

Communication from Public

Name:

Date Submitted: 07/06/2026 05:55 PM

Council File No: 25-0600-S126

Comments for Public Posting: Hello Councilmembers, I am submitting this comment in my personal capacity regarding Council File 25-0600-S126. The CAO report states that the City authorized Reserve Fund loans totaling about \$22.31 million for LAPD sworn overtime related to protest events. It also shows a \$10 million repayment to the Reserve Fund. What is not clear to me is whether the Reserve Fund has been fully paid back. The public should be able to easily understand: how much was borrowed from the Reserve Fund; how much has been paid back; how much is still owed, if anything; where the repayment money came from; and whether LAPD paid it back from its own budget or whether citywide funds were used. This matters because the Reserve Fund is supposed to protect the City during emergencies. If it is used to cover LAPD overtime, the public deserves a clear explanation of how and when that money is restored.

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 17, 2025

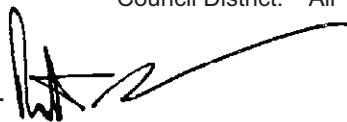
CAO File No. 0220-06331-0001

Council File No.

Council District: All

To: City Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **REVISED - PRELIMINARY ESTIMATE OF CITY RESPONSE COSTS TO JUNE 2025 ICE-RELATED PROTESTS**

RECOMMENDATION

That the City Council note and file this report.

DISCUSSION

Beginning June 8, 2025, the City began experiencing recurring protests associated with the Federal Immigration and Customs Enforcement (ICE) actions in the greater Los Angeles region. On June 10, 2025, the Mayor proclaimed a Local Emergency and enacted a curfew in the Downtown Los Angeles area, which remains in effect as of the writing of this report.

The purpose of this report is to provide a preliminary estimate of the City's response costs as of June 16, 2025. This office will provide updates as the response continues, and additional assessments are made.

As detailed in the attachment to this report, the City has incurred approximately \$19.7 million in costs as reported by Departments. The bulk of this amount, \$16.98 million, is for the Los Angeles Police Department (LAPD) deployment to manage protests in the streets and their support of the Emergency Operations Center. Of this, \$11.7 million is for overtime costs. LAPD has identified a need for supplemental funding in their overtime account to ensure that all overtime incurred for the pay period ending June 14, 2025, is paid in cash without banking. This Office is working with the Department to determine what amount of funding is needed, and will be coming forward with a funding request within the next few days. This Office is also working to determine what level of funding could be needed to ensure no banking of overtime for the current fiscal year should our current level of deployment continue until the end of the fiscal year.

All other City Departments providing emergency response support make up the remainder of the total \$1.3 million in emergency protective measures. The City has also incurred damage to City buildings, infrastructure and equipment, including graffiti, totaling approximately \$1.4 million.

FISCAL IMPACT STATEMENT

The City has incurred an estimated \$19.7 million in costs associated with the June 2025 Protests to date. There is no General Fund impact associated with the recommendation included in this report.

FINANCIAL POLICIES STATEMENT

Approval of the recommendation to Note and File in this report complies with the City's Financial Policies as there are no fiscal actions being recommended.

MWS:PJH:

June 2025 Protests Preliminary Cost Estimate						
Department Name	Emergency Protective Measures	Debris/Graffiti Removal	Structural Damage	Equipment Damage	Total	
City Attorney	610	-	-	-	\$ 610	
City Tourism Department	48,586	-	-	-	\$ 48,586	
Disability	7,070	-	-	-	\$ 7,070	
GSD-Building Maintenance	-	-	537,000	-	\$ 537,000	
GSD-Construction Forces Division	-	-	56,000	-	\$ 56,000	
Information Technology Agency	14,100	-	-	-	\$ 14,100	
Department of Water and Power	20,000	-	5,000	-	\$ 25,000	
Los Angeles Fire Department	1,169,362	-	-	-	\$ 1,169,362	
Los Angeles Fire and Police Pensions	-	250	-	-	\$ 250	
Los Angeles Police Department	16,980,742	-	-	238,497	\$ 17,219,239	
Los Angeles Public Library	-	1,000	-	-	\$ 1,000	
Board of Public Works	-	85,713	-	-	\$ 85,713	
PW Bureau of Sanitation	2,363	-	-	-	\$ 2,363	
PW Bureau of Street Lighting	-	-	32,601	-	\$ 32,601	
PW Bureau of Street Services	72,776	300,434	150,000	-	\$ 523,210	
Recreation and Parks	1,000	5,000	-	-	\$ 6,000	
Total	\$ 18,316,607	\$ 392,397	\$ 780,601	\$ 238,497	\$ 19,728,103	

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OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 20, 2025

CAO File No. 0220-06331-0002

Council File No. 25-0666

Council District: All

To: City Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **SECOND PRELIMINARY ESTIMATE OF CITY RESPONSE COSTS TO JUNE 2025 ICE-RELATED PROTESTS**

RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

1. Authorize a loan of up to \$17,310,141 from the Reserve Fund by transferring up to \$17,310,141 from the Reserve Fund No. 101 through the Unappropriated Balance, Fund No. 100/58 and appropriate therefrom to the Los Angeles Police Department, Fund No. 100/70, Account No. 001092, Overtime Sworn, as a loan to LAPD to pay for cash sworn overtime through the end of the Fiscal year 2024-25;
2. Instruct the City Administrative Officer to present a repayment plan for this Reserve Fund loan in the amount of \$17,310,141, no later than 90 days from July 1, 2025 to ensure the Reserve Fund remains above the 5 percent of General Fund in 2025-26;
3. Authorize the City Administrative Officer to make technical corrections as necessary to implement the above instructions.

DISCUSSION

Beginning June 6, 2025, the City began experiencing recurring protests associated with the Federal Immigration and Customs Enforcement (ICE) actions in the greater Los Angeles region. On June 10, 2025, the Mayor proclaimed a Local Emergency and enacted a curfew in the Downtown Los Angeles area, which was lifted effective June 17, 2025.

The purpose of this report is to provide updated cost information on the event including the impact on the Los Angeles Police Department's (LAPD) sworn overtime account. As previously reported, LAPD had identified a need for supplemental funding in their sworn overtime account as the overtime incurred for both regular operations as well as that incurred by this event exceeded available funds. In order to meet immediate payroll needs for the pay period ending June 14, 2025, Council provided \$5 million via a Rule 23 Motion on June 18, 2025. In this report we are addressing the funding needed to ensure that LAPD overtime for the remainder of the fiscal year is covered to avoid any need to bank time.

While this event is not a reimbursable event from state or federal sources, this Office did direct departments to report their costs in a fashion similar to reimbursable events. Therefore, the

amounts previously reported for LAPD only included the amounts associated with the direct response to the protests and not any costs for the citywide tactical alert. This appears to be a function of the process this Office used, which is the same one that we use for reimbursable events and is focused on collecting the preliminary estimates for reporting to our state and federal partners. As this process is focused on reimbursable expenditures, and expenses associated with a citywide tactical alert are not reimbursable, LAPD understandably did not include those sworn overtime costs in their original submission. The CAO is re-evaluating its cost instructions to Departments to ensure that in future similar situations, our instructions are clearer in these non-typical, non-reimbursable events.

However, the citywide tactical alert, wherein LAPD held over officers to ensure they had sufficient resources to respond to events beyond the protests, is a contributing factor to the shortfall in LAPDs sworn overtime account. Attachment 1 to this report now reflects the overall estimated costs of LAPD's response including the tactical alert through June 17, 2025. With the addition of this information, the total costs for protest related response is now slightly more than \$32 million.

In terms of LAPD's sworn overtime needs, Attachment 2 provides LAPD's estimate of funding needs 2025 through the end of the fiscal year as of June 18, 2025. The total amount needed for this is \$22.3, of which \$5 million was provided by the Rule 23 motion on June 18, 2025. The remaining \$17.3 million is now needed and recommended for transfer from the Reserve Fund as a loan to close out the fiscal year. The \$17.3 million provides for the following:

- Base overtime typically incurred by the Department adjusted for the Juneteenth Holiday and FSLA mandated overtime that happens during the second pay period of the deployment period.
- 3 days of protest and tactical alert overtime
- Other payroll adjustments that are also typically associated with the second pay period that were not captured in the baseline overtime calculation.
- Two days of the current fiscal year that will be paid out in the new fiscal year

It should be noted that it is typical to have a pay period that spans two fiscal years. The standard accounting practice in these situations is that Department's encumber the amount from the current fiscal year to have available in the new fiscal year when actual payment occurs so that all expenditures are recorded against the appropriate fiscal year appropriations.

FISCAL IMPACT STATEMENT

Approval of the recommendations in this report will reduce the Reserved Fund by \$17,310,141 and could leave the City under the 5 percent threshold we strive to maintain. To mitigate this, the CAO is directed to report back on the funds needed to restore the Reserve Fund to at or above the 5 percent required by the Charter.

FINANCIAL POLICIES STATEMENT

Approval of the recommendations in this report comply with the City's Financial Policies in that to the extent the Reserve Fund loan reduces the Reserve Fund below the 5 percent policy minimum, the funds will be replenished by a future action.

MWS:PJH:

LAPD Estimated Overtime Needs through Fiscal Year End			
Available Funding as of 5/31/2025 (end of PP 24)	26,774,496	Notes/Assumptions	
Baseline Overtime	(10,154,923)	Estimated based on average pay out PP01-13 (pre-Palisades)	
Palisades Security	(2,676,185)	Code 11 (Natural Disaster) based on overtime entries in the Overtime Online System (OLOTS) through 6/14/2024	
Protest-Related Incidents	(10,377,601)	Code 17 (SafeLA) Employees directly assigned to the Protest incident; based on overtime entries in the Overtime Online System (OLOTS) through 6/14/2024	
Protest-Related MOU25 Overtime	(141,972)	MOU25 provisioned overtime based on AFDR estimates	
Citywide Tactical Alert (From 6/07/25 through 6/14/25 or 8 days)	(7,568,721)	Code 48 (Tactical Alert) Employees held over due to a Citywide Tactical Alert, but not deployed to the above incident; issued for unusual occurrence, due to civil unrest late 6/6/2025 through 6/14/2025, based on overtime entries in the Overtime Online System (OLOTS) through 6/14/2024	
Estimated Shortfall for PP 25	(4,144,907)		
Estimated OT Costs Through End of Fiscal Year		Tactical Alert Lifted 6/17/25 at 7:52 pm	
Baseline Overtime	(11,094,923)	Assumes same baseline amount from above, plus \$665K estimate for Juneteenth and FLSA-related payment of \$275K that typically occurs in 2nd pay period of deployment period	
Funding for two days 6/29/2025 thru 6/30/2025 that will be part of PP 1 and paid in July 2025	(2,122,379)	2 days based on \$10.154M above, inclusive of 4.5% COLA increase per MOU24 eff 6/29/2025	
6/15/2025 (Sunday) Estimated Cost for Civil Unrest	(1,828,269)	Based on AFDR estimate as of 6/16/2025, assumes 4% allowance for potential additional OT not reflected in the AFDR (eg travel time, flag down, admin work)	
Estimated Cost for Civil unrest from 6/16/2025 through 6/17/2025	(78,294)	Based on AFDR as of 6/18/2025, assumes 4% allowance for potential additional OT not reflected in the AFDR (eg travel time, flag down, admin work)	
Citywide Tactical Alert (from 6/15/25 through 6/17/25 or 3 days)	(2,838,270)	Estimate based on end of Tactical alert end of day 6/17/2025	
Payroll Adjustments	(203,098)	Allowance for payroll adjustments or MOU-mandated cash payouts (eg MOU25 buy downs; hourly rate adjustment; bonus adjustments) that typically occur only in 2nd pay period of deployment period	
Total Estimated Costs through 6/30/2025	(18,165,234)		
Estd. Shortfall as of 6/30/25 (Civil unrest is only until 6/17)	(22,310,141)		
Less: proposed transfer per Special Motion dated 06/18/2025	5,000,000	for PP25	
Balance	(17,310,141)	for PP26 through June 30, 2025	

June 2025 Protests Preliminary Cost Estimate						
Department Name	Emergency Protective Measures	Debris/Graffiti Removal	Structural Damage	Equipment Damage	Total	
City Attorney	610	-	-	-	\$ 610	
City Tourism Department	48,586	-	-	-	\$ 48,586	
Disability	7,070	-	-	-	\$ 7,070	
GSD-Building Maintenance	-	-	537,000	-	\$ 537,000	
GSD-Construction Forces Division	-	-	56,000	-	\$ 56,000	
Information Technology Agency	14,100	-	-	-	\$ 14,100	
Department of Water and Power	20,000	-	5,000	-	\$ 25,000	
Los Angeles Fire Department	1,169,362	-	-	-	\$ 1,169,362	
Los Angeles Fire and Police Pensions	-	250	-	-	\$ 250	
Los Angeles Police Department	29,294,746	-	-	238,497	\$ 29,533,243	
Los Angeles Public Library	-	1,000	-	-	\$ 1,000	
Board of Public Works	-	85,713	-	-	\$ 85,713	
PW Bureau of Sanitation	2,363	-	-	-	\$ 2,363	
PW Bureau of Street Lighting	-	-	32,601	-	\$ 32,601	
PW Bureau of Street Services	72,776	300,434	150,000	-	\$ 523,210	
Recreation and Parks	1,000	5,000	-	-	\$ 6,000	
Total	\$ 30,630,611	\$ 392,397	\$ 780,601	\$ 238,497	\$ 32,042,107	

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REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 29, 2025

CAO File No. 0590-00098-5319
Council File No. 25-0600
Council District: ALL

To: Karen Bass, Mayor
Marqueece Harris-Dawson, Council President
Katy Yaroslavsky, Chair, Budget and Finance Committee

From: Matthew W. Szabo, City Administrative Officer

Reference: 2025-26 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the First Financial Status Report (FSR) for Fiscal Year 2025-26. This report provides an update on the current-year budget including projected departmental and non-departmental expenditures, the status of the Reserve Fund, actual receipts from 2024-25, revenue trends for 2025-26, and a discussion of issues of concern which may impact the City's finances.

Entering the 2025-26 fiscal year, the City financial position is manageable, but we are facing pressures and risks that could cause increased challenges as the year progresses. While the projected year-end overspending of \$79.75 million is substantially lower than the \$195.85 million reported for the same period last fiscal year, overall citywide overspending remains at a significant level and the Reserve Fund began the fiscal year below its five percent policy target. While we project overall above plan revenues of \$80.10 million through September, we have identified significant downside risks to several revenue sources including departmental receipts, property tax, and transient occupancy taxes. Additionally, the continued fallout from the January 2025 windstorm and wildfire events, the ongoing federal government shutdown, the impact of rapidly changing trade policies, potential international conflicts, and aggressive enforcement actions taken by the Immigration and Customs Enforcement agency present further risks to our finances. Therefore, while the City has made progress in improving its financial outlook from the same period a year ago, we must continue to build on this positive momentum while preparing to weather the potential impacts from external risks to our finances and continuing our multi-year effort to restore the Reserve Fund and prepare for the 2028 Olympic and Paralympic Games.

The preliminary year-end estimate of 2024-25 receipts totals \$7.87 billion, which is \$159.62 million below the adopted budget of \$8.03 billion. Within the current fiscal year, General Fund revenues through September are \$80.10 million above plan, after excluding interest earnings which may be owed to special funds. Nonetheless, the downside risks to revenues must be managed. With only three months of data, it is too early in the year to project year-end revenue, however, based on the

downside revenue risks identified in this report, we do not anticipate a year-end revenue surplus that could be used to offset projected overspending.

We have identified \$263.20 million in expenditures above plan in the current year. The largest over-expenditures are in the Fire Department due to projected civilian hiring and unbudgeted civilian salary payouts, the transfer of sworn salaries funding to constant staffing overtime in 2025-26 Budget, unbudgeted sworn bonuses, costs for resource deployments for wildfires outside the City, expenditures for wildfire cost-sharing agreements, and costs to participate in intergovernmental medical transport programs. Other significant over-expenditures are due to the City Attorney's increased litigation expense and outside counsel costs, the General Services Department's costs to retain positions eliminated in the 2025-26 Budget, increased contract costs, and increased utility prices, and the delayed implementation of increased solid resources rates impacting the Solid Waste Resources Revenue Fund and the Multi-Family Bulky Item Fee Fund.

In this report we raise three issues of concern related to the recent agreements with employee unions to generate current-year savings to hold the layoff process in abeyance, the costs associated with the restoration of city facilities damaged by the January 2025 wildfires, and the ongoing federal government shutdown.

We recommend \$14.19 million in solutions to partially address the projected budget gap of \$263.20 million and identify \$169.41 million in potential future actions to further reduce the remaining year-end overspending to \$79.60 million. Departments must absorb or manage remaining costs within existing funds and retain projected surpluses to the greatest extent possible. The City cannot rely on the Reserve Fund to balance the budget and needs to begin work to rebuild the Reserve Fund balance to a healthy level.

While the Reserve Fund began the fiscal year at 4.91 percent of General Fund revenue, after accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance will be \$412.13 million or 5.04 percent of 2025-26 General Fund revenue. In order to restore the balance to just above the five percent Reserve Fund policy, we recommend to partially repay the Reserve Fund loan for Police sworn overtime. Due to the significant overspending identified in this report, the downside risk to revenues, and the need to maintain the Reserve Fund to position the City to weather the potential impacts of external risks to our finances, we strongly recommend that the City refrain from using the Reserve Fund for purposes other than budget balancing and only after the City has evaluated cost control measures to reduce expenditures.

