

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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

From: Matthew W. Szabo, City Administrative Officer 

Reference: 2021-22 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the First Financial Status Report (FSR) for Fiscal Year 2021-22. This report provides an update on the American Rescue Plan Act (ARPA) and the Treasury guidelines on eligible uses, report on actual receipts from 2020-21 and revenue projections for 2021-22, a four-year budget forecast, projections on departmental and non-departmental expenditures, and a discussion on issues of concern which may impact the City's finances.

Entering our third fiscal year of the COVID pandemic, the City is regaining its financial footing. Supported by recovering economically sensitive revenue and federal relief funding, the 2021-22 Budget included adequate funding for the City's financial obligations, including employee-related costs. Although it is quite early, revenues are meeting expectations, with possible downside risk in property taxes. While we have identified overspending and risk of overspending in several areas, absent unexpected occurrences the City's financial challenges this year are manageable. We are concerned about the budget challenges that we face in the coming years when one-time federal relief funding is no longer available. Therefore, we recommend preserving the City's currently healthy General Fund reserves so that they are available to maintain current service levels in future years while we wait for our economic recovery to be complete.

For 2020-21, actual receipts totaled \$7.01 billion, which is \$442 million below the adopted revenue budget, excluding federal stimulus funds. Through September, General Fund revenue is \$97 million above plan, but there is still downside risk to property and business tax revenues due to the lagging economic impacts from the pandemic.

We have identified \$87.49 million in expenditures above plan in the current year and an additional \$11.11 million in additional General Fund appropriations that are required to supplement special fund revenue shortfalls. In total, we have identified a year-end budget gap of \$98.60 million. These over-expenditures are mainly attributed to the Police Department's Los Angeles Metropolitan Transportation Authority contract and Fire mutual aid firefighting efforts. This report recommends \$44.75 million in solutions to partially address the projected budget gap and identifies \$25.26 million

in potential future actions. These actions will potentially reduce the year-end budget gap to \$28.59 million.

Most departments reported finishing the year within budget or with year-end surpluses. These surpluses are mainly attributed to salary savings and challenges in filling vacancies. We have also identified issues of concern that may potentially impact the City's budget as it relates to the use of one-time revenues for ongoing spending, delays in implementing the Human Resources and Payroll Project, unbudgeted costs for COVID-19 vaccination tracking and reporting, and outside counsel costs.

The Reserve Fund balance is \$652.18 million or 8.69 percent of 2021-22 General Fund revenue, which is above the five percent Reserve Fund policy. We continue to recommend that the City take a cautious approach to using the Reserve Fund as it may be required in next year's budget to continue many of the one-time costs from the current year budget. We recommend that the City 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

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, which together make up the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended 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. When adopting the 2021-22 Budget, the City Council instructed this Office to report on all matters related to the American Rescue Plan. Specifically, the report was to include an update on the U.S. Treasury Department's (Treasury) issuance of the Final Rule and on any comments that the City provided to the Treasury, an update on the federal relief application and approval process and any other actions related to the acceptance of these funds, and a discussion of the impact of the funds on the City's budget.

Update on Guidance from the Treasury

The Treasury released the "Interim Final Rule" on May 10, 2021 that provided guidance on the eligible uses of the funding. These included responding to the negative health and economic impacts of the pandemic, providing premium pay for eligible employees, providing government services to the extent that a jurisdiction has revenue loss, and making investments in clean water and broadband infrastructure.

While the Treasury has not released a Final Rule yet, it has published additional guidance documents and an extensive list of frequently asked questions. It has held many webinars on a variety of aspects of the SLFRF and its implementation guidance. Other entities, such as the Government Finance Officers Association and the National League of Cities have also held a number of information sessions about the SLFRF. City staff have participated in many of these activities and have sought clarification on parts of the Interim Rule and subsequent guidance

documents, as necessary. We did not identify major concerns with the requirements of the program, although there are areas that would benefit from clarification. Many other jurisdictions share our desire for clarification and the Treasury continually has been providing it. Therefore, we did not submit formal comments to the Treasury by the July 2021 deadline.

We will review the final rule once the Treasury releases it and provide updated recommendations, if necessary.

The City's Award and Budget Impact

The SLFRF provided the City with approximately \$1.28 billion in recovery funds. In accordance with the legislation, the City must obligate all SLFRF funds for eligible purposes by December 31, 2024 and must fully expend all funds between March 3, 2021 and December 31, 2026.

On May 18, 2021, the City received the first tranche of SLFRF totaling \$639,450,464. The first tranche of SLFRF funding was moved into the General Fund revenue, which allowed for the City to balance the 2020-21 General Fund budget without drawing on reserves or deficit borrowing.

The 2021-22 Budget assumes that the City will receive the second tranche of funds, in the same amount as the first, in May 2022 and treats those funds as General Fund revenue.

The CAO is responsible for administering the SLFRF funds and for preparing all required reports on behalf of the City. As required, this Office submitted the two reports, the 2021 Interim Report and the 2021 Recovery Plan, that were due to the Treasury on August 31, 2021. The purpose of the Recovery Plan was to give a broad overview of the City's intended use of the entire award, while the Interim Report identified the City's spending to date. Using the Treasury's methodology, we reported that the City experienced revenue loss of approximately \$1.2 billion in calendar year 2020. Based on this initial data, we are confident that the City will be able to demonstrate sufficient revenue loss over the period of award to justify the use of all SLFRF funds within the Provision of Government Services expenditure category. This is a very broad category of spending, consistent with most of the City's current General Fund spending.

Nonetheless, we also provided additional information to the Treasury on specific projects to highlight uses of the funds within other expenditure categories. We did this to demonstrate the City's significant efforts to address the negative economic and health impacts of the pandemic, to increase the transparency of our use of the funds, and to assist with the Treasury's compilation of specific examples for the program meeting the legislative mandate. Specifically, we reported \$24.3 million in spending in expenditure categories other than the provision of government services from May 12, 2021 (when the SLFRF funding was certified by the Mayor) through July 31, 2021, as follows:

1. Public Health - \$10,503,881
2. Negative Economic Impacts - \$5,000,000
3. Services to Disproportionately Impacted Communities - \$8,822,747

We will continue to work with City Departments to refine this data and the list of 65 projects and programs both new and ongoing on which we initially reported. Our next report is due to the Treasury on January 31, 2022 and will cover spending through December 31, 2021.

In addition to the SLFRF funding, ARPA also provides assistance for American families and workers with economic impact payments, unemployment compensation, child tax credits, and emergency rental assistance; small businesses with small business tax credit programs, an emergency capital investment program, and a paycheck protection program. ARPA will also assist specific industries, including the airline and transportation service industries.

Through ARPA the City is eligible to receive an additional \$260.2 million in combined State and federal allocations to implement an expanded Emergency Renters Assistance Program. The City partnered with the California Department of Housing and Community Development to administer the available funding for this program. The expenditure deadline for this funding is September 30, 2025 and the City must obligate at least 50 percent of the funding by March 31, 2022. The Los Angeles World Airports expects to receive an ARPA Airport Rescue Grant for \$303.9 million. We also anticipate that departments will submit applications for some recently released ARPA grant opportunities through the U.S Department of Commerce.

General Fund Revenue

Attachment 1A – 2020-21 Adopted and Revised General Fund Revenue

Attachment 1B – 2021-22 Adopted General Fund Revenue

Key Findings/Recommendations

- *Actual 2020-21 General Fund receipts are estimated at \$7.01 billion, ending \$442.4 million below the adopted budget (excluding federal stimulus funds), with shortfalls across various tax and departmental receipts attributed to pandemic-driven closures, travel restrictions, the accompanying recession, and reduced demand for City services. Total receipts were \$51.7 million above the revised budget, with CRA/LA property tax increment and documentary transfer tax receipts exceeding both adopted and revised budget estimates while pandemic-impacted tax receipts saw improvements in the final months of the fiscal year.*
- *Budgeted 2021-22 revenue through September is \$926.4 million, \$97.3 million above the adopted plan of \$829.2 million, with higher-than-anticipated receipts from pandemic-impacted taxes and earlier-than-anticipated department reimbursements. Receipts for this first quarter represent 12.3 percent of the General Fund revenue budget.*
- *September receipts-to-date are 33.6 percent above General Fund receipts of \$693.2 million this time last year and 3.2 percent above pre-pandemic receipts of \$898.1 million in 2019-20. While economy-sensitive receipts are higher than previous years, total receipts remain below revenue trends that preceded the pandemic.*

- *The County Assessor's forecasted growth 4.0 percent in City assessed valuation poses a known risk to year-end property tax revenue. The disruption in the global supply chain and lagging employment growth present additional risks to economic growth not reflected in adopted estimates for other economy-sensitive revenues. Additionally, vaccine and testing requirements implemented during the Delta-variant surge were not considered as potential impacts to business activities.*
- *With only three months of revenue data, it is too early to project year-end revenue. Current year property tax receipts only represent 4 percent of the property tax budget and the first remittance of secured receipts for the next property tax year will not occur until December 2021. Further, 85 percent of business tax receipts are received after January 1. Both tax categories face downside risk due to the lagging economic impact of the pandemic on these annually collected receipts.*

2020-21 Revised Revenue

The 2020-21 Adopted Budget assumed \$6.69 billion in General Fund revenue based on assumptions for a single shelter-in-place order and a quick economic recovery made at the start of the pandemic. This estimate was subsequently reduced by \$524.8 million (-7.8 percent) with the adoption of the 2021-22 budget to reflect the continuing impact of the pandemic-driven closures and restrictions on economy-sensitive tax revenue and City receipts. CARES ACT and ARPA federal stimulus money (\$125.0 million and \$369.5 million, respectively) and FEMA disaster grant reimbursements (\$30.7 million) more than offset these anticipated shortfalls, resulting in a net \$270.4 million (4.0 percent) increase to the revised estimate for 2020-21 revenue.

Actual 2020-21 revenues were \$7.01 billion, with documentary transfer tax and CRA/LA property tax receipts mirroring the growth of the real estate market and with struggling sales, tourism and parking-related revenues improving by the close of the fiscal year. The 2020-21 Adopted Budget, revised estimates, and actual receipts are summarized in Attachment 1A, along with details on specific revenue surpluses and shortfalls.

2021-22 Adopted Revenue

The 2021-22 Adopted Budget assumes \$7.51 billion in total General Fund revenue, representing an increase of \$493.8 million above actual 2020-21 receipts (7.0 percent growth). Excluding federal stimulus money, FEMA reimbursements and the Reserve Fund transfer, anticipated 2021-22 revenue from ongoing revenue sources is \$6.70 billion, equivalent to 7.8 percent growth from 2020-21 receipts. This assumed growth reflects the continuing recovery of those revenue sources most impacted by pandemic-driven closures and restrictions in 2020-21: sales, hotel and business taxes, parking-related revenues, and departmental receipts.

To date, revenue through September is \$926.4 million, representing 12.3 percent of total adopted 2021-22 General Fund revenue. Excluding interest owed to special funds (\$3.5 million), City receipts are \$93.7 million above the planned receipts. This surplus reflects early remittances in departmental receipts (\$53.9 million); quicker recovery in pandemic-impacted sales, transient occupancy, and parking occupancy taxes (\$22.2 million, \$9.8 million, and \$4.3 million, respectively); continuing strong growth in documentary transfer taxes (\$12.9 million); and 2021 tax

period receipts for business and property taxes (\$9.2 million and \$6.4 million). Offsetting these higher receipts are shortfalls in grants, utility users taxes, franchise income and parking fines (\$9.4 million, \$5.7 million, \$5.5 million, and \$4.6 million, respectively).

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

Table 1. 2021-22 General Fund Revenue and Variance through September
(Thousand dollars)

	Adopted 2021-22 Budget	Plan through September	Receipts through September	Receipts as Percent of Budget	Variance of Receipts from Plan
Property Tax	\$2,400,250	\$87,680	\$96,922	4.04%	\$9,242
Property Tax Ex-CRA Inc.	111,990	-	-	0.00%	-
Utility Users' Tax	605,050	160,030	154,372	25.51%	(5,658)
Department receipts	1,244,790	179,494	233,426	18.75%	53,932
Business Tax	716,600	54,365	60,764	8.48%	6,399
Sales Tax	606,610	147,866	170,103	28.04%	22,237
Documentary Transfer Tax	227,005	63,818	76,744	33.81%	12,927
Power Revenue Transfer	225,819	-	-	0.00%	-
Transient Occupancy Tax	183,300	42,725	52,489	28.64%	9,764
Parking Fines	123,621	31,140	26,552	21.48%	(4,588)
Parking Occupancy Tax	99,337	17,828	22,136	22.28%	4,308
Franchise Income	94,657	21,679	16,107	17.02%	(5,571)
State Motor Vehicle License Fees	2,942	-	-	0.00%	-
Grant Receipts	91,343	11,217	1,858	2.03%	(9,359)
Tobacco Settlement	11,489	-	-	0.00%	-
Residential Development Tax	4,800	1200	1,284	26.75%	84
Special Parking Revenue Transfer	8,477	-	-	0.00%	-
American Rescue Plan Transfer	639,450	-	-	0.00%	-
Reserve Fund Transfer	85,090	-	-	0.00%	-
Interest Income	20,603	10,122	13,666	66.33%	3,544
Total General Fund	\$7,503,223	\$829,163	\$926,424	13.50%	\$97,260

Property taxes: Property tax receipts through September are \$9.2 million ahead of plan. Surpluses from lower-than-planned refunds, higher unsecured receipts, and secured receipts and redemptions from prior-year tax periods are offset by lower supplemental receipts and reduced taxes on aircraft. The County Assessor's forecasted growth City receipts for the next tax period (beginning December 2021) is 4.0 percent compared to 5.9 percent assumed in the adopted budget. To explain the lower growth, the forecast cited lower CPI adjustments and pre-emptive reductions made for the impact of the pandemic to businesses' secured and unsecured assessed valuations. As other factors, such as continuing strong real estate sales activity could result in higher supplementary receipts. The current estimate for downside risk to City property tax receipts is between \$28 million and \$52 million.

Utility users tax: The net \$5.7 million shortfall for receipts through September is attributed to lower electric users tax (EUT) and communication users tax (CUT) receipts (\$7.7 million and \$0.5 million, respectively), offset by \$2.0 million in higher gas users tax receipts.

Department receipts: Departmental receipts through September total \$233 million, which is \$53.9 million higher than anticipated. Various related costs and other reimbursements are above plan, mainly due to earlier-than-planned remittances (\$49.5 million).

Business tax: Business tax receipts are \$6.4 million above plan with receipts from non-cannabis activity offsetting a \$3.1 million shortfall from cannabis activity (as based on LATAX receipts). Approximately 85 percent of business tax revenue will be recorded in the second half of the fiscal year, coinciding with the 2022 business tax renewal period. As receipts from the annual renewal will reflect the impact of the COVID-19 pandemic restrictions that remained in place during the first quarter of the 2021 calendar year, there is a potential downside risk to revenue.

Sales tax: Sales tax, which ended 2020-21 5.7 percent below 2020-21 revenue and 9.8 percent below 2019-20, is \$22.2 million above planned receipts through September. High receipts for the first quarter reflect the earlier-than-anticipated receipt of deferred 2020-21 tax remittances and a quicker rebound in taxable sales activity. However, ongoing receipts are anticipated to be lower than plan due to the economic impact of global supply constraints and lagging employment growth on taxable sales. Additionally, the City's share of County pool sales tax receipts is expected to drop as a result of revised allocation methodology and changes in warehouse and inventory ownership that assigns online sales tax revenue to other jurisdictions.

Documentary transfer tax: Receipts through September are \$12.9 million above plan as both sales activity and prices (as based on the number of deeds recorded and the revenue per deed) have experienced four consecutive months of high year-over-year growth. When these components grow (or decline) together, there are significant variances from plan.

Power Revenue Transfer: After the adoption of the 2021-22 budget, the Board for the Department of Water and Power revised its budget for the Power Revenue Transfer to \$226.3 million from the \$225.8 million included in its proposed budget. The actual transfer amount will be confirmed by the Board once an audit of 2020-21 Power Revenue Fund financial data is completed.

Transient occupancy tax (TOT): TOT, impacted both by business closures and travel restrictions during the pandemic, ended 2020-21 56.4 percent below prior year revenue. Thanks to a quicker-than-anticipated rebound in tourism activity, monthly receipts through September are \$9.8 million above plan, with \$9.5 million attributed to hotel activity rather than short-term rentals.

Parking fines: Parking fine revenue fell 18.7 percent in 2020-21 from the prior year due to pandemic-related business closures, shelter-in-place orders, relaxed parking enforcement and parking fine relief programs. Despite the increase in parking demand, current year receipts through September are \$4.6 million below plan partly attributed to the loss of traffic officers under the SIP program. The Department of Transportation projects downside risk to year-end revenues if these vacancies remain unfilled.

Parking occupancy tax: Parking occupancy tax revenue decline 45.0 percent from 2020-21 receipts due to the impact of pandemic-related business closures and shelter-on-place orders on parking demand. First quarter receipts for parking occupancy tax through September are \$4.3 million above plan and the surplus is likely attributable to improving economic activity.

Franchise income: The current \$5.6 million net shortfall in total franchise receipts through September is chiefly due to cable television and natural gas franchise income. A \$3.2 million shortfall in cable television receipts is due to the delayed ordinance that would otherwise redirect 2 percent in franchise income back to the General Fund. Once the ordinance is implemented, this revenue can be recorded. An additional \$3.6 million shortfall in natural gas receipts is attributed to the delayed recording of the first quarter payment. Higher receipts from official police garage and taxicab franchises are offsetting these shortfalls.

Grant receipts: Receipts from grant revenue through September are \$1.8 million, which are approximately \$9.4 below plan. This is mainly due to a delay in anticipated reimbursements from the Federal Emergency Management Agency (FEMA) for activities related to Hospital Surge and Great Plates projects. While budgeted FEMA reimbursements totaling \$73.8 million are anticipated to be received by year-end, this money has yet to be obligated (confirmed) by FEMA.

Expenditures

Key Findings/Recommendations

- *This Office has identified approximately \$87.49 million in projected overspending and unfunded items across various departments and funds. This Office has also identified \$11.11 million in additional General Fund appropriations required to supplement special fund revenue shortfalls.*
- *The recommendations in this FSR address \$44.75 million of this overspending leaving \$53.85 million to be addressed. This Office has identified anticipated future actions that would offset an additional \$25.26 million, reducing year-end overspending to \$28.59 million.*

Based on expenditure data through the end of September, this Office has identified \$87.49 million in projected overspending and unfunded items across various departments and funds. This amount is largely attributed to anticipated costs that were budgeted in the Unappropriated Balance rather than the department's operating budgets. Most departments reported year-end surpluses attributed to salary savings and vacancies.

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

- Projected overspending of \$52.82 million in the Police Department attributed to providing transit law enforcement services for the Los Angeles County Metropolitan Transportation Agency (LACMTA) contract.

- Projected overspending of \$19.12 million in the Fire Department attributed to mutual aid firefighting services, increased maintenance costs, one-time budget reductions, and support for COVID-19 operations.
- Projected overspending totaling \$4.05 million in various departments for unbudgeted communication services projects, unbudgeted MOU bonuses, deferral of 2020-21 excess sick leave payouts, costs for supporting the Disaster Service Workers Program, and outside counsel cost.
- Increased project costs of \$8.50 million attributed to delays in the implementation of the Human Resources and Payroll (HRP) Project, of which \$4.30 million is reflected in the Information Technology Agency's overspending amount.
- Unfunded costs of \$3.00 million attributed to the implementation of a tracking and reporting system for employee COVID-19 vaccination status.

(See Table 2 on next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Department/ Initiative	First FSR	Reason
Police	\$52.82	Overspending is attributed to the projected costs to support the LACMTA contract for transit law enforcement services and sworn overtime payouts.
Fire	19.12	Overspending is attributed to mutual aid firefighting efforts, increased maintenance costs, one-time budget reductions, and support for COVID-19 operations.
Information Technology Agency	2.57	Overspending is attributed to unbudgeted communication services projects and delays to the HRP Project.
Transportation	0.88	Overspending is attributed to unfunded Traffic Officer MOU bonuses.
City Attorney	0.40	Overspending attributed to outside counsel expenses related to the Federal Aviation Administration lawsuit.
Housing	0.20	Overspending is attributed to unbudgeted costs of deferring 2020-21 excess sick leave payouts and staff supporting the Disaster Service Workers Program.
Non-Departmental		
Human Resources and Payroll Project	8.50	\$12.8 million in increased projects costs attributed to delayed implementation, of which \$4.3 million is reflected in the ITA overspending amount.
COVID-19 Vaccination and Reporting	3.00	Unbudgeted costs to implement system to track and report employee vaccination status.
Total Year-End Overspending	\$87.49	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to reduce the year-end overspending from \$98.60 million to \$53.85 million. This Office has identified potential future actions totaling \$25.26 million, which could further reduce the remaining year-end overspending to \$28.59 million. To the extent possible, departments will be required to absorb or manage remaining costs within existing funds. Absent these actions, a Reserve Fund appropriation will be required.

Table 3. 2021-22 Budget Balancing Solutions (Millions)		
First FSR Over-Expenditures	\$ (87.49)	
First FSR Special Fund Revenue Shortfalls		
Zoo	(10.41)	Revenue shortfall attributed to limited operations.
Repair and Demolition Fund	(0.38)	Revenue shortfall attributed to suspension of lien hearings during the pandemic.
El Pueblo	(0.32)	Revenue shortfall attributed to unpaid rents and other pandemic related impacts.
Total Budget Gap	\$ (98.60)	

First FSR Recommendations		
UB, Los Angeles County Metropolitan Transportation	35.97	Transfer to Police Department for the LACMTA contract costs.
UB, Sworn Overtime – Cash Payout	5.00	Transfer to Police Department to address over-expenditures for cash payouts of sworn overtime.
UB, Mutual Aid Overtime	3.00	Transfer to the Fire Department for mutual aid firefighting expenses.
UB, Reserve for Mid-Year Adjustments	0.40	Transfer to the City Attorney for outside counsel expenses.
Reserve Fund loan	0.38	Transfer to the Repair and Demolition Fun for Nuisance Abatement Program.
Subtotal	\$ 44.75	
Potential Future Actions		
UB, Reserve for Mid-Year Adjustments	14.54	Transfer to partially address Citywide overspending.
UB, Zoo and El Pueblo Revenue Shortfalls	10.72	Transfer to the Zoo (\$10.41 million) and El Pueblo (\$0.31 million) to address revenue shortfalls.
Subtotal	\$ 25.26	
Year-End Overspending	\$ (28.59)	

City Reserves

Key Findings/Recommendations

- *The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City’s reserves total approximately \$785.11 million or 10.46 percent of the total 2021-22 General Fund revenue.*

Reserves	Balance (In Millions)	%	Purpose
UB, 2021-22 Reserve for Mid-Year Adjustments Account	\$ 14.54	0.19%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	652.18	8.69%	Preserved for the most critical needs and matters of urgent economic necessity and are not to be used for ongoing expenses.
Budget Stabilization Fund	118.39	1.58%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 785.11	10.46%	

Unappropriated Balance, 2021-22 Reserve for Mid-Year Adjustments

The 2021-22 Adopted Budget includes \$14.94 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. This report includes one transfer for \$405,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney’s Outside Counsel Account, resulting in a balance of \$14.54 million.

