplus. The projected General Fund surplus consists of a Salaries General Account (\$100,802) surplus due to vacancies in the Department, offset by an over-expenditure in the Youth Council Stipends Account (\$71,000). The projected special fund surplus consists of surpluses in the Salaries General (\$314,313), Printing and Binding (\$10,000), Contractual Services (\$318,281), Office and Administrative (\$18,137), and Furniture, Office, and

Technical Equipment (\$7,000) accounts. The special fund surpluses in the Salaries General, Printing and Binding, Contractual Services, Office and Administrative, and Furniture, Office, and Technical Equipment accounts are associated with the multi-year CaliforniansForAll Youth Jobs Corps Program grant, which ends in the last quarter of 2023-24 (C.F. 22-0014). The Department plans to request a reappropriation of the remaining grant surplus to 2023-24 in the Year-End FSR.

Youth Council Stipends

This Office projects that the 2022-23 cost for Youth Council educational stipends will be \$108,000, comprised of \$37,000 that was included in the 2022-23 Adopted Budget, and \$71,000 that was reverted to the Reserve Fund in 2021-22. Pursuant to C.F. 21-0182-S2, \$108,000 was to be transferred to a new Youth Council Stipend Account. Since the transaction was not processed in FMS by year-end, the funds reverted to the Reserve Fund. Although the Department has sufficient funds to cover the first four months of the stipend payments in the amount of \$37,000, it is unable to absorb the cost of the remaining eight months. This Office recommends a \$71,000 appropriation from the Reserve Fund to the Salaries As-Needed Account, consistent with the Council and Mayor's intent, to pay for the remainder of the 2022-23 Youth Council stipends. The Department will subsequently transfer these funds to the Youth Council Stipends Account to address the projected over-expenditures.

The Department has no budgeted General Fund revenues.

This Office recommends the following transactions at this time:

- Transfer \$71,000 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the Department's Salaries, As-Needed Account to provide educational stipends to L.A City Youth Council members in 2022-23.
- Rescind the following Youth Development Budgetary Footnote in the 2022-23 Adopted Budget, inasmuch as there are insufficient funds to transfer and Recommendation 25 supersedes this instruction:

“Reappropriate up to \$71,000 in unencumbered remaining balances in Youth Development Fund 100/19, Salaries, As-Needed Account into the same account and in the same amount that exists on June 30, 2022, to partially fund stipends.”

OO. Zoo Recommendation No. 27

This Office projects a net year-end special fund surplus of \$291,489, consisting of a surplus in the Salaries General Account (\$491,489) due to vacancies in the Department, offset by overspending in the Animal Food/Feed and Grain Account (\$200,000) due to food cost inflation. This Office will work with the Department to monitor the impact of inflation on the Animal Food/Feed and Grain Account and recommend any necessary transactions to address the overspending in a future FSR.

The Department's 2022-23 special fund revenue budget is \$26.9 million, which includes a \$3.4 million General Fund appropriation to the Zoo Enterprise Trust Fund (ZETF) and \$1.0 million in the Unappropriated Balance (UB), Zoo Uncertain Revenue Account. Excluding the General Fund appropriation and the UB funding, the Department's year-end Special Fund revenue is projected at \$21.6 million. After accounting for the \$3.4 million General Fund appropriation to the Trust Fund included in the budget, a \$1.9 million year-end Special Fund revenue shortfall remains. This Office does not recommend an appropriation from the Zoo Uncertain Revenue Account to the ZETF at this time as the budget gap is currently projected to be fully offset by the ZETF's cash balance. The ZETF began 2022-23 with a \$5.2 million cash balance after accounting for prior-year obligations, which is \$4.2 million higher than projected in the Adopted Budget. While it is too early in the fiscal year to project Zoo revenue, should revenues remain steady, the unallocated funds in the cash balance may be available to offset Zoo revenue shortfalls and unbudgeted items associated with the Zoo accreditation process.

This Office recommends the following transaction at this time:

- Reauthorize a total of \$1,182,831 in MICLA financing authorized for Municipal Facilities in the 2022-23 Adopted Budget for the purchase of a Computer Tomography (CT) Scanner for the Zoo Department and authorize the Zoo to establish appropriations for this purchase.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

This section addresses the status of non-departmental expenditures and revenues and highlights issues of concern.

A. General City Purposes

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

Account	Account Name	Net Surplus / (Deficit)
000510	Medicare Contributions	\$ (1,059,797)
000570	Social Security Contributions	360,344
000577	Pensions Savings Plan	(61,778)
Payroll Accounts Subtotal		\$ (761,231)
000506	Annual City Audit/Single Audit	\$ (205,597)
00050Z	LA's Best	(1,449,777)
000939	Sister Cities of Los Angeles	(80,000)
000946	TransLatin@ Coalition	(50,000)
Other Accounts Subtotal		\$ (1,785,374)
Total Projected Over-Expenditure		\$ (2,546,605)

This Office projects a net year-end over-expenditure of \$2.5 million, composed of \$761,231 in over-expenditures in the payroll accounts and \$1.8 million in other General City Purposes accounts.

Within the payroll accounts, we project spending above plan in the Medicare Contributions (\$1,059,797) and Pensions Savings Plan (\$360,344) accounts, partially offset by a surplus in the Social Security Contributions Account (\$360,344). Over-expenditures are due to higher average annual salaries, exacerbated by unbudgeted salary increases and one-time payouts for sworn and civilian employees. Expenditures in these accounts will fluctuate throughout the year. As such, this Office does not recommend adjustments at this time. This Office will continue to monitor these accounts and report again in the next FSR.

This Office also projects an over-expenditure of \$205,597 in the Annual City Audit/Single Audit Account due to increased payments during 2022-23 for 2021 and 2022 audits costs. The 2021 audit costs will exceed budget by \$74,000 because of the addition of four federal grant programs to the Single Audit. The 2022 audit costs will exceed budget by \$131,597 because of the addition of five federal grant programs. While the account does include a contingency amount, the Controller's Office used this funding to complete the Proposition HHH audit.

Finally, we attribute the remaining \$1.6 million in over-expenditures to delays in executing agreements with the Sister Cities of Los Angeles (\$80,000), TransLatin@ Coalition (\$50,000), and

LA's Best (\$1.4 million). Execution of these agreements is in progress. The 2021-22 Year-End FSR reappropriated \$1.0 million for LA's Best to the current year to help offset prior and current year costs. Costs for LA's Best in the amount of \$1,449,777 remain and will be addressed in a future FSR. This FSR includes recommendations to address the over-expenditures in the Sister Cities of Los Angeles and TransLatin@ Coalition accounts.

This Office recommends the following transactions at this time:

- Transfer \$375,000 from the Parents, Educator/Teachers & Students in Act Teen Court Pro - CD 5 Account to the Los Angeles Superior Court Teen Court Program Account to consolidate funding sources for the agreement with Parents, Educators, Teachers & Students to provide youth leadership workshops, tutoring sessions, academic preparation classes, and self-help programs.
- Transfer \$205,597 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Annual City Audit/Single Audit Account for increases in the 2021 and 2022 annual audit costs.
- Transfer \$80,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Sister Cities of LA Account to continue defraying costs for Sister Cities of Los Angeles, a nonprofit agency that works on behalf of the City to oversee current and future sister city relationships.
- Transfer \$50,000 from the County Service-Massage Parlor Regulation Account to the TransLatina Coalition Account to support a report on accessibility and social service needs for Trans, Gender Non-Confirming, and Intersex communities in Los Angeles.

B. Unappropriated Balance

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 7A – Status of the UB – General Account

Attachment 7B – Status of the UB – Reserve for Mid-Year Adjustments

Attachment 7C – Status of the UB – Non-General Accounts

The 2022-23 Adopted Budget includes \$298.0 million for the Unappropriated Balance (UB). To date, the Mayor and City Council have approved a net of \$27.5 million in transactions, leaving a balance of \$325.5 million in the UB.

This report includes recommendations to transfer \$4.6 million from various UB accounts, which leaves a remaining balance of \$320.9 million.

This Office recommends the following transactions at this time:

- Transfer \$500,000 from the Community Initiatives Account to the General Fund-Variou Programs Fund for the Economic and Workforce Development Department for the Sidewalk

Vending Program. The funding will support ten BusinessSource Centers to help sidewalk vendors attain permits, licenses, and equipment to comply with City and County vending rules and regulations.

- Transfer \$1,881,432 from the Equipment, Expense, and Alterations and Improvements Account to the Mayor's Office to align with current expenditures.
- Transfer \$200,304 from the Fair Work Week Account to the City Attorney's Salaries General Account to fund positions that support the Fair Work Week Program.
- Transfer \$80,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the General City Purposes for the Sister Cities of LA contract for 2021-22.
- Transfer \$205,597 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the General City Purposes for the Annual City Audit to address increases in the 2021 and 2022 annual audit costs.
- Transfer \$1,755,384 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the City Attorney's Outside Counsel Account to address over-expenditures for various cases including police protest cases.

C. Human Resources Benefits No Recommendation

This Office projects a net \$5.35 million over-expenditure for the Human Resources Benefits Fund (Fund). The projected overspending is primarily due to higher premium costs than assumed in the budget for the Civilian Flex Program (\$6.62 million) and Fire Health and Welfare Program (\$1.61 million). Our projection also includes an over-expenditure in the Supplemental Civilian Union Benefit (\$0.22 million) due to higher benefits costs than assumed in the budget. Partially offsetting the overspending is a projected surplus in the Police Health and Welfare Program (\$3.1 million) due to lower enrollment than assumed in the budget. Projections this early in the fiscal year are subject to potentially significant expenditure fluctuations by year end due to changes in benefit rates, open enrollment, staff attrition and hiring, and workers' compensation claims. This Office does not recommend additional appropriations at this time. This Office and the Personnel Department will continue to monitor the status of the Fund and report in future FSRs.

This Office projects the Fund will meet its General Fund revenue budget of \$2.97 million by year end.

D. Liability Claims Account Attachment 8 – Status of Liability Accounts

The 2022-23 Adopted Budget provides \$87.37 million for Liability Payouts, allocated between the Miscellaneous Liability Payouts (\$80 million) and Public Works, Sanitation Liability Payouts (\$7.37

million) accounts. Supplemental funding of \$20 million is provided in the Unappropriated Balance (UB) Reserve for Extraordinary Liability to pay for both tort liability and tax-related cases beyond the amount provided in the Liability Claims Account.

As of September 28, 2022, \$8.4 million of the \$87.37 million has been expended from the Liability Claims Account. Including an additional \$5.54 million pending payment, the total committed amount is \$13.94 million. Therefore, \$73.43 million (84-percent), of which \$6.85 million is budgeted for Bureau of Sanitation matters, represents the available balance for the remainder of the fiscal year. Based on the current rate of payouts pending Council approval (\$11.28 million), and pending final report (\$23.42 million), the projected year-end balance is approximately \$38.73 million for the Miscellaneous Liability (\$33.86 million) and Bureau of Sanitation (\$4.87 million) accounts.

E. Los Angeles Fire and Police Pensions (LAFPP) Recommendation No. 22

The Los Angeles Fire and Police Pensions (LAFPP) requests to reappropriate \$783,110.75 in prior-year unexpended excess benefits funds to the current fiscal year. The Excess Benefit Plan is a General Fund obligation that supplements the benefits of certain retired members of the Fire and Police Pension Plan. The City incorporates this excess benefit payment into the annual General Fund contribution to LAFPP, which is determined pursuant to Section 415(b) of the Internal Revenue Code. The Internal Revenue Service (IRS), however, sets this amount on a calendar year basis, whereas the City prepares its budget by fiscal year. Therefore, the City's payment may occasionally result in an overpayment or underpayment from the IRS limit. The 2022-23 Excess Benefits Plan payment assumes applying 2021-22 savings. Hence, the requested reappropriation is necessary to cover the excess benefits payments required for 2022-23.

This Office recommends the following transaction at this time:

- Reappropriate \$783,110.75 from the unencumbered balance within the Excess Benefits Fund No. 918/64, Account No. 649700, Fire and Police Excess Benefits into the same amount and into the same account that exists on June 30, 2022 for excess benefits payments for 2022-23.

3. STATUS OF EMPLOYMENT Attachment 9 – Employment Level Report

Citywide employment authority from all funding sources totaled 38,391 at the end of August for both civilian and sworn classes. There are 31,435 filled positions at the end of August. Departments reported a total of 6,956 vacant positions: 3,858 General Fund and 3,098 special funded.

4. STATE BUDGET No Recommendation

On June 27, 2022, Governor Newsom signed the 2022-23 Budget Act, which continues building reserves, eliminating budgetary debt, reducing retirement liabilities, and focusing on one-time

spending over ongoing investments. The Budget is projected to be structurally balanced in 2025-26, the last year in the multi-year forecast. We list budget proposals with potential impacts to the City below:

Library Infrastructure

The state allocated an additional \$50 million in 2022-23 and plans to allocate an additional \$100 million in 2023-24 to provide an equity-focused matching grant program to support local library maintenance, improve energy efficiency and sustainability, and expand digital and physical access to libraries

State Parks Passes

The state allocated an additional \$13.5 million for the California Department of Parks and Recreation to expand availability of state parks passes offered via local libraries, in partnership with the California State Library.

