


REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: ALL

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: **THIRD (MID-YEAR) FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the Third (Mid-Year) Financial Status Report (FSR) for Fiscal Year 2021-22. This report provides an update on the current-year budget including projected departmental and non-departmental expenditures, the status of the Reserve Fund, updates on the American Rescue Plan Act (ARPA) and the Treasury guidelines on eligible uses, 2021-22 revenue trends, and a discussion on issues of concern which may impact the City's finances.

Halfway through our third fiscal year impacted by the COVID-19 pandemic, the City continues to regain its financial footing, although with diminished flexibility. In our prior two FSRs, we identified healthy General Fund reserves that we stated could be tapped to address several known risks related to unbudgeted spending obligations. The recommendations in this report, and in other reports currently pending before Council, draw down on the Reserve Fund to cover unbudgeted expenditures. Nonetheless, even as some unfunded liabilities are addressed, there continue to be additional spending risks that we cannot quantify or resolve at this time, which may require the use of the Reserve Fund this fiscal year. These proposed, pending, and potential Reserve Fund uses will reduce our ability to address unanticipated fiscal challenges during 2021-22 and complicate efforts to maintain the elevated service levels that the City funded in 2021-22 in 2022-23.

Revenues through the first half of the fiscal year are \$14.2 million below plan, which is largely driven by below plan receipts for property tax, business tax, parking fines, and grant receipts. In addition, there are downside risks to property and business tax revenues due to the lagging economic impacts from the pandemic, and a projected shortfall in grant receipts anticipated by year end.

We have identified \$80.28 million in expenditures above plan in the current year and \$0.75 million in additional General Fund appropriations that are required to supplement special fund revenue shortfalls for total overspending of \$81.03 million. The largest over-expenditures are attributed to sworn staffing costs, including overtime for the Police Department and a fourth recruit class for the Fire Department. Other significant over-expenditures are related to increased costs due to the

delayed implementation of the Human Resources and Payroll (HRP) Project, increased maintenance costs of City equipment, and ongoing COVID-19 response operations. In addition, several departments, report increased costs from inflationary pressures on fuel, materials, and other commodity prices. However, as our financial analysis is through December 31, 2021, we did not take into account the recent increase in consumer prices related to the conflict in Ukraine and the associated economic sanctions. We will have to monitor these pressures for the remainder of the year as well as other issues of concerns previously raised. In this report, we update or identify new issues of concern that may impact the City's budget this year, some of which could exacerbate the City's overspending. These include costs associated with major special events, COVID-19 vaccination and reporting requirements, employee union negotiations, the HRP Project, and outside counsel.

While the risk of additional overspending remains, the majority of departments and accounts are not facing significant issues. 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. Most departments reported finishing the year within budget or with year-end surpluses that we attribute to salary savings and challenges in filling vacancies.

This report recommends \$13.77 million in solutions to partially address the projected overspending and identifies \$30.96 million in potential future actions. In this FSR, we prioritized transfers from the Unappropriated Balance to address overspending related to urgent operational needs, and for issues where final costs are currently known and we do not anticipate the potential reduction of currently identified overspending in the future. These actions will reduce the projected year-end overspending to \$36.3 million. This is a decrease of \$1.16 million from the \$37.46 million in unresolved year-end overspending that we projected in the Second FSR.

The recommendations in this report and other reports pending before Council will exhaust the Unappropriated Balance, Reserve for Mid-Year Adjustments account. Therefore, while this increased overspending continues to be manageable, we anticipate that it will require future appropriations from the Reserve Fund. To protect the Reserve Fund, departments must work to resolve or offset any over-expenditures with existing appropriations or special fund sources.

The Reserve Fund balance is \$487.13 million or 6.49 percent of 2021-22 General Fund revenue, after accounting for transactions approved since July 1 and the recommendations in this report. While this balance remains above the five percent Reserve Fund policy, the Reserve Fund balance has decreased \$118.82 million since the Second FSR, which continues a concerning trend of transfers from the Reserve Fund in 2021-22 required to support critical City programs. In addition to the transfers recommended in this report, two reports pending Council consideration include recommendations from this Office for a \$12.47 million Reserve Fund loan to front-fund the extension of the City's Project RoomKey Program (C.F. 20-0841-S21) and a \$14.26 million transfer to fund the increased costs for the delayed implementation of the Human Resources Payroll (HRP) Project (C.F. 20-0313-S4). If these actions are approved, the Reserve Fund balance would be reduced to \$460.4 million or 6.14 percent of the General Fund budget. We continue to recommend that the City take a cautious approach to using the Reserve Fund and refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations at this time.

The reduced Reserve Fund balance that we report in this FSR may be required to address the unresolved overspending that we project in this FSR, any compensation adjustments agreed to through the reopened employee negotiations, and proposed affordable housing projects. Further, the Mayor and City Council may be required to use the Reserve Fund if it seeks to continue programs paid for with one-time funding in 2021-22 in next year's budget.

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 (SLFRF). The intent of these funds is to provide support to state, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The Treasury released the “final rule” which takes effect on April 1, 2022 that provided additional guidance and flexibility on the eligible uses of the funding. The final rule provides additional clarity and flexibility for recipient governments, including:

- Expanding the list of uses including clarifying that recipients can use funds for certain capital expenditures to respond to public health and economic impacts and making services like childcare, early education, addressing learning loss, and affordable housing development available to all communities impacted by the pandemic.
- Expanding support for public sector hiring and capacity.
- Streamlining options to provide premium pay for essential workers
- Broadening eligible water, sewer, and broadband infrastructure projects.
- Simplifying the program for small localities, including an option to elect a standard allowance for revenue loss rather than calculating revenue loss through the full formula.

These changes do not negatively impact the approach that the City has taken to use these funds and this Office does not recommend changing that approach at this time. We will continue to monitor and review the Treasury's guidance and rules as they become available and will report to the Mayor and City Council in the event that updated regulations cause us to change any recommendations related to the City's use of these funds.

The SLFRF provided the City with approximately \$1.28 billion in recovery funds. On May 18, 2021, the City received the first tranche of SLFRF totaling \$639,450,464. The City moved first tranche of SLFRF funding into the General Fund revenue, which allowed the City to balance the 2020-21 General Fund budget without drawing on reserves or deficit borrowing. The 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. We will report on the status of this

funding in future FSRs. 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 two reports on August 31, 2021, the 2021 Interim Report and the 2021 Recovery Plan. 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. This Office also submitted the first Project and Expenditure Report that was due to Treasury on January 31, 2022 which covered spending of approximately \$330 million through December 31, 2021. We will provide additional information in a future report.

General Fund Revenue

Attachment 1 – 2021-22 Adopted General Fund Revenue

Key Findings/Recommendations

- *2021-22 revenue through December 2021 is \$2.53 billion, \$14.2 million below the adopted plan of \$2.52 billion, with higher-than-anticipated receipts from the documentary transfer tax and pandemic-impacted sales, hotel and parking taxes, offset by lower parking citation receipts and delayed Federal Emergency Management Agency (FEMA) reimbursements. Receipts for the first six months of the fiscal year represent 33.5 percent of the General Fund revenue budget.*
- *December receipts-to-date are 9.3 percent above General Fund receipts from this time last year and 3.0 percent above pre-pandemic receipts in 2019 20. While economically sensitive receipts are higher than previous years, total receipts remain below the revenue trends that preceded the pandemic.*

2021-22 Adopted Revenue

To date, revenue through December is \$2.53 billion, representing 33.5 percent of total adopted 2021 22 General Fund revenue. Excluding a surplus in interest owed to special funds (\$2.6 million), City receipts are \$14.2 million below planned receipts. This shortfall includes the delayed receipt of \$73.8 million in anticipated FEMA reimbursements, \$10.0 million in lower parking citation receipts, and the lagging impact of the pandemic on business and property taxes (\$5.9 million and \$3.7 million, respectively). The shortfall is partially offset by the recovery in pandemic-impacted transient occupancy, sales, and parking occupancy taxes (\$25.2 million, \$11.7 million, and \$8.2 million, respectively), continued growth in documentary transfer taxes (\$30.0 million), and \$1.5 million in other receipts.

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

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

	Adopted 2021-22 Budget	Plan through December	Receipts through December	Receipts as Percent of Budget	Variance of Receipts from Plan
Property Tax	\$2,400,250	\$790,655	\$786,932	32.8%	(\$3,723)
Property Tax Ex-CRA Inc.	111,990	-	-	0.0%	-
Utility Users' Tax	605,050	307,240	309,210	51.1%	1,970
Department receipts	1,244,790	466,848	469,005	37.7%	2,156
Business Tax	716,600	113,075	107,212	15.0%	(5,863)
Sales Tax	606,610	323,412	335,100	55.2%	11,688
Documentary Transfer Tax	227,005	119,355	149,357	65.8%	30,002
Power Revenue Transfer	225,819	-	-	0.0%	-
Transient Occupancy Tax	183,300	83,195	108,379	59.1%	25,184
Parking Fines	123,621	62,280	52,220	42.2%	(10,060)
Parking Occupancy Tax	99,337	39,563	47,769	48.1%	8,206
Franchise Income	94,657	43,815	41,761	44.1%	(2,053)
State Motor Vehicle License Fees	2,942	-	-	0.0%	-
Grant Receipts	91,343	78,189	3,929	4.3%	(74,260)
Tobacco Settlement	11,489	0	0	0.0%	-
Residential Development Tax	4,800	2,400	2,275	47.4%	(125)
Special Parking Revenue Transfer	8,477	-	-	0.0%	-
American Rescue Plan Transfer	639,450	-	-	0.0%	-
Reserve Fund Transfer	85,090	85,090	85,090	100.0%	-
Interest Income	20,603	15,894	18,537	90.0%	2,643
Total General Fund	\$7,503,223	\$2,531,011	\$2,516,776	33.5%	(\$14,235)

Property Taxes: As reported in the First FSR, the County Assessor's forecasted growth for City receipts is 4.0 percent compared to 5.9 percent assumed in the 2021-22 Adopted Budget. Property tax receipts through December are \$3.7 million behind plan, with the first secured remittance for the new property tax period \$12.5 million below the adopted estimate. This shortfall, as well as lower supplemental receipts and reduced miscellaneous taxes on aircraft, are offset by lower-than-assumed refunds, higher unsecured receipts, and secured receipts and redemptions from prior-year tax periods. The current estimate for downside risk to City property tax receipts is between \$28 million and \$52 million.

Utility Users Tax: The net \$1.9 million surplus in receipts through December is based on recorded LATax receipts. This surplus is comprised of a \$9.1 million shortfall in electric users tax (EUT), which is offset by surpluses in communication users tax (CUT) and gas users tax receipts (\$5.7 million and \$5.3 million, respectively), which keep total utility users tax receipts near plan.

Department Receipts: Departmental receipts through December total \$469.0 million, which is \$2.2 million above plan. The General Fund received related costs reimbursements (\$19.2 million) and Fire emergency ambulance services reimbursements (\$8.5 million) earlier than planned. These receipts were offset by lower than anticipated collections for services to proprietary departments (\$17.2 million), Los Angeles Metro (Metro) reimbursements (\$7.3 million), and various fees (\$0.9 million).

Business Tax: Business tax receipts through December are \$5.9 million below plan, with \$7.6 million in surplus receipts from non-cannabis activity partially offsetting a \$13.4 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 noted in the First FSR, 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 posing a potential downside risk to revenue.

Sales Tax: Sales tax is \$11.7 million above planned receipts through December, after adjusting for the earlier-than-anticipated receipt of deferred 2020-21 tax remittances and a quicker rebound in taxable sales activity.

Documentary Transfer Tax: Receipts through December are \$30.0 million above plan with both sales activity and prices (as based on the number of deeds recorded and the revenue per deed) following four consecutive months of high year-over-year growth. When these components grow (or decline) together, there are significant variances from plan. While receipts reflect slowing growth in both components, receipts are expected to remain positive through year end.

Power Revenue Transfer: The actual transfer amount of \$225.0 million, as approved by the DWP Board, is \$819,000 below the 2021-22 Adopted Budget and is based on the audit of 2020-21 Power Revenue Fund financial data.

Transient Occupancy Tax (TOT): Monthly receipts through December are \$25.2 million above plan, with \$24.6 million attributed to the quicker than assumed rebound in hotel activity, rather than short-term rentals.

Parking Fines: Current year receipts through December are \$10.5 million below plan, which is partly attributed to the loss of traffic officers under the Separation Incentive Program (SIP).

Parking Occupancy Tax: Receipts for parking occupancy tax through December are \$8.2 million above plan and though monthly revenue is variable, the surplus is likely attributable to improving economic activity.

Franchise Income: The current \$2.1 million net shortfall in total franchise receipts through December is primarily attributed to the delayed implementation of an ordinance that would redirect 2 percent (\$6.3 million through December) in cable television franchise income back to the General Fund. Once the ordinance is implemented, this revenue can be recorded. Higher receipts from natural gas (\$2.0 million) and solid waste (\$2.2 million) franchise revenue offset this shortfall.

Grant Receipts: Receipts from grant revenue through December are \$3.4 million, which is approximately \$74.3 million below plan (\$73.8 million for disaster grant and \$0.5 million for departmental grant revenue). This is primarily attributed to a delay in anticipated reimbursements from FEMA for testing, hospital surge costs, Project Roomkey, food purchase and distribution, and Emergency Operations Center/Department Operations Center pandemic response activities. The reimbursements for testing and hospital surge activities are not anticipated to be received by year end, with \$47.9 million in receipts delayed to 2022-23. Increased reimbursements for food purchase and distribution, as well as reimbursements for other events, are anticipated to partially offset the year-end disaster grant shortfall. Additionally, a \$5.1 million shortfall is anticipated for other budgeted grant receipts.

Expenditures

Key Findings/Recommendations

- *This Office has identified approximately \$81.03 million in projected overspending and unfunded items across various departments and funds. Of this amount, \$0.75 million is due to additional General Fund appropriations required to supplement special fund revenue shortfalls.*
- *The recommendations in this FSR address \$13.77 million of this overspending leaving \$67.26 million to be addressed. This Office has identified anticipated future actions that would offset an additional \$30.96 million, reducing year-end overspending to \$36.3 million.*

Based on expenditure data through the end of December 2021, this Office has identified \$81.03 million in projected overspending and unfunded items across various departments and funds. This amount is largely attributed to over-expenditures in the Fire (\$17.95 million), General Services (\$11.44 million), and Police (\$31.7 million) departments, and costs associated with delayed implementation of the Human Resources and Payroll (HRP) Project (\$14.26 million). 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 \$31.7 million in the Police Department primarily attributed to sworn staffing in support of Super Bowl LVI and the Los Angeles Rams victory parade, the use of overtime to backfill sworn staffing shortages, and the deployment of a Violent Crime Task Force to reduce Citywide crime.
- Projected overspending of \$17.95 million in the Fire Department primarily attributed to the addition of a fourth recruit academy class, increased maintenance costs, and support for COVID-19 operations.

- Projected overspending totaling \$5.5 million in various departments for unbudgeted communication services projects, delayed reimbursement of off-budget projects front-funded by departments, increased fuel and commodity costs, deferral of 2020-21 excess sick leave payouts, costs for supporting the Disaster Service Workers Program, and litigation and outside counsel costs.
- Increased project costs of \$14.26 million attributed to delays in the implementation of the Human Resources and Payroll (HRP) Project, of which \$4.2 million is reflected in the Information Technology Agency's overspending amount.

(See Table 2 on next page)

Table 2. Mid-Year FSR Projected Overspending/Unfunded Expenditures (in Millions)				
Departmental and Non-Departmental Overspending				
Department	Second FSR	Change	Mid-Year FSR	Reason
Animal Services	\$ 0.28	\$ 0.42	\$ 0.70	Overspending increase due to overtime, anticipated hiring and retirement payouts.
City Attorney	0.18	0.44	0.62	Overspending increase due to the replacement of the Criminal Case Management System, and increased outside counsel and litigation costs.
City Clerk	0.19	(0.09)	0.10	Reduction due to delays in hiring. Overspending primarily due to CD 11 recall petition.
City Planning	1.58	(1.58)	-	The Second FSR fully addressed overspending from technical difficulties using prior year contract encumbrances.
Fire	15.80	2.15	17.95	Overspending increase primarily due to sworn overtime and variable overtime.
General Services	6.00	5.44	11.44	Overspending increase primarily due to petroleum price increases, and Contractual Services and Utilities accounts.
Housing	0.34	0.08	0.42	Overspending increase due to projected lease costs for the Proposition HHH and Disaster Service Worker programs.
Information Technology Agency	2.28	0.08	2.36	Overspending increase due to use of hiring hall staff to support communication services work.
Police	12.03	19.67	31.70	Overspending increase due to sworn staffing for Superbowl LVI and the LA Rams victory parade, the use of overtime to backfill sworn staffing shortages, and the Violent Crime Task Force.
Bureau of Street Services	-	1.30	1.30	New overspending attributed to overtime and contract costs for off-budget work which have not yet been reimbursed.
Non-Departmental				
COVID-19 Vaccination and Reporting	3.00	(3.00)	-	The Second FSR fully addressed overspending related to COVID-19 vaccination and reporting.
General City Purposes	0.40	1.39	1.79	Overspending increase primarily attributed to use of current year funds for prior year costs associated with the LA's Best program.
Human Resources and Payroll Project	8.50	3.40	11.90	Overspending increase related to the delayed implementation of the HRP Project. Total overspending of \$14.26 million is not reflected here as we include the ITA portion of the overspending in the item above.
Subtotal - Overspending	\$ 50.58	\$ 29.70	\$ 80.28	
Special Fund Imbalances Requiring Potential General Fund Subsidy				
Animal Sterilization Trust Fund	\$ (1.00)	\$ 1.00	\$ -	Reduction due to \$0.34 million transfer in the Second FSR, the recalculation of GF budget appropriation, and increased revenue.
El Pueblo	(0.49)	(0.26)	(0.75)	Increased revenue shortfall due to unpaid merchant rents and updated tenant vacancy projections.
Zoo	(10.41)	10.41	-	Shortfall reduction is due to updated revenue projections and higher than previously projected cash balance.
Subtotal - SF Imbalances	\$(11.90)	\$ 11.15	\$ (0.75)	
Total Year-End Overspending	\$ 62.48	\$ 18.55	\$ 81.03	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to reduce the year-end overspending from \$81.03 million to \$67.26 million. This Office has identified potential future actions totaling \$30.96 million, which could further reduce the remaining year-end overspending to \$36.3 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.

(See Table 3 on next page)

Table 3. 2021-22 Budget Balancing Solutions		
Mid-Year FSR Overspending	\$ 81.03	
Mid Year FSR Recommendations		
UB - Reserve for Mid-Year Adjustments	\$ 0.33	Transfer to the Animal Services Department to address overtime over-expenditures.
UB - Reserve for Mid-Year Adjustments	1.35	Transfer to City Attorney to address outside counsel and litigation over-expenditures.
UB - Reserve for Mid-Year Adjustments	0.10	Transfer to City Clerk to partially address unbudgeted expenses related to the CD 11 recall petition.
UB - Zoo and El Pueblo Shortfalls	0.31	Transfer to the El Pueblo De Los Angeles Historical Monument Fund to partially offset projected revenue shortfalls and ensure sufficient funding for operating costs.
UB - Fire Department Compensation Adjustments	1.40	Transfer to the Fire Department to address reappropriation obligations approved in the 2020-21 Year-End FSR due to UASI 20 grant over-expenditures.
UB - Fire Department Compensation Adjustments	0.28	Transfer to the Fire Department for the completion of the Fire Standards of Cover Analysis and to pay for MOU 22 Wellness Program expenses.
UB - Fire Department Compensation Adjustments	5.00	Transfer to the Fire Department to partially address over-expenditures in the Overtime Sworn and Variable Staffing Overtime accounts.
UB - Reserve for Mid-Year Adjustments	5.00	Transfer to the General Services Department to address increased fuel and commodity costs, and utility usage.
Subtotal	\$ 13.77	
Potential Future Actions		
UB - Zoo and El Pueblo Shortfalls	\$ 10.10	Transfer to partially address Citywide overspending. Amount assumes approval of Mid-Year FSR transfers.
UB - Fire Department Compensation Adjustments	6.60	Transfer to partially address Citywide overspending. Amount assumes approval of Mid-Year FSR transfers.
Reserve Fund (Appropriation for HRP Project)	14.26	Transfer to ITA and CAO to address overspending from the delayed implementation of the HRP Project (C.F. 20-0313-S4).
Subtotal	\$ 30.96	
Year-End Overspending	\$ 36.30	

City Reserves

Key Findings/Recommendations

- *The recommendations in this report and other reports pending before Council will exhaust the Unappropriated Balance, Reserve for Mid-Year Adjustments account.*
- *After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$487.13 million, which represents 6.49 percent of the General Fund budget.*
- *In addition to the transfers included in this report, other transfers recommended by this Office in separate reports totaling \$26.8 million, and pending Council and Mayor approval would reduce the Reserve Fund balance to \$460.4 million, which is 6.14 percent of the General Fund budget.*
- *The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City’s General Fund reserves total approximately \$608.8 million or 8.11 percent of the total 2021-22 General Fund revenue.*

Reserves	Balance (In Millions)	%	Purpose
UB, 2021-22 Reserve for Mid- Year Adjustments Account	\$ 2.75	0.04%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	487.13	6.49%	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	\$ 608.8	8.11%	

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

This Office reported in the Second FSR that the remaining balance in the UB, Reserve for Mid-Year Adjustments Account was \$9.20 million. There have been no interim transfers from this account since the Second FSR.

This report includes a transfer from the Zoo and El Pueblo Revenue Shortfalls Account to the UB, Reserve for Mid-Year Adjustments Account for \$324,155. In addition, this report includes transfers

totaling \$6.78 million from this account to the Animal Services Department (\$332,732), City Clerk (\$100,000), City Attorney (\$1.34 million), and General Services Department (\$5.00 million). These actions result in \$2.75 million remaining in the UB Reserve for Mid-Year Adjustments Account.

In addition to the transfers included in this report, a \$2.75 million transfer to the Gang Injunction Curfew Settlement Fund (C.F. 16-0081-S3) is pending Mayor and Council approval. This would result in a remaining balance of \$0 million in the UB Reserve for Mid-Year Adjustments Account.

Reserve Fund

Attachment 2 – Current Status of Reserve Fund

Recommendation Nos. 6, 7, and 17

After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$487.13 million, which consists of \$206.34 million in Emergency Reserve and \$280.8 million in Contingency Reserve. The Reserve Fund balance represents 6.49 percent of the General Fund budget, which is above the five percent Reserve Fund policy.

The Reserve Fund balance of \$487.13 million reflects a net reduction of approximately \$160 million from the July 1, 2021 balance of \$647 million. Among the transactions contributing to the decrease and approved since the Second FSR is a \$49.6 million Reserve Fund loan to provide a City match for the State Homekey 2 program (C.F. 21-1064). This Office expects the FEMA to reimburse these expenses, although the timing of which is uncertain.

Several recommended transfers, also accounted for in the reduced Reserve Fund balance, total \$95.8 million. These transfers address City liabilities and issues of concern previously raised by this Office. Specifically, this report transfers \$59.5 million to the Sewer Construction and Maintenance Fund to repay the fund for the overpayment of related costs, \$25.7 million to the Building and Safety Building Permit Enterprise Fund to repay the loan for COVID-19 Project Roomkey expenditures (C.F. 21-0262) with interest, and \$7.5 million to the Bureau of Street Services to allow the Bureau to make eligible expenditures and ensure the City meets the SB1 Maintenance of Effort (MOE) requirement. Additionally, this report recommends authorizing a \$3.2 million loan to provide sufficient cash flow for the Prop 1C – Crenshaw Blvd Project. This Office expects this loan will be repaid upon receipt of grant reimbursements.

On top of the transfers included in this report, this Office has proposed a \$12.47 million loan to front-fund the extension of the City's Project Roomkey Program (C.F. 20-0841-S21), as well as a \$14.26 million transfer to fund the increased costs associated with the delay of the Human Resources and Payroll (HRP) project (C.F. 20-0313-S4). Both reports are pending Mayor and Council approval. If approved, these actions would reduce the Reserve Fund balance to \$460.4 million, which is 6.14 percent of the General Fund budget.

While the anticipated balance of the Reserve Fund remains above five percent, even after these immediately pending transactions, we have identified several other risks that may bring the Reserve Fund balance below five percent this fiscal year. As described in Tables 2 and 3, we project that unsolved overspending has increased from \$62.48 million to \$81.03 million since the Second FSR,

and there remains \$36.3 million in overspending that may need to be addressed at year-end. As described above, the City has already depleted the UB Reserve for Mid-Year Adjustments Account, which increases the potential that the City will have to use the Reserve Fund later this year to address spending needs. Further, as described in the Second FSR, this Office is aware of proposals that are under consideration that may also require the use of the Reserve Fund. Among the proposals include additional affordable housing projects and labor negotiations related to contract reopeners. Should any of these proposals actualize, the only General Fund source for these proposals in the Reserve Fund.