Reserve Fund

Attachment 2 – Current Status of Reserve Fund

Attachment 2A – Schedule of Reversions to the Reserve and Other Funds

Recommendation No. 6

According to the Office of the Controller, the preliminary June 30, 2021, Reserve Fund cash balance was \$933.0 million. After the return of short-term loans made by the Controller at year end, adjustments initiated in the prior year and the 2021-22 Adopted Budget, the Transfer to Budget of \$85.09 million, the July 1, 2021 Available Balance was \$647.04 million (see Table 5 below). This represented 8.62 percent of the General Fund Budget and was approximately \$137.17 million above the 2021-22 Budget of \$509.87 million.

Table 5			
2021-22 Reserve Fund Available Balance as of July 1, 2021			
(millions)			
	Budget	Actual	Difference
Cash Balance, June 30*	\$784.79	\$933.01	\$148.22
Other Adjustments	(189.83)	(200.88)	11.05
Transfer to Budget	(85.09)	(85.09)	-
July 1 Available Balance	\$509.87	\$647.04	(\$)
Emergency Account	\$206.34	\$206.34	-
Contingency Account	303.53	440.70	\$137.17
Reserve Fund as Percent of General Fund	6.80%	8.62%	1.82%

*reflects \$418.26 million in year-end reversions as detailed in Attachment 2A

After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$652.18 million, which consists of \$206.34 million in Emergency Reserve and \$445.84 million in Contingency Reserve.

This balance represents 8.69 percent of the General Fund budget, which is above the 5 percent Reserve Fund policy. This Office is aware of multiple pending and developing proposals with a total value in the range of \$170 million related to homelessness and COVID-19 response costs that could require the use of the Reserve Fund in 2021-22. Further, the 2021-22 Adopted Budget used \$133 million in one-time revenues for ongoing spending. The 2022-23 Budget may require the use of the Reserve Fund if the City is to continue these programs. Finally, the 2021-22 Budget includes \$691 million in one-time spending, some portion of which the City may wish to continue in 2022-23. Doing so could also require the use of the Reserve Fund. In light of these potential high-priority uses of the Reserve Fund in the coming months, 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 current balance in the Budget Stabilization Fund is \$118.39 million.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include the use of one-time revenues for ongoing spending, the potential fiscal impact from the delayed implementation of the Human Resources and Payroll Project, COVID-19 vaccination and reporting requirements, and outside counsel costs.*

One-Time Revenues for Ongoing Spending

As we have previously noted, the 2021-22 Adopted Budget used \$133 million in one-time revenues for ongoing spending, which will pose a challenge for the 2022-23 Budget to maintain current service levels. Maintaining current service levels in 2022-23 will be made even more difficult if the City wishes to continue any portion of the \$691 million in one-time spending that is included in the 2021-22 Budget into the 2022-23 Budget. Much of this year's one-time spending is budgeted in the Unappropriated Balance for new pilot or surge programs. As departments submit reports to the City Council requesting these funds to initiate the intended programs, we recommend that the City Council carefully consider whether the funding is requested for one-time or ongoing purposes. At this time, we recommend that all funding be used for one-time purposes and that the Mayor and City Council consider transitioning these programs into ongoing services, if they wish to do so, in the context of the 2022-23 Budget development process and with the use of ongoing revenues.

Human Resources and Payroll

The Human Resources and Payroll (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. As reported by the Information Technology Agency (ITA), the testing phases have not completed as quickly as planned, primarily due to the impacts of the COVID-19 Pandemic on the project, including the inability of testers to be co-located with the project teams to review findings and resolve issues, and the substantial loss of department HR and payroll subject matter experts and project staff as a result of the City's Separation Incentive Program (SIP). After weighing many factors, such as readiness, user impacts, effort, risk, and cost, the HRP Steering Committee, comprised of the Personnel Department, Office of the City Controller, ITA, and the CAO have recommended a phased implementation approach in 2022 as the best opportunity for success. The phased approach would result in modules being implemented at two different points in 2022: April and December.

At present, the HRP project is funded and expenditures have been within budgeted amounts, including some use of contingency funds. The HRP project received \$14.2 million for Fiscal Year 2021-2022 and another \$1 million in the Unappropriated Balance which ITA has requested in a separate report. However, the estimated General Fund impact of the proposed phased implementation is \$12.8 million. This impact includes increased costs for Workday, Inc., the PaySR contractors to continue maintenance of PaySR throughout 2022, and consultant services including Quality Assurance. For the \$12.8 million in additional project costs, it is currently unknown at this time how much of these funds will be required in 2021-22 and which costs will be incurred in 2022-23 as the City is still in the process of negotiating a contract amendment with Workday, Inc to implement the phased go-live approach. ITA plans to submit an interim 2021-22 funding request and a 2022-23 budget request on behalf of the Steering Committee for these funds once the cost breakdown per Fiscal Year has been finalized. At this time, we believe that at least \$4.3 million of this amount will be required during this fiscal year, and we reflect that amount in the ITA section of this report. Thus, the remaining spending risk is \$8.5 million.

Employee COVID-19 Testing, Vaccine and Testing Tracking

On August 24, 2021, the City Council adopted Ordinance No. 187134 ("Ordinance 187134"), which sets forth certain COVID-19 vaccination and vaccination status reporting requirements for all current and future City employees. Ordinance 187134 also recognizes that City will grant medical and/or religious exemptions to qualified City employees as required by applicable law and that such employees with medical or religious exemptions, who are required to regularly report to a City worksite, shall be subject to weekly COVID19 tests. To carry out the goals of Ordinance 187134 and to mitigate the unique health and public safety concerns posed by COVID-19, the Personnel Department contracted with a vendor to provide needed staffing and vaccine/testing software services for the City employee vaccine mandate. Human Resources (HR) staff were manually verifying vaccine cards with no centralized tracking to include exemptions and testing. The contacted vendor will provide staff to verify and record vaccine cards, a highly sensitive saliva PCR test, and health counseling services for anyone who tests positive. The vendor is also developing a HIPAA protected exemptions submission platform for employees. In addition, the vendor's software platform has a daily symptoms monitoring check for employees or the public entering City facilities.

The current contract has a \$3 million ceiling, which was not in the Personnel's approved budget for FY 2021-22. Funds must be identified to pay for this contract and transferred to the Personnel's contractual account. Personnel anticipates hitting the contract ceiling by mid-November. With the addition of testing twice a week for unvaccinated employees with medical or religious exemptions, this contract will need to be amended to address the increased cost of testing.

Outside Counsel

The Outside Counsel line item in the Unappropriated Balance will be fully exhausted this fiscal year by the nearly 40 LAPD protest cases filed this year and significant LAFD employment cases. Other substantial cases being handled by outside counsel, including the HUD False Claims Act case and various FAA challenges. A transfer of \$405,000 from the Unappropriated Balance Reserve for Mid-Year Adjustments Account for expenses related to the FAA cases is recommended in this report. In addition to this transfer, the City Attorney's Office anticipates the need for supplemental funding this fiscal year to appropriately address the increased number of cases requiring outside counsel.

Four-Year Budget Outlook Attachment 3 – Four-Year General Fund Budget Outlook

The 2021-22 Adopted Budget Outlook projects budget gaps for the next three years and then a surplus in 2025-26. The following could further exacerbate the projected budget gaps:

- *Continuing new programs or temporary service increases to existing programs designated as one-time in the 2021-22 Adopted Budget.*
- *Costs associated with major construction projects.*
- *Increases in employee costs resulting from future labor agreements, including any costs that may result from current agreement reopeners.*

The 2021-22 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 budget gaps in the next three years and a surplus in the last year of the Outlook. Specifically, Attachment 3 illustrates that the City projects to have budget gaps of \$260.9 million in 2022-23, \$135.3 million in 2023-24, and \$47.3 million in 2024-25, and then a surplus of \$157.3 million in 2025-26.

The Outlook made several assumptions that, if not met, will change future year projections. The Outlook assumed the size of the workforce will remain flat after 2021-22 and there will be no major changes in City services. The Outlook also assumed that the City will not continue a significant portion of one-time spending from the 2021-22 Adopted Budget, even though there may be a desire to continue some of these new programs or temporary service increases to existing programs. Continuing these programs designated as one-time would exacerbate projected budget gaps.

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 14 percent investment returns in 2020-21, whereas the actual, unaudited, returns for both systems were approximately 30 percent. While it is premature to determine the actual impact of the higher investment returns on the City's required future contributions, all else being equal this will reduce future-year budget gaps.

The projected budget gaps do not take into account costs associated with major construction projects including the Civic Center Master Plan, the expansion of the Convention Center, or the Los Angeles River Revitalization Master Plan. In addition, the Outlook only reflects salary increases from current labor agreements, including the delayed salary increases in 2021-22. Various labor agreements include provisions for reopeners and a majority of the civilian agreements expire December 2022 or December 2023 and sworn agreements expire June 2024. Potential future increases, including any that may result from the reopeners, are not included in the Outlook.

Even though the Outlook projects budget gaps in each of the next three years, the City must balance each budget when enacted. The City generally accomplishes such balancing through a combination of revenue increases, expenditure reductions, and transfers from reserves. The Outlook assumes that the City will solve each year's shortfall using one-time rather than on-going solutions. To the extent that the City balances using on-going solutions, this would reduce future-year budget gaps.

This Office will continue to monitor these issues and make adjustments to the Outlook as part of the Mayor's Proposed Budget for 2022-23.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$93.67 million are recommended in Sections 1 and 2 of this report which include:

- \$4.04 million in 2021-22 special fund reappropriations;
- \$7.77 million in new appropriations;
- \$21.15 million for transfers between accounts within various departments and funds;
- \$15.32 million for transfers between various departments and funds;
- \$45.39 million in appropriations from the Unappropriated Balance;

Attachments

- 1A 2020-21 Adopted and Revised General Fund Revenue
- 1B 2021-22 General Fund Revenue
- 2 Current Status of Reserve Fund
- 2A Schedule of Reversions to the Reserve and Other Funds
- 3 Four-Year General Fund Budget Outlook
- 4 2021-22 Special Fund Reappropriations
- 5 New Appropriations
- 6 Transfers between Accounts within Departments and Funds
- 7 Transfers between Departments and Funds
- 8 Appropriations from the Unappropriated Balance
- 9A Status of the Unappropriated Balance-General Account
- 9B Status of the Unappropriated Balance-Reserve for Mid-Year Adjustments
- 9C Status of the Unappropriated Balance-non-General Account
- 10 Status of Liability Claims Account
- 11 Employment Level Report
- 12 Description of Fire Department 2021-22 Specialized MICLA Fleet/Equipment

RECOMMENDATIONS

(Refer to Discussion Sections 1 and 2)

That the Council, subject to approve of the Mayor:

1. Reappropriate \$4,040,684.15 from the various funds as specified in Attachment 4;
2. Appropriate \$7,768,916.87 to various department and fund accounts as specified in Attachment 5;
3. Transfer \$21,149,576.19 between accounts within various departments and funds as specified in Attachment 6;
4. Transfer \$15,315,030.40 between various department and funds as specified in Attachment 7;
5. Transfer \$45,387,958.00 from the Unappropriated Balance to various departments and funds as specified in Attachment 8;

Building and Safety

6. Authorize a Reserve Fund loan in the amount of \$384,699 for the Repair and Demolition Fund No. 346/08 to provide sufficient cash flow for the Contract Nuisance Abatement Program through the end of the fiscal year. This loan will be repaid upon receipt of payments from this Program.

Community Investment for Families

7. Relative to aligning the 2021-22 budget appropriations to the Office of Traffic Safety grant funds available:
 - a. Decrease appropriations totaling \$75,374.52 within the Traffic Safety Education Program Fund No. 45C as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
21V121	Community Investment for Families	\$ 50,112.41
21V299	Reimbursement of General Fund Costs	25,262.11
	Total	\$ 75,374.52

- b. Decrease appropriations in the amount of \$50,112.41 within the Community Investment for Families Department No. 100/21, Account No. 001010, Salaries General.

Cultural Affairs

8. Transfer \$1,000,000 from the Unappropriated Balance Fund No. 100/58, Account No. 580358, Youth and Creative Workers Mural Program to the Cultural Affairs Fund No. 100/30, Account No. TBD, entitled Youth and Creative Workers Mural Program for professional mural artists to work with youth and local community members in creating new murals and conserving existing murals in neighborhoods disproportionately affected by COVID-19.

9. Transfer \$1,000,000 from the Unappropriated Balance Fund No. 100/58, Account No. 580359, We Create LA to the Cultural Affairs Fund No. 100/30, Account No. TBD, entitled We Create LA for the placement of community teaching artists in after-school and youth programs at City libraries, recreation centers, and community arts organizations.

Fire

10. Authorize the Controller’s Office to process the revision of the Fiscal Year 2020-21 Year-End Reversion Worksheet submitted by the Fire Department on September 21, 2021.
11. Rescind the prior Council action (C.F. 20-0600-S94) to reappropriate \$1,455,508.94 from the Fire Fund No. 100/38, Account No. 001090, Overtime General (\$78,000), Account No. 001098, Overtime Variable Staffing (\$300,000), Account No. 003040, Contractual Services (\$387,222.94), and Account No. 006020, Operating Supplies (\$690,286).

Housing

12. Reduce appropriations totaling \$1,156,391.80 within the Systematic Code Enforcement Trust Fund No. 41M/43 as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43N228	Rent and Code Outreach Program	\$ (148,750.00)
43N229	Hearing Office Contract	(40,300.00)
43N412	Service Delivery	(964,000.00)
43R560	Translation Services	(3,341.80)
	Total	<u>\$ (1,156,391.80)</u>

13. Relative to \$456,829 in Community Development Trust Fund No. 424 available grant funds for the Housing Department Fund No. 100/43:
 - a. Reduce appropriations in the amount of \$186,557 in the Housing Department Fund No. 100/43 within Account No. 001010, Salaries General;
 - b. Reduce appropriations in the amount of \$145,000 in the Housing Department Fund No. 100/43 within Account No. 006030, Leasing;
 - c. Reduce appropriations in the amount of \$331,557 within Fund No. 424/21, Account No. 21V143, Housing Department; and
 - d. Reduce appropriations in the amount of \$125,272 within Fund No. 424/21, Account No. 21V299.

14. Relative to \$65,499 in Federal Emergency Shelter Grant Fund No. 517 available grant funds for the Housing Department Fund No. 100/43:
- a. Increase appropriations in the amount of \$54,684 in the Housing Department Fund No. 100/43 within Account No. 001010, Salaries General;
 - b. Increase appropriations in the amount of \$54,684 within Fund No. 517/43, Account No. 43V143, Housing Department; and,
 - c. Increase appropriations in the amount of \$10,815 within Fund No. 517/43, Account No. 43V299, Housing Department.
15. Decrease the Administrative Reserve Account No. 43S904 by \$788,951 within the Lead Grant 12 Fund No. 63C to align the budget appropriation with the available grant fund amount.
16. Authorize the Controller to disencumber up to \$51,000 from Fiscal Year 2020-21 for Contract C-135796 with Mark G. Anderson Consultants within the Los Angeles Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, and revert \$51,000 to the Reserve Fund No. 101 and reappropriate therefrom to the Fiscal Year 2021-22 Housing Department Fund No. 100/43, Account No. 003040, Contractual Services for architectural design and construction cost estimate review services.
17. Authorize the Controller to disencumber up to \$652,063.60 from Fiscal Year 2020-21 encumbered balances for three Land Development contracts listed in the table below within the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, and revert \$652,063.60 to the Low and Moderate Income Housing Fund No. 55J/43 and reappropriate therefrom to the Fiscal Year 2021-22 Housing Department Fund No. 100/43, Account No. 003040 for Contract Nos. C-135365, C-135719, and C-134911.

Contractor	Contract No.	Amount
IBI Group	C-135365	\$ 300,000.00
Partners in Diversity	C-135719	116,495.60
Keyser Marston Associates	C-134911	235,568.00
	Total	\$ 652,063.60

18. Authorize the Controller to revert disencumbered funds up to \$16,142.80 from FY 2020-21 for Contract No. C-134780 with Urban Futures Developments within the Los Angeles Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, to the following funding sources to be reappropriated therefrom to the FY 2021-22 Los Angeles Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, to pay for the HHH Development contract.

<u>Fund No.</u>	<u>Fund Name</u>	<u>Amount</u>
561	Home Investment Partnerships Program Fund	\$ 115.10
815	Municipal Housing Finance Fund	6.90
55J	Low and Moderate Income Housing Fund	14.70
100	General Fund	16,006.10
Total		\$ 16,142.80

19. Decrease appropriations totaling \$2,171,694.30 from the Los Angeles Housing Department Fund No. 100/43, \$1,483,669.95 from Account No. 001010, Salaries General, and \$688,024.35 from the Reimbursement to General Fund Account 43V299 and decrease corresponding appropriations from the following funds and accounts:

- a. Decrease appropriations in the amount of \$652,970 within the Systematic Code Enforcement Trust Fund No. 41M/43 as follows: \$425,000 from Account No. 43V143, Housing Department and \$227,970 from Account No. 43V299 Reimbursement of General Fund Costs;
- b. Decrease appropriations in the amount of \$460,920 within the Rent Stabilization Trust Fund No. 440/43 as follows: \$300,000 from Account No. 43V143, Housing Department and \$160,920 from Account No. 43V299, Reimbursement of General Fund Costs;
- c. Decrease appropriations in the amount of \$456,267.50 within the Low and Moderate Income Housing Fund No. 55J/43 as follows: \$325,000 from Account No. 43V143, Housing Department and \$131,267.50 from Account No. 43V299, Reimbursement of General Fund Costs;
- d. Decrease appropriations in the amount of \$187,659.24 within the Home Investment Partnerships Program Fund No. 561/43 as follows: \$133,669.95 from Account No. 43V143, Housing Department and \$53,989.29 from Account No. 43V299, Reimbursement to General Fund;
- e. Decrease appropriations in the amount of \$140,390 within the Foreclosure Registry Trust Fund No. 56V/43 as follows: \$100,000 from Account No. 43V143, Los Angeles Housing Department and \$40,390 from Account No. 43V299, Reimbursement of General Fund Costs; and,
- f. Decrease appropriations in the amount of \$273,487.56 within the Municipal Housing Finance Fund No. 815/43 as follows: \$200,000 from Account No. 43V143, Housing Department and \$73,487.56 from Account No. 43V299, Reimbursement of General Fund Costs.

Personnel

20. Revise the instruction approved by the City Council on July 1, 2021 relating to C.F. 20-0600-S84, to reflect the following instruction:

In accordance with actual receipts from Los Angeles County, increase the deposit amount from up to \$1,500,000 to a revised amount of up to \$3,000,000 to General Fund No. 100/66, Revenue Source Code No. 5188, Miscellaneous Revenues and further allocate to reimburse various City Department General Fund, Recreation and Park Fund, and Library Fund, Revenue Source Code No. 5188, Miscellaneous Revenues. Appropriate the like amount deposited to various City Department General Fund, Recreation and Park Fund, and Library Fund, Account No. 001090, Overtime General, pursuant to the Memorandum of Understanding with Los Angeles County (Contract No. C-136211, Third Amendment) for contact tracing work and Memorandum of Understanding with Los Angeles County (Contract No. C-138477) for election poll work performed by City employees.

Public Works-Street Services

21. Authorize an early reversion of a disencumbrance for \$2,000,000 from the 2019-20 Bureau of Street Services Fund No. 100/86, Account No. 003030, Construction Expense, and reappropriate funds to the 2021-22 Bureau of Street Services Fund No. 100/86, Account No. 003040, Contractual Services, for the design and installation of shade structures in disadvantaged communities and communities with high heat indexes.

Los Angeles Fire and Police Pensions

22. Reappropriate \$828,749.75 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, 2021 for excess benefits payments for 2021-22.

Municipal Improvement Corporation of Los Angeles (MICLA)

Information Technology Agency

23. Reapprove a total of \$534,158 in MICLA financing approved in the 2021-22 Adopted Budget for the Los Angeles Police Department and Los Angeles Fire Department Radio Site Improvement Project and further appropriate from Fund No. 298/32 to the Information Technology Agency Fund No. 100/32, Account No. 009350, Communication Services.

Fire Department

24. Reapprove the use of \$20.0 million included in the 2021-22 Adopted Budget for fleet and communications purchases as part of the Fleet Replacement Program. The types and quantities are listed below and a description is included in Attachment 12.