State Parks Partnership

The state allocated \$25 million for the California Department of Parks and Recreation to create new California Cultural and Art Installations in the Parks Program for state and local parks.

Online Job Training and Workforce Development

The state allocated an additional \$10.2 million to support two additional years of free online job training and educational upskilling program available through local public libraries.

High-Speed Rail and Transit

The state allocated \$4.2 billion Proposition 1A bond funds for High-Speed Rail. The state also allocated \$8 billion over four years for statewide, regional and local transit and rail projects, including \$350 million for high-priority rail safety improvements.

Modernizing the Older Californians Act

The state allocated \$59.3 million to provide one-time funding to pilot restoring various local aging programs such as Community Based Support Programs, Family Caregiver Support, Aging in Place, and Senior Volunteer Development.

Homeless Housing, Assistance, and Prevention Program (HHAP)

In addition to the \$1 billion allocated in 2022-23, the state also allocated \$1 billion in 2023-24 for cities, counties, and continuums of care to create comprehensive plans to address their homelessness challenges in ways that best meet local needs.

Homelessness and Behavioral Health

The state allocated an additional \$3.4 billion over three years to continue the state's efforts by investing in immediate behavioral health and housing and treatment, encampment cleanup grants, and extends support for local government efforts for an additional year.

Addressing Organized Retail Theft and Other Crimes

The state allocated \$85 million annually for three years for competitive grants for local law enforcement to combat organized retail crime; \$10 million annually for three years for competitive grants to local District Attorneys to create dedicated retail theft vertical prosecution teams; \$6 million annually in 2022-23 through 2024-25 and ongoing resources to provide a total of \$15 million annually for the California Highway Patrol to expand and make permanent its Organized Retail Theft Taskforce which will work with local law enforcement to address organized theft in the Bay Area, Sacramento, San Joaquin Valley, Los Angeles, and San Diego regions; \$25 million annually for three years to provide local law enforcement support during disasters and emergencies; \$5 million annually for three years to support the Internet Crimes Against Children Task Force Program, which helps state and local law enforcement agencies develop an effective response to technology-facilitated child sexual exploitation and combat underground child pornography rings; \$25 million one-time for the Board of State and Community Corrections to establish a competitive grant program to support local gun buyback programs; and, \$30 million (\$15 million in 2022-23 and \$15 million in 2023-24) to expand the Military Department's existing efforts to prevent drug-trafficking transnational criminal organizations throughout the state with focus on assisting federal, state, local, and tribal law enforcement agencies in combating fentanyl.

Clean California Local Grants

The state allocated \$100 million for the California Department of Transportation's Clean California Local Grant Program in 2023-24. In the 2021-22 Budget Act, the state allocated \$1.1 billion over a three-year period. The goals of the Clean California Local Grant Program are to reduce the amount of waste and debris within public spaces; beautify and improve public spaces and mitigate urban heat island effect; improving public spaces for walking and recreation; and advancing equity for underserved communities.

Veteran Mental Health Support Network Grants

The state allocated \$40 million to provide competitive grants to local jurisdictions that provide matching grants to expand mental health services for veterans.


This Office will continue to monitor the state budget and will provide updates as necessary.

5. Tax and Revenue Anticipation Notes Attachment 3 – New Appropriations

In July 2022, the City issued Tax and Revenue Anticipation Notes (TRAN) to pay its annual contributions to the Los Angeles City Employees' Retirement System (LACERS) and the Los Angeles Fire and Police Pension Plan (LAFPP) and to alleviate the City's short-term cash flow deficits that occur early in the fiscal year when certain taxes and revenues have not yet been received (C.F. 22-0600-S87). To address the City's cash flow need, the City Council authorized the issuance of \$300 million in notes through the TRAN financing and the borrowing of up to \$300 million from special funds in accordance with Charter Section 340(b). The 2022-23 Adopted Budget provides sufficient funds in the TRAN Debt Service Fund to pay for both the debt service on the TRAN financing and the interest on the special fund borrowings for cash flow management. To pay

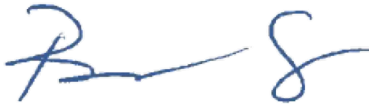
for interest costs attributed to the borrowings discussed above, this Office recommends the transfer of up to \$721,821.56 from the TRAN Debt Service Fund to the General City Purposes Fund.

- Authorize the Controller to transfer up to \$721,821.56 from the TRAN Debt Service Fund, Interest Payment Account to the General City Purposes Fund, Fund Loan Interest Reimbursement Account to pay for applicable interest costs related to short-term loans from various special funds (C.F. 22-0600-S87) to address the City's short-term cash flow deficits.



Nicholas S. Campbell, Senior Administrative Analyst II

APPROVED:



Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:NSC:01230037C

Attachments

Attachment 1A

2021-22 Adopted and Revised General Fund Receipts

Preliminary Final Receipts through June 2022

(Thousand Dollars)

	Adopted Budget	Revised Budget	Preliminary Final Receipts	Variance from Adopted Budget	Variance from Revised Budget	Comments on Variance from Revised Budget
Property Tax	\$2,400,250	\$2,323,005	\$2,323,454	(\$76,796)	\$449	Surplus attributed to supplemental receipts.
Property Tax Ex-CRA Inc.	111,990	126,727	120,479	8,489	(6,248)	Actual receipts came in below the County Auditor-Controller's April estimate.
Department receipts (LPFF and reimbursements)	1,244,790	1,219,349	1,154,263	(90,527)	(65,086)	Shortfall due to lower related cost and other reimbursements from special funds, proprietary departments and outside agencies (-\$101.6m total). Offsetting surpluses include \$8.7m from ambulance billings and \$27.6m from fees and other revenue.
Business Tax	716,600	739,700	757,601	41,001	17,901	Excess receipts from non-cannabis business activity offset a \$2.5m shortfall in anticipated cannabis-related receipts
ARPA	639,450	639,450	639,483	33	33	Second ARPA transfer was slightly higher than FY21
Sales Tax	606,610	665,420	687,299	80,689	21,879	Sales tax receipts above revised may be partially attributed to inflation.
Utility Users' Tax	605,050	623,550	638,151	33,101	14,601	Electricity, communications, and gas users tax ended above revised estimates by \$11.43m, \$2.64m and \$540k respectively.
Documentary Transfer Tax	227,005	303,351	308,805	81,800	5,454	Increasing home prices continued to offset slowing sales. Surplus includes \$300k from legal entity transfers.
Power Revenue Transfer	225,819	225,015	225,015	(804)	-	
Transient Occupancy Tax	183,300	229,700	239,124	55,824	9,424	Surplus attributed to hotel activity.
Parking Fines	123,621	112,100	110,273	(13,348)	(1,827)	Receipts fell below the reduced parking fine
Parking Occupancy Tax	99,337	96,900	101,055	1,718	4,155	Receipts reflect an increase in average receipts for the final quarter.
Franchise Income	94,657	104,202	105,971	11,314	1,769	Year-end receipts reflect higher receipts from solid waste collection, cable television, natural gas and official police garage franchises.
Grant Receipts	91,343	59,293	40,527	(50,816)	(18,766)	Shortfall includes \$16.7m in delayed FEMA reimbursements for COVID-19 response efforts.
Tobacco Settlement	11,489	11,809	11,810	321	1	
Special Parking Revenue	8,477	8,477	8,477	-	(0)	
Residential Development Tax	4,800	4,500	4,866	66	366	Monthly receipts in this category are variable.
State Motor Vehicle License Fees	2,942	4,532	4,532	1,590	0	
Subtotal General Fund	\$7,397,530	\$7,497,079	\$7,481,185	\$83,656	(\$15,894)	
Interest Income	20,603	27,600	28,514	7,911	914	
Transfer from Reserve Fund	85,090	85,090	85,090	-	-	
Total General Fund	\$7,503,223	\$7,609,769	\$7,594,790	\$91,567	(\$14,979)	

Attachment 1B

**2022-23 Adopted General Fund Revenue
Receipts through September
(Thousand Dollars)**

	Adopted Budget	Plan Through September	Receipts Through September	Receipts as Percent of Budget	Variance from Monthly Plan	Comments on Variance from Adopted Plan
Property Tax	\$2,535,005	\$138,192	\$151,781	6.0%	\$13,589	Receipts through September are from the prior property tax period. Secured are \$2.0m above plan, unsecured \$5.3m, supplemental \$3.4m, and redemptions \$2.9m.
Property Tax Ex-CRA Inc.	153,800	-	-	0.0%	-	
Department receipts (LPFF and reimbursements)	1,272,944	218,233	239,537	18.8%	21,304	Related costs and other reimbursements are -\$32.1m below plan are offset by prior year receipts and revenues associated with interim appropriations.
Business Tax	786,900	54,180	56,543	7.2%	2,363	An \$8.6m surplus in non-cannabis receipts is offsetting a \$6.2m shortfall from cannabis activity.
Sales Tax	704,760	180,230	182,791	25.9%	2,561	Sales tax receipts for September were \$2.1m below planned monthly receipts.
Utility Users' Tax	614,100	160,000	175,651	28.6%	15,651	Electricity and gas users taxes are \$11.0m and \$4.6m above plan respectively. Communications users tax is at plan.
Documentary Transfer Tax	298,540	83,970	67,388	22.6%	(16,582)	The shortfall is attributed to a greater decline in sales volume than anticipated in the budget as reflected by number of deeds recorded. Sales price, as reflected by revenue per deed, has continued to increase although increasing interest rates will depress price
Transient Occupancy Tax	263,220	65,380	81,188	30.8%	15,808	Surplus of \$16.5m from hotel activity is offsetting \$715k shortfall in short-term rental remittances.
Power Revenue Transfer	229,721	-	-	0.0%	-	DWP's budgeted transfer is \$1.7m higher than the adopted budget.
Parking Fines	130,000	32,780	27,076	20.8%	(5,704)	Receipts have declined with the start of the fiscal
Grant Receipts	122,083	3,175	2,192	1.8%	(983)	Variance reflects delayed department grant receipts.
Franchise Income	119,831	24,626	31,252	26.1%	6,626	All category of franchise fees are above plan with \$4.5m and \$1.1m attributed to natural gas and solid waste collection.
Parking Occupancy Tax	111,270	28,740	32,379	29.1%	3,639	Higher receipts reflect continuing recovery from pandemic-impacted receipts.
Special Parking Revenue	30,426	-	-	0.0%	-	
Tobacco Settlement	11,489	0	0	0.0%	-	
Residential Development Tax	4,800	1,200	1,638	34.1%	438	Monthly receipts in this category are variable.
State Motor Vehicle License Fees	3,900	-	-	0.0%	-	
Subtotal General Fund	\$7,392,790	\$990,706	\$1,049,417	14.2%	\$58,711	
Interest Income	36,610	19,860	19,479	53.2%	(381)	Monthly receipts in this category are variable.
Transfer from Reserve Fund	16,648	0				
Total General Fund	\$7,446,048	\$1,010,566	\$1,068,896	14.4%	\$58,330	

**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 10/14/22**

Council File No.	Item Description	Amount
Balance Available, 7/1/2022		\$ 601,695,165.74
Less: Emergency Reserve Account		<u>\$ 204,766,000.00</u>
 Contingency Reserve Account 7/1/2022		 \$ 396,929,165.74
General Fund Appropriation to the Reserve Fund		-
 Loan Repayment and Other Receipts		17,975,719.21
Contingency Reserve Account		<u>\$ 414,904,884.95</u>
 Loans and Transfers Approved to Date		
22-0847	GSD - Electric Vehicle Plan - 2022-23 First Construction Project Report	(500,000.00)
22-0756	Project Roomkey Extension - Highland Gardens	(1,494,777.49)
22-0800	Aging - Senior Meals Emergency Response Program	(612,457.75)
21-0112	Homekey 2.0 Program	(48,532,773.75)
	Project Roomkey Extension - Highland Gardens, Airtel Plaza Hotel, and	
22-0756	L.A. Grant Hotel	(25,446,903.00)
22-0856	Aging - Fraudulent payment correction	(59,940.00)
22-1112	TUMO Center for Creative Technologies	(10,000,000.00)
 Loans and Transfers Approved to Date Subtotal		 \$ (86,646,851.99)
 Proposed Loans and Transfers		
First FSR	City Tourism Department - Reappropriation	(1,949.67)
First FSR	CD-7 - Pacoima Beautiful - Reappropriation	(75,000.00)
First FSR	Youth Development - Youth Council Stipend Reappropriation	(71,000.00)
 Proposed Loans and Transfers Subtotal		 \$ (147,949.67)
 Contingency Reserve Available Balance as of 10/14/2022		 <u><u>\$ 328,110,083.29</u></u>
 Total Emergency and Contingency Reserve Fund		 <u><u>\$ 532,876,083.29</u></u>