General Fund Revenue

Attachment 1A – 2024-25 Adopted and Revised General Fund Revenue

Attachment 1B – 2025-26 Adopted General Fund Revenue through September

Key Findings/Recommendations

- The revised 2024-25 General Fund revenue estimate was \$7.92 billion, reflecting a net reduction of \$108.8 million (1.4 percent) from the adopted budget of \$8.03 billion. The revised estimate represented below-average ongoing growth of 3.2 percent over prior-year actual receipts.*
- Preliminary actual 2024-25 General Fund year-end revenue is \$7.87 billion, ending \$159.6 million below the adopted budget of \$8.03 billion, and \$50.9 million below the revised budget.*
- The adopted 2025-26 General Fund revenue budget totals \$8.18 billion. Excluding the \$29.0 million transfer from the Budget Stabilization Fund, this represents an increase of \$140.5 million (2.8 percent) above the revised 2024-25 revenue estimate of \$7.92 billion for ongoing and one-time receipts. This lower-than-average growth is based on conservative assumptions for the City's seven General Fund taxes (1.8 percent compared to the 20-year average of 4.1 percent), reflective of downside risks such as January firestorm losses and economic fallout from tariffs.*
- Excluding interest earnings, actual 2025-26 revenue through September is \$1.07 billion, \$80.1 million above the adopted plan of \$985.5 million. Excess interest earnings are \$38.8 million and are owed to special funds. Total receipts-to-date represent 13.8 percent of the General Fund revenue budget of \$8.18 billion. After correcting for the timing of property tax receipts across fiscal years, General Fund receipts are 4.7 percent above receipts of this time last year.*
- Significant downside risks to 2025-26 revenue persist, particularly with property tax and departmental receipts. Both receipts missed revised 2024-25 estimates by \$17.9 million and \$70.8 million, respectively, and these shortfalls in base collections present an ongoing risk to current revenue projections. Further, the adopted property tax revenue budget anticipated 4.1 percent growth, but the Assessor has since provided a lower 3.6 percent growth estimate for the City's assessed value further reducing property tax revenue.*
- Transient Occupancy Tax (TOT) is 6.7 percent below receipts for the same period last fiscal year as well as 9.2 percent below this period in 2023-24. While the adopted budget assumed a low 1.9 percent growth based on then industry forecasts, the shortfall in actual 2024-25 receipts means the necessary growth to meet the current year estimate now equates to over 3.0 percent. More recent industry forecasts now project declines with lower international tourism visits and spending.*

- *With the Federal Reserve's September rate cut and the anticipation of additional cuts before the end of the calendar year, Wall Street Journal's October 2025 survey, economists place the probability of a national recession at 33 percent within the next twelve months and have increased their estimates for GDP growth. This growth is tied to anticipated investments in AI while overall job creation remains weak.*
- *With only three months of revenue data, it is too early to project year-end totals. Property tax receipts, the largest General Fund revenue source, represent only 3.9 percent of the property tax budget and the first remittance of secured receipts for the next property tax year will not occur until December 2025. Further, 85 percent of business tax receipts are received after January 1.*

2024-25 Actual Revenue

The 2024-25 Adopted Budget projected \$8.03 billion in General Fund revenue, based on an assumed 4.0 percent growth rate, reflecting modest gains during the transition from pandemic recovery to a period of elevated inflation and interest rates. During consideration of the 2025-26 budget, this estimate was later reduced by a net \$108.8 million (1.4 percent), to a total of \$7.92 billion. The reduction resulted from several factors: lower consumer demand due to persistent inflation affecting business and sales tax revenues (\$59.2 million); a greater-than-expected drop in natural gas prices reducing natural gas utility users tax and franchise income (\$16.4 million); and continued weakness in the tourism sector, which led to a \$33.7 million decrease in transient occupancy tax receipts. In addition, delays in reimbursements from the Federal Emergency Management Agency (FEMA) for COVID-19 response activities lowered grant estimates by \$45.5 million. Other reductions included an \$8.2 million decrease in the Power Revenue Fund transfer as well as smaller declines in interest earnings, parking citation revenue, and residential construction taxes.

These reductions were partially offset by increased estimates in several categories: \$22.9 million in additional departmental receipts primarily from prior-year reimbursements, \$17.7 million in higher property tax revenue, and a \$13.5 million increase in documentary transfer tax receipts following improvements in the real estate market after Federal Reserve rate cuts. Additional increases in electricity and communication users taxes and parking occupancy tax receipts added a combined \$5.5 million.

The preliminary estimate for actual 2024-25 revenue is \$7.87 billion, \$50.9 million (0.6 percent) below the revised budget, and \$159.6 million (2.0 percent) below the original adopted budget. Among the largest variances are \$70.8 million in late and unrealized departmental receipts, with sizeable shortfalls attributed to delayed reimbursements from special funds, outside agencies, and proprietary departments. There is a potential to realize up to \$47.3 million of reimbursement receipts in 2025-26. The balance of the shortfall, \$23.5 million, is primarily attributed to lower reimbursements due to vacant special fund positions and insufficient special fund balances. Property tax, with a remittances schedule that spans two fiscal years, missed the revised budget by \$17.9 million with shortfalls in secured and unsecured receipts, which may be partly attributed to tax relief efforts enacted after the Palisades fire. Offsetting the shortfall were higher supplemental assessments and lower refund activity. Additional revenue from this tax period has also been

recorded in July and August this fiscal year. The \$3.3 million TOT shortfall in both hotel and short-term rental receipts coincides with declining international tourism. These shortfalls in base department receipts, property taxes and transient occupancy taxes, may translate to lower revenue in 2025-26.

Other shortfalls from revised estimates do not necessarily reflect trends in receipts that would carry forward to 2025-26. The \$4.9 million shortfall in documentary transfer tax reflects the correction of \$6.2 million in Measure ULA receipts that had been misreported during 2023-24 and 2024-25 as General Fund revenue and were subsequently transferred to the House LA Fund at year-end. The \$5.4 million shortfall in grant receipts is a consequence of the \$11.7 million transfer of anticipated FEMA COVID-19 reimbursements directly to special funds and proprietary departments as approved in the 2024-25 year-end FSR. The \$3.3 million shortfall in interest earnings is due to the General Fund's lower-than-anticipated share of pooled balances in the City's treasury portfolio. Other shortfalls totaling \$1.1 million include a lower tobacco settlement remittance from the state and CRA tax increment remittance that fell below the County Auditor-Controller estimate. The total shortfall in all receipts from the revised estimates is \$106.7 million.

Partially offsetting this deficit are excess receipts totaling \$55.8 million. This amount includes higher business tax receipts for 2025 and prior year tax periods, boosting receipts \$29.6 million above the revised estimate, primarily from non-cannabis activity, with potential upside for the current year. Utility users taxes ended with a \$11.6 million surplus across all sources, with electricity users tax (\$4.4 million) and gas users tax (\$6.4 million) impacted by increasing energy costs and demand. Final sales tax ended \$9.0 million above the revised budget with final quarter improvement in trends partly attributed to accelerated purchases made in anticipation of tariffs.

The 2024-25 Adopted budget, revised estimates, and preliminary actual receipts are summarized in Attachment 1A, along with details on specific revenue surpluses and shortfalls.

2025-26 Adopted Revenue

The 2025-26 Adopted Budget assumes \$8.18 billion in total General Fund revenue, representing a \$254.4 million increase (3.7 percent growth) from revised 2024-25 estimates and a \$227.8 million increase (3.9 percent growth) from actual 2024-25 receipts. However, excluding one-time receipts such as the 2025-26 transfer from the Budget Stabilization Fund (\$29 million) and actual and anticipated FEMA receipts from both years (\$150.1 million and \$32.9 million respectively), assumed growth is equal to average growth since 1990, 4.1 percent.

Adjusted revenue through September is \$1.13 billion. Receipts are \$118.9 million above the adopted plan of \$1.01 billion; however, excluding interest earnings that may be owed to special funds, this surplus is closer to \$80.1 million. After accounting for the timing of property tax receipts between fiscal years, September receipts are 4.7 percent above General Fund receipts at this same time last year, or 4.3 percent ahead after excluding interest due to other funds.

With only three months of revenue data, it remains too early to project year-end revenue. Some sources, such as property tax and business tax, currently reflect collections associated with the prior tax period, with remittances for the new tax period expected in December 2025 and January

2026, respectively. Other taxes, including sales and documentary transfer taxes, may respond more quickly to economic activity; however, shifts resulting from the recent rate cut and the impact of new tariffs are not yet fully reflected in receipts. Early surpluses or deficits should therefore not be interpreted as indicative of full-year performance.

Certain categories, particularly departmental receipts, carry notable downside risk. Although receipts show an \$18.5 million surplus through September, this amount is inflated by delayed prior-year reimbursements, reflecting a pattern of year-end shortfalls that is likely to recur. The \$23.5 million shortfall in departmental receipts in 2024-25 attributed to vacancies and limited special fund balances has implications for the current year as well. Similar to departmental receipts, the property tax surplus of \$10.6 million includes receipts anticipated in May of the prior fiscal year. Moreover, the adopted property tax revenue budget assumed 4.1 percent growth, whereas the County Assessor's recent estimate of 3.6 percent growth for the City's assessed value will likely reduce property tax receipts for the upcoming tax period. TOT continues to underperform during the current fiscal year, with previous industry growth forecasts now projecting declines. Additional economic uncertainties, including the fallout from the wildfires, changing trade policies, and international conflicts, further increase the total risk to the budget.

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

Table 1. 2025-26 General Fund Revenue and Variance through September
(Millions of Dollars)

	Adopted Budget	Monthly Plan	Monthly Receipts	Receipts as % of Budget	Variance
Property Tax	\$2,839.1	\$100.4	\$111.0	3.9%	\$10.6
Property Tax Ex-CRA Inc.	172.6	-	-	-	-
Department receipts	1,645.0	271.1	289.6	17.6%	18.5
Business Tax	825.0	49.7	63.7	7.7%	14.0
Utility Users' Tax	702.5	166.3	190.2	27.1%	23.8
Sales Tax	647.5	162.6	171.4	26.5%	8.8
Transient Occupancy Tax	315.0	86.0	77.6	24.6%	(8.4)
Power Revenue Transfer	227.9	-	-	-	-
Documentary Transfer Tax	193.7	50.0	53.8	27.8%	3.8
Franchise Income	144.1	29.3	29.8	20.7%	0.6
Parking Occupancy Tax	141.3	35.3	38.2	27.0%	2.8
Parking Fines	108.4	27.1	27.3	25.2%	0.3
Interest Income	84.3	22.8	61.6	73.0%	38.8
Grant Receipts	46.8	0.7	5.9	12.7%	5.3
Special Parking Revenue Transfer	36.6	-	-	-	-
Budget Stabilization Fund	29.0	-	-	-	-
Tobacco Settlement	9.6	-	-	-	-
State Motor Vehicle License Fees	6.1	6.1	6.0	97.0%	(0.2)
Residential Development Tax	3.6	0.9	1.1	29.9%	0.2
Total General Fund	\$8,178.3	\$1,008.2	\$1,127.1	13.8%	\$118.9

Property taxes: Net property tax receipts through September are \$10.6 million above planned receipts, partly attributed to a lower-than-estimated remittance for May 2025 (-\$17.9 million) in the prior fiscal year. Consequently, net receipts corresponding to the property tax remittance period are \$7.3 million below revised estimates. Through September, secured receipts are \$15.3 million higher, with an additional \$0.8 million in redemptions and \$0.1 million in adjustments. Offsetting these surpluses are lower unsecured and miscellaneous receipts (\$1.3 million and \$1.4 million, respectively) and higher refunds (\$2.9 million). There is additional downside risk to secured receipts based on the County Assessor's forecasted growth in the City's assessed value (3.6 percent) for the next tax period beginning December 2025. The adopted budget estimate assumed 4.1 percent. Tax relief and assessed value adjustments extended to property owners impacted by the Palisades pose unknown risks to receipts though the adopted budget includes assumptions for both. With regards to wildfire relief set aside in the State budget to offset property tax losses, no receipts are currently anticipated for this fiscal year.

Department receipts: Departmental receipts through September, which include license, permits, fees, fines, and various reimbursements, total \$289.6 million, which is \$18.5 million above the

adopted plan. The surplus can primarily be attributed to delayed reimbursements anticipated in 2024-25, which represented \$47.3 million of the \$70.8 million year-end shortfall.

Business tax: Net business tax receipts are \$14.0 million above plan. Receipts from non-cannabis business activity is \$12.7 million above plan, after ending 2024-25 \$29.0 million above the revised estimate. Cannabis receipts are \$1.3 million above plan following a \$0.6 million year-end surplus from the revised estimate.

Sales tax: Sales tax is \$8.8 million above planned receipts through September, following a surplus of \$9.0 million from revised 2024-25 receipts. Some share of excess receipts may be attributed accelerated purchasing in advance of anticipated tariffs and an uptick in inflation. Sales tax is one of the City's more economically sensitive revenues. Though current year receipts are above plan, there is risk to this revenue from anemic job growth and continuing inflation. The Federal Reserve's first interest cut in September may offset this economic risk.

Utility users tax (UUT): Adjusted total receipts through September are \$23.8 million above plan, largely due to increasing energy costs and consumption. Electricity users tax (EUT) is \$22.1 million above plan through September following a year-end surplus of \$4.4 million. Gas users tax receipts are also \$1.8 million above plan, following a surplus of \$6.4 million above the revised estimated. The communication users tax (CUT), which ended 2024-25 \$0.7 million above the revised budget, is near September planned receipts.

Transient occupancy tax (TOT): TOT continues to underperform. After reducing the 2024-25 adopted estimate by \$33.7 million, year-end receipts fell \$3.3 million short of revised estimates. Receipts through September are \$8.4 million below plan (\$7.8 million for hotel activity and \$0.6 million for short-term rentals). With recent industry forecasts estimating a continuing decline in international tourism, specifically from China and Canada, there is sizable downside risk to this receipt.

Power Revenue Transfer: After the adoption of the 2025-26 budget, the Board for the Department of Water and Power (DWP) increased its estimate for the Power Revenue Transfer by \$0.3 million to approximately \$228.2 million. The actual transfer amount will be confirmed by the Board once an audit of 2024-25 Power Revenue Fund financial data is completed.

Documentary transfer tax: Receipts through September are \$3.8 million above plan attributed to increasing price per deed. Projected sales volume is below amounts assumed for the budget estimate. This revenue source can be volatile when sales volume and price move together. Actual 2024-25 receipts missed the revised estimate by \$4.9 million as a result of \$6.2 million in corrections to monthly receipts due the House LA fund (Measure ULA). There is potential upside if mortgage rates mirror federal reserve rate reductions.

Franchise income: Net franchise receipts through September are \$0.7 million above plan; with offsetting variances in natural gas, cable television and solid waste (\$0.9 million, -\$0.4 million and \$0.1 million, respectively).

Parking occupancy tax: Adjusted parking occupancy tax receipts are \$2.8 million above plan after ending \$4.3 million above the revised budget with the recording of prior tax period receipts. There can be large variability in monthly receipts.

Parking fines: Parking fine revenue through September is near plan, with twelve months of issuance and collection activity generating between \$108 million and \$111 million in receipts since April 2022. Actual 2024-25 receipts were \$108.3 million, \$0.3 million above the revised estimate.

Grant receipts: Receipts from grant revenue through September are \$5.9 million, which is approximately \$5.3 million above the budgeted plan for departmental grant revenue due to increased and prior year direct and related cost reimbursements associated for Public Works and other departments. The total grant budget includes \$31.7 million in FEMA reimbursements for COVID-19 response efforts, representing the final payment for pandemic efforts.

Expenditures

Key Findings/Recommendations

- *This Office has identified approximately \$263.20 million in projected overspending and unfunded items across various departments and funds.*
- *The recommendations in this FSR address \$14.19 million of this overspending leaving \$249.01 million to be addressed. This Office has identified anticipated future actions that would offset an additional \$169.41 million, reducing year-end overspending to \$79.60 million.*

Based on expenditure data through the end of August 2025, this Office has identified \$263.20 million in projected overspending and unfunded items across various departments and funds. This amount is largely due to overspending in the Fire (\$87.60 million), City Attorney (\$34.17 million), and Police (\$27.70 million) departments, and the delayed implementation of solid resources rate increases (\$30.09 million). Many departments reported year-end surpluses due to salary savings and vacancies.

The year-end overspending is detailed in Table 2 to follow and is primarily due to the following categories:

- Projected overspending of \$87.60 million in the Fire Department primarily due to projected civilian hiring and unbudgeted civilian salary payouts, the transfer of sworn salaries funding to constant staffing overtime in 2025-26 Budget, unbudgeted sworn bonuses, higher than anticipated resource deployments for wildfires outside the City, expenditures for wildfire cost-sharing agreements, and costs to participate in the PP-GEMT and County IGT programs.