In light of these potential uses of the Reserve Fund in the coming months, this Office continues to recommend maintaining a cautious approach with the Reserve Fund and that the City continue to refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations at this time. We further encourage this restraint since any new programs initiated in 2021-22 using these one-time funds will exacerbate the current \$133 million of one-time revenues used for ongoing purposes in the 2021-22 Budget.

Budget Stabilization Fund Recommendation No. 5

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 \$118.9 million.

In accordance with the City's Financial Policies, the CAO is required to calculate the average annual ongoing threshold and present it each year to the City Council and Mayor for approval prior to the release of the proposed budget for the subsequent year. If actual growth exceeds this threshold amount, the City must contribute to the Budget Stabilization Fund as part of the budget. If actual growth falls short of this amount, the City may withdraw from the Budget Stabilization Fund. The growth threshold is to be equal to the 20-year average of the actual annual growth of cumulative receipts from the seven major General Fund taxes. The CAO has completed this calculation using this methodology and has determined that the growth threshold for the 2022-23 Budget should be 3.6 percent.

Including the UB, Reserve for Mid-Year Adjustments Account, the Reserve Fund, and the Budget Stabilization Fund, the City's total reserves is 8.11 percent of the 2021-22 General Fund revenue, which reflects a decrease from the previously reported 9.78 percent.

This Office recommends the following action at this time:

- Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2022-23 Budget of 3.6 percent.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with major special events, COVID-19 vaccination and reporting requirements, employee union negotiations, the fiscal impact from the delayed implementation of the Human Resources and Payroll Project, the impact of inflation on operational costs, the use of one-time revenues for ongoing spending, and outside counsel costs.*

Costs Associated with Major Special Events

The City incurred costs associated with Super Bowl LVI played at SoFi Stadium on February 13, 2022. In accordance with the Agreement between the City and the Los Angeles Sports and Entertainment Commission, the City anticipates revenue of \$4.2 million associated with Super Bowl LVI, which is included in the General Fund revenue projections for the City Administrative Officer (C.F. 22-0140).

Additionally, the City anticipates incurring costs associated with hosting the Ninth Summit of the Americas, which will be held this June. The Summit of the Americas is a gathering of the heads of state and government, foreign ministers, and other senior officials from the countries of North, South, and Central America and the Caribbean, to promote dialogue and develop action plans to address challenges and opportunities facing the people of the Americas. This Office will work with departments to determine the operational and financial costs associated with the Ninth Summit of the Americas. We will report in the Year-End FSR and the 2022-23 First FSR regarding any departmental over-expenditures related to the hosting of the Ninth Summit of the Americas.

Employee COVID-19 Testing, Vaccine and Testing Tracking

On August 24, 2021, the City Council adopted Ordinance No. 187134, which sets forth certain COVID-19 vaccination and vaccination status reporting requirements for all current and future City employees. The Ordinance also recognizes that the 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 COVID-19 tests. To carry out the goals of the Ordinance 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. In the Second FSR, \$3 million was transferred to the Personnel Department to fund the services of this COVID-19 testing contractor. The Personnel Department is anticipating executing a contract amendment to increase the existing contract ceiling for additional testing as needed, and an additional \$2 million as contingency for additional testing services was also transferred in the Second FSR. These previous transfers are currently anticipated to be sufficient for 2021-22 contract expenditures.

The Personnel Department has received approximately \$149,000 in General Fund revenue from reimbursements from unvaccinated employees who do not have an approved exemption. These receipts are included in the General Fund revenue projections for the Personnel Department.

Employee Union Negotiations

The agreements in 2021 between the City and various employee bargaining units that deferred cost of living increases included provisions to reopen negotiations prior to the end of the contract period. Consistent with those provisions, the City has begun negotiations with all bargaining units. If these negotiations result in agreements that have a fiscal impact during 2021-22, we will report on and resolve those impacts in the Year-End Financial Status Report.

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. After evaluating 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, recommended a phased implementation approach in 2022 as the best opportunity for success. The phased approach would result in the City implementing modules at two different points in 2022: April and December. The HRP Steering Committee regularly reports to the Personnel, Audits, and Animal Welfare Committee regarding the status of the project.

The estimated General Fund impact of the proposed phased implementation is an additional \$14.3 million. This impact includes increased costs for Workday, Inc. (\$11.8 million), the PaySR contractors to continue maintenance of PaySR throughout 2022 (\$688,000), testing tools (\$834,933), and consultant services including Quality Assurance (\$942,500). The CAO submitted a separate report for Council consideration to approve a \$14.3 million appropriation from the Reserve Fund to fund the HRP project cost increase (C.F. 20-0313-S4). The cost increase of \$14.3 million assumes an April 2022 go-live of the first module. Should the first module be delayed beyond April 2022, project costs could increase, which would require additional funding.

Impact of Inflation on Operational Costs

Over the last year, the Bureau of Labor Statistics reports that the seasonally adjusted Consumer Price Index (CPI) rose by 7.9 percent as of the end of February. The CPI measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, including fuel, shelter and food prices, which is commonly used to measure inflation. The reported 7.9 percent CPI increase represents a 40-year high for CPI increases. Several departments have reported that the observed cost increases have driven overspending for petroleum, construction materials, and grain purchases. So far, departments have largely been able to offset these costs without requiring additional appropriations, however both the departmental expenditure projections and the February CPI figure do not account for the further increase in prices attributed to the crisis in Ukraine and the associated economic sanctions. We anticipate that inflation will continue and drive additional overspending for petroleum and other commodities that the City purchases, however the impact of this additional inflationary pressure on prices is not known at this time. This Office will work with departments to monitor expenditures impacted by increased inflation and report in the Year-End FSR when it is anticipated that inflationary trends from the crisis in Ukraine will begin to be reflected in expenditure projections.

The risk of overspending driven by inflation further underscores the need to maintain the City's reserves, as they may be needed to offset potential future overspending driven by inflation.

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. It will be even more difficult to maintain current service levels in 2022-23 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 careful consideration of whether the funding requested is for one-time or ongoing purposes. At this time, we recommend that all new 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.

Outside Counsel

The Outside Counsel line item in the Unappropriated Balance will be fully exhausted this fiscal year by the nearly 40 Police Department protest cases filed and a significant number of Fire Department employment cases. Other substantial cases handled by outside counsel include the Department of Housing and Urban Development (HUD) False Claims Act case and various Federal Aviation Administration (FAA) challenges. This Office recommends transfers from the City Attorney's Office's Salaries General (\$1.47 million) and the Unappropriated Balance Reserve for Mid-Year Adjustments (\$0.4 million) accounts to address outside counsel needs for expenses related to the Police Department protest cases and the HUD False Claims Act case. In addition to these transfers, the City Attorney's Office anticipates the need for supplemental funding this fiscal year to address the increased number of cases requiring outside counsel. This Office will continue to work with the City Attorney's Office to monitor outside counsel expenses and report with recommendations for any necessary supplemental funding in the Year-End FSR.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$183.38 million are recommended in Sections 1, 2, 5, 6, and 7 of this report which include:

- \$6.63 million in new appropriations;
- \$38.02 million for transfers between accounts within various departments and funds;
- \$12.68 million for transfers between various departments and funds;
- \$34.35 million in appropriations from the Unappropriated Balance;
- \$14.67 million in reductions to special fund appropriations
- \$7.38 million in increased special fund related cost appropriations
- \$92.67 million in transfers from the Reserve Fund
- \$3.13 million in Reserve Fund loans
- \$2.97 million in MICLA re-authorizations

- \$0.14 million in General Fund reappropriations
- \$0.15 million for the rescission of previously approved appropriations unable to be expended in 2021-22
- \$0.23 million for to paydown outstanding obligations for the MICLA Los Angeles Convention Center Commercial Paper Program

Attachments

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

RECOMMENDATIONS

(Refer to Discussion Sections 1, 2, 5, 6, and 7)

That the Council, subject to approve of the Mayor:

1. Appropriate \$6,625,551.45 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$38,023,829.53 between accounts within various departments and funds as specified in Attachment 4;
3. Transfer \$12,675,344.16 between various department and funds as specified in Attachment 5;
4. Transfer \$34,346,815.52 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;

Budget Stabilization Fund

5. Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2022-23 Budget of 3.6 percent.

Building and Safety

6. Transfer \$25,000,000 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and therefrom to the Building and Safety Building Permit Enterprise Fund No. 48R/08 for the first of three installments to reimburse the \$75 million Building Permit Enterprise Fund Loan for COVID-19 Project Roomkey expenditures (C.F. 21-0262);
7. Transfer up to \$660,524.63 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, therefrom to General City Purpose Fund No. 100/56 new account entitled Fund Loan Interest Reimbursement, and therefrom to the Building and Safety Building Permit Enterprise Trust Fund No.48R/08 to reimburse applicable interest from the \$75 million loan from Building Permit Enterprise Fund (C.F. 21-0262);

City Administrative Officer

8. Rescind the Council action of September 8, 2021 (C.F. 21-0740), Recommendation No. 2, which transferred \$150,000 from the Innovation Fund No. 105 to the Los Angeles World Airports (LAWA) for the Earthquake Early Warning Notification System, inasmuch as LAWA indicates the Department will be unable to expend the funds in 2021-22;
9. Authorize the Controller to transfer the remaining balance of \$228,031.36 in the Capital Projects Bond Reserve Fund No. 49Y (Fund) to the Non-Departmental General Fund No. 100/62 to complete all legal and accounting requirements for the proper disposition of the Fund and close in the end of FY 2022; and appropriate the like amount to the Capital Finance Administration Fund No. 100, Department 53, Account 000347 to pay down outstanding commercial paper, related to the MICLA Los Angeles Convention Center Commercial Paper

program, that funded capital improvement projects related to the Los Angeles Convention Center.

Community Investment for Families

10. Authorize the Controller to decrease appropriations (\$383,961) within the Community Investment for Families Department No. 100/21, Salaries, General, Account No. 001010; and decrease appropriations within the Community Services Block Grant Trust Fund No. 428/21, Community Investment for Families Department, Account No. 21V121 by a like amount;

General Services Department

11. Authorize the Controller to disencumber up to \$136,418 in 2019-20 encumbered balances within the General Services Fund No. 100/40, Account 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund No. 101, subsequently transfer the amount to the Unappropriated Balance, and appropriate therefrom to General Services Fund No. 100/40, Account 003040, Contractual Services for the continued software upgrade of the Fleet Management system;
12. Relative to the projected shortfall in the Special Gas Tax Improvement Fund No. 206/50 associated with increased fuel costs:
 - a. Reduce appropriations in the amount of \$200,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V140, General Services; and,
 - b. Reduce appropriations in the amount of \$200,000 in the General Services Fund No. 100/40, Account No. 001010, Salaries General.

Public Works – Bureau of Engineering

13. Authorize a Reserve Fund loan in the amount of \$3,129,264 to the Capital Improvement Expenditure Program (CIEP) and subsequently transfer \$3,129,264 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the Capital Improvement Expenditure Program Fund 100/54, Account No. 00R638 to provide sufficient cash flow for the Prop 1C - Crenshaw Blvd Project. The Reserve Fund will be fully reimbursed from the Prop 1C Grant upon receipt of funds from the State;
14. Instruct the Bureau of Engineering to ensure the completion of the Prop 1C – Crenshaw Project and the return of at least \$5,629,264 in Prop 1C grant receipts to the General Fund by January 31, 2023. Besides the repayment of the \$3,129,264 Reserve Fund loan, \$2,500,000 in grant reimbursements shall continue to deposit to the CIEP according to C.F. 18-0829-S2 dated April 12, 2019, Recommendation 9.
15. Instruct the Bureau of Engineering to report on actual receipt of Prop 1C reimbursements and the progress of invoicing of project costs in each Financial Status Report until the \$5,629,264 in Reserve Fund loans are repaid;

16. Relative to the projected shortfall in the Special Gas Tax Improvement Fund No. 206/50 associated with increased fuel costs:

- a. Reduce appropriations in the amount of \$550,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V178, Bureau of Engineering; and,
- b. Reduce appropriations in the amount of \$550,000 in the Bureau of Engineering Fund No. 100/78, Account No. 001010, Salaries General.

Public Works – Bureau of Sanitation

17. Transfer \$59,508,087 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, appropriate Non-Departmental General Fund No. 100/62, Account No. 620760, and therefrom further to the Sewer Operations and Maintenance Fund No. 760/50 to address the overpayment of related costs by the Sewer Construction and Maintenance Fund;

Public Works – Bureau of Street Services

18. Relative to the \$6,000,000 shortfall in the Special Gas Tax Improvement Fund No. 206/50 associated with lower projected revenues from the Surface Transportation Program attributed to CRRSSA project completion delays:

- a. Reduce appropriations in the amount of \$6,000,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V186, Bureau of Street Services; and,
- b. Reduce appropriations in the total amount of \$6,000,000 in the Bureau of Street Services Fund No. 100/86 within Account No. 001010, Salaries General (\$3,500,000), Account No. 001090, Overtime General (\$2,000,000), and Account No. 003030, Construction Expense (\$500,000).

19. Relative to the SB1 MOE expenditure issues, reduce appropriations to the Bureau of Street Services as shown in the table below:

Fund		Account		Amount
No.	Name	No.	Name	
206	Special Gas Tax Improvement Fund	50V186	Bureau of Street Services (100/86/003030)	\$ 3,500,000
51Q	Measure R Local Return Fund	94V186	Bureau of Street Services (100/86/003030)	3,500,000
540	Proposition C Anti-Gridlock Transit Improvement Fund	94V186	Bureau of Street Services (100/86/001090)	500,000
Total				\$ 7,500,000

20. Relative to the SB1 MOE expenditure issues, increase appropriations within various special funds as shown in the table below:

Fund		Account		Amount
No.	Name	No.	Name	
206	Special Gas Tax Improvement Fund	50V299	Reimbursement of General Fund Costs	\$ 3,500,000
51Q	Measure R Local Return Fund	94V299	Reimbursement of General Fund Costs	3,379,705
540	Proposition C Anti-Gridlock Transit Improvement Fund	94V299	Reimbursement of General Fund Costs	500,000
Total				\$ 7,379,705

21. Transfer \$7,500,000 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the Bureau of Street Services Fund No. 100/86, Account No. 003030 Construction Expense (\$7,000,000) and Account No. 001090 Overtime General (\$500,000).

Transportation

22. Relative to the projected shortfall in the Special Gas Tax Improvement Fund No. 206/50 associated with increased fuel costs:

- a. Reduce appropriations in the amount of \$40,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V194, Transportation; and,
- b. Reduce appropriations in the amount of \$40,000 in the Department of Transportation Fund No. 100/94, Account No. 001090, Overtime General.

Municipal Improvement Corporation of Los Angeles (MICLA)

Fire Department

23. Approve an equipment list deviation in the MICLA FY 21-22 budget, as follows, to revise the planned purchase of 20 non-emergency electric vehicles to 10 electric vehicles and 10 gasoline vehicles to account for the limitations of electric vehicle charging infrastructure at City Hall East:

FY 21-22 MICLA Budget	Count	Budget
Sedans Electric (Non-Emergency)	10	\$404,030
Sedans Gasoline (Non-Emergency)	10	\$404,030
Total	20	\$808,060

Police Department

24. Re-approve the use of \$2,166,712 million in unspent Municipal Improvement Corporation of Los Angeles (MICLA) financing provided in the Fiscal Year 2020-21 and Fiscal Year 2019-20 Adopted Budgets for the purchase of one Mobile Command Vehicle Refit, 33 undercover vehicles, and five passenger/cargo vans:

Fiscal Year 2019-20 MICLA					
Dept.	Unit Type	Fuel Type	Qty	Unit Cost	Total Cost
Police	Honda, Toyota, Nissan, Ford, Chevrolet, Dodge Undercover	Gas	4	\$ 40,896	163,584
Total Cost			4		\$ 163,584
Available Funds					\$ 202,233

Fiscal Year 2020-21 MICLA					
Dept.	Unit Type	Fuel Type	Qty	Unit Cost	Total Cost
Police	Mobile Command Vehicle Refit	Diesel	1	\$ 600,000	\$ 600,000
	Honda, Toyota, Nissan, Ford, Chevrolet, Dodge Undercover	Gas	29	\$ 40,896	1,185,984
	Passenger/Cargo Van	Gas	5	\$ 35,000	175,000
Total Cost			35		\$1,960,984
Available Funds					\$1,964,479

Technical

25. 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 \$80.28 million in projected over-expenditures and \$0.75 million in additional General Fund appropriation required to supplement special fund revenue shortfalls are identified in the Mid-Year (Third) Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$183.38 million are recommended in Sections 1, 2, 5, 6, and 7 of this report. This includes \$6.78 million in transfers from the Unappropriated Balance Reserve for Mid-Year Adjustments Account, \$92.67 million in transfers from the Reserve Fund, and \$3.13 million in Reserve Fund loans.

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 issuance of MICLA for the acquisition of capital equipment for the Fire and Police Departments would cause the City to borrow \$2,974,772 at an approximate 5.5 percent interest rate over 10 years. The total estimated debt service for the acquisition of Police and Fire capital equipment is \$3,947,000, including interest of \$972,000. During the life of the bonds, the estimated average annual debt service is \$395,000 over 10 years.

Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. We cannot fully predict what interest rates will be in the future. In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The 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 these projects 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	25
Section 2. Status of Non-Departmental Funds and Special Accounts	59
Section 3. Status of Employment	63
Section 4. Status of Federal and State Budget.....	63
Section 5. Status of Special Gas Tax Improvement Fund	67
Section 6. Status of Road Maintenance and Rehabilitation Funds	68
Section 7. Status of MICLA Commercial Paper Programs.....	70

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 \$610,975, comprised of a \$85,875 General Fund surplus and a \$525,100 special fund surplus. The projected surplus is \$349,148 higher than previously reported in the Second FSR, which is due to the receipt of additional grant funding for salary expenses and vacancies in the Department.

This Office projects a revenue shortfall of \$70,000 from the Department's General Fund revenue budget of \$294,722. The shortfall is attributed to a reduction in related cost reimbursements due to vacancies in the Department.

Unappropriated Balance, Senior Meals Expansion

The 2021-22 Adopted Budget provides \$10 million in one-time funding in the Unappropriated Balance for the expansion of the Senior Meals Program. The Department, however, sought to establish an ongoing Senior Local Restaurant Meals Program with these one-time funds. 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 Mayor and City Council evaluate the proposal to establish an ongoing program as part of the 2022-23 budget process (C.F. 21-0750). On October 20, 2021 the Personnel and Animal Welfare Committee considered this matter and instructed the Department to work with this Office to develop an expenditure plan for this

program that is consistent with one-time funding. In a report issued on January 19, 2022, the Department revised its proposal to correspond with a one-time expansion of the Senior Meals Program through the use of temporary staffing and a sole source contract with Everytable (C.F. 22-0080). On February 14, 2022, the Mayor and Council approved the Department's revised proposal.

B. Animal Services

Attachment 6 – Appropriations from the Unappropriated Balance

This Office projects a net year-end over-expenditure of \$599,641, comprised of \$698,109 in General Fund over-expenditures, offset by a \$98,468 special fund surplus. The projected over-expenditure is \$416,955 higher than previously reported in the Second FSR, which is attributed to increased expenditures in the Overtime General Account (\$380,342) due to vacancies, the need to staff shelters on a 24/7 basis, and retirement payouts. The increase in projected General Fund over-expenditures is also attributed to the Department's hiring plan, as well as prior year (\$76,000) and current year (\$88,000) sick leave payouts resulting in an over expenditure of \$73,195 in Salaries General Account. The Department is working to offset overtime costs within its budgeted funds and through internal staffing controls; however, the available surplus funds are restricted to specific uses or are not sufficient to cover the projected deficit. This Office recommends an appropriation of \$332,732 to offset the projected Overtime General Account over-expenditures.

Animal Sterilization Trust Fund

The Second FSR projected a \$1.0 million deficit in the Animal Sterilization Trust Fund (ASTF) and recommended a \$335,000 General Fund transfer to ensure continued spay and neuter services from this Fund through the year-end. The Department now projects a year-end balance of \$116,006 in the Animal Sterilization Fund, which is attributed to a recalculation of the \$1.65 million General Fund appropriation provided to the Spay and Neuter program in the 2021-22 Adopted Budget.

The surplus in the Animal Sterilization Trust Fund is also attributed to increased revenue from the License Fee Subsidy with a current increase of \$40,000 from processing backlogged license fees and renewals. The return from long-term leave of full and part-time staff assigned to these duties, is anticipated to strengthen the license processing effort and increase revenue collection. In addition, an unexpected donation of \$34,000 in December from the Giving Tuesday Campaign, further increased Fund revenues.

This Office projects a shortfall of \$829,908 from the Department's General Fund revenue budget of \$4 million, which is attributed to decreased breeder's license, film permits, and animal regulation fees associated with the implementation of the COVID-19 Safer at Home order and vacancies in the Department.

This Office recommends the following transaction at this time:

- Transfer \$332,732 from the Unappropriated Balance, Reserve for Mid-Year Adjustments, to the Animal Services Department, Overtime General Account to offset the projected shortfall in budgeted funds to support the current rate of overtime expenditures through year end.

C. Building and Safety Recommendation Nos. 6 and 7

This Office projects a year-end special fund surplus of \$17.58 million. The projected surplus is approximately \$2.01 million higher than previously reported in the First FSR and is attributed to vacancies and under-filled positions in the Department.

The Department projects a \$1.3 million revenue shortfall from the Department's General Fund revenue budget of \$59 million. This shortfall is attributed to the ongoing COVID-19 pandemic and the Mayor's Tolling Order, which waives certain Non-Compliance, Code Enforcement Inspection, and late fees.

Project Roomkey Loan

In 2020-21, the City Council authorized a \$75 million loan from the Building Permit Enterprise Fund for Project Roomkey expenditures (C.F. 21-0262). This loan was anticipated to be reimbursed by FEMA. The 2021-22 Adopted budget assumes the first of three payments (\$25 million) to repay the loan. The FEMA receipts are still pending; however, this Office recommends a transfer from the Reserve Fund to repay \$25,000,000 plus \$660,524.63 in interest through December 2021 to honor the first payment of the loan. Future reimbursements from FEMA will be transferred to the Reserve Fund upon receipt.

This Office recommends the following transactions at this time:

- Transfer \$25,000,000 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and therefrom to the Building and Safety Building Permit Enterprise Fund No. 48R/08 for the first of three installments to reimburse the \$75 million Building Permit Enterprise Fund Loan for COVID-19 Project Roomkey expenditures (C.F. 21-0262).
- Transfer up to \$660,524.63 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, therefrom to General City Purpose Fund No. 100/56 new account entitled Fund Loan Interest Reimbursement, and therefrom to the Building and Safety Building Permit enterprise Trust Fund No.48R/08 to reimburse applicable interest from the \$75 million loan from Building Permit Enterprise Fund (C.F. 21-0262).

D. Cannabis Regulation Attachment 5 – Transfers between Departments and Funds

This Office projects a year-end special fund surplus of \$877,848, which is primarily attributed to vacancies in the Department. This projected surplus is \$111,168 higher than previously reported in the First FSR, which is attributed to delays in hiring.

This Office projects a revenue shortfall of approximately \$520,000 from the Department's General Fund revenue budget of \$5.51 million due to a reduction in related costs reimbursements resulting from salary savings and vacancies. The projected shortfall is approximately \$387,000 higher than

previously reported in the First FSR, which is attributed to reduced related cost reimbursements associated with delays in hiring.

This Office recommends the following transaction at this time:

- Transfer \$16,082 in appropriations from the Salaries General Account to the City Attorney's Salaries General Account for the reimbursement of paralegal fees.

**E. City Administrative Officer
Recommendation No. 8
Attachment 3 – New Appropriations**

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

The CAO also anticipates exceeding its General Fund revenue budget of \$4.2 million by \$4.2 million, for a total of \$8.4 million by year end. The increased revenue is associated with the unbudgeted anticipated Citywide cost reimbursement for Super Bowl LVI.

Property Insurance

The CAO projects an over-expenditure of up to a \$2 million in the Insurance and Bonds Premiums Special Fund. This Special Fund pays all of the City's insurance premiums. The impact of the COVID-19 Pandemic on the economy caused extreme ongoing financial strain in the insurance market. The City renews its master property insurance in March each year, and the current vendor has indicated they will not bid on the City's insurance policy for 2022, due to the City's recent loss history associated with the Hyperion property damage claim (C.F. 21-0840). The financial strain in the insurance market, combined with the City's recent loss history, is projected to increase costs for the March 2022 insurance placement and could double the City's master property insurance from the 2021 \$2 million cost to a \$4 million cost in 2022. We will continue to monitor this account and report in the year-end FSR with recommendations to address the over-expenditure based on the actual insurance premium increase.

This Office recommends the following transactions at this time:

- Appropriate \$483,520 within the Insurance and Bond Premiums Fund in accordance with anticipated revenue from the Harbor Department (\$135,000) and Department of Water and Power (\$348,520) to fund the Contractor Development and Bonding Program.
- Rescind the Council's action to transfer \$150,000 from the Innovation Fund to the Los Angeles World Airports (LAWA) for the Earthquake Early Warning Notification System. LAWA indicates that funds will not be needed in 2021-22 due to delays in the project. LAWA will request the return of the funds in 2022-23.