ATTACHMENT 2A
SCHEDULE OF REVERSIONS TO RESERVE AND OTHER FUNDS
FYE JUNE 30, 2022

Dept No.	Department Name	Balance	Reversion to Other Special Funds	Reversion to Reserve Fund
02	Aging	1,224,557.70	0.00	1,224,557.70
06	Animal Services	331,090.93	33,596.55	297,494.38
08	Building and Safety	22,327,894.94	20,707,129.30	1,620,765.64
10	City Administrative Officer	4,068,924.88	362,769.10	3,706,155.78
11	Public Accountability	2,788,698.87	0.00	2,788,698.87
12	City Attorney	1,795,518.28	509,330.87	1,286,187.41
13	Cannabis Regulation	1,587,060.50	1,265,250.50	321,810.00
14	City Clerk	2,737,019.17	0.00	2,737,019.17
15	Civil, Human Rights and Equity	1,526,489.75	0.00	1,526,489.75
17	City Ethics	136,481.16	136,481.16	0.00
19	Youth Development	689,815.42	0.00	689,815.42
21	Community Investment for Families	2,229,711.76	121,823.00	2,107,888.76
22	Economic and Workforce	807,813.40	7,935.69	799,877.71
26	Controller	2,130,862.60	245,286.42	1,885,576.18
28	Council	17,859,956.08	1,021.05	17,858,935.03
30	Cultural Affairs	9,298,083.78	9,273,083.78	25,000.00
32	Information Technology Agency	13,118,601.87	445,302.89	12,673,298.98
33	El Pueblo	223,558.14	197,667.14	25,891.00
35	Emergency Management	852,181.96	175,000.00	677,181.96
36	Employee Relations	38,981.88	0.00	38,981.88
38	Fire	13,660,205.52	384,349.48	13,275,856.04
39	Finance	5,744,766.46	19,039.43	5,725,727.03
40	General Services	49,879,458.49	16,181,808.26	33,697,650.23
43	Housing	3,229,068.53	416,340.10	2,812,728.43
46	Mayor	11,488,136.05	0.00	11,488,136.05
47	Neighborhood Empowerment	330,351.68	317,838.45	12,513.23
48	City Tourism	46,785.29	44,835.62	1,949.67
53	Capital Finance	8,276,946.94	242.04	8,276,704.90
54	Capital Improvement	104,407,941.07	5,054,933.25	99,353,007.82
56	General City Purposes	145,156,116.15	1,872,532.01	143,283,584.14
58	Unappropriated Balance	79,780,588.81	0.00	79,780,588.81
59	Liability Claims	70,179.98	59,310.24	10,869.74
60	Water and Electricity	1,217,804.88	0.00	1,217,804.88
61	Human Resources	5,318,298.54	0.00	5,318,298.54
62	General	7,080,551.00	0.00	7,080,551.00
63	Leasing	1,461,538.05	28,000.00	1,433,538.05
65	Disability	466,718.87	3.00	466,715.87
66	Personnel	4,291,649.89	2,717,826.11	1,573,823.78
68	City Planning	4,972,555.52	4,452,155.07	520,400.45
70	Police	41,458,649.55	540,382.19	40,918,267.36
74	PW Board Office	3,353,553.33	2,394,823.44	958,729.89
76	PW Bu of Contract Admin	6,523,844.29	3,996,937.31	2,526,906.98
78	PW Bu of Engineering	8,818,922.93	8,783,780.59	35,142.34
82	PW Bu of Sanitation	32,384,699.61	19,333,780.27	13,050,919.34
84	PW Bu of St Lighting	3,568,988.51	2,562,173.47	1,006,815.04
86	PW Bu of St Services	7,703,544.16	5,213,781.74	2,489,762.42
87	Zoo	1,131,962.77	1,131,962.77	0.00
94	Transportation	29,736,688.84	14,335,108.47	15,401,580.37
Total		667,333,818.78	123,323,620.76	544,010,198.02

Total 2020-21 Reserve Fund Year-End Reversion	544,010,198.02
2021-22 Reserve Fund Reversion Estimated in the 2022-23 Budget*	380,670,821.00
Difference between Actual and Estimated Reversion	163,339,377.02

ATTACHMENT 3
FY 2022-23 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Administrative Officer	<u>Fund P15/62, Tax and Revenue Anticipation Notes Debt Service Fund</u>		<u>Fund 100/56, General City Purposes</u>	
<i>TRAN Cash Flow Borrowings</i>	628210, Interest Payment	\$ 721,821.56	000964, Fund Loan Interest Reimbursement	\$ 721,821.56
Community Investment for Families	<u>Fund 424/21, Community Development Trust Fund</u>		<u>Fund 100/21, Community Investment for Families (424/21, 21W121)</u>	
<i>RCDC Shower Trailer Program</i> <i>(Previously called Mt. Tabor Shower Services)</i>	21WB04, RCDC Shower Trailer Program	\$ 554,898.00	003040, Contractual Services	\$ 554,898.00
Cultural Affairs	<u>Fund 844/30, Cultural Affairs Department Trust Fund</u>		<u>Fund 64Y/30, Cultural Affairs Trust Fund: Art Funds fr CRA/LA</u>	
<i>Art Covenants for Public Arts</i>	Cash Balance	\$ 5,259,287.24	30WY01, Beacon Street BS Cultural Trust Fund	\$ 6,866.00
			30WY02, City Center CT Cultural Facility Trust Fund	657,114.00
			30WY03, General Agency Downtown Cultural Trust Fund	1,567,600.00
			30WY04, General Agency Rockefeller Art Fund	218,664.00
			30WY05, General Agency Santa Fe Art Colony Trust	7,018.00
			30WY06, Hollywood HW Arts Fund	1,380,635.00
			30WY07, Hollywood HW LACERS Trust Fund	95,047.00
			30WY08, Hoover HO Cultural Trust Fund	71,728.00
			30WY09, Little Tokyo LT Cultural & Arts Fund	38,707.00
			30WY10, Mid City MD Cultural & Arts Trust Fund	234,154.00
			30WY11, Monterey Hills MH Art Trust Fund	21,503.00
			30WY12, North Hollywood Cultural & Arts Fund	202,404.00
			30WY13, North Hollywood Cultural & Arts Fund Series H	50,000.00
			30WY14, North Hollywood Cultural & Arts Fund Series B	21,594.00
			30WY15, North Hollywood Cultural & Arts Fund Series F	9,744.00
			30WY16, Pacoima Panorama Arts Development Fee	371,372.00
			30WY17, Pacoima Panorama Cultural Trust Fund	304,696.00
			30WY18, Wilshire Koreatown Cultural Trust Fund	441.24
			Subtotal	\$ 5,259,287.24
<i>Cultural Amenities Master Plan</i>	<u>Fund 577/30, Warner Center Cultural Affairs Trust Fund</u>		<u>Fund 100/68, Planning (577/30, 30W168)</u>	
	Cash Balance	\$ 250,000.00	003040, Contractual Services	\$ 250,000.00
Disability	<u>Fund 473/65, Computerized information Center for the Disabled</u>		<u>Fund 100/65, Disability (Fund 473/65, 65W165)</u>	
<i>Durable Medical Equipment</i>	Cash Balance	\$ 70,094.04	003040, Contractual Services	\$ 70,094.04
El Pueblo	<u>Fund 737/33 El Pueblo de Los Angeles Historical Monument Revenue Fund (480/30)</u>		<u>Fund 100/33, El Pueblo (737/33, 33133W)</u>	
<i>El Pueblo Museum Guides</i>	33133W, El Pueblo de Los Angeles	\$ 285,000.00	001070, Salaries, As-Needed	\$ 285,000.00
Economic and Workforce Development	<u>Fund 62L/22, Economic Development Trust Fund</u>		<u>Fund 62L/22, Economic Development Trust Fund</u>	
<i>Small Business Revolving Loan Fund - PHR Mart LLC</i> <i>and Interest Income earned</i>	Cash Balance	\$ 261,238.00	22W673, Small Business Revolving Loan Fund - PHR Mart LLC	\$ 125,000.00
			22W450, Program Income	136,238.00
			Subtotal	\$ 261,238.00

ATTACHMENT 3
FY 2022-23 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
<i>ENA Deposits Transfer - CRA/LA Future Development Option Agreement to the EDTF</i>	<u>Fund 45L/22, Miscellaneous Sources</u> Cash	\$ 59,997.00	<u>Fund 45L/22, Miscellaneous Sources</u> 22W62L, Economic Development Trust Fund	\$ 59,997.00
Housing	<u>Fund 17A, GOB Series 2017-A Taxable HHH Construction Fund</u>		<u>Fund 100/43, Housing</u>	
<i>HHH Permanent Supportive Housing Program (FY 2022 costs)</i>	RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 25,562.07	RCS 5168, Reimb of Prior Year Salary	\$ 807,298.55
	<u>Fund 17C, GOB Series 2018-A Taxable HHH Construction Fund</u>			
	RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 122,754.09		
	<u>Fund 17E, GOB Series 2021-A Taxable HHH Construction Fund</u>			
	RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 658,982.39		
	Subtotal	\$ 807,298.55		
<i>Construction Services Software</i>	<u>Fund 240/43, Housing Production Revolving Fund</u> Cash Balance	\$ 101,000.00	<u>Fund 100/43, Housing (240/43, 43W143)</u> 006010, Office and Administrative	\$ 101,000.00
<i>Permanent Local Housing Allocation (SB 2 Year II allocation)</i>	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation</u> Cash Balance	\$ 36,846,244.00	<u>Fund 100/43, Housing (64R/43, 43W143)</u> 001010, Salaries General	\$ 462,855.00
			<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation</u>	
			43W244, Administrative Reserve	\$ 1,007,538.00
			43W723, Rental - New Construction	\$ 16,472,816.00
			43W724, Rental - Preservation	\$ 8,965,734.00
			43W726, Homeownership MIPA	\$ 7,933,080.00
			43W920, ADU Accelerator Program	\$ 1,297,013.00
			43W299, Reimbursement of General Fund Costs	\$ 707,208.00
			Subtotal	\$ 36,846,244.00
<i>Financial Audit</i>	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u> Cash Balance	\$ 22,785.00	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u> 43W456, Financial Audit	\$ 22,785.00
	<u>Fund 44G/43, Affordable Housing Trust Fund</u> Cash Balance	\$ 4,296.00	<u>Fund 44G/43, Affordable Housing Trust Fund</u> 43W456, Financial Audit	\$ 4,296.00
Mayor	<u>Fund 62W/46, FY2018 Justice Assistance Grant Fund</u>		<u>Fund 62W/46, FY2018 Justice Assistance Grant</u>	
<i>Public Safety Grant</i>	46S317, CLEAR Evaluation	\$ 61,799.20	46S316, CLEAR Contractual Services	\$ 76,890.32
	46S912, City Attorney Grant Allocation	27,194.00		
	46V112, City Attorney	16,955.07	<u>Fund 100/46, Mayor (62W/46, 46W299)</u>	
	46V299, Reimbursement of General Fund	30,500.55	RSC 5346, Related Cost Reimbursement from Grants	\$ 20,445.11
	46W146, Mayor	12,541.10		
	RSRC 4903, Interest Income - Other	14,146.99	<u>Fund 100/12, City Attorney (62W/46, 46W112)</u>	
	Subtotal	\$ 163,136.91	001010, Salaries General	\$ 45,829.14
			<u>Fund 100/12, City Attorney (62W/46, 46W299)</u>	
			RSC 5346, Related Cost Reimbursent from Grants	\$ 19,972.34
			Subtotal	\$ 163,136.91