- Projected overspending of \$34.17 million in the Office of the City Attorney primarily due to increased litigation expenses and outside counsel costs.
- Projected overspending of \$18.28 million in the General Services Department primarily due to costs to retain positions eliminated in the 2025-26 Budget, increased contract costs and increased utility prices.
- Projected overspending of \$27.70 million in the Police Department due to costs to retain civilian positions eliminated in the 2025-26 Budget, projected civilian hiring, projected sworn hiring above the levels assumed in the 2025-26 Budget, increased use of sworn overtime and contract costs for contract security, vehicle evidence holding and a Workday/Accenture consultant.
- Projected overspending of \$30.09 million due to delays in the implementation of increased solid resources rates impacting the Solid Waste Resources Revenue Fund (\$28.70 million) and the Multi-Family Bulky Item Fee Fund (\$1.39 million). As the General Fund continues to subsidize these funds in 2025-26, the General Fund must cover the costs of these delays.
- Projected overspending totaling \$55.36 million in various departments and funds for costs to retain positions deleted in the 2025-26 Budget, unbudgeted salary payouts, departments unable to meet their budgeted salary savings rate, costs and revenue shortfalls associated with the response to the January 2025 wildfire and windstorm events, and projected ineligible grant costs.

(See Table 2 on the next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Departmental and Non-Departmental Overspending		
Department	First FSR	Reason
Animal Services	\$ 0.29	Overspending due to the Department's vacancy rate being below the salary savings rate assumed in the 2025-26 Budget and increased costs for as-needed staff.
City Attorney	34.17	Overspending is primarily based on the City Attorney's stated costs for litigation expenses and outside counsel costs.
City Clerk	1.74	Overspending is due to unbudgeted petition verification costs completed by Los Angeles County.
Civil, Human Rights, and Equity	0.11	Overspending is primarily due to costs to retain positions eliminated in the 2025-26 Budget, unbudgeted payouts, and contract and other operational expenses.
Controller	0.37	Overspending is due to Accounting Assistance Program costs that have yet to be reimbursed and the delayed execution of a 2024-25 contract for an Animal Services Audit.
Disability	0.19	Overspending is primarily due to costs to retain positions eliminated in the 2025-26 Budget.
Emergency Management	4.86	Overspending is due to unbudgeted costs for the City's portion of costs for debris removal services conducted by the Army Corps of Engineers.
Finance	14.09	Overspending is due to unbudgeted salary payouts, the absorption of ineligible special fund salary costs, the Department not being able to meet its budgeted salary savings rate, banked overtime, and unbudgeted costs for the LATAX Transformation Project and bank courier services.
Fire	87.60	Overspending is primarily due to projected civilian hiring and unbudgeted civilian salary payouts, transfer of sworn salaries funding to constant staffing overtime in 2025-26 Budget, unbudgeted sworn bonuses, higher than anticipated resource deployments for wildfires outside the City, expenditures for wildfire cost-sharing agreements, and costs to participate in the PP-GEMT and County IGT programs.
General Services	18.28	Overspending is primarily due to costs to retain positions eliminated in the 2025-26 Budget, increased contract costs and increased utility prices.
Housing	1.17	Overspending is primarily due to unfunded grant administrative salary costs and higher than budgeted Proposition HHH Program salary costs.
Information Technology Agency	1.12	Overspending is due to unbudgeted salary payouts, increased use of staff overtime in light of staff reductions, and contract costs due to a change in payment structure.
Personnel	2.47	Overspending is due to costs to retain positions eliminated in the 2025-26 Budget and unbudgeted salary payouts.

(Table 2 continued on the next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Departmental and Non-Departmental Overspending		
Department	First FSR	Reason
Police	27.70	Overspending is due to costs to retain civilian positions eliminated in the 2025-26 Budget, projected civilian hiring, projected sworn hiring above the levels assumed in the 2025-26 Budget, the increased use of sworn overtime, and contract costs for contract security, vehicle evidence holding and a Workday/Accenture consultant.
Bureau of Sanitation	1.64	Overspending is primarily due to the increased use of staff overtime in light of full-time vacancies and utilities costs associated with the opening of the Young's Market Facility.
Bureau of Street Services	8.24	Overspending is primarily due to costs to retain positions eliminated in the 2025-26 Budget, unbudgeted salary payouts, and increased staff overtime and contract costs for ongoing Palisade fire response work.
Transportation	0.29	Overspending is primarily due to increased staff overtime in light of full-time vacancies.
Non-Departmental		
Repair and Demolition Fund	0.52	Overspending is due to reduced cash flow due to delays in property owner reimbursements and the Mayor's Tolling Order during the COVID-19 emergency declaration.
Cannabis Regulation Trust Fund	10.00	Overspending based on the anticipated need to return up to \$10 million to the State associated with ineligible expenditures from the California Local Jurisdiction Assistance Grant.
Stormwater Pollution Abatement Fund	4.52	Overspending is primarily due to unbudgeted required repairs and maintenance related to the January 2025 windstorm and wildfire events.
Bureau of Sanitation Windstorm and Wildfire Events Response	1.00	Overspending due to costs for January 2025 windstorm and wildfire events from 2024-25 which became 2025-26 costs due to prior-year funding not being encumbered and subsequently reverted to the Reserve Fund.
Bureau of Sanitation, Backbilling (SWRRF, MBIF, SCM)	3.30	Overspending due to the waiver of sewer service charges and solid resources fees for properties impacted by the January 2025 windstorm and wildfire events.
Bureau of Sanitation, CARE/CARE+ Services	3.00	Overspending due to budget reductions and available funding that is insufficient to maintain daily cleaning operations, and unbudgeted contract costs for security and janitorial services.
Solid Resources Rates Implementation	30.09	Overspending is due to delays in the implementation of increase solid resources rates impacting the Solid Waste Resources Revenue Fund (\$28.70 million) and the Multi-Family Bulky Item Fee Fund (\$1.39 million).
General City Purposes	4.38	Overspending is primarily due to the expansion of the Lifeline and Low Income Subsidy Programs administered by the Bureau of Sanitation.
Petroleum Products	0.82	Overspending is based on projected monthly commodity prices and prior-year expenditure trends.
American Rescue Plan Act	1.24	Overspending is due to consultant services costs for reporting to the U.S. Treasury.
Total Year-End Overspending	\$ 263.20	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to reduce the year-end overspending from \$263.20 million to \$249.01 million. This Office has identified potential future actions totaling \$169.41 million, which could further reduce the remaining year-end overspending to \$79.60 million. Departments must absorb or manage remaining costs within existing funds and retain projected surpluses to the greatest extent possible. The City cannot rely on the Reserve Fund to balance the budget and needs to begin work to rebuild the Reserve Fund balance to a healthy level.

Table 3. 2025-26 Budget Balancing Solutions		
First FSR Overspending	\$ (263.20)	
First FSR Recommendations		
UB - Outside Counsel including Workers' Compensation	\$ 1.36	Transfer to the City Attorney for outside counsel costs through December 2025.
UB - Election Expense - General Municipal Election	1.80	Transfer to the City Clerk to pay for petition verification services for the failed repeal of the Hotel Wage Ordinance.
Disencumbrance and Reappropriation of Prior-Year Funds	0.69	Disencumber and reappropriate prior-year funds to offset overspending in the Information Technology Agency and Department of Transportation.
UB - Reserve for Mid-Year Adjustments	0.02	Transfer to the General City Purposes Fund to address overspending for membership costs.
UB - Reserve for Mid-Year Adjustments	0.98	Transfer to the City Administrative Officer to address American Rescue Plan Act consultant costs.
Bureau of Street Services Transaction Fund	3.48	Transfer to the Fire and Police departments to reimburse costs associated with special events.
UB - Reserve for Mid-Year Adjustments	1.00	Transfer to the Stormwater Pollution Abatement Fund for unbudgeted required repairs and maintenance related to the January 2025 windstorm and wildfire events
UB - Reserve for Mid-Year Adjustments	4.86	Transfer to the Emergency Management Department to pay the County for the City's portion of costs for debris removal services conducted by the Army Corps of Engineers.
Subtotal	\$ 14.19	

(Table 3 continued on the next page)

Table 3. 2025-26 Budget Balancing Solutions		
Potential Future Actions		
Accounting Assistance Program Reimbursements	0.12	Anticipated transfers from various City departments to the Controller for Accounting Assistance Program costs.
Department of Water and Power Reimbursement	0.02	Anticipated reimbursement of disabled ratepayer assistance services to Disability.
UB - LATAX Replacement Project	9.80	Transfer to Finance to partially address overspending for the LATAX Improvement Project
IGT Fund (59F)	8.45	Transfer to the Fire Department for eligible emergency medical services costs.
UB - Mutual Aid Overtime	3.00	Transfer to the Fire Department for mutual aid costs.
UB - Ground Emergency Medical Transport QAF Program	21.54	Transfer to the Fire Department for the payment of PP-GEMT-IGT Program costs.
UB - Department Payroll Reconciliation	12.00	Transfer to partially address Citywide overspending. These funds are intended to be used for salary payouts associated with labor agreements which are not included in departmental budgets.
UB - Police Department Sworn Overtime - Interim Homeless Housing	4.38	Transfer to the Police Department for sworn overtime costs associated with interim homeless housing.
First Construction Projects Report, First Transportation Construction Projects Report, and Other Reports to Council	1.97	Transfers in various future reports and reports pending Council consideration which include transfers to the Bureau of Street Services.
UB - Reserve for Mid-Year Adjustments	108.13	Transfer to various departments to partially address Citywide overspending.
Subtotal	\$ 169.41	
Year-End Overspending	\$ (79.60)	

Pending Interim Requests for Funding

On October 7, 2025, the Budget and Finance Committee approved an instruction for the CAO to include a list of unfunded requests that are pending before the Council in each FSR. This Office has compiled an initial list of these requests, which we will continue to refine and update in subsequent FSRs (Attachment 11). We have included all items that we identified that are currently pending before Council or a Council committee that either instruct a department to identify a funding source or that identify a funding source that is equivalent to a new General Fund appropriation. We did not include requests for reappropriations or requests that departments only submitted to the CAO as part of their FSRs. Consistent with the City's Financial Policies, we have generally not supported these requests for new funding in the FSR and they are, therefore, not pending before Council. This list also does not include items that discuss the initiation of new or increased services

if there is not a corresponding request for funding. Nor did we include requests that propose a viable funding source.

We have identified 29 pending requests for funding. While some of the amounts in these requests are not specified, the total amount of identified funding on this list is \$50.8 million. If these requests are approved, they would increase our year-end overspending that lacks a potential solution to approximately \$130.40 million.

City Reserves

Key Findings/Recommendations

- *After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is \$412.13 million, which represents 5.04 percent of the General Fund budget, which meets the five percent Reserve Fund policy.*
- *If the City is not able to identify other solutions to address approximately \$79.60 million of additional overspending we detail in this report, the City's use of the Reserve Fund would result in the Reserve Fund dropping below five percent of General Fund revenues.*
- *The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City's reserves total approximately \$700.99 million or 8.57 percent of the total 2025-26 General Fund revenue.*

Table 4. Total City Reserves			
Reserves	Balance (In Millions)	%	Purpose
UB, 2025-26 Reserve for Mid-Year Adjustments Account	\$ 108.13	1.32%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	412.13	5.04%	Preserved for the most critical needs and matters of urgent economic necessity and are not to be used for ongoing expenses.
Budget Stabilization Fund	180.73	2.21%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 700.99	8.57%	

Unappropriated Balance, Reserve for Mid-Year Adjustments

The 2025-26 Adopted Budget includes \$125 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. This report includes recommendations to process an early reversion of \$10 million and transfers totaling \$6.87 million from the UB, Reserve for Mid-Year Adjustments Account to Emergency Management (\$4.86 million), Bureau of Sanitation (\$1 million), General City Purposes (\$0.02 million), City Administrative Officer (\$0.98 million), City Employees' Retirement System (\$156), and Fire and Police Pensions (\$3,897) resulting in a balance of \$108.13 million.

Reserve Fund

Attachment 2 – Current Status of Reserve Fund

Attachment 2A – Schedule of Reversions to the Reserve Fund and Other Funds

Recommendation No. 22

According to the Office of the Controller, the preliminary June 30, 2025, Reserve Fund cash balance was \$558.98 million. After the return of short-term loans made by the Controller at year end, adjustments initiated in the prior year and the 2025-26 Adopted Budget, and the budget appropriation of General Fund to the Reserve Fund of \$121.78 million, the July 1, 2025 Available Balance was \$401.90 million (see Table 5 below). This represented 4.91 percent of the General Fund Budget and was approximately \$17.98 million less than the 2025-26 Budget of \$419.88 million.

Table 5 2025-26 Reserve Fund Available Balance as of July 1, 2025 (millions)			
	Budget	Actual	Difference
Cash Balance, June 30*	\$636.75	\$558.98	\$(77.77)
Other Adjustments	(338.65)	(278.86)	59.79
General Fund Appropriation to Reserve Fund	121.78	121.78	-
July 1 Available Balance	\$419.88	\$401.90	\$(17.98)
Emergency Account	\$224.90	\$224.90	-
Contingency Account	194.98	177.00	\$(17.98)
Reserve Fund as Percent of General Fund	5.13%	4.91%	(0.22)%

*reflects \$501.09 million in year-end reversions as detailed in Attachment 2A

In June 2025, Council authorized two Reserve Fund loans totaling \$22.31 million (C.F. 25-0666 and C.F. 25-0647-S2) to Police to pay for cash sworn overtime through the end of 2024-25 and to reduce the need to bank overtime during the deployment of officers to address protest events. Council instructed this Office to present a repayment plan to ensure the Reserve Fund remains above five percent of General Fund in 2025-26. In light of the Reserve Fund actual balance on July 1, 2025 being 4.91 percent of the General Fund Budget, this Office recommends to process an early reversion of \$10 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments

Account to the Reserve Fund to partially repay the Reserve Fund loan (C.F. 25-0666) and increase the Reserve Fund balance above the five percent policy minimum level.

After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is \$412.13 million, which consists of \$224.90 million in Emergency Reserve and \$187.22 million in Contingency Reserve. This balance represents 5.04 percent of the General Fund budget, which meets the five percent Reserve Fund policy.

The Reserve Fund balance of \$412.13 million reflects a net increase of approximately \$10.23 million from the July 1, 2025 balance of \$401.90 million. Among the transactions contributing to the increase is the recommendation in this report to revert \$10.00 million to partially repay the Reserve Fund loan for Police Sworn overtime (C.F. 25-0666) and various other receipts, partially offset by a reduction of \$10.00 million to front fund the Consolidated Plan Grants Loan expenditures (C.F. 25-0525).

This report presents current year anticipated overspending of \$79.60 million that may require the use of the Reserve Fund if the City is not able to identify other solutions. All else being equal, the use of the Reserve Fund to cover the additional overspending would reduce the Reserve Fund balance to \$332.53 million, which is 4.07 percent of the General Fund budget and below the five percent Reserve Fund policy level.

Additionally, this Office is aware of internal and external factors that may also require the use of the Reserve Fund, including the realization of any of the downside risks to revenues that we have identified in this report. In light of these potential uses, this Office recommends the City continue to take steps to protect and maintain the Reserve Fund at the five percent minimum policy. Specifically, the City should refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations.

This Office recommends the following action at this time:

- Reduce appropriations in the amount of \$10 million within the Unappropriated Balance, Reserve for Mid-Year Adjustments Account and process the early reversion to the Reserve Fund to partially repay the Reserve Fund loan for Police's sworn overtime in 2024-25 (C.F. 25-0666).

Budget Stabilization Fund Recommendation No. 7

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 2025-26 Adopted Budget includes a transfer from the Budget Stabilization Fund to the Budget in the amount of \$29 million, which was in accordance with the Budget Stabilization fund ordinance. After accounting for this pending withdrawal, the current balance in the Budget Stabilization Fund is \$180.73 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 2026-27 Budget is 3.8 percent.

This Office recommends the following action at this time:

- Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2026-27 Budget of 3.8 percent.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with the employee union negotiations, wildfire response costs, and the federal government shutdown.*

Employee Union Negotiations

The City has reached agreements with the bargaining units represented by the Engineers and Architects Association (EAA) and the Coalition of City Unions (Coalition) to implement unpaid holidays in the second half of the fiscal year to hold the layoff process in abeyance. The success of these two agreements is contingent on the retention of the savings generated from the unpaid holidays by City departments, with the exception of using these savings to offset costs to retain positions within a respective department, as these savings will need to be transferred as needed to address the citywide costs to hold layoffs in abeyance. To ensure the success of these agreements, we recommend that the Mayor and Council instruct departments to retain the projected savings generated from these agreements to be used only to offset the costs to hold layoffs in abeyance.

The City has additionally reached an agreement with the Los Angeles Police Protective League for the implementation of a Voluntary Overtime Bank (VOB) to generate savings to hold in abeyance the civilian layoffs in the Police Department.

The projections in this report include the impact of the agreement with EAA, however the impact of the agreements with the Coalition and LAPPL are not included in our projections as the Coalition agreement was approved subsequent to formulation of our projections and the VOB has yet to be implemented in Workday. We will include the impact of the EAA and Coalition agreements in our Second FSR projections and the impact of the VOB will be included assuming its implementation in Workday.

Wildfire Response Costs

The CAO submitted its damage estimates to the FEMA and has an approved damage inventory list of 47 active projects totaling \$237.26 million. Of this amount, we currently estimate the need to provide front funding for approximately \$87 million in permanent works for the restoration of City facilities including the Palisades Library, slope mitigation measures, streetlighting, traffic control signs and signals and water control facilities. This \$87 million amount only reflects the amount needed for non-DWP projects as they will be front-funding their own projects. Further, we are working on the addition of a new project related to the streets and sidewalks damaged as part of the US Army Corps debris removal project, and the preliminary estimate for that is still pending finalization.