2021-22 MICLA Adopted Budget

Fleet Equipment Classification	Unit Cost	Number	Useful Life	Total Cost	Fuel
Apparatus, 100' Aerial Ladder	\$1,432,001	1	10	\$1,432,001	Diesel
Fire Engine	\$950,000	4	10	\$3,800,000	Diesel
Brush Patrol	\$275,000	2	6	\$550,000	Diesel
Ambulance	\$300,000	21	6	\$6,300,000	Diesel
EMS Battalion Command Vehicle	\$70,000	5	6	\$350,000	Gasoline
Heavy Equipment Service Truck	\$250,000	2	6	\$500,000	Diesel
Heavy Equipment Transport Trailer (no radio)	\$200,000	1	6	\$200,000	N/A
Swift Water Rescue Vehicle	\$400,000	1	6	\$400,000	Diesel
Fleet Maintenance Service Vehicle	\$300,000	1	6	\$300,000	Diesel
Pick Up Truck (plug buggy)	\$70,000	15	6	\$1,050,000	Diesel
Crew 3 Transport Vehicle	\$300,000	1	6	\$300,000	Diesel
Sedans (Emergency)	\$41,570	20	6	\$831,400	Gasoline
Sedans Electric (Non-Emergency)	\$40,403	20	6	\$808,060	Electric
Van, Side Load 8600 GVW	\$49,900	2	6	\$99,800	Diesel
Van, 15 Passenger	\$51,900	2	6	\$103,800	Diesel
Air Ops Tugs (no radio)	\$100,000	3	6	\$300,000	LPG
Air Ground Power Unit (no radio)	\$70,000	1	6	\$70,000	Diesel
12-Ton Forklift (no radio)	\$100,000.00	1	10	\$100,000	LPG
Total Apparatus		103		\$17,495,061	
Communications Radio Packages					
Apparatus, 100' Aerial Ladder	\$43,970	1		\$43,970	
Apparatus, Triple Combination	\$43,970	4		\$175,880	
Brush Patrol	\$43,970	2		\$87,940	
Ambulance	\$33,085	21		\$694,785	
EMS Battalion Command Vehicle	\$33,085	5		\$165,425	
Light Vehicles (Emergency)	\$27,371	44		\$1,204,324	
Light Vehicles (Non-Emergency)	\$6,315	21		\$132,615	
Total Communications		98		\$2,504,939	
TOTAL MICLA (Fleet & Communications)				\$20,000,000	

25. Approve an equipment list deviation from the MICLA Fiscal Year 2020-21 Budget as follows:

FY 20-21 MICLA Budget	Count	Budget
EMS Battalion Command VHC	7	\$445,200
Apparatus, 100' Aerial Ladder	4	\$5,544,076
Apparatus, Triple Combination	4	\$3,622,764
Ambulance	11	\$2,133,164
Total	26	\$11,745,204

Replace With	Count	Budget
EMS Battalion Command VHC	6	\$381,600
Apparatus, 100' Aerial Ladder	1	\$1,386,019
Apparatus, Triple Combination	2	\$1,811,382
Ambulance	35	\$8,166,203
Total	44	\$11,745,204

26. Approve an equipment list deviation from the MICLA Fiscal Year 2018-19 Budget as follows:

FY 18-19 MICLA Budget	Count	Budget
Apparatus, 100' Aerial Ladder	5	\$6,230,095
Apparatus, Triple Combination	8	\$6,437,528
BC/AC Command Vehicle (Emergency)	4	\$571,328
Ambulance*	12	\$2,327,088
Brush Patrol	2	\$550,000
Heavy Equipment Fuel Tender	1	\$145,000
<u>EMS Battalion Command VHC</u>	<u>7</u>	<u>\$445,200</u>
Swift Water Rescue Vehicle	1	\$194,900
Box Truck (US&R Trench Rescue)	1	\$168,900
Total	41	\$17,070,039
Replace With	Count	Budget
Apparatus, 100' Aerial Ladder	4	\$4,984,076
Apparatus, Triple Combination	7	\$5,632,837
BC/AC Command Vehicle (Emergency)	3	\$428,496
Ambulance*	22	\$5,368,030
Brush Patrol	1	\$275,000
Heavy Equipment Fuel Tender	0	\$0
EMS Battalion Command VHC	6	\$381,600
Swift Water Rescue Vehicle	0	\$0
Box Truck (US&R Trench Rescue)	0	\$0
Total	43	\$17,070,039

Police Department

27. Reauthorize the use of \$7.47 million in MICLA financing provided in the 2021-22 Adopted Budget for the purchase of one Police Airbus helicopter.
28. Reauthorize the use of \$8.08 million in MICLA financing provided in the 2021-22 Adopted Budget for the purchase of various Police Department non-patrol vehicles. The MICLA fleet list has been revised from the Adopted Budget version to reflect a reduction of dual purpose sedans due to increased unit cost estimates (from 112 dual purpose sedans to 95 dual purpose sedans, plus the original request of 14 specialized utility vehicles and 63 undercover vehicles).

2021-22 MICLA EQUIPMENT LIST				
Type	Quantity	Fuel	Per Unit Cost	Total
Ford Explorer Dual-Purpose (DP)	20	Hybrid	56,600	\$1,132,000
Dodge Charger DP	69	Gas	42,000	\$2,898,000
Dodge Durango DP	6	Gas	53,500	\$321,000
 				
Ford Explorer DP K9	6	Hybrid	63,700	\$382,200
Ford F-150 DP K9	2	Gas	79,400	\$158,800
GMC 3500 Emergency Response Truck	6	Gas	111,000	\$666,000
 				
Honda, Toyota, & Nissan Undercover	63	Gas	40,000	\$2,520,000
 				
			TOTAL	\$8,078,000

Technical

29. 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 \$87.49 million in projected over-expenditures and \$11.11 million in additional General Fund appropriation required to supplement special fund revenue shortfalls are identified in the First Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$93.67 million are recommended in Sections 1 and 2 of this report.

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) Bonds is a General Fund obligation. The acquisition of capital equipment for the Fire and Police Departments would cause the City to borrow \$35,550,289 at an approximate 5.5 percent interest rate over 10 years. The financing of capital improvements to Police and Fire Radio Sites would cause the City to borrow \$534,158 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for the acquisition of Police and Fire capital equipment and Radio Site improvements is \$48,057,735, including interest of \$11,973,000. During the life of the bonds, the combined estimated average annual debt service over the first 10 years is \$4,716,000 and \$45,000 for the following 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 City is currently at 3.35 percent for 2021-22. The issuance of debt for these projects will not impact the City's debt capacity for non-voter approved debt as the issuance of debt for the project is already included in the debt ratio.

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	26
Section 2. Status of Non-Departmental Funds and Special Accounts	55
Section 3. Status of Employment	58
Section 4. Status of State Budget.....	58

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 \$59,447, comprised of a \$3,125 General Fund surplus and a \$56,322 special fund surplus, which is attributed to salary savings.

The Department anticipates meeting its General Fund revenue budget of \$294,722 by year end.

Expansion of Senior Meals Program

The 2021-22 Adopted Budget provides \$10 million in one-time funding in the Unappropriated Balance for the expansion of the Senior Meals Program. In a report to the United States Department of Treasury, the City identified this additional spending as consistent within an eligible expenditure category within the parameters of the one-time ARPA funding. The Department, however, seeks to establish an ongoing Senior Local Restaurant Meals Program with these one-time funds. Specifically, the Department requests the allocation of \$8.8 million (88 percent) for meal service providers and \$1.2 million (12 percent) for administration staff support, which includes 18 new positions. In a report issued on October 15, 2021, this Office recommended that the Department use time-limited staff and consultants to implement this one-time expansion and that the proposal be evaluated as part of the 2022-23 budget process should the City Council wish to establish the expansion as an ongoing program. This matter is pending consideration in the Personnel and Animal Welfare Committee. This Office will provide updates on the status of this program in subsequent FSRs.

**B. Animal Services
No Recommendation**

This Office projects a net year-end surplus of \$183,915, comprised of an \$85,447 General Fund surplus and a \$98,468 special fund surplus. The General Fund surplus is attributed to salary savings and the special fund surplus is attributed to operational efficiencies within the Department's Spay and Neuter Program.

This Office anticipates a revenue shortfall of \$395,473 from its General Fund revenue budget of \$4.0 million. This shortfall is primarily attributed to a reduction in filming permits and dog licenses as a result of the pandemic.

**C. Building and Safety
Recommendation No. 6**

This Office projects a year-end special fund surplus of \$15.57 million, which is entirely attributed to salary savings and vacancies.

The Department anticipates meeting its General Fund revenue budget of \$59.0 million by year end. The Department also anticipates meeting the \$236.8 million revenue budget for the Building and Safety Enterprise Fund by year end.

Repair and Demolition Fund

The 2021-22 Adopted Budget provides \$384,699 to the Department from the Repair and Demolition Fund for the Contract Nuisance Abatement Program. This program funds the necessary repairs, securing, cleaning, or demolition of buildings, structures, and portions of premises, which constitute a nuisance or are blighted or substandard. The Fund has insufficient revenues to support the budget appropriation due to the lack of payment from property owners that received demolition and repair work. This is partially a result of the suspension of lien hearings during the pandemic. This Office recommends a Reserve Fund loan to provide sufficient cash flow through the end of the fiscal year. This loan will be repaid upon receipt of payments from the program.

This Office requests the following transaction at this time:

- Authorize a Reserve Fund loan in the amount of \$384,699 for the Repair and Demolition Fund to provide sufficient cash flow for the Contract Nuisance Abatement Program through the end of the fiscal year. This loan will be repaid up receipt of payments from the program.

**D. Cannabis Regulation
No Recommendation**

This Office projects a year-end special fund surplus of \$766,680, which is attributed to vacancies within the Department.

This Office projects a revenue shortfall of \$133,000 from the Department's General Fund revenue budget of \$5.51 million. This shortfall is attributed to a reduction in related cost reimbursements and reflects the Department's projected salary savings and vacancies.

**E. City Administrative Officer
No Recommendation**

The Office of the City Administrative Officer (CAO) projects to complete the year within budget.

The CAO also anticipates meeting its General Fund revenue budget of \$4.2 million by year end.

F. City Attorney

Attachment 5 – New Appropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 8 – Appropriations from the Unappropriated Balance

This Office projects a year-end surplus of \$2.78 million, comprised of a \$1.66 million General Fund surplus and a \$1.12 million special fund surplus. This projection includes anticipated special fund and grant-related reimbursements for direct salary costs to be received before year end. The surpluses are attributed to salary savings and vacancies within the Department.

This Office anticipates a \$16,000 revenue shortfall from the Department's General Fund revenue budget of \$42.52 million. This shortfall is attributed to adjustments to the Workforce Investment Opportunity Act salary appropriation and related cost reimbursements as approved by the Mayor and City Council (C.F. 21-0647).

This Office recommends the following transactions at this time:

- Appropriate \$37,000 from the Innovation Fund to the Department's Contractual Services Account to implement an online referral tool for the Homeless Engagement and Response Team (HEART) Connection project (C.F. 20-0316). The HEART program works with homeless and at-risk individuals to clear low-level criminal citations and refers participants to social services. This electronic system will allow the Office of the City Attorney to streamline the referral process and reduce administrative tasks. Due to delays in executing a contract, these funds reverted at the end of 2020-21 and this Office recommends the reappropriation of funds for such purpose.
- Transfer \$213,600 from the Department's Salaries General Account to the Department's Overtime General Account for overtime payouts to employees that have reached their 240-hour banked overtime limit and employees that have resigned.
- Transfer \$62,750 from the Department's Salaries General Account to the Department's Bar Dues Account to process attorney bar due payments owed to the State of California.

- Transfer \$405,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Department's Outside Counsel Account for expenses related to the lawsuit filed by the City against the Federal Aviation Administration (*City of Los Angeles v. FAA, Ninth Circuit Case No. 21-71170*), as approved by the Mayor and City Council (C.F. 19-0633, C.F. 19-0418-S1).

G. City Clerk

Attachment 7 – Transfers between Departments and Funds

This Office projects the Department will complete the year within budget.

The Department anticipates to exceed its General Fund revenue budget of \$914,091 by \$34,074. This additional revenue is attributed to an unanticipated reimbursement for the Board of Deferred Compensation Administration elections that the Department conducted in May 2021, but received in the current fiscal year.

This Office recommends the following transactions as this time:

- Transfer \$150,000 from the 2021-22 Business Improvement District (BID) Trust Fund's BID General Account to the Board of Public Work's Operating Supplies Account to purchase trash can liners to be used by Business Improvement Districts throughout the City.
- Transfer \$150,000 from the 2020-21 BID Trust Fund's Board of Public Works' Account to the Board of Public Works' Operating Supplies Account to purchase trash can liners to be used by Business Improvement Districts throughout the City. These prior year funds reverted back to the BID Trust Fund at the end of 2020-21 as the Board was unable to encumber the funds before the year end.

H. City Planning

No Recommendation

This Office projects a net year-end surplus of \$2.49 million, comprised of a \$41,742 General Fund surplus and a \$2.44 million special fund surplus. This surplus is attributed to vacancies within the Department.

The Office anticipates a revenue shortfall of \$5.21 million from the Department's General Fund revenue budget of \$19.87 million. This shortfall is attributed to a reduction in related cost reimbursements from special funds as a result of special fund vacancies and a three-month delay in the implementation of the updated case processing fees.

I. Civil, Human Rights, and Equity

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

This Office projects a year-end General Fund surplus of \$642,000, which is attributed to vacancies within the Department.

The Department has no General Fund revenue budget.

This Office recommends the following transactions at this time:

- Transfer \$31,130 from the Department's Contractual Services Account to the Department's Salaries, As-Needed Account for two Administrative Interns that are assisting with research, social media engagement, commission support, and discrimination enforcement efforts.
- Transfer \$17,115 from the Department's Salaries General Account to the Office of Finance's Salaries General Account to reimburse the Office of Finance for staff on loan to the Department.

J. Community Investment for Families

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Attachment 8 – Appropriations from the Unappropriated Balance

Recommendation No. 7

This Office projects a net year-end special fund surplus of \$415,221, which is attributed to salary savings.

This Office anticipates a revenue shortfall of \$183,120 from the Department's General Fund revenue budget of \$3.86 million. This shortfall is attributed to a reduction in related cost reimbursements due to special-funded vacancies within the Department. This Office will monitor these revenues, work with the Department to meet its revenue budget, and make timely reimbursements to the General Fund.

This Office recommends the following transactions as this time:

- Transfer \$65,844 from the Department's Salaries General Account to the Department's Salaries, As-Needed (\$23,627), Overtime General (\$9,754), Printing and Binding (\$4,000), Travel (\$4,177), Contractual Services (\$1,713), and Office and Administrative (\$22,573) accounts to support costs for the Office of Traffic Safety's Child Safety Grant.
- Transfer \$100,000 from the Department's Salaries General (\$71,230) and the Reimbursement of General Fund Costs accounts within the Community Development Trust Fund (\$17,262) and the Community Services Block Grant Trust Fund (\$11,508) to the Department's Office and Administrative Account for departmental technology equipment purchases.

- Transfer \$25,216 from the Department's Salaries General Account to the Los Angeles Housing Department's Leasing Account for lease expenses associated with the Office of Traffic Safety Child Safety Grant, in accordance with the lease arrangement between both departments.
- Appropriate \$258,563 from the Unappropriated Balance, Repayment to the U.S. Department of Housing (HUD) Account to the Community Development Trust Fund for the repayment of Program Year 46 Community Development Block Grant funds to HUD, in accordance with C.F. 20-1303.
- Decrease appropriations totaling \$75,375 within the Traffic Safety Education Program Fund to align budget appropriations to available grant funding.

K. Controller
No Recommendation

This Office projects the Department will finish the year on budget.

The Department anticipates meeting its General Fund revenue budget of \$5.96 million by year end.

L. Convention and Tourism Development
No Recommendation

This Office projects a year-end special fund surplus of approximately \$147,000, which is attributed to salary savings and vacancies.

The Department anticipates meeting its General Fund revenue budget of \$300,398 by year end.

M. Council
Attachment 6 – Transfers between Accounts within Departments and Funds
Attachment 7 – Transfers between Departments and Funds

The Council requests the following transactions at this time:

- Transfer \$1,675,000 from the Council's Salaries General Account to the Council's Salaries, As-Needed (\$1.0 million), Travel (\$25,000), Contractual Services (\$150,000), and Office and Administrative (\$500,000) accounts to align the Council's operating budget with current expenditures.
- Transfer a total of \$520,000 from the General City Purposes (GCP), Council Community Projects Account for the following Council District 1 projects: The Wall Las Memorias (\$500,000) and Mobile Shower Program (\$20,000) to the GCP Council District Community Services Account (Council District 1) to support community services and projects in Council District 1.

- Transfer \$332,994 in AB 1290 funding (Council District 7 Redevelopment Projects) to the Board of Public Works' Contractual Services Account to provide supplemental services such as litter removal, corridor cleanup, and weed abatement in Council District 7.
- Transfer \$150,000 in AB 1290 funding (Council District 9 Redevelopment Projects) and \$100,000 from the GCP Council District Community Services (Council District 9) Account to the Council's Salaries, As-Needed Account to support Council District 9 current year staffing costs.
- Transfer \$270,000 in AB 1290 funding (Council District 10 Redevelopment Projects - Services) to the Council's Salaries, As-Needed (\$250,000) and Office and Administrative (\$20,000) accounts to support Council District 10 staffing and office and administrative costs.
- Transfer \$400,000 in AB 1290 funding (Council District 14 Redevelopment Projects) to the Council's Salaries, As-Needed Account to support Council District 14 current year staffing costs.
- Transfer \$1,285,653 from the General City Purposes Fund's Reimaging Public Safety – CD 15 Account to the Police Department's Overtime Sworn Account to support increased Harbor Division foot patrols in the Wilmington (\$785,653) and San Pedro (\$500,000) areas of Council District 15.

N. Cultural Affairs

Attachment 5 – New Appropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Recommendation Nos. 8 and 9

This Office projects a net year-end special fund surplus of \$30,935, which is attributed to salary savings.

This Office projects a revenue shortfall of \$116,000 from the Department's General Fund revenue budget of \$126,000. This shortfall is attributed to a reduction in architectural design review fees and delays in implementing a new online class registration system, which will reduce instruction fees for online classes. The potential revenue shortfall does not impact the Department's current year appropriations.

This Office recommends the following transactions at this time:

- Appropriate \$1,314,750 from the available cash balance within the Arts and Cultural Facilities and Services Trust Fund to various accounts within the Department as follows:

- \$25,550 to the Contractual Services Account for the Partnered Art Center contracts;
 - \$144,200 to the Special Appropriations II Account for various grantees working in collaboration with the Promise Zone Arts Program; and,
 - \$1,145,000 to the Special Appropriations III accounts for various arts support and community cultural programs.
- Transfer \$59,059 from the Landscaping and Miscellaneous Maintenance Account to the Information Technology Agency Account within the Arts and Cultural Facilities and Services Trust Fund to fund the installation of alarms and cameras at various Department facilities within Barnsdall Park.
 - Transfer \$1.0 million from the Unappropriated Balance's Youth and Creative Workers Mural Program Account to a new appropriation account within the Department entitled Youth and Creative Workers Mural Program. This program will provide funding to professional mural artists to work with youth and local community members in creating new murals and conserving existing mural in neighborhoods disproportionately affected by COVID-19.
 - Transfer \$1.0 million from the Unappropriated Balance's We Create LA Account to a new appropriation account within the Department entitled We Create LA. This program will fund the placement of community teaching artists in after-school and youth programs at City libraries, recreation centers, and community arts organizations.

**O. Disability
No Recommendation**

This Office projects a net year-end General Fund surplus of \$170,204, which is attributed to salary savings.

The Department anticipates meeting its General Fund revenue budget of \$28,587 by year end.

**P. Economic and Workforce Development
Attachment 5 – New Appropriations**

This Office projects a net year-end surplus of \$3.98 million, comprised of a \$617,155 General Fund surplus and a \$3.36 million special fund surplus. This surplus is fully comprised of salary savings and is attributed to the Department's 30 percent vacancy rate.

The Department requires additional funding in salaries (\$118,200) and related costs (\$60,100) to continue the COVID-19 Childcare Regional Relief and Recovery, the LA Regional COVID-19 Relief & Recovery, and the COVID-19 Street Vending Recovery programs through December 30, 2021. This Office recommends appropriations from the cash balance within various CARES Act Project Funds to continue these programs.

This Office projects a shortfall of \$1.71 million in the Department's General Fund revenue budget of \$5.2 million. This shortfall is attributed to special fund vacancies, which results in a corresponding reduction in related cost reimbursements. We will continue to monitor receipts and provide updated revenue projections in subsequent FSRs.

This Office recommends the following transactions at this time:

- Appropriate \$86,300 from the available cash balance within the CARES Act Project Fund to the Department's Salaries General (\$57,700) Account and the CARES Act Project Fund's Reimbursement of General Fund Costs (\$28,600) Account to continue the COVID-19 Childcare Regional Relief & Recovery Program through December 30, 2021.
- Appropriate \$35,700 from the available cash balance within the CARES Act Project Fund to the Department's Salaries General (\$22,700) Account and the CARES Act Project Fund's Reimbursement of General Fund Costs (\$13,000) Account to continue the LA Regional COVID-19 Relief & Recovery Program through December 30, 2021.
- Appropriate \$56,300 from the available cash balance within the CARES Act COVID-19 Street Vending Recovery Fund to the Department's Salaries General (\$37,800) Account and the CARES Act COVID-19 Street Vending Recovery Fund's Reimbursement of General Fund Costs (\$18,500) Account to continue the COVID-19 Street Vending Recovery Program through December 30, 2021.

Q. El Pueblo Attachment 5 – New Appropriations

This Office projects a net year-end special fund surplus of \$21,447, which is attributed to vacancies.

The Department has no General Fund revenue budget, but this Office projects a year-end shortfall of \$633,201 from the Department's special fund revenue budget of \$4.38 million. This shortfall is a result of unpaid rents and other pandemic related impacts. The shortfall from unpaid rents is partially offset by higher than anticipated parking revenues. In addition, the Unappropriated Balance includes \$308,659 to help offset special fund revenue shortfalls. As such, this Office projects a remaining revenue shortfall of \$324,542 that will need to be addressed at year end. This Office will monitor the Department's special fund revenues and provide updates in subsequent FSRs.

This Office recommends the following transaction at this time:

- Appropriate and transfer \$285,000 from the El Pueblo de Los Angeles Historical Monument Revenue Fund (Arts and Cultural Facilities and Services Trust Fund) to the Department's Salaries, As-Needed Account to assist with arts and cultural activities at El Pueblo.

**R. Emergency Management Department
No Recommendation**

This Office projects a year-end General Fund surplus of \$155,205, which is attributed to vacancies within the Department.

This Office projects a shortfall of \$73,482 from the General Fund revenue budget of \$517,517 by year-end. The shortfall is due to the Los Angeles County Department of Public Health using a different methodology in calculating reimbursements to the City for public health services.

**S. Employee Relations Board
No Recommendation**

This Office projects the Department will finish the year on budget. This projection includes the use of savings in the expense account to offset unfunded salary step increases.

The Department has no General Fund revenue budget.

**T. Ethics
No Recommendation**

This Office projects a net year-end special fund surplus of \$205,000, comprised of over-expenditures of \$45,000 attributed to the deferral of excess sick leave payouts and a surplus of \$250,000 in the Contractual Services Account as the Department does not anticipate the need of special investigator services this fiscal year.

The Department anticipates meeting its General Fund revenue budget of \$1.2 million by year end.

**U. Finance
No Recommendation**

This Office projects a year-end General Fund surplus of \$2.55 million, which is attributed to vacancies and contractual services savings. The Department is carrying a 27 percent vacancy rate and is actively working to fill its positions.

The Department anticipates meeting its General Fund revenue budget of \$10.1 million by year end.

**V. Fire
Attachment 4 – 2021-22 Special Fund Reappropriations
Attachment 5 – New Appropriations
Attachment 6 – Transfers between Accounts within Departments and Funds
Recommendation Nos. 10, 11, 24, 25, and 26**

This Office projects net year-end General Fund over-expenditures of \$19.1 million. This projection is comprised of \$35.4 million in overspending in the Salaries Sworn (\$14.3 million), Overtime

General (\$1.9 million), Overtime Sworn (\$6.2 million), Overtime Variable Staffing (\$6.1 million), and Field Equipment Expense (\$3.3 million), Contractual Services (\$1.3 million), Contract Brush Clearance (\$1.9 million), and Operating Supplies (\$0.4 million) accounts and offset by \$16.3 million in anticipated surpluses in the Salaries General (\$1.2 million) and Overtime Constant Staffing (\$15.1 million) accounts. The over-expenditures are attributed to mutual aid firefighting efforts, increased maintenance costs, one-time budget reductions, and support for COVID-19 operations. The projected net overspending will be reduced to \$14.4 million after accounting for the recommended transfers from the Unappropriated Balance and reappropriations included in this report.

The Department anticipates meeting its General Fund revenue budget of \$221.05 million by year end.