ATTACHMENT 3
FY 2022-23 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Personnel <i>Citywide Inclusion and Anti-Bias Plan Pilot</i>	<u>Fund 105/10, Innovation Fund</u> 10V166, Personnel	\$ 25,000.00	<u>Fund 100/66, Personnel (105/10, 10W166)</u> 003040, Contractual Services	\$ 25,000.00
Police <i>Innovation Fund Reappropriation</i>	<u>Fund 105/10, Innovation Fund</u> Cash balance	\$ 11,075.57	<u>Fund 100/70, Police (105/10, 10W170)</u> 006010, Office and Administrative	\$ 11,075.57
Public Works - Board <i>Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1)</i>	<u>Fund 834/50 Public Works Trust Fund</u> 574220, St. Tree Replacement Guarantee (in-lieu) fee - PW Sub	\$ 5,595.00	<u>Fund 100/86, Bureau of Street Services</u> 001010, Salaries General 006020, Operating Supplies	\$ 3,043.00 1,122.00
			<u>Fund 100/74, Board of Public Works</u> 001010, Salaries General	\$ 1,430.00
			Subtotal	\$ 5,595.00
	<u>Fund 834/50 Public Works Trust Fund</u> 574221, St. Tree Replacement Guarantee (in-lieu) fee - PW No	\$ 301,647.50	<u>Fund 100/86, Bureau of Street Services</u> 001010, Salaries General 006020, Operating Supplies	\$ 229,029.50 12,502.00
			<u>Fund 100/74, Board of Public Works</u> 001010, Salaries General	\$ 60,116.00
			Subtotal	\$ 301,647.50
	<u>Fund 834/50 Public Works Trust Fund</u> 574222, St. Tree Replacement Guarantee (in-lieu) fee - Planning	\$ 117,466.66	<u>Fund 100/74, Board of Public Works</u> 001010, Salaries General 003040, Contractual Services	\$ 17,040.00 100,426.66
			Subtotal	\$ 117,466.66
<i>Tree Gurantee Fee Planting Plan & I-405 Tree Removal Mitigation and Tree Replacement Project</i>	<u>Fund 834/50 Public Works Trust Fund</u> 50174V, PW-Board Office	\$ 385,117.26	<u>Fund 100/74, Board of Public Works</u> 003040, Contractual Services	\$ 385,117.26
<i>CalFire Loan</i>	<u>Fund 834/50 Public Works Trust Fund</u> BSA 1370 - Advance To Other Funds	\$ 1,464,175.00	<u>Fund 100/74, Board of Public Works</u> 003040, Contractual Services 001010, Salaries General 006010, Office and Admin 002120, Printing and Binding	\$ 1,250,000.00 209,175.00 3,500.00 1,500.00
			Subtotal	\$ 1,464,175.00
<i>HBCU - Engineering Recruitment Pilot</i>	<u>Fund 105/10, Innovation Fund</u> 10V174, Board of Public Works	\$ 69,690.00	<u>Fund 100/74, Board of Public Works</u> 002130, Travel 003040, Contractual Services 006010, Office and Administrative	\$ 18,010.00 16,760.00 6,580.00
			<u>Fund 100/82, Bureau of Sanitation</u> 001070, Salaries As-Needed	\$ 28,340.00
			Subtotal	\$ 69,690.00

ATTACHMENT 3
FY 2022-23 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation	<u>Fund 51Q/94, Measure R Local Return Fund</u>		<u>Fund 100/94, Transportation (51Q/94, 94W194)</u>	
<i>Pavement Preservation Program Overtime</i>	94WC01, Pavement Preservation Program	\$ 700,000.00	001090, Overtime General	\$ 700,000.00
<i>Traffic Control Services at Venues</i>	<u>Fund 840/94, Department of Transportation Trust Fund</u>		<u>Fund 100/94, Transportation (840/94, 94W194)</u>	
	94V194, Transportation	\$ 1,830,821.49	001090, Overtime General	\$ 1,830,821.49
<i>Metro Crenshaw/LAX Corridor Pavement Work</i>	<u>Fund 840/94, Department of Transportation Trust Fund</u>		<u>Fund 100/94, Transportation (840/94, 94W194)</u>	
	94V194, Transportation	\$ 214,914.51	001090, Overtime General	\$ 214,914.51
<i>Council District 5 Hughes & Venice - Left-Turn Lane</i>	<u>Fund 840/94, Department of Transportation Trust Fund</u>		<u>Fund 100/94, Transportation (840/94, 94W194)</u>	
	94V194, Transportation	\$ 84,000.00	001010, Salaries General	\$ 79,000.00
			001090, Overtime General	5,000.00
			Subtotal	\$ 84,000.00
<i>Council District 5 Girard and Midvale Left-Turn Lane</i>	<u>Fund 840/94, Department Transportation Trust Fund</u>		<u>Fund 100/94, Transportation (840/94, 94W194)</u>	
	94V194, Transportation	\$ 94,000.00	001010, Salaries General	\$ 89,000.00
			001090, Overtime General	5,000.00
			Subtotal	\$ 94,000.00
<i>Council District 13 Hollywood Area Curb Repainting</i>	<u>Fund 840/94, Department Transportation Trust Fund</u>		<u>Fund 100/94, Transportation (840/94, 94W194)</u>	
	94V194, Transportation	\$ 5,873.00	001090, Overtime General	\$ 5,873.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 49,994,650.73		\$ 49,994,650.73

ATTACHMENT 4

FY 2022-23 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM AMOUNT	FUND/ACCOUNT	TRANSFER TO AMOUNT
Council	<u>Fund 100/28, Council</u>		<u>Fund 100/28, Council</u>	
Staffing and Expenses	001010, Salaries General	\$ 2,825,000.00	001070, Salaries, As-Needed	\$ 2,000,000.00
			002130, Travel	25,000.00
			003040, Contractual Services	200,000.00
			006010, Office and Administrative	600,000.00
			Subtotal	<u>\$ 2,825,000.00</u>
City Attorney	<u>Fund 100/12, City Attorney</u>		<u>Fund 100/12, City Attorney</u>	
Banked Overtime	001010, Salaries General	\$ 200,000.00	001090, Overtime General	\$ 200,000.00
Economic and Workforce Development	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>		<u>Fund 100/22, Economic and Workforce Development (65N/22, 22W122)</u>	
Californians for All Youth Workforce Development Grant (CF 22-0014, Reappropriation of FY 21-22 Balances and Additional FY 22-23)	22V122, Economic and Workforce Development	\$ 166,819.00	001010, Salaries-General	\$ 157,232.00
			001070, Salaries-As Needed	923.00
			001090, Overtime	145.00
			002120, Printing and Binding	21.00
			002130, Travel	45.00
			003040, Contractual Services	3,465.00
			003310, Transportation	4.00
			006010, Office and Administrative	3,131.00
			006020, Operating Supplies	4.00
			006030, Leasing	1,849.00
			Subtotal	<u>\$ 166,819.00</u>
	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>		<u>Fund 100/22, Economic and Workforce Development (65N/22, 22W122)</u>	
	22V769, Reserved for EWDD Oversight	\$ 594,760.00	001010, Salaries-General	\$ 594,760.00
	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>		<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>	
	22V299, Reimbursement of General Fund Costs	\$ 697,796.00	22W299, Reimbursement of General Fund Costs	\$ 1,005,492.00
	22V769, Reserved for EWDD Oversight	307,696.00		
	Subtotal	<u>\$ 1,005,492.00</u>		
	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>		<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>	
	22V112, City Attorney	\$ 10,749.00	22W622, Reserved for EWDD Oversight	\$ 10,749.00
	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>		<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>	
	22V121, Community Investment for Families	\$ 776,500.00	22V6AM, Teen Parent Prosper Project	\$ 776,500.00
Transit Oriented Development (TOD) Planning Grant (Reappropriation of FY 21-22 Balances)	<u>Fund 60N/22, Transit Oriented Development Planning Grant</u>		<u>Fund 100/22, Economic and Workforce Development (60N/22, 22W122)</u>	
	22V122, Economic and Workforce Development	\$ 118,373.95	001010, Salaries-General	\$ 66,768.60
			003040, Contractual Services	52,518.85
	22V299, Reimbursement of General Fund Costs	\$ 31,052.60	22W299, Reimbursement of General Fund Costs	\$ 30,139.10
	Subtotal	<u>\$ 149,426.55</u>	Subtotal	<u>\$ 149,426.55</u>

ATTACHMENT 4

FY 2022-23 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM AMOUNT	FUND/ACCOUNT	TRANSFER TO AMOUNT
Economic and Workforce Development (cont'd) <i>Enterprise Zone Tax Credit Voucher Program</i>	<u>Fund 48L/22, Enterprise Zone Tax Credit Voucher Fund</u>		<u>Fund 100/22, Economic and Workforce Development (48L/22, 22W122)</u>	
	22T900, Enterprise Zone Tax Vouchers	\$ 351,327.00	001010, Salaries-General	\$ 195,991.00
			001070, Salaries-As Needed	1,036.00
			001090, Overtime	38.00
			002120, Printing and Binding	24.00
			002130, Travel	51.00
			003040, Contractual Services	3,889.00
			003310, Transportation	4.00
			006010, Office and Administrative	3,515.00
			006020, Operating Supplies	5.00
		006030, Leasing	30,101.00	
			<u>Fund 48L/22, Enterprise Zone Tax Credit Voucher Fund</u>	
			22W299, Reimbursement of General Fund Costs	\$ 116,673.00
			Subtotal	<u>\$ 351,327.00</u>
	<u>Fund 48L/22, Enterprise Zone Tax Credit Voucher Fund</u>		<u>Fund 100/66, Economic and Workforce Development (48L/22, 22W166)</u>	
	22T900, Enterprise Zone Tax Vouchers	\$ 6,504.00	001010, Salaries-General	\$ 4,348.00
			<u>Fund 48L/22, Enterprise Zone Tax Credit Voucher Fund</u>	
			22W299, Reimbursement of General Fund Costs	\$ 2,156.00
			Subtotal	<u>\$ 6,504.00</u>
<i>Student to Student Success Pilot Program</i>	<u>Fund 100/22, Economic and Workforce Development</u>		<u>Fund 100/22, Economic and Workforce Development</u>	
	001010, Salaries General	\$ 20,000.00	006020, Operating Supplies	\$ 20,000.00
Finance	<u>Fund 100/39, Finance</u>		<u>Fund 100/39, Finance</u>	
<i>Annual Tax Season Support</i>	001010, Salaries General	\$ 400,000.00	001070, Salaries, As-Needed	\$ 200,000.00
			001090, Overtime General	200,000.00
			Subtotal	<u>\$ 400,000.00</u>
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
<i>Field Equipment Expenses</i>	001093, Overtime Constant Staffing	\$ 2,000,000.00	003090, Field Equipment Expense	\$ 2,000,000.00
<i>Fleet Maintenance Overtime</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001010, Salaries General	\$ 1,000,000.00	001090, Overtime General	\$ 1,000,000.00
<i>Unused Sick Time</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001093, Overtime Constant Staffing	\$ 1,000,000.00	001050, Unused Sick Time	\$ 1,000,000.00
<i>Contractual Services</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001010, Salaries General	\$ 280,000.00	003040, Contractual Services	\$ 280,000.00
<i>UCSD WiFire Invoice</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001010, Salaries General	\$ 25,000.00	006020, Operating Supplies	\$ 25,000.00
General City Purposes	<u>Fund 100/56, General City Purposes</u>		<u>Fund 100/56, General City Purposes</u>	
<i>PESA Program</i>	Pro - CD 5	\$ 375,000.00	000944, Los Angeles Superior Court Teen Court Program	\$ 375,000.00
<i>TransLatin@ Coalition</i>	<u>Fund 100/56, General City Purposes</u>		<u>Fund 100/56, General City Purposes</u>	
	000508, County Service-Massage Parlor Regulation	\$ 50,000.00	000946, TransLatina Coalition	\$ 50,000.00

ATTACHMENT 4

FY 2022-23 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
TRANSFER FROM				
TRANSFER TO				
Housing	<u>Fund 100/43, Housing (Fund 41M/43, 43W143)</u>		<u>Fund 100/43, Housing (Fund 41M/43, 43W143)</u>	
<i>Annual Mailing</i>	001010, Salaries General	\$ 83,000.00	002120, Printing and Binding	\$ 83,000.00
<i>LEAP Program (C.F. 20-0753)</i>	<u>Fund 49N/43, HCIDLA Small Grants and Awards</u>		<u>Fund 100/43, Housing (49N/43, 43W143)</u>	
	43T904, Administrative Reserve	\$ 213,260.00	001010, Salaries, General	\$ 112,923.00
			006010, Office and Administrative	3,530.00
			006030, Leasing	16,938.00
			<u>Fund 49N/43, HCIDLA Small Grants and Awards</u>	
			43W299, Reimbursement of General Fund Costs	\$ 79,869.00
			Subtotal	<u>\$ 213,260.00</u>
<i>REAP Program (C.F. 20-1637)</i>	<u>Fund 49N/43, HCIDLA Small Grants and Awards</u>		<u>Fund 100/43, Housing (49N/43, 43W143)</u>	
	43T904, Administrative Reserve	\$ 102,286.00	001010, Salaries, General	\$ 122,791.00
	43V143, Housing Department	91,706.00	001070, Salaries, As-Needed	41,050.00
	43V299, Reimbursement of General Fund Costs	21,988.00		
	Subtotal	<u>\$ 215,980.00</u>	<u>Fund 49N/43, HCIDLA Small Grants and Awards</u>	
			43W299, Reimbursement of General Fund Costs	\$ 52,139.00
			Subtotal	<u>\$ 215,980.00</u>
<i>Eviction Defense Program CDBG CARES (C.F. 20-1084)</i>	<u>Fund 424/21, Community Development Trust Fund</u>		<u>Fund 100/43, Housing (424/21, 21W143)</u>	
	43T904, Administrative Reserve	\$ 122,102.00	001010, Salaries, General	\$ 78,371.00
			006030, Leasing	11,905.00
			<u>Fund 424/21, Community Development Trust Fund</u>	
			21W299, Reimbursement of General Fund Costs	\$ 31,826.00
			Subtotal	<u>\$ 122,102.00</u>
<i>Permanent Local Housing Allocation (SB 2 Year 1 reappropriation)</i>	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation</u>		<u>Fund 100/43, Housing (64R/43, 43W143)</u>	
	43V143, Housing Department	\$ 1,169,462.00	001010, Salaries, General	\$ 631,550.00
	43V299, Reimbursement of General Fund Costs	646,586.00	001070, Salaries, As-Needed	25,155.00
	Subtotal	<u>\$ 1,816,048.00</u>	001090, Overtime General	30,000.00
			002120, Printing and Binding	7,000.00
			003040, Contractual Services	20,000.00
			006010, Office and Administrative	141,900.00
			006030, Leasing	243,745.00
			<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation</u>	
			43W900, Contract Programming - Systems Upgrades	\$ 716,698.00
			Subtotal	<u>\$ 1,816,048.00</u>
<i>Emergency Rental Assistance Program</i>	<u>Fund 64D/43, US Treasury Emergency Rental Assistance Fund</u>		<u>Fund 100/43, Housing (64D/43, 43W143)</u>	
	43T560 Translation Services	\$ 29,866.00	001010, Salaries, General	\$ 488,450.00
	43TA48, Rental Assistance ERAP Fed	3,603.00	006030, Leasing	76,125.00
	43TA52, Family Source Centers ERAP Fed	441,960.00		
	43TA53, Family Source Centers ERAP State	3,042.00	<u>Fund 64D/43, US Treasury Emergency Rental Assistance Fund</u>	
	43TA54, Technical Contracts ERAP Fed	15,780.00	43W299, Reimbursement of General Fund Costs	\$ 216,188.00
	43TA55, Technical Contracts ERAP State	18.00	Subtotal	<u>\$ 780,763.00</u>
	43TA56, Call Center and Outreach ERAP Fed	30,097.00		
	43TA57, Call Center and Outreach ERAP State	20,385.00		
	43TA58, Program Admin Contract ERAP Fed	213,461.00		
	43V121, CIFD	22,551.00		
	Subtotal	<u>\$ 780,763.00</u>		