Of this amount, the Capital Improvement Expenditure Plan does have \$17.7 million in special funds set aside for erosion control and signs and signal work to front fund some of this work leaving approximately \$70 million in funding to be identified. While the General Fund would be the resource of last resort for front funding these projects, the CAO is currently evaluating alternative options including special funds and state funding designated for wildfire response front-funding. Any use of these alternative sources would reduce the exposure of the General Fund but there is no guarantee that, or the extent to which, they will be available.

As the initial \$50 million loan from the Building and Safety Enterprise Fund has been nearly depleted, we are working to identify implementation timelines for all of these projects to determine the amount of funding that will be needed this fiscal year versus future fiscal years. We will report on the funding plan and current-year needs once we have finalized implementation schedules with City departments.

Federal Government Shutdown

The ongoing federal government shutdown, now in its fourth week, has a significant impact on City residents and the local economy. Federal workers have not been paid since October 10th and federal agencies have halted new grant awards and grant payments. This may force City departments to use other available funds and/or delay projects and payments to contractors.

The shutdown's economic impact extends to the travel sector, with the U.S. Travel Association estimating a weekly loss of \$1 billion nationwide. This is primarily due to disruptions in air and rail travel and the closure of national parks and museums, deterring both domestic and international tourists.

Furthermore, critical programs that rely on continuous funding are at risk. As of November 1, benefits from the Supplemental Nutrition Assistance Program (SNAP) and Head Start will cease. However, California's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) will continue to operate without interruption.

The City does not have the capacity to fund or replace federal programs or services that are negatively impacted by the shutdown.

Four-Year Budget Outlook

Attachment 10 – Four-Year General Fund Budget Outlook

The 2025-26 Adopted Budget Outlook (Outlook) projects a shortfall in 2026-27 and surpluses in 2028-29 and 2029-30. Specifically, Attachment 10 illustrates that the City projects to have a shortfall of \$91.3 million in 2026-27 that rebalances in 2027-28, and estimated surpluses of \$238.4 million in 2028-29, and \$452.8 million in 2029-30. The Outlook made several assumptions that, if not met, will change future year projections. We discuss those below.

Convention Center

The City Council and the Mayor recently approved the modernization and expansion of the Los Angeles Convention Center (C.F. 15-1207), which is not yet incorporated into the Outlook. The estimated financing cost for the project is \$2.6 billion over 30 years, where debt service payments begin in 2028-29. As a result, the Los Angeles Convention Center modernization and expansion project will reduce the projected surpluses in the Outlook by approximately \$42.9 million in 2028-29 and \$112.8 million in 2029-30.

Revenues

The Outlook projects continuing revenue growth through 2029-30 based on historical averages. If the revenue falls short of budgeted projections or declines from an economic downturn, it will reduce projected surpluses. It does not assume the passage of the proposed Los Angeles Cost of Living Relief Initiative ballot measure to repeal the City's gross receipts tax, which is currently in the signature gathering process. If it does, it will significantly impact the Outlook in 2027-28 and beyond.

Expenditures

As part of its efforts to close the estimated budget gap for 2025-26, the 2025-26 Adopted Budget eliminated filled and vacant positions, increased salary savings rates, and took various expense reductions, among other solutions. The Outlook assumes the size of the workforce will remain flat after 2025-26 with no major changes in City services. Therefore, restoring any of these reductions will negatively impact future year budget gaps.

The sworn labor agreements for the Police Department expire in 2026-27, while the sworn agreements for the Fire Department expire in 2027-28. The majority of civilian labor agreements expire in either 2027-28 and 2028-29, with the last of the civilian base wage increases occurring in 2027-28. The Outlook does not assume future labor agreements. Any compensation adjustments that those agreements include will reduce the projected surpluses in 2028-29 and 2029-30.

The Outlook also does not take into account costs associated with major construction projects including the Civic Center Master Plan, the Los Angeles River Revitalization Master Plan, or the mitigation of stormwater pollution. The Outlook also does not assume continuing inflation or ongoing extraordinary liability payouts.

This Office will continue to monitor these issues and make adjustments to the Outlook as part of the Mayor's Proposed Budget for 2026-27.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$493.04 million are recommended in Sections 1, 2, 5, 6, and 7 of this report which include:

- \$6.43 million in new appropriations;
- \$16.56 million for transfers between accounts within various departments and funds;
- \$18.93 million for transfers between various departments and funds;
- \$15.98 million in appropriations from the Unappropriated Balance;
- \$422.34 million in reductions to special fund appropriations;
- \$10 million in transfers to the Reserve Fund;
- \$1.84 million in disencumbrances and reappropriations; and,
- \$0.94 million in other appropriation adjustments.

Attachments

- 1A 2024-25 Adopted and Revised General Fund Revenue
- 1B 2025-26 Adopted General Fund Revenue through September
- 2 Current Status of Reserve Fund
- 2A Schedule of Reversions to the Reserve Fund and Other Funds
- 3 New Appropriations
- 4 Transfers between Accounts within Departments and Funds
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- 6 Appropriations from the Unappropriated Balance
- 7A Status of the Unappropriated Balance-General Account
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- 7C Status of the Unappropriated Balance-non-General Account
- 8 Status of Liability Claims Account
- 9 Employment Level Report
- 10 Four-Year General Fund Budget Outlook
- 11 List of Pending Interim Requests for Funding

RECOMMENDATIONS

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

That the Council, subject to the approval of the Mayor:

1. Appropriate \$6,434,140.98 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$16,561,316.53 between accounts within various departments and funds as specified in Attachment 4;

3. Transfer \$18,927,745.69 between various department and funds as specified in Attachment 5;
4. Transfer \$15,982,080.10 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;
5. Instruct General Managers to refrain from requesting new Reserve Fund loans or interim budget appropriations and instruct the CAO to report on the fiscal impact of all requests made along with recommendations that account for the fiscal impact.
6. Instruct General Managers to retain the projected savings from unpaid holidays associated with the agreements with EAA and the Coalition, with the exception of the use of these savings to address costs within their department to hold layoffs in abeyance.

Budget Stabilization Fund

7. Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2026-27 Budget of 3.8 percent.

City Administrative Officer

8. Authorize the Controller to disencumber \$90,000 in Fiscal Year 2022-23 encumbered balance for RSG Inc. (Vendor Code VC0000007447, SC 10 CO23143494M) within City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services, and revert \$90,000 to the Reserve Fund No. 101, transfer therefrom to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services to be encumbered on a different contract for similar asset management and real estate services.

Community Investment for Families

9. Authorize the Controller to realign appropriations within the Community Services Block Grant (CSBG) Trust Fund No. 428/21 with available grant funds:
 - a. Increase appropriations totaling \$187,706.73 within the CSBG Trust Fund No. 428/21, Account No. 21C121 – Community Investment for Families;
 - b. Increase appropriations in the amount of \$12,887.17 within the CSBG Trust Fund No. 428/21, Account No. 21C299 – Reimbursement of General Fund Costs
 - c. Increase appropriations totaling \$187,706.73 within the Community Investment for Families Department (CIFD) Fund No. 100/21 as follows:

Account No.	Account Name	Amount
001010	Salaries, General	\$86,894.61
001070	Salaries, As-Needed	881.32
001090	Overtime General	3,893.00
002120	Printing and Binding	2,407.00
002130	Travel	19,923.89
003040	Contractual Services	7,867.00
003310	Transportation	1,138.40
006010	Office and Administrative	64,701.51
	Total	\$187,706.73

10. Authorize the Controller to disencumber up to \$31,000 in Fiscal Year 2024-25 encumbered balances for expired Contract No. C-138719 with Haven Hills Inc. within the CIFI Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into CIFI Fund No 100/21, Account No. 6010, Office and Administrative Expenses for software, technology, and other administrative costs.
11. Authorize the Controller to disencumber up to \$80,275.84 in Fiscal Year 2024-25 encumbered balances for Contract No. C-146095 with New Economics for Women (SC 21 CO25146095Y) within the CIFI Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to continue the Kids First Program in 2025-26.
12. Authorize the Controller to disencumber up to \$31,225 in Fiscal Year 2024-25 encumbered balances for Contract No. C-138578 with Onni Hotel (SC 21 CO25138578M) within the CIFI Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the City of Los Angeles Affordable Housing Fund. No. 44G/43, and appropriate therefrom into the same account in the same amount to continue to pay for temporary housing costs associated with the fireworks explosion on East 27th Street in 2025-26.
13. Authorize the Controller to disencumber up to \$102,815.62 in Fiscal Year 2024-25 encumbered balances for Contract No. C-146699 with University Corporation (SC 21 CO25146699M) within the CIFI Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to continue to pay for FamilySource System evaluation services in 2025-26.

14. Authorize the Controller to disencumber up to \$687,050.21 in Fiscal Year 2024-25 encumbered balances for Survivors Services Program contracts as listed below within the CIFD Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to continue to pay for Survivor Services System case management and supportive services.

Service Provider	Contract No.	Encumbrance No.	Amount
1736 Family Crisis Center	C-200252	SC 21 CO25200252Y	\$ 94,600.01
Center for the Pacific-Asian Family, Inc.	C-200963	SC 21 CO25200963Y	30,112.00
Coalition to Abolish Slavery and Trafficking	C-200964	SC 21 CO25200964Y	309,176.10
Haven Hills, Inc.	C-200967	SC 21 CO25200967Y	15,975.00
Jenesse Center, Inc.	C-200968	SC 21 CO25200968Y	55,730.52
Jewish Family Service Los Angeles	C-200969	SC 21 CO25200969Y	122,197.50
The People Concern	C-200970	SC 21 CO25200970Y	59,258.49
		Total	\$ 687,050.21

15. Authorize the Controller to:

- a. Reduce appropriations within the Community Development Trust Fund No. 424/21 to align with the reduced Community Development Block Grant administrative allocation for CIFD in the 51st Program Year (2025-26) Consolidated Plan (C.F. 25-0525) as follows:

Account No.	Account Name	Amount
21C110	City Administrative Officer	\$ (117,590.00)
21C112	City Attorney	(78,999.00)
21C126	Controller	(26,314.00)
21C166	Personnel	(131,915.00)
21C299	Reimbursement of General Fund Costs	(255,641.00)
	Total	\$ (610,459.00)

- b. Reduce appropriations within the Department Fund No. 100 as follows:

Fund/ Dept. No.	Dept.	Account No.	Account Name	Amount
100/10	City Administrative Officer	001010	Salaries, General	\$ (117,590.00)
100/12	City Attorney	001010	Salaries, General	(78,999.00)
100/26	Controller	001010	Salaries, General	(26,314.00)
100/66	Personnel	001010	Salaries, General	(131,915.00)
			Total	\$ (354,818.00)

Housing

16. Relative to aligning special fund appropriations with anticipated expenditures, reduce and increase appropriations in Account No. 43C143 and Fund 100 accounts, Housing within various special funds as follows:

Fund No.	Fund Name	Account No.	Amount
41M	Code Enforcement Fund	003040 (41M/43, 43C143)	\$ (450,000.00)
41M	Code Enforcement Fund	002120 (41M/43, 43C143)	(310,000.00)
41M	Code Enforcement Fund	006010 (41M/43, 43C143)	(44,000.00)
67W	Just Cause Enforcement Fee Trust Fund	003040 (67W/43, 43C143)	450,000.00
67W	Just Cause Enforcement Fee Trust Fund	002120 (67W/43, 43C143)	310,000.00
67W	Just Cause Enforcement Fee Trust Fund	006010 (67W/43, 43C143)	44,000.00
TOTAL			\$ -

17. Decrease appropriations for the following accounts within the House LA Fund No. 66M to align appropriations with approved expenditure plans.

Account No.	Account Name	Amount
43Y00B	Administration	(3,969,874)
43A00B	Administration	(4,583,560)
43C00B	Administration	(1,229,451)
43C00C	Affordable Housing Programs	(306,491,663)
43C00D	Homelessness Prevention Programs	(105,459,497)
TOTAL		(421,734,045)

Information Technology Agency

18. Authorize the Controller to disencumber up to \$654,988.13 from the encumbered balances within Information Technology Agency Fund No. 100/32, Account No. 009350, Communication Services for the following Presidio Networked Solutions, LLC (Vendor Code VC000047128) Contract Purchase Orders:

- a. \$393,877.13 in Fiscal Year 2021-22 (CPO 32 220000479668, 220000480112);

- b. \$150,000.00 in Fiscal Year 2022-23 (CPO 32 230000405659); and,
- c. \$111,111.00 in Fiscal Year 2023-24 (CPO 32 240000430871

and process the early reversion of the disencumbered amount to Reserve Fund No. 101/62, subsequently transfer therefrom to Unappropriated Balance Fund No. 100/58 and appropriate therefrom to Information Technology Agency Fund No. 100/32, Account No. 009350, Communication Services for requisition, installation, and maintenance services.

Personnel

- 19. Authorize the Office of the Controller to disencumber \$70,000 from the FY 2024-25 encumbered balance for Contract No. C-146583, The Regents of the University of CA, Los Angeles (UCLA), within the Personnel Department Fund No. 100/66, Contractual Services Account No. 003040, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the FY 2025-26 Personnel Department Fund No. 100/66, Contractual Services Account No. 003040, and re-encumber the reverted funds to Contract No. C-140505, UCLA to complete the City of LA citywide culture and climate study post assessment work.

Police

- 20. Rescind Recommendation No. 3 in the Public Safety and Budget and Finance Committees' approved report (C.F. 22-0417), which authorized the transfer of \$49,947.62 from the Police Department Fund No. 100/70, Account No. 001090, Overtime General Account and \$7,262.00 from the Hate Crime Grant Account No. 70W574 within the Police Department Grant Fund No. 339/70 to the Police Department Fund No. 100/70, Account No. 001092, Overtime Sworn Account and Account No. 70A299, Fringe Benefits Account in the amounts of \$53,872.62 and \$3,337.00, respectively, as the reallocation for this grant is reflected in this FSR.

Public Works – Sanitation

- 21. Instruct the Bureau of Sanitation to report to Council on the fiscal impacts of interrupted and waived service fees related to actions adopted by the Council under C.F. 25-0006-S20 and seek formal approval of any backbilling waivers and transfers from the Reserve Fund to reimburse the SCM, SWRRF, and MBIF funds as appropriate.

Reserve Fund

- 22. Reduce appropriations in the amount of \$10 million within the Unappropriated Balance Fund No. 100/58, Account 580196 Reserve for Mid-Year Adjustments, and process the early reversion to the Reserve Fund to partially repay the Reserve Fund loan for Police's sworn overtime in 2024-25 (C.F. 25-0666).

Transportation

- 23. Authorize the Controller to disencumber \$41,196.27 from the Fiscal Year 2025 encumbered balance under Purchase Order CPO94/250000480026 within the Department of

Transportation, Fund No. 100/94, Account 003040 Contractual Services (\$1,970.85) and Account 007350 Other Operating Equipment (\$39,225.42), revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the Department of Transportation Fund No. 100/94, Account 003040, Contractual Services and Account 007350, Other Operating Equipment, to recreate a new CPO due to an error that prevented payment processing.

Youth Development

24. Authorize the Controller to disencumber up to \$51,872 in Fiscal Year 2024-25 encumbered balances for Contract No. C-134759, Odesus Inc. (\$10,007), and, MYCA Multimedia and Training Solutions, LLC Contract No. C-136949, (\$41,865), within the Youth Development Department Fund 100/19, Contractual Services Account No. 003040, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer that amount to the Unappropriated Balance Fund No. 100/58, appropriate therefrom to the Youth Development Department Fund No. 100/19, Account No. 003040 Contractual Services for expenditures related to Central Information Platform Project, Personal Financial Management program, and outreach and community engagement services.

Zoo

25. Increase revenue totaling \$694,410 within the Zoo Enterprise Trust Fund, Reimbursements Miscellaneous (RSC No. 4543) to reflect additional anticipated receipts from the Greater Los Angeles Zoo Association which were not assumed in the Adopted Budget.

Technical

26. 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 \$263.20 million in projected over-expenditures are identified in the First Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$493.04 million are recommended in Sections 1, 2, 5, 6, and 7 of this report. This includes \$10 million in transfers to the Reserve Fund.

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.

DISCUSSION

In preparation of this report, this Office has performed an analysis of all departments and funds in an effort to identify spending, revenue, or any other issues of concern. Generally, our analysis is conducted in concert with departments and fund administrators, however, in some cases the analysis presented in this report is based substantially or completely on work conducted by this Office in the absence of information provided by departments or fund administrators. The following non-departmental sections were completed by this Office in the absence of information from the managing department:

- Petroleum Products
- Water and Electricity

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	29
Section 2. Status of Non-Departmental Funds and Special Accounts	100
Section 3. Status of Employment	106
Section 4. Status of State Budget.....	107
Section 5. Status of American Rescue Plan Act – State and Local Fiscal Recovery Funds..	108
Section 6. Status of Los Angeles City Employee’s Retirement System	109
Section 7. Status of Los Angeles Fire and Police Pensions	110

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

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.040	\$ -	Projected surplus is due to savings from unpaid holidays associated with the agreement with EAA and projected attrition, partially offset by unbudgeted employee payouts.
Printing and Binding	0.001	-	Projected surpluses are based on prior-year expenditure trends.
Transportation	0.001	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.023)	-	Projected overspending is based on prior-year expenditure trends and outstanding software license payments.
General Fund Total	\$ 0.019	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Printing and Binding	\$ 0.003	\$ -	Projected surplus is based on prior-year expenditure trends.
Special Funds Total	\$ 0.003	\$ -	

(Aging narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.42	\$ 0.42	\$ -	This Office projects the Department will meet its General Fund revenue budget by year-end.