This Office recommends the following transactions at this time:

- Appropriate \$180,000 in revenues from the Fire Department Trust Fund to a new account within the Fire Department Trust Fund for the purchase of a rescue ambulance for Fire Station 86 in the North Hollywood area. These funds were received by NBC Universal in October 2018 as part of a development agreement mitigation measure for the NBC Universal Evolution Plan Project and this appropriation of revenue is required to purchase the apparatus.
- Transfer \$590,000 from the Department's Salaries General Account to the Department's Contractual Services Account for unbudgeted expenses related to licensing fees, consulting services, hazardous waste removal services, and security costs.
- Transfer \$1.0 million from the Department's Overtime Constant Staffing Account to the Department's Overtime General Account to meet workload needs for fleet maintenance and public safety inspections.
- Transfer \$1.2 million from the Department's Overtime Constant Staffing Account to the Department's Contract Brush Clearance Account to provide expanded brush abatement support to the Los Angeles Department of Water and Power, which will fully reimburse the City for this work.
- Transfer \$2.0 million from the Department's Overtime Constant Staffing Account to the Department's Field Equipment Expense Account to maintain continuity in the maintenance and repair of emergency apparatus and fleet vehicles.
- Authorize the Controller's Office to process the revision of the Fiscal Year 2020-21 Year-End Reversion Worksheet submitted by the Department on September 21, 2021. The Controller requires Council authority to make adjustments, such as these, that are over \$100,000.

- Transfer \$3.0 million from the Unappropriated Balance's Mutual Aid Overtime Account and transfer \$3.0 million from the Department's Overtime Constant Staffing Account, for a total of \$6.0 million, to the Department's Overtime Sworn Account for sworn resources deployed outside the City in response to current wildfires throughout the State and beyond. Mutual aid reimbursements are expected throughout the year and are captured as General Fund revenue.
- Authorize the Controller to process a revision to the Department's 2020-21 Year-End Reversion Worksheet as submitted by the Department on September 21, 2021. This revision is required to properly reflect previously reported grant expenditures as General Fund expenditures, which will reduce the available funds for reappropriation.
- Rescind the prior Council action to reappropriate \$1.46 million from the Department's Overtime General (\$78,000), Overtime Variable Staffing (\$300,000), Contractual Services (\$387,223), and Operating Supplies (\$690,286) accounts as there are insufficient funds to reappropriate.

2021-22 Special Fund Reappropriations

- Reappropriate \$200,000 from the Emergency Operations Fund to the Department's Operating Supplies Account to implement a pilot Solar Emergency Wi-Fi Project that will provide communications access to first responders and residents through a stand-alone solar powered network in the event of a major disaster and/or power outage. The Emergency Management Department was awarded funding from the Innovation Fund in 2019 for a pilot project in the Mandeville Canyon area but was unable to implement the project due to staffing issues. The Fire Department has agreed to implement the project.
- Reappropriate \$125,000 from the Innovation Fund to the Department's Contractual Services Account to implement the Digital Training and Adoption Project. This pilot system will provide an interactive, 'in-app' training program delivered entirely remote and online. The Department anticipates the pilot can potentially eliminate the need for in-person training, increase user adoption, and produce savings. The Department anticipates executing a contract by Fall 2021.

MICLA

- Reapprove the use of \$20 million included in the 2021-22 Adopted Budget for fleet and communications purchases as part of the Department's Fleet Replacement Program.
- Approve an equipment list deviation for the MICLA 2018-19 and 2020-21 Budgets to collectively increase the number of ambulances approved by 34 units, from 23 units to 57 units. The Department has re-evaluated its fleet conditions and determined that ambulance replacement needs have reached critical levels, particularly in recognition of the COVID-19 pandemic and increased field response for persons experiencing homelessness.

W. General Services

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

This Office projects a year-end surplus of \$7.5 million, comprised of a \$5.8 million General Fund surplus and a \$1.7 million special fund surplus. This surplus is attributed to salary savings and vacancies. Based on historical trends, this surplus may be required to address unanticipated overspending in the petroleum, parts, and hiring hall accounts in the second half of the year.

The Department anticipates meeting its General Fund revenue budget of \$47.8 million by year end.

This Office recommends the following transactions as this time:

- Transfer \$1.5 million from the Department's Hiring Hall Benefits Construction Account to the Department's Salaries, Construction Projects Account to correct an inadvertent error in the 2021-22 reappropriation of project funds.
- Transfer \$295,000 from the Department's Salaries General Account to the Department's Salaries, Construction Projects Account for Separation Incentive Program (SIP) payments for employees in the Construction Forces Division.
- Transfer \$135,100 from the Department's Salaries General Account to the Printing Revolving Fund for SIP payments for three employees in the Publishing Services Division.

X. Housing

Attachment 4 – 2021-22 Special Fund Reappropriations

Attachment 5 – New Appropriations

Attachment 7 – Transfers between Departments and Funds

Attachment 8 – Appropriations from the Unappropriated Balance

Recommendation Nos. 12 through 19

This Office projects a net year-end surplus of \$7.4 million, which is comprised of \$0.2 million in General Fund over-expenditures and a \$7.6 million special fund surplus. This projection assumes the approval of the recommended reappropriation of prior-year funds included in this report. The General Fund over-expenditure is attributed to the unbudgeted deferral of 2020-21 excess sick leave payouts and staff supporting the Disaster Service Workers Program, which are ineligible for the use of special funds. This Office also recommends the transfer of \$750,000 from the Unappropriated Balance for the Rental Registry Program.

The Department anticipates meeting its General Fund revenue budget of \$56.3 million by year end.

This Office recommends the following transactions as this time:

- Appropriate \$1,246,962 from the Proposition HHH Bond Proceeds Funds to the Department's Reimbursement from Other Funds (\$865,645) and Related Cost Reimbursements – Other (\$381,317) revenue accounts to reimburse the General Fund for eligible salary expenses and related costs related to the Proposition HHH Program. Per the requirements of the bond, the Department has provided the required backup documentation for expenditures. The amount being recommended has been reviewed by this Office and determined to be eligible for reimbursement.
- Transfer and reappropriate \$100,000 from prior year appropriations to the Department's Office and Administrative Account within the Housing Production Revolving Fund for systems software renewals.
- Transfer and reappropriate \$35,000 from prior year appropriations to the Department's Overtime General Account within the Housing Production Revolving Fund for overtime associated with processing payments for affordable housing projects.
- Transfer and reappropriate \$105,000 from prior year appropriations to the Technical Contracts Account within the Low and Moderate Income Housing Fund in accordance with C.F. 20-1433 for 47th Program Year technical service contracts.
- Transfer \$355,000 from the Rent Stabilization Trust Fund, Municipal Housing Finance Fund, and the Systematic Code Enforcement Fee Fund to the Office of Finance's Bank Services Account for the reimbursement of credit card merchant fees.
- Transfer \$251,000 from the Neighborhood Stabilization Program 3 Fund to the General Services Department's Salaries, Construction Projects (\$190,000) and Construction Materials (\$61,000) accounts for servicing vacant properties acquired by the Housing Department.
- Transfer \$400,000 from the Department's Contractual Services Account to the Community Investment for Families Department's Contractual Services Account for various contracts related to the reinvestment of funds from the Los Angeles Police Department to disadvantaged communities.
- Appropriate \$750,000 from the Unappropriated Balance, Rental Registry Program Account to the Department's Contractual Services Account for upgrades associated with the Rental Registry Program.
- Disencumber and reduce appropriations totaling \$1.16 million for unused contractual amounts from previous fiscal years within the Systematic Code Enforcement Fee Trust Fund.
- Reduce appropriations totaling \$456,829 within the Community Development Trust Fund to reconcile 2020-21 budgetary appropriations with available grant funds.

- Increase appropriations totaling \$65,499 within the Emergency Shelter Grant Fund to reconcile 2020-21 budgetary appropriations with available grant funds.
- Reduce appropriations totaling \$788,951 within the Lead Grant 12 Fund to reconcile budgetary appropriations with available grant funds.
- Disencumber, revert, and reappropriate up to \$51,000 from 2020-21 appropriations from the General Fund to the Department's Contractual Services Account to pay for architectural design and construction cost estimate review services.
- Disencumber, revert, and reappropriate up to \$652,064 from 2020-21 appropriations within the Low and Moderate Income Housing Fund to the Department's Contractual Services Account to reimburse three Land Development Section contracts: C-135365, C-135719, and C-1134911.
- Disencumber, revert, and reappropriate up to \$16,143 from 2020-21 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 the Proposition HHH development contract.
- Reduce appropriations totaling \$2,171,694 within the Systematic Code Enforcement Trust Fund, Rent Stabilization Trust Fund, Low Income Moderate Housing Trust Fund, HOME Investment Partnerships Program Fund, Foreclosure Registry Trust Fund, and Municipal Housing Finance Fund to reconcile 2020-21 budgetary appropriations with available grant funds.

2021-22 Special Fund Reappropriations

- Transfer and reappropriate \$1,342,994 from the prior year Administrative Reserve Account within the Housing Impact Trust Fund as follows; \$896,251 to the Department's Salaries General Account, \$151,323 to the Leasing Account, and \$295,419 to the Reimbursement of General Fund Costs for the administration of the Linkage Fee funds.
- Transfer and reappropriate \$238,278 in the prior year Administrative Reserve Account within the Small Grants Fund as follows: \$131,783 to the Department's Salaries General Account, \$19,767 to the Leasing Account, and \$86,728 to the Reimbursement of General Fund Costs Account for the administration of the LEAP Grant.
- Transfer \$111,704 from prior year appropriations accounts within the Housing Opportunities for Persons with AIDS Fund as follows: \$61,326 to the Salaries General Account, \$9,199 to the Leasing Account, and \$41,180 to the Reimbursement of General Fund Costs Account for costs associated with the HOPWA CARES grant.

- Transfer \$565,729 from the prior year's Federal Emergency Shelter Grant Fund to various accounts as follows: \$310,584 to the Salaries General Account, \$46,588 to the Leasing Account, and \$208,557 to the Reimbursement of General Fund Costs Account for costs associated with the ESG CARES grant.
- Transfer \$4,921 from prior years HUD Connections Grant CARES Fund to various accounts as follows: \$2,702 to the Salaries General Account, \$405 to the Leasing Account, and \$1,814 to the Reimbursement of General Fund Costs Account for costs associated with the HUD Connections Grant.
- Transfer \$16,052 from prior years HUD Connections Grant fund to various accounts as follows: \$8,812 to the Salaries General Account, \$1,322 to the Leasing Account, and \$5,918 to the Reimbursement of General Fund Costs Account for costs associated with the HUD Connections Grant.
- Transfer \$352,425 from prior years Community Development Block Grant Trust Fund to various accounts as follows: \$83,726 to the Salaries General Account, \$200,000 to the Office and Administrative Account, \$12,559 to the Leasing Account, and \$56,140 to the Reimbursement of General Fund Costs Accounts in the Department's current operating budget for costs associated with the Eviction Defense Program funded by the CDBG CARES grant.
- Reappropriate \$180,000 in prior-year uncommitted balances within the Innovation Fund to the Department's Contractual Services Account for the development of a new Affordable Housing Information System.

Y. Information Technology Agency

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Recommendation No. 23

This Office projects year-end General Fund over-expenditures of approximately \$2.57 million. This amount is comprised of surpluses in the Salaries General (\$1.7 million), Operating Supplies (\$200,000), and Communication Services (\$600,000) accounts offset by overspending in the Hiring Hall Salaries (\$800,000) and Contractual Services (\$4.2 million) accounts. The projected overspending is mainly attributable to various unbudgeted and miscellaneous communication services projects as well as delays to the Human Resources and Payroll (HRP) Project (C.F. 20-0313). Transfers are recommended to offset the projected overspending in the Hiring Hall Salaries Account. Once the actual cost for the HRP project delay is confirmed, this Office will work with ITA to propose transactions in a future FSR in order to mitigate any shortfalls.

The Department anticipates meeting its General Fund revenue budget of \$10.97 million by year end.

This Office recommends the following transactions at this time:

- Transfer \$800,000 from the Department's Operating Supplies (\$200,000) and Communication Services (\$600,000) accounts to the Department's Hiring Hall Salaries Account to address overspending associated with project-related expenditures.
- Transfer \$90,245 from the Department's Contractual Services Account to the Solid Waste Resources Fund's Revenue Source Code 5301, to provide funding for the annual Oracle software maintenance for the Citywide Customer Relationship Management System.
- Transfer \$2,983,733 from the Department's Communication Services Account to various General Services Department budgetary accounts to support the LAPD and LAFD Radio Infrastructure Repairs project.
- Reauthorize and appropriate \$534,158 in MICLA financing approved in the 2021-22 Adopted Budget to the Department's Communications Services Account to support the LAPD and LAFD Radio Site Improvement Project. Council approval is required to reauthorize MICLA financing for this purpose.

Z. Library

Attachment 7 – Transfers between Departments and Funds

This Office projects a year-end special fund surplus of \$3,384,509, which is attributed to salary savings of \$2,556,486 and expense account savings of \$828,023. This Office recommends that the expense account savings be transferred to the General Services Department for construction projects at various branch libraries.

The Department anticipates to meet its General Fund revenue budget of \$200,000 by year end. All revenue collected by the Department is deposited into the Library Fund.

This Office recommends the following transaction at this time:

- Transfer \$828,023 from the Library Fund's Printing and Binding (\$55,500) and Contractual Services (\$772,523) accounts to the General Services Department's Salaries, Construction Projects (\$295,028), Hiring Hall Construction (\$221,305), Benefits Hiring Hall Construction (\$54,000), and Construction Materials (\$257,690) accounts to fund construction projects at various branch library locations.

AA. Mayor

Attachment 5 – New Appropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

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

- Establish new appropriation accounts, appropriate, and transfer \$133,890 in interest income (\$18,390) and from various accounts (\$115,500) to the Community Law Enforcement and Recovery (CLEAR) Contractual Services (\$85,376) Account within the Fiscal Year 2017 Justice Assistance Grant Fund and to the Mayor's Related Costs Reimbursement from Grants (\$12,234), City Attorney Salaries General (\$25,629) Account, and City Attorney's Related Costs Reimbursement from Grants (\$36,280) to reimburse the General Fund for Mayor current year related costs and City Attorney current year salaries and related costs.
- Transfer \$55,275 from various accounts to the Contractual Services Account within the Fiscal Year 2016 Office of Violence Against Women, Disabilities Grant.
- Transfer \$800,000 from the Police Account to the Contractual Services Account within the Fiscal Year 2020 Coronavirus Emergency Supplemental Fund to support projected grant-related expenditures.
- Establish a new appropriation account and transfer \$456,040 from the Grant Management and Administration Account to the Contractual Services (\$2,000) Account within the 2019 Proposition 47 – Cohort 2 Grant Program (Prop 47 Cohort 2 Grant) and to the Mayor's Salaries Grant Reimbursed (\$322,815) and Related Costs Reimbursement from Grants (\$131,224) to reimburse the General Fund for current year salaries and related costs.
- Establish a new appropriation account within the Fiscal Year 2018 Justice Assistance Grant (FY18 JAG) Fund and transfer \$73,425 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 Justice Assistance Grant (FY19 JAG) Fund and transfer \$77,904 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 Grant (FY20 LPDM Grant) 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 new appropriation accounts and transfer \$593,019 from the Fire (\$493,019) and Police (\$100,000) accounts within the State Homeland Security Program 2019 (SHSP 19) to pay for Fire Overtime Variable Staffing (\$435,000), Contractual Services (\$40,000), Operating Supplies (\$18,019) and Police Overtime Sworn (\$100,000) SHSP 19 related expenditures.

- Establish new appropriation accounts, appropriate, and transfer \$45,620 from various accounts within the Fiscal Year 2016 Office of Violence Against Women Disabilities Grant (FY16 OVW Disabilities Grant) to the Department of Disability's Miscellaneous Revenue – Others (\$27,140) Account to reimburse the General Fund for grant-related expenditures and to the Mayor's Reimbursement of Related Cost – Prior Year (\$15,312) and Related Costs Reimbursement from Grants (\$3,168) accounts to reimburse the General Fund for prior and current year related costs.
- Establish a new appropriation account, appropriate, and transfer \$27,854 from the Fiscal Year 2018-19 California Violence Intervention and Prevention Grant (FY2018-19 CalVIP Grant) 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, appropriate, and transfer \$35,814 from the Fiscal Years 2018, 2019 and 2020 Title II Grant Fund (FY2018-2020 Title II Grant) 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 \$249,356 from various accounts to the Grant Management and Administration (\$100,000) Account within the 2019-2022 California Department of Transportation – New Roads to Second Chances Grant (2019-2022 CalTrans New Roads to Second Chances Grant) Fund and to the Mayor's Salaries Grant Reimbursed (\$97,311) and Related Costs Reimbursement from Grants (\$52,045) accounts to reimburse the General Fund for current year salaries and related costs.

**BB. Neighborhood Empowerment
No Recommendation**

This Office projects a year-end special fund surplus of \$39,923, which is primarily attributed to savings in expense accounts.

The Department has no budgeted General Fund revenues.

**CC. Personnel
Recommendation No. 20**

This Office projects a year-end surplus of \$1.05 million, comprised entirely of General Fund savings. This surplus is attributed to salary savings (\$0.05 million) and lower than anticipated expenses for emergency medical services (\$1.0 million).

The Department anticipates meeting its General Fund revenue budget of \$25.6 million by year end.

This Office recommends the following transaction at this time:

- Revise a prior Council action (C.F. 20-0600-S84) that authorized the deposit and appropriation of reimbursements from the County of Los Angeles for contact tracing work performed by City employees to also include reimbursements for election poll work performed by City employees in accordance with the Memorandum of Understanding with the County of Los Angeles.

DD. Police

Attachment 4 – 2021-22 Special Fund Reappropriations

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Attachment 8 – Appropriations from the Unappropriated Balance

Recommendation No. 27 and 28

This Office projects year-end overspending of \$52.82 million, which is primarily attributed to the projected use of sworn salaries and overtime to support the Los Angeles County Metropolitan Transportation Authority (Metro) contract for transit law enforcement services and anticipated sworn overtime cash payouts. This Office recommends transfers of approximately \$40.97 million from the Unappropriated Balance to reduce the projected year-end overspending to \$12.03 million.

The Department typically pays cash for overtime hours under the Fair Labor Standards Act and banks other non-reimbursable overtime. The banked hours are offset by the hours paid out through retirements and by sworn officers using banked hours to take time off. As of August 28, 2021, the Department reports an additional \$2.2 million in banked overtime in 2021-22, which partially offsets larger reductions to banked hours from previous years, reducing the overall banked sworn overtime liability to \$151,584,847.

The Department anticipates meeting its General Fund revenue budget of \$161.3 million by year end. To date, revenue is slightly lower than plan, but the Department expects an increase in various police permit activity and requests for police services as the City recovers from the COVID-19 pandemic. The Department will continue to monitor its revenue and report with an updated revenue outlook in subsequent FSRs.

This Office recommends the following transactions at this time:

- Appropriate \$113,440 from the Department's revenue to the General Services Department's Salaries, Construction Projects (\$64,378) and Construction Materials (\$49,062) accounts for alterations and improvements to the Police Administration Building.
- Transfer \$93,121 from the Department's Office and Administrative Account to the Department's Furniture, Office, and Technical Equipment Account for the purchase of capital equipment consisting of Electrochemical Sensor and Infrared Sensor (EC/IR) replacements for use by the Department's Toxicology Unit.

- Transfer \$716,452 from the Department's Contractual Services Account to the Department's Office and Administrative Account for Microsoft Office 365 licenses.
- Transfer \$273,000 from the Department's Contractual Services Account to the Department's Overtime Sworn (\$225,000), Travel (\$30,000), and Operating Supplies (\$18,000) accounts for Metro K9 team expenses.
- Transfer \$10,000 from the Department's Office and Administrative Account to the Department's Printing and Binding Account for Metro contract expenses.
- Transfer \$74,000 from the Department's Contractual Services Account to the Department's Travel (\$17,000) and Office and Administrative (\$57,000) accounts for Focused Sworn Recruitment.
- Transfer \$252,295 from the Department's Contractual Services Account to the Department's Office and Administrative Account for the Customer Relationship Management platform licenses.
- Realign funding within Schedule 3 – Forfeited Assets Trust Fund to reflect anticipated spending within the Supplemental Police Account and for black and white vehicles. These adjustments will not change the total Schedule 3 budgeted amounts for these accounts.
- Transfer \$250,000 from the Department's Office and Administrative Account to the Personnel Department's Salaries, As-Needed (\$100,000) and Office and Administrative (\$150,000) accounts for the Harbor Jail Telehealth Portal Pilot Program.
- Transfer \$1.0 million from the Capital and Technology Improvement Expenditure Program's Operating Equipment for the Police Evidence and Commercial Auto Theft Section (CATS) Warehouse Account to the Information Technology's Communication Services (\$302,250) Account and the Department's Contractual Services (\$100,000), Office and Administrative (\$197,750), and Operating Supplies (\$400,000) accounts to purchase equipment and install communication services for the warehouse.
- Transfer \$322,345 from the Police Department Trust Fund to the Information Technology Agency's Communication Services Account to install wireless network infrastructure at the Police Administration Building.
- Transfer \$1.96 million from the Department's Contractual Services Account to the Information Technology Agency's Overtime General (\$216,000) and Communication Services (\$1.63 million) and the General Services Department's Overtime General (\$85,935) and Field Equipment Expense (\$18,850) accounts to upgrade the current helicopter radios in the Department's Air Support Division fleet.

- Transfer \$5.0 million from the Unappropriated Balance, Police Department Sworn Overtime – Cash Payout Account to the Department’s Overtime Sworn Account for the anticipated buy down of up to 200 banked overtime hours per officer pursuant to MOU 24 provisions.
- Transfer \$35.97 million from the Unappropriated Balance, Los Angeles County Metropolitan Transportation Account to the Department’s Salaries General (\$1.12 million), Salaries Sworn (\$6.71 million), Overtime General (\$658,925), and Overtime Sworn (\$27.47 million) accounts to fulfill the City’s obligations under the Metro contract.
- Reauthorize the use of \$15.55 million in MICLA financing provided in the 2021-22 Adopted Budget for the purchase of 112 dual purpose sedans, 14 specialized utility vehicles, one Airbus helicopter, and 63 undercover vehicles.

2021-22 Special Fund Reappropriations

- Reappropriate \$130,238 from the remaining uncommitted balances in various accounts within the Police Department Trust Fund as identified in Attachment 4.
- Reappropriate \$503,040 from the remaining uncommitted balances in various accounts within the Police Department Grant Fund as identified in Attachment 4.
- Reappropriate \$100,000 from the remaining uncommitted balance from the Narcotics Analysis Laboratory Trust Fund to the Department’s Overtime General Account to support the narcotics casework performed by Forensic Science Division personnel.

EE. Public Accountability No Recommendation

This Office projects a year-end General Fund surplus of \$449,599, which is attributed to salary savings.

The Department anticipates a shortfall of \$54,542 from its General Fund revenue budget of \$6.17 million. This shortfall is attributed to the Department’s salary savings and a corresponding reduction in reimbursements from the Department of Water and Power.

FF.Public Works/Board Attachment 7 – Transfers between Departments and Funds

This Office projects the Board to finish the year within budget. This projection assumes the Bureau will receive additional appropriations from off-budget funds before the year end.