ATTACHMENT 4

FY 2022-23 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Housing (cont'd)	<u>Fund 10D/43, Accessible Housing Fund</u>			<u>Fund 10D/43, Accessible Housing Fund</u>		
<i>Accessible Housing Program Court Monitor Contract</i>	43V143, Housing Department		\$ 1,400,000.00	43W621, Court Monitor		\$ 1,400,000.00
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>			<u>Fund 100/32, Information Technology Agency</u>		
<i>Various Projects</i>	001010, Salaries, General		\$ 900,000.00	001100, Hiring Hall Salaries		\$ 900,000.00
<i>Barnsdall Art Park Residence Project</i>	<u>Fund 100/32, Information Technology Agency</u>			<u>Fund 100/32, Information Technology Agency</u>		
	001010, Salaries General		\$ 59,462.72	009350, Communication Services		\$ 59,462.72
Personnel	<u>Fund 100/66, Personnel</u>			<u>Fund 100/66, Personnel</u>		
<i>Overtime Staffing</i>	001010, Salaries, General		\$ 400,000.00	001090, Overtime General		\$ 400,000.00
Police	<u>Fund 100/70, Police</u>			<u>Fund 100/70, Police</u>		
<i>FSD Toxicology Equipment</i>	006010, Office and Administrative		\$ 108,121.00	007300, Furniture, Office and Technical Equipment		\$ 108,121.00
<i>Training Division Repairs/machines</i>	<u>Fund 100/70, Police</u>			<u>Fund 100/70, Police</u>		
	003040, Contractual Services		\$ 111,603.00	007300, Furniture, Office and Technical Equipment		\$ 111,603.00
<i>Less Lethal Recertification</i>	<u>Fund 100/70, Police</u>			<u>Fund 100/70, Police</u>		
	001092, Overtime Sworn		\$ 308,250.00	003010, Firearms and Ammunition		\$ 308,250.00
<i>After Action Report Implementation Realignment</i>	<u>Fund 100/70, Police</u>			<u>Fund 100/70, Police</u>		
	003090, Field Equipment		\$ 111,000.00	006010, Office and Administrative		\$ 111,000.00
<i>CD2 Police Services</i>	<u>Fund 100/70, Police</u>			<u>Fund 100/70, Police</u>		
<i>Cadet Program at North Hollywood Park</i>	001090, Overtime General		\$ 212,500.00	001092, Overtime Sworn		\$ 267,500.00
	006010, Office and Administrative		55,000.00			
	Subtotal		\$ 267,500.00			
Police	<u>Fund 105/10, Innovation Fund</u>			<u>Fund 100/70, Police (105/10, 10W170)</u>		
<i>Innovation Fund Reappropriation</i>	Cash balance		\$ 11,075.57	006010, Office and Administrative		\$ 11,075.57
Public Works - Engineering	<u>Fund 100/78, Bureau of Engineering (41A/50)</u>			<u>Fund 100/78, Bureau of Engineering (41A/50)</u>		
<i>Survey Equipment Replacement</i>	006010, Office and Administrative		\$ 280,000.00	007350, Other Operating Equipment		\$ 280,000.00
Public Works - Sanitation	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 100/82, Bureau of Sanitation</u>		
<i>CRTF Overtime and Contractual Services Shortfalls</i>	001010, Salaries General (CRTF)		\$ 160,000.00	001090, Overtime General (CRTF)		\$ 20,000.00
				003040, Contractual Services (CRTF)		140,000.00
				Subtotal		\$ 160,000.00
<i>Clean Water Staffing</i>	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 100/82, Bureau of Sanitation</u>		
	001010, Salaries General (SCMO)		\$ 1,112,935.00	001100, Hiring Hall Salaries (SCMO)		\$ 751,972.00
				001120, Benefits Hiring Hall (SCMO)		351,963.00
				001190, Hiring Hall Overtime (SCMO)		9,000.00
				Subtotal		\$ 1,112,935.00
<i>Clean Water As-Needed Shortfall</i>	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 100/82, Bureau of Sanitation</u>		
	001010, General Salaries (SCMO)		\$ 120,000.00	001070, Salaries As-Needed (SCMO)		\$ 120,000.00

ATTACHMENT 4

FY 2022-23 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM AMOUNT	TRANSFER TO FUND/ACCOUNT	AMOUNT
Bureau of Street Services	<u>Fund 100/86, Bureau of Street Services (GF)</u>		<u>Fund 100/86, Bureau of Street Services (GF)</u>	
<i>Overtime, Waste Fees, Material/Supplies, and Travel costs</i>	001010, Salaries General	\$ 2,000,000.00	001090, Overtime General	\$ 1,000,000.00
	004430, Uniform	50,000.00	002130, Travel	50,000.00
	Subtotal	\$ 2,050,000.00	006020, Operating Supplies	1,000,000.00
			Subtotal	\$ 2,050,000.00
<i>Special Gas Tax - Overtime, Contract Haulers, and Materials Costs</i>	<u>Fund 100/86, Bureau of Street Services (Fund 206/50)</u>		<u>Fund 100/86, Bureau of Street Services (Fund 206/50)</u>	
	001010, Salaries General	\$ 4,000,000.00	001090, Overtime General	\$ 1,000,000.00
			003040, Contractual Services	2,000,000.00
			006020, Operating Supplies	1,000,000.00
			Subtotal	\$ 4,000,000.00
<i>Measure R - Hiring Hall Staff and Contractual Services Costs</i>	<u>Fund 100/86, Bureau of Street Services (Fund 51Q/50)</u>		<u>Fund 100/86, Bureau of Street Services (Fund 51Q/50)</u>	
	001010, Salaries General	\$ 2,000,000.00	001100, Hiring Hall Salaries	\$ 750,000.00
			001120, Benefits Hiring Hall	250,000.00
			003040, Contractual Services	1,000,000.00
			Subtotal	\$ 2,000,000.00
<i>Sidewalk Repair Fund - Increased usage of Hiring Hall staff</i>	<u>Fund 100/86, Bureau of Street Services (Fund 57F/50)</u>		<u>Fund 100/86, Bureau of Street Services (Fund 57F/50)</u>	
	001010, Salaries General	\$ 1,000,000.00	001100, Hiring Hall Salaries	\$ 750,000.00
			001120, Benefits Hiring Hall	250,000.00
			Subtotal	\$ 1,000,000.00
Transportation	<u>Fund 100/94, Transportation</u>		<u>Fund 100/94, Transportation</u>	
<i>Travel for Transportation Conferences</i>	001010, Salaries General	\$ 50,000.00	002130, Travel	\$ 50,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 28,917,677.84		\$ 28,917,677.84

ATTACHMENT 5

**FY 2022-23 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Administrative Officer	<u>Fund 100/10, City Administrative Officer (682/50, 50V110)</u>		<u>Fund 100/10, City Administrative Officer (682/50, 50W110)</u>	
<i>West Los Angeles Civic Center Redevelopment Project</i>	003040, Contractual Services (FY 2021-22)	\$ 143,650.00	003040, Contractual Services (FY 2022-23)	\$ 143,650.00
<i>Procurement Innovation Fund Award (C.F. 21-0298)</i>	<u>Fund 100/46, Mayor</u>		<u>Fund 100/10, City Administrative Officer</u>	
	003040, Contractual Services	\$ 225,100.00	003040, Contractual Services	\$ 225,100.00
Community Investment for Families	<u>Fund 424/21 Community Development Trust Fund</u>		<u>Fund 300/44 Library (424/21, 21W300)</u>	
<i>Covid-19 Tech2Go Hotspot Program</i>	21V300, Library	\$ 1,937,605.40	001010, Salaries General	\$ 30,727.00
			006010, Office and Administrative Expense	1,906,878.40
			Subtotal	\$ 1,937,605.40
City Attorney	<u>Fund 368/12, LA DATA Program</u>		<u>Fund 100/70, Police Department</u>	
<i>LA Decreasing Adolescent Tobacco Access (DATA) Program</i>	12T643, LA Data Program (2021-23)	\$ 120,309.00	001092, Overtime Sworn	\$ 120,309.00
	<u>Fund 368/12, LA DATA Program</u>		<u>Fund 100/70, Police Department</u>	
	12T643, LA Data Program (2021-23)	\$ 13,088.00	001090, Overtime Civilian	\$ 13,088.00
Council	<u>Fund 53P/28 AB 1290 Fund</u>		<u>Fund 100/28, Council (Council District 14)</u>	
<i>Council District 14 Expenses</i>	281214, CD14 Redevelopment Projects - Services	\$ 1,000,000.00	001070, Salaries, As-Needed	\$ 1,000,000.00
<i>Council District 9 Expenses</i>	<u>Fund 53P/28 AB 1290 Fund</u>		<u>Fund 100/28, Council (Council District 9)</u>	
	281209, CD9 Redevelopment Projects - Services	\$ 200,000.00	001070, Salaries, As-Needed	\$ 200,000.00
<i>Council District 4 Expenses</i>	<u>Fund 100/56, General City Purposes Fund</u>		<u>Fund 100/28, Council (Council District 4)</u>	
	000903, Council Community Projects - Multi-Disciplinary Teams (CD4)	\$ 180,000.00	001070, Salaries, As-Needed	\$ 180,000.00
	<u>Fund 53P/28 AB 1290 Fund</u>		<u>Fund 100/28, Council (Council District 4)</u>	
	281204, CD4 Redevelopment Projects - Services	\$ 123,000.00	001070, Salaries, As-Needed	\$ 123,000.00
Cultural Affairs	<u>Fund 480/30, Arts & Cultural Facilities & Services Trust Fund</u>		<u>Fund 100/30, Cultural Affairs (480/30, 30W130)</u>	
<i>Prior-Year Reappropriations</i>	30V130, Cultural Affairs	\$ 5,780,723.00	001070, Salaries As-Needed	\$ 150,000.00
			006010, Office and Administrative	300,000.00
			006020, Operating Supplies	100,000.00
			009781, Cultural Grants for Family and Youth	173,500.00
			009856, Citywide Mural Art Program	641,058.00
			009698, Community Arts Partner Program	84,000.00
			009864, Art Partner Center Program	80,000.00
			009819, Sony Pictures Media Art Program	280,000.00
			009841, El Grito	248,400.00
			009851, Northeast Jazz Festival	70,000.00
			009858, Leimert Park Village Cultural Hub Activation (Taxco Theater) Activation	375,000.00
			009868, Victims of 1871 Anti-Chinese Massacre Memorial	399,105.00
			009869, Victims of Gun Violence Memorial	250,000.00
			009870, Lankershim Arts Center	250,000.00
			009871, Youth and Creative Workers Mural Program	400,000.00
			009872, We Create LA Program	979,660.00
			Subtotal	1,000,000.00
			Subtotal	\$ 5,780,723.00
<i>Covid-19 Memorial</i>	<u>Fund 480/30, Arts & Cultural Facilities & Services Trust Fund</u>		<u>Fund 100/30, Cultural Affairs</u>	
	30W130, Cultural Affairs	\$ 250,000.00	TBD, Covid-19 Memorial	\$ 250,000.00
<i>Data Network Services</i>	<u>Fund 480/30, Arts & Cultural Facilities & Services Trust Fund</u>		<u>Fund 100/32, Information Technology Agency</u>	
	30W244 Landscaping and Miscellaneous	\$ 56,500.00	009350, Communication Services	\$ 56,500.00
<i>Landscaping and Pool Services</i>	<u>Fund 480/30, Arts & Cultural Facilities & Services Trust Fund</u>		<u>Fund 869/40, GSD-Project Restore</u>	
	30W244 Landscaping and Miscellaneous	\$ 14,950.00	400396, Barnsdall Park-Hollyhock House	\$ 14,950.00