F. City Attorney

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

This Office projects net year-end over-expenditure of \$0.68 million, comprised of \$0.62 in net General Fund over-expenditures and \$0.06 million in net special fund over-expenditures. This projection represents a \$4.66 million increase in expenditures compared to the \$4.01 million surplus previously reported in the Second FSR. The projected net over-expenditure is comprised of projected over-expenditures in the Contractual Services (\$2 million), Litigation (\$0.95 million), Office and Administrative (\$0.15 million), and Outside Counsel (\$1.61 million) accounts, offset by a surplus in the Salaries General Account (\$4.25 million) attributed to vacancies in the Department. The Contractual Services Account over-expenditure is attributed to the replacement of the Criminal Case Management System software. The over-expenditures in the Litigation Account is attributed to a rise in the number of cases filed against and handled by the City, and an increase in the number of complex cases that require outside expertise. The over-expenditure in the Office and Administrative Account is attributed to staff ergonomic equipment, personal protective equipment and other operational costs associated with COVID-19. The projected special fund over-expenditures will be addressed by \$1.72 million in anticipated special fund and grant reimbursements.

This Office projects a shortfall of \$2.21 million from the Department's General Fund revenue budget of \$42.52 million by year-end. This shortfall is attributed to delays in hiring for positions reimbursed by proprietary departments and retirement systems, as well as delays in hiring, and vacancies in positions that special funds reimburse, resulting in reduced related cost reimbursements.

This Office recommends the following transactions at this time:

- Transfer \$2,000,000 from the City Attorney's Salaries General Account, to the City Attorney's Contractual Services Account for the replacement of the Criminal Case Management System software replacement.
- Transfer \$150,000 from the City Attorney's Salaries General Account, to the City Attorney's Office and Administrative Account for staff ergonomic equipment, personal protective equipment and other COVID-19 related costs.
- Transfer \$1,465,000 from the City Attorney's Salaries General Account, to the City Attorney's Outside Counsel Account for expenses related to the LAPD protest cases.
- Transfer \$395,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account, to the City Attorney's Outside Counsel Account for expenses related to the HUD False Claims Act case.

- Transfer \$950,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account, to the City Attorney's Litigation Account to address projected overspending for expert witnesses, medical experts, court reporting services, and other expenses for caseload support.
- Appropriate \$180,885 from the Proposition HHH Bond Proceeds Fund to the Department's Reimbursement from Other Funds (\$128,406) and Related Cost Reimbursement – Others (\$52,479) revenue accounts to reimburse the General Fund for eligible salary expenditures 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. This Office has reviewed the recommended amount and determined it to be eligible for reimbursement.

G. City Clerk

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

This Office projects a net year-end over-expenditure of \$100,000, comprised of a \$104,954 surplus in the Salaries General Account, offset by over-expenditures in the Salaries, As-Needed (\$179,779); Overtime, General (\$175); and Contractual Services (\$25,000) accounts. The projected over-expenditure is \$89,266 lower than previously reported in the Second FSR, which is attributed to delays in hiring. The surplus in the Salaries General Account will be used to partially offset the Salaries, As-Needed and Contractual Services account shortfalls, resulting in a net year-end over-expenditure of \$100,000. This Office recommends a supplemental appropriation from the Unappropriated Balance, Reserve for Mid-Year Adjustments account to address the remaining over-expenditures. This FSR assumes that the Department will use salary savings to absorb 1) the cost of the unfunded Management Analyst position authorized to support the Planning and Land Use Management Committee (C.F. 21-0600-S96), and 2) a transfer of \$25,000 to the Contractual Services Account from the Salaries General Account later in the year for anticipated costs associated with the Department's ongoing scanning of old Council files. This Office will continue to monitor the Department's Salaries General Account to determine if a supplemental appropriation is required at year-end.

The Department reports unbudgeted election costs of \$179,954, which is an increase of \$19,954 from the amount previously reported in the Second FSR (\$160,000). The total expense related to this process was \$179,954, consisting of Salaries, As-Needed (\$179,779) and Overtime, General (\$175) funds.

This Office projects the Department will exceed its General Fund revenue budget of \$914,091 by \$161,548, which is attributed to prior-year related cost reimbursements from the Department of Cannabis Regulation received in the current fiscal year and additional elections that various pension boards and departments will conduct this year. This projection is \$5,203 lower than previously reported in the Second FSR, which is attributed to a reduction in projected reimbursements for services provided to the Department of Water and Power.

This Office recommends the following transactions at this time:

- Transfer \$100,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Department's Salaries, As-Needed (\$99,825) and Overtime, General (\$175) accounts to partially address unbudgeted expenses for the review of the Council District 11 recall petition.
- Transfer \$79,954 from the Department's Salaries General Account to the Salaries, As-Needed Account to partially address unbudgeted expenses for the review of the Council District 11 recall petition.

H. City Planning No Recommendation

This Office projects a year-end surplus of \$4.36 million, comprised of a \$0.31 million General Fund surplus and a \$4.05 million special fund surplus. The projected surpluses are approximately \$2.19 million higher than previously reported in the Second FSR and are attributed to salary savings from vacancies in the Department. The previously reported \$1.26 million General Fund over-expenditure was resolved in the Second FSR through the reappropriation of prior-year contractual services funding.

This Office projects a revenue shortfall of \$6.87 million from the Department's General Fund revenue budget of \$19.87 million. The projected shortfall is approximately \$1.29 million higher than previously reported in the Second FSR and is attributed to a reduction in related costs reimbursements associated with a \$6.89 million projected special fund revenue shortfall in the Planning Case Processing Fund. The projected shortfall in Fund receipts is attributed to delays in the implementation of updated case processing fees and lower than anticipated development activity.

No transactions are recommended at this time.

I. Civil, Human Rights, and Equity Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end General Fund surplus of \$1.18 million, comprised of surpluses in the Salaries General (\$0.80 million) and Contractual Services (\$0.38 million) accounts, offset by over-expenditures in the Salaries As-Needed Account. The projected surplus is \$0.54 million higher than previously reported in the First FSR, which is attributed to vacancies in the Department and delayed contractual service agreements. The projected over-expenditure in the Salaries, As-Needed Account is associated with the increased need for Student Professional Workers to support Department operations while the Department works to fill vacant full-time positions. This Office recommends a transfer from the Salaries General Account to address the projected Salaries As-Needed over-expenditure.

The Department has no budgeted General Fund Revenues.

This Office recommends the following transaction at this time:

- Transfer \$15,328 in appropriations from the Salaries General Account to the Salaries, As-Needed Account to offset the projected over-expenditure in the Salaries As-Needed for two Student Professional Workers.

J. Community Investment for Families

Recommendation No. 10

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$682,351, comprised of a \$119,521 General Fund surplus and a net \$562,829 special fund surplus. The projected General Fund surplus is attributed to vacancies in the Department and lower than budgeted contractual services expenditures. The projected special fund surplus is comprised of surpluses in the Salaries General (\$706,330), offset by over-expenditures in the Overtime General (\$35,000), Contractual Services (\$3,000), and Office and Administrative (\$105,500) accounts. The projected surplus is approximately \$160,000 higher than previously reported in the Second FSR, which is attributed to delays in filling vacancies. This Office recommends transferring funds between accounts and funds to offset overspending in the Overtime General and Office and Administrative accounts.

This Office projects a revenue shortfall of \$461,525 from the Departments General Fund revenue budget of \$3.86 million. The shortfall is approximately \$200,000 higher than previously reported in the Second FSR and is attributed to reduced related cost reimbursements associated with vacancies in the Department.

This Office recommends the following transactions at this time:

- Appropriate \$516,125 from the Consolidated Plan's Program Year 47 funds to the Board of Public Works Contractual Services account to support the Mount Tabor Shower Services.
- Appropriate \$500 from the available cash balance within the Domestic Violence Trust Fund to the Department's Office and Administrative account to pay for administrative costs associated with the Domestic Violence Task Force.
- Decrease Community Development Services Block Grant (CSBG) Trust Fund appropriations in the Salaries, General Account by \$383,961 and appropriate a like amount from the CSBG Trust Fund CSBG-CARES Administrative Reserve Account to realign funding for administrative salary costs.
- Appropriate \$38,000 from CSBG - CARES Administrative Reserve to the Department's Salaries, Overtime (\$35,000) and Contractual Services (\$3,000) accounts to pay for overtime costs and translation services.

- Transfer \$105,000 from the Salaries General and Related Costs accounts within the Community Development Trust Fund (\$63,000) and the CSBG Trust Fund (\$42,000) to the Department's Office and Administrative Account to cover technology equipment and other startup costs for the Department.
- Transfer \$1,455.67 from the Salaries General Account to the Los Angeles Housing Department's Leasing Account to cover the Department's General Fund lease portion of the Garland building.
- Transfer \$55,000 from the Contractual Services Account to the Los Angeles Housing Department's Contractual Services Account to support the Case Management System for the Domestic Violence and FamilySource System programs under Contract C-131043.

K. Controller

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a year-end General Fund surplus of \$147,082, which is attributed to vacancies in the Department.

This Office projects a revenue shortfall of \$675,936 from the Department's General Fund revenue budget of \$5.96 million. The shortfall is attributed to the anticipated adjustments to prior year invoices to the proprietary departments following the approval of Cost Allocation Plan 43.

This Office recommends the following transaction at this time:

- Transfer \$200,000 from the Salaries General Account to the Overtime General Account, to pay down banked and anticipated year-end overtime expenditures to comply with MOU requirements.
- Transfer the available cash balance within the E-Payables Rebate Fund to the General Fund, Revenue Source Code 5188 - Miscellaneous Revenue – Other, to properly record the receipt of E-Payables rebate revenues.

L. City Tourism Department

No Recommendation

This Office projects a year-end special fund surplus of \$135,551, which is attributed to vacancies in the Department. The projected surplus is \$11,449 lower than previously reported in the First FSR, which is attributed to slightly higher than anticipated expenditures in the Department's Salaries General account.

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

M. Council

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

The Council requests the following transactions at this time:

- Transfer \$4,050,000 from the Council's Salaries General account to the Salaries As-Needed (\$3,000,000), Printing and Binding (\$200,000), Contractual Services (\$150,000) and Office and Administrative (\$700,000) accounts to align the Council's operating budget with current expenditure patterns.
- Transfer \$100,000 from the General City Purposes (GCP), CD9 Council Fee Subsidy – Special Events Account to the GCP, Council District Community Services (Council District 9) Account to support Council District 9 community services activities.
- Transfer \$300,000 from the AB 1290, Council District 9 Redevelopment Projects – Services Account to the Council's Salaries, As-Needed Account to support Council District 9 expenses.
- Transfer \$100,000 from the AB 1290, Council District 13 Redevelopment Projects – Services Account to the Recreation and Parks' Fund No. 302, Contractual Services Account to support security services for Echo Park from February 1, 2022 through June 30, 2022.
- Transfer \$1,000,000 from the AB 1290, Council District 14 Redevelopment Projects – Services Account to the Council's Salaries, As-Needed Account to support Council District 14 expenses.
- Transfer \$67,788 from the AB 1290, Council District 10 Redevelopment Projects – Services Account to Building and Safety's Repair and Demolition Fund No. 346, Department 08, Account No. 3180, Central Revenue to support Harvard Boulevard clean-up activities.
- Transfer \$194,400 from the General City Purposes (GCP), Council Community Services District 1 Account to the Police Department's Overtime Sworn Account to support additional community services, public safety, gang reduction and prevention services around MacArthur Park.

N. Cultural Affairs

No Recommendation

This Office projects a net year-end special fund surplus of \$43,406, which is attributed to vacancies in the Department. The projected surplus is \$12,471 higher from the previously reported in the FSR, which is due to delays in the filling of vacancies.

This Office projects a shortfall of \$116,600 from the Department's General Fund revenue budget of \$126,600 by year end. The shortfall is attributed to reduced architectural design review fee collections and delays in implementing a new online class registration system preventing the Department from collecting instruction fees for classes offered online. The potential revenue shortfall does not impact the Department's current year appropriations.

O. Disability
No Recommendation

This Office projects a net year-end General Fund surplus of \$295,982, which is a \$125,778 increase to the previously reported General Fund surplus of \$170,204. The increase is attributed to vacancies within the Department and reduced projected expenditures in the Salaries, As-Needed, Printing and Binding, Travel, and Office and Administrative accounts.

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

P. Economic and Workforce Development
Attachment 3 – New Appropriations
Attachment 5 – Transfers between Departments and Funds

This Office projects a year end surplus of \$3.52 million, comprised of a \$0.57 million General Fund surplus and a \$2.95 million special fund surplus. The projected surpluses are primarily attributed to vacancies in the Department. The projected surplus is approximately \$0.46 million lower than previously reported in the First FSR, which is attributed to higher than projected hiring by the Department.

The Council and Mayor previously approved funding in the Salaries General Account for the Department to perform outreach related to Safe Pass LA (C.F. 21-0878-S3). The Department requires additional Controller instructions to complete the transfer of this funding from the General Fund Various Program Fund to its Salaries General account to fulfill the intent of the recommendations.

This Office projects a \$1.72 revenue shortfall from the Department's General Fund revenue budget of \$5.17 million. The shortfall is attributed to reduced related cost reimbursements associated with vacancies in the Department.

This Office recommends the following transactions at this time:

- Transfer \$174,207 within the Economic and Workforce Development Department No. 22, from General Fund Various Program Fund No. 551, Account No. 22V4AB, Safe Pass LA, to General Fund No. 100, Account No. 001010, Salaries General to cover six months of salary expenses for outreach performed by the Department.
- Transfer \$222,755.58 within the CRA/LA Non-Housing Excess Bond Proceeds Fund No. 57D to the Solid Waste Resources Revenue Fund No. 508, to reimburse the Bureau of

Sanitation for litter abatement costs as approved under Council Files 14-1174-S18 and 14-1174-S82.

- Transfer \$52,553.89 within the General Fund from the Department's Office and Administrative Account to the Information Technology Agency's Communication Services Account, for the installation of security cameras at the Southeast Los Angeles Youth Source Center

Q. El Pueblo

Attachment 6 – Appropriations from the Unappropriated Balance

This Office projects a net year-end special fund surplus of \$73,637, which is attributed to vacancies in the Department. The projected surplus is \$54,837 higher than previously reported in the Second FSR, which is attributed to ongoing attrition and delays in hiring. This surplus may be used to offset shortfalls in other expense accounts. The Department has indicated the potential for over-expenditures in the Salaries, As Needed and Water and Electricity accounts. To offset the overspending in the Salaries, As Needed Account, the Department plans to reduce museum service hours through year-end. This Office is working with the Department to identify the magnitude and the reason(s) for the projected overspending in the Water and Electricity account.

We previously identified a special fund shortfall from unpaid rents and pandemic impacts. Our previously projected year-end special fund shortfall has increased by \$258,662, from \$490,635 to \$749,297 from the Department's special fund revenue budget of \$4.38 million. The increase is attributed to unpaid rent obligations, tenant vacancies not assumed in earlier projections, and pandemic impacts on the usage of facility grounds for film and photography. The shortfall is partially offset by a surplus in parking revenues.

The Council previously authorized a 60 percent rent reduction for Olvera Street merchants for the period July 1, 2021 through December 31, 2021 (C.F. 20-0882-S1). The Mid-Year FSR revenue projection assumes the receipt of full rent payments from January 1, 2022 through June 30, 2022 from all existing tenants, consistent with current City policy. Our revenue projections further assume that El Pueblo's La Golondrina Café will pay \$27,844 in overdue rent prior to its transfer of interest, which was approved December 20, 2021 (C.F. 21-1238). The provisions in the lease require all rent to be paid in full before the transfer is finalized. Should these assumptions not be realized, the Department's revenue outlook will change and the shortfall will increase. The Unappropriated Balance, Zoo and El Pueblo Shortfalls Account includes \$308,659 to offset a portion of the \$749,297 shortfall, leaving a remaining balance of \$440,638 to be addressed by the year end. This Office will continue to monitor the Department's special fund revenue and will provide an update in the Year-End FSR with recommendations to address the remaining special fund revenue shortfall.

This Office recommends the following transactions at this time:

- Transfer \$308,659 from the Unappropriated Balance, Zoo and El Pueblo Shortfalls account to the El Pueblo De Los Angeles Historical Monument cash balance to partially offset projected revenue shortfalls in the Fund and ensure sufficient funding for operating costs.

**R. Emergency Management Department
No Recommendation**

This Office projects a net year-end General Fund surplus of \$340,783, which is attributed to vacancies within the Department and a related reduction in projected administrative expenses. The projected surplus is \$185,578 higher than previously reported in the First Financial Status Report, which is due to delays in the filling of vacancies.

This Office projects a shortfall of \$73,477 from the Department's General Fund revenue budget of \$517,517 by year end. The shortfall is attributed to a change in the Los Angeles County Department of Public Health methodology for the calculation of 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 Department's expense accounts 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 \$260,715, comprised of surpluses in the Salaries General (\$11,035) and Contractual Services (\$249,680) accounts. The projected surplus is \$55,715 higher than previously reported in the First FSR, which is attributed to vacancies in the Department. As previously reported in the First FSR, the surplus in the Contractual Services Account is due to the Department's anticipation that special investigator services will not be needed this fiscal year.

The Department anticipates exceeding its General Fund revenue budget of \$1.2 million by \$187,909 by year end, which is attributed to an increase in fees billed to the Los Angeles Unified School District.

**U. Finance
No Recommendation**

This Office projects a year-end General Fund surplus of \$3.1 million, which is attributed to vacancies and Contractual Services savings. The projected surplus is approximately \$600,000 higher than previously reported in the Second FSR, which is attributed to the Department's inability to fill vacancies at the rate that was previously projected. The Department is carrying a 21 percent vacancy rate and is actively working to fill vacancies. This Office no longer projects over-expenditures in the Salaries, As-Needed and Overtime General accounts previously reported in the Second FSR, as transactions recommended in the Second FSR are projected to address

funding needs in those accounts through year end. This Office recommends transferring funds from the Department's Salaries General Account to ITA to front-fund the cost to install and activate data ports for new credit card processors (point-of-sale equipment) for various departments over the course of this fiscal year. The departments will true-up costs and reimburse the General Fund by the end of the fiscal year.

This Office projects that the Department will exceed its General Fund revenue budget of \$10.1 million by \$854,256 by year end, which is attributed to an increase in credit card reimbursements.

This Office recommends the following transaction at this time:

- Transfer \$300,000 from the Department's Salaries General Account to the Information Technology Agency's (ITA) Communication Services Account to front-fund the cost for ITA to install point-of-sale equipment (new credit card processors) for various departments.

V. Fire

Recommendation No. 23

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end General Fund over-expenditure of \$17.95 million. The projected over-expenditure is approximately \$2.15 million higher than previously reported in the Second FSR. The over-expenditure is primarily attributed to overspending in the Salaries Sworn (\$5 million), Overtime General (\$0.62 million), Overtime Sworn (\$4.1 million), Overtime Variable Staffing (\$6.3 million), Contractual Services (\$0.56 million), Contract Brush Clearance (\$0.5 million), Field Equipment Expense (\$0.61 million), Uniforms (\$0.5 million), Office and Administrative (\$0.5 million), and Operating Supplies (\$0.94 million) accounts. The addition of a fourth recruit academy class to alleviate the expected vacancies as a result the vaccine mandate accounts for \$2.8 million of the projected year-end over-expenditure.

The most significant over-expenditures are discussed below:

- Salaries Sworn (\$5 million): The projected year-end overspending is attributed to the addition of a fourth recruit academy class and a one-time budget reduction. A transfer may be required at year-end.
- Overtime General (\$0.62 million): The year-end over expenditure is due to staff supporting the repair and maintenance of apparatus and fleet vehicles, fire life and safety inspections, and payroll and accounting demands. The Department should continue to monitor this account and limit the use of overtime for critical emergency operations.
- Overtime Sworn (\$4.1 million): The year-end over expenditure is a result of retired sworn members on emergency recall to fill critical field vacancies. A transfer of \$1.0 million is recommended in this FSR.

- Variable Overtime (\$6.3 million): The Department reports that over expenditures are mainly attributed to staff supporting COVID operations and expenses associated with the additional recruit class. A transfer of \$4.0 million is recommended in this FSR.

This Office projects that the net year-end over-expenditure for the Department will be reduced to \$11.2 million after accounting for the recommendations included in this FSR. This projection assumes the use of available surpluses, combined with the receipt of mutual aid reimbursements, brush clearance and FEMA-reimbursable COVID expenses, prior year re-appropriations, and Inter-Governmental Transfer Program funds, to reduce the projected over-expenditures. This Office anticipates that a General Fund appropriation will be required at year-end to address the remaining over-expenditures and will report in the Year-End FSR with recommendations to address any remaining over-expenditures.

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:

- Transfer \$500,000 from the Constant Staffing Overtime Account to the Contract Brush Clearance Account to complete brush abatement activity on 235 private parcels.
- Transfer \$500,000 from the Constant Staffing Overtime Account to the Uniforms Account for the purchase of uniforms for a fourth recruit class.
- Transfer \$5.0 million from the Unappropriated Balance, Fire Department Compensation Adjustments Account to the Overtime Sworn (\$1.0 million) and Variable Staffing Overtime (\$4.0 million) accounts.
- Transfer \$54,000 from Salaries General Account to the Office and Administrative Account for Palisades Fire invoices received from the California Conservation Corps (CCC) for labor hours billed for the LAFD crew hired for this incident during May 17-22, 2021.
- Transfer \$59,328.73 from the Office and Administrative Account to the Information Technology Agency for LAFD's Virtual Machines Annual Maintenance Cost.
- Transfer \$160,000 from the Unappropriated Balance – Fire Department Compensation Adjustments line item to the Office and Administrative Account for MOU 22 Chief Officers Association Wellness Program expenses.
- Transfer \$246,636 from Measure B reimbursements to the General Fund for expenses incurred for the period January 1, 2021 through June 30, 2021.

- Appropriate \$1.4 million from the Unappropriated Balance, Fire Department Compensation Adjustments Account to address a shortfall in re-appropriation obligations approved in the 2020-21 Year-End FSR, shown in the table below, and subsequently rescinded in the FY 21-22 First FSR due to insufficient funding. The shortfall is the result of \$1.1 million in inadvertently reported over-expenditures for a UASI 20 grant and \$0.24 million in other over-expenditures that have been corrected in the Department’s year-end reversion worksheet. These corrections negatively impact re-appropriation requests. However, the Department reverted over \$2.0 million in General Funds which offsets this request, as follows:

Total 2020-21 General Fund Reversions	\$2,068,616
Less: Re-appropriation Obligations	(\$1,402,090)
Net 2020-21 Reversion	\$666,526

Summary of Reappropriation Obligations

Council File	Purpose	Fund 100 Accounts				Total
		1090	1098	3040	6020	
C.F. 20-0600	Replacement Helmets/Airbags	\$ -	\$ -	\$ -	\$ 291,368.00	\$ 291,368.00
C.F. 19-0600-S180	Radio Rebranding Project (C.F. 19-1095)	78,000.00	300,000.00	-	-	378,000.00
	Replacement Helmets/Airbags	-	-	-	345,498.80	345,498.80
	NSS Replacement Project	-	-	387,222.94	-	387,222.94
Total Reappropriation Obligation		\$ 78,000.00	\$ 300,000.00	\$ 387,222.94	\$ 636,866.80	\$ 1,402,089.74

- Appropriate \$121,045 from the Unappropriated Balance, Fire Department Compensation Adjustments Account to the Department’s Contractual Services Account for the completion of a Fire Standards of Cover Analysis.
- Transfer \$24,373 from the Innovation Fund to the Department’s Contractual Services Account for continuation of the Sean Higgs Athletic Trainer Contract for the Early Intervention Treatment Program.
- Transfer \$12,500 from the Innovation Fund to the Fire Department's Operating Supplies Account for the Fire Department Orthotics Pilot Program. The Innovation and Performance Commission approved this pilot project in 2021, and funds will be used to reimburse the Fire Department for the purchase of moldable orthotic footwear provided to firefighter recruits with the goal of reducing injuries during the Training Academy.

MICLA

- Approve an equipment list deviation in the MICLA 2021-22 Adopted Budget, to revise the planned purchase of 20 non-emergency electric vehicles to 10 electric vehicles and 10 gasoline vehicles to account for the limitations of electric vehicle charging infrastructure at City Hall East.