The Board anticipates meeting its General Fund revenue budget of \$5.8 million by year end.

This Office recommends the following transaction at this time:

- Appropriate and transfer \$702,178 in subsidized and unsubsidized revenues from the Public Works Trust Fund to the Board's Salaries General (\$70,021) and Contractual Services (\$421,446) accounts and the Bureau of Street Services' Salaries General (\$195,899) and Operating Supplies (\$14,813) accounts for administrative costs, labor, and the purchase of trees, stakes, and guards for the Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1).

GG. Public Works/Bureau of Contract Administration
No Recommendation

This Office projects a year-end surplus of \$5.1 million, comprised of a \$2.0 million General Fund surplus and a \$3.1 million special fund surplus. This surplus is attributed to salary savings and vacancies. The General Fund surplus assumes that \$0.16 million in interim appropriations will be received by year end. This surplus may change as the Bureau receives updated workload schedules and project information throughout the year.

The Bureau anticipates meeting its General Fund revenue budget of \$29.6 million by year end. The Bureau's special fund vacancies may reduce related cost reimbursements to the General Fund. At this time, the Bureau is evaluating its workload estimates and this Office will provide revenue updates and any necessary revenue adjustments in subsequent FSRs.

HH. Public Works/Bureau of Engineering
No Recommendation

This Office projects a year-end surplus of \$8.0 million, which is primarily attributed to special funded vacancies in the Sewer Capital and Proposition C programs. This surplus assumes the Bureau will receive anticipated appropriations of \$5.9 million from off-budget programs before the year end.

The Bureau anticipates meeting its General Fund revenue budget of \$68.5 million by year end. The Bureau's special fund vacancies may reduce related cost reimbursements to the General Fund. This Office will provide revenue updates and any necessary revenue adjustments in subsequent FSRs.

II. Public Works/Bureau of Sanitation
Attachment 4 – 2020-21 Special Fund Reappropriations
Attachment 6 – Transfers between Accounts within Departments and Funds
Attachment 7 – Transfers between Departments and Funds

Assuming the reappropriations in this report are approved, this Office projects a year-end surplus of \$4,143,951, comprised of a \$380,887 General Fund surplus and a \$3,763,064 special fund surplus. This surplus is attributed to salary savings and vacancies as the Bureau is currently reporting 707 vacancies for a vacancy rate of 20.3 percent. This Office will monitor the Bureau's hiring efforts and provide updates in subsequent FSRs.

Increased overtime expenditures within the Sewer Construction and Maintenance Fund (SCM) were required to address the wastewater spill at the Hyperion Water Reclamation Plant on July 11, 2021. The over-expenditures in overtime were addressed through a Council (C.F. 21-1114) action to transfer \$3.5 million within the SCM. The full impact of the spill is yet to be determined and this Office will provide updates and potential impacts on SCM in subsequent FSRs.

The Adopted Budget includes funding to partially address the overpayment of related costs by SCM for Fiscal Years 2015-2019. This Office will work with the Bureau and the Office of Accounting to reconcile the budgeted versus actual costs and propose adjustments for potential overpayments during the current fiscal year.

The State has budgeted funding for utility relief to address the issue of customer arrearages as the result of the COVID-19 pandemic. Solid waste is not included in the types of utilities that will benefit. This Office will continue to monitor the status of utility debt relief programs as a potential source of funds for the SCM.

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 \$73 million. This Office projects that the subsidy will increase to more than \$100 million in 2022-23 in the absence of a rate increase. 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.

The Bureau projects \$600,000 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.

The Bureau anticipates meeting its General Fund revenue budget of \$101.37 million by year end.

This Office recommends the following transactions at this time:

- Transfer \$928,563 from the Bureau's Salaries General Account to the Bureau's Hiring Hall Salaries (\$672,977) and Benefits Hiring Hall (\$255,586) accounts within the Sewer Construction and Maintenance Fund for water reclamation plant hiring hall staffing.
- Transfer \$23,253 from the Bureau's Salaries General Account to the Bureau's Hiring Hall Salaries (\$14,091) and Benefits Hiring Hall (\$9,162) accounts within the Stormwater Pollution Abatement Fund to hire one electrician to repair automated monitoring stations near stormwater runoff control channels.
- Transfer \$80,000 from the Bureau's Salaries General Account to the Bureau's Overtime General (\$20,000) and Contractual Services (\$60,000) accounts within the Citywide Recycling Trust Fund for RecycLA related overtime in response to high-volume customer complaints or billing disputes and copier rentals and cell phone/data plan services.

- Transfer \$300,000 in General Funds from the Bureau's Salaries General Account to the Bureau's Overtime General Account for projected overtime usage due to additional work performed by the CARE/CARE+ teams and support staff.
- Transfer \$424,402 from the Operation and Maintenance – TMDL Compliance Projects Account within the Measure W Local Return Fund to the General Services Department's Salaries Construction Projects (\$21,275), Hiring Hall Construction (\$26,135), Benefits Hiring Hall Construction (\$14,256), and Construction Materials (\$362,736) accounts to upgrade fencing and security systems at the Harbor City Greenway Project.
- Transfer \$187,681 from the Sanitation Expense and Equipment Account within the Sewer Operations and Maintenance Fund (\$121,493) and Solid Waste Resources Revenue Fund (\$66,188) to the Information Technology Agency's (ITA) Contractual Services (\$146,093) and Communication Services (\$41,588) accounts for the annual fiber service lease payment.
- Transfer \$68,570 in General Fund from the Bureau's Operating Supplies Account to ITA's Communication Services Account for the installation of networking lines at facilities used by the Livability Services Division's Regional Storage Program.

2021-22 Special Fund Reappropriations

- Reappropriate \$87,614 from the State AB 1290 City Fund to the Bureau's Overtime General (\$13,724), Contractual Services (\$48,078), Field Equipment Expense (\$7,120), and Operating Supplies (\$18,693) accounts for redevelopment and community services in Council District 1.
- Reappropriate \$45,259 from the State AB 1290 City Fund to the Bureau's Printing and Binding (\$20,000) and Operating Supplies (\$25,259) accounts for redevelopment and community services in Council District 9.
- Reappropriate \$37,429 from the State AB 1290 City Fund to the Bureau's Overtime General Account for redevelopment and community services in Council District 15.

JJ. Public Works/Bureau of Street Lighting

Attachment 7 – Transfers between Accounts within Departments and Funds

This Office projects the Bureau to finish the year on budget. This projection assumes the Bureau will receive additional appropriations from off-budget and grant funds before the year end.

The Bureau anticipates meeting its General Fund revenue budget of \$20.9 million by year end. In addition, the Bureau anticipates meeting its special fund revenue budget by year end.

Copper Wire Theft Replacement Program

In 2020-21, the Bureau front-funded an additional \$2.1 million in street light repairs attributed to copper wire theft with funding from the Street Lighting Maintenance Assessment Fund (SLMAF). The Bureau requests a transfer of \$2.1 million from the Special Gas Tax Street Improvement Fund to reimburse SLMAF for these costs. This Office will work with the Bureau to develop a funding strategy to address these additional costs.

This Office recommends the following transactions at this time:

- Transfer \$51,155 from the Street Lighting Maintenance Assessment Fund (SLMAF) to the Information Technology Agency's General Fund revenue to pay for the Bureau's portion of the Human Resources and Payroll Project costs.
- Transfer \$75,000 from SLMAF to the Bureau's Contractual Services Account to fund an existing FUSE Fellow to complete the Smart City Strategic Plan.

KK. Public Works/Bureau of Street Services

Attachment 6 – Transfers between Accounts within Departments and Funds

Attachment 7 – Transfers between Departments and Funds

Recommendation No. 21

This Office projects that the Bureau will finish the year on budget. This projection assumes that the Bureau will receive additional appropriations from special purpose, off-budget, and grant funds before the year end.

The Bureau anticipates a revenue shortfall of \$4.36 million from its General Fund revenue budget of \$91.65 million. This shortfall is primarily attributed to a reduction in reimbursements from Los Angeles County Metropolitan Transportation Authority projects (\$1.3 million) and a reduction in the amount that can be transferred from the Subvention and Grants Fund to the General Fund (\$3.0 million).

This Office recommends the following transactions at this time:

- Transfer \$600,000 from the Bureau's Salaries General Account to the Bureau's Hiring Hall Salaries (\$400,000) and Benefits Hiring Hall (\$200,000) accounts within the Special Gas Tax Improvement Fund for hiring hall work on Gas Tax eligible projects.
- Transfer \$650,000 from the Bureau's Contractual Services Account to the Bureau's Overtime General (\$500,000) and Operating Supplies (\$150,000) accounts to support tree planting work in Urban Cooling Neighborhoods projects.
- Reimburse a total of \$36,420 in special events costs from the Bureau of Street Services Transaction Fund to the Bureau of Street Services General Fund revenue.

- Disencumber \$2.0 million from the Bureau's Construction Expense Account within the Pavement Preservation Program for an asphalt commodities contract that has expired with no pending invoices and reappropriate such funds to the Bureau's Contractual Services Account for the design and installation of shade structures in disadvantaged communities and communities with high heat indexes.

LL. Recreation and Parks
No Recommendation

This Office projects a year-end special fund surplus of approximately \$1.8 million in the Salaries General Account. The Department is currently working with the Personnel Department to hire an additional 274 positions in the Recreation and Aquatics programs (to support expansion of the programs especially related to funding from the 2028 Olympic Committee), Maintenance and Construction programs (including the establishment of three additional Bulky Item Illegal Dumping Teams), Public Safety Program (hiring of 19 Park Rangers and six Security Officers), Capital Projects and Planning Program (hiring additional 16 positions to provide program support for County Measure A, state initiatives, federal grants, and childcare facilities administration), Griffith Observatory and Cabrillo Aquarium operations, and Emergency Operations and Homeless Support. The Department's ability to meet these hiring goals will impact this projected surplus. This Office will provide hiring updates and revised projections in subsequent FSRs.

The Department anticipates meeting its special fund revenue budget of \$35,495,999 at this time.

MM. Transportation
Attachment 5 – New Appropriations
Attachment 6 – Transfers between Accounts within Departments and Funds
Attachment 7 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$7.08 million, comprised of \$881,714 in General Fund overspending and a \$7.96 million special fund surplus. This projection assumes the approval of the recommendations in this report. The General Fund overspending is attributed to unfunded Traffic Officer bonuses for staffing special events and working hazardous duties and the special fund surplus is attributed to special fund vacancies. The Department is working to identify General Fund costs that are eligible expenses for its special funds to address the General Fund overspending. The Department is aggressively working to fill its vacancies and will use as-needed staffing and overtime to maintain current service levels.

The Department anticipates a revenue shortfall of \$14.8 million from its General Fund revenue budget of \$86.55 million. This shortfall is attributed to the Department's high vacancy rate in special funded positions and the corresponding reduction in related cost reimbursements. The Department states the current projection is conservative based on two months of actual receipts and dependent on the progress of economic recovery and filling special funded vacancies, which impact related cost reimbursements. This Office will continue to monitor and report on hiring and revenue as additional data becomes available.

This Office recommends the following transactions at this time:

- Appropriate \$175,000 from the available cash balance within the Transportation Review Fee Fund to the Department's Overtime General Account for overtime costs attributed to expedited reviews of developer plans.
- Transfer \$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.
- Transfer \$220,000 from the Department of Transportation Trust Fund's Transportation Account to the Department's Overtime General Account for overtime costs associated with the Metro Crenshaw/LAX Corridor Project, which includes striping work and traffic signal loop relocation in conjunction with paving operations.
- Appropriate \$2,824,575 in revenues from the Department of Transportation Trust Fund to the Department's Overtime General Account for overtime costs associated with traffic control services at venues and neighboring areas.
- Transfer \$360,000 from the General City Purposes Fund's Alternative Traffic Enforcement Study Account to the Department's Contractual Services Account for consultant fees related to this study.
- Transfer \$3.0 million from the Department's Salaries General Account to the Department's Salaries, As-Needed Account for the increased use of as-needed staff to address the growing backlog of work created by full-time vacancies. Funding sources include Measure M Local Return, Measure R Traffic Relief and Rail Expansion, Permit Parking Program, Proposition A, and Proposition C (Prop C) Funds. These as-needed staff will support various programs, such as transit, dockless mobility, parking operations, district operations, traffic signal operations, and field operations.
- Transfer \$100,000 in Prop C funding from the Department's Salaries General Account to the Department's Hiring Hall Salaries Account for on-call and shift bonuses for hiring hall staff funded by Prop C.
- Transfer \$55,000 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 \$512,021 from the Department of Transportation Trust Fund's Transportation Account to the Department's Overtime General Account to pay for departmental labor costs to support the Los Angeles Department of Water and Power's Century Trunk Line Unit 1 Project.

**NN. Youth Development
No Recommendation**

This Office projects a year-end General Fund surplus of \$75,366, which is attributed to salary savings and delays in filling positions. Currently, the Mayor's Office is loaning the Interim Executive Director and one Mayoral Aide to the Department pending confirmation of the Executive Director salary by the City Council and Mayor. The Department is expecting to transfer these two employees from the Mayor's Office and fill its remaining positions in November 2021.

The Department has no budgeted General Fund revenues.

**OO. Zoo
No Recommendation**

The Department projects a net year-end special fund surplus of \$55,019, primarily attributed to anticipated vacancies.

The Department has no budgeted General Fund revenues. The Department anticipates meeting its special fund revenue budget of \$25.0 million by year end. The revenue estimate assumes the transfer of the funds in the Unappropriated Balance, Zoo and El Pueblo Shortfalls Account (\$10.4 million). The year-end revenue outlook may exceed budgeted projects due to the unanticipated revenue from the Zoo Lights Program this year (previously not assumed in the budget), the award of a \$10 million Shuttered Venues Operators Grant, and strong Zoo attendance in the 2021 spring/summer season. This Office is reconciling all of these unanticipated revenue streams and will report with a status update in subsequent FSRs.

Zoo Lights Event

The Department will be managing the annual Zoo Lights event during the winter of 2021. Pursuant to Council File 21-1016, the Council authorized the use of the Zoo Enterprise Trust Fund cash balance to front fund costs in anticipation of future revenue from this event. Once revenue is received, the funds will be deposited into the Zoo Enterprise Trust Fund. The Department anticipates the event will generate additional net revenue. The Department is finalizing vendor contracts and the net amount is unavailable at this time. This revenue was not included as special fund revenue in the Adopted Budget as a result of the uncertainties surrounding the pandemic.

Shuttered Venue Operators Grant

Recently, the Department was notified by the U.S. Small Business Administration that it will receive a \$10.0 million award from the Shuttered Venue Operators Grant Program due to the COVID pandemic revenue losses. This Office is assessing the allowable reimbursements for these funds and will provide a recommendation on how to administer these funds in a future FSR.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

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

**A. General City Purposes
No Recommendation**

Account	Account Name	Net Surplus/ (Deficit)
0510	Medicare Contributions	\$ (470,549)
0570	Social Security Contributions	372,895
0577	Pensions Savings Plan	456,188
	Total	\$ 358,534

This Office projects a net year-end surplus of \$358,534 in the payroll accounts within the General City Purposes (GCP) budget comprised of projected surpluses in the Social Security Contributions (\$372,895) and Pensions Savings Plans (\$456,188) accounts, offset by expenditures above plan in the Medicare Contributions Account (\$470,549).

Higher average annual salaries have caused the expenditure above plan in the Medicare Contributions, while lower-than-anticipated employment levels have caused surpluses in the Social Security Contributions and Pensions Savings Plans accounts. Expenditures in these accounts will fluctuate throughout the year, especially as the City resumes regular hiring. As such, this Office does not recommend adjustments at this time. This Office will continue to monitor these accounts and report in subsequent FSRs.

B. Unappropriated Balance

Attachment 8 – Appropriations from the Unappropriated Balance

Attachment 9A – Status of the UB – General Account

Attachment 9B – Status of the UB – Reserve for Mid-Year Adjustments

Attachment 9C – Status of the UB – Non-General Accounts

The 2021-22 Adopted Budget includes \$531.5 million for the Unappropriated Balance (UB). To date, the Mayor and City Council have approved a net of approximately \$79.3 million in transactions, leaving a balance of approximately \$452.2 million in the UB.

This report includes recommendations to transfer from various UB accounts totaling \$47.4 million, as follows: \$36.0 million from the UB, Los Angeles County Metropolitan Transportation Authority Account, \$3.0 million from the UB, Mutual Aid Overtime Account, \$5.0 million from the UB, Police Sworn Overtime – Cash Payout Account, \$750,000 from the Rental Registry Program, \$258,563 from the UB, Repayment to the U.S. Department of Housing Account, \$405,000 from the UB, Reserve for Mid-Year Adjustments, \$1.0 million from the UB, Youth and Creative Workers Mural

Program, and \$1.0 million from the UB, We Create LA Account. This leaves a remaining balance of approximately \$404.8 million.

This Office recommends the following transactions at this time:

- Transfer \$36.0 million from the UB, Los Angeles County Metropolitan Transportation Account to the Police's Salaries General (\$1.12 million), Salaries Sworn (\$6.71 million), Overtime General (\$658,925), and Overtime Sworn (\$27.47 million) accounts to fulfill the City's obligations under the Metro contract.
- Transfer \$3.0 million from the UB, Mutual Aid Overtime Account to the Fire's Overtime Sworn Account for sworn resources deployed outside the City in response to current wildfires throughout the State and beyond. The Department expects mutual aid reimbursements throughout the year, which are captured as General Fund revenue.
- Transfer \$5.0 million from the UB, Police Department Sworn Overtime – Cash Payout Account to the Police's Overtime Sworn Account for the anticipated buy down of up to 200 banked overtime hours per officer pursuant to MOU 24 provisions.
- Transfer \$750,000 from the UB, Rental Registry Program Account to the Housing's Contractual Services Account for upgrades associated with the Rental Registry Program.
- Transfer \$258,563 from the UB, Repayment to the U.S. Department of Housing (HUD) Account to the Community Development Trust Fund for the repayment of Program Year 46 Community Development Block Grant funds to HUD, in accordance with C.F. 20-1303.
- Transfer \$405,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Outside Counsel Account for expenses related to the lawsuit filed by the City against the Federal Aviation Administration (City of Los Angeles v. FAA, Ninth Circuit Case No. 21-71170), as approved by the Mayor and City Council (C.F. 19-0633, C.F. 19-0418-S1).
- Transfer \$1.0 million from the UB, Youth and Creative Workers Mural Program Account to a new appropriation account within Cultural Affairs entitled Youth and Creative Workers Mural Program. This program will provide funding to professional mural artists to work with youth and local community members in creating new murals and conserving existing mural in neighborhoods disproportionately affected by COVID-19.
- Transfer \$1.0 million from the UB, We Create LA Account to a new appropriation account within Cultural Affairs entitled We Create LA. This program will fund the placement of community teaching artists in after-school and youth programs at City libraries, recreation centers, and community arts organizations.

C. Human Resources Benefits No Recommendation

This Office projects a year-end net surplus of \$6.5 million for the Human Resources Benefits (HRB) Fund. This projected surplus is attributed to lower enrollment in both civilian and sworn benefit plans including the Civilian Flex Program (\$4.22 million), Police Health and Welfare Program (\$2.7 million), Fire Health and Welfare Program (\$232,000), and Supplemental Civilian Union Benefits (\$145,000), which is offset by overspending in the Unemployment Insurance (\$800,000) Account. These early projections can still be impacted considerably by changes in benefit rates, open enrollment, staff attrition and hiring, and workers' compensation claims throughout the year. As such, no action is recommended at this time and this Office will monitor and report on the status of the Fund in subsequent FSRs.

This Office anticipates HRB to meet its General Fund revenue budget of \$2.67 million by year end.

D. Liability Claims Account Attachment 10 – Status of Liability Accounts

The 2021-22 Adopted Budget provides \$87.37 million for Liability Payouts, allocated between two separate accounts: Miscellaneous Liability Payouts (\$80.0 million) and Public Works, Sanitation Liability Payouts (\$7.37 million). The Unappropriated Balance provides supplemental funding of \$23.9 million for liability payouts (for both tort liability and tax-related cases) beyond the amount provided in the Liability Claims Account.

Of the \$87.37 million, this Office reports that \$10.68 million has been expended out of the Liability Claims Account. Including an additional \$8.82 million pending payment, the total committed amount is \$19.51 million. An estimated amount of \$67.87 million (or 78 percent), of which \$6.24 million is budgeted for Bureau of Sanitation matters, remains for the balance of the fiscal year.

Ardon Settlement

As of this reporting period, the final payments in the *Ardon* case have been issued. The City has received \$1.6 million in unused settlement funds that were returned from the claims administrator. There is one disputed claim still pending review, but it is unlikely the City will be required to make further deposits into the settlement fund as there are sufficient funds from uncashed checks to cover the final claim.

E. Los Angeles Fire and Police Pensions Recommendation No. 22

The Los Angeles Fire and Police Pensions (LAFPP) requests to reappropriate \$828,749.75 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, 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 2021-22 Excess Benefits Plan payment assumes applying 2020-21 savings. Hence, the requested reappropriation is necessary to cover the excess benefits payments required for 2021-22.

This Office recommends the following transaction as this time:

- Reappropriate \$828,749.75 from the unencumbered balance within the Excess Benefits Fund's Fire and Police Excess Benefits Account into the same amount and into the same account that exists on June 30, 2021 for excess benefits payments for 2021-22.

3. STATUS OF EMPLOYMENT

Attachment 11 – Employment Level Report

Citywide employment authority from all funding sources totaled 36,713 at the end of August for both civilian and sworn classes. There are 30,852 filled positions at the end of August. Departments reported a total of 5,861 vacant positions: 3,287 General Fund and 2,574 special funded.

4. STATE BUDGET

No Recommendation

On July 12, 2021, Governor Newsom signed the 2021-22 Budget Act, which estimates a budget surplus of \$47 billion, mainly due to higher than anticipated revenues and receipt of \$27 billion from the American Rescue Plan. The state will also receive an additional \$550 million from the Coronavirus Capital Projects Fund, which the state plans to allocate for broadband infrastructure projects. The 2021-22 State Budget continues to build the state's reserves, pay down the state's long-term retirement liabilities, invest in education, confront homelessness and housing affordability, and fund capital projects. We list budget proposals with potential impacts to the City below:

California Disaster Assistance Act (CDAA)

The state allocates an additional \$100 million for a total funding amount of \$162.6 million to aid local governments with emergency response and recovery through the CDAA. The CDAA provides funding to repair, restore, or replace public real property damaged or destroyed by a disaster or to reimburse local governments for eligible costs associated with emergency activities undertaken in response to a Governor proclaimed state of emergency.

Cannabis Local Jurisdiction Assistance Grant Program

The state allocates \$100 million to establish a local jurisdiction assistance grant program for cannabis. Funding will be used to aid local governments in transitioning businesses to a regulated market, to incentive local governments to modify permitting methods to better align with the state's licensure efforts, and to support provisional license holders by allowing local governments to pass through the funding to applicants to assess and mitigate environmental impacts.

