



Study Session: Fiscal Year 2020-21 Proposed Budget Amendments

JUNE 16, 2020

Budget Process

LAMC 2.01.060 (H): The City Manager shall... *“Prepare and submit a proposed annual, biennial or longer term budget and a proposed annual salary plan to the council for its approval...”*

June 11, 2019; Biennial Budget for FY2019-20 and FY 2020-21 Adopted by the City Council

March 17, 2020: Shelter-in-Place Order is effective

April 28, 2020: City Council approves Mid-Year Budget Amendment, allocating over \$6 million of FY19 General Fund Ending Fund Balance

May 26, 2020: Joint City Council/Financial Commission Meeting

June 9, 2020: City Council Budget Study Session

June 16, 2020: City Council Budget Study Session – provide direction on possible Budget changes

June 23, 2020: City Council Adopts Budget Resolutions

Summary of Critical Changes to the General Fund Since June 2019

Purchase of 999 Fremont Ave	\$2,850,000
Increase in Legal Fees – FY20 & FY21	1,500,000
Expenses Associated with COVID-19	485,000
COVID-19 Revenue Reduction – FY20 & FY21	5,427,000
Total Changes	\$10,262,000

Goals/Objectives for the Proposed Budget

- 1) Balanced with revenues exceeding expenses.
- 2) Allows for many high-priority maintenance projects and safety projects be constructed.
- 3) Includes a loan estimated at \$10 million for the completion of the new Community Center, and the first annual payment of \$700,000.
- 4) Provides \$2 million from the General Fund for street resurfacing which is necessary to meet the Council's goals of increasing the City's Pavement Condition Index to 75 by 2026.
- 5) Does not require any reductions in the General Fund's allocated reserves
- 6) Staff layoffs will only be proposed if absolutely necessary

Summary: What Adjustments Are We Proposing

Mid-year Budget Adjustments	\$6,840,000
Adjustments to FY20 Operating Expenses creating an Ending Funding Balance	2,300,000
Adjustments to FY21 Operating Expenses -- Personnel and Materials and Services	1,500,000
Defer certain CIP Projects	2,000,000

FY 21 Budget: Next Steps

June 16: Council Reviews the Proposed FY21 Budget and CIP Modifications and Directs staff on modifications

Before June 23: Staff will make Council-directed changes to the drafted Budget Resolutions

June 23: Council adopts Budget resolutions

October 2021, January 2021, April 2021: Staff provides quarterly status reports to the Council and recommends possible additional Budget amendments

Questions?