This Office anticipates that the projected surpluses in the Printing and Binding and Transportation accounts will be used to offset the Office and Administrative overspending. This Office will continue to work with the Department to monitor its spending and report in future FSRs with the recommendations necessary to resolve the projected overspending. This Office does not recommend any transactions at this time.

B. Animal Services
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.21)	-	Projected overspending is due to the Department's vacancy rate being below the eight percent salary savings rate assumed in the 2025-26 Budget.
Salaries As-Needed	(0.08)	-	Projected overspending is due to MOU related hourly pay increases and projected staffing needs through year end.
General Fund Total	\$ (0.29)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 2.72	\$ 2.60	\$ (0.12)	Projected revenue shortfall is primarily due to reduced breeder license fee and dog pound fee receipts based on year-to-date revenue trends.

This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to address the projected Salaries General and Salaries As-Needed overspending. This Office does not recommend any transactions at this time.

C. Building and Safety

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.52	\$ -	Projected surplus is due to staff vacancies. The Department has a 13 percent vacancy rate.
Other Surplus Accounts	0.09	-	Projected surpluses in several accounts are based on year-to-date expenditure trends.
General Fund Total	\$ 0.61	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 8.22	\$ -	Projected surplus is due to staff vacancies. The Department has a 13 percent vacancy rate.
Other Surplus Accounts	1.47	-	Projected surpluses in several accounts are based on year-to-date expenditure trends.
Special Funds Total	\$ 9.69	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 122.47	\$ 122.04	\$ (0.43)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special fund vacancies, partially offset by additional prior-year related cost reimbursements.

(Building and Safety narrative continued on the next page)

Repair and Demolition Fund

The Repair and Demolition Fund (Fund) partially funds the Department's Salaries General Account in the amount of \$328,493. As a result of the Mayor's Tolling Order during the COVID-19 emergency declaration, delays in property owner reimbursements have impacted the Fund's cashflow for the prior three years. There are two outstanding loans from the Reserve Fund (\$404,657) and the Building and Safety Building Permit Enterprise Fund (\$857,000) to address the Fund's cashflow issues and to address urgent abatement and demolition needs (C.F. 23-0941). As of September 1, 2025, the Fund revenues are \$126,031 and the Department anticipates an additional \$103,615 from direct assessments from Los Angeles County, resulting in a year-end projected revenue of \$229,646 for the Fund.

Based on revenues to date and \$626,636 in pending invoices, this Office projects a year-end revenue shortfall of approximately \$0.52 million. In light of the projected revenue shortfall, the Fund will not be able to repay the pending loans in the current fiscal year. This Office will closely monitor this Fund and provide updates in future FSRs.

This Office recommends the following transaction at this time:

- Transfer \$130,203 within the Building and Safety Building Permit Enterprise Fund, Reserve for Future Costs Account to a new account entitled Mayor's Office of Major Events (\$55,831) and the Reimbursement of General Fund Costs Account (\$74,372) to reimburse the Mayor's Office for eligible salary expenses related to the LA28 Olympic and Paralympic Games.

D. Cannabis Regulation No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.78	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.02	-	Projected surpluses are based on prior-year and year-to-date expenditure trends.
Special Funds Total	\$ 0.80	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.79	\$ 4.79	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

California Local Jurisdiction Assistance Grant

As reported in the 2024-25 FSRs, in December 2021, the State of California Department of Cannabis Control (DCC) awarded the Department approximately \$22 million through the California Local Jurisdiction Assistance Grant (LJAG), with a performance period from January 2022 through June 2025. The Department requested to amend the LJAG agreement in April 2023 to expedite the use of grant funds. During discussion of the requested amendment, the DCC informed the Department that the majority of the originally intended uses of grant funds were no longer allowable. The amendment to the LJAG agreement was finally approved in November 2024, and the grant expenditure period ended in March 2025. The Department continues to work with DCC to recognize additional eligible expenditures, however, the Department anticipates that it may be asked to return up to \$10 million to the DCC in 2025-26. This Office will continue to work with the Department to identify the amount of funding that it may be asked to return to the State and report in future FSRs with the recommendations necessary to resolve this matter.

**E. City Administrative Officer
Recommendation No. 8**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 0.09	\$ -	Projected surplus is associated with funding for an asset management contract we recommend be disencumbered to be used for a different contract for the same services in 2025-26.
General Fund Total	\$ 0.09	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 8.55	\$ 8.55	\$ -	This Office anticipates meeting its General Fund revenue budgeted by year-end.

This Office recommends the following transaction at this time:

- Authorize the Controller to disencumber \$90,000 in Fiscal Year 2022-23 encumbered balance for RSG Inc. (Vendor Code VC0000007447, SC 10 CO23143494M) within the City

Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services, and revert \$90,000 to the Reserve Fund No. 101, transfer therefrom to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services to be encumbered on a different contract for similar asset management and real estate services.

F. City Attorney

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 2.93	\$ (0.50)	Projected surplus is due to staff vacancies and continued recruitment challenges.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.50)	0.50	Projected overspending due to increased staff overtime to maintain service levels in light of full time vacancies and increased workload.
Litigation Expenses	(18.70)	-	Projected overspending is based on prior-year expenditures and the City Attorney's stated costs for litigation services through year end.
Outside Counsel	(17.90)	1.36	Projected overspending is based on the City Attorney's stated costs for outside counsel services through year end.
General Fund Total	\$ (34.17)	\$ 1.36	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Overspending (Shown as Negative, in millions)			
Salaries General	\$ (0.35)	\$ -	Projected overspending is due to grant related salary costs which have not yet been reimbursed.
Special Funds Total	\$ (0.35)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 51.98	\$ 51.98	\$ -	This Office projects the City Attorney will meet its General Fund revenue budget by year end.

This Office recommends a transfer from the projected Salaries General surplus to the Overtime General Account to address projected overspending. This Office also recommends a transfer from the Unappropriated Balance to partially offset the projected Outside Counsel overspending. This Office will continue to work with the City Attorney to monitor its expenditures and report in a future FSR with the recommendations necessary to address the remaining overspending.

Outside Counsel

The City Attorney projects \$23.52 million in Outside Counsel costs through year end, which results in a \$17.90 million over-expenditure after accounting for transfers to the account through August 2025. As of the writing of this report, a total of \$5.62 million has been transferred to this account from the Unappropriated Balance (\$4.62 million) and the City Attorney's Salaries General Account (\$1 million) (C.F. 25-0963, 24-1488, 25-0285, and 20-0263-S3). The City Attorney states that this overspending is driven by an increase in complex litigation which it has determined is beyond its current capacity to litigate. The City Attorney recently released a report stating the need for \$12.41 million in funding to address costs through December 2025 (C.F. 25-1225). As of October 28, 2025, the Outside Counsel Account has \$8.44 million in existing current-year (\$2.43 million) and prior-year (\$6.01 million) encumbrances, and \$3.19 million in current-year expenditures. Based on the City Attorney's request, the existing encumbrances for Outside Counsel and expenditures to date, this Office recommends a transfer of \$1.36 million from the Unappropriated Balance, Outside Counsel including Workers' Compensation Account to address Outside Counsel Account costs through December 2025. We will continue to work with the City Attorney to monitor Outside Counsel expenditures and report in future FSRs with the recommendations necessary to address the projected overspending.

This Office recommends the following transactions at this time:

- Transfer \$500,000 from the Salaries General Account to the Overtime General Account to address projected overspending.
- Transfer \$1.36 million from the Unappropriated Balance, Outside Counsel including Workers' Compensation Account to the Outside Counsel Account to address projected costs through December 2025.

G. City Clerk
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.06	\$ -	Projected surplus is due to savings from unpaid holidays related to the recent labor agreement with EAA, partially offset by costs to retain positions eliminated in the 2025-26 Budget and unbudgeted salary payouts.
<i>Overspending (Shown as Negative, in millions)</i>			
Elections	(1.80)	1.80	Projected overspending is due to unbudgeted petition verification costs completed by Los Angeles County.
General Fund Total	\$ (1.74)	\$ 1.80	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.41	\$ 0.47	\$ 0.06	This Office projects the Department will exceed its General Fund revenue budget by year end due to an unanticipated reimbursement from LAWA.

The projected Elections Account overspending is due to an unbudgeted petition to repeal the approved Hotel and Airport Worker Minimum Wage Ordinance (Ordinance 188610). The current County estimate for full signature verification is between \$1.6 and \$1.8 million. To address this overspending, this Office recommends a transfer of \$1.8 million from the Unappropriated Balance, Elections Expenses – General Municipal Elections Account to the Department’s Elections Account in anticipation of receipt of this invoice. This transfer will fully address the overspending in the Elections Account and reduce the amount available in the Unappropriated Balance for the June 2026 Election to \$8,200,000. If the actual County costs for the unbudgeted petition are less than \$1.8 million, the Department will retain this balance to be applied to the June 2026 Election. This Office will continue to work with the Department to monitor its spending and report future FSRs with updates and any necessary recommendations to address projected overspending.

This Office recommends the following transaction at this time:

- Transfer \$1,800,000 from the Unappropriated Balance, Election Expense - General Municipal Election Account to the City Clerk's Elections Account to pay for the Los Angeles County petition verification services for the failed repeal of the Hotel Wage Ordinance.

H. City Planning
Attachment 3 – New Appropriations

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.11	\$ -	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications. The Department has a seven percent vacancy rate.
General Fund Total	\$ 0.11	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.67	\$ -	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications. The Department has a seven percent vacancy rate.
Special Funds Total	\$ 0.67	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 19.47	\$ 15.49	\$ (3.98)	Projected revenue shortfall is due to reduced related cost reimbursement from the associated special fund revenue shortfalls and vacancies.

Planning Case Processing Special Fund

This special fund is subsidized by the General Fund. It collects Planning and Land Use Fees and supports case processing work. This fund is comprised of case processing fees related to development projects, expedited processing services, and supplemental fee agreements. We project a \$4.4 million year end revenue shortfall for this fund based on revenues through August 2025 and assumed continued lower than planned revenues through June 2026. The projected revenue shortfall could result in the non-payment of \$0.43 million related cost reimbursements to the General Fund. The projected year-end revenue does not assume the approval of pending fee waivers for eligible projects impacted by the January 2025 Fire and Windstorm event and the forthcoming comprehensive fee update. This Office recommends that the Department identify potential savings and available balances to reduce or eliminate the General Fund impact. This Office will continue to monitor the special fund revenue and report in future FSRs.

Planning Long-Range Planning Special Fund

This special fund is subsidized by the General Fund. It collects General Plan Maintenance Surcharge revenue and supports General Plan maintenance, including Community Plans. The surcharge is added to fees imposed for permits, plan checks, licenses or zoning code applications included in Chapter 1 or Chapter 1A of the Los Angeles Municipal Code. We project a \$3.8 million year end revenue shortfall based on revenues through August 2025 and assumed continued lower than planned revenues through June 2026. The projected revenue shortfall could result in the non-payment of \$2.7 million related cost reimbursement to the General Fund. The projected year-end revenue does not assume the approval of pending fee waivers for eligible projects impacted by the January 2025 Fire and Windstorm event and the forthcoming comprehensive fee update. This Office recommends that the Department identify potential savings and available balances to reduce or eliminate the General Fund impact. This Office will continue to monitor the special fund revenue and report in future FSRs.

This Office recommends the following transaction:

- Appropriate \$318,139 from the Short-Term Rental Trust Fund cash balance to the Department's Contractual Services Account for the home-sharing platform and home-sharing fee study.

I. City Tourism Department No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.18	\$ -	Projected surplus is primarily due to staff vacancies.
Special Funds Total	\$ 0.18	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.00	\$ 1.00	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

**J. Civil, Human Rights, and Equity
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.066)	\$ -	Projected overspending is due to costs to retain positions eliminated in the 2025-26 Budget and unbudgeted payouts.
Salaries As-Needed	(0.007)	-	Projected overspending is based on anticipated operational needs through year end for Administrative Interns and Civil Rights Enforcement hearing officers.
Contractual Services	(0.019)	-	Projected overspending is based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	(0.020)	-	
General Fund Total	\$ (0.112)	\$ -	

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address the projected overspending.

L.A. REPAIR Program

The L.A. REPAIR Innovation Fund currently has a balance of \$6.2 million. The Department has executed grant agreements with four out of five grantees totaling approximately \$3.1 million for Cohort 1. Concurrently, the Department is working to finalize 14 grant agreements totaling approximately \$5.4 million for Cohort 2. The Department expects these agreements will be completed and executed by December 2025.

The Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

K. Community Investment for Families
Recommendation Nos. 9, 10, 11, 12, 13, 14, and 15
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 0.941	\$ 0.901	Projected surplus is due to lower than anticipated expenditures for the FamilySource System.
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.031)	0.031	Projected overspending is due to higher than anticipated software and technology costs.
General Fund Total	\$ 0.910	\$ 0.932	

(Community Investment for Families narrative continued on the next page)

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.227	\$ 0.241	Projected surplus is due to staff vacancies and unpaid holidays associated with the recent agreement with EAA.
Transportation	0.004	(0.004)	Projected surplus is due to lower than anticipated expenditures for mileage reimbursements.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.034)	0.019	Projected overspending is due to unbudgeted expenditures for the Community Development Block Grant (CDBG), Community Services Block Grant (CSBG), and Office of Traffic Safety (OTS) grants.
Overtime General	(0.105)	0.008	Projected overspending is due to unbudgeted expenditures for the CDBG, CSBG, OTS grants, Local Immigrant Integration and Inclusion Grant (LIIG), and OpportunityLA grant.
Printing And Binding	(0.200)	(0.010)	Projected overspending is due to unbudgeted expenditures for the CSBG, LIIG, and OpportunityLA grant.
Travel	(0.016)	0.018	Projected overspending is due to unbudgeted expenditures for the CSBG and OTS grants.
Contractual Services	(0.738)	0.133	Projected overspending is due to unbudgeted expenditures for the CSBG, OTS grants, LIIG, OpportunityLA grant, and temporary housing associated with the fireworks explosion on East 27th Street.
Office and Administrative	(0.497)	0.061	Projected overspending is due to unbudgeted expenditures for the CSBG, OTS grants, LIIG, and OpportunityLA grant.
Special Funds Total	\$ (1.360)	\$ 0.465	

(Community Investment for Families narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.357	\$ 4.917	\$ (0.440)	Projected revenue shortfall is due to reduced related costs reimbursements associated with staff vacancies funded by CDBG and CSBG.

This Office recommends the disencumbrance and reappropriation of prior-year Contractual Services funding to address the projected General Fund Office and Administrative overspending. Additionally, we recommend appropriation adjustments to realign budget appropriations with available grant funds to partially address the special fund overspending in the Salaries As-Needed, Overtime General, Contractual Services, Travel, and Office and Administrative accounts. We anticipate that the approval of pending transmittals for the Local Immigrant Integration and Inclusion (C.F. 21-1015-S7), Office of Traffic Safety, and OpportunityLA grants will further address approximately \$1.2 million in special fund overspending in the Overtime General, Printing and Binding, Contractual Services and Office and Administrative accounts.

The Department's Community Development Block Grant (CDBG) administrative allocation was reduced by \$608,255 in the 2025-26 Program Year (PY) 51 Consolidated Plan (C.F. 25-0525) from the prior PY 50. The Department's allocation includes CDBG administrative allocations for the CAO, Office of the City Attorney, Office of the Controller, and Personnel Department for support to the CIFD. This Office recommends reducing the appropriations in the Community Development Trust Fund for these four departments and the related costs to align with the approved PY 51 CDBG administrative allocation. This Office will continue to work with the Department to monitor expenditures and report in future FSRs with recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Increase appropriations totaling \$200,593.90 within the Community Services Block Grant Trust Fund to align 2025-26 budgetary appropriations in various accounts with available grant funds.
- Disencumber, revert, and reappropriate up to \$31,000 from Fiscal Year 2024-25 in the Department's Contractual Services Account to the Department's Office and Administrative Account for software, technology and other administrative costs.
- Disencumber, revert, and reappropriate up to \$80,275.84 from Fiscal Year 2024 25 in the Department's Contractual Services Account to the current fiscal year to continue the Kids First Program in 2025-26.