Clean California Initiative

The state will allocate \$1.1 billion over a three-year period for Caltrans to partner with local governments in a statewide beautification effort. Funding will be used to remove garbage statewide, educate the public about the harms of litter, and to create long-lasting litter deterrents.

Emergency Preparedness

The state allocates \$100 million to build disaster-resistant communities. Of this amount, \$85 million will be used to support under-resourced communities by covering the local government's cost share for participating in the federal hazard mitigation grant program. The remaining \$15 million will be used to support outreach programs and to provide technical assistance to local governments applying for federal grants.

Homekey Program

The state will allocate \$2.75 billion over two years for the additional acquisition and rehabilitation of facilities through the Homekey Program. The Homekey Program provides grants to local governments to acquire hotels, motels, vacant apartments, and other properties to establish permanent housing for individuals experiencing homelessness, at risk of homelessness, or those impacted by COVID-19. The Department of Housing and Community Development (HCD) will provide grants to local governments to obtain these properties, which will be owned and operated at the local level.

Homeless Coordinating Financing Council (HCFC)

The state allocates \$40 million over five years for the HCFC to provide grants and technical assistance to local jurisdictions to develop action plans that address family homelessness. Grants will be awarded to accelerate local jurisdictions' rehousing efforts and help eliminate family homelessness in an equitable and holistic manner.

The state also allocates an additional \$50 million for the HCFC to partner with local governments and assist in managing critical encampments and transitioning individuals into permanent housing.

Non-Congregate Shelter

The state allocates \$150 million to support the state's FEMA-funded non-congregate shelter population and to help transition individuals from Project Roomkey into permanent housing. This funding will allow local governments to stabilize its non-congregate shelter sites and help minimize the number of occupants who exit into unsheltered homelessness.

Olympic Transit

The state allocates \$1 billion to complete critical transportation projects in anticipation of the 2028 Olympics Games in Los Angeles. Funding will help support and develop transit connectivity in advance of the 2028 Los Angeles Olympics.

Planning and Implementation Grants

The state allocates \$600 million for the HCD to provide additional planning and implementation grants to regional entities for infill developments that reduce vehicle miles traveled and help reach the state's climate goals. These planning grants are used by local and regional governments to

plan for additional housing development in infill areas and near public transit to revitalize existing communities and corridors.

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



Wilson K. Poon, Senior Administrative Analyst II

APPROVED:



Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:WKP:01220029c

Attachments

ATTACHMENT 1A

2020-21 Adopted and Revised General Fund Revenue

Estimated final receipts through June
(Thousand Dollars)

	Adopted Budget	Revised Budget	Receipts through June	Variance from Adopted Budget	Variance from Revised Budget	Comments on Variance from Revised Budget
Property Tax	\$2,297,080	\$2,263,319	\$2,261,356	(\$35,724)	(\$1,963)	Supplemental and secured receipts ended lower than the revised budget with additional tax period secured receipts received in FY22.
Property Tax Ex-CRA Inc.	95,900	104,576	128,042	32,142	23,466	Revised budget was based on the County's estimate, with actual secured growth much higher and in contrast with FY20 year-end shortfall.
Utility Users' Tax	614,620	609,500	615,238	618	5,738	Electricity users tax (EUT) ended \$5.4m above the reduced, revised estimate. Communication users (CUT) also ended \$1.6m higher, while Gas users fell short of revised by \$1.3m.
Departmental receipts (LPFF and reimbursements)	1,335,289	1,138,970	1,132,516	(202,774)	(6,455)	Net variance from the revised budget represents less than 1 percent of departmental receipts.
Departmental receipts (CARES Act)	125,000	125,000	125,000	-	-	CARES Act money used to repay the Building and Safety Trust Fund loan were recognized in the revised estimate for departmental receipts.
Business Tax	686,540	692,400	692,386	5,846	(14)	\$2.8m surplus in cannabis business tax (based on LATax receipts) mostly offsets shortfall in receipts from other business activity. There is insufficient information to predict impact to 2022 tax period receipts.
Sales Tax	557,055	516,140	524,618	(32,437)	8,478	Variance from reduced, revised estimate reflects the earlier-than-anticipated receipt of deferred tax revenue and a quicker rebound in taxable sales activity.
Documentary Transfer Tax	215,835	227,005	235,922	20,087	8,917	Surplus reflects multiplying impact of increasing growth trends in recorded deeds and revenue per deed on final monthly receipts.
Power Revenue Transfer	224,100	218,355	218,355	(5,745)	-	
Transient Occupancy Tax	244,860	103,650	110,427	(134,433)	6,777	\$6.3m of surplus is attributed to improving hotel activity in final monthly receipts.
Parking Fines	140,477	90,647	93,347	(47,130)	2,700	Reduced, revised estimate accounts for the impact of decreased parking demand and relief programs during the pandemic. Year-end surplus is attributed to improving receipts in final months.
Parking Occupancy Tax	102,000	56,884	58,844	(43,156)	1,960	Reduced, revised estimate accounts for the impact of decreased parking demand during the pandemic. Year-end surplus is attributed to improving receipts in final months.
Franchise Income	81,226	82,613	84,303	3,077	1,690	Surplus primarily attributed to natural gas and pipeline franchise revenue.
State Motor Vehicle License Fees	3,198	2,942	2,942	(256)	-	
Grant Other Receipts	12,521	13,872	12,945	424	(927)	Shortfall attributed to lower related cost reimbursements for the Mayor's Office and Fire Department.
Grant FEEMA Receipts	10,615	30,745	30,745	30,745	-	
Tobacco Settlement	3,693	11,489	11,489	874	-	
Residential Development Tax	27,721	4,600	4,392	699	(208)	Monthly receipts are variable, and shortfall is within typical range for the revised budget.
Special Parking Revenue Transfer	639,450	639,450	639,450	-	-	
American Rescue Plan Transfer	639,450	639,450	639,450	-	-	
Subtotal General Fund	\$6,652,729	\$6,932,157	\$6,982,315	\$329,586	\$50,159	
Interest Income	34,613	25,609	27,112	(7,501)	1,503	
Total General Fund	\$6,687,342	\$6,957,766	\$7,009,427	\$322,085	\$51,662	
Variance from Adopted Plan excluding CARES Act and ARPA stimulus funds.						\$ (442,365)

ATTACHMENT 1B

2021-22 Adopted General Fund Revenue

Receipts through September

(Thousand Dollars)

	Adopted Budget	Plan through September	Receipts through September	Receipts as Percent of		Variance from Monthly Plan	Comments on Variance from Adopted Budget
				Budget	Budget		
Property Tax	\$2,400,250	\$87,680	\$96,922	4.0%	4.0%	\$9,242	\$8.3 million of this surplus is attributed to secure receipts from the prior tax period. The County Assessor's forecasted growth for the next tax period beginning December 2021 is 4.0% compared to 5.9% assumed in the adopted budget.
Property Tax Ex-CRA Inc.	111,990	-	-	0.0%	0.0%	-	These receipts are recorded in second half of fiscal year.
Utility Users Tax	605,050	160,030	154,372	25.5%	25.5%	(5,658)	EUT down \$7.2m, CUT down \$0.5m, Gas up \$2.0m, based on LATax receipts.
Departmental receipts (LPFF and reimbursements)	1,244,790	179,494	233,426	18.8%	18.8%	53,932	Various related costs and other reimbursements are above plan (\$50 million) mainly due to early remittance.
Business Tax	716,600	54,365	60,764	8.5%	8.5%	6,399	In contrast to prior years, higher receipts from <i>non-cannabis</i> activity are offsetting a \$3.1m shortfall from cannabis activity (based on LATAX receipts). 85% of business tax revenue is recorded in the second half of the fiscal year which coincides with the 2022 renewal period.
Sales Tax	606,610	147,866	170,103	28.0%	28.0%	22,237	High receipts for the first quarter reflect earlier-than-anticipated receipt of deferred tax revenue and a quicker rebound in taxable sales activity. Ongoing receipts are anticipated to be lower than plan due to the economic impact of global supply constraints and lagging employment growth on taxable sales, and the reduced share of County pool receipts.
Documentary Transfer Tax	227,005	63,818	76,744	33.8%	33.8%	12,927	Currently both sales activity and prices (as based on deeds and revenue per deed) have experienced four consecutive months of high year-over-year growth. When these components grow (or decline) together, there are significant variances from plan.
Power Revenue Transfer	225,819	-	-	0.0%	0.0%	-	DWP will confirm the actual transfer amount in December.
Transient Occupancy Tax	183,300	42,725	52,489	28.6%	28.6%	9,764	Monthly receipts are tracking above plan, primarily due to hotel activity rather than short-term rentals.
Parking Fines	123,621	31,140	26,552	21.5%	21.5%	(4,588)	Revenue from parking fine issuance has been impacted by SIP retirements.
Parking Occupancy Tax	99,337	17,828	22,136	22.3%	22.3%	4,308	Monthly receipts are variable, but are tracking above plan.
Franchise Income	94,657	21,679	16,107	17.0%	17.0%	(5,571)	Shortfall attributed to the delayed recording of the gas franchise payment and lower-than-planned cable franchise payment.
Slate Motor Vehicle License Fees	2,942	-	-	0.0%	0.0%	-	This receipt is expected in second half of fiscal year.
Grant Receipts (including FEMA)	91,343	11,217	1,858	2.0%	2.0%	(9,359)	Shortfall attributed to delayed FEMA Grant Reimbursements which represent \$73.8 million of the revised budget.
Tobacco Settlement	11,489	-	-	0.0%	0.0%	-	This receipt is expected in second half of fiscal year.
Residential Development Tax	4,800	1,200	1,284	26.7%	26.7%	84	Monthly receipts are variable, but are tracking near plan.
Special Parking Revenue Transfer	8,477	-	-	0.0%	0.0%	-	Base transfer is \$21.5 million. Lower budgeted amount reflects lower anticipated parking revenue.
American Rescue Plan Transfer	639,450	-	-	0.0%	0.0%	-	This receipt is expected in second half of fiscal year.
Subtotal General Fund	\$7,397,530	\$819,041	\$912,757	12.3%	12.3%	\$93,716	
Reserve Fund Transfer	85,090	-	-	0.0%	0.0%	-	
Interest Income	20,603	10,122	13,666	66.3%	66.3%	3,544	Monthly receipts are variable with surplus owed to special funds.
Total General Fund	\$7,503,223	\$829,163	\$926,424	12.3%	12.3%	\$97,260	

ATTACHMENT 2A
SCHEDULE OF REVERSIONS TO RESERVE AND OTHER FUNDS
FYE JUNE 30, 2021

Dept No.	Department Name	Balance	Reversion to Other Special Funds	Reversion to Reserve Fund
02	Aging	885,206.33	17.63	885,188.70
06	Animal Services	112,198.71	0.00	112,198.71
08	Building and Safety	15,194,316.60	15,182,093.72	12,222.88
10	CAO	2,481,014.39	2,071,788.83	409,225.56
11	Public Accountability	1,565,249.97	0.00	1,565,249.97
12	City Attorney	446,152.21	191,243.95	254,908.26
13	Cannabis	862,703.46	862,614.71	88.75
14	City Clerk	378,572.51	8,275.34	370,297.17
15	Civil, Human Rights and Equity	787,516.11	0.00	787,516.11
17	City Ethics	70,906.52	70,906.52	0.00
22	Economic and Workforce Dev't	118,475.69	10,070.78	108,404.91
26	Controller	255,721.75	56,367.37	199,354.38
28	Council	17,580,635.55	1,021.05	17,579,614.50
30	Cultural Affairs	3,426,911.22	3,401,911.22	25,000.00
32	ITA	2,642,302.26	320,548.55	2,321,753.71
33	El Pueblo	307,581.46	290,975.82	16,605.64
35	Emergency Management	24,257.19	0.00	24,257.19
36	Employee Relations	59,639.18	0.00	59,639.18
38	Fire	3,793,725.53	614,387.56	3,179,337.97
39	Finance	1,387,084.01	0.00	1,387,084.01
40	GSD	40,254,094.52	14,131,665.00	26,122,429.52
43	Housing	2,226,637.18	603,587.70	1,623,049.48
46	Mayor	5,654,221.97	0.00	5,654,221.97
47	Neighborhood Empowerment	77,072.78	49,444.02	27,628.76
48	Convention Center	83,300.32	83,300.32	0.00
53	Capital Finance	8,644,383.96	750.79	8,643,633.17
54	CIP	66,251,311.53	7,891,584.96	58,359,726.57
56	General City Purposes	104,555,690.77	1,766,355.37	102,789,335.40
58	Unappropriated Balance	145,451,498.07	274,573.00	145,176,925.07
59	Liability Claims	2,091.59	2,013.77	77.82
60	Water and Electricity	313,055.62	0.00	313,055.62
61	Human Resources	923,726.77	0.00	923,726.77
62	General	0.00	0.00	0.00
65	Disability	122,733.46	1.00	122,732.46
66	Personnel	3,440,851.94	2,246,498.58	1,194,353.36
68	Planning	7,228,851.69	7,162,726.99	66,124.70
70	Police	27,807,668.78	948,338.37	26,859,330.41
74	PW Board Office	2,990,477.71	1,275,998.12	1,714,479.59
76	PW Bu of Contract Admin	2,116,784.31	1,867,017.84	249,766.47
78	PW Bu of Engineering	506,470.17	442,655.31	63,814.86
82	PW Bu of Sanitation	16,645,915.20	15,197,175.69	1,448,739.51
84	PW Bu of St Lighting	1,546,424.41	780,289.41	766,135.00
86	PW Bu of St Services	9,972,418.06	9,872,595.69	99,822.37
87	Zoo	983,736.14	983,736.14	0.00
94	Transportation	10,196,054.90	3,448,223.56	6,747,831.34
Total		510,375,642.50	92,110,754.68	418,264,887.82

Total 2020-21 Reserve Fund Year-End Reversion	418,264,887.82
2020-21 Reserve Fund Reversion Estimated in the 2021-22 Budget*	386,085,319.00
Difference between Actual and Estimated Reversion	32,179,568.82

ATTACHMENT 3
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK
(\$ millions)

	Adopted 2021-22	2022-23	2023-24	2024-25	2025-26
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 6,687.3	\$ 7,503.2	\$ 7,169.6	\$ 7,493.9	\$ 7,758.5
Revenue Growth (2)					
Property Related Taxes (3)	131.5	130.4	109.5	130.2	136.3
Business and Sales Taxes (4)	79.6	107.4	75.3	63.8	52.4
Utility Users Tax (5)	(9.6)	3.1	5.8	8.3	10.7
Departmental Receipts (6)	(90.5)	118.2	75.0	38.8	39.9
Other Fees, Taxes, and Transfers (7)	(0.5)	16.8	58.8	23.5	18.1
American Rescue Plan (ARP) Fund Transfer (8)	639.5	(639.5)	-	-	-
SPRF Transfer (9)	(19.2)	15.0	-	-	-
Transfer from the Budget Stabilization Fund (10)	-	-	-	-	-
Transfer from Reserve Fund (11)	85.1	(85.1)	-	-	-
Total Revenue	\$ 7,503.2	\$ 7,169.6	\$ 7,493.9	\$ 7,758.5	\$ 8,015.9
<i>General Fund Revenue Increase %</i>	<i>12.2%</i>	<i>-4.4%</i>	<i>4.5%</i>	<i>3.5%</i>	<i>3.3%</i>
<i>General Fund Revenue Increase \$</i>	<i>815.9</i>	<i>(333.7)</i>	<i>324.4</i>	<i>264.6</i>	<i>257.4</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (12)	\$ 6,687.3	\$ 7,503.2	\$ 7,430.4	\$ 7,629.2	\$ 7,805.8
Incremental Changes to Base: (13)					
Employee Compensation Adjustments (14)	112.9	259.5	97.5	69.9	60.0
City Employees' Retirement System (15)	68.8	84.3	9.3	7.4	(37.4)
Fire and Police Pensions (15)	(30.2)	43.0	19.9	(5.5)	(63.2)
Workers' Compensation Benefits (16)	(17.2)	0.2	8.3	8.9	10.2
Health, Dental, and Other Benefits (17)	(9.0)	21.0	32.9	34.8	37.0
Debt Service (18)	12.7	(33.9)	(5.7)	7.5	(1.7)
Delete Resolution Authorities (19)	(87.3)	-	-	-	-
Add New and Continued Resolution Authorities (19)	95.4	-	-	-	-
Delete One-Time Costs (20)	(19.6)	(124.6)	-	-	-
Add One-Time Costs (20)	178.5	-	-	-	-
Comprehensive Homeless Strategy (21)	111.3	(96.0)	-	-	-
Unappropriated Balance (22)	420.2	(352.2)	-	-	-
CTIEP-Municipal Facilities and Physical Plant (23)	52.1	(35.8)	4.9	4.0	3.9
CTIEP-Sidewalks (24)	8.4	6.8	-	-	-
CTIEP-Pavement Preservation (25)	6.6	18.5	3.0	3.1	3.1
Appropriation to the Reserve Fund (26)	(12.3)	-	-	-	-
Appropriation to the Budget Stabilization Fund (27)	-	21.2	(19.2)	(2.0)	-
Net - Other Additions and Deletions (28)	(75.4)	115.2	47.9	48.5	40.9
Total Expenditures	\$ 7,503.2	\$ 7,430.4	\$ 7,629.2	\$ 7,805.8	\$ 7,858.6
<i>Expenditure Growth %</i>	<i>12.2%</i>	<i>-1.0%</i>	<i>2.7%</i>	<i>2.3%</i>	<i>0.7%</i>
<i>Expenditure Growth \$</i>	<i>815.9</i>	<i>(72.8)</i>	<i>198.8</i>	<i>176.6</i>	<i>52.8</i>
TOTAL BUDGET GAP (29)	\$ -	\$ (260.9)	\$ (135.3)	\$ (47.3)	\$ 157.3
<i>Incremental Increase \$</i>	<i>-</i>	<i>(260.9)</i>	<i>125.6</i>	<i>88.0</i>	<i>204.6</i>

**ATTACHMENT 4
FY 2021-22 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Fire Solar Wi-Fi Project	Fund.389/34, Emergency Operations Fund		Fund.100/38, Fire	
	34T138, Fire	\$ 200,000.00	006020, Operating Supplies	\$ 200,000.00
Digital Training and Adoption Project	Fund.105/10, Innovation Fund		Fund.100/38, Fire	
	10T138, Fire	\$ 125,000.00	003040, Contractual Services	\$ 125,000.00
Housing Linkage Fee Program (C.F. 17-0274)	Fund.597/43, Housing Impact Trust Fund		Fund.100/43, Los Angeles Housing Department (597/43, 43V143)	
	43T904, Administrative Reserve (FY 2020-21)	\$ 1,342,993.87	001010, Salaries General (FY 2021-22)	\$ 886,251.13
			006030, Leasing (FY 2021-22)	\$ 151,323.48
			Fund.597/43, Housing Impact Trust Fund	
			43V299, Reimbursements to General Fund (FY 2021-22)	\$ 295,419.26
			Subtotal	\$ 1,342,993.87
LEAP Program (C.F. 20-0753)	Fund.49N/43, LAHD Small Grants and Awards		Fund.100/43, Los Angeles Housing Department (49N/43, 43V143)	
	43T143, Housing Department (FY 2020-21)	\$ 26,272.85	001010, Salaries General (FY 2021-22)	\$ 131,782.86
	43T904, Administrative Reserve (FY 2020-21)	\$ 209,584.74	006030, Leasing (FY 2021-22)	\$ 19,767.43
			Fund.49N/43, LAHD Small Grants and Awards	
			43V299, Reimbursements to General Fund (FY 2021-22)	\$ 86,727.68
			Subtotal	\$ 238,277.97
HOPWA CARES Program	Fund.569/43, Housing Opportunities for Persons with AIDS Fund		Fund.100/43, Los Angeles Housing Department (569/43, 43V143)	
	43T143, Housing Department (FY 2020-21)	\$ 73,890.38	001010, Salaries General (FY 2021-22)	\$ 61,325.53
			006030, Leasing (FY 2021-22)	\$ 9,198.83
			Fund.569/43, Housing Opportunities for Persons with AIDS Fund	
			43V299, Reimbursements to General Fund (FY 2021-22)	\$ 41,180.09
			Subtotal	\$ 111,704.45
ESG CARES Program	Fund.517/43, Federal Emergency Shelter Grant		Fund.100/43, Los Angeles Housing Department (517/43, 43V143)	
	43T143, Housing Department (FY 2020-21)	\$ 371,108.54	001010, Salaries General (FY 2021-22)	\$ 310,584.25
			006030, Leasing (FY 2021-22)	\$ 46,587.64
			Fund.517/43, Emergency Solutions Grant	
			43V299, Reimbursements to General Fund (FY 2021-22)	\$ 208,557.32
			Subtotal	\$ 565,729.21
HUD Connect CARES Program	Fund.47X/43, HUD Connections Grant		Fund.100/43, Los Angeles Housing Department (47X/43, 43V143)	
	43T143, Housing Department (FY 2020-21)	\$ 3,321.34	001010, Salaries General (FY 2021-22)	\$ 2,701.65
			006030, Leasing (FY 2021-22)	\$ 405.25
			Fund.47X/43, HUD Connections Grant	
			43V299, Reimbursements to General Fund (FY 2021-22)	\$ 1,814.16
			Subtotal	\$ 4,921.06
HUD Connect Grant Program	Fund.47X/43, HUD Connections Grant		Fund.100/43, Los Angeles Housing Department (47X/43, 43V143)	
	43T143, Housing Department (FY 2020-21)	\$ 14,452.00	001010, Salaries General (FY 2021-22)	\$ 8,812.37
			006030, Leasing (FY 2021-22)	\$ 1,321.85
			Fund.47X/43, HUD Connections Grant	
			43V299, Reimbursements to General Fund (FY 2021-22)	\$ 5,917.50
			Subtotal	\$ 16,051.72

