

BUDGET AND FINANCE COMMITTEE REPORT relative to the First Financial Status Report (FSR) for Fiscal Year 2021-22.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the recommendations of the City Administrative Officer (CAO) as detailed in the First FSR for Fiscal Year 2021-22, dated October 21, 2021, attached to the Council file as amended to incorporate the changes and additions as detailed in Recommendation Nos. 2-4 below.
2. AUTHORIZE the appropriation and transfer of \$212,353.75 from the Public Works Trust Fund (Fund No. 834/50, RSC 5742-02) to the Ventura/Cahuenga Corridor Plan Fund (Fund No. 523/94, Appropriation Account No. 94TM14) for Street Improvement work in Council District 3 related to the "Reimagine Ventura Boulevard" Street Improvement Project."
3. INSTRUCT the Department of Cultural Affairs to report to the relevant policy committee on the "Youth and Creative Workers Mural" and the "We Create LA" programs including likely expenses and program implementation elements.
4. ADD position authority at the Office of Petroleum and Natural Gas Administrator for one Environmental Supervisor II, one Environmental Specialist III and one Management Analyst to support ongoing oil and gas regulatory work at the Board of Public Works, as well as 6 months funding for those positions from the "Amortization Study of Oil Sites" line item in the Unappropriated Balance.

Fiscal Impact Statement: The CAO reports 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 in the First Financial Status Report. Transfers, appropriates, and other budgetary adjustments totaling approximately \$93.67 million are recommended in Sections 1 and 2 of the said CAO report.

Financial Policies Statement: The CAO reports that the recommendations in the report comply with the City's Financial Policies as the recommended transactions use current revenues and balances to pay for current operations.

Debt Impact Statement: The CAO reports that 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.

Community Impact Statement: None submitted

SUMMARY

At its regular meeting held on October 25, 2021, the Budget and Finance Committee considered a CAO report relative to the First FSR for Fiscal Year 2021-22.

The CAO provided the Committee with an overview of the FSR. The Los Angeles Fire Department, Personnel Department, and CAO answered questions posed by the Committee members. After an opportunity for public comment was held, the Committee moved to approve the CAO recommendations as amended in Committee to include recommendations numbers two through four, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

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

AS 10/25/21
COUNCIL FILE NO. 21-0600-S107

-NOT OFFICIAL UNTIL COUNCIL ACTS-