- Disencumber, revert, and reappropriate up to \$31,225 from Fiscal Year 2024-25 in the Department's Contractual Services Account to the current fiscal year to continue to pay for temporary housing costs and the Neighborhood Recovery associated with the fireworks explosion on East 27th Street in 2025-26.
- Disencumber, revert, and reappropriate up to \$102,815.62 from Fiscal Year 2024-25 in the Department's Contractual Services Account to the current fiscal year to continue to pay for FamilySource System evaluation services in 2025-26.
- Disencumber, revert, and reappropriate up to \$687,050.21 from Fiscal Year 2024 25 in the Department's Contractual Services Account to the current fiscal year to continue to pay for Survivor Services System case management and supportive services.
- Reduce appropriations totaling \$610,459 within the Community Development Trust Fund to align with the approved Community Development Block Grant allocation in the 51st Program Year Consolidated Plan (CF. 25-0525).
- Establish appropriation accounts and transfer \$327,000 from the Rose Hills Park Improvements (\$300,000) and Hollenbeck Park Improvements (\$27,000) accounts to the Assistance to Microenterprises Program/DTLA Small Business Assistance (\$300,000) and Hermon Park Improvements (\$27,000) accounts to reflect Recommendations 4a. and 4b. from the Civil Rights, Equity, Immigration, Aging, and Disability Committee report (C.F. 25-0525) to amend Attachment A to the Office of the Chief Legislative Analyst report dated June 11, 2025 for the 51st Program Year (2025-26) Consolidated Plan.
- Transfer \$87,384 from the Department's Salaries General (\$37,944.43), Printing and Binding (\$12,341.00), Travel (\$1,974.00), Transportation (\$5,500), Office and Administrative (\$4,069.00), and related costs (\$25,555.57) accounts to the Salaries As-Needed (\$18,384.00), Overtime General (\$4,000.00), and Contractual Services (\$65,000.00) accounts within the Community Development Trust Fund to align the 2025-26 budgetary appropriations with anticipated expenditures.
- Establish new accounts and transfer \$192,500 from the Family Homelessness Challenge Administrative Reserve Account within the CIFD Miscellaneous Grants and Awards Fund to the Department's Salaries General and related costs accounts to pay for salaries and related costs.

L. Controller
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.03	\$ -	Projected surplus is due to unpaid holiday savings offset by required annual payouts and the need for the General Fund to offset the Community Development Trust fund appropriation reduction.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries, As-Needed	\$ (0.12)	\$ -	Projected overspending is due to anticipated Accounting Assistance Program services that the Controller provides to other departments that departments will reimburse if services are provided. Future reimbursements will offset the projected overspending.
Contractual Services	\$ (0.28)	\$ -	Projected overspending is due to the delayed execution of a 2024-25 contract for an Animal Services Audit.
General Fund Total	\$ (0.37)	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	0.03	(0.03)	This FSR includes a recommendation to reduce the Controller's Community Development Trust Fund appropriation by \$26,314 due to reduced funding from the Community Development Block Grant Program. We anticipated the General Fund will have to cover the costs that result from this reduction.
Special Funds Total	\$ 0.03	\$ (0.03)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.15	\$ 6.11	\$ (0.04)	Projected revenue shortfall is due to the elimination of Community Development Trust Fund related cost reimbursements.

The Contractual Services overspending (\$0.28 million) is related to a contract that was funded in the 2024-25 Budget for an Animal Services audit. The Controller was not able to execute the contract in 2024-25 and the funding reverted to the Reserve Fund. The Controller has requested that the Council reappropriate these funds, which, consistent with the City's Financial Policies and in light of its financial condition, this Office does not recommend. If the Controller proceeds with this contract, this Office will monitor the spending and recommend the transactions necessary to resolve this overspending in future FSRs. We anticipate that the Salaries As-Needed Account overspending (\$0.12 million) will be fully reimbursed by departments that use the Accounting Assistance Program. This Office does not recommend any transactions at this time.

M. Council

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

The Council requests the following transactions at this time:

- Transfer \$1,875,000 from Council's Salaries General Account to the Salaries As-Needed (\$1,000,000), Travel (\$75,000), Contractual Services (\$100,000), and Office and Administrative (\$700,000) accounts to align the Council's operating budget with current expenditure patterns.
- Transfer \$198,000 from the State AB 1290 City Fund, Council District 13 Redevelopment Fund to the Mayor's Contractual Services Account for the Safe Passage Program for Virgil Middle School (\$66,000) and Bernstein High School (\$132,000) through the Mayor's Office of Community Safety, Gang Reduction and Youth Development.
- Transfer \$1,000,000 from the State AB 1290 City Fund, Council District 9 Redevelopment Fund to Council's Salaries As-Needed Account to support Council District 9 staffing costs.
- Transfer \$100,000 within the General City Purposes Fun, from the Gang Intervention, Youth Development, and Re-Entry Services – Council District 14 Account to the Council Projects Account for to cover summer activities fees at Pershing Square.

- Transfer \$20,000 from the Unappropriated Balance, Equipment, Expenses, and Alterations and Improvements Account to Council's Office and Administrative Account for furniture behind Council Chambers.
- Transfer \$27,890.39 from the Unappropriated Balance, Equipment, Expenses, and Alterations and Improvements Account to General Services Department's Contractual Services Account for various City Hall security measures.
- Transfer \$2,899,568 from the Unappropriated Balance - Equipment, Expenses, Alterations and Improvements Account to Council's Salaries As-Needed Account to support staffing costs.

N. Cultural Affairs

Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Contractual Services	\$ 0.20	\$ -	Projected surpluses based on prior-year expenditure trends and anticipated operational needs through year end.
Art and Music Expense	0.07	-	
Office and Administrative	0.07	-	
Operating Supplies	0.10	-	
Matching Grant Program	0.07	0.03	
Overspending (Shown as Negative, in millions)			
Salaries General	(0.65)	-	Projected overspending is due to projected hiring and unbudgeted salary payouts.
Printing and Binding	(0.08)	0.08	Projected overspending is due to delayed invoices for 2024-25 expenses being paid in the current year.
Cultural Grants for Family and Youth	(0.20)	0.50	
Special Events III	(0.56)	1.40	Projected overspending is based on prior-year expenditure trends and anticipated operational needs through year end.
Special Funds Total	\$ (0.98)	\$ 2.01	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 14.00	\$ 14.00	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends transferring \$2.01 million from prior-year balances in the Arts and Cultural Facilities and Services Trust Fund to address projected overspending in the Printing and Binding, Cultural Grants for Families and Youth, and Special Events III accounts. This Office will continue to work with the Department to monitor its expenditures and report in a future FSR with the recommendations necessary to address the remaining overspending.

This Office recommends the following transaction at this time:

- Transfer \$2.01 million from within the Arts and Cultural Facilities and Services Trust Fund from the prior-year Cultural Affairs Account to the Printing and Binding (\$82,502), Cultural Grants for Family and Youth (\$504,700), Matching Grant Program (\$25,000), and Special Events III (\$1,400,653) accounts to address projected overspending.

**O. Disability
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Contractual Services	\$ 0.08	\$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	0.01	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(0.26)	-	Projected overspending is due to unbudgeted eliminated positions remaining past initial estimates.
Salaries As-Needed	(0.02)	-	Projected overspending is based on year-to-date and prior-year expenditure trends.
General Fund Total	\$ (0.19)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.02	\$ -	\$ (0.02)	Projected revenue shortfall is due to the rescission of the related cost reimbursement plan for Sidewalk Repair positions funded by Measure M.

The projected Salaries General overspending is due to the abeyance of layoffs for employees represented by the Engineer's and Architects Association (EAA). We anticipate that this overspending will be addressed by Citywide savings associated with the agreement with EAA, which will be transferred to the Department in a future FSR. The projected Salaries As-Needed overspending is associated with increased disabled ratepayer assistance services provided for DWP. This Office anticipates that this overspending will be addressed by a future transfer from DWP. This Office does not recommend transactions at this time.

P. Economic and Workforce Development
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.89	\$ -	Projected surplus is primarily due to staff vacancies.
General Fund Total	\$ 0.89	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 3.40	\$ -	Projected surplus is primarily due to staff vacancies.
Other Surplus Accounts	0.09	-	Projected surpluses are based on prior-year expenditure trends and projected operational needs through year end.
Special Funds Total	\$ 3.50	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.92	\$ 5.92	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

Californians for All Grant

The initial Californians for All Grant was a \$53.3 million grant awarded by the State of California to EWDD for youth workforce development programs with an original grant performance period of January 2022 through July 2024, subsequently extended through December 2024. The Department received a second grant award of \$20.9 million under this program, with a performance period from October 2024 to December 2025. Due to significant staffing issues within the Department's Financial Management Division, as well as 100 percent supporting documentation requirements for state reporting, the Department has struggled to cash-flow this reimbursement-based grant. In June 2023 and November 2023, respectively, the Mayor and Council authorized total Reserve Fund loans of \$14.5 million to support grant operations. The Department repaid \$4.5 million to the Reserve Fund in April 2025, and anticipates repaying the remainder upon completion of the grant performance periods and full reimbursement of expenditures by the State, likely by June 30, 2025. As of September 2025, the State has issued reimbursements of approximately \$32.8 million. The final claim for the initial Californians for All Grant was submitted to the State in May 2025, for a total aggregate claimed amount of \$59.1 million. The Department reports there is \$19.1 million in reimbursements pending State review.

Gang Injunction Curfew Settlement Program

In April 2017, the federal court approved the Gang Injunction Curfew Settlement Agreement (C.F. 16-0081), which obligated the City, through the Department, to provide a variety of work readiness and employment services over four years to help prepare members of the impacted plaintiff class or their qualifying designees to enter the workforce. The number of potentially qualifying participants is approximately 6,000. The Settlement Agreement required the City to expend a minimum of \$1.125 million to a maximum of \$7.5 million each year for four years to provide jobs, education, and tattoo removal services. The Department reimburses contractual expenses under this program following the receipt and processing of invoices and expends from the balance of funds on a rolling basis. Uncommitted funds that were available at the close of June 2025 are eligible to support funding needs for the program in 2025-26 until the program close.

The judge in the case issued a tentative ruling requiring an audit and review of the program prior to issuing a final ruling in the matter. As such, the Department reports that expenditures are continuing into the 2025-26 program year, including \$320,570 in expenditures from July 2025 to September 2025. Additionally, the Department reports \$1,217,676 in invoices currently under review and/or anticipated through June 2026. Given the necessary extension of certain program expenses due to the ongoing court audit, the 2025-26 Adopted Budget (C.F. 25-0600)

reappropriated \$1.25 million to the Unappropriated Balance (UB) for this purpose with an instruction to the Department to report through the Financial Status Report or other means if funding is needed to support expenditures in the current year. The City Attorney reports that funding from the UB is needed at this time to continue to comply with the Settlement Agreement in 2025-26. Therefore, this Office recommends a transfer of \$1.125 million from the UB to the Department for this purpose at this time. Following this transfer, \$0.125 million will remain available in the UB should the Department demonstrate additional program expenses during the course of 2025-26.

This Office recommends the following transaction at this time:

- Transfer \$1.125 million from the Unappropriated Balance to the Department's Gang Injunction Settlement Agreement Program Fund to support ongoing program expenses.

Q. El Pueblo
No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries As-Needed	\$ 0.031	\$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Contractual Services	0.018	-	
Other Surplus Accounts	0.023	-	
Overspending (Shown as Negative, in millions)			
Water and Electricity	(0.005)	-	Projected overspending is based on year-to-date and prior-year expenditure trends.
Salaries General	(0.002)	-	Projected overspending is primarily due to unbudgeted sick and personal leave payouts.
Special Funds Total	\$ 0.065	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.31	\$ 5.12	\$ (0.19)	Projected revenue shortfall is due to overdue rent payments and lower parking fee collections.

This Office anticipates that the projected Salaries General and Water and Electricity overspending will be addressed by transfers from the Department's surplus accounts. In addition to the projected

revenue shortfall, the Department also has yet to implement parking rate increases as assumed in the 2025-26 Adopted Budget. Should the El Pueblo de Los Angeles Fund (Fund) realize the projected revenue shortfall, reductions to appropriations or reimbursement of related costs to the General Fund may be necessary to maintain the Fund, which will impact service delivery and operations. This Office will continue to work with the Department to address its spending and revenue shortfall, and report in a future FSR with recommendations to address these issues. This Office does not recommend any transactions at this time.

R. Emergency Management

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.007	\$ -	Projected surplus is due to staff vacancies and unpaid holiday savings associated with the recent agreement with EAA, partially offset by unbudgeted employee payouts.
Overspending (Shown as Negative, in millions)			
Contractual Services	(4.861)	4.861	Projected overspending is due costs to pay invoices from the County for the City's proportionate share of costs for debris removal conducted by the Army Corps of Engineers in response to the Palisades Fire.
Salaries As-Needed	(0.008)	-	Projected overspending is due to additional as-needed staff being hired.
General Fund Total	\$ (4.862)	\$ 4.86	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.118	\$ 0.118	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends a transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to pay invoices for the City's portion of debris removal costs for the Palisades Fire. This Office anticipates that the projected Salaries As-Needed Account overspending will be

addressed using the projected Salaries General Account surplus. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with the recommendations necessary to address the projected overspending.

This Office recommends the following transaction at this time:

- Transfer \$636.56 from the Emergency Operations Fund, FY2025 Contractual Services Account to the Los Angeles World Airport Revenue Source Code 5166, Deposit Receipts – Agency Funds for the reimbursement of the stolen wheels from two Changeable Message Sign units that were loaned to the Emergency Operations Center for use at the Palisades Fire Disaster Recovery Center.
- Transfer \$4,861,410 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Contractual Services Account for the payment of invoices from the County for the City’s proportional cost of debris removal services conducted by the Army Corps of Engineers in response to the Palisades Fire through July 2025.

S. Employee Relations Board
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.016	\$ -	Projected surplus is due to Executive Director vacancy.
Printing and Binding	0.001	-	Projected surpluses are based on prior-year expenditure trends.
Operating Supplies	0.001	-	
General Fund Total	\$ 0.018	\$ -	

The Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

T. Ethics
No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.03	\$ -	Projected surplus is based on year-to-date expenditure trends and anticipated operational needs through year end.
Contractual Services	0.35	-	Projected surplus assumes that special prosecutor services will not result in full expenditure this year based on prior-year expenditure trends.
Special Funds Total	\$ 0.38	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.37	\$ 1.37	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

U. Finance

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries As-Needed	\$ 0.02	\$ -	Projected surpluses are based on year-to-date expenditure trends.
Transportation	0.11	-	
Office and Administrative	0.07	(0.07)	
Overspending (Shown as Negative, in millions)			
Salaries General	(4.15)	-	Projected overspending is due to unbudgeted salary payouts, the absorption of ineligible special fund salary costs, and the Department not being able to meet its budgeted salary savings rate.
Overtime General	(0.14)	-	Projected overspending is based on prior-year expenditure trends and costs to pay down banked overtime.
Contractual Services	(10.00)	-	Projected overspending is due to unbudgeted costs for the LATAX Transformation Project and bank courier services.
General Fund Total	\$ (14.09)	\$ (0.07)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.61	\$ -	Projected surplus is related to costs for cannabis business audits determined as special fund ineligible by the City Attorney.
Special Funds Total	\$ 0.61	\$ -	

(Finance narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 14.28	\$ 13.52	\$ (0.77)	Projected revenue shortfall is due to reduced related cost reimbursements associated with ineligible special fund salary costs.

The projected General Fund Salaries General overspending is due in significant part to the Department not being able to meet its budgeted salary savings rate due to the deletion of vacant positions and the Department's stated need to fill its remaining vacancies to meet the Revenue Enhancement Project's budgeted \$20 million additional revenue target. The 2025-26 Adopted Budget includes funding in the Unappropriated Balance for the LATAX Transformation Project (\$9.80 million) contingent upon receipt of increased business tax revenues, which could be used to offset the projected overspending. This Office will not be able to confirm whether business tax met its goals associated with the Revenue Enhancement Project until, at earliest, April 2026. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with the recommendations necessary to address the projected overspending.

This Office recommends the following transaction at this time:

- Transfer \$66,980 from the Office and Administrative Account to the Information Technology Agency's Contractual Services Account to pay the final two installments of the FMS debt management module.

V. Fire

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Unused Sick Time	\$ 1.03	\$ (1.00)	Projected surplus due to the anticipated retirements of 34 sworn employees in 2025-26.
Overtime Variable Staffing	3.32	(3.18)	Projected surplus is based on year-to-date expenditure trends.
Other Surplus Accounts	0.70	-	Projected surpluses in these accounts are based on prior-year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.95)	-	Projected overspending primarily due to projected hiring of 51 positions and unbudgeted payouts.
Salaries Sworn	(29.53)	(1.54)	Projected overspending is primarily due to the transfer of funds to the Overtime Constant Staffing Account in the 2025-26 Budget.
Sworn Bonuses	(8.06)	2.50	Projected overspending due to unbudgeted sworn MOU bonuses.
Salaries As-Needed	(0.40)	0.48	Projected overspending in these accounts is based on year-to-date expenditure trends.
Overtime General	(2.29)	1.20	
Overtime Constant Staffing	(2.45)	-	
Field Equipment Expense	(0.96)	-	
Rescue Supplies and Expense	(1.45)	-	
Operating Supplies	(2.43)	0.29	
Overtime Sworn	(10.47)	-	Projected overspending is due to higher than anticipated resource deployments to wildfires outside of the City (Lake Fire, Mindy Fire, Butler and Orleans Complex Fires)
Contractual Services	(32.92)	0.65	Projected overspending includes expenditures for wildfire cost-sharing agreements, and participation in the PP-GEMT and County IGT programs.
Office and Administrative	(0.56)	0.56	Projected overspending is due to unbudgeted UFLAC Wellness Program reimbursements.
Other Overspending Accounts	(0.18)	-	Projected overspending in these accounts is based on prior-year and year-to-date expenditure trends.
General Fund Total	\$ (87.60)	\$ (0.04)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 333.38	\$ 333.38	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends transfers from the Salaries Sworn, Unused Sick Time, and Overtime Variable Staffing accounts to partially address the projected overspending in the Sworn Bonuses, Salaries As-Needed, and Overtime General accounts. Additionally, we recommend transfers from the Salaries Sworn Account to the Contractual Services, Office and Administrative, and Operating Supplies accounts to address invoices related to the 2025 wildfires response. This Office will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendations necessary to address the projected overspending.