ATTACHMENT 5

**FY 2022-23 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Economic and Workforce Development <i>Californians for All Youth Workforce Development Grant</i> <i>(CF 22-0014, Reappropriation of FY 21-22 Balances)</i>	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u> 22V121, Community Investment for Families	\$ 46,590.00	<u>Fund 100/21, Community Investment for Families (65N/22, 22W121)</u> 001010, Salaries-General	\$ 46,590.00
	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u> 22V174, Bureau of Public Works	\$ 15,003,646.00	<u>Fund 100/74, Bureau of Public Works (65N/22, 22W174)</u> 001010, Salaries-General 003040, Contractual Services	\$ 840,206.00 14,163,440.00
			Subtotal	\$ 15,003,646.00
	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u> 22V112, City Attorney	\$ 16,124.00	<u>Fund 100/12, City Attorney (65N/22, 22W112)</u> 001010, Salaries-General	\$ 16,124.00
<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u> 22V166, Personnel 22V769, Reserved for EWDD Oversight	\$ 3,704.00 11,599.00	<u>Fund 100/66, Personnel (65N/22, 22W166)</u> 001010, Salaries-General	\$ 15,303.00	
	Subtotal	\$ 15,303.00		
<i>Miscellaneous Sources</i> <i>Transfer ENA deposits to EDTF</i>	<u>Fund 45L/22, Miscellaneous Sources</u> 22W62L, Economic Development Trust Fund	\$ 59,997.00	<u>Fund 62L/22, Economic Development Trust Fund</u> 22W5AG, MLK Mariton 22W5AH, Bethune Nvision Development	\$ 40,000.00 19,997.00
			Subtotal	\$ 59,997.00
<i>Summer Youth Employment Program</i>	<u>Fund 100/22, Economic and Workforce Development</u> 003040, Contractual Services	\$ 500,000.00	<u>Fund 551/22, General Fund - Various Programs</u> 22W895, SYEP-GF	\$ 500,000.00
<i>Personnel Department's Support for EWDD</i>	<u>Fund 100/22, Economic and Workforce Development (424/21, 21W122)</u> 001010, Salaries General	\$ 13,066.00	<u>Fund 100/66, Personnel (424/21, 21W166)</u> 001010, Salaries General	\$ 13,066.00
	<u>Fund 100/22, Economic and Workforce Development</u> 001010, Salaries General	\$ 26,862.00	<u>Fund 100/66, Personnel</u> 001010, Salaries General	\$ 26,862.00
	<u>Fund 100/22, Economic and Workforce Development (57D/22, 22W122)</u> 001010, Salaries General	\$ 2,886.00	<u>Fund 100/66, Personnel (57D/22, 22W166)</u> 001010, Salaries General	\$ 2,886.00
	Subtotal	\$ 42,814.00	Subtotal	\$ 42,814.00
<i>Security Cameras for Youth Opportunity Movement</i> <i>Boyle Heights and Watts</i>	<u>Fund 551/22, General Fund-Variou Programs</u> 22V132, Information Technology Agency 22V122, Economic and Workforce Development	\$ 52,553.89 71,446.11	<u>Fund 100/32, Information Technology Agency (551/22, 22W132)</u> 009350, Communication Services	\$ 124,000.00
	Subtotal	\$ 124,000.00		
<i>Domestic Violence Workforce Pilot Program</i>	<u>Fund 57W, Workforce Innovation and Opportunity Act</u> 22W591, WIOA Adult Supporting Program Activities	\$ 250,000.00	<u>Fund 100/21, Community Investment for Families (57W/22, 22W121)</u> 003040, Contractual Services	\$ 250,000.00
Finance <i>Deferred Facility Repairs in City Hall Office</i>	<u>Fund 100/39, Finance</u> 001010, Salaries General	\$ 198,032.00	<u>Fund 100/40, General Services Department</u> 001014, Salaries, Construction Projects 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 29,775.00 76,930.00 32,267.00 59,060.00
			Subtotal	\$ 198,032.00
Housing <i>Affordable Housing Sustainable Communities Grant</i>	<u>Fund 60V/43, Affordable Housing & Sustainable Communities Grant</u> 43T863, Hollywood Arts Collective	\$ 20,686.00	<u>Fund 100/43, Housing Department</u> RSRC 5168, Reimb of Prior Year Salary	\$ 20,686.00
Information Technology Agency <i>Oracle Software Maintenance</i>	<u>Fund 100/32, Information Technology Agency</u> 003040, Contractual Services	\$ 90,245.00	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u> RSC 5301, Reimbursement from Other Funds	\$ 90,245.00
<i>MyLA311 System Replacement Project</i>	<u>Fund 342/32, Telecom Liq Dmgc & Lost Fr Fees</u> 32022W, MyLA311 Replacement System	\$ 567,649.00	<u>Fund 100/32, Information Technology Agency (342/32, 32132W)</u> 003040, Contractual Services	\$ 567,649.00

ATTACHMENT 5

**FY 2022-23 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Library	<u>Fund 300/44, Library Fund</u>		<u>Fund 100/40, General Services Department</u>	
<i>Alterations and Improvements</i>	003040, Contractual Services	\$ 1,530,729.30	001014, Salaries, Construction Projects	\$ 609,981.30
			001101, Hiring Hall Construction	288,900.00
			001121, Benefits Hiring Hall Construction	160,500.00
			003180, Construction Materials	471,348.00
			Subtotal	\$ 1,530,729.30
 <i>Ben Franklin Branch Renovation</i>	 <u>Fund 300/44, Library Fund</u>		 <u>Fund 100/78, Bureau of Engineering</u>	
	003040, Contractual Services	\$ 638,968.00	003040, Contractual Services	\$ 638,968.00
Mayor	<u>Fund 63L/46, Proposition 47 Cohort 2 Grant</u>		<u>Fund 100/46 Mayor (63L/46, 46W299)</u>	
<i>Public Safety Grant</i>	46V299, Reimbursement of General Fund	\$ 58,028.21	RSC 5346, Related Cost Reimbursement from Grants	\$ 58,028.21
 <i>Homeland Security Grant</i>	 <u>Fund 63R/46, FY2020 Legislative Pre-Disaster Mitigation Grant</u>		 <u>Fund 100/46 Mayor (63R/46, 46W299)</u>	
	46V299, Reimbursement of General Fund	\$ 6,589.95	RSC 5346, Related Cost Reimbursement from Grants	\$ 6,589.95
 <i>Public Safety Grant</i>	 <u>Fund 63W/46, FY2020 Coronavirus Emergency Supplemental Fund</u>		 <u>Fund 100/46 Mayor (63W/46, 46W299)</u>	
	46V299, Reimbursement of General Fund	\$ 68,776.61	RSC 5346, Related Cost Reimbursement from Grants	\$ 68,776.61
 <i>Public Safety Grant</i>	 <u>Fund 64B/46, FY2019 Justice Assistance Grant</u>		 <u>Fund 100/12, City Attorney (64B/46, 46W112)</u>	
	46T912, City Attorney Grant Allocation	\$ 173,000.00	001010, Salaries General	\$ 120,000.00
	46V299, Reimbursement of General Fund	77,904.45		
	Subtotal	\$ 250,904.45	<u>Fund 100/12, City Attorney (64B/46, 46W299)</u>	
			RSC 5346, Related Cost Reimbursement from Grants	\$ 53,000.00
			 <u>Fund 100/46, Mayor (64B/46, 46W299)</u>	
			RSC 5346, Related Cost Reimbursement from Grants	\$ 77,904.45
			Subtotal	\$ 250,904.45
 <i>Public Safety Grant</i>	 <u>Fund 64V/46, FY2020 Justice Assistance Grant</u>		 <u>Fund 100/46, Mayor (64V/46, 46W299)</u>	
	46V299, Reimbursement of General Fund	\$ 95,134.25	RSC 5346, Related Cost Reimbursement from Grants	\$ 95,134.25
 <i>Youth Re-Entry Grant</i>	 <u>Fund 63H/46, FY2018, 2019, 2020 Title II Grant</u>		 <u>Fund 100/46, Mayor (63H/46, 46W299)</u>	
	46V299, Reimbursement of General Fund	\$ 15,362.39	RSC 5346, Related Cost Reimbursement from Grants	\$ 15,362.39
 <i>Gang Reduction Grant</i>	 <u>Fund 64L/46, FY2019-20 California Violence Intervention & Prevention Grant</u>		 <u>Fund 100/46, Mayor (64L/46, 46W299)</u>	
	46V299, Reimbursement of General Fund	\$ 35,333.92	RSC 5346, Related Cost Reimbursement from Grants	\$ 35,333.92
Police	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police</u>	
<i>2021 Selective Traffic Enforcement Program, 70V527 (C.F. 21-1059)</i>	70V170, Police	\$ 1,744,264.73	001092 Overtime Sworn	\$ 1,695,292.53
			001090, Overtime General	48,972.20
			Subtotal	\$ 1,744,264.73
 <i>2020 Forensic DNA Capacity Enhance and Backlog Reduction, 70T502 (C.F. 20-1590)</i>	 <u>Fund 339/70, Police Department Grant Fund</u>		 <u>Fund 100/70, Police</u>	
	70V170, Police	\$ 129,145.05	001090, Overtime General	\$ 129,145.05
 <i>2021 Cannabis Tax Fund - Toxicology, 70V566 (C.F. 21-0645)</i>	 <u>Fund 339/70, Police Department Grant Fund</u>		 <u>Fund 100/70, Police</u>	
	70V566, Police	\$ 5,146.37	001090, Salaries Overtime	\$ 5,146.37
 <i>2021 Internet Crimes Against Children - CalOES 70V559 (C.F. 22-0172)</i>	 <u>Fund 339/70, Police Department Grant Fund</u>		 <u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 1,233.09	001092, Overtime Sworn	\$ 1,224.45
			001090, Overtime General	8.64
			Subtotal	\$ 1,233.09
 <i>2021 Internet Crimes Against Children - OJJDP 70V416 (C.F. 22-0110)</i>	 <u>Fund 339/70, Police Department Grant Fund</u>		 <u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 43,945.62	001092, Overtime Sworn	\$ 33,208.34
			001090, Overtime General	10,737.28
			Subtotal	\$ 43,945.62
 <i>2020 Intellectual Property Enforcement, 70T301 (C.F. 20-1592; C.F. 21-0600-S107)</i>	 <u>Fund 339/70, Police Department Grant Fund</u>		 <u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 956.47	001092, Overtime Sworn	\$ 956.47

ATTACHMENT 5

**FY 2022-23 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (cont'd)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
2021 Intellectual Property Enforcement, 70V301 (C.F. 21-1407)	70V170, Police	\$ 47,888.03	001092, Overtime Sworn	\$ 42,271.43
			001090, Overtime General	5,616.60
			Subtotal	\$ 47,888.03
2021 Crisis Response Training, 70V571 (C.F. 22-0057)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 17,366.80	001092, Overtime Sworn	\$ 17,366.80
2021 COPS Community Policing Development De-Escalation Training, 70V568 (C.F. 21-1292)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 17,098.46	001092, Overtime Sworn	\$ 17,098.46
2020 Port Security Grant Program, 70T555 (C.F. 20-1216)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 22,279.72	001092, Overtime Sworn	\$ 11,323.52
			001090, Overtime General	10,956.20
			Subtotal	\$ 22,279.72
2021 Off-Highway Motor Vehicle Recreation Law Enforcement, 70V560 (C.F. 21-1295)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 42,146.06	001092, Overtime Sworn	\$ 42,146.06
2021 Off-Highway Motor Vehicle Recreation Education and Safety, 70V56E (C.F. 21-1343)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 21,801.74	001092, Overtime Sworn	\$ 21,801.74
2020 Project Safe Neighborhood, 70V564 (C.F. 21-0849)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 10,325.16	001092, Overtime Sworn	\$ 10,325.16
2021 Targeted Violence and Terrorism Prevention 70V572 (C.F. 21-1476)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70V170, Police	\$ 44,430.72	001092, Overtime Sworn	\$ 44,430.72
Schedule 3 Technical Corrections	<u>Fund 44E/70, U.S. Treasury Asset Forfeiture</u>		<u>Fund 44F/70, California State Asset Forfeiture</u>	
	70W170, Police	\$ 15,052.00	70W170, Police	\$ 15,052.00
	<u>Fund 44E/70, U.S. Treasury Asset Forfeiture</u>		<u>Fund 44D/70, U.S. Department of Justice Asset Forfeiture</u>	
	70W402, Supplemental Police	\$ 109,635.00	70W402, Supplemental Police	\$ 102,791.00
			<u>Fund 44F/70, California State Asset Forfeiture</u>	
			70W402, Supplemental Police	\$ 6,844.00
			Subtotal	\$ 109,635.00
Public Works - Sanitation	<u>Fund 760/50, Sewer Operations Fund</u>		<u>Fund 761/50, Sewer Capital Fund</u>	
CCTV Fund Correction	50WX82, Sanitation Expense and Equipment	\$ 500,000.00	50WX82, Sanitation Expense and Equipment	\$ 500,000.00
ITA Fiber Service Lease Payment	<u>Fund 760/50, Sewer Operations Fund</u>		<u>Fund 100/32, Information and Technology Agency (760/50, 50W132)</u>	
	50VX82, Sanitation Expense and Equipment	\$ 73,046.00	003040, Contractual Services	\$ 73,046.00
	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		<u>Fund 100/32, Information and Technology Agency (508/50, 50W132)</u>	
	50VX82, Sanitation Expense and Equipment	\$ 73,047.00	003040, Contractual Services	\$ 73,047.00
Washington Yard Repair	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/40, General Services Department</u>	
	003090, Field Equipment	\$ 165,235.00	001101, Hiring Hall Construction	\$ 22,006.00
			001121, Hiring Hall Construction Benefits	10,998.00
			003180, Construction Materials	132,231.00
			Subtotal	\$ 165,235.00

