

BUDGET AND FINANCE COMMITTEE REPORT relative to the City's transition to a two-year budget cycle.

Recommendations for Council action:

1. APPROVE the biennial budget structure and the proposed Charter language as presented in Attachment 1 of the City Administrative Officer (CAO) report dated March 13, 2026, attached to the Council file, to implement a transition from an annual budget to a biennial (two-year) budget, including amendments to City Charter Sections 291, 292, 310, 311, 312, 313, 314, and 315; and, the addition of new Sections 316, 317, 318, and 319.
2. AUTHORIZE the CAO, with the assistance of the Chief Legislative Analyst (CLA) and the City Attorney, to make adjustments to the proposed Charter language and other technical corrections as necessary to implement the intent of the Council and the Mayor.
3. INSTRUCT the CAO and the CLA, with assistance of the City Attorney, to prepare for inclusion in the final proposal, amendments to other Charter sections that are required to reflect the change from an annual budget to a biennial budget.
4. Should the Council opt to place the proposed Charter changes on the November 3, 2026 ballot, on or before June 17, 2026, REQUEST the City Attorney, with assistance from the CAO and the CLA, to present the necessary resolution and ordinance for the proposed ballot measure by no later than June 26, 2026.
5. AMEND said CAO report to move the Proposed Budget release day to April 1st of the year before the biennial budget cycle.

Fiscal Impact Statement: The CAO reports that the recommendations in the report yield no immediate impacts on the General Fund; however, the recommendations identify potential future actions that may require additional appropriations through interim budget actions for Mayor and City Council approval.

Financial Policies Statement: The CAO reports that the recommendations in the report comply with the City's Financial Policies in that the report does not commit the City to any future expenditure of funds without further legislative action.

Community Impact Statement: Yes

For:

North Hollywood Northeast Neighborhood Council

North Westwood Neighborhood Council

SUMMARY

At a Special meeting held on March 23, 2026, your Budget and Finance Committee considered the CAO report, dated March 13, 2026, relative to an analysis of the City's transition to a two-year budget cycle, and approval of the proposed biennial budget structure and Charter amendments to implement a transition from an annual budget to a biennial budget. The CAO report details the core components of the biennial budget structure proposal, proposed Charter amendments, anticipated implementation timelines with due dates and milestones that would strengthen public participation, and case studies of other municipalities with biennial budgets. The core components of the biennial budget structure include the Biennial Budget Cycle, a Four-Year Strategic Plan, a Multi-Year Capital Plan, and a Multi-Year Financial Plan. Representatives of the CAO's Office presented an overview of the proposed transition to a biennial budget cycle, and discussed the core components of the proposed biennial budget structure, including the development of the Four-Year Strategic Plan, biennial budget models, the implementation timeline, the proposed performance evaluation process for departmental budgetary adjustments, integration of capital improvement plans into a consolidated Multi-Year Capital Plan, and proposed City Charter changes.

Councilmember Yaroslavsky introduced a motion, seconded by Commissioner Hernandez, to amend said CAO report to move the Proposed Budget release date to April 1 of the year before the biennial budget cycle. After discussion and having provided an opportunity for public comment, the Committee moved approval of the recommendations contained in the CAO report as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	ABSENT
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-