**ATTACHMENT 4
FY 2021-22 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS**

REQUESTING DEPARTMENT		TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Housing (Continued) Eviction Defense Program (CDBG CARES)	Fund.424/43, Community Development Block Grant Trust Fund		Fund.100/43, Los Angeles Housing Department		
	43T143, Housing Department (FY 2020-21)	\$ 296,285.18	001010, Salaries General (FY 2021-22)	\$ 83,726.18	
			006010, Office and Administrative (FY 2021-22)	\$ 200,000.00	
			006030, Leasing (FY 2021-22)	\$ 12,559.00	
	Subtotal	\$ 56,140.00	Fund.424/21, Community Development Block Grant Trust Fund	\$ 56,140.00	
		\$ 352,425.18	43V299, Reimbursements to General Fund (FY 2021-22)	\$ 352,425.18	
Affordable Housing Information Systems	Fund.105/10, Innovation Fund	\$ 180,000.00	Fund.100/43, Los Angeles Housing Department	\$ 180,000.00	
	10T143, City Administrative Office (FY 2020-21)		003040, Contractual Services (FY 2021-22)		
Police					
Police Department Trust Fund Reappropriations	Fund.885/70, Police Department Trust Fund	\$ 16,008.00	Fund.100/70, Police	\$ 16,008.00	
Scooter Operator's Education (C.F. 19-1244)	70T170, Police		001092, Overtime Sworn		
South Park Program (C.F. 16-0037-S96)	Fund.885/70, Police Department Trust Fund	\$ 114,230.42	Fund.100/70, Police	\$ 42,998.42	
	70T170, Police		001012, Salaries Sworn	\$ 71,232.00	
			001092, Overtime Sworn	\$ 114,230.42	
	Subtotal	\$ 64,723.53		\$ 64,723.53	
Police Department Grant Fund Reappropriations	Fund.339/70, Police Department Grant Fund	\$ 68,013.00	Fund.100/70, Police	\$ 40,500.00	
2018 Internet Crimes Against Children Task Force Grant (C.F. 18-1122)	70T170, Police		001090, Overtime General	\$ 27,513.00	
2020 Internet Crimes Against Children CalOES (C.F. 21-0439)	Fund.339/70, Police Department Grant Fund	\$ 68,013.00	Fund.100/70, Police	\$ 68,013.00	
	70T170, Police		001092, Overtime Sworn		
2020 Paul Coverdell Forensic Science (C.F. 21-0479)	Fund.339/70, Police Department Grant Fund	\$ 39,528.00	Fund.100/70, Police	\$ 39,528.00	
	70T170, Police		001090, Overtime General		
2020-22 Intellectual Property Enforcement (C.F. 20-1592)	Fund.339/70, Police Department Grant Fund	\$ 36,000.00	Fund.100/70, Police	\$ 36,000.00	
	70T170, Police		001092, Overtime Sworn		
2020 Distance Learning Grant Program - Implicit Bias and Racial Profiling (C.F. 20-1229)	Fund.339/70, Police Department Grant Fund	\$ 58,568.60	Fund.100/70, Police	\$ 3,485.00	
	70T170, Police		001090, Overtime General	\$ 55,083.60	
			001092, Overtime Sworn	\$ 58,568.60	
	Subtotal	\$ 62,763.65		\$ 62,763.65	
2020 Distance Learning Grant Program - Organizational Wellness (C.F. 20-1287)	Fund.339/70, Police Department Grant Fund	\$ 94,070.57	Fund.100/70, Police	\$ 3,357.20	
	70T170, Police		001090, Overtime General	\$ 59,406.45	
			001092, Overtime Sworn	\$ 62,763.65	
2020 Distance Learning Grant Program - Use of Force & De-Escalation (C.F. 20-1227)	Fund.339/70, Police Department Grant Fund	\$ 182.57	Fund.100/70, Police	\$ 182.57	
	70T170, Police		001090, Overtime General	\$ 93,888.00	
			001092, Overtime Sworn	\$ 94,070.57	
	Subtotal	\$ 94,070.57		\$ 94,070.57	

ATTACHMENT 4
FY 2021-22 BUDGET ADJUSTMENTS
SPECIAL FUND REAPPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (Continued)				
2018 Port Security Grant (C.F. 18-1039)	Fund.339/70, Police Department Grant Fund 70T170, Police	\$ 8,206.38	Fund.100/70, Police 00T092, Overtime Sworn	\$ 8,206.38
2020 Port Security Grant (C.F. 20-1216)	Fund.339/70, Police Department Grant Fund 70T170, Police	\$ 13,112.83	Fund.100/70, Police 00T090, Overtime General	\$ 13,112.83
2020 Off-Highway Motor Vehicle Recreation - Law Enforcement Grant (C.F. 20-1597-S1)	Fund.339/70, Police Department Grant Fund 70T170, Police	\$ 9,602.86	Fund.100/70, Police 00T092, Overtime Sworn	\$ 9,602.86
2020 Off-Highway Motor Vehicle Recreation - Education Grant (C.F. 20-1591)	Fund.339/70, Police Department Grant Fund 70T170, Police	\$ 42,033.74	Fund.100/70, Police 00T092, Overtime Sworn	\$ 42,033.74
2020 LA County 24-Hour Emergency Shelter Grant (C.F. 20-0270)	Fund.339/70, Police Department Grant Fund 70T170, Police	\$ 6,416.37	Fund.100/70, Police 00T092, Overtime Sworn	\$ 6,416.37
Narcotics Analysis Laboratory Trust Fund Reappropriation				
NALTF Plan 22 Casework Overtime (C.F. 19-1374)	Fund.863/70, Narcotics Analysis Laboratory Trust Fund 70T170, Police	\$ 100,000.00	Fund.100/70, Police 00T090, Overtime General	\$ 100,000.00
Public Works-Sanitation				
Council District 1 (C.F. 21-0290)	Fund.53P/28, State AB 1230 28T182, Bureau of Sanitation	\$ 87,614.42	Fund.100/82, Bureau of Sanitation 00T090, Overtime General (GF) 003040, Contractual Services (GF) 003090, Field Equipment Expense (GF) 006020, Operating Supplies (GF)	\$ 13,723.87 \$ 48,078.00 \$ 7,120.00 \$ 18,692.55 Subtotal \$ 87,614.42
Council District 9 (C.F. 20-1580)	Fund.53P/28, State AB 1230 28T182, Bureau of Sanitation	\$ 45,259.32	Fund.100/82, Bureau of Sanitation 002120, Printing and Binding (GF) 006020, Operating Supplies (GF)	\$ 20,000.00 \$ 25,259.32 Subtotal \$ 45,259.32
Council District 15 (C.F. 21-0337)	Fund.53P/28, State AB 1230 28T182, Bureau of Sanitation	\$ 37,429.00	Fund.100/82, Bureau of Sanitation 00T090, Overtime General (GF)	\$ 37,429.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 4,040,684.15		\$ 4,040,684.15

ATTACHMENT 5
FY 2021-22 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Attorney Homeless Engagement & Response Team (HEART) Connection	<u>Fund 105/10_Innovation Fund</u> 10V112, City Attorney	\$ 37,000.00	<u>Fund 100/12_City Attorney</u> 003040, Contractual Services	\$ 37,000.00
	<u>Fund 480/30_Arts and Cultural Facilities and Services Trust Fund</u> Cash Balance	\$ 1,314,750.00	<u>Fund 100/30_Cultural Affairs</u> 003040, Contractual Services 009832, Special Appropriations II 009856, Citywide Mural Art Program 009853, Promise Zone Arts 009858, Leimert Park Village Cultural Hub Activation 009859, Madrid Theatre Cultural Hub/Canoga Park Stage Arts Lab Activ 009623, Watts Towers Jazz & Drum Festival	\$ 25,550.00 \$ 144,200.00 \$ 600,000.00 \$ 75,000.00 \$ 200,000.00 \$ 200,000.00 \$ 70,000.00 Subtotal \$ 1,314,750.00
Economic & Workforce Development COVID-19 Childcare Regional Relief & Recovery	<u>Fund 63P/22_CARES Act Projects Fund</u> Cash Balance	\$ 86,300.00	<u>Fund 100/22_Economic and Workforce Development (63P/22, 22V122)</u> 001010, Salaries General	\$ 57,700.00
LA Regional COVID-19 Relief & Recovery	<u>Fund 63P/22_CARES Act Projects Fund</u> Cash Balance	\$ 35,700.00	<u>Fund 63P/22_CARES Act Projects Fund</u> 22V299, Reimbursement of General Fund Costs	\$ 28,600.00 Subtotal \$ 86,300.00
	<u>Fund 63S/22_CARES Act COVID-19 Street Vending Recovery Fund</u> Cash Balance	\$ 56,300.00	<u>Fund 100/22_Economic and Workforce Development (63P/22, 22V122)</u> 001010, Salaries General	\$ 22,700.00
COVID-19 Street Vending Recovery	<u>Fund 63S/22_CARES Act COVID-19 Street Vending Recovery Fund</u> Cash Balance	\$ 285,000.00	<u>Fund 63P/22_CARES Act Projects Fund</u> 22V299, Reimbursement of General Fund Costs	\$ 13,000.00 Subtotal \$ 35,700.00
El Pueblo El Pueblo Museum Guides	<u>Fund 737/33_El Pueblo de Los Angeles Histor Mon Rev Fund (480/30)</u> 33133V, El Pueblo de Los Angeles	\$ 285,000.00	<u>Fund 100/22_Economic and Workforce Development (63S/22, 22V122)</u> 001010, Salaries General	\$ 37,800.00
Fire Fire Station 86 Rescue Ambulance	<u>Fund 848/38_Fire Department Trust Fund</u> DRSC 5111, Contribution - Trust	\$ 180,000.00	<u>Fund 63S/22_CARES Act COVID-19 Street Vending Recovery Fund</u> 22V299, Reimbursement of General Fund Costs	\$ 18,500.00 Subtotal \$ 56,300.00
Housing HHH Permanent Supportive Housing Program	<u>Fund 17C/10_GOB Series 2018-A Taxable HHH Construction Fund</u> RSC 4904, Interest on Pooled Invest-Bond Fds	\$ 865,645.01	<u>Fund 100/33_El Pueblo (737/33, 33133V)</u> 001070, Salaries, As-Needed	\$ 285,000.00
	<u>Fund 17C/10_GOB Series 2018-A Taxable HHH Construction Fund</u> RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 381,316.61	<u>Fund 848/38_Fire Department Trust Fund</u> New Account TBD	\$ 180,000.00
			<u>Fund 100/43_Housing Department</u> RSC 5301, Reimbursement from Other Funds	\$ 865,645.01
			<u>Fund 100/43_Housing Department</u> RSC 5361, Reimbursement from Other Funds	\$ 381,316.61

ATTACHMENT 5
FY 2021-22 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Mayor				
Public Safety Grant	<u>Eund.62A/46, FY17, Justice Assistance Grant</u>		<u>Eund.100/46, Mayor (46/299)</u>	
	46R912, City Attorney Grant Allocation	\$ 382.88	RSC 5346, Related Cost Reimbursement from Grants	\$ 12,233.80
	46T112, City Attorney	\$ 6,803.79		
	46T299, Reimbursement of General Fund Costs	\$ 36,873.81	<u>Eund.100/12, City Attorney (12/112)</u>	
	46V146, Mayor (001020)	\$ 72,439.37	001010, Salaries General	\$ 25,628.89
	RSRC 4903, Interest Income-other	\$ 18,390.18		
	Subtotal	\$ 133,890.03	<u>Eund.100/12, Mayor (12/299)</u>	
			RSC 5346, Related Cost Reimbursement from Grants	\$ 10,651.26
			<u>Eund.62A/46, FY17, Justice Assistance Grant</u>	
			46R216, CLEAR Contractual Services	\$ 85,376.08
			Subtotal	\$ 133,890.03
Police				
Police Administration Building Maintenance	<u>Eund.100/70, Police</u>		<u>Eund.100/40, General Services</u>	
	RSC 5423, Law Enforcement	\$113,440.00	001014, Salaries, Construction Projects	\$ 64,378.00
			003180, Construction Materials	\$ 49,062.00
			Subtotal	\$ 113,440.00
Transportation				
Expedited Development Review Overtime	<u>Eund.50X/94, Transportation Review Fee Fund</u>		<u>Eund.100/94, Transportation</u>	
	Cash Balance	\$ 175,000.00	001090, Overtime General	\$ 175,000.00
Pavement Preservation Program Overtime	<u>Eund.51Q/94, Measure R Local Return Fund</u>		<u>Eund.100/94, Transportation</u>	
	94VC01, Pavement Preservation Program	\$ 700,000.00	001090, Overtime General	\$ 700,000.00
Metro Crenshaw/LAX Corridor Pavement Work	<u>Eund.840/94, Department of Transportation Trust Fund</u>		<u>Eund.100/94, Transportation</u>	
	94T194, Transportation	\$ 220,000.00	001090, Overtime General	\$ 220,000.00
Traffic Control Services at Venues	<u>Eund.840/94, Department of Transportation Trust Fund</u>		<u>Eund.100/94, Transportation</u>	
	RSRC 4658, Special Events	\$ 2,824,575.22	001090, Overtime General	\$ 2,824,575.22
Alternative Traffic Enforcement Study	<u>Eund.100/56, General City Purposes</u>		<u>Eund.100/94, Transportation</u>	
	000406, Alternative Traffic Enforcement	\$ 360,000.00	003040, Contractual Services	\$ 360,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 7,766,916.87		\$ 7,766,916.87

ATTACHMENT 6

FY 2021-22 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	AMOUNT
Fire				
Contractual Services		Eund.100/38, Fire		
		001010, Salaries General	\$ 590,000.00	\$ 590,000.00
		003040, Contractual Services		
Mutual Aid Overtime		Eund.100/38, Fire		
		001093, Overtime Constant Staffing	\$ 3,000,000.00	\$ 3,000,000.00
		001012, Overtime Sworn		
Fleet Maintenance Overtime		Eund.100/38, Fire		
		001093, Overtime Constant Staffing	\$ 1,000,000.00	\$ 1,000,000.00
LADWP Brush Clearance Support		Eund.100/38, Fire		
		001093, Overtime Constant Staffing	\$ 1,200,000.00	\$ 1,200,000.00
		003070, Contract Brush Clearance		
Field Equipment Expenses		Eund.100/38, Fire		
		003090, Field Equipment Expense	\$ 2,000,000.00	\$ 2,000,000.00
General Services		Eund.100/40, General Services		
Construction Forces		001014, Salaries, Construction Projects	\$ 1,500,000.00	\$ 1,500,000.00
Separation Incentive Program Payouts		Eund.100/40, General Services		
		001014, Salaries, Construction Projects	\$ 295,000.00	\$ 295,000.00
Information Technology Agency		Eund.100/32, Information Technology Agency		
Various Projects		001100, Hiring Hall Salaries	\$ 200,000.00	\$ 800,000.00
		009350, Communication Services	\$ 600,000.00	
		Subtotal	\$ 800,000.00	
Mayor		Eund.59M/46, EY 2016 QMW Disabilities Grant		
Public Safety Grant		46N601, Operating Expense	\$ 6,284.00	\$ 55,275.00
		46N846, Mayor Operating	\$ 12,240.00	
		46N970, LAPD Grant Allocation	\$ 24,501.00	
		46P170, Police	\$ 12,250.00	
		Subtotal	\$ 55,275.00	
Police		Eund.63W/46, EY20 Coronavirus Emergency Supplemental Fund		
Public Safety Grant		46T170, Police	\$ 800,000.00	\$ 800,000.00
Toxicology Unit Equipment		Eund.100/70, Police		
		006010, Office and Administrative	\$ 93,121.00	\$ 93,121.00
Microsoft Office Software Licenses		Eund.100/70, Police		
		003040, Contractual Services	\$ 716,452.00	\$ 716,452.00
Metro K9 Unit		Eund.100/70, Police		
		003040, Contractual Services	\$ 273,000.00	\$ 225,000.00
		002130, Travel	\$ 30,000.00	\$ 30,000.00
		006020, Operating Supplies	\$ 18,000.00	\$ 18,000.00
		Subtotal	\$ 273,000.00	
Metro Funding		Eund.100/70, Police		
		006010, Office and Administrative	\$ 10,000.00	\$ 10,000.00
Focused Sworn Recruitment		Eund.100/70, Police		
		002130, Travel	\$ 74,000.00	\$ 17,000.00
		006010, Office and Administrative	\$ 57,000.00	\$ 57,000.00
		Subtotal	\$ 74,000.00	
Customer Relationship Management Licenses		Eund.100/70, Police		
		006010, Office and Administrative	\$ 252,295.00	\$ 252,295.00

ATTACHMENT 6

FY 2021-22 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (Continued) Schedule 3 - Forfeited Assets Trust Fund Realignment	Fund.44D/70, Forfeited Assets, Trust Fund		Fund.44D/70, Forfeited Assets, Trust Fund	
	70V402, Supplemental Police Account	\$ 13,117.00	70V434, Black and White Vehicles	\$ 13,117.00
	Fund.44E/70, Forfeited Assets, Trust Fund		Fund.44E/70, Forfeited Assets, Trust Fund	
Public Works-Sanitation Water Reclamation Plant Staffing	70V434, Black and White Vehicles	\$ 13,117.00	70V402, Supplemental Police Account	\$ 13,117.00
	Fund.100/82, Bureau of Sanitation		Fund.100/82, Bureau of Sanitation	
	001010, Salaries General (SCMO)	\$ 928,563.00	001100, Hiring Hall Salaries (SCMO)	\$ 672,977.00
Watershed Automated Monitoring Station Repairs	Fund.100/82, Bureau of Sanitation		001120, Benefits Hiring Hall (SCMO)	\$ 255,586.00
	001010, Salaries General (SPA)	\$ 23,253.00	Subtotal \$	928,563.00
	001120, Benefits Hiring Hall (SPA)		Subtotal \$	23,253.00
RecyclA Overtime and Expenses	Fund.100/82, Bureau of Sanitation		Fund.100/82, Bureau of Sanitation	
	001010, Salaries General (CRTF)	\$ 80,000.00	001090, Overtime General (SPA)	\$ 20,000.00
	001010, Salaries General (CRTF)		003040, Contractual Services (CRTF)	\$ 60,000.00
CARE/CARE+ Overtime	Fund.100/82, Bureau of Sanitation		Subtotal \$	80,000.00
	001010, Salaries General (GF)	\$ 300,000.00	Subtotal \$	300,000.00
	001010, Salaries General (GF)			
Public Works-Street Services Hiring Hall Salaries and Benefits	Fund.100/86, Bureau of Street Services		Fund.100/86, Bureau of Street Services	
	001010, Salaries General (206)	\$ 600,000.00	001100, Hiring Hall Salaries (206)	\$ 400,000.00
	001010, Salaries General (206)		001120, Benefits Hiring Hall (206)	\$ 200,000.00
Tree Planting	Fund.100/86, Bureau of Street Services		Subtotal \$	600,000.00
	003040, Contractual Services	\$ 650,000.00	Subtotal \$	650,000.00
	003040, Contractual Services			
Transportation Measure M As-Needed Salaries Measure R As-Needed Salaries Permit Parking Program As-Needed Salaries Proposition A As-Needed Salaries Proposition C As-Needed Salaries Proposition C Hiring Hall Salaries	Fund.100/94, Transportation (Fund.59C/94)		Fund.100/94, Transportation (Fund.59C/94)	
	001010, Salaries General (Fund.59C/94)	\$ 750,000.00	001070, Salaries, As-Needed (Fund.59C/94)	\$ 750,000.00
	001010, Salaries General (Fund.51Q/94)	\$ 500,000.00	001070, Salaries, As-Needed (Fund.51Q/94)	\$ 500,000.00
	001010, Salaries General (Fund.49C/94)	\$ 500,000.00	001070, Salaries, As-Needed (Fund.49C/94)	\$ 500,000.00
	001010, Salaries General (Fund.385/94)	\$ 500,000.00	001070, Salaries, As-Needed (Fund.385/94)	\$ 500,000.00
	001010, Salaries General (Fund.540/94)	\$ 750,000.00	001070, Salaries, As-Needed (Fund.540/94)	\$ 750,000.00
	001010, Salaries General (Fund.540/94)	\$ 100,000.00	001100, Hiring Hall Salaries (Fund.540/94)	\$ 100,000.00
	Subtotal \$	3,100,000.00	Subtotal \$	3,100,000.00
	Fund.100/94, Transportation		Fund.100/94, Transportation	
	001010, Salaries General	\$ 55,000.00	002130, Travel	\$ 55,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 21,149,576.19		\$ 21,149,576.19

ATTACHMENT 7

**FY 2021-22 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT		FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Clerk 2021-22 BID Trash Can Liners		Eund.669/14, BID Trust Fund 140301, BID General	\$ 150,000.00	Eund.100/74, Board of Public Works 006020, Operating Supplies	\$ 150,000.00
2020-21 BID Trash Can Liners		Eund.669/14, BID Trust Fund 14T174, Board of Public Works	\$ 150,000.00	Eund.100/74, Board of Public Works 006020, Operating Supplies	\$ 150,000.00
Civil, Human Rights, and Equity Reimbursement of Salary Costs		Eund.100/15, Civil, Human Rights, and Equity 001010, Salaries General	\$ 17,115.47	Eund.100/39, Finance 001010, Salaries General	\$ 17,115.47
Community Investment for Families Office of Traffic Safety Grant/lease costs		Eund.100/21, Community Investment for Families (45C, 21V121) 001010, Salaries General	\$ 25,216.00	Eund.100/43, Los Angeles Housing (45C, 21V143) 006030, Leasing	\$ 25,216.00
Council Council District 7		Eund.53P/28, State AB 1290 281207, CD 7 Redevelopment Projects	\$ 332,994.00	Eund.100/74, Board of Public Works 003040, Contractual Services	\$ 332,994.00
Council District 9		Eund.53P/28, State AB 1290 281209, CD 9 Redevelopment Projects	\$ 150,000.00	Eund.100/28, Council (Council District 9) 001070, Salaries, As-Needed	\$ 150,000.00
Council District 9		Eund.100/56, General City Purposes 000709, Community Services Council District 9 (CD9)	\$ 100,000.00	Eund.100/28, Council (Council District 9) 001070, Salaries, As-Needed	\$ 100,000.00
Council District 10		Eund.53P/28, State AB 1290 281210, CD 10 Redevelopment Projects-Services	\$ 270,000.00	Eund.100/28, Council (Council District 10) 001070, Salaries, As-Needed 006010, Office and Administrative	\$ 250,000.00 \$ 20,000.00 Subtotal \$ 270,000.00
Council District 14		Eund.53P/28, State AB 1290 281214, CD 14 Redevelopment Projects	\$ 400,000.00	Eund.100/28, Council (Council District 14) 001070, Salaries, As-Needed	\$ 400,000.00
Council District 15		Eund.100/56, General City Purposes 000459, Reimagining Public Safety - CD 15	\$ 1,285,663.06	Eund.100/70, Police 001092, Overtime Sworn	\$ 1,285,663.06
General Services Construction Forces		Eund.100/40, General Services 001010, Salaries General	\$ 135,100.00	Eund.706/40, Printing Revolving Fund 401010, Salaries General	\$ 135,100.00
Housing Construction Services Software Renewals		Eund.240/43, Housing Production Revolving Fund 43P143, Housing Department	\$ 100,000.00	Eund.100/43, Housing Department (240/43, 43V143) 006010, Office and Administrative	\$ 100,000.00
Construction Services Overtime Affordable Housing Pipeline		Eund.240/43, Housing Production Revolving Fund 43P143, Housing Department	\$ 35,000.00	Eund.100/43, Housing Department (240/43, 43V143) 001090, Overtime General	\$ 35,000.00
Technical Services Contract C.F. 20-1433 to support PY47 Contracts		Eund.55J/43, Low and Moderate Income Housing Fund 43R143, Housing Department	\$ 105,000.00	Eund.55J/43, Low and Moderate Income Housing Fund 43V722, Technical Contracts	\$ 105,000.00
2021-22 Credit Card Merchant Fees		Eund.240/43, Rent Stabilization Trust Fund 43T143, Housing	\$ 110,000.00	Eund.100/39, Office of Finance (43V139) 004040, Bank Services (440/43) 004040, Bank Services (815/43) 004040, Bank Services (41M/43)	\$ 110,000.00 \$ 45,000.00 \$ 200,000.00 Subtotal \$ 355,000.00
		Eund.41M/43, Systematic Code Enforcement Fee Fund 43T143, Housing	\$ 200,000.00 Subtotal \$ 355,000.00		
GSD Construction Services on LAHD Properties (C.F. 19-1318)		Eund.53T/43, Neighborhood Stabilization Program 3 43T909, NSP CRALA Parcel	\$ 251,000.00	Eund.100/40, General Services (53T, 43V140) 001014, Salaries, Construction Project 003180, Construction Materials	\$ 190,000.00 \$ 61,000.00 Subtotal \$ 251,000.00
LAPD Reinvestment of Funds for Disadvantaged Communities		Eund.100/43, Housing Department 003040, Contractual Services	\$ 400,000.00	Eund.100/21, Community Investment for Families 003040, Contractual Services	\$ 400,000.00