ATTACHMENT 5

**FY 2022-23 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT		FUND/ACCOUNT	AMOUNT
Transportation	<u>Fund 840/94, Department of Transportation Trust Fund</u>			<u>Fund 100/94, Transportation (840/94, 94W194)</u>	
<i>LADWP Century Trunk Line Project</i>	94V194, Transportation	\$ 496,176.87		001090, Overtime General	\$ 496,176.87
<i>ATSAC Center Communication Services</i>	<u>Fund 484/94, ATSAC Trust Fund</u>			<u>Fund 100/32, Information Technology Agency (484/94, 94W132)</u>	
	94V132, Information Technology	\$ 8,369.60		009350, Communication Services	\$ 8,369.60
Public Works - Street Lighting	<u>Fund 424/21, Community Development Trust Fund</u>			<u>Fund 100/84, Bureau of Street Lighting (424/21, 21W184)</u>	
<i>Get Connected LA Digital Inclusion Project</i>	21VB14, Get Connected LA	\$ 2,097,860.00		003040, Contractual Services	\$ 2,097,860.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 35,366,287.97			\$ 35,366,287.97

ATTACHMENT 6

**FY 2022-23 BUDGET ADJUSTMENTS
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 100/56, General City Purposes</u> 000506, Annual City Audit/Single Audit	\$ 205,597.00
580335, Community Initiatives	<u>Fund 551/22, General Fund-Various Programs</u> 22W4AH, Sidewalk Vending - UB	\$ 500,000.00
580385, Fair Work Week	<u>Fund 100/12, City Attorney</u> 001010, Salaries General	\$ 200,304.00
580132, Equipment, Expense Alteration & Improvement	<u>Fund 100/46, Mayor</u> 001010, Salaries General 001070, Salaries, As-Needed	\$ 1,100,000.00 781,432.00
	Subtotal	<u>\$ 1,881,432.00</u>
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/56, General City Purposes</u> 000939, Sister Cities of LA	\$ 80,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 009301, Outside Counsel	\$ 1,755,384.00
<u>TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE</u>		<u>\$ 4,622,717.00</u>

**ATTACHMENT 7A
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT**

C.F.	Appropriations	Date	Amount
23-0600	General		\$ 50,000
	Approved Transfer		
		Balance Available	<u>50,000.00</u>
	Anticipated Appropriations		
		Projected Balance Available	<u>\$ 50,000.00</u>

ATTACHMENT 7B
Status of the Unappropriated Balance, Reserve for Mid Year Adjustments

2022-23 Budget	\$ 24,296,000.00
First FSR Recommendations	
Transfer Out:	
Transfer to General City Purposes - Sister Cities of LA	(80,000.00)
Transfer to General City Purposes - Annual City Audit	(205,597.00)
Transfer to City Attorney - Outside Counsel	(1,755,384.00)
	Subtotal \$ (2,040,981.00)
	Subtotal First FSR Recommendations (2,040,981.00)
Year-end Available	<u><u>\$ 22,255,019.00</u></u>

Attachment 8

STATUS OF LIABILITY CLAIMS ACCOUNTS

Department/Bureau	Account	Budget		Paid	Available Balance After Paid Amounts	Pending Payments	Available Balance Based After Paid and Pending Payments	Percent of Available Balance to Adjusted Budget ¹
		(A1)	(A2)	(B)	(C=A2+B)	(D)	(E=C+D)	
		2022-23 Adopted Budget	2022-23 Adjusted Budget	Amount	Amount	Amount	Amount	
Fire	009790	\$ -	\$ -	\$ -	\$ -	\$ (1,363,500)	\$ (1,363,500)	0%
General Services	009791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Police	009792	\$ -	\$ -	\$ (300,000)	\$ (300,000)	\$ (6,730,707)	\$ (7,030,707)	0%
PW/Engineering	009793	\$ -	\$ -	\$ -	\$ -	\$ (4,500,000)	\$ (4,500,000)	0%
PW/Sanitation	009794	\$ 7,370,072	\$ 7,370,072	\$ (401,079)	\$ 6,968,993	\$ (2,098,921)	\$ 4,870,072	66%
PW/Street Services	009795	\$ -	\$ -	\$ (137,500)	\$ (137,500)	\$ (9,504,630)	\$ (9,642,130)	0%
Recreation & Parks	009796	\$ -	\$ -	\$ -	\$ -	\$ (1,750,000)	\$ (1,750,000)	0%
Transportation	009797	\$ -	\$ -	\$ (180,000)	\$ (180,000)	\$ (375,000)	\$ (555,000)	0%
Miscellaneous	009798	\$ 80,000,000	\$ 80,000,000	\$ (7,378,870)	\$ 72,621,130	\$ (13,924,478)	\$ 58,696,652	73%
TOTALS		\$ 87,370,072	\$ 87,370,072	\$ (8,397,450)	\$ 78,972,622	\$ (40,247,235)	\$ 38,725,388	44%

Note:

¹ Applies to PW/Sanitation and Miscellaneous Liability Accounts relative to the Adjusted Budget.

**ATTACHMENT 9
EMPLOYMENT LEVEL REPORT
FY 2022-23**

Department	2022-23 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of August	Changes	End of August	Start of August	Changes	End of August		
Aging	49	50	-	50	37	-	37	13	-
Animal Services	343	364	-	364	301	-	301	63	-
Building and Safety	933	1,121	-	1,121	762	2	764	357	3
Cannabis Regulation	26	59	-	59	37	-	37	22	-
City Administrative Officer	134	170	1	171	138	5	143	28	2
City Attorney	896	1,056	-	1,056	942	3	945	111	19
City Clerk	116	125	-	125	104	-	104	21	-
City Planning	390	554	-	554	402	4	406	148	3
City Tourism	12	12	-	12	7	-	7	5	-
Civil, Human Rights and Equity	1	39	-	39	20	3	23	16	-
Community Investment for Families	35	99	-	99	70	5	75	24	-
Controller	158	185	-	185	132	(4)	128	57	13
Cultural Affairs	72	92	-	92	60	-	60	32	-
Disability	28	33	-	33	25	-	25	8	-
Economic & Workforce Development	88	166	-	166	115	1	116	50	-
El Pueblo	10	11	-	11	6	1	7	4	-
Emergency Management	27	29	-	29	21	2	23	6	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	33	38	-	38	33	-	33	5	1
Finance	339	372	-	372	268	-	268	104	9
Fire - Civilian	392	427	-	427	341	5	346	81	6
Fire - Sworn	3,510	3,535	-	3,535	3,410	(20)	3,390	145	4
General Services	1,370	1,450	-	1,450	1,224	8	1,232	218	23
Housing	514	741	1	742	593	(4)	589	153	1
Information Technology Agency	416	458	-	458	335	3	338	120	1
Neighborhood Empowerment	33	40	-	40	25	1	26	14	-
Personnel	545	625	29	654	523	33	556	98	39
Police - Civilian	3,292	3,350	-	3,350	2,703	(1)	2,702	648	-
Police - Sworn	10,557	10,720	3	10,723	9,278	6	9,284	1,439	3
Public Accountability	9	9	-	9	3	-	3	6	-
PW/Board of Public Works	90	131	-	131	111	-	111	20	-
PW/Bureau of Contract Admin	286	394	-	394	286	8	294	100	-
PW/Bureau of Engineering	741	929	1	930	740	14	754	176	1
PW/Bureau of Sanitation	3,156	3,767	1	3,768	2,838	17	2,855	913	2
PW/Bureau of Street Lighting	214	367	-	367	270	(2)	268	99	6
PW/Bureau of Street Services	975	1,524	-	1,524	1,092	5	1,097	427	3
Transportation	1,432	1,831	-	1,831	1,477	15	1,492	339	4
Youth Development	1	17	-	17	7	-	7	10	-
Zoo	264	282	-	282	233	3	236	46	4
Subtotal	31,490	35,175	36	35,211	28,972	113	29,085	6,126	147
Library	1,139	1,139	-	1,139	944	-	944	195	-
Recreation and Parks	1,590	2,041	-	2,041	1,378	28	1,406	635	360
Subtotal	2,729	3,180	-	3,180	2,322	28	2,350	830	360
Total	34,219	38,355	36	38,391	31,294	141	31,435	6,956	507

"Position Authorities-Start of August" includes resolution authority and substitute positions.

Monthly Summary	2022-23 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	34,219	37,234	1,121	38,355	31,195	99	31,294	7,061	471
August	34,219	38,355	36	38,391	31,294	141	31,435	6,956	507

Attachment 10
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK
(\$ millions)

	Adopted 2022-23	2023-24	2024-25	2025-26	2026-27
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 7,503.2	\$ 7,446.0	\$ 7,618.0	\$ 7,865.3	\$ 8,046.1
Revenue Growth (2)					
Property Related Taxes (3)	248.1	75.2	140.1	146.6	153.4
Business and Sales Taxes (4)	168.5	56.0	53.9	52.0	50.1
Utility Users Tax (5)	9.1	5.1	6.6	8.0	9.3
Departmental Receipts (6)	28.2	46.6	38.9	40.1	41.3
Other Fees, Taxes, and Transfers (7)	175.0	12.6	7.8	(65.9)	2.2
American Rescue Plan (ARP) Fund Transfer (8)	(639.5)	-	-	-	-
SPRF Transfer (9)	21.9	(6.9)	-	-	-
Transfer from the Budget Stabilization Fund (10)	-	-	-	-	-
Transfer from Reserve Fund (11)	(68.5)	(16.6)	-	-	-
Total Revenue	\$ 7,446.0	\$ 7,618.0	\$ 7,865.3	\$ 8,046.1	\$ 8,302.4
<i>General Fund Revenue Increase %</i>	<i>-0.8%</i>	<i>2.3%</i>	<i>3.2%</i>	<i>2.3%</i>	<i>3.2%</i>
<i>General Fund Revenue Increase \$</i>	<i>(57.2)</i>	<i>172.0</i>	<i>247.3</i>	<i>180.8</i>	<i>256.3</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (12)	\$ 7,503.2	\$ 7,446.0	\$ 7,578.5	\$ 7,674.0	\$ 7,648.8
Incremental Changes to Base: (13)					
Employee Compensation Adjustments (14)	103.8	201.5	77.3	59.4	60.6
City Employees' Retirement System (15)	35.1	81.7	(9.8)	(52.9)	4.5
Fire and Police Pensions (15)	(61.1)	(85.1)	(32.8)	(24.5)	(12.7)
Workers' Compensation Benefits (16)	24.4	6.9	7.5	8.7	10.4
Health, Dental, and Other Benefits (17)	6.5	23.3	28.7	30.2	31.9
Debt Service (18)	4.4	10.2	7.5	(1.7)	10.7
Delete Resolution Authorities (19)	(95.2)	-	-	-	-
Add New and Continued Resolution Authorities (19)	123.4	-	-	-	-
Delete One-Time Costs (20)	(178.5)	(23.9)	-	-	-
Add One-Time Costs (20)	52.7	-	-	-	-
Comprehensive Homeless Strategy (21)	(25.6)	(54.7)	-	-	-
Unappropriated Balance (22)	(212.8)	(106.6)	(0.9)	(74.6)	(6.8)
CTIEP-Municipal Facilities and Physical Plant (23)	(12.0)	(15.2)	0.7	(0.4)	0.7
CTIEP-Sidewalks (24)	(5.1)	11.9	-	-	-
CTIEP-Pavement Preservation (25)	11.7	3.1	3.2	3.2	3.3
Appropriation to the Reserve Fund (26)	-	-	-	-	-
Appropriation to the Budget Stabilization Fund (27)	-	-	-	-	-
Net - Other Additions and Deletions (28)	171.1	79.4	14.1	27.4	35.2
Total Expenditures	\$ 7,446.0	\$ 7,578.5	\$ 7,674.0	\$ 7,648.8	\$ 7,786.6
<i>Expenditure Growth %</i>	<i>-0.8%</i>	<i>1.8%</i>	<i>1.3%</i>	<i>-0.3%</i>	<i>1.8%</i>
<i>Expenditure Growth \$</i>	<i>(57.2)</i>	<i>132.5</i>	<i>95.5</i>	<i>(25.2)</i>	<i>137.8</i>
REVENUES OVER (BELOW) EXPENDITURES (29)	\$ -	\$ 39.5	\$ 191.3	\$ 397.3	\$ 515.8
<i>Incremental Increase \$</i>	<i>-</i>	<i>39.5</i>	<i>151.8</i>	<i>206.0</i>	<i>118.5</i>

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK FOOTNOTES**REVENUE:**

(1) General Fund (GF) Base: The revenue base for each year represents the prior year's estimated revenues. Each year's Total Revenue incorporates revised estimates for prior year receipts, adds revenue growth, and subtracts revenue reductions to the GF Base.