Public Provider – Ground Emergency Medical Transport Intergovernmental Transfer Program

Effective January 1, 2023, the Department of Health Care Services (DHCS) implemented the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer (IGT) Program, which provides increased reimbursements generated by an add-on increase to emergency medical transports provided by eligible non-contracted public GEMT providers. The PP-GEMT Program requires the City to make payments to the DHCS to participate. The total cost to participate during the 2025 calendar year is \$30.38 million, of which the Department has paid \$21.98 million. On September 24, 2025, the Department received the last quarterly invoice for calendar year 2025, totaling \$8,404,589. The Department paid this invoice on October 16, 2025.

Los Angeles County Medi-Cal Intergovernmental Transfer Program

The Department participates in the Los Angeles County Medi-Cal Intergovernmental Transfer Program (Medi-Cal IGT), which Los Angeles County created in January 2023 after DHCS implemented the PP-GEMT IGT Program. The Medi-Cal IGT program allows a public entity providing health care services to Medi-Cal managed care beneficiaries to transfer funds to DHCS in order to support the Medi-Cal program. DHCS uses these funds to obtain increased matching funds from the federal Center for Medicare and Medicaid Services to support Medi-Cal health care services provided by participating agencies. The Department pays an annual invoice from DHCS to participate in the Medi-Cal IGT program. The Department received the 2025-26 participation invoice on October 3, 2025, for \$6,962,935. Motion (Lee-Blumenfield) (C.F. 25-1176) includes transfers from the Salaries Sworn Account to the Contractual Services Account to address the 2025-26 participation invoice and the use of 2024 IGT program receipts for eligible service costs. This Motion is pending consideration by the full Council.

This Office recommends the following transactions at this time:

- Transfer \$1,200,000 from the Unused Sick Time (\$1,000,000) and Overtime Variable Staffing (\$200,000) accounts to the Overtime General Account to meet workload needs for public safety inspections and fleet maintenance.
- Transfer \$481,000 from the Overtime Variable Staffing Account to the Salaries As-Needed Account to address increased workload in time-sensitive clerical and administrative tasks.
- Transfer \$544,960 from the Salaries Sworn Account to the Contractual Services Account to pay invoices from the Los Angeles County Fire Department, the United States Forest Service, and the California Department of Forestry and Fire Protection relative to services provided during the Hurst and Palisades fires.
- Transfer \$105,096 from the Salaries Sworn Account to the Contractual Services Account to pay invoices from California Conservation Corps relative to services provided during the Hurst and Palisades fires.
- Transfer \$290,126 from Salaries Sworn Account to the Operating Supplies Account to address overspending for payment of services associated with the Palisades Fire.
- Transfer \$555,000 from the Salaries Sworn Account to the Office and Administrative Account to pay for United Fire Fighters of Los Angeles Wellness Program reimbursements.
- Transfer \$2,500,000 from the Overtime Variable Staffing Account to the Sworn Bonuses Account to address projected overspending in future pay periods.
- Transfer \$40,000 from the Salaries Sworn Account to the Personnel Department to address costs relative to a third-party vendor conducting a search for the next Fire Chief.

W. General Services

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Travel	\$ 0.08	\$ -	Projected surpluses are based on prior-year expenditure trends.
Operating Supplies	0.06	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(8.08)	0.38	Projected overspending is due to costs associated with the retention of positions eliminated as part of the 2025-26 Budget and unbudgeted employee payouts.
Overtime General	(0.80)	-	Projected overspending is due to the increased use of staff overtime and hiring hall staff to maintain service levels in light of full-time vacancies.
Hiring Hall Salaries	(0.85)	-	
Hiring Hall Benefits	(1.25)	-	
Hiring Hall Overtime	(0.07)	-	
Contractual Services	(3.96)	-	Projected overspending is based on year-to-date expenditure trends and invoices pending payment.
Util Exp Pvt Companies	(3.41)	-	Projected overspending is based on increased commodity prices and prior-year seasonal usage trends.
General Fund Total	\$ (18.28)	\$ 0.38	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.44)	0.69	Projected overspending is due to positions restored by Council without funding and unbudgeted employee payouts.
Overtime General	(0.47)	-	Projected overspending is due to increased staff overtime for vehicle maintenance due to the age of the City's fleet vehicles.
Special Funds Total	\$ (0.91)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 44.34	\$ 44.34	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends transfers to the Salaries General Account to partially offset General Fund and special fund overspending in this account. We will continue to work with the Department to monitor its expenditures and report in a future FSR with the recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Appropriate \$697,457 from the Sewer Construction Maintenance Fund to the Salaries General Account to fund positions restored by Council (C.F. 25-0600-S26).
- Transfer \$375,605 from the Mail Services Account to the Salaries General Account to fund positions restored by Council (C.F. 25-0600-S30).

X. Housing

Recommendation Nos. 16 and 17

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Leasing	\$ 0.14	\$ -	Projected surplus is due to savings associated with the lack of a main office space.
Contractual Services	0.40	-	Projected surplus is based on year-to-date and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(1.70)	-	Projected overspending is due to unfunded grant administrative salary costs and Proposition HHH program expenses being higher than budgeted.
Other Overspending Accounts	(0.01)	-	Projected overspending is based on prior-year expenditure trends.
General Fund Total	\$ (1.17)	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 11.80	\$ (0.40)	Projected surplus is due to staff vacancies.
Contractual Services	0.52	0.02	Projected surplus is based on year-to-date and prior-year expenditure trends.
Leasing	1.60	(0.36)	Projected surplus is due to savings associated with the lack of a main office space.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.27)	0.27	Projected overspending is due to increased use of as-needed staff to maintain service levels in light of full-time staff vacancies.
Office and Administrative	(0.71)	0.71	Projected overspending is due to the Department's planned purchase of replacement computers and field equipment.
Special Funds Total	\$ 12.94	\$ 0.24	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 62.98	\$ 58.06	\$ (4.92)	Projected revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

This Office recommends transfers from the projected special fund Salaries General surplus and associated related costs reimbursement accounts to address projected special fund overspending in the Salaries As-Needed and Office and Administrative accounts. This Office will continue to work with the Department to monitor its General Fund expenditures and report in future FSRs with recommendations necessary to address any overspending.

This Office recommends the following transactions at this time:

- Reduce appropriations totaling \$421,734,045 from prior year accounts within the House LA Fund No. 66M to align the budget appropriations with the available cash balance.
- Adjust amounts for the Housing Department Fund 100 Accounts within various special funds to align appropriations with anticipated expenditures.
- Appropriate \$1,140,902 from Proposition HHH Bond Proceed Funds to the Department's Reimbursement of Prior-Year Salary revenue (\$782,136) and the Reimbursement of Related Costs- Prior Year (\$358,766) to reimburse the General Fund for eligible salary expenses related to the Proposition HHH Program.
- Appropriate \$126,050 from the available cash balance within the Housing Production Revolving Fund No.240 to the Department's Office and Administrative accounts to fund the Prevailing Wage Unit's technological software renewal essential to operations.
- Appropriate \$44,334.42 from the available cash balance to the Financial Audit Account within Low- and Moderate-Income Housing Fund (LMIHF) and \$15,740.25 from the Affordable Trust Fund (AHTF) to reimburse the Controller's Office for the payment of MGO invoices related to the LMIHF and AHTF (McKinney's Act) financial and audit services provided.
- Transfer \$270,813 from the Salaries, General Account (\$202,766) and the Reimbursement of General Fund Costs (\$68,047) within various special funds to the Department's Salaries, As-Needed Account to fund part time staff supplementing critical departmental units.

- Transfer \$18,000 from the Salaries General Account (\$12,925) and the Reimbursement of General Fund Costs (\$5,075) within the Accessible Housing Fund to the Department's Contractual Services Account to pay an invoice to MYCA from 2024-25 that was submitted late.
- Transfer \$399,300 from the Salaries, General (\$59,242) and Leasing accounts (\$316,800) within the Code Enforcement Fund, and Reimbursement of General Fund Costs (\$23,258) Account within the Accessible Housing Fund to the Department's Office and Administrative Account for field inspection staff equipment replacement.
- Transfer \$185,823 from the Salaries, General (\$128,662) and the Reimbursement of General Fund Costs (\$57,161) accounts within various special funds to the Department's Office and Administrative Account to purchase office equipment.
- Transfer \$129,717 from the Salaries, General (\$44,195), Reimbursement of General Fund Costs (\$20,666), and prior-year Hearing Officer Contract (\$64,856) accounts within the Code Enforcement Fund and the Rent Stabilization Trust Fund to the Hearing Officer Contract account to pay for increased costs in the Hearing Officers Contracts.
- Disencumber \$500 from Contract No. C-146218, with the Trinus Corporation in the Contract Programming - System Upgrades Account within the Accessible Housing Fund and transfer the same amount to the Court Monitor Account within the Accessible Housing Fund to pay for court monitoring of the Accessible Housing Program.
- Transfer \$85,000 from the Unallocated Account within the Municipal Housing Finance Fund to the Technical Services Account to fund the completion of a Land Use Fee Study under the second amendment of City Contract C-135654 with BAE Urban Economics, Inc.
- Transfer \$33,971.68 from various accounts within the Affordable Housing and Sustainable Communities (AHSC) Grant Fund to the Reimbursement of Prior Year Salary Revenue Account to reimburse the General Fund for eligible salary costs related to the AHSC Grant.

**Y. Information Technology Agency
Recommendation No. 18
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries As-Needed	\$ 0.12	\$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Hiring Hall Salaries	0.31	-	
Contractual Services	0.15	(0.15)	
Operating Supplies	0.54	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(1.35)	-	Projected overspending is due to unbudgeted payouts.
Overtime General	(0.24)	-	Projected overspending is due to the increased use of overtime to support departmental operations in light of staff reductions.
Communication Services	(0.65)	0.65	Projected overspending is associated with a contract that underwent a change in payment structure.
General Fund Total	\$ (1.12)	\$ 0.50	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 3.91	\$ 3.91	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends the disencumbrance and reappropriation of prior-year contract funds to address the projected Communication Services overspending associated with a change in payment structure with the associated contractor. We will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendations necessary to address the remaining projected overspending.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber up to \$654,988.13 from the encumbered balances within Information Technology Agency Fund No. 100/32, Account No. 009350,

Communication Services for the following Presidio Networked Solutions, LLC (Vendor Code VC000047128) Contract Purchase Orders:

- \$393,877.13 in Fiscal Year 2021-22 (CPO 32 220000479668, 220000480112);
- \$150,000.00 in Fiscal Year 2022-23 (CPO 32 230000405659); and,
- \$111,111.00 in Fiscal Year 2023-24 (CPO 32 240000430871

and process the early reversion of the disencumbered amount to Reserve Fund No. 101/62, subsequently transfer therefrom to Unappropriated Balance Fund No. 100/58 and appropriate therefrom to Information Technology Agency Fund No. 100/32, Account No. 009350, Communication Services for requisition, installation, and maintenance services.

- Transfer \$150,000 from the Contractual Services Account to the Mayor's Office for social media tools.

Z. Library

No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.87	-	Projected surplus is due to staff vacancies.
Salaries As-Needed	1.12	-	Projected surplus is based on year-to-date and prior-year expenditure trends.
Contractual Services	6.52	-	Projected surplus is based on prior-year expenditures and anticipated construction needs through year end.
Office and Administrative	3.29	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Various Special	13.63	-	
Other Surplus Accounts	0.18	-	
Overspending (Shown as Negative, in millions)			
Overtime General	(0.35)	-	Projected overspending is due to increased staff overtime in light of full-time vacancies.
Special Funds Total	\$ 25.26	\$ -	

This Office anticipates that the projected overspending in the Overtime General Account will be addressed through future administrative transfers from accounts with projected surpluses. The

Department has no General Fund revenue budget. This Office does not recommend any transactions at this time.

AA. Mayor

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

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

- Establish new appropriation accounts, appropriate, and transfer \$153,586.28 in interest income (\$32,138.72) and from various accounts (\$121,447.56) within the Fiscal Year (FY) 2020 Justice Assistance Grant Fund to the Partner Jurisdiction (\$109,887.79) and Grant Management and Administration (\$43,698.49) accounts for County expenditures and to reimburse for current-year related costs.
- Establish new appropriation accounts, appropriate, and transfer \$553,323.63 in interest income (\$7,000.63) and from various accounts (\$546,323.00) within the FY 2021 Justice Assistance Grant Fund to the Mayor's Office and Administration (\$2,079.00), Partner Jurisdiction (\$110,217.00), LAPD Grant Allocation (\$328,282), Grant Management and Administration (\$62,000), and the Mayor's related costs (\$50,745.63) accounts, and subsequently transfer \$50,745.63 to the Related Costs Reimbursement from Grants to reimburse the Mayor's current-year related costs.
- Transfer \$55,830.88 from the Building and Enterprise Fund, Mayor's Office of Major Events Account and \$74,372.31 from the Reimbursement of General Fund Costs Account to the Mayor's Salaries General Account (\$55,830.88) and Reimbursement of Related Costs – Prior Year (\$74,372.31) to reimburse for prior-year salaries and related costs for one Mayor's Office of Major Events position supporting building permit-related activities for the LA28 Olympic and Paralympic Games.
- Transfer \$66,864 within the FY 2022 State Homeland Security Program Grant Fund from the LAPD appropriation (\$53,136) and prior-year related costs (\$13,728) accounts to the LAPD Grant Allocation Account to pay for prior-year related costs and prior-year salaries.
- Establish new appropriation accounts within the FY 2020 Securing the Cities Fund, transfer \$22,359.28 from the LAPD appropriation account to the LAPD Grant Allocation Account to pay for current-year related costs, and transfer \$63,800.00 from the Los Angeles Fire Department (LAFD) appropriation account to LAFD's Overtime Variable Staffing Account to pay for grant-related overtime costs.
- Transfer \$16,860.97 within the 2022-23 California Violence Intervention and Prevention Cohort IV Grant Fund from the Mayor's appropriation account to the 2024-25

Reimbursement of General Fund Costs Account and subsequently transfer \$16,860.97 to the Reimbursement of Related Costs – Prior Year to reimburse for prior-year related costs.

- Transfer up to \$3,112.61 within the 2019 Project Safe Neighborhood Grant Fund from the Police appropriation (\$408.61) and the 2022-23 Reimbursement of General Fund Costs (\$2,704) accounts to the 2023-24 Reimbursement of General Fund Costs Account and subsequently transfer \$3,112.61 to the Reimbursement of Related Costs – Prior Year to reimburse for prior-year related costs.
- Transfer \$6,237 within the 2020 Project Safe Neighborhood Grant Fund from the 2022-23 Reimbursement of General Fund Costs Account to the 2023-24 Reimbursement of General Fund Costs Account and subsequently transfer \$6,237 to the Reimbursement of Related Costs – Prior Year to reimburse for prior-year related costs.
- Establish a new appropriation account within Fiscal Year 2020 Proposition 47 Board of State and Community Corrections Fund, transfer \$119,869.24 from the Grant Management and Administration Account to the 2024-25 Reimbursement of General Fund Costs (\$52,720.68) and the current-year Reimbursement of General Fund Costs (\$67,148.56) accounts, and subsequently transfer \$52,720.68 to the Reimbursement of Related Costs – Prior Year, Revenue Source Code 5331 and \$67,148.56 to the Related Costs Reimbursement from Grants to reimburse for prior-year and current-year related costs.
- Transfer \$100,000 from the General City Purposes Fund, Angeleno Connect Program Account to the Mayor's Contractual Services Account to reimburse for costs associated with the management of the Angeleno Connect Program.
- Transfer \$420,000 from the Reimbursement of General Fund Costs Account within the Measure R Local Return Fund No. 51Q, Dept. 94, to a new account entitled Figueroa Mobility within the same fund.
- Transfer \$420,000 from the Figueroa Mobility Account within the General Fund No. 100, Department No. 54 to the Mayor's Office Fund No. 100, Department No. 46, Account No. 003040 Contractual Services for consultant's support on compiling the Capital Investment Program and reforming the City's capital project scoring system.
- Transfer \$1,881,432 from the Unappropriated Balance, Equipment, Expenses, Alterations and Improvements Account to the Mayor's Salaries General (\$1,700,000) and Travel (\$181,432) accounts to align the Mayor's operating budget with current expenditure patterns.