W. General Services

Recommendation No. 11

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end over-expenditure of \$4 million, comprised of \$11.4 million in General Fund over-expenditures and a \$7.4 million special fund surplus. The projected over-expenditure is approximately \$3 million higher than previously reported in the Second FSR. The increase in projected General Fund over-expenditures is driven by overspending in seven accounts: Petroleum (\$9.0 million), Contractual Services (\$3.0 million), Utilities (\$2.0 million), Benefits Hiring Hall (\$0.45 million), Hiring Hall (\$0.2 million), Overtime (\$0.08 million), and Salaries, Construction Projects (\$0.04 million) accounts. These General Fund over-expenditures are offset by a projected surplus in the Salaries, General Account (\$3.1 million), which is available to offset a portion of the projected over expenditures. The \$9.0 million in Petroleum Account overspending is attributed to a 60 percent increase in diesel and unleaded fuel prices over 2020 prices as of October. The \$3 million in Contractual Services Account overspending is primarily attributed to increased custodial work at libraries, COVID disinfection at City facilities, and projected operations and maintenance expenses for the Public Works Building. The \$2 million Utilities Account overspending is due to increased rates and usage at various City facilities.

The special fund surplus consists of projected surpluses in the Salaries General (\$4.9 million) and Petroleum (\$4 million) accounts, offset by over-expenditures in the Field Equipment Expense (\$0.9 million), Overtime (\$0.3 million), and Contractual Services (\$0.24 million) accounts. Petroleum savings are attributed to expenditures for alternative fuels which power Bureau of Sanitation vehicles and are not subject to the volatility of diesel and gas fuel prices. The Salaries General surplus is attributed to a high number of vacancies which the Department is working to reduce.

At this time, this Office recommends transfers of \$867,000 from the Salaries General Account and \$280,200 million from the Salaries As-Needed Account to offset projected over-expenditures in the Contractual Services, Benefits Hiring Hall, Hiring Hall Salaries, and Overtime accounts.

A \$5 million transfer from the Unappropriated Balance is recommended to offset projected over expenditures in the Petroleum and Utilities Expense accounts. In the Second FSR, \$3.5 million was transferred from the Salaries, General Account to the Petroleum account, however an additional appropriation is necessary to ensure fuel delivery through year end. Given significant volatility in the fuel markets, this Office recommends continuing to monitor fuel prices and usage, and addressing any remaining overspending in the Year-End FSR.

A \$1.25 million transfer within the Solid Waste Resources Revenue (SWRRF) Fund is recommended to offset projected over expenditures in the Field Equipment Expense and Overtime accounts.

This Office projects the Department will exceed its General Fund revenue budget of \$47.82 million by a net \$289,341, for a total of \$48.1 million, based on receipts through December. The increase

in projected revenue is attributed to an increase in the sale of City-owned surplus properties and receipts from the sale of salvaged items. The projected increase is offset by a reduction in anticipated reimbursements from the Library attributed to delays in the reopening of branch libraries.

This Office recommends the following transactions at this time:

- Transfer \$822,000 from the Department's Salaries General account to the following accounts:
 - Contractual Services (\$372,000) to account for COVID 19 Cleaning Costs (\$263,000) and new or enhanced services at 10 City facilities (\$109,000).
 - Hiring Hall Benefits (\$450,000) to fully fund fringe benefits costs associated with the increased use of Hiring Hall staff by the Department.
- Transfer \$45,000 in appropriations from the Department's Salaries General Account to the Controller's Salaries As-Needed Account (\$45,000) to reimburse the Controller for accounting staff support from the accounting resources pool.
- Transfer \$280,200 from the Salaries, As-Needed Account to the following accounts:
 - Hiring Hall Salaries (\$200,200) to account for Hiring Hall employees on loan to the Fuel and Building Maintenance divisions.
 - Overtime (\$80,000) to account for off-hours responses within the Building Maintenance Division for service requests.
- Transfer \$5 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments account to following accounts:
 - Petroleum (\$3 million) to address volatility in fuel costs.
 - Utilities (\$2 million) to address increased usage and rates attributed to increased commodity costs.
- Transfer \$1.25 million from the SWRRF Petroleum Products Account to the following accounts to address shortfalls related to the maintenance of refuse vehicles:
 - Field Equipment Expense (\$900,000) for increased parts costs for the repair of SWRRF funded vehicles.
 - Overtime General (\$350,000) to address additional overtime usage as a result of high vacancies in the Department.
- Authorize the disencumbrance and reappropriation of \$136,418 in Contractual Services funds in Fiscal Year 2019-20 to the current fiscal year for the continued software upgrade of the Fleet Management system.

X. Housing
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end surplus of \$5.8 million, comprised of \$420,225 in General Fund over-expenditures and a \$6.22 million special fund surplus. The projected General Fund over-expenditures are attributed to higher than anticipated General Fund salary and expense costs not included in the 2021-22 Adopted Budget. The projected special fund surplus consists of surpluses in the Salaries General (\$9.09 million) and Contractual Services (\$8,600) accounts, which are attributed to vacancies in the Department and lower than anticipated contract expenditures. The projected special fund surpluses are offset by projected over-expenditures in the Salaries As-Needed (\$1,921), Overtime General (\$3,640), Printing and Binding (\$75,000), Transportation (\$1,516), Office and Administrative (\$212,432) and Leasing (\$2.59 million) accounts. The projected over-expenditures are associated with higher than anticipated costs for software renewals and server hardware, the administration of Lead Grant 12, and leasing costs not included in the 2021-22 Adopted Budget.

The projected General Fund over-expenditure is \$76,759 higher than previously reported in the Second FSR, which is attributed to projected labor and non-labor charges related to the Department's cost pool that will be offset with existing appropriations, and increased projected lease costs for the Proposition HHH Program and Disaster Service Worker Program. The projected special fund surplus is \$685,122 higher than reported in the Second FSR, which is attributed to hiring delays and staff attrition. This Office will continue to work with the Department to identify solutions within the Department's budget for the projected General Fund over-expenditures and will recommend any necessary transactions in the Year-End FSR.

This Office projects that the Department will exceed its General Fund revenue budget of \$56.3 million by approximately \$1.73 million by year-end. The projected revenue surplus is comprised of a \$5.3 million shortfall in related costs reimbursements associated with vacancies in the Department and is offset by \$7 million in other reimbursements from the Systematic Code Enforcement Trust Fund (\$5.67 million) and other special funds (\$1.33 million).

This Office recommends the following transactions at this time:

- Appropriate \$1,005,543 from the Proposition HHH Bond Proceeds Funds to the Department's Reimbursement from Other Funds (\$698,051) and Related Cost Reimbursements – Other (\$307,492) 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. This Office reviewed and confirmed that expenditures are eligible for reimbursement.
- Appropriate \$82,513 million from the available cash balance within the Low and Moderate Income Housing Fund to a new Financial Audit account to pay for state-required independent auditing services of the Fund.

- Appropriate \$5,419 from the available cash balance within the Affordable Housing Trust Fund to a new Financial Audit account to pay for state-required independent auditing services of the Fund.
- Transfer \$147,000 from the Department's Salaries General (\$103,283) and Reimbursement of General Fund Costs (\$43,717) accounts within various special funds to the Department's Office and Administrative Account for software renewals and hardware needs for the Department's server operations.
- Transfer \$710,000 from the Department's Salaries General (\$505,983) and Reimbursement of General Fund Costs (\$204,017) accounts within various special funds to the Department's Leasing Account to fund departmental lease costs.
- Transfer \$100,000 from the Department's Contractual Services Account to the Rent Stabilization Trust Fund's Rent and Code Outreach Program Account to support outreach services for the Rent Stabilization Ordinance.
- Transfer \$53,700 from the Department's Salaries General (\$38,561) and Lead Grant 12 Fund's Reimbursements of General Fund Costs (\$15,139) accounts to the Salaries, As-Needed (\$1,700), Overtime General (\$100) Transportation (\$1,500), Office and Administrative (\$5,400), and Leasing (\$45,000) accounts to support the administration of the Lead Grant 12.

Y. Information Technology Agency
Attachment 3 – New Appropriations
Attachment 5 – Transfers between Departments and Funds

This Office projects net year-end General Fund over-expenditures of \$2.35 million. This projection is comprised of a surplus in the Salaries General Account (\$2.26 million), offset by over-expenditures in the Hiring Hall Salaries (\$0.07 million) and Contractual Services (\$4.54 million) accounts. The surplus is attributed to vacancies in the Department. The over-expenditures are attributed to the increased use of Hiring Hall staff due to the inability to fill Communication Electricians vacancies due to the lack of a civil service list and delays to the Human Resources and Payroll (HRP) Project (C.F. 20-0313). Of the \$4.53 million overspending reported in the Contractual Services Account, \$4.3 million is attributable to the HRP project (see Issues of Concern). The projected over-expenditure is approximately \$80,000 higher than previously reported in the Second FSR, which is attributed to the increased use of Hiring Hall to augment ITA staff within the Communications Services group.

This Office projects a shortfall of \$294,232 from the Department's General Fund revenue budget of \$11 million by year end. The shortfall is attributed to the 2020-21 reduction in revenue for Telecommunications Development Account (TDA), leaving insufficient available funding in the

Fund's cash balance for all 2021-22 budgeted expenditures. This Office anticipates that the TDA will not receive sufficient revenue by year end to cover this shortfall.

This Office recommends transfers to offset the projected over-expenditures in the Hiring Hall Salaries and Contractual Services accounts. This Office worked with the Department to determine the actual cost for the HRP project delay and released a report on March 10, 2022 with recommendations to address this cost (C.F. 20-0313-S4).

This Office recommends the following transactions at this time:

- Transfer \$298,000 from the Salaries, General Account to the Hiring Hall Salaries (\$74,000) and Contractual Services (\$224,000) accounts to mitigate anticipated shortfalls in these accounts associated with project-related expenditures.
- Appropriate \$28,222 in the Communication Services Account for communication services provided to special funded departments.

Z. Library

Attachment 5 – Transfers between Departments and Funds

This Office projects a year-end special fund surplus of \$7,134,034, which is attributed to salary savings of \$4,505,867 and expense account savings of \$2,628,167. The projected surplus in the Salaries General Account is \$1,118,358 higher than previously reported in the First Financial Status Report, which is due to an increase in vacancies. 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 meeting 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 \$2,628,167 from the Library Fund's Contractual Services Account to the General Services Department's Salaries, Construction Projects (\$1,828,503) and Construction Materials (\$799,664) accounts to fund alteration and improvement projects at various branch library locations.

AA. Mayor

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

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

- Transfer \$143,552 from the Contractual Services Account to the City Attorney's Salaries General Account for the reimbursement of legal counsel salary costs for the period July 2021 through early January 2022.
- Appropriate \$38 from the LAFD Grant Allocation Account within the Fiscal Year 2020 Coronavirus Emergency Supplemental Fund to the Fire Department's Overtime, Variable Staffing account to pay for Fire Overtime, Variable Staffing costs.
- Transfer \$36,111 from the Mayor (\$25,674) and the Reimbursement of General Fund (\$10,437) accounts within the Fiscal Year 2019 Proposition 47 Cohort 2 BSCC Grant Fund to the Grant Management and Administrative Account to support grant-related expenditures.
- Decrease appropriations within the Mayor's Office Fund No. 100/46 Account No. 001020, Salaries, General (63L/46, 46V146) in the amount of \$25,674.

BB. Neighborhood Empowerment

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end special fund surplus of \$43,055, comprised of surpluses in the Salaries General (\$143,839), Salaries As-Needed (\$402), Printing and Binding (\$8,040), Transportation (\$9,555), Operating Supplies (\$1,950) and Communication Services (\$11,445) accounts, offset by over-expenditures in the Salaries As-Needed (\$330), Contractual Services (\$105,029) and Office and Administrative (\$26,415) accounts. The projected surplus is \$3,132 higher than previously reported in the First FSR, which is attributed to delayed hiring. This Office recommends a transfer of \$105,029 from the surplus in the Salaries, General Account to address the projected shortfall in the Contractual Services Account, which is attributed to several factors: 1) the use of 2022 funds for 2021 expenses; 2) unbudgeted expenses for the Department's portion of the Citywide ESRI license and additional QuickBase support; 3) making payments for cellular service and maintenance and copier leases from this account which were previously made from other accounts; and, 4) inadvertent accounting errors. This Office will continue to monitor the account shortfalls and recommend any necessary transfers to address remaining over-expenditures in the Year-End FSR.

The Department has no budgeted General Fund revenues.

This Office recommends the following transaction at this time:

- Transfer \$105,029 from the Department's Salaries General Account to the Contractual Services Account to address projected over-expenditures.

CC. Personnel
No Recommendation

While in the Second FSR, this Office projected a net year-end General Fund over-expenditure of \$2.64 million, this Office now projects a net year-end surplus of \$316,716, comprised of a \$312,716 General Fund surplus and a \$4,000 special fund surplus. The previously reported over-expenditure in the Contractual Services Account was resolved by transactions recommended in the Second FSR to address costs related to the implementation of a compliance and testing program associated with the employee vaccine mandate. The Contractual Services Account is currently on-budget and includes anticipated expenses for City employee COVID-19 testing and reporting services (see "Issues of Concern," above). Actual future testing costs may vary due to numerous factors including the number of employees required to test and the number of vaccination exemptions approved. The General Fund surplus in the Salaries General Account is attributed to higher than anticipated vacancies, positions filled with in-lieu classifications at a lower than budgeted salary cost, and is offset by the cost of 21 unbudgeted substitute authority positions to support Citywide hiring and equity programs. The special fund surplus is attributed to canceled travel to an annual conference due to the impacts of COVID-19.

This Office projects that the Department will exceed its \$25.6 million General Fund revenue budget by \$0.5 million due to unanticipated reimbursement of related costs in the prior year, revised revenue estimates, and employee deductions for COVID-19 testing.

DD. Police
Recommendation No. 24
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

The Los Angeles Police Department projects a year-end over-expenditure of \$31.7 million. This projection is \$19.7 million more than the \$12 million over-expenditure previously reported in the Second FSR. The over-expenditure is reported in the Salaries Sworn (\$11.6 million), Sworn Overtime (\$18.6 million) and Accumulated Overtime (\$1.5 million) accounts. The increase in over-expenditures is primarily attributed to sworn staffing in support of Super Bowl LVI and the Los Angeles Rams victory parade, the use of overtime to backfill sworn staffing shortages, and the deployment of a Violent Crime Task Force to reduce Citywide crime. The Department's Mid-Year FSR submission did not include sufficient information to formulate recommendations to fully address the Department's projected year-end over-expenditure. This Office recommends that the Department report in its Year-End FSR submission with all the information necessary to formulate a plan to address the projected over-expenditures and this Office will include recommendations in the Year-End FSR to address the over-expenditures.

The Department anticipates meeting its General Fund revenue budget of \$161.3 million.

This Office recommends the following transactions at this time:

- Transfer \$1,500,000 from Salaries General to Accumulated Overtime to cover banked overtime.
- Correct FY2020-21 Reversion Worksheet to reverse appropriation and revert cash payment of \$85,022.67 for Standards for Training and Corrections from Fund 100/70 to Fund 41Y/70.
- Transfer a total of \$250,000 from Office and Administrative Account to the Department's 003040 Contractual Services Account Fund 100/70 (\$180,000) to realign Focused Sworn Recruitment funding as well as \$70,000 to the Personnel Department's Fund 006010 Office and Administrative Account Fund 100/66.
- Transfer \$1,955,556 from various accounts to Contractual Services for Avionics Radio Compatibility (Re-appropriated in CF# 20-0600-S94)
- Transfer \$82,368 from the Department's Salaries General to the Mayor's Office Salaries General for the salary costs of one Community Safety Partnership Police Administrator from July 2021 through December 31, 2021.
- Transfer \$9,000,000 from Salaries Sworn to Overtime Sworn to cover overtime demands associated with an increase in Citywide violent crime and reduced deployments of sworn resources.

MICLA

- Re-approve the use of \$2,166,712 million in unspent Municipal Improvement Corporation of Los Angeles (MICLA) financing provided in the Fiscal Year 2020-21 and Fiscal Year 2019-20 Adopted Budgets for the purchase of one Mobile Command Vehicle Refit, 33 undercover vehicles, and five passenger/cargo vans.

EE. Public Accountability **No Recommendation**

This Office projects a year-end General Fund surplus of \$566,890, which is attributed to vacancies in the Department. The projected surplus is \$117,291 higher than previously reported in the First FSR, which is attributed to delays in hiring.

This Office projects a shortfall of \$1,132,114 from the Department's General Fund revenue budget of \$6,169,729 million. The shortfall is attributed to vacancies in the Department and the associated related cost reimbursements.

FF. Public Works/Board

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

This Office projects a net year-end over-expenditure of \$134,161, comprised of a \$239,852 General Fund surplus, offset by a net \$374,013 special fund over-expenditure. The projected General Fund surplus is attributed to vacancies in the Board. The special fund over-expenditure is attributed to Salaries General Account costs for programs that generally provide reimbursements late in the year. The projected surplus is \$6.6 million lower than previously reported in the Second FSR, which is primarily attributed to the Board entering into contractual services agreements for homelessness projects.

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

This Office recommends the following transactions at this time:

- Transfer \$3,520 from the Council District 4 Real Property Trust Fund to the Board's Contractual Services Account for tree watering and tree maintenance services in Council District 4.
- Transfer \$195,344 from the Unappropriated Balance, Amortization of Oil Sites Account to the Board's Salaries General Account to fund three positions in the Petroleum Administration Division.

GG. Public Works/Bureau of Contract Administration

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a year-end surplus of \$2.91 million, comprised of a \$1.7 million General Fund surplus and a \$1.21 million special fund surplus. The projected surplus is primarily attributed to salary savings in the Salaries General Account due to vacancies in the Bureau (\$2.5 million) and lower projected expenditures in the Transportation Account due to pandemic restrictions. The projected surplus is approximately \$2.19 million lower than previously reported in the First FSR, due higher than projected hiring activity in the Bureau.

This Office projects a shortfall of \$2.8 million from the Bureau's General Fund revenue budget of \$29.63 million by year end. The projected shortfall is attributed to lower project workload and reduced related costs reimbursements associated with vacancies in the Bureau.

This Office recommends the following transactions at this time:

- Transfer \$165,497 from the Salaries General Account to the Overtime General Account for Wastewater Division costs associated with emergency repairs and infrastructure projects.

- Transfer a total of \$100,000 from the Bureau's Salaries General (\$46,000), Salaries As-Needed (\$25,000), and Printing and Binding (\$29,000) accounts to the Contractual Services Account for the implementation of a Citywide marketing plan for the upcoming minimum wage increase.

**HH. Public Works/Bureau of Engineering
Recommendations Nos. 13, 14, and 15
Attachment 3 – New Appropriations**

This Office projects a year-end surplus of about \$6.1 million, which is \$0.6 million higher than previously reported in the Second FSR. The projected surplus is primarily attributed to special fund vacancies in the Bureau. The year-end surplus assumes that the Bureau will receive \$4.5 million in interim appropriations from various off-budget sources, including reimbursements from various capital projects.

This Office projects a shortfall of approximately \$0.3 million from the Bureau's General Fund revenue budget of \$68.5 million, which is attributed to a reduction in permit revenues and related costs reimbursements associated with vacancies. The Bureau's revenue budget assumes about \$4.6 million in proposed reimbursements for sidewalk repair work at Library facilities. Should the work not be completed by year-end, the reimbursements would not be realized this year. This Office will continue to monitor the Bureau's revenue and will report back on any significant revenue changes in the Year-End FSR.

Front Funding for the State Proposition 1C Grant Crenshaw Blvd. Project

In 2018, the City provided a \$2.5 million Reserve Fund loan to provide front-funding for the Proposition 1C Grant Crenshaw Blvd. Project to repair sidewalk and access ramps along the Crenshaw corridor. As part of this action, the Bureau committed to repay the Reserve Fund loan with \$2.5 million in grant reimbursements anticipated to be received after the completion of the Project.

Subsequent to the selection of a contractor to complete the Project, the Bureau determined that a subcontract was needed to re-design certain curb ramps included in the Project to meet updated American Disabilities Act design criteria. The design change increased Project costs and the Bureau now requests additional front-funding in the amount of \$3,129,264, which the Bureau states is necessary to ensure the completion of the Project by June 30, 2022. Approval of this request would increase the amount of General Fund used to front-fund the Project to \$5,629,264. The Bureau anticipates the repayment of \$5,629,264 in front-funding provided by the General Fund by January 1, 2023. In order to complete the work by June 30, 2022, the Bureau is requesting the funds by early April 2022.

We have discussed this request with the Bureau and agreed that this size of front-funding cashflow request in relation to the overall size of the grant and the timing of this request relative to the projected completion date of the project is a one-time anomaly. The Bureau understands that approval of this request will not establish a precedent.

This Office recommends the following transactions at this time:

- Transfer and appropriate \$75,000 from the available cash balance within the Engineering Special Services Fund to the Bureau's Transportation Equipment account for the purchase of a replacement van for the Systems Division.
- Authorize a Reserve Fund loan in the amount of \$3,129,264 for the Capital Improvement Expenditure Program Fund 100/54, Account No. 00R638 to provide sufficient cash flow for the Prop 1C - Crenshaw Blvd Project. This loan will be repaid upon receipt of grant reimbursements.

II. Public Works/Bureau of Sanitation

Recommendation No. 17

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$19.87 million, comprised of a \$4.07 million General Fund surplus and a \$15.8 million special fund surplus. The projected surplus is primarily attributed to a surplus in the Salaries General Account (\$23.86 million) attributed to vacancies in the Bureau, offset by an over-expenditure in the Overtime General Account (\$5.13 million) attributed to an increased need for overtime due to vacancies in the Bureau, the City's personal leave policy, impacts of the COVID-19 pandemic, and the wastewater spill at Hyperion Water Reclamation Plant on July 11, 2021. This Office recommends \$6.56 million in transfers for overtime from various funds to ensure the Bureau has sufficient funding in this account through the Year-End FSR, and will continue to monitor overtime expenditures and hiring efforts and will report on any potential impacts in the Year-End FSR.

The Bureau anticipates meeting its General Fund revenue budget of \$101.4 million by year end.

Hyperion Spill

The Bureau had to increase overtime expenditures significantly within the Sewer Construction and Maintenance Fund (SCM) to address the wastewater spill at the Hyperion Water Reclamation Plant on July 11, 2021. The City Council and Mayor approved a \$3.5 million transfer to address this over-expenditure (C.F. 21-1114). In the Second FSR, this Office reported that overtime expenditures associated with the wastewater spill were anticipated to decrease in December; however, December overtime expenditures remained higher than projected and it is now anticipated that these expenditures will begin to decrease in January. The Bureau received a partial payment of \$15 million from the property insurance policy for damage to Hyperion and is in the process of determining how those funds will be used to reimburse the Sewer Construction and Maintenance Fund (SCM) for eligible expenditures. The full impact of the spill is yet to be determined and this Office will provide updates and potential impacts on SCM in the subsequent FSRs.

State Utility Relief

The continued moratorium on utility shut-offs has caused significant arrearages and revenue losses for both the Solid Waste Resources Revenue Fund (SWRRF) and SCM. The State Water Board

announced that the application period for the wastewater relief program is open as of February 1, 2022. The Bureau is working with the Los Angeles Department of Water and Power to implement this program to eligible customers. There are no relief programs for solid waste at this time. This Office is working with the Office of the Chief Legislative Analyst and the Bureau to identify options for applying funds set aside in the Unappropriated Balance to address SWRRF arrearages.

Related Cost Prior Year Reconciliation

As stated in the First FSR, the Adopted Budget includes funding to address the overallocation of Related Costs by SCM for fiscal years 2015-2019. The SCM pays related costs based on budgeted salaries and the Office of Accounting reconciles actual expenditures at the end of each fiscal year. As a result of historically high vacancy rates in the Clean Water Program, the General Fund has been required to reimburse the SCM for the overallocation of related costs. The Bureau submitted a request to address overallocations for four fiscal years (fiscal years 2015-19), the total reimbursement request is \$52,440,256. In 2021-22, the Adopted Budget included \$26,220,128 to cover half of the total amount. The remaining obligation of \$26,220,128 is outstanding. For fiscal years 2019-20 and 2020-21, the amount of overallocation is an additional \$33,287,959. This Office recommends using the Reserve Fund to pay the full amount of \$59,508,087 at this time.

Rate Increases

As stated in the Second FSR, 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.

Proposition O

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.

This Office recommends the following transactions at this time:

- Transfer \$141,000 from the prior year Sanitation (\$98,117) and Clean Cities Programmatic Support (\$42,883) accounts within the Environmental Affairs Trust Fund to the current year Sanitation account within the Fund, and appropriate therefrom to the Salaries, As-Needed (\$127,617), Travel (\$5,383), Office and Administrative (\$3,500), and Operating Supplies (\$4,500) accounts for support work on the Clean Cities – Program Support (C.F. 16-0032) and Shade LA (C.F. 17-0267-S1) projects.
- Transfer \$1,800,000 from the Bureau's Salaries General (\$1,000,000) and Field Equipment Expense (\$800,000) accounts to the Bureau's Overtime General (\$1,000,000) and Operating Supplies (\$800,000) accounts to address the overtime use and increase in supplies for CARE/CARE+ Team deployment.