(2) Total City revenue growth for outgoing years is estimated between 2.3 and 3.2 percent. Unless otherwise noted, individual revenue sources reflect continuing growth in fiscal years 2023-24 through 2026-27 based on historical average receipts. The amounts represent projected incremental change to the base. The revenue growth amounts deduct one-time receipts from the estimated revenue growth for the following fiscal year.

(3) Property Related Taxes include all property tax revenues, Documentary Transfer Tax, Residential Development Tax, and the redirection of ex-CRA tax increment monies. Assessed Value growth in property tax is projected at 6.0 percent for 2022-23 based on assumptions for the full two percent inflationary adjustment to secured receipts; stable unsecured and supplementary receipts; flat refund activity; and decreasing redemptions.

Documentary Transfer is a volatile revenue in particular when sales volume and price move together. 2022-23 revenue assumes slowing price growth and lower sales activity, resulting in a negligible drop in receipts. Outgoing years assumes historical growth.

The Residential Development Tax is correlated with building permit activity. The 2022-23 revenue reflects average annual revenue and permitting activity is assumed to remain stable in outgoing years.

Ex-CRA tax increment revenue growth is irregular. The estimate for 2022-23 is partly based on the Recognized Obligation Payment Schedule (ROPS) and includes additional one-time miscellaneous revenue from surplus property sales. Growth in subsequent fiscal years align with property tax growth assumptions.

(4) Business tax estimates for 2022-23 reflect the recovery and subsequent return to average growth in receipts from non-cannabis activity and negligible growth in cannabis-related business activity. Outgoing years assume growth in line with the current trend in receipts.

Sales tax revenue estimates reflect recovery from the pandemic-driven recession with subsequent years representing a return to pre-pandemic growth.

(5) Electricity Users tax revenue is based on estimates provided by the Department of Water and Power. 2022-23 and outgoing years assume pre-pandemic average growth.

Gas users tax revenue for 2022-23 accounts for the final year of a three-year rate reduction stemming from a class-action lawsuit settlement. Consumption and prices are assumed to remain stable in 2023-24 and subsequent years.

The decline in communication users tax (CUT) revenue has accelerated with strategic wireless plan pricing and decreased landline use. 2022-23 and outgoing years assume an ongoing drop in CUT receipts.

(6) The projected revenue growth in departmental receipts inclusive of License, Permits, Fees, and Fines are dependent on policy decisions to increase departmental fees, collect full overhead cost reimbursements on Special Funds with sufficient capacity to do so, and increase reimbursements for those funds that have historically received a General Fund subsidy. 2023-24 estimates assume higher growth in receipts to return to the pre-pandemic level with growth slowing to 3.0 percent in outgoing years.

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK FOOTNOTES

(7) Transient occupancy tax revenue from hotels and short-term rentals for 2022-23 through 2023-24 reflect a return to pre-pandemic growth with subsequent years reflecting historical growth.

Parking Occupancy tax assumes high growth in 2022-23 through 2023-24 receipts to reflect a return to pre-pandemic levels and 2024-25 through 2026-27 assume historical growth.

The Power Revenue Transfer estimate for 2022-23 is provided by the Department of Water and Power based on assumptions for estimated 2021-22 Power System revenue. The final transfer amount may be adjusted to conform to actual 2021-22 Power System revenue in accordance with audited financial statements. Outgoing years assume an average of amounts transferred since a transfer limit was established.

Grant revenue for 2022-23 is based on anticipated grant receipts and average growth is assumed for outgoing years. Additional receipts from the Federal Emergency Management Agency (FEMA) for reimbursement of pandemic-response costs are assumed through 2025-26 with greatly increased receipts in 2023-24 and 2024-25.

(8) The American Rescue Plan Act (ARPA) fiscal recovery funds received in 2021-22 represented the City's second tranche of \$639.5 million out of a full allocation of \$1.28 billion. ARPA funds were one-time revenues and are not continued in 2022-23.

(9) Revenue from the Special Parking Revenue Fund (SPRF) represents the projected surplus that may be available to transfer to the General Fund after accounting for debt service and other expenditures associated with the maintenance, upgrades, and repairs of parking structures, meters, and related assets. The annual base-level surplus is \$23.5 million. Any amounts above this are considered one-time receipts and deducted from the estimated revenue growth for the following fiscal year. The transfer in 2021-22 was budgeted at \$8.5 million and the 2022-23 Budget assumes a \$30.4 million surplus available for transfer. Subsequent years assume the base transfer amount of \$23.5 million.

(10) The Outlook does not include any transfers from the Budget Stabilization Fund (BSF).

(11) The transfer from the Reserve Fund in 2022-23 is \$16.6 million, which is \$68.5 million less than the 2021-22 amount. The Outlook does not assume any transfers in subsequent years.

ESTIMATED GENERAL FUND EXPENDITURES:

(12) General Fund Base: The General Fund base carries over all estimated General Fund expenditures from the prior year to the following fiscal year.

(13) Incremental changes to the Base: The 2022-23 amount reflects funding adjustments to the prior fiscal year General Fund budget. The expenditures included for subsequent years represent major expenses known at this time and are subject to change.

(14) Employee Compensation Adjustments: The 2022-23 amount includes employee compensation adjustments consistent with existing labor agreements, as amended, and all other required salary adjustments. Fiscal years 2023-24 through 2026-27 reflect restoration of one-time salary reductions from the prior year, full-funding for partially financed positions, and adjustments in existing labor agreements and agreements pending final Council approval. The Outlook does not include projections for future compensation adjustments from future labor agreements, although it does include a two percent annual increase to account for natural salary growth. Most current agreements expire in 2022-23 or 2023-24.

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK FOOTNOTES

(15) City Employees' Retirement System (LACERS) and Fire and Police Pensions (LAFPP): The contribution rates are based on information that the systems' actuary calculated and includes the employee compensation adjustment assumptions above. In 2020, the board of commissioners for LACERS and LAFPP adopted economic and demographic assumption changes, including reducing the assumed investment rate of return from 7.25 percent to 7.00 percent. The contribution rates below include the adopted assumption changes. The 2021-22 investments return of 0 percent reflects lower than anticipated returns based on unaudited returns to date.

Table 1 LACERS and LAFPP						
Assumptions	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
LACERS						
6/30 th Investment Returns	0.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	32.15%	33.16%	32.08%	30.91%	28.05%	27.69
Pensions						
6/30 th Investment Returns	0.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	45.89%	41.84%	33.45%	30.58%	28.57%	27.27%

(16) Workers' Compensation Benefits: The projection reflects a March 2022 actuarial analysis. They reflect the impact of both current and projected future COVID-19 claims.

(17) Health, Dental, and Other Benefits: The projection incorporates all known cost-sharing provisions pending or adopted into labor agreements for the civilian and sworn populations. It assumes that net enrollment will increase an average of one percent for the civilian and sworn populations. Benefit rate increase assumptions are consistent with historical trends.

(18) Debt Service: The debt service amounts include known future payments from the Capital Finance budget. The final debt service payment on all MICLA Los Angeles Convention Center Bonds in the amount of \$16.6 million is in 2022-23, which represents a \$34.1 million decrease from the 2021-22 Adopted Budget. In anticipation of the potential annual debt service payments associated with the Los Angeles Convention Center Expansion Project, the Outlook assumes a projected payment in 2022-23 of \$34.1 million and \$50 million annually thereafter.

(19) Resolution Authorities: The deletion line reflects the practice of annually deleting resolution authority positions, which must be authorized each year through a Council resolution. The "Add New and Continued Resolution Authorities" line reflects the continued or new resolution positions included in the 2022-23 Budget.

(20) One-time Costs: The deletion line reflects the practice of deleting programs and costs that are limited-term and temporary in nature each year. The "Add One-Time Costs" line reflects the continued and new one-time costs included in the 2022-23 Budget. The Outlook deletes funding for all one-year projects in 2023-24 and retains the remaining balance for multiyear projects that will not become part of the General Fund base. To the extent that there are budget decisions to continue one-time programs in future years, expenditures would be higher than the reported projections.

(21) Comprehensive Homeless Strategy: This amount represents the reduction to the General Fund appropriation for homelessness-related services and expenditures within the context of the City's Comprehensive Homeless Strategy. The 2023-24 amount further deletes one-time 2022-23 expenditures. To the extent that there are budget decisions to continue one-time programs in future years, expenditures would be higher than the reported projections. The reduced appropriation for these services in 2022-23 in the Outlook does not reflect an additional \$49.6 million in anticipated spending against a reserve fund loan, which is not an appropriation.

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK FOOTNOTES

(22) Unappropriated Balance (UB): The significant reduction in 2022-23 reflects the deletion of one-time UB items budgeted in 2021-22, including COVID response and new programs. To the extent that the new programs are continued in the 2022-23 Budget, the funding for those programs and positions is included in the “Add New and Continued Resolution Authorities” line or “Net – Other Additions and Deletions” line. The 2023-24 amount eliminates one-time UB items included in 2022-23 and continues ongoing ones. The significant reduction in 2025-26 reflects a reduction in anticipated FEMA grant receipts. The Outlook assumes the City will use anticipated FEMA grant receipts through 2025-26 to repay Reserve Fund and special fund loans, special fund FEMA reimbursed expenditures, and special fund COVID expenditures that are not FEMA eligible.

(23) Capital and Technology Improvement Expenditure Program (CTIEP) – Municipal Facilities and Physical Plant: The 2022-23 Budget includes a decrease in funding from the General Fund of \$11.3 million for physical plant related capital projects and \$0.7 million for municipal facilities. The 2023-24 amount deletes funding for one-year projects. The Outlook assumes increased funding in future years to meet the policy spending level of 1.5 percent of General Fund revenue for capital and technology projects.

(24) CTIEP – Sidewalk: Pursuant to the settlement in the case of *Willits v. City of Los Angeles*, the City is responsible for investing \$31 million annually for sidewalk improvements through 2047, with adjustments of 15.3 percent every five years to account for inflation and material price increases. The 2022-23 decrease of \$5.1 million in General Fund appropriations reflects the availability of special funds to meet the adjusted \$35.7 million minimum obligation. The 2023-24 increase of \$11.9 million will increase the General Fund appropriation to \$29.7 million annually, with the balance of the required investment covered by other sources of funds.

(25) CTIEP – Pavement Preservation Program: The Pavement Preservation Program increase of \$11.7 million in 2022-23 reflects the restoration of General Fund for one-time efficiencies and to cover the costs shifted to special funds on a one-time basis in 2021-22. Future years assume that the General Fund will bear cost increases to maintain service levels that exceed the capacity of special funds.

(26) Appropriation to the Reserve Fund: There is no appropriation to the Reserve Fund in 2022-23. No appropriation is included in subsequent years.

(27) Appropriation to the Budget Stabilization Fund (BSF): Pursuant to the policy, when the combined annual growth for seven General Fund tax revenue sources exceeds the Average Annual Ongoing Growth Threshold, the budget must include a deposit into the BSF. When growth of these receipts falls short of the Average Annual Ongoing Growth Threshold, the Budget may include a withdrawal from the Fund. Based on the projected growth in economically sensitive revenues, the 2022-23 Budget includes direct transfer to the BSF of \$72.8 million in order to comply with the policy rather than an appropriation to the Fund. Based on revenue projections, the policy will not trigger a contribution in subsequent years.

(28) Net – Other Additions and Deletions: The 2022-23 amount includes the restoration of one-time reductions and efficiencies and ongoing changes and new regular positions added to the base budget. Among the significant increases are a net increase of 859 regular authority positions, increased appropriations to Recreation and Parks the Library, and increased expenditures for hotel development incentive agreements. The remaining balance reflects new and increased ongoing costs to a variety of departmental programs. Subsequent years include projected expenditures for the restoration of one-time expenditure reductions, structured payments, hotel development incentive agreements, the recycling incentives program, and increased appropriations to Recreation and Parks and the Library.

(29) Revenues Over (Below) Expenditures: The amount reflects the difference between the projected revenues and expenditures in each of the years, with positive number reflecting higher projected revenues than expenditures and negative numbers reflecting higher projected expenditures than revenues.