



## 2021-22 Budget Advocate Report to the Neighborhood Councils #2 November 2021

### **The CAO's Financial Status Report**

Matt Szabo, the City Administrative Officer submitted the First Financial Status Report on the 2021-22 Budget on October 21<sup>st</sup>. He sees the City's fiscal health to be in good shape, revenue posting over expectations, and the Reserve Fund holding despite last-minute additions to the budget by some of our Councilmembers.

The City's economic outlook improved in May with the receipt of the first tranche of funds from the American Rescue Plan along with recovering revenue streams. The City's 2021-22 budget assumes the second tranche of ARP funds will be received by next May.

Expenditures are over budget by \$98.6 million, over half of this from the police and fire departments. Corrective actions have reduced the budget gap to \$28.6 million.

The Reserve Fund is a healthy \$652 million (8.7% of General Fund revenues). However, there is concern that continuing expenditure commitments initially financed with one-time revenues, increases in labor costs, and the projected budget gap of \$261 million will lower reserves.

The report as submitted for City Council approval can be downloaded (the 10/25/2021 pdf at <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-0600-S107>).

### **The Controller's Preliminary Financial Report**

Also on October 21<sup>st</sup>, the Controller submitted his Preliminary Financial Report for Fiscal Year 2020-21. Revenues were up although, because of the pandemic, they are well under what had been projected in last year's budget while expenditures were down due to the austerity measures taken by the City.

Like the CAO, the Controller is concerned about almost \$300 million in programs that have been funded by one-time ARP revenue.

His recommendations to address the challenges facing the City include strengthening revenues, cutting non-performing programs, maintaining reserves, and investing in community needs.

There is a good interactive overview at <https://lacontroller.org/financial-reports/pfr2021/> with a link to download the full report.

### **Current Budget Advocate activities**

Our focus at the moment is on meeting with City departments and drafting recommendations and reports about our thoughts on their budgets and the services they provide Angelenos.

## Budget Advocate Report – November 2021

Once we get a better feel on what is coming, we will start drafting the annual White Paper and hope to have it and the reports out to everyone by January.

We are currently updating our bylaws to address changes in how we, the Neighborhood Councils, and the City operate.

The Budget Advocates are always looking for people to work with us on our various projects shining a light on the City budget process and ensuring that the City prioritizes the services our tax dollars are supposed to provide.

About half our vacancies from last spring have been filled but we are still looking for people in Regions 3, 4, 5, 6 and 10. Budget Advocates need to be Budget Representatives that are appointed or elected by their Neighborhood Councils. Budget Representatives can be board members or stakeholders.

When new Budget Representatives are appointed please send their names and e-mails to [info@budgetadvocates.org](mailto:info@budgetadvocates.org). This should also be done to update contact information for continuing Budget Reps.

The next Budget Advocate meetings will be on Saturday, November 20<sup>th</sup> at 9:30 am and Monday, December 1<sup>st</sup> at 7 pm. Meetings are open to all. The agenda and Zoom link are posted on our website [www.budgetadvocates.org](http://www.budgetadvocates.org) a few days prior to each meeting.

*November 2, 2021*

### Neighborhood Council Budget Advocates

Co-Chairs: Jennifer Goodie *and* Glenn Bailey

Vice-Chair, Outreach: Kay Hartman

Vice-Chair, Development: Barbara Ringuette

Administrative Secretary: Élice Hennessee

Corresponding Secretary: Hugo Rodriguez

Treasurer: Lanira Murphy

Parliamentarian: Carol Newman

Contact us at [info@budgetadvocates.org](mailto:info@budgetadvocates.org)