- Transfer \$1,500,000 from the Bureau's Salaries General account within the Sewer Operations and Maintenance Fund to the Bureau's Overtime General account to address the overtime use at the City's water reclamation plants.
- Transfer \$3,975,000 from the Salaries General account within SWRRF to the Bureau's Overtime General (\$3,675,000) and Salaries, As-Needed (\$300,000) account to address overtime use and provide timely solid waste collection.
- Transfer \$400,000 from the Bureau's Salaries General account within the Stormwater Pollution Abatement Fund to the Bureau's Overtime General account to address the overtime use for the Low Impact Development plan check counter and watershed monitoring.
- Reduce appropriations totaling \$1,600,000 from the Sewer Operations and Maintenance Fund to the Bureau's Salaries General accounts and increase appropriations in the amount of \$1,600,000 to the Bureau's Salaries General (\$1,500,000), Salaries As-Needed (\$60,000), and Office and Administrative (\$40,000) accounts to reconcile appropriations with projected expenditures.
- Transfer \$59,508,087 from the Reserve Fund to the Bureau of Sanitation to address the overpayment of related costs by the Sewer Construction and Maintenance Fund.

JJ. Public Works/Bureau of Street Lighting

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$537,701, comprised of a \$207,502 General Fund surplus and a \$330,200 special fund surplus. The projected surplus is attributed to salary savings generated by vacancies for positions that do not have established eligible lists. The projected surplus is approximately \$1.3 million lower than previously reported in the Second FSR, which is attributed to higher than anticipated hiring activity by the Bureau.

The materials the Bureau regularly purchases to maintain the City's street lights have increased in price, which has led to a significant strain in the materials account. The projected over-expenditure in the Street Lighting Materials and Supplies special purpose fund appropriation account in the Street Lighting and Maintenance Assessment Fund is \$300,000, which is \$1.1 million lower than previously reported in the Second FSR. This Office will continue to work with the Bureau to address the projected over-expenditure through reductions in materials used or recommendations for any necessary additional appropriations in the Year-End FSR.

This Office projects a shortfall of \$4.4 million from the Bureau's General Fund revenue budget of \$21 million. The projected shortfall is attributed to reduced related costs reimbursements associated with vacancies in the Bureau.

This Office recommends the following transactions at this time:

- Appropriate \$676,700 from Capital Technology Improvement Expenditure Program (CTIEP) to the Bureau's Salaries General Account (\$156,700), Recreation and Parks (\$225,000) and the Library Service Trust Fund (\$295,000) for Digital Inclusion Coordination and projects.
- Transfer \$29,159 within the Street Lighting Maintenance Assessment Fund (SMLAF), for the reimbursement of NASA Grant Administrative Fees and Materials.
- Transfer \$7,920 from the Street Furniture Revenue Fund to reimburse SMLAF for the McConnell Pedestrian Walkway project.
- Transfer \$54,830 from the Measure M Fund to reimburse SMLAF for work on Complete Streets Program work completed in 2021-22.
- Appropriate \$10,000 from Permit Parking Revenue Fund to the Bureau's Salaries General Account for work completed on the MyFig - North Extension Project.
- Appropriate \$5,000 from Neighborhood Council Fund to the Bureau's Salaries General Account (\$4,400) and SMLAF (\$600) for work completed on the National Boulevard Underpass Artistic Lighting Project.
- Transfer \$150,000 from the Special Gas Tax Street Improvement Fund to reimburse SMLAF and the Bureau's Salaries General Account for Bikeway General Benefit Maintenance.

KK. Public Works/Bureau of Street Services

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end surplus of \$2.26 million, comprised of a net \$1.3 million General Fund over-expenditure, offset by a net \$3.56 million special fund surplus. The projected General Fund over-expenditure is driven by overspending in the Overtime General (\$0.48 million) and the Contractual Services (\$1.22 million) accounts attributed to off-budget work completed in advance of reimbursements from off-budget funding sources. These over-expenditures are offset by a projected surplus in the Salaries General Account (\$0.4 million) attributed to vacancies in the Bureau.

The projected special fund surplus is comprised of surpluses in the Salaries General Account (\$1.2 million) attributed to vacancies in the Bureau and the Contractual Services Account (\$2.66 million) attributed to changes in contractual obligations and planned projects. These special fund surpluses are offset by a projected over-expenditure in the Overtime General Account (\$0.3 million) attributed to crews continuing to work overtime to complete budgeted projects with less staff. The Bureau

expects to finish the year on budget. Our projections assume the Bureau will receive additional appropriations from special purpose, off-budget, and grant funds before the year end.

This Office projects a \$7.0 million revenue shortfall from the Bureau's General Fund revenue budget of \$91.65 million. The shortfall is attributed to a reduction in reimbursements from Metro projects (\$1.3 million), a reduction in the amount that can be transferred from the subventions and grants fund to the General Fund (\$3.0 million), a reduction in reimbursements from the Department of Water and Power (\$2.3 million) due to a lack of available staff to complete the work, and a reduction in Building Permits (\$0.4 million) due to the impact of the pandemic.

This Office recommends the following transactions at this time:

- Appropriate \$1,000,000 from Measure M special purpose fund to the Overtime- Salaries Account (\$300,000) and the Contractual Services (\$700,000) for Alley Projects.
- Appropriate \$1,600,000 from the General Fund (LADWP Revenue) to the Overtime- Salaries Account (\$480,000) and the Contractual Services Account (\$1,120,000) to reimburse BSS for Sidewalk Repair projects pursuant to the LADWP/BSS MOU.
- Transfer of \$100,000 from General Fund Salaries General Account to Contractual Services Account for the BioChar Study.
- Rescind the previously approved appropriation of \$3,361,689 from the General City Purposes Fund, Alternative Policing Pro and Youth Jobs Training Pro - CD 7 Account to the Bureau's Contractual Services Account (C.F. 21-1001).
- Reimburse a total of \$646,570.58 in Special Events costs from the BSS Transaction Fund to various Departments.

LL. Recreation and Parks
No Recommendation

This Office projects a year-end special fund surplus of \$5.1 million, comprised of a surplus in the Salaries General Account (\$6.75 million), which is offset by over-expenditures in the Salaries, As-Needed (\$0.75 million), Overtime General (\$0.3 million), Hiring Hall Salaries (\$0.5 million) and the Benefits Hiring Hall (\$0.1 million) accounts. The projected Salaries General Account surplus is attributed to salary savings from vacancies in the Department. The Department continues to work with the Personnel Department to hire in a number of priority areas, including Recreation and Aquatics, Maintenance and Construction, Public Safety, Capital Projects and Planning. To expedite the hiring process, the Department has partnered with the Personnel Department and provided supplemental staff to assist in testing and certification process. The Department's ability to meet the hiring goals will impact this projected surplus. The projected over-expenditures are attributed to the increased need for as-needed and Hiring Hall staff due to full-time staff vacancies, fire watches, safety compliance, and other unexpected program and event needs. This Office

recommends that the projected over-expenditures be offset by salary savings and will report in the Year-End FSR with recommendations to address these projected over-expenditures.

This Office projects that the Department will exceed its special fund revenue budget of \$35.5 million by approximately \$2.7 million, which is attributed to a projected full season for the Greek Theatre.

MM. Transportation

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end surplus of \$12.96 million, comprised of a net \$1.33 million surplus in General Fund and a net \$11.63 million special fund surplus. The projected surplus is approximately \$2.86 million higher (\$0.73 million in General Fund and \$2.13 million in special funds) than previously reported in the Second FSR. The increased projected surplus is attributed to a slower than projected pace of Department hiring, and revised overtime expenditure projections due to the resurgence and unpredictability of COVID-19 impacts on special events and the deployment of overtime staffing. The General Fund surplus consists of projected surpluses in the Salaries General (\$1.66 million), Salaries, As-Needed (\$0.49 million), Overtime General (\$0.36 million), and Hiring Hall Salaries (\$0.07 million) accounts, offset by projected over-expenditures in the Contractual Services (\$1 million) and Office and Administrative (\$0.25 million) accounts. The Contractual Services Account over-expenditure is attributed to increased COVID-19 protection costs associated with the County Department of Public Health high-grade mask mandate and unbudgeted security costs for field offices due to recent break-ins and theft. The Office and Administrative Account over-expenditure is attributed to increased software license renewal costs and costs associated with telecommuting staff. This Office recommends transfers from the Salaries General Account to the Contractual Services and Office and Administrative accounts to address the projected over-expenditures.

The special fund surplus consists of projected surpluses in the Salaries General (\$10.85 million), Salaries, As-Needed (\$0.79 million), and Overtime General (\$0.99 million) accounts, offset by projected over-expenditures in the Contractual Services Account (\$1 million). The Contractual Services Account over-expenditure is attributed to increased costs associated with the Mobile Data Specification tool to track dockless vehicle data.

This Office projects a shortfall of \$21.4 million from the Department's General Fund revenue budget of \$86.6 million. The projected shortfall is \$4.5 million higher than previously reported in the Second FSR and is attributed to reduced projected related cost reimbursements associated with vacancies in the Department and the impacts of the COVID-19 pandemic.

This Office recommends the following transactions at this time:

- Transfer \$1,000,000 (General Fund) from the Department's Salaries General Account to the Contractual Services Account for COVID-19 protection measures at 15 facilities and equipment and security services for Department fleets.

- Transfer \$250,000 (General Fund) from the Department's Salaries General Account to the Office and Administrative Account for software license costs and renewals and staff telecommuting equipment as needed.
- Transfer \$1,000,000 from the Department's Salaries General Account to the Contractual Services Account for services funded by the Measure M Local Return Fund to maintain the Mobility Data Specification (MDS) tool to track the deployment of dockless vehicles (scooters and e-bicycles) for regulatory and billing purposes.

NN. Youth Development

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office projects a net year-end General Fund surplus of \$258,042, which is attributed to delayed hiring. The projected surplus consists of a \$297,421 surplus in the Salaries General Account, offset by a \$39,379 shortfall in the Contractual Services Account. This Office recommends a transfer from the Salaries General Account to the Contractual Services Account for translation and interpretation services, and information technology support for the Department, as funds for these purposes were not included in the 2021-22 Adopted Budget.

Currently, the Mayor's Office is loaning the Executive Director and one Mayoral Aide to the Department. The Mayor's Office is expected to transfer the Executive Director position in the near future as the ordinance establishing the Executive Director's salary is effective (C.F. 21-1099). This Office recommends reimbursing the Mayor's Office for the salary costs to date associated with the two positions that have been on loan. As one position may remain on loan through the remainder of the year, an additional transfer may be required in the Year-End FSR.

The Department has no budgeted General Fund revenues.

This Office recommends the following transactions at this time:

- Transfer \$149,575.64 from the Department's Salaries General Account to the Mayor's Office Salaries General Account for staff on loan from the Mayor's Office.
- Transfer \$39,379 from the Department's Salaries General Account to the Contractual Services Account to secure professional translation and interpretation services (\$19,379) and to provide IT support to the Department (\$20,000).

OO. Zoo

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a net year-end special fund surplus of \$653,815, comprised of surpluses in the Salaries General (\$391,940) and Salaries As-Needed (\$781,875), offset by over-expenditures in the Salaries Hiring Hall (\$30,000), Benefits Hiring Hall (\$40,000), Contractual Services (\$100,000),

Maintenance Materials, Supplies and Services (\$100,000), Animal Food/Feed and Grain (\$150,000), and Office and Administrative (\$100,000) accounts. Our recommendations in this FSR will address the projected over-expenditures, which are attributed to increased costs associated with inflation and the increased use of Hiring Hall staff. The projected net surplus is approximately \$581,000 higher than previously reported in the Second FSR, which is attributed to ongoing attrition and delays in hiring.

In the previous FSRs, we reported that due to the anticipated revenue from the Zoo Lights Program this year (previously not assumed in the budget) and strong Zoo attendance from the 2021 summer season, there was potential that the year-end revenue outlook could exceed budgeted projections or lessen the transfer amount from the UB. Excluding the \$10.4 million in the Unappropriated Balance, Zoo and El Pueblo Shortfalls account and \$1.1 million General Fund appropriation to the Zoo Enterprise Trust Fund, the Department anticipates meeting \$19.1 million of its' Special Fund revenue budget of \$25 million by year-end. While this is approximately \$5.7 million more than what was assumed in the budget, it is still insufficient to fully offset the remaining variance without a General Fund subsidy. The Department requested a \$5 million appropriation from the UB, Zoo and El Pueblo shortfalls account to offset the remaining year-end revenue gap. This Office does not recommend an appropriation from the UB account to the Zoo Enterprise Trust Fund at this time, as the Zoo is reporting stronger revenues and a higher cash balance in the Zoo Enterprise Trust Fund than what was anticipated in the 2021-22 Adopted Budget. Should an additional appropriation be required from the UB to offset any remaining year-end special fund shortfalls, it will be addressed in the Year-End FSR.

Zoo Lights Event

The Department conducted the annual Zoo Lights event during Fall 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. The Department is currently finalizing the remaining invoices. The revenue from the Zoo Lights event is estimated to be \$2.36 million (net revenue of \$800,000) and will be deposited into the Zoo Enterprise Trust Fund. While this revenue was not assumed in the Adopted Budget as a result of the uncertainties surrounding the pandemic, the anticipated revenue is now included in the \$19.1 million revenue projection noted above. We will report on actual revenue received from this event in the Year-End FSR.

This Office recommends the following transactions at this time:

- Transfer \$420,000 from the Department's Salaries, As-Needed Account to the Salaries, Hiring Hall (\$30,000), Benefits, Hiring Hall (\$40,000), Maintenance Materials, Supplies and Services (\$100,000), Animal Food/Feed and Grain (\$150,000), and Office and Administrative Expense (\$100,000) Accounts to address necessary facility repairs in preparation for the upcoming Zoo accreditation inspection and to cover the increased costs of goods and services.
- Appropriate \$100,000 from the Zoo Enterprise Trust Fund cash balance to Account No. 87V187 and transfer therefrom to Zoo's Contractual Services Account for the storage, maintenance, and upkeep of the Zoo Lights fixtures.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

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

A. General City Purposes No Recommendation

Account	Account Name	Net Surplus / (Deficit)
0510	Medicare Contributions	\$ (1,199,548)
0570	Social Security Contributions	496,918
0577	Pensions Savings Plans	362,664
050Z	LA's Best	(1,449,777)
	Total	\$ (1,789,743)

This Office projects a net year-end over-expenditure within the General City Purposes (GCP) budget of \$1.8 million, composed of projected surpluses in the Social Security Contributions (\$496,918) and Pensions Savings Plans (\$362,664) accounts, offset by over-expenditures in the Medicare Contributions (\$1.2 million) and LA's Best (\$1.4 million) accounts.

The projected over-expenditure is \$1.4 million higher than previously reported in the Second FSR, which is primarily attributed to a projected over-expenditure in the LA's Best Account. Because of delays in executing an agreement with LA's Best, last year's funds were not encumbered in time to meet the Controller's year-end deadlines. Current year funding was instead used to pay costs, leaving an available balance of \$1.0 million. As the City's commitment for LA's Best for 2021-22 is \$2,449,777, an additional appropriation of \$1,449,777 to this account will be required.

This Office does not recommend adjustments at this time to address overall final year-end needs for the Medicare Contributions and LA's Best accounts. We will continue to monitor these accounts and report back in the Year-End FSR with recommendations for any necessary transfers or additional appropriations.

B. Unappropriated Balance

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 7A – Status of the UB – General Account

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

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

The 2021-22 Adopted Budget includes \$531.5 million for the Unappropriated Balance (UB). Through March 8, 2022, the Mayor and City Council have approved a net of approximately \$319.9 million in transactions.

This report includes recommendations to transfer from various UB accounts totaling \$34 million. This leaves a remaining balance of approximately \$177.6 million. The transactions recommended in this report address several departments' overspending and unfunded expenditures that not only depletes the Reserve for Mid-Year Adjustments Account, but also uses funding in the Zoo and El Pueblo Revenue Shortfalls and Fire Department Compensation Adjustments accounts. As described in Table 3, this Office projects a remaining \$69.3 in overspending that may require additional transfers in the Year-End FSR. For this reason, this Office recommends preserving the remaining balances in the Zoo and El Pueblo Revenue Shortfalls (\$10.1 million) and Fire Department Compensation Adjustments (\$6.6 million) accounts for budget balancing at year-end.

In addition to the transfers included in this report, approximately \$20.59 million in transactions are pending Mayor and City Council approval, which includes transferring the remaining \$2.75 million in the Reserve for Mid-Year Adjustments Account to the Gang Injunction Curfew Settlement Fund (C.F. 16-0081-S3). These actions would result in a remaining balance of approximately \$157.0 million in the UB.

This Office recommends the following transactions at this time:

- Transfer \$324,155 from the UB, Zoo and El Pueblo Revenue Shortfalls Account, to the UB, Reserve for Mid-Year Adjustments Account, to provide additional capacity to address overspending and unfunded expenditures.
- Transfer \$332,732 from the UB, Reserve for Mid-Year Adjustments Account to the Animal Services' Overtime General Account to support the current rate of overtime expenditures through year-end.
- Transfer \$395,000 from the UB, Reserve for Mid-Year Adjustments Account, to the City Attorney's Outside Counsel Account for expenses related to the HUD False Claims Act case.
- Transfer \$950,000 from the UB, Reserve for Mid-Year Adjustments Account, to the City Attorney's Litigation Account to address projected overspending for expert witnesses, medical experts, court reporting services, and other expenses for caseload support.

- Transfer \$100,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Clerk's Salaries, As-Needed (\$99,825) and Overtime, General (\$175) accounts to partially address unbudgeted expenses for the review of the Council District 11 recall petition.
- Transfer \$308,659 from the UB, Zoo and El Pueblo Shortfalls Account to the El Pueblo De Los Angeles Historical Monument Fund to partially offset projected revenue shortfalls in the Fund and ensure sufficient funding for operating costs.
- Transfer \$1,402,089.74 from the UB, Fire Department Compensation Adjustments Account to the Fire Department's Overtime General (\$78,000), Overtime Variable Staffing (\$300,000), Contractual Services (\$387,222.94), and Operating Supplies (\$636,866.80) accounts to address a shortfall in reappropriation obligations approved in the 2020-21 Year-End FSR, as a result of over-expenditures for the UASI 20 grant.
- Transfer \$121,045 from the UB, Fire Department Compensation Adjustments Account to the Fire Department's Contractual Services Account for the completion of the Fire Standards of Cover Analysis.
- Transfer \$5.0 million from the UB, Fire Department Compensation Adjustments Account to the Fire Department's Overtime Sworn (\$1.0 million) and Variable Staffing Overtime (\$4.0 million) accounts to partially address projected over expenditures in these accounts.
- Transfer \$160,000 from the UB, Fire Department Compensation Adjustments Account to the Fire Department's Office and Administrative Account for MOU 22 Chief Officers Association Wellness Program expenses.
- Transfer \$5 million from the UB, Reserve for Mid-Year Adjustments Account to the General Services Department's Petroleum Account (\$3 million) to address volatility in fuel costs and Utilities Account (\$2 million) to address increased usage and rates attributed to increased commodity costs.
- Transfer \$195,344 from the UB, Amortization of Oil Sites Account to the Board of Public Works, Salaries General Account to fund three positions in the Department's Petroleum Administration Division.
- Transfer \$20,537,790 from the UB, Reserve for Extraordinary Liability to the Liability Claims Account, Miscellaneous Liability Payouts Account for anticipated settlements.

C. Human Resources Benefits

Attachment 4 – Transfers between Accounts within Departments and Funds

This Office projects a year-end surplus of \$5.1 million for the Human Resources Benefits Fund (Fund). The projected surplus is \$0.8 million lower than previously reported in the Second FSR due to higher projected costs for Unemployment Insurance (\$0.8 million), Civilian Flex Program (\$1.1

million), Police Health and Welfare Program (\$0.2 million), and Workers' Compensation (\$2.6 million) accounts, offset by lower projected costs for Contractual Services (\$3.8 million) and Fire Health and Welfare Program (\$0.1 million) accounts.

The projected year-end surplus is attributed to lower enrollment in both civilian and sworn benefit plans compared to budget, including the Civilian Flex Program (\$5.7 million), Police Health and Welfare Program (\$3.3 million), Fire Health and Welfare Program (\$0.1 million), and Supplemental Civilian Union Benefit (\$0.2 million) accounts. These surpluses are offset by over-expenditures in the Unemployment Insurance (\$1.6 million) and Workers' Compensation (\$2.6 million) accounts. These projections do not reflect the impact of the City Employee COVID-19 vaccination requirement. This Office and the Department will monitor and report on the status of this Fund in the Year-End FSR.

This Office projects the Fund will meet its General Fund revenue budget of \$2.7 million by year end.

This Office recommends the following transaction at this time:

- Transfer \$1.6 million from the Human Resources Benefits Fund's Civilian Flex Program Account to the Unemployment Insurance Account to fund projected unemployment insurance costs through year end.

D. Liability Claims Account

Attachment 3 – New Appropriations

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 8 – Status of Liability Accounts

The 2021-22 Adopted Budget provides \$87.37 million for Liability Payouts, allocated between the Miscellaneous Liability Payouts (\$80 million) and Public Works, Sanitation Liability Payouts (\$7.37 million) accounts. Supplemental funding of \$23.89 million is provided in the Unappropriated Balance (UB) Reserve for Extraordinary Liability to pay for both tort liability and tax-related cases beyond the amount provided in the Liability Claims Account.

As of January 24, 2022, \$36.29 million of the \$87.37 million has been expended from the Liability Claims Account. Including an additional \$10.32 million pending payment, the total committed amount is \$46.61 million. Therefore, \$40.76 million (46-percent), of which \$5.52 million is budgeted for Bureau of Sanitation issues, represents the available balance for the remainder of the fiscal year.

With regard to the UB, Reserve for Extraordinary Liability Account, the Office of the Chief Legislative Analyst released a report dated February 3, 2022, which recommended a transfer of \$3.89 million from the Account to fund the 27th Street Neighborhood Recovery Plan (CF 21-0775-S1). Approval of the recommendation would leave a balance of \$20 million in the Reserve for Extraordinary Liability Account. Based on the current rate of payouts, payouts pending approval, and approved payouts pending payment, this Office recommends transferring the supplemental

funding of \$20 million in the UB to the Miscellaneous Liability Payouts account to pay anticipated settlements at this time.

Additionally, the Office of the City Attorney has recognized the reimbursement of settlement funds totaling \$70,000 provided by the Department of Water and Power (DWP) in the matter of USS Cal Builders, Inc. v. City (Case No. 20STCV05628), and requests to transfer this amount from its revenue account to the Miscellaneous Liability Payouts account. This Office recommends this transfer to pay this settlement.

This Office recommends the following transaction at this time:

- Authorize the Controller to appropriate \$70,000 within the Liability Claims Fund No. 100/59, Revenue Source No. 5188 - Miscellaneous Revenue-Others into Fund No. 100/59, Account No. 009798 - Miscellaneous Liability Payouts.
- Transfer \$20 million from the Unappropriated Balance, Reserve for Extraordinary Liability Account to the Liability Claims Fund, Miscellaneous Liability Payouts Account for anticipated settlements.

3. STATUS OF EMPLOYMENT

Attachment 9 – Employment Level Report

Citywide employment authority from all funding sources totaled 36,738 at the end of December for both civilian and sworn classes. There are 31,200 filled positions at the end of December. Departments reported a total of 5,538 vacant positions: 3,160 General Fund and 2,378 special funded.

4. FEDERAL AND STATE BUDGET

No Recommendation

Federal Infrastructure Bill

On November 15, 2021, President Biden signed the (Infrastructure Investment and Jobs Act, HR 3684 (IIJA) into law. The United States Senate passed the bill on August 10, 2021 and the House or Representatives passed it on November 6, 2021. The IIJA provides \$1.2 trillion in funding over ten years which includes \$552 billion in new spending. Pursuant to Council instruction (C.F. 21-1015), the Offices of the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) released a report on the IIJA on December 17, 2021 with a summary of the major funding categories, in addition to other relevant funding information currently available. Table 1 summarizes the \$552 billion in new federal investments and Table 2 provides a further breakdown of the Transportation funding category. The CAO and CLA will continue to monitor funding opportunities and provide updates as more information becomes available.