**BB. Neighborhood Empowerment
No Recommendation**

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Printing and Binding	\$ 0.01	\$ -	Projected surpluses are based on anticipated operational needs through year end.
Office and Administrative	0.02	-	
Other Surplus Accounts	0.01	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(0.66)	-	Projected overspending is due to the Department not meeting its nine percent salary savings rate due to lower than anticipated attrition and unbudgeted costs associated with layoff abeyance.
Contractual Services	(0.02)	-	Projected overspending is based on year-to-date expenditure trends and anticipated operational needs through year end.
Transportation	(0.02)	-	
Special Funds Total	\$ (0.66)	\$ -	

The Department is in the process of reconciling the Neighborhood Empowerment Fund cash balance with existing appropriations to determine the Fund's ability to offset the projected overspending. Should the cash balance be unavailable or insufficient to address the projected overspending, the Department may require a supplemental appropriation from the General Fund or the Department will be unable to backfill any future vacancies through year-end. This Office will continue to work with the Department to evaluate the status of the Fund and report in the future FSRs.

The Department has no budgeted General Fund revenues. This Office does not recommend any transactions at this time.

**CC. Personnel
Recommendation No. 19**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Printing and Binding	\$ 0.01	\$ -	Projected surpluses are based on year-to-date expenditure trends.
Oral Board Expense	0.02	-	
Medical Supplies	0.15	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(2.65)	-	Projected overspending is due to unbudgeted employee payouts and costs associated with retaining positions deleted in the 2025-26 Budget.
General Fund Total	\$ (2.47)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 24.86	\$ 24.86	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with the recommendations necessary to address the projected overspending.

This Office recommends the following transaction at this time:

- Authorize the Office of the Controller to disencumber \$70,000 from the FY 2024-25 encumbered balance for Contract No. C-146583, The Regents of the University of CA, Los Angeles (UCLA), within the Personnel Department Fund No. 100/66, Contractual Services Account No. 003040, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the FY 2025-26 Personnel Department Fund No. 100/66, Contractual Services Account No. 003040, and re-encumber the reverted funds to Contract No. C-140505, UCLA to complete the City of LA citywide culture and climate study post assessment work.

DD. Police
Recommendation No. 20
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries As-Needed	\$ 0.43	\$ -	Projected surpluses are based on prior-year expenditure trends and projected operational needs through year end.
Accumulated Overtime	2.14	-	
Office and Administrative	2.69	(0.40)	
Other Surplus Accounts	0.37	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(15.80)	-	Projected overspending is due to costs to retain positions eliminated in the 2025-26 Budget and projected hiring.
Salaries Sworn	(3.56)	-	Projected overspending is primarily due to projected hiring above the levels assumed as in the 2025-26 Budget.
Overtime Sworn	(12.05)	-	Projected overspending is based on year-to-date expenditure trends and projected operational needs through year end.
Contractual Services	(1.92)	0.40	Projected overspending is based prior-year expenditure trends, the increased use of contract security services, increased vehicle evidence holding at Official Police Garages, and costs for a Workday/Accenture consultant.
General Fund Total	\$ (27.70)	\$ -	

(Police narrative continued on the next page)

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	\$ (0.90)	\$ -	Projected overspending is based on prior-year expenditure trends, increased use of contract security services, and costs associated with the Living Wage Ordinance.
Special Funds Total	\$ (0.90)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 190.00	\$188.88	\$ (1.12)	Projected shortfall is primarily due to delayed revenue from the MTA and Library Department, and lower-than-expected receipts from impound fees and other fee-based sources. These shortfalls are partially offset by insurance proceeds from the recovery of a crashed helicopter.

The abeyance of planned layoffs, following labor agreements reached with the Los Angeles Police Protective League (LAPPL) and the Engineers and Architects Association (EAA), is the single largest driver of the projected overspending in the Salaries General Account. The savings anticipated from the Voluntary Overtime Bank (VOB) are uncertain at this time as the City works to implement the VOB in Workday. Further, it is unclear whether savings that civilian unpaid holidays generate will be available for transfer to the Department to offset the costs associated with delaying layoffs. As a precaution, therefore, we recommend that the Department explore options to scale back civilian hiring should actual savings fall short of covering the cost to avert civilian layoffs with the Department.

The projected overspending in the Salaries Sworn Account is primarily due to hiring levels that exceed the adopted sworn hiring plan. The plan includes six academy classes of 40 recruits each for a total of 240 new hires, offset by anticipated attrition of 530 officers. Currently, the Department is averaging 32 recruits per class and is on track to meet the budgeted 240 hires by January. Based on the Department's sworn hiring plan reviewed at the time of writing, the Department plans to hire 410 new officers by year end, significantly surpassing the original plan.

We recommend a transfer from the projected Office and Administrative surplus to the Contractual Services Account to partially offset projected overspending. This Office will continue to work with the Department to monitor its spending and report in future FSRs with updated projections and recommendations necessary to address projected overspending.

Sworn Overtime

The Department states that it continues to rely on sworn overtime to maintain minimum service levels, respond effectively to crime surges, and sustain suppression efforts. Based on information through August 2025, the Department projects a \$12 million shortfall in the Overtime Sworn Account. This projection reflects a \$23 million shortfall in non-reimbursable overtime, partially offset by an \$11 million surplus in reimbursable overtime. The reimbursable surplus is primarily due to the Metropolitan Transportation Authority (MTA) contract, which temporarily suspended deployment requests to the Airport Metro Connector.

Sworn Hiring

From June 28, 2025, through August 23, 2025, the Department hired two recruit classes for a total of 58 additional officers. The Department plans to hire 432 new recruits. Officer attrition through August 23, 2025, was 54 versus the 67 assumed in the Adopted Budget. Hiring through August 23, 2025, is 27.5% lower than assumed in the Adopted Budget (58 actual hires versus 80 budgeted). As of August 23, 2025, there are 8,702 officers deployed citywide, including 14 Municipal Officers.

This Office recommends the following transactions at this time:

- Rescind Recommendation No. 3 in the Public Safety and Budget and Finance Committees' approved report (C.F. 22-0417), which authorized the transfer of \$49,947.62 from the Police Department Fund No. 100/70, Account No. 001090, Overtime General Account and \$7,262.00 from the Hate Crime Grant Account No. 70W574 within the Police Department Grant Fund No. 339/70 to the Police Department Fund No. 100/70, Account No. 001092, Overtime Sworn Account and Account No. 70A299, Fringe Benefits Account in the amounts of \$53,872.62 and \$3,337.00, respectively, as the reallocation for this grant is reflected in this FSR.
- Transfer \$400,000.00 from the Office and Administrative Account, 006010 to the Contractual Services Account, 003040 to support the second year of the three-year marketing contract with Very Good Creative Agency (C-145963) for police officer recruitment.

(Police recommendations continued on the next page)

- Re-appropriate up to \$4,094,812.80 from the uncommitted balances remaining in various accounts within the Police Department Grant funds as follows:

Grant Program	Amount
2021 Connect and Protect	\$ 227,885.89
2021 Crisis Response Training	60,370.77
2021 Hate Crime	237,648.26
2021 ICAC – OJJDP	3,860.78
2021 Project Safe Neighborhood	206.40
2022 BWC – Digital Evidence Management	360,750.42
2022 BWC – Training	178,082.35
2022 Coverdell BJA	8,976.48
2022 Firearm Relinquishment Grant	857,094.69
2022 Project Safe Neighborhood	23,141.52
2022 Prosecuting Cold Cases with DNA	117,732.60
2023 CPD De-Escalation Training Grant	37,132.15
2023 DNA Capacity Enhancement and Backlog Reduction	300.83
2023 ICAC – CalOES	625.07
2023 Organized Retail Theft – BSCC	210,715.71
2023 OHMVR – Education	5,072.44
2023 OHMVR - Law Enforcement	526.46
2024 Abby Hanold Grant	23,246.00
2024 Alcohol Policing Partnership	928.45
2024 ICAC – CalOES	119,505.00
2024 ICAC – OJJDP	229,211.20
2024 OHMVR – Education	100,000.00
2024 OHMVR - Law Enforcement	55,734.86
2024 Selective Traffic Enforcement Program (STEP)	1,220,102.52
2025 Regional Threat Assessment Center (HSGP)	15,961.95
TOTAL	\$ 4,094,812.80

EE. Public Accountability
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.37	\$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.59	-	Projected surplus is based on anticipated operational need for consulting services related to the Department of Water and Power's (DWP) rate reviews.
Other Surplus Accounts	0.02	-	Projected surpluses are based on prior-year expenditure patterns.
General Fund Total	\$ 0.98	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.07	\$ 4.34	\$ (1.73)	Projected revenue shortfall is primarily due to staff vacancies and reduced expense account costs, which are fully reimbursed by the DWP.

This Office does not recommend any transactions at this time.

FF.Public Works/Board
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Office and Administrative	\$ 0.02	\$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Contractual Services	0.12	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(0.03)	-	Projected overspending is due to unbudgeted payroll obligations for staff pending transfers to other departments and unanticipated retirement payouts.
General Fund Total	\$ 0.11	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.37)	\$ -	Projected overspending is due to costs for staff dedicated to off-budget programs which are pending reimbursement.
Contractual Services	(0.01)	0.01	Projected overspending is due to unanticipated costs associated with final invoices from the amortization studies.
Special Funds Total	\$ (0.38)	\$ 0.01	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.95	\$ 6.06	\$ 0.11	Projected revenue surplus is due to prior-year related costs reimbursements.

This Office recommends a transfer from the Climate Equity Fund to address the Contractual Services overspending related to the remaining costs for amortization studies. This Office

anticipates that the remaining overspending will be addressed by future reimbursements to the Board.

This Office recommends the following transaction at this time:

- Transfer \$15,856.26 from the Climate Equity Fund to the Board's Contractual Services Account, to pay the remaining invoices related to the Office of Petroleum and Natural Gas Amortization Studies.

GG. Public Works/Bureau of Contract Administration
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.084	\$ -	Projected surplus is primarily due to staff vacancies.
Overtime General	0.096	-	Projected surpluses are based on prior-year expenditure trends and anticipated operational needs through year end.
Other Surplus Accounts	0.209	-	
General Fund Total	\$ 0.389	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.658	\$ -	Projected surplus is primarily due to staff vacancies.
Overtime General	0.321	-	Projected surpluses are based on prior-year expenditure trends and anticipated operational needs through year end.
Transportation	0.107	-	
Other Surplus Accounts	0.164	-	
Special Funds Total	\$ 1.250	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 31.304	\$ 30.947	\$ (0.357)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office does not recommend any transactions at this time.

HH. Public Works/Bureau of Engineering
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.43	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.03	-	Projected surpluses are based on year to date trends and prior-year expenditure trends.
General Fund Total	\$ 0.46	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 2.70	\$ (0.30)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.05	-	Projected surpluses are based on year to date trends and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Salaries As-Needed	(0.30)	0.30	Projected overspending is due to additional costs for the 2025 Summer Internship Program.
Special Funds Total	\$ 2.45	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 65.08	\$ 61.47	\$ (3.61)	Projected revenue shortfall is comprised of a \$2.2 million shortfall based on prior year revenue trends, year-to-date collections, and the delayed implementation of fee increases which is pending Council's consideration and a \$1.41 million shortfall associated with related costs reimbursements for Metro Rail projects based on prior-year revenue trends.

This Office recommends a transfer from the projected Salaries General Account surplus to the Salaries As-Needed Account to address projected overspending related to the 2025 Summer Internship Program.

The 2025-26 Budget recognized approximately \$2.78 million in additional permit revenues due to the development services fee adjustments and assumed six months of revenue at the adjusted rates. Based on revenue collection in the first two months of the fiscal year, prior-year trends, and considering that the Bureau's fee increase is pending Council and Mayor approval (C.F. 25-0600-S44), this Office projects a revenue shortfall of approximately \$2.2 million related to permit fee revenues. Approximately \$1.95 million of the permit fee revenue shortfall is related to U-Permit fee revenues. The 2025-26 Budget recognized \$7.1 million in revenues, but the Bureau's Fee Study assumed that the proposed fee increase will increase the revenue by \$0.5 million, from a base revenue of \$4.7 million to \$5.2 million. Permit fee revenues have historically tracked broader economic conditions, which may further affect collections. The remaining revenue shortfall of \$1.41 million is associated with related cost reimbursements for Metro Rail Projects based on prior-year trends and receipts to date. This Office will continue to work with the Bureau to monitor its revenues and report in future FSRs with any necessary recommendations.

This Office recommends the following transactions at this time:

- Transfer \$300,000 from the Bureau's Salaries General Account funded by the Sewer Construction and Maintenance Fund to the Salaries As-Needed Account to fund the Summer Internship Program for the remainder of the year.

II. Public Works/Bureau of Sanitation

Recommendation No. 21

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Operating Supplies	\$ 0.60	\$ -	Projected surplus is based on year-to-date and prior year expenditure trends.
Contractual Services	0.17	-	Projected surpluses are based on year-to-date and prior-year expenditure trends, and anticipated operational needs through year end.
Field Equipment	0.02	(0.05)	
Overspending (Shown as Negative, in millions)			
Overtime General	(1.71)	0.90	Projected overspending is based on year-to-date expenditure trends and anticipated operational needs to maintain service levels through year end.
Water and Electricity	(0.37)	-	Projected overspending is based on the prior-year increase in spending due to the opening of the Young's Market facility.
Salaries General	(0.30)	(0.85)	Projected overspending is due to fire response activities that are potentially special-fund ineligible and costs to wind down programs terminated in the 2025-26 Budget.
Other Overspending Accounts	(0.05)	-	Projected overspending is based on year-to-date and prior year expenditure trends.
General Fund Total	\$ (1.64)	\$ -	

(Bureau of Sanitation narrative continued on the next page)

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 23.79	\$ (2.66)	Projected surplus is due to special funded staff vacancies and hiring delays.
Contractual Services	1.06	-	Projected surpluses are based on year-to-date and prior-year expenditure trends, and anticipated operational needs through year end.
Other Surplus Accounts	0.82	(0.07)	
Overspending (Shown as Negative, in millions)			
Overtime General	(11.89)	1.23	Projected overspending is due to increased overtime and as-needed staffing to provide services in light of full time vacancies and projected operational needs through year end.
Salaries As-Needed	(0.51)	0.50	
Other Overspending Accounts	(0.10)	1.08	Projected overspending is based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
Special Funds Total	\$ 13.17	\$ 0.08	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 162.21	\$ 162.21	\$ -	This Office projects the Bureau will meet its General Fund revenue budget by year end. This projection assumes that any revenue shortfalls for SWRRF and MBIF will be addressed through General Fund appropriations to those funds.

This Office recommends transfers primarily from the Salaries General Account to partially address overspending in the Salaries As-Needed, Overtime General, Hiring Hall Salaries, and Benefits Hiring Hall accounts through January 2026. Our recommendations include a transfer from the General Fund Salaries General Account for cash flow purposes to address more urgent needs for Overtime General funding. While this transfer will increase projected year-end overspending it will not result in short-term cash flow issues for the Salaries General Account. We will continue to work with the Bureau to monitor its expenditures and report in future FSRs with recommendations necessary to address the remaining overspending.

This Office projects special fund overspending in the Stormwater Pollution Abatement Fund (SPA) of \$4.52 million, including departmental and special purpose fund overspending, primarily due to unbudgeted required repairs and maintenance related to the January 2025 windstorm and wildfire events. This includes expenditures that occurred in 2024-25 but were not billed or paid until this fiscal year. While some expenditures may be reimbursable through insurance claims or federal disaster funding, SPA is subsidized by the General Fund for related costs in 2025-26 and does not have the cash flow to carry overspending within available balances, particularly in light of emergency storm drain repair needs that typically occur in fall and winter. Therefore, this Office recommends a transfer from the Unappropriated Balance to address \$1 million in overspending anticipated in the On-Call Contractors special purpose fund account related to projected wet-weather emergency storm drain repair needs through March 2026. We will continue to work with the Bureau to monitor SPA's revenues and expenditures and report in future FSRs.

We have identified the following additional issues of concern and will continue to monitor related funds and accounts, and provide updates, including recommended transfers and actions, in future FSRs:

Windstorm and Wildfire Events Response and Recovery

The Bureau reports that it continues to incur response and recovery expenditures for cleanup, maintenance, and repair related to the January 2025 windstorm and wildfire events, with \$184,000 incurred through August 2025. Additionally, up to \$3.1 million in funding provided from the Unappropriated Balance in the 2024-25 Mid-Year FSR for this purpose was not encumbered within the fiscal year and reverted to the Reserve Fund, resulting in anticipated expenditures from 2024-25 recorded against 2025-26 appropriations, reducing funding available for current-year needs. These costs primarily impact the General Fund and SPA Salaries General and Overtime General accounts and the SPA On Call Contractors special purpose fund account. The Bureau thoroughly documents these unbudgeted costs, but we anticipate that they are largely ineligible for federal disaster funding reimbursement. Should they continue at the current rate, the Bureau may require additional appropriations of over \$1 million beyond our current projections to support its operations.

In accordance with Council File No. 25-0600-S20, the Bureau, through DWP, its billing agent, paused and removed sewer service charges (SSC) and solid resources fees for properties destroyed or substantially damaged in the windstorm and fire events, and paused charges for all customers in the Palisades area effective January 7, 2025. DWP has since resumed billing for active properties, and indicated to the Bureau that it would not backbill water accounts for any service provided while billing was paused. DWP will backbill for electricity usage, but under its policies is limited to a six months timespan. As sewer usage is tied to water usage, the Bureau understands that DWP likewise does not intend to backbill SSC. To ensure compliance with Proposition 218 regarding unbilled service costs, the Sewer Construction and Maintenance Fund (SCM), which receives SSC, requires reimbursement for the lost revenue, currently estimated at \$2.2 million. The Bureau reports that DWP will finalize