ATTACHMENT 7

**FY 2021-22 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Information Technology Agency Oracle Software Maintenance	Fund_100/32, Information Technology Agency 003040, Contractual Services	\$ 90,245.00	Fund_508/50, Solid Waste Resources Revenue Fund RSC 508/50, Reimbursement from Other Funds	\$ 90,245.00	
	Fund_100/32, Information Technology Agency 009350, Communication Services	\$ 2,983,733.00	Fund_100/40, General Services 001014, Construction Salaries 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 3,121,568.00 \$ 735,212.00 \$ 266,375.00 \$ 1,669,586.00	
			Subtotal \$ 2,983,733.00		
Library Alteration and Improvement Projects	Fund_300/44, Library Fund 002120, Printing and Binding 003040, Contractual Services	\$ 55,500.00 \$ 772,523.00	Fund_100/40, General Services 001014, Salaries, Construction Projects 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 295,028.00 \$ 221,305.00 \$ 54,000.00 \$ 257,690.00	
			Subtotal \$ 828,023.00		
				Subtotal \$ 828,023.00	
Mayor Public Safety Grant	Fund_631/46, 2019 Proposition 47, Cohort 2 Grant 46T946, Grant Management & Administration	\$ 456,039.86	Fund_100/46, Mayor (46V/46) 001020, Salaries, Grant Reimbursed	\$ 322,815.40	
Public Safety Grant	Fund_62M/46, FY2018 Justice Assistance Grant 46T299, Reimbursement of General Fund	\$ 73,425.00	Fund_100/46, Mayor (46V/299) RSRC 5346 Related Cost Reimbursement from Grants	\$ 131,224.46	
Public Safety Grant	Fund_62B/46, FY2019 Justice Assistance Grant 46T299, Reimbursement of General Fund	\$ 77,904.45	Fund_63M/46, 2019 Proposition 47, Cohort 2 Grant 46T304, Contractual Services	\$ 2,000.00 \$ 456,039.86	
Homeland Security Grant	Fund_63E/46, EY2020 Legislative Pre-Disaster Mitigation Grant 46T299, Reimbursement of General Fund	\$ 6,589.95	Fund_100/46, Mayor (V/299) RSRC 5346, Related Cost Reimbursement from Grants	\$ 73,425.00	
Homeland Security Grant	Fund_64K/46, State Homeland Security Program, 2019 46T138, Fire 46T170, Police	\$ 483,019.00 \$ 100,000.00	Fund_100/46, Mayor (V/299) RSRC 5346, Related Cost Reimbursement from Grants	\$ 77,904.45	
			Subtotal \$ 583,019.00		
Public Safety Grant	Fund_59M/46, EY16 OVAW Disabilities Grant 46N213, Travel 46N246, Salaries Reserve 46N601, Operating Expense 46S299, Reimbursement of General Fund 46V146, Mayor (001020)	\$ 925.37 \$ 988.75 \$ 2,099.63 \$ 25,155.97 \$ 16,480.64	Fund_100/46, Mayor (46T/299) RSRC 5331, Reimbursement of Related Cost - Prior Year Fund_100/46, Mayor (46V/299) RSRC 5346, Related Cost Reimbursement from Grants Fund_100/65, Disability (46V/965, 003040) RSRC 5188, Miscellaneous Revenue - Other	\$ 15,312.47 \$ 3,167.89 \$ 27,140.00 \$ 45,620.36	
			Subtotal \$ 45,620.36		
Public Safety Grant	Fund_62T/46, EY2018-19 California Violence Prevention Intervention Grant 46T299, Reimbursement of General Fund	\$ 27,853.64	Fund_100/46, Mayor (46V/299) RSRC 5346, Related Cost Reimbursement from Grants	\$ 27,853.64	
Public Safety Grant	Fund_63H/46, 2018-2020 Title II Grant 46T299, Reimbursement of General Fund	\$ 35,814.40	Fund_100/46, Mayor (46V/299) RSRC 5346, Related Cost Reimbursement from Grants	\$ 35,814.40	

ATTACHMENT 7

**FY 2021-22 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Mayor (Continued) <i>Public Safety Grant</i>	Fund 62R/46, 2019-2022 CalTrans New Roads to Second Chances Grant		Fund 100/46, Mayor (46/299)	
	46S299, Reimbursement of General Fund	\$ 52,045.00	RSRC 5346, Related Cost Reimbursement from Grants	\$ 52,045.00
	46S246, Salaries Reserve	\$ 197,311.00	Fund 100/46, Mayor (46/746)	
	Subtotal	\$ 249,356.00	001020, Salaries, Grant Reimbursed	\$ 97,311.00
Police <i>Harbor Jail Telehealth Portal Pilot</i>	Fund 100/70, Police		Fund 62R/46, 2019-2022 CalTrans New Roads to Second Chances Grant	
	006010, Office and Administrative	\$ 250,000.00	46V946, Grant Management and Administration	Subtotal \$ 100,000.00
				\$ 249,356.00
	Subtotal	\$ 250,000.00		
Operating Equipment for Police Evidence and CATS Warehouse	Fund 100/54, Capital and Technology Improvement Expenditure Program		Fund 100/66, Personnel	
	00V796, Operating Equipment for Police Evidence and CATS Warehouse	\$ 1,000,000.00	001070, Salaries, As-Needed	\$ 100,000.00
			006010, Office and Administrative	\$ 150,000.00
	Subtotal	\$ 1,000,000.00	Subtotal	\$ 250,000.00
Police Administration Building Wi-Fi Infrastructure (C.F. 19-1060)	Fund 885/70, Police Department Trust Fund		Fund 100/32, Information Technology Agency	
	70V515, Technology	\$ 322,345.25	009350, Communication Services	\$ 302,250.00
			Fund 100/70, Police	
	Subtotal	\$ 322,345.25	003040, Contractual Services	\$ 100,000.00
Avionics Compatibility	Fund 100/70, Police		006010, Office and Administrative	\$ 197,750.00
	003040, Contractual Services	\$ 1,955,566.00	006020, Operating Supplies	\$ 400,000.00
			Subtotal	\$ 697,750.00
	Subtotal	\$ 1,955,566.00		
Board of Public Works <i>Tree Guarantee Fee Planting Plan (C.F. 16-0467-S1)</i>	Fund 834/50, Public Works Trust Fund		Fund 100/32, Information Technology Agency	
	RSRC 574220, St. Tree Replacement Guarantee (In-lieu) Fee-PW Subsidy	\$ 12,761.33	009350, Communication Services	\$ 322,345.25
	RSRC 574221, St. Tree Replacement Guarantee (In-lieu) Fee-PW No Subsidy	\$ 247,091.35	Fund 100/32, Information Technology Agency	
	RSRC 574222, St. Tree Replacement Guarantee (In-lieu) Fee-Planning No Subsidy	\$ 171,699.60	001090, Overtime General	\$ 216,000.00
50174S, PW-Board Office	\$ 54,341.00	009350, Communication Services	\$ 1,634,771.00	
50174T, PW-Board Office	\$ 216,285.00	Fund 100/40, General Services		
Subtotal	\$ 702,178.28	001090, Overtime General	\$ 85,935.00	
Board of Public Works <i>Tree Guarantee Fee Planting Plan (C.F. 16-0467-S1)</i>	RSRC 574220, St. Tree Replacement Guarantee (In-lieu) Fee-PW Subsidy	\$ 12,761.33	003090, Field Equipment Expense	\$ 18,850.00
	RSRC 574221, St. Tree Replacement Guarantee (In-lieu) Fee-PW No Subsidy	\$ 247,091.35	Subtotal	\$ 1,955,566.00
	RSRC 574222, St. Tree Replacement Guarantee (In-lieu) Fee-Planning No Subsidy	\$ 171,699.60		
	50174S, PW-Board Office	\$ 54,341.00		
50174T, PW-Board Office	\$ 216,285.00	Fund 100/74, Board of Public Works		
Subtotal	\$ 702,178.28	001010, Salaries General	\$ 70,020.68	
Public Works-Sanitation <i>Harbor City Greenway Security</i>	Fund 600/50, Maassura W. - Safe, Clean Water - Municipal Program		003040, Contractual Services	\$ 421,445.60
	50T566, Operation and Maintenance - TMDL Compliance Projects	\$ 424,402.00	Subtotal	\$ 491,466.28
	Subtotal	\$ 424,402.00		
ITA Fiber Service Lease Payment	Fund 760/50, Sewer Operations and Maintenance Fund		Fund 100/40, General Services	
	50VX82, Sanitation Expense and Equipment	\$ 121,493.00	001014, Salaries, Construction Projects	\$ 21,275.00
			001101, Hiring Hall Construction	\$ 26,135.00
	Subtotal	\$ 121,493.00	001121, Benefits Hiring Hall Construction	\$ 14,256.00
Regional Storage Facility Network	Fund 506/50, Solid Waste Resources Revenue Fund		003180, Construction Materials	\$ 362,736.00
	50VX82, Sanitation Expense and Equipment	\$ 66,188.00	Subtotal	\$ 424,402.00
		\$ 187,681.00		
	Subtotal	\$ 253,869.00		
Regional Storage Facility Network	Fund 100/82, Bureau of Sanitation		Fund 100/32, Information Technology Agency	
	006020, Operating Supplies (GF)	\$ 68,570.00	003040, Contractual Services	\$ 146,093.00
			009350, Communication Services	\$ 41,588.00
	Subtotal	\$ 68,570.00	Subtotal	\$ 187,681.00

ATTACHMENT 7

**FY 2021-22 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT		FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works-Street Lighting					
Human Resources and Payroll Project	Fund 347/50, Street Lighting Maintenance Assessment Fund 50S184, PW - Street Lighting	\$ 51,155.00	Fund 100/32, Information Technology Agency RSRC 5188, Miscellaneous Revenue - Others	\$ 51,155.00	
Smart City FUSE Fellow					
	Fund 347/50, Street Lighting Maintenance Assessment Fund 50S184, Street Lighting	\$ 75,000.00	Fund 100/84, Bureau of Street Lighting 003040, Contractual Services	\$ 75,000.00	
Public Works-Street Services					
Reimbursement for Special Events	Fund 642/50, BSS, TRANSACTION FUND RSRC 465800, Special Events-General	\$ 36,419.60	Fund 100/86, Bureau of Street Services RSRC 465800, Special Events-General	\$ 36,419.60	
Transportation					
LADWP Century Trunk Line Project	Fund 840/94, Department of Transportation Trust Fund 94T194, Transportation	\$ 512,021.08	Fund 100/94, Transportation (94V194) 001090, Overtime General	\$ 512,021.08	
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 15,315,000.40		\$ 15,315,000.40	

ATTACHMENT 8

**FY 2021-22 BUDGET ADJUSTMENTS
APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
<u>Fund_100/58, Unappropriated Balance</u>		
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 009301, Outside Counsel	\$ 405,000.00
580274, Mutual Aid Overtime	<u>Fund 100/38, Fire</u> 001012, Overtime Sworn	\$ 3,000,000.00
580313, Police Department Sworn Overtime - Cash Payout	<u>Fund 100/70, Police</u> 001092, Overtime Sworn	\$ 5,000,000.00
580324, Repayment to the U. S. Department of Housing	<u>Fund 424/21, Community Development Trust Fund</u> RSC 5691, ADDL INTERFUND TRANS - GENERAL FD	\$ 258,563.00
580327, Los Angeles County Metropolitan Transportation Authority	<u>Fund 100/70, Police</u> 001010, Salaries General 001012, Salaries Sworn 001090, Overtime General 001092, Overtime Sworn	\$ 1,141,609.00 \$ 6,705,603.00 \$ 658,925.00 \$ 27,468,258.00
580361, Rental Registry Program	<u>Fund 100/43, Housing</u> 003040, Contractual Services	\$ 750,000.00
<u>TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE</u>		<u>\$ 45,387,958.00</u>

ATTACHMENT 9B
Status of the Unappropriated Balance, Reserve for Mid Year Adjustments

2021-22 Budget	\$ 14,943,577.00
First FSR Recommendations	
Transfer Out:	
Transfer to City Attorney - Outside Counsel	(405,000.00)
	Subtotal \$ (405,000.00)
	Subtotal First FSR Recommendations (405,000.00)
Year-end Available	<u>\$ 14,538,577.00</u>

STATUS OF LIABILITY CLAIMS ACCOUNTS

Department/Bureau	Account	Budget		Paid (B)	Available Balance After Paid Amounts (C=A2+B)	Pending Payments (D)	Available Balance Based After Paid and Pending Payments (E=C+D)	Percent of Available Balance to Adjusted Budget ¹
		(A1)	(A2)					
		2021-22 City Budget	2021-22 Adjusted Budget					
Fire	009790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
General Services	009791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Police	009792	\$ -	\$ 3,490,457	\$ (3,490,457)	\$ -	\$ (2,950,000)	\$ (2,950,000)	0%
PW/Engineering	009793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
PW/Sanitation	009794	\$ 7,370,072	\$ 7,370,072	\$ (206,249)	\$ 7,163,823	\$ (927,370)	\$ 6,236,453	85%
PW/Street Services	009795	\$ -	\$ -	\$ -	\$ -	\$ (732,500)	\$ (732,500)	0%
Recreation & Parks	009796	\$ -	\$ -	\$ -	\$ -	\$ (3,000,000)	\$ (3,000,000)	0%
Transportation	009797	\$ -	\$ 4,000,000	\$ (4,000,000)	\$ -	\$ (400,000)	\$ (400,000)	0%
Miscellaneous	009798	\$ 80,000,000	\$ 72,509,544	\$ (2,979,787)	\$ 69,529,757	\$ (819,774)	\$ 68,709,983	95%
TOTALS		\$ 87,370,072	\$ 87,370,072	\$ (10,676,493)	\$ 76,693,580	\$ (8,829,644)	\$ 67,863,936	78%

Note:

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

**ATTACHMENT 11
EMPLOYMENT LEVEL REPORT
FY 2021-22**

Department	2021-22 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of August	Changes	End of August	Start of August	Changes	End of August		
Aging	40	50	-	50	34	-	34	16	-
Animal Services	335	345	-	345	307	3	310	35	1
Building and Safety	911	1,105	-	1,105	894	13	907	198	4
Cannabis	6	37	-	37	29	1	30	7	-
City Administrative Officer	116	126	-	126	108	(1)	107	19	5
City Attorney	889	1,039	-	1,039	921	(1)	920	119	17
City Clerk	115	118	-	118	96	-	96	22	-
City Planning	399	476	-	476	383	2	385	91	2
Civil, Human Rights and Equity	1	24	-	24	8	-	8	16	-
Community Investment for Families	35	71	-	71	-	43	43	28	-
Controller	154	173	-	173	133	(1)	132	41	8
Convention Center and Tourism Dev't	12	12	-	12	8	-	8	4	-
Cultural Affairs	67	87	-	87	52	1	53	34	-
Disability	27	29	-	29	24	-	24	5	-
Economic & Workforce Development	88	143	-	143	99	1	100	43	-
El Pueblo	9	10	-	10	6	(1)	5	5	-
Emergency Management	19	27	-	27	17	-	17	10	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	32	32	-	32	30	1	31	1	-
Finance	337	353	-	353	260	(3)	257	96	-
Fire - Civilian	380	405	-	405	344	-	344	61	6
Fire - Sworn	3,424	3,512	-	3,512	3,357	(7)	3,350	162	3
General Services	1,306	1,327	5	1,332	1,098	-	1,098	234	-
Housing	514	744	-	744	632	(44)	588	156	44
Information Technology Agency	395	401	-	401	335	(1)	334	67	2
Neighborhood Empowerment	30	33	-	33	25	(1)	24	9	-
Personnel	466	555	-	555	485	3	488	67	5
Police - Civilian	3,187	3,213	-	3,213	2,704	(5)	2,699	514	-
Police - Sworn	10,557	10,681	-	10,681	9,410	15	9,425	1,256	-
Public Accountability	9	10	-	10	5	-	5	5	1
PW/Board of Public Works	89	111	-	111	94	-	94	17	-
PW/Bureau of Contract Admin	281	369	-	369	306	(1)	305	64	-
PW/Bureau of Engineering	710	868	-	868	709	(4)	705	163	-
PW/Bureau of Sanitation	3,156	3,476	-	3,476	2,779	(4)	2,775	701	2
PW/Bureau of Street Lighting	205	315	-	315	273	(4)	269	46	6
PW/Bureau of Street Services	875	1,434	-	1,434	1,068	(2)	1,066	368	5
Transportation	1,419	1,716	-	1,716	1,350	-	1,350	366	-
Youth Development	1	8	-	8	-	-	-	8	-
Zoo	246	270	-	270	217	1	218	52	3
Subtotal	30,845	33,708	5	33,713	28,603	4	28,607	5,106	114
Library	1,117	1,117	-	1,117	954	(3)	951	166	-
Recreation and Parks	1,398	1,883	-	1,883	1,279	15	1,294	589	269
Subtotal	2,515	3,000	-	3,000	2,233	12	2,245	755	269
Total	33,360	36,708	5	36,713	30,836	16	30,852	5,861	383

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

Monthly Summary	2021-22 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	33,360	36,677	31	36,708	30,875	(39)	30,836	5,872	383
August	33,360	36,708	5	36,713	30,836	16	30,852	5,861	383

Description of 2021-22 Specialized MICLA Fleet/Equipment

Apparatus, 100' Aerial Ladder

The Aerial Ladder apparatus, also known as a tiller truck or hook-and-ladder truck, is a tractor-drawn aerial consisting of a specialized turntable ladder mounted on a semi-trailer truck. Unlike a commercial semi, the trailer and tractor are permanently combined. It has two drivers with separate steering wheels for tractor and trailer for enhanced maneuverability. The independent steering of the front and back wheels allow the tiller to make much sharper turns which is particularly effective on narrow streets. The key functions of a turntable ladder include allowing access or egress of firefighters and fire victims at elevated heights, providing a high-level water point for defensive firefighting operations, and providing a platform from which tasks such as ventilation or litter basket operations can be executed.

Apparatus, Triple Combination

The term Triple Combination refers to an apparatus that carries hose, water, and has a fire pump. Most Fire Engines have a 500 gallon tank. The primary purposes of a "Fire Engine" include transporting firefighters to an incident scene, providing water with which to fight a fire (Ability to pump up to 600 psi) and carrying hose, nozzles, fittings and other equipment needed by the Fire Company. A typical modern apparatus will carry tools for a wide range of firefighting and rescue tasks, with common equipment including ladders, self-contained breathing apparatus, first aid and advanced life support equipment.

Ambulance

A rescue ambulance is a vehicle used for transportation of sick or injured patients to receiving hospitals, and in some instances will also provide out of hospital medical care. Rescue ambulances are classified by either Basic Life Support (BLS) or ALS (Advanced Life Support). The LAFD Ambulances consist of a Dodge 4500 cab and chassis with a custom work station and patient area.

Emergency Command Vehicle

The LAFD Command Vehicle is staffed by a Chief Officer and an Emergency Incident Technician. The primary purpose of this "Command Team" is for managing escalating emergency incidents. This vehicle consists of one ton 4x4 crew cab platform with a custom work station built on the chassis. The advancement of technology and potential for very large-scale incidents is a fundamental advantage of such an apparatus to accommodate the many different types of communication equipment needed at major incidents. This command unit can essentially be used for mapping and planning firefighting operations and directing crews as they arrive to an incident.

Brush Patrol

The brush patrol vehicle serves multiple functions as both an initial attack vehicle and a post fire patrol/support vehicle. It is typically a four-wheel drive diesel very similar in size to a one-ton pickup truck but with many features that a pickup truck does not have. The brush patrol is smaller and more nimble than a Type I fire engine and can perform some of those functions such as would be needed for fire suppression. A brush patrol carries anywhere from 250-350 gallons of water (depending on specification requirement), a self-contained fire pump, firefighting hose and tools, personnel, EMS equipment, brush packs, etc. Due to its smaller platform and versatility, the brush patrol is ideal as a fast response vehicle (FRV) for incident and EMS response.

EMS Battalion Command Vehicle

The LAFD EMS (Emergency Medical Services) Battalion Command Vehicle is staffed by an EMS Captain. The primary purpose of this vehicle is to manage and assist Rescue Ambulances on emergency calls and to assist Battalion Commanders during large incidents. Platforms for this vehicle include the Chevy Tahoe/Suburban or a 3/4 ton 4x2 crew cab with a topper for a secure area to store and replenish medical supplies and equipment needed for the Rescue Ambulances.

Fuel Tender

A fuel tender provides logistical support for diesel powered heavy equipment. It serves as a mobile fueling station for the Wildland Fuel Management Unit and Air Operations to support both emergency and non-emergency operations. This capability greatly improves the turn-around time of refueling large vehicles in both on and off road conditions such as bulldozers and air operations equipment. The fuel tender is equipped with a heavy duty engine and transmission to support a 2,000 gallon fuel tank and fuel pumping capabilities.

Helicopter Auxiliary Power Unit (APU)

An APU, also known as a Ground Power Unit, supplies supplemental voltage and amperage to helicopters equipped with turbine engines to boost engine starting sequences. This helps maximize air flow through the turbine components prior to fuel ignition and prevents heat damage to the engines (i.e., "hot starting"). The APU also powers the aircraft's avionics systems during maintenance and ground training.

Arson Utility Vehicle

Arson Investigation Vehicles are used to carry all investigative equipment, store and forward all physical evidence, and preserve the "chain of custody" while maintaining compliance with NFPA (National Fire Prevention Association) 921 standards during evidence collection and processing procedures. This vehicle is on a Suburban or Tahoe platform in order to have four doors and a rear hatch for access to all equipment and to properly secure evidence.

Crew 3 Vehicle

The Crew Carrier is a diesel-powered vehicle build for off-road use that can transport up to 15 members through wildland terrain. It is often used for brush fire incidents and wildland fuel management. This vehicle is designed to isolate passengers from sharp and dangerous tools and equipment fuel carried on board through the provision of an external lockable compartment build into the vehicle. The vehicle's GVWR is 35,000 pounds on a large truck chassis.