Table 1 IIJA Major Funding Categories Summary	
Funding Category	Funding (in Billions)
Broadband - Funds to improve broadband internet access in rural areas and make highspeed internet more available for lower income households and tribal communities.	\$65.0
Energy and Power - Includes the Energy Infrastructure Act, which includes funds for grid reliability and resiliency and support for a Grid Deployment Authority; critical minerals and supply chains for clean energy technology; key technologies like carbon capture, hydrogen, direct air capture, and energy efficiency; and energy demonstration projects from the Energy Act of 2020.	73.0
Environmental Remediation - Funds to clean up brownfield and superfund sites, reclaim abandoned mine lands, and plug orphan oil and gas wells, improving public health and creating good-paying jobs.	21.0
Resiliency - Funding for cybersecurity to address critical infrastructure needs, waste management, flood and wildfire mitigation, drought, and coastal resiliency, ecosystem restoration, heat stress, and weatherization.	46.0
Water Infrastructure - Funding for the Drinking Water and Wastewater Infrastructure Act of 2021. Provides funding for lead service line replacement and to address per-and polyfluoroalkyl substances (PFAS), chemicals found in various consumer goods that can leach through soil and contaminate drinking water. Supports water infrastructure in tribal communities.	55.0
Western Water Infrastructure - Funds for the Bureau of Reclamation western water infrastructure, including for aging infrastructure, water storage, water recycling and reuse, the WaterSMART program, which funds water conservation and water management planning efforts and drought contingency plans.	8.3
Transportation - Funds the improvement and modernization of the nation's transportation infrastructure. This category represents over 50 percent of the new IIJA spending (See Table 2).	284.0
GRAND TOTAL	\$ 552.3

Table 2 Transportation Funding Category Breakdown (Funding in Billions)	
Airports - Increases funds for an Airport Improvement grant program for runways, gates, and taxiways as well as a new Airport Terminal Improvement program for terminals, concessions, and multimodal connections. Improves Air Traffic Control infrastructure.	\$25.0
Clean Buses and Ferries - Funding for the replacement of existing school buses with zero emission and clean school buses and replacement of existing ferries with low carbon ferries and to assist states with operational costs for essential rural ferries.	7.5
Electric Vehicle Chargers - Funds for alternative fuel corridors and to build out a national network of electric vehicle charging infrastructure to facilitate long distance travel and to provide convenient charging locations.	7.5
Ports and Waterways - Funding for waterway and coastal infrastructure, inland waterway improvements, port infrastructure, and land ports of entry through the Army Corps of Engineers, Department of Transportation, Coast Guard, General Services Administration, and Department of Homeland Security.	17.0
Passenger and Freight Rail - Provides funding for the Amtrak National Network for new service and dedicated funding to the Northeast Corridor. Increases funding for freight rail and safety.	66.0
Reconnecting Communities - Funds for projects that remove barriers to opportunity caused by legacy infrastructure.	1.0
Roads and Bridges - Includes the Surface Transportation Reauthorization Act and Surface Transportation Investment Act. Funds a new, dedicated grant program to replace and repair bridges and increases funding for the major project competitive grant programs.	110.0
Safety - Funds highway safety programs, pedestrian safety programs, and pipeline safety and repair.	11.0
Public Transit - Funds nation's transit system repair backlog. Expands transit systems, supports clean transit options, and increases accessibility for seniors and persons with disabilities.	39.0
GRAND TOTAL	\$ 284.0

State Budget

On January 10, 2022, Governor Newsom presented his 2022-23 Proposed Budget, which projects a one-time budget surplus of \$45.7 billion, and includes \$20.6 billion in General Fund for discretionary purposes, \$16.1 billion in additional Proposition 98 for K-14 education, and \$9 billion in reserve deposits and supplemental pension payments. The Budget allocates 86 percent of the discretionary surplus to one-time investments, and is projected to be structurally balanced in 2025-26, which is the last year in the forecast. The economic forecast does not consider the surge of the Omicron variant, and the COVID-19 Pandemic can still pose a negative impact. We identify the budget proposals with potential impacts to the City below:

Climate Change and Workforce

Governor Newsom proposes \$450 million over three years beginning in 2023-24 to support local governments as local economies adjust to economic and workforce transitions caused by the COVID-19 Pandemic, climate change, and other factors.

Increasing Affordable Housing Options

The Budget proposes an additional \$500 million over two years to accelerate the development of affordable housing focusing the majority of these investments on development in and near downtowns throughout the state.

Homelessness

Governor Newsom proposes an additional \$2 billion over two years to continue the state's efforts to address homelessness by investing in behavioral health housing and encampment cleanup grants. These intend to serve as a bridge to other related efforts such as Homekey and California Advancing and Innovating Medi-Cal, which will redesign Medi-Cal to better serve Californians, including individuals experiencing homelessness and provide long-term care.

Crime

The Budget proposes \$285 million over three years for grants to enhance local law enforcement response to organized retail theft crime, as well as assist local prosecutors in holding perpetrators accountable. It would also provide one-time General Fund investments of \$25 million to provide matching grants for local government gun buyback programs.

Clean California Initiative

The Budget proposes \$100 million to continue the Clean California Local Grant Program into 2023-24 which provides grants to cities, counties, transit agencies, tribal governments and other government agencies to beautify their communities and remove trash and debris.

Immigrant Integration and Talent

Governor Newsome proposes onetime funding of \$8.7 million for competitive grants to local governments to build trust with immigrant residents and help immigrant populations navigate state and local services. This funding would help cities and counties deploy best practices in immigrant support services with state-provided technical assistance.

The Governor will release his revised budget in May 2022. This Office will continue to monitor the State budget and will provide a status update in the Year-End FSR.

5. SPECIAL GAS TAX IMPROVEMENT FUND Recommendations Nos. 12, 16, and 22

Through the end of February 2022, Gas Tax receipts total \$61.9 million, reflecting 61 percent of the Adopted Revenue Budget of \$101.5 million. This is approximately \$5.8 million below plan. Due to the current economic conditions and high fuel costs, it is anticipated that revenues will continue to be short of the monthly budgeted revenue. This Office now projects year-end revenue at \$89.7 million, which results in a projected revenue shortfall of \$11.8 million from the Adopted Revenue Budget. This Office recommends reducing departmental appropriations for the Bureau of Engineering (\$550,000), Department of Transportation (\$40,000), and the General Services Department (\$200,000) based on projected savings in various accounts. Our recommendations address \$790,000 of the projected \$11.8 million revenue shortfall. This Office will continue to monitor this account and include recommendations in the Year-End FSR to address the remaining \$11 million shortfall. These recommendations are anticipated to include reductions to related costs reimbursements from the Fund which are counted as General Fund revenue.

This Office recommends the following transactions at this time:

- Relative to the projected \$11.8 million shortfall in the Special Gas Tax Improvement Fund No. 206/50 associated with increased fuel costs:
 - Reduce appropriations in the amount of \$200,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V140, General Services;
 - Reduce appropriations in the amount of \$200,000 in the General Services Fund No. 100/40, Account No. 001010, Salaries General;
 - Reduce appropriations in the amount of \$550,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V178, Bureau of Engineering;
 - Reduce appropriations in the amount of \$550,000 in the Bureau of Engineering Fund No. 100/78, Account No. 001010, Salaries General;
 - Reduce appropriations in the amount of \$40,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V194, Transportation; and,
 - Reduce appropriations in the amount of \$40,000 in the Department of Transportation Fund No. 100/78, Account No. 001090, Overtime General.

6. ROAD MAINTENANCE AND REHABILITATION FUNDS Recommendations Nos. 18, 19, 20, and 21

Through the end of February 2022, Road Maintenance and Rehabilitation (RMRA; aka SB1) receipts total \$52.9 million, reflecting 67 percent of the Adopted Revenue Budget of \$79.0 million. While current SB1 revenues are lower than projected, this Office is not proposing any revenue adjustments at this time.

The 2021-22 Adopted Budget recognized \$6 million (of \$18.7 million) of federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) Highway Infrastructure Programs (HIP) funds that will be reimbursed through the Surface Transportation Program (STP) for Pavement Preservation Program (PPP) work on streets within the Federal Street system (City's arterial streets, not residential or rural roadways). The Bureau of Street Services significantly over-estimated the ability to get the work funded by CRRSSA approved and completed during 2021-22 and the work will not be able to be done until 2022-23. Therefore, the CRRSSA funds will not be received this year. As such, this Office recommends reducing the Gas Tax appropriation to the Bureau of Street Services by \$6 million, which will be offset by a corresponding reduction in STP revenues, resulting in no negative impact to the Fund. This Office will continue to monitor revenues for these funds and report in the Year-End FSR on any significant revenue changes, including recommendations to offset any revenue reduction, if necessary.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$6,000,000 within the Special Gas Tax Improvement Fund No. 206/50, Account No. 50V186, Bureau of Street Services.
- Reduce appropriations in the total amount of \$6,000,000 in the Bureau of Street Services Fund No. 100/86 within Account No. 001010, Salaries General (\$3,500,000), Account No. 001090, Overtime General (\$2,000,000), and Account No. 003030, Construction Expense (\$500,000).

RMRA – Maintenance of Effort (MOE) Requirement

The RMRA legislation requires the City to maintain the pre-existing commitment of discretionary funds for streets in order to receive SB1 revenue (also referred to as Maintenance of Effort (MOE)). The City's MOE requirement is a minimum of \$243.3 million in discretionary expenditures annually. Should the City not meet this MOE requirement, the City has one year to make up the amount. If the City is unable to meet the requirement the following year, including the MOE requirement for that year, the City would not receive its SB1 apportionment (the estimated SB1 revenue in 2022-23 is \$89 million).

In the Annual Street Report for 2020-21 that was submitted to the State in December 2021, the City reported that it spent about \$159.8 million (of the required \$243.3 million) in discretionary funds on street related purposes in 2020-21. Assembly Bill 149, which was signed by the Governor on July 16, 2021, provided MOE relief due to the impact of COVID-19 pandemic on cities by allowing cities to adjust the MOE for 2020-21 based on the decrease in sales tax from 2018-19 to 2019-20.

Since sales tax decreased by 4.3 percent, the City's recalculated MOE is reduced by \$10.6 million, from \$243.3 million to \$232.7 million, leaving a balance of \$73.0 million in discretionary expenditures that must be made up in 2021-22.

In addition to spending the \$73 million, the City will also need to meet the 2021-22 MOE goal. Assembly Bill 149 additionally provided that the City may petition the State Controller to use an alternative calculation for 2021-22 that reflects the decrease in the Transient Occupancy Tax (TOT) from 2018-19 through 2020-21. From 2018-19 through 2020-21, TOT revenues declined by 65 percent. This results in a recalculated MOE for 2021-22 of \$84.25 million. Therefore, the City must spend \$316.95 million over the two year period of 2020-21 and 2021-22.

This Office is working with the City Controller, the Bureau of Street Services (BSS), the Board of Public Works, and the Department of Transportation to address this matter, including:

- Reviewing the Annual Street Report to ensure that all costs, including indirect costs, and all discretionary funding sources have been appropriately captured;
- Encouraging City departments to maximize expenditures during 2021-22 from discretionary funding sources; and,
- Identifying whether additional legislative relief is required.

The transactions below will allow BSS to make street report eligible expenditures in the discretionary General Fund and help maximize the spending for SB1 MOE purposes for 2021-22. This will also limit the ability of BSS to mistakenly mis-categorize expenditures at the end of the year in the reversion worksheet and exacerbate the problem. Our recommendations are anticipated to result in a \$120,295 General Fund impact; however, these recommendations are necessary to ensure that the City meets the SB1 MOE requirement for 2021-22 and maintain the City eligibility for an estimated \$89 million in SB1 funds for 2022-23.

This Office will provide an update on this matter in the Year-End FSR with any necessary recommendations to ensure that the City meets the MOE requirement to continue to receive SB1 apportionments. The City MOE level returns to \$243.3 million in 2022-23.

This Office recommends the following transactions at this time:

- Reduce appropriations to the Bureau of Street Services as shown in the table below:

Fund		Account		Amount
No.	Name	No.	Name	
206	Special Gas Tax Improvement Fund	50V186	Bureau of Street Services (100/86/003030)	\$ 3,500,000
51Q	Measure R Local Return Fund	94V186	Bureau of Street Services (100/86/003030)	3,500,000
540	Proposition C Anti-Gridlock Transit Improvement Fund	94V186	Bureau of Street Services (100/86/001090)	500,000
Total				\$ 7,500,000

- Increase appropriations within various special funds as shown in the table below:

Fund		Account		Amount
No.	Name	No.	Name	
206	Special Gas Tax Improvement Fund	50V299	Reimbursement of General Fund Costs	\$ 3,500,000
51Q	Measure R Local Return Fund	94V299	Reimbursement of General Fund Costs	3,379,705
540	Proposition C Anti-Gridlock Transit Improvement Fund	94V299	Reimbursement of General Fund Costs	500,000
Total				\$ 7,379,705

- Transfer \$7,500,000 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the Bureau of Street Services Fund No. 100/86, Account No. 003030 Construction Expense (\$7,000,000) and Account No. 001090 Overtime General (\$500,000).

7. STATUS OF MICLA COMMERCIAL PAPER PROGRAMS

Recommendation No. 9

The City's Financial Policies instruct the City Administrative Officer (CAO) to periodically report on the status of Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper (CP) programs. The City has two MICLA CP programs, the general MICLA CP Program authorized for up to \$425 million and the MICLA Los Angeles Convention Center (LACC) CP Program authorized for up to \$100 million. Since the establishment of the MICLA CP programs, the Mayor and City Council have allocated, through various adopted budgets and interim reports, MICLA CP capacity

to finance and refinance the acquisition, construction, and capital improvements to the LACC and various City facilities, and for the acquisition of capital equipment and vehicles for City departments. The MICLA CP programs allow the City to access the financial markets quickly to obtain flexible, short-term maturities, and to borrow at favorable rates. Commercial paper notes are short-term obligations with maturities ranging from 1 to 270 days.

The MICLA CP programs are secured by direct-pay letters of credit (LOCs) from four commercial banks. The current LOCs for the MICLA CP programs expire on June 30, 2022. This Office is in the process of negotiating LOC renewals and replacements with LOC providers and will report back with recommended actions under a separate cover prior to the expirations of the existing LOCs. Below are the range of interest rates and the total amount of outstanding notes by CP program as of December 31, 2021.

Program	Reporting Period	Interest Range	Amount Outstanding
MICLA CP (Tax-Exempt)	5/1/2021 - 12/31/21	0.06% to 0.16%	\$ 136,900,000
MICLA CP (Taxable)		0.09% to 0.16%	18,000,000
MICLA LACC CP (Taxable)		0.08% to 0.14%	20,700,000
Total			\$ 175,600,000

Capital Projects Bond Reserve Fund No. 49Y

The Capital Projects Bond Reserve Fund No. 49Y (Fund) was established in 2007 for the deposit of approximately \$7 million from the substitution of a surety bond in lieu of cash held in a debt service reserve fund previously established for the Los Angeles Convention and Exhibition Center Authority Lease Revenue Bonds, 1993 Refunding Series A (CF 07-0600-S24). Pursuant to the 2007-08 Adopted Budget, the funds were used to pay for various capital projects. All capital projects related to the Fund have been completed, and this Office recommends that the remaining fund balance of approximately \$230,000 be used to pay down outstanding commercial paper, related to the MICLA LACC CP program, that funded capital improvement projects related to the Los Angeles Convention Center.

This Office recommends the following transaction at this time:

- Authorize the Controller to transfer the remaining balance of \$228,031.36 in the Capital Projects Bond Reserve Fund No. 49Y (Fund) to the Non-Departmental General Fund No. 100/62 to complete all legal and accounting requirements for the proper disposition of the Fund and close in the end of FY 2022; and appropriate the like amount to the Capital Finance Administration Fund No. 100, Department 53, Account 000347 to pay down outstanding commercial paper, related to the MICLA Los Angeles Convention Center Commercial Paper program, that funded capital improvement projects related to the Los Angeles Convention Center.



Nicholas S. Campbell, Senior Administrative Analyst II

APPROVED:



Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:NSC:01220061C

Attachments

Attachment 1

2021-22 Adopted General Fund Revenue

Through December
(Thousand Dollars)

	2021-22 Budget	Plan Through December	Receipts Through December	Percent of Budget	Variance of Receipts from Plan
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Comments

Property Tax	\$2,400,250	\$790,655	\$786,932	32.8%	(\$3,723)	The December 2021 secured remittance for the new property tax period is \$12.5M below estimates and represents 4.0% growth from the prior tax period, compared to 5.9% assumed in the adopted budget. This shortfall is offset by receipts from the prior tax period. Higher unsecured receipts and lower refund activity are not sufficient to offset shortfalls seen in other property tax categories and a shortfall is currently projected for year-end.
Property Tax Ex-CRA Inc.	111,990	-	-	0.0%	-	The January remittance, not reflected here, is \$16.9M below plan and is due to the \$23.5M higher remittance made in June 2021.
Utility Users' Tax	605,050	307,240	309,210	51.1%	1,970	Reported receipts are based on LATax, not FMS data. EUT down \$9.1M, CUT up \$5.7M, Gas up \$5.3M.
Department receipts (LPFF and reimbursements)	1,244,790	466,848	469,005	37.7%	2,156	Surplus represents receipts received ahead of plan.
ARPA	639,450	0	0	0.0%	-	This receipt is expected in the second half of the fiscal year (May).
Business Tax	716,600	113,075	107,212	15.0%	(5,863)	In contrast to prior years, surplus business tax receipts from non-cannabis activity is partially offsetting a \$13.4M shortfall from cannabis activity (based on LATAX receipts). Approximately 85% of all business tax revenue is recorded in the second half of the fiscal year coinciding with the 2022 renewal period.
Sales Tax	606,610	323,412	335,100	55.2%	11,688	Receipts are ahead of plan with an earlier recovery of deferred tax remittances and higher growth partially attributed to increasing gas prices.
Documentary Transfer Tax	227,005	119,355	149,357	65.8%	30,002	Five consecutive months of increasing sales activity and price are responsible for the current surplus. When these components grow (or decline) together, there are significant variances from plan. December data indicates slowing, but still positive growth in prices and sales.
Power Revenue Transfer	225,819	-	-	0.0%	-	DWP's adopted transfer is \$225M for an \$819K shortfall.
Transient Occupancy Tax	183,300	83,195	108,379	59.1%	25,184	Monthly receipts are tracking above plan, primarily due to hotel activity rather than short-term rentals.
Parking Fines	123,621	62,280	52,220	42.2%	(10,060)	Parking fine revenue for December fell \$1.7M from previous monthly receipts which were already below plan.
Parking Occupancy Tax	99,337	39,563	47,769	48.1%	8,206	Monthly receipts are variable, but are tracking above plan.
Franchise Income	94,657	43,815	41,761	44.1%	(2,053)	A \$6.2M shortfall is attributed to lower-than-budgeted cable franchise rate (3% vs 5%) and is offset higher receipts from natural gas and solid waste franchises (\$2.0M and \$2.2M, respectively).
State Motor Vehicle License Fees	2,942	-	-	0.0%	-	This receipt is expected in the second half of the fiscal year.
Grant Receipts	91,343	78,189	3,929	4.3%	(74,260)	Shortfall is primarily attributed to delayed FEMA grant reimbursements now anticipated for the following fiscal year.
Tobacco Settlement	11,489	0	0	0.0%	-	This receipt is expected in the second half of the fiscal year.
Residential Development Tax	4,800	2,400	2,275	47.4%	(125)	Monthly receipts are variable, but are tracking near plan.
Special Parking Revenue	8,477	-	-	0.0%	-	

Subtotal General Fund	\$7,397,530	\$2,430,027	\$2,413,149	32.6%	(\$16,878)	
Interest Income	20,603	15,894	18,537	90.0%	2,643	Monthly receipts are variable with surplus owed to special funds.
Transfer from Reserve Fund	85,090	85,090	85,090	100.0%	-	
Total General Fund	\$7,503,223	\$2,531,011	\$2,516,776	33.5%	(\$14,235)	

**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 3/11/22**

Council File No.	Item Description	Amount
Balance Available, 7/1/2021		\$ 647,040,158.51
Less: Emergency Reserve Account		\$ 206,339,000.00
Contingency Reserve Account 7/1/2021		\$ 440,701,158.51
General Fund Appropriation to the Reserve Fund		-
Loan Repayment and Other Receipts		34,055,328.34
Contingency Reserve Account		<u>\$ 474,756,486.85</u>
 Loans and Transfers Approved to Date		
CAO Memo	Los Angeles Tourism and Convention Board (LATCB)	(1,092,654.01)
	2019-20 California Gang Violence Intervention and Prevention (CalVIP)	
21-0463	Grant program	(350,000.00)
18-0010-S5	Special Reward Trust Fund Program	(25,000.00)
21-0945	Hit and Run Reward Program	(50,000.00)
First FSR	Building and Safety - Repair and Demolition Fund loan	(384,699.00)
21-0978	COVID-19 testing and vaccination sites loan - to be reimbursed by FEMA	(46,000,000.00)
21-1061	Hit and Run Reward Program	(50,000.00)
20-0841	Homelessness Roadmap	(117,500.00)
Second FSR	Mayor's Office - Reimbursement for prior year expenditures in support of the 2020 Census	(147,505.75)
16-0010-S16	Special Reward Trust Fund Program	(50,000.00)
21-1064	Juvenile Justice Crime Prevention Act (JJCPA) Grant loan	(250,000.00)
21-0112	City Match for State Homekey 2 Program loan	(49,647,103.00)
 Loans and Transfers Approved to Date Subtotal		 \$ (98,164,461.76)
 Proposed Loans and Transfers		
Mid-Year FSR	Sewer Construction and Maintenance Fund - related costs overpayment	(59,508,087.00)
Mid-Year FSR	Building and Safety Enterprise Fund - Loan repayment - COVID-19 Project Roomkey	(25,660,524.63)
Mid-Year FSR	Bureau of Street Services - SB1 Maintenance of Effort Requirement	(7,500,000.00)
Mid-Year FSR	Prop 1C - Crenshaw Project loan	(3,129,264.00)
 Proposed Loans and Transfers Subtotal		 \$ (95,797,875.63)
 Contingency Reserve Available Balance as of 3/11/2022		 <u><u>\$ 280,794,149.46</u></u>
 Total Emergency and Contingency Reserve Fund		 <u><u>\$ 487,133,149.46</u></u>

**ATTACHMENT 3
FY 2021-22 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Administrative Officer <i>Contractor Development and Bonding</i>	<u>Fund 46S/10, Insurance and Bonds Premiums Fund</u>		<u>Fund 46S/10, Insurance and Bonds Premiums Fund</u>	
	RSC 4596, Service to Department of Water and Power	\$ 348,520.00	10V820, Contractor Development and Bonding	\$ 483,520.00
	RSC 4597, Service to Harbor Department	\$ 135,000.00		
	Subtotal	\$ 483,520.00		
City Attorney <i>Proposition HHH Reimbursement</i>	<u>Fund 17A/10 GOB Series 2017-A Taxable HHH Construction Fund</u>		<u>Fund 100/12, City Attorney (17A/10, TBD)</u>	
	RSC 4904, Interest on Pooled Invest-Bond Funds	\$ 128,405.72	RSC 5301, Reimbursement from Other Funds	\$ 128,405.72
	<u>Fund 17C/10 GOB Series 2017-A Taxable HHH Construction Fund</u>		<u>Fund 100/12, City Attorney (17C/10, 10V299)</u>	
Settlement Reimbursement USS Cal Builders, Inc. v. City	RSC 4904, Interest on Pooled Invest-Bond Funds	\$ 52,479.42	RSC 5361, Related Cost Reimbursement - Others	\$ 52,479.42
	<u>Fund 100/59, Liability Claims</u>		<u>Fund 100/59, Liability Claims</u>	
	RSC 5188, Miscellaneous Revenue-Others	\$ 70,000.00	009798, Miscellaneous Liability Payouts	\$ 70,000.00
Community Investment for Families <i>Mt. Tabor Shower Services</i>	<u>Fund 424/21 Community Development Trust Fund</u>		<u>Fund 100/14 Board of Public Works (424/21, 21V1/14)</u>	
	21VB04, Mount Tabor Shower Trailer	\$ 516,125.00	003040, Contractual Services	\$ 516,125.00
Domestic Violence Administrative Costs	<u>Fund 880/21 Domestic Violence Trust Fund</u>		<u>Fund 100/21 Community Investment for Families (880/21, 21V1/21)</u>	
	Cash Balance	\$ 500.00	006010, Office and Administrative Expense	\$ 500.00
Administrative Costs and Translation Services	<u>Fund 428/21 Community Services Block Grant</u>		<u>Fund 100/21 Community Investment for Families (428/21, 21V1/21)</u>	
	43T501, CARES Administrative Reserve	\$ 421,961.00	001010, Salaries General	\$ 383,961.00
			001090, Overtime General	\$ 35,000.00
			003040, Contractual Services	\$ 3,000.00
		Subtotal	\$ 421,961.00	
Technology Equipment Purchase	<u>Fund 428/21 Community Services Block Grant Trust Fund</u>		<u>Fund 100/21, Community Investment for Families (428/21, 21V1/21)</u>	
	21V299, Reimbursement of General Fund Costs	\$ 12,083.40	006010, Office and Administrative	\$ 12,083.40
Economic Workforce Development <i>Safe Pass LA</i>	<u>Fund 551/22, General Fund, Various Funds</u>		<u>Fund 100/22, Economic and Workforce Development (Fund 551/22, 22V1/22)</u>	
	22V4AB, Safe Pass LA	\$ 174,207.00	001010, Salaries General	\$ 174,207.00
Fire <i>Innovation Fund - Early Intervention Treatment</i>	<u>Fund 105/10, Innovation Fund</u>		<u>Fund 100/38, Fire</u>	
	10T138, Fire	\$ 24,373.17	003040, Contractual Services	\$ 24,373.17
Orthotics Pilot Program	<u>Fund 105/10, Innovation Fund</u>		<u>Fund 100/38, Fire Department</u>	
	Available Cash Balance	\$ 12,500.00	006020, Operating Supplies	\$ 12,500.00

**ATTACHMENT 3
FY 2021-22 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS**

REQUESTING DEPARTMENT		TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Housing Department					
HHH Permanent Supportive Housing Program	Fund 17C/10_GOB Series 2018-A (Taxable), Prop HHH Construction Fund		Fund 100/43_Housing Department (17C/43_TBD)		
	RSRC 4904, Interest on Pooled Invest-Bond Fds	\$ 698,051.06	RSC 5301, Reimbursement from Other Funds	\$ 698,051.06	
	Fund 17C/10_GOB Series 2018-A (Taxable), Prop HHH Construction Fund		Fund 100/43_Housing Department (17C/43_43V299)		
	RSRC 4904, Interest on Pooled Invest-Bond Fds	\$ 307,491.49	RSC 5361, Related Cost Reimbursements-Others	\$ 307,491.49	
Financial Audits					
	Fund 55J/43_Low and Moderate Income Housing Fund		Fund 55J/43_Low and Moderate Income Housing Fund		
	Cash Balance	\$ 82,512.90	43V456, Financial Audit	\$ 82,512.90	
	Fund 44G/43_Affordable Housing Trust Fund		Fund 44G/43_Affordable Housing Trust Fund		
	Cash Balance	\$ 5,419.50	43V456, Financial Audit	\$ 5,419.50	
Information Technology Agency					
Communication Services Requests	Fund 100/32_Information Technology Agency		Fund 100/32_Information Technology Agency		
	RSC 5301, Reimb From Other Funds	\$ 28,221.64	009350, Communication Services	\$ 28,221.64	
Public Works - Engineering					
Replacement van for Systems Division	Fund 682/50_Engineering Special Services Fund		Fund 100/78_Bureau of Engineering		
	4903, Interest Income - Other	\$ 75,000.00	007340, Transportation Equipment	\$ 75,000.00	
Public Works - Sanitation					
Environmental Affairs Trust Fund	Fund 537/50_Environmental Affairs Trust Fund		Fund 100/82_Bureau of Sanitation (537/50_50V182)		
	50T182, Bureau of Sanitation	\$ 98,117.15	001070, Salaries As-Needed	\$ 127,617.15	
	50M311, Clean Cities Programmatic Support	\$ 42,883.00	002130, Travel	\$ 5,383.00	
	Subtotal	\$ 141,000.15	006010, Office and Administrative	\$ 3,500.00	
			006020, Operating Supplies	\$ 4,500.00	
			Subtotal	\$ 141,000.15	
Public Works - Street Lighting					
Digital Inclusion Staffing Costs	Fund 100/54_Capital Improvement Expenditure Program		Fund 100/84_PW - Street Lighting		
Computer Labs and WiFi in RAP Centers	00V837, Digital Inclusion Fund	\$ 676,700.00	001010, Salaries General	\$ 156,700.00	
Expand/Enhance Library Tech Kiosks & Try Out Carts			Fund 302/89_Recreation and Parks		
			TBD, Computer Labs at RAP Centers	\$ 225,000.00	
			Fund 419/44_Library Service Trust		
			TBD, Library Tech Kiosks and Tech Try Out Carts	\$ 295,000.00	
			Subtotal	\$ 676,700.00	
MyFig - North Extension Project					
	Fund 49C/94_Permit Parking Revenue Fund		Fund 100/84_PW-Street Lighting (49C/94_94V184)		
	94T184, Bureau of Street Lighting	\$ 10,000.00	001010, Salaries, General	\$ 10,000.00	
National Boulevard Underpass Artistic Lighting Project					
	Fund 59B/14_Neighborhood Council Fund		Fund 100/84_Street Lighting (59B/14_14V184)		
	14R184, PW - Street Lighting	\$ 5,000.00	001010, Salaries	\$ 4,400.00	
			Fund 347/50_SLMAF		
			RCSC5301, Reimb from Other Funds - General	\$ 600.00	
			Subtotal	\$ 5,000.00	

**ATTACHMENT 3
FY 2021-22 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Street Services <i>DWP Reimbursements</i>	<u>Fund 100/86, Public Works - Street Services</u>		<u>Fund 100/86, Public Works - Street Services</u>	
	RSC 4281 - Street Repairs - Water Blowouts	\$ 280,000.00	001090, Overtime General	\$ 480,000.00
	RSC 4596 - Service to Water & Power	\$ 1,320,000.00	003040, Contractual Services	\$ 1,120,000.00
	Subtotal	\$ 1,600,000.00	Subtotal	\$ 1,600,000.00
<i>Alleys</i>	<u>Fund 59C/94, Measure M</u>		<u>Fund 100/86, Public Works -Street Services (59C/94, 94V186)</u>	
	94VV01 - Alley Paving	\$ 1,000,000.00	001090, Overtime General	\$ 300,000.00
			003040, Contractual Services	\$ 700,000.00
		Subtotal	\$ 1,000,000.00	
Zoo <i>Zoo Lights Storage/Maintenance</i>	<u>Fund 40E/87, Zoo</u>		<u>Fund 100/87, Zoo (40E/87, 87V187)</u>	
	Cash Balance	\$ 100,000.00	003040, Contractual Services	\$ 100,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 6,625,551.45		\$ 6,625,551.45

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	TRANSFER TO
City Clerk CD 11 Recall Election Petition Review	Fund 100/14, City Clerk	\$ 79,954.00	Fund 100/14, City Clerk		
	001010, Salaries, General		001070 Salaries, As-Needed	\$ 79,954.00	
City Attorney CCMS Software, Staff Equipment, and Outside Counsel Costs	Fund 100/12, City Attorney	\$ 3,615,000	Fund 100/12, City Attorney		
	001010, Salaries, General		003040, Contractual Services	\$ 2,000,000.00	
			006010, Office & Admn Expenses	150,000	
			009301, City Attorney Outside Counsel	1,465,000	
			<u>Subtotal \$ 3,615,000.00</u>		
Civil, Human Rights and Equity Department Student Professional Workers	Fund 100/15, Civil, Human Rights and Equity Department	\$ 15,328.00	Fund 100/15, Civil, Human Rights and Equity Department		
	001010, Salaries, General		001070, Salaries As-Needed	\$ 15,328.00	
Community Investment for Families Technology Equipment Purchase	Fund 100/21, Community Investment for Families (43V121)	\$ 63,000.00	Fund 100/21, Community Investment for Families(43V121)		
	001010, Salaries, General (424/21)		006010, Office and Administrative (424/21)	\$ 63,000.00	
Controller Overtime Expenditures	Fund 100/21, Community Investment for Families	\$ 29,916.60	Fund 100/21, Community Investment for Families		
	001010, Salaries, General (428/21)		006010, Office and Administrative (428/21)	\$ 29,916.60	
Council Staffing and Expenses	Fund 100/28, Council	\$200,000.00	Fund 100/28, Council		
	001010, Salaries, General		001070, Salaries, As Needed	\$ 3,000,000.00	
Council District 9 - Community Services	Fund 100/28, Council	\$ 4,050,000.00	002120, Printing and Binding	200,000.00	
	001010, Salaries, General		003040, Contractual Services	150,000.00	
			006010, Office and Administrative	700,000.00	
			<u>Subtotal \$ 4,050,000.00</u>		
Fire Contract Brush Clearance	Fund 100/38, Fire	\$ 100,000.00	Fund 100/38, Fire		
	000866, CD9 Council Fee Subsidy - Special Events		000709, Community Services District 9	\$ 100,000.00	
Fire Fourth Recruit Class Uniforms	Fund 100/38, Fire	\$ 500,000.00	Fund 100/38, Fire		
	001093, Overtime Constant Staffing		003070, Contract Brush Clearance	\$ 500,000.00	
Fire Palisades Fire Invoices	Fund 100/38, Fire	\$ 500,000.00	Fund 100/38, Fire		
	001010, Salaries, General		004430, Uniforms	\$ 500,000.00	
General Services Various Deficits	Fund 100/38, Fire	\$ 54,000.00	Fund 100/38, Fire		
	001010, Salaries, General		006010, Office and Administrative	\$ 54,000.00	
General Services Various Deficits	Fund 100/40, General Services	\$ 822,000.00	Fund 100/40, General Services		
	001010, Salaries, General		001120, Benefits Hiring Hall	\$ 450,000.00	
			003040, Contractual Services	372,000.00	
			<u>Subtotal \$ 822,000.00</u>		
Overtime and Parts Deficits	Fund 100/40, General Services	\$ 1,250,000.00	Fund 100/40, General Services		
	003230, Petroleum Products (SWRRF)		001090, Salaries Overtime (SWRRF)	\$ 350,000.00	
			003090 Field Equipment Expense (SWRRF)	900,000.00	
			<u>Subtotal \$ 1,250,000.00</u>		

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
General Services (cont'd) Hiring Hall Salaries	Fund 100/40, General Services		Fund 100/40, General Services	
	001070, Salaries, As Needed	\$ 280,200.00	001100, Hiring Hall Salaries	\$ 200,200.00
			001090, Overtime General	80,000.00
			Subtotal \$ 280,200.00	
Housing Department <i>Software and Hardware Needs</i>	Fund 100/43, Housing Department (43V143)		Fund 100/43, Housing Department (43V143)	
	001010, Salaries, General (10D/43)	\$ 16,516.00	006010, Office and Administrative (10D/43)	\$ 16,516.00
	001010, Salaries, General (424/43)	\$ 8,617.00	006010, Office and Administrative (424/43)	\$ 8,617.00
	001010, Salaries, General (561/43)	\$ 16,516.00	006010, Office and Administrative (561/43)	\$ 16,516.00
	001010, Salaries, General (41M/43)	\$ 8,177.00	006010, Office and Administrative (41M/43)	\$ 8,177.00
	001010, Salaries, General (440/43)	\$ 34,069.00	006010, Office and Administrative (440/43)	\$ 34,069.00
	001010, Salaries, General (55J/43)	\$ 8,617.00	006010, Office and Administrative (55J/43)	\$ 8,617.00
	001010, Salaries, General (815/43)	\$ 8,617.00	006010, Office and Administrative (815/43)	\$ 8,617.00
	001010, Salaries, General (59T/43)	\$ 2,154.00	006010, Office and Administrative (59T/43)	\$ 2,154.00
		Subtotal \$ 103,283.00		Subtotal \$ 103,283.00
	Fund 10D/43, Accessible Housing Fund		Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 6,484.00	006010, Office and Administrative (10D/43)	\$ 6,484.00
	Fund 424/21, Community Development Trust Fund		Fund 100/43, Housing Department (21V143)	
21V299, Reimbursement of General Fund Costs	\$ 3,383.00	006010, Office and Administrative (424/21)	\$ 3,383.00	
Fund 561/43, Home Investment Partnership Program		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 6,484.00	006010, Office and Administrative (561/43)	\$ 6,484.00	
Fund 41M/43, Systematic Code Enforcement Fee Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 3,823.00	006010, Office and Administrative (41M/43)	\$ 3,823.00	
Fund 440/43, Rent Stabilization Trust Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 15,931.00	006010, Office and Administrative (440/43)	\$ 15,931.00	
Fund 55J/43, Low and Moderate Income Housing Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 3,383.00	006010, Office and Administrative (55J/43)	\$ 3,383.00	
Fund 815/43, Municipal Housing Finance Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 3,383.00	006010, Office and Administrative (815/43)	\$ 3,383.00	
Fund 59T/43, Housing Impact Trust Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 846.00	006010, Office and Administrative (59T/43)	\$ 846.00	
	Subtotal \$ 43,717.00		Subtotal \$ 43,717.00	
Leasing Needs	Fund 100/43, Housing Department (43V143)		Fund 100/43, Housing Department (43V143)	
	001010, Salaries, General (10D/43)	\$ 111,303.00	006030, Leasing (10D/43)	\$ 111,303.00
	001010, Salaries, General (517/43)	\$ 25,133.00	006030, Leasing (517/43)	\$ 25,133.00
	001010, Salaries, General (41M/43)	\$ 71,545.00	006030, Leasing (41M/43)	\$ 71,545.00
	001010, Salaries, General (56V/43)	\$ 46,675.00	006030, Leasing (56V/43)	\$ 46,675.00
	001010, Salaries, General (44G/43)	\$ 21,542.00	006030, Leasing (44G/43)	\$ 21,542.00
	001010, Salaries, General (240/43)	\$ 17,952.00	006030, Leasing (240/43)	\$ 17,952.00
	001010, Salaries, General (55J/43)	\$ 21,542.00	006030, Leasing (55J/43)	\$ 21,542.00
	001010, Salaries, General (815/43)	\$ 82,579.00	006030, Leasing (815/43)	\$ 82,579.00
	001010, Salaries, General (561/43)	\$ 107,712.00	006030, Leasing (561/43)	\$ 107,712.00
		Subtotal \$ 505,983.00		Subtotal \$ 505,983.00

ATTACHMENT 4

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

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Housing Department (cont'd) <i>Leasing Needs</i>	Fund 10D/43, Accessible Housing Fund		Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 43,697.00	006030, Leasing (10D/43)	\$ 43,697.00
	Fund 517/43, Emergency Solutions Grant		Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 9,867.00	006030, Leasing (517/43)	\$ 9,867.00
	Fund 41M/43, Systematic Code Enforcement Fee Fund		Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 33,455.00	006030, Leasing (41M/43)	\$ 33,455.00
	Fund 56V/43, Foreclosure Registry Trust Fund		Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 18,325.00	006030, Leasing (56V/43)	\$ 18,325.00
	Fund 44G/43, Affordable Housing Trust Fund		Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 8,458.00	006030, Leasing (44G/43)	\$ 8,458.00
Fund 240/43, Housing Production Revolving Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 7,048.00	006030, Leasing (240/43)	\$ 7,048.00	
Fund 55J/43, Low and Moderate Income Housing Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 8,458.00	006030, Leasing (55J/43)	\$ 8,458.00	
Fund 815/43, Municipal Housing Finance Fund		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 32,421.00	006030, Leasing (815/43)	\$ 32,421.00	
Fund 561/43, Home Investment Partnership Program		Fund 100/43, Housing Department (43V143)		
43V299, Reimbursement of General Fund Costs	\$ 42,288.00	006030, Leasing (561/43)	\$ 42,288.00	
	Subtotal	\$ 204,017.00		Subtotal \$ 204,017.00
<i>Rent Stabilization Ordinance Outreach Program:</i>			Fund 44U/43, Rent Stabilization Trust Fund (44U/43)	
	Fund 100/43, Housing Department (44U/43, 43V143)	\$ 100,000.00	43V228, Rent and Code Outreach Program	\$ 100,000.00
	003040, Contractual Services			
<i>Lead 12 Administration</i>			Fund 100/43, Housing Department (43V143)	
	001010, Salaries, General (63C/43)	\$ 38,561.00	001070, Salaries, As-Needed (63C/43)	\$ 1,700.00
			001090, Overtime General (63C/43)	\$ 100.00
			003310, Transportation (63C/43)	\$ 1,500.00
			006010, Office and Administrative (63C/43)	\$ 5,400.00
			006030, Leasing (63C/43)	\$ 29,861.00
			Fund 100/43, Housing Department (43V143)	
	43V299, Reimbursement of General Fund Costs	\$ 15,139.00	006030, Leasing (63C/43)	\$ 15,139.00
		Subtotal		Subtotal \$ 53,700.00
Human Resources Benefits (HRB) <i>Unemployment Insurance</i>			Fund 100/61, Human Resources Benefits	
	009200, Civilian FLEX Program	\$ 1,600,000.00	009100, Unemployment Insurance	\$ 1,600,000.00
Information Technology Agency <i>Various Projects</i>			Fund 100/32, Information Technology Agency	
	001010, Salaries, General	\$ 298,000.00	001100, Hiring Hall Salaries	\$ 74,000.00
			003040, Contractual Services	224,000.00
				Subtotal \$ 298,000.00

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
	TRANSFER FROM		TRANSFER TO	
Mayor <i>Public Safety Grant</i>	Fund 63L/46, 2019 Proposition 47 Cohort 2 Grant Program	\$ 25,674.32	Fund 63L/46, 2019 Proposition 47 Cohort 2 Grant Program	
	46V/146, Mayor (100/46/00/1020)	\$ 10,436.61	46T/946, Grant Management and Administration	\$ 36,110.93
	46V/299, Reimbursement of the General Fund	Subtotal \$ 36,110.93		
		Subtotal \$ 105,029.00		\$ 105,029.00
Neighborhood Empowerment <i>Contractual Services Account Shortfall</i>	Fund 100/47, Neighborhood Empowerment (Fund 44B)	\$ 105,029.00	003040, Contractual Services	\$ 105,029.00
	001010, Salaries, General			
Police <i>Banked Overtime and Focused Sworn Recruitment</i>	Fund 100/70, Police	\$ 1,500,000.00	Fund 100/70, Police	\$ 1,500,000.00
	001010, Salaries, General	\$ 180,000.00	001095, Accumulated Overtime	\$ 180,000.00
	006010, Office and Administrative	Subtotal \$ 1,680,000.00	003040, Contractual Services	Subtotal \$ 1,680,000.00
Avionics Radio Compatibility	Fund 100/70, Police	\$ 100,000.00	Fund 100/70, Police	\$ 1,955,556.00
	002120, Printing and Binding	\$ 150,000.00	003040, Contractual Services	
	002130, Travel	\$ 950,000.00		
	004430, Uniforms	\$ 355,556.00		
	006010, Office and Administrative	\$ 400,000.00		
	006020, Operating Supplies	Subtotal \$ 1,955,556.00		
Sworn Overtime	Fund 100/70, Police	\$ 9,000,000.00	Fund 100/70, Police	\$ 9,000,000.00
	001012, Salaries Sworn		001092, Overtime Sworn	
Public Works - Contract Administration <i>Wastewater Emergency Repairs and Infrastructure Projects</i>	Fund 100/76, Public Works Bureau of Contract Administration (761/70X)	\$ 165,497.00	Fund 100/76, Public Works Contract Administration (761/70X)	\$ 165,497.00
	001010, Salaries, General		001090, Salaries Overtime	
	Fund 100/76, Public Works Bureau of Contract Administration	\$ 46,000.00	Fund 100/76, Public Works Bureau of Contract Administration	\$ 100,000.00
	001010, Salaries, General	\$ 25,000.00	003040, Contractual Services	
Minimum Wage Increase Marketing	002120, Printing and Binding	\$ 29,000.00		
		Subtotal \$ 100,000.00		
Public Works - Sanitation <i>CARE/CARE+ Overtime and Supplies Shortfall</i>	Fund 100/82, Bureau of Sanitation	\$ 1,000,000.00	Fund 100/82, Bureau of Sanitation	\$ 1,000,000.00
	001010, Salaries, General (GF)	\$ 800,000.00	001090, Overtime General (GF)	\$ 800,000.00
	003090, Field Equipment Expense (GF)	Subtotal \$ 1,800,000.00	006020, Operating Supplies (GF)	Subtotal \$ 1,800,000.00
Sewer Operations Overtime Shortfall	Fund 100/82, Bureau of Sanitation	\$ 1,500,000.00	Fund 100/82, Bureau of Sanitation	\$ 1,500,000.00
	001010, Salaries, General (SCMO)		001090, Overtime General (SCMO)	
Solid Waste Collection Overtime Shortfall	Fund 100/82, Bureau of Sanitation	\$ 3,975,000.00	Fund 100/82, Bureau of Sanitation	\$ 3,675,000.00
	001010, Salaries, General (SWRRF)	Subtotal \$ 3,975,000.00	001090, Overtime General (SWRRF)	\$ 300,000.00
			Subtotal \$ 3,975,000.00	
Watershed Program Overtime Shortfall	Fund 100/82, Bureau of Sanitation	\$ 400,000.00	Fund 100/82, Bureau of Sanitation	\$ 400,000.00
	001010, Salaries, General (SPA)		001090, Overtime General (SPA)	
Public Works - Street Lighting <i>NASA Grant Admin Fees and Materials</i>	Fund 347/50, SLMAF	\$ 29,159.00	Fund 347/50, SLMAF	\$ 29,159.00
	50TLWB, NASA Grant - Predicting What We Breathe	\$ 29,159.00	RSC 5301, Reimb from Other Funds - General	\$ 29,159.00

ATTACHMENT 4

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

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Street Services <i>BioChar Study</i>	Fund 100/86, Public Works - Street Services 001010, Salaries, General (GF)	\$ 100,000.00	Fund 100/86, Public Works - Street Services 003040, Contractual Services (GF)	\$ 100,000.00
Transportation <i>COVID-19 and Security Services</i>	Fund 100/94, Transportation 001010, Salaries, General	\$ 1,000,000.00	Fund 100/94, Transportation 003040, Contractual Services	\$ 1,000,000.00
<i>Computer Software License Renewals</i>	Fund 100/94, Transportation 001010, Salaries, General	\$ 250,000.00	100/94, Transportation 006010, Office and Administrative	\$ 250,000.00
<i>MDS System Task Order</i>	Fund 100/94, Transportation (59C/94, 94V/194) 001010, Salaries, General	\$ 1,000,000.00	Fund 100/94, Transportation (59C/94, 94V/194) 003040, Contractual Services	\$ 1,000,000.00
Youth Development <i>Translation Services and IT Support</i>	Fund 100/19, Youth Department 001010, Salaries, General	\$ 39,379.00	Fund 100/19, Youth Department 003040, Contractual Services	\$ 39,379.00
Zoo <i>Increased Expense Costs</i>	Fund 100/87, Zoo (44E/87, 87V/187) 001070, Salaries As Needed	\$ 420,000.00	Fund 100/87, Zoo (44E/87, 87V/187) 001100, Hiring Hall Salaries 001120, Benefits Hiring Hall 003160, Maintenance Materials, Supplies and Services 004580, Feed and Grain 006010, Office and Administrative	\$ 30,000 \$ 40,000 \$ 100,000 \$ 150,000 \$ 100,000
Subtotal				\$ 420,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 38,023,829.53		
			\$ 38,023,829.53	

ATTACHMENT 5

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

REQUESTING DEPARTMENT		FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Cannabis Regulation <i>Paralegal Expenses</i>		Fund 100/13, Cannabis Regulation (60E/13, 13V113) 001010, Salaries, General	\$ 16,082.00		Fund 100/12, City Attorney (60E/13, 13V112) 001010, Salaries, General	\$ 16,082.00	
Community Investment for Families <i>For Garland leasing expenses</i>		Fund 100/21, Community Investment for Families 001010, Salaries General	\$ 1,455.67		Fund 100/43, Los Angeles Housing 006030, Leasing	\$ 1,455.67	
Bifocus Contract <i>Case Management Services</i>		Fund 100/21, Community Investment for Families 003040, Contractual Services	\$ 55,000.00		Fund 100/43, Los Angeles Housing 003040, Contractual Services	\$ 55,000.00	
Controller <i>E-Payables Rebate Revenues</i>		Fund 60Y/39, E-Payables Rebate Func RSC 4339 - Miscellaneous Government Services	\$ 789,892.60		Fund 100/26, Controller RSC 5188 - Miscellaneous Revenue	\$ 789,892.60	
Council <i>Council District 9 - Operating Expenses</i>		Fund 53P/28, AB 1290 281209, CD9 Redevelopment Fund	\$ 300,000.00		Fund 100/28, Council (53P/28, 28V128) 001070, Salaries, As-Needed	\$ 300,000.00	
Council District 13 - Security Services		Fund 53P/28, AB 1290 281213, CD13 Redevelopment Fund	\$ 100,000.00		Fund 302/88, Recreation and Parks 003040, Contractual Services	\$ 100,000.00	
Council District 14 - Operating Expenses		Fund 53P/28, AB 1290 281214, CD14 Redevelopment Fund	\$ 1,000,000.00		Fund 100/28, Council (53P/28, 28V128) 001070, Salaries, As-Needed	\$ 1,000,000.00	
Council District 10 - Clean-up Activities		Fund 53P/28, AB 1290 281210, CD10 Redevelopment Fund	\$ 67,788.00		Fund 346/08, Repair and Demolition 003180, Construction Materials	\$ 67,788.00	
Council District 1 <i>Security and Community Services</i>		Fund 100/56, General City Purposes 000701, Community Services District 1	\$ 194,400.00		Fund 100/70, Police 001092, Overtime Sworn	\$ 194,400.00	
Economic and Workforce Development <i>CRA/LA Non-Housing Excess Bond Proceeds</i> <i>Commercial Corridor Litter Abatement Project</i> <i>(CF# 14-1174-S18)</i>		Fund 57D/22, CRA/LA Non-Housing Excess Bond Proceeds 22L9CT, Broadway/Manchester Taxable Fund 57D/22, CRA/LA Non-Housing Excess Bond Proceeds 22L9GT, Hoover (Exposition/University Park) Taxable	\$ 128,843.81		Fund 508/50, PW-Bureau of Sanitation RSRC 5301, Reimbursement from Other Funds	\$ 209,595.50	
CRA/LA Non-Housing Excess Bond Proceeds <i>Hoover Litter Abatement Project</i> <i>(CF# 14-1174-S82)</i>		Fund 57D/22, CRA/LA Non-Housing Excess Bond Proceeds 22S9GT, Hoover (Exposition/University Park) Taxable	\$ 80,751.69		Fund 508/50, PW-Bureau of Sanitation RSRC 5301, Reimbursement from Other Funds	\$ 13,160.08	
Security Camera Installation		Fund 100/22, Economic and Workforce Development (551/22, 22V122) 006010, Office and Administrative	\$ 52,553.89		Fund 100/32, Information Technology Agency (551/22, 22V132) 009350, Communication Services	\$ 52,553.89	
Finance <i>Point-of-Sale Equipment</i>		Fund 100/39, Finance 001010, Salaries General	\$ 300,000.00		Fund 100/32, Information Technology Agency 009350, Communication Services	\$ 300,000.00	
Fire <i>Measure B Reimbursements</i>		Fund 335/38, Fire Dept Grant Fund 38900G, Measure B - Trauma Program	\$ 246,636.01		Fund 100/38, Fire RSC 5168, Reimbursement of Prior Year Salaries	\$ 246,636.01	
Virtual Machine Annual Maintenance <i>(ITA #INV22-1157)</i>		Fund 100/38, Fire 006010, Office and Administrative	\$ 59,328.73		Fund 100/32, Information Technology Agency 003040, Contractual Services	\$ 59,328.73	
Information Technology Agency <i>Various Projects</i>		Fund 100/32, Information Technology Agency 001010, Salaries, General	\$ 298,000.00		Fund 100/32, Information Technology Agency 001100, Hiring Hall Salaries 003040, Contractual Services	\$ 74,000.00 \$ 224,000.00	
		Subtotal	\$ 222,755.58		Subtotal	\$ 222,755.58	

ATTACHMENT 5

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Communication Services Requests	Fund 100/32, Information Technology Agency			Fund 100/32, Information Technology Agency		
	RSC 5301, Reimb From Other Funds	\$ 28,221.64		009350, Communication Services	\$ 28,221.64	
Library Alterations and Improvements	Fund 300/44, Library Fund			Fund 100/40, General Services		
	003040, Contractual Services	\$ 2,579,152.00		001014, Salaries, Construction Projects	\$ 1,823,260.00	
				003180, Construction Materials	\$ 755,892.00	
				Subtotal \$	2,579,152.00	
General Services Controller/Accounting Pool	Fund 831/44, Library Trust Fund			Fund 100/40, General Services		
	44040D, Contractual Services	\$ 49,015.00		001014, Salaries, Construction Projects	\$ 5,243.00	
				003180, Construction Materials	\$ 43,772.00	
				Subtotal \$	49,015.00	
Mayor Legal Counsel	Fund 100/40, General Services			Fund 100/26, Controller		
	001010, Salaries General	\$ 45,000		001070, Salaries As-Needed	\$ 45,000	
Public Safety Grant	Fund 100/46, Mayor			Fund 100/12, City Attorney		
	003040, Contractual Services	\$ 143,552.05		001010, Salaries General	\$ 143,552.05	
Police Personnel Support	Fund 63M/46, FY 2020 Coronavirus Emergency Supplemental Fund			Fund 100/38, Fire (63W/46, 46V/138)		
	46T938, LAFD Grant Allocation	\$ 37.77		001098, Overtime, Variable Staffing	\$ 37.77	
Police Administrator Salary Cost (July 2021 - December 2021)	Fund 100/70, Police			Fund 100/66, Personnel Department		
	006010, Office and Administrative	\$ 70,000.00		006010, Office and Administrative	\$ 70,000.00	
Public Works - Board LACC Invoices - CD4	Fund 100/70, Police Department			Fund 100/46, Mayor		
	001010, Salaries General	\$ 82,368.00		001010, Salaries General	\$ 82,368.00	
Public Works - Sanitation Sewer Capital Fund Shortfall	Fund 686/14, Council Dist 4 Real Property Trust Fund			Fund 100/74, Board of Public Works		
	14R174, Board of Public Works	\$ 3,520.00		003040, Contractual Services	\$ 3,520.00	
Public Works - Street Lighting McConnell Pedestrian Walkway	Fund 100/82, Bureau of Sanitation (760/50, 50V182)			Fund 100/82, Bureau of Sanitation (761/50, 50V182)		
	001010, Salaries General (SCMO)	\$ 1,600,000.00		001010, Salaries, General (SCMC)	\$ 1,500,000.00	
				001070, Salaries, As-Needed (SCMC)	\$ 60,000.00	
				006010, Office and Administrative (SCMC)	\$ 40,000.00	
				Subtotal \$	1,600,000.00	
Complete Streets Program	Fund 43D/50, Street Furniture Revenue Fund			Fund 347/50, SLMAF		
	50Y184, Bureau of Street Lighting	\$ 7,920.00		RSC 5301, Reimb from Other Funds - General	\$ 7,920.00	
Bikeway General Benefit Maintenance	Fund 59C/94, Measure M			Fund 347/50, SLMAF		
	94SC90, Complete Streets	\$ 54,830.00		RSC 5301, Reimb from Other Funds - General	\$ 54,830.00	
Public Works - Street Services Alternative Policing Pro and Youth Jobs Training Pro - CD 7	Fund 206/50, Gas Tax			Fund 100/84, Street Lighting (347/50, 50V184)		
	50VKFL, Bikeway General Benefit	\$ 150,000.00		001010, Salaries General	\$ 150,000.00	
	Fund 100/86, Public Works - Street Services (101/62)			Fund 100/56, General Purposes Fund (101/62)		
	003040, Contractual Services	\$ 3,361,689.00		000448, Alternative Policing Pro and Youth Jobs Training Pro - CD 7	\$ 3,361,689.00	

ATTACHMENT 5

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Public Works - Street Services (cont'd) <i>Reimbursement for Special Events</i>	Fund 64C/50, BSS Transaction Fund RSC 465800, Special Events-General	\$ 646,570.58	Fund 100/86, Public Works-Street Services RSRC 465800, Special Events-General		\$ 45,850.53
			Fund 347/50, St Lighting Maintenance Assess RSRC 530100 Reimb from Other Funds (Gen)		\$ 6,807.88
			Fund 100/94, Transportation 001090, Overtime General		\$ 176,356.47
			Fund 508/50, Solid Waste Resources Fund RSRC 518801, Miscellaneous Revenue-Others		\$ 263.08
			Fund 48R/08, Bldg & Safety Permit Enterprise Func RSRC 3225, Building Permits-Regular		\$ 10,991.58
			Fund 100/38, LAFD 001012, Salaries Sworn		\$ 123,944.53
			Fund 100/70, LAPD 001092, Overtime Sworn		\$ 282,356.51
			Subtotal		\$ 646,570.58
Youth Development <i>Reimbursement for Work Performed</i>	Fund 100/19, Youth Department 001010, Salaries General	\$ 149,575.64	Fund 100/46, Mayor 001010, Salaries General		\$ 149,575.64
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 12,675,344.16			\$ 12,675,344.16

ATTACHMENT 6

**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>		
580314, Zoo and El Pueblo Revenue Shortfalls	Fund 100/58. <u>Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 324,155
580196, Reserve for Mid-Year Adjustments	Fund 100/06. <u>Animal Services Department</u> 001090, Overtime General	\$ 332,732
580196, Reserve for Mid-Year Adjustments	Fund 100/14 <u>City Clerk</u> 001070 Salaries, As-Needed 001090, Overtime General	\$ 99,825.00 \$ 175.00 <u>Subtotal \$ 100,000.00</u>
580196, Reserve for Mid-Year Adjustments	Fund 100/12. <u>City Attorney</u> 009301, City Attorney Outside Counsel	\$ 395,000.00
580196, Reserve for Mid-Year Adjustments	Fund 100/12. <u>City Attorney</u> 004200, Litigation	\$ 950,000.00
580314, Zoo and El Pueblo Revenue Shortfalls	Fund 737/33. <u>El Pueblo</u> RSC 5691, Addl Interfund Trans - General Fd	\$ 308,659.00
580333, Fire Department Compensation Adjustments	Fund 100/38. <u>Fire</u> 001090, Overtime General 001098, Overtime Variable Staffing 003040, Contractual Services 006020, Operating Supplies	\$ 78,000.00 \$ 300,000.00 \$ 387,222.94 \$ 636,866.80 <u>Subtotal \$ 1,402,089.74</u>
580333, Fire Department Compensation Adjustments	Fund 100/38. <u>Fire</u> 003040, Contractual Services	\$ 121,045.78

ATTACHMENT 6

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

<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
580333, Fire Department Compensation Adjustments	Fund 100/38, Fire 001092, Overtime Sworn 001098, Overtime Variable Staffing 006010, Office and Administrative	\$ 1,000,000.00 \$ 4,000,000.00 \$ 160,000.00 <u>Subtotal \$ 5,160,000.00</u>
580196, Reserve for Mid-Year Adjustments	Fund 100/40, General Services 003230, Petroleum Products 003330, Utilities Expense Private Company	\$ 3,000,000.00 \$ 2,000,000.00 <u>Subtotal \$ 5,000,000.00</u>
580232, Reserve for Extraordinary Liability	Fund 100/59, Liability Claims 009798, Miscellaneous Liability Payouts	\$ 20,057,790.00
580336, Amortization Study of Oil Sites	Fund 100/74, Board of Public Works 001010, Salaries General	\$ 195,344.00
<u>TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE</u>		<u>\$ 34,346,815.52</u>

**ATTACHMENT 7A
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT as of 3/8/22**

C.F.	Appropriations	Date	Amount
21-0600	General		\$ 50,000
	Approved Transfer		
21-1033	Academy Museum of Motion Pictures		(400.00)
		Balance Available	<u>49,600.00</u>
	Anticipated Appropriations		
		Projected Balance Available	<u>\$ 49,600.00</u>

ATTACHMENT 7B
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 First FSR Recommendations	(405,000.00)
 Year-end Available	 <u>\$ 14,538,577.00</u>
 Second FSR Recommendations	
Transfer Out:	
Transfer to Animal Sterilization Fund - Spay and Neuter Program	(335,000.00)
Transfer to Personnel - City employee COVID-19 testing and reporting services	(3,000,000.00)
Transfer to Personnel - Contingency for City employee COVID-19 testing and reporting services	(2,000,000.00)
Subtotal Second FSR Recommendations	(5,335,000.00)
 Year-end Available	 <u>\$ 9,203,577.00</u>
 Mid-year FSR Recommendations	
Transfer In:	
Transfer from Zoo and El Pueblo Revenue Shortfalls	324,155.00
Subtotal	<u>324,155.00</u>
 Transfer Out:	
Transfer to Animal Services - Overtime	(332,732.00)
Transfer to City Attorney - Outside counsel expenses related to the HUD False Claims Act case	(395,000.00)
Transfer to City Attorney - Litigation costs	(950,000.00)
Transfer to City Clerk - Review of CD 11 recall petition	(100,000.00)
Transfer to General Services - Petroleum	(3,000,000.00)
Transfer to General Services - Utilities	(2,000,000.00)
Subtotal	<u>(6,777,732.00)</u>
Net Mid-Year FSR Recommendations	(6,453,577.00)
 Year-end Available	 <u>\$ 2,750,000.00</u>

**ATTACHMENT 7C
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 3/8/22**

Account No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reappropri.	Appropriated during year	First FSR	Appropriated during year	Second FSR	Appropriated during year	Mid-Year FSR	Appropriated during year	Year-End FSR	Available Balance
580341	Abandoned Vehicle Task Force	DOT/BOS	\$ 500,000										\$ 500,000
580369	Acquisition of 710 Surplus Properties	Housing	\$ 2,000,000										\$ 2,000,000
580336	Amortization Study of Oil Sites	PWB	\$ 3,695,344							(195,344)			\$ 3,500,000
580347	Angelesno Connect Program	Mayor	\$ 1,000,000										\$ 1,000,000
580348	Angelesno Corps	EWDD	\$ 5,000,000		(5,000,000)								\$ -
580265	Animal Services Sterilization Trust Fund	Animal Services	\$ 550,000										\$ 550,000
580349	Basic Income Guaranteed: L.A. Economic Assistance Pilot	CIF	\$ 29,000,000		(1,334,403)		(27,665,597)						\$ -
580373	Business Assistance Programs	EWDD	\$ 25,000,000		(25,000,000)								\$ -
580317	Census 2020/Redistricting Commissions	All	\$ 1,500,000	1,740,000	(1,642,707)		(381,864)						\$ 1,215,430
580366	Child Care and Learning Centers	RAP	\$ 20,000,000				(20,000,000)						\$ -
580374	Child Care Business Assistance	EWDD	\$ 10,000,000										\$ 10,000,000
580339	Climate Action Plan	Planning	\$ 623,875										\$ 623,875
580342	Commercial Cannabis Business Enforcement	Cannabis	\$ 2,000,000				(874,000)						\$ 1,126,000
580335	Community Initiatives	Police/BOSS/PWB/EWDD	\$ 13,649,000		(2,649,000)				(2,795,000)				\$ 8,205,000
580334	Engagement(CARE&CARE+)+Teams	BOS	\$ 8,500,000				(306,675)						\$ 8,193,325
580350	COVID-19 Emergency Response	All	\$ 25,000,000				(17,284,207)						\$ 7,715,793
580351	Digital Inclusion	BSL/EWDD	\$ 5,000,000		(1,000,000)		(4,000,000)	(4,544,725)					\$ -
580132	Equipment, Expense, and Alterations & Improv.	All	\$ 4,544,725										\$ -
580345	False Alarm Program	Fire	\$ 277,488										\$ 277,488
580333	Fire Department Compensation Adjustments	Fire	\$ 13,270,000							(6,683,136)			\$ 6,586,864
580352	Food Rescue in Food Insecure Communities	BOS	\$ 1,000,000										\$ 1,000,000
580363	Gang Reduction and Youth Development	Mayor	\$ 7,045,000		(4,608,157)				(2,436,843)				\$ -
580001	General (see Attachment 4A)	All	\$ 50,000				(400)						\$ 49,600
580304	Ground Emergency Medical Transport QAF Program	Fire	\$ 6,700,000	(6,700,000)									\$ -
580338	Health and Environmental Justice Element	Planning	\$ 123,875										\$ 123,875
580325	Homeless Engagement Teams	BOS	\$ 4,224,465		(1,408,155)		(1,408,155)						\$ 1,408,155
580326	Homeless Engagement Teams (CARE and CARE+)	Police	\$ 1,961,359		(653,786)								\$ 1,307,573
580329	Human Resources and Payroll System Contingency	ITA	\$ 1,000,000				(1,000,000)						\$ -
580337	Information Technology Agency Assessment	ITA	\$ 250,000										\$ 250,000
580322	June 2022 County Election Expenses	All	\$ 8,000,000										\$ 8,000,000
580354	LA REPAIR - Peace and Healing Centers	CHRED	\$ 2,000,000										\$ 2,000,000
580353	LA REPAIR Innovation Fund	CHRED	\$ 10,000,000						(10,000,000)				\$ -
580364	LAPD Animal Cruelty Task Force	Police	\$ 1,006,423										\$ 1,006,423
580327	Los Angeles County Metropolitan Transportation Authority	Police	\$ 36,489,432			(35,974,395)							\$ 515,037
580365	Maintenance at Recreation and Parks Facilities	RAP	\$ 75,000,000				(75,000,000)						\$ -
580328	Mental Health Services Support	Fire	\$ 2,200,000		(2,000,000)								\$ 200,000
580274	Mutual Aid Overtime	Fire	\$ 3,000,000			(3,000,000)							\$ -
580320	Office of Petroleum and Natural Gas	PWB	\$ 500,000										\$ 500,000
580168	Office of Public Accountability Studies	OPA	\$ 750,000										\$ 750,000
580160	Off-site Council and Committee Meetings	Council	\$ -	45,307									\$ 45,307
580197	Outside Counsel including Workers' Comp	City Atty	\$ 1,500,000		(500,000)		(639,564)						\$ 185,183
580312	Personnel Related Cybersecurity Measures	Personnel	\$ 300,000										\$ 300,000
580313	Police Department Sworn Overtime - Cash Payout	Police	\$ 5,000,000			(5,000,000)							\$ -
580321	Public Works Trust Fund Loan Repayment	PWB	\$ 970,000				(368,000)						\$ 602,000
580332	Recreation and Parks Assessment	RAP	\$ 250,000										\$ 250,000
580370	Renewable Energy	All	\$ 30,000,000		(850,000)								\$ 29,150,000
580361	Rental Registry Program	Housing	\$ 750,000		(750,000)								\$ -
580324	Repayment to the U.S. Department of Housing	Housing	\$ 258,563		(258,563)								\$ -
580232	Reserve for Extraordinary Liability	All	\$ 23,894,790						(3,837,000)				\$ -
580196	Reserve for Mid-Year Adjustments	All	\$ 14,943,577		(405,000)			(5,335,000)					\$ 2,750,000
580355	Restaurant and Small Business Recovery	EWDD	\$ 25,000,000		(25,000,000)					(6,453,577)			\$ -
580323	Self-Contained Breathing Apparatus	Fire	\$ 21,000,000										\$ 21,000,000
580372	Senior Meals Program	Aging	\$ 10,000,000						(10,000,000)				\$ -
580360	Solid Ground Program	Housing	\$ 4,000,000										\$ 4,000,000

ATTACHMENT 7C
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT as of 3/8/22

Account No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reappropri.	Appropriated during year	First FSR	Appropriated during year	Second FSR	Appropriated during year	Mid-Year FSR	Appropriated during year	Year-End FSR	Available Balance
580356	Student to Student Success Pilot	EWDD	\$ 3,500,000		(3,500,000)								\$ -
580346	Summer Night Lights	RAP	\$ 2,400,000				(2,400,000)						\$ -
580340	Targeted Local Hire	All	\$ 10,268,000	(208,226)					(572,304)				\$ 9,487,470
580286	Tax Studies	CAO	\$ -	80,000									\$ 80,000
580330	Tree Planting	BOSS	\$ 2,000,000										\$ 2,000,000
580318	UB Reserve for Preservation of City Services, Reinvestment in Disadvantaged Communities and Communities of Color, Reimagining Public Safety Service Delivery, and Target Local Hire (TLH) Program	All	\$ -	30									\$ 30
580375	Universal Basic Mobility and People Streets and Play Streets	DOT	\$ 5,000,000						(1,000,000)				\$ 4,000,000
580371	Universal Broadband Services	BSL	\$ 10,000,000										\$ 10,000,000
580368	Utility Assistance Debt Relief	BOS	\$ 10,000,000										\$ 10,000,000
580367	Woodman Boulevard Sidewalks	BOSS	\$ 1,000,000										\$ 1,000,000
580344	Youth Development Strategic Plan	YDD	\$ 300,000						(300,000)				\$ -
580314	Zoo and El Pueblo Revenue Shortfalls	Zoo/El Pueblo	\$ 10,718,930							(632,814)			\$ 10,086,116
580331	Zoo Wi-Fi	Zoo	\$ 2,000,000										\$ 2,000,000
			\$ 527,464,846	(5,042,889)	(74,296,208)	(45,387,958)	(31,468,843)	(10,422,978)	(151,282,766)	(34,022,661)	-	-	\$ 175,540,544
	Special Funds												
580238	Accessible Housing Program Retrofit Contracts	Housing	\$ 2,000,000										\$ 2,000,000
580357	Youth Programming	DCA	\$ 68,000										\$ 68,000
580358	Youth and Creative Workers Mural Program	DCA	\$ 1,000,000			(1,000,000.00)							\$ -
580359	We Create LA	DCA	\$ 1,000,000			(1,000,000.00)							\$ -
			\$ 4,068,000	\$ -	\$ -	(2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,068,000
	Grand Total		\$ 531,532,846	\$ (5,042,889)	\$ (74,296,208)	\$ (47,387,958)	\$ (31,468,843)	\$ (10,422,978)	\$ (151,282,766)	\$ (34,022,661)	\$ -	\$ -	\$ 177,606,544

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	\$ -	\$ 800,000	\$ (800,000)	\$ -		\$ -	0%
General Services	009791	\$ -	\$ -	\$ -	\$ -		\$ -	0%
Police	009792	\$ -	\$ 11,280,457	\$ (11,280,457)	\$ -	\$ (9,000,000)	\$ (9,000,000)	0%
PW/Engineering	009793	\$ -	\$ -	\$ -	\$ -		\$ -	0%
PW/Sanitation	009794	\$ 7,370,072	\$ 7,370,072	\$ (1,735,304)	\$ 5,634,768	\$ (111,864)	\$ 5,522,904	75%
PW/Street Services	009795	\$ -	\$ 2,280,000	\$ (2,280,000)	\$ -	\$ (467,400)	\$ (467,400)	0%
Recreation & Parks	009796	\$ -	\$ 3,000,000	\$ (3,000,000)	\$ -		\$ -	0%
Transportation	009797	\$ -	\$ 6,560,000	\$ (6,560,000)	\$ -		\$ -	0%
Miscellaneous	009798	\$ 80,000,000	\$ 56,079,543	\$ (10,634,160)	\$ 45,445,383	\$ (742,512)	\$ 44,702,871	80%
TOTALS		\$ 87,370,072	\$ 87,370,072	\$ (36,289,921)	\$ 51,080,151	\$ (10,321,776)	\$ 40,758,375	47%

Note:

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

**ATTACHMENT 9
EMPLOYMENT LEVEL REPORT
FY 2021-22**

Department	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.	
	2021-22 Budget	Start of December	Changes	End of December	Start of December	Changes			End of December
Aging	40	50	-	50	34	1	35	15	-
Animal Services	335	345	-	345	308	(1)	307	38	1
Building and Safety	911	1,105	-	1,105	909	(2)	907	198	4
Cannabis	6	37	-	37	31	-	31	6	-
City Administrative Officer	116	137	-	137	114	1	115	22	5
City Attorney	889	1,041	-	1,041	935	(1)	934	107	17
City Clerk	115	118	-	118	96	(1)	95	23	-
City Planning	399	476	-	476	397	1	398	78	2
Civil, Human Rights and Equity	1	24	-	24	9	2	11	13	-
Community Investment for Families	35	78	-	78	51	4	55	23	3
Controller	154	171	-	171	131	1	132	39	6
Convention Center and Tourism Dev't	12	12	-	12	8	-	8	4	-
Cultural Affairs	67	87	-	87	60	(1)	59	28	-
Disability	27	29	-	29	24	1	25	4	-
Economic & Workforce Development	88	143	-	143	102	(3)	99	44	-
El Pueblo	9	10	-	10	5	-	5	5	-
Emergency Management	19	27	-	27	18	-	18	9	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	32	33	-	33	31	(1)	30	3	1
Finance	337	357	(1)	356	274	4	278	78	3
Fire - Civilian	380	404	-	404	351	(5)	346	58	5
Fire - Sworn	3,424	3,512	-	3,512	3,375	(6)	3,369	143	3
General Services	1,306	1,338	-	1,338	1,122	-	1,122	216	3
Housing	514	701	-	701	590	(5)	585	116	1
Information Technology Agency	395	401	-	401	324	(3)	321	80	2
Neighborhood Empowerment	30	33	-	33	24	2	26	7	-
Personnel	466	582	1	583	495	7	502	81	33
Police - Civilian	3,187	3,213	-	3,213	2,678	27	2,705	508	-
Police - Sworn	10,557	10,681	-	10,681	9,509	7	9,516	1,165	-
Public Accountability	9	10	-	10	4	-	4	6	1
PW/Board of Public Works	89	115	-	115	98	1	99	16	1
PW/Bureau of Contract Admin	281	369	-	369	303	-	303	66	-
PW/Bureau of Engineering	710	869	-	869	712	6	718	151	1
PW/Bureau of Sanitation	3,156	3,482	-	3,482	2,780	5	2,785	697	4
PW/Bureau of Street Lighting	205	315	-	315	265	(1)	264	51	6
PW/Bureau of Street Services	875	1,434	-	1,434	1,063	12	1,075	359	5
Transportation	1,419	1,721	(1)	1,720	1,393	(4)	1,389	331	4
Youth Development	1	8	-	8	3	2	5	3	-
Zoo	246	268	-	268	225	5	230	38	1
Subtotal	30,845	33,739	(1)	33,738	28,854	55	28,909	4,829	112
Library	1,117	1,117	-	1,117	940	(6)	934	183	-
Recreation and Parks	1,398	1,883	-	1,883	1,350	7	1,357	526	269
Subtotal	2,515	3,000	-	3,000	2,290	1	2,291	709	269
Total	33,360	36,739	(1)	36,738	31,144	56	31,200	5,538	381

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

Monthly Summary	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.	
	2021-22 Budget	Start of Month	Changes	End of Month	Start of Month	Changes			End of Month
July	33,360	36,681	33	36,714	30,888	(49)	30,839	5,875	385
August	33,360	36,714	5	36,719	30,839	7	30,846	5,873	385
September	33,360	36,719	(34)	36,685	30,846	41	30,887	5,798	351
October	33,360	36,685	34	36,719	30,887	113	31,000	5,719	381
November	33,360	36,719	20	36,739	31,000	144	31,144	5,595	382
December	33,360	36,739	(1)	36,738	31,144	56	31,200	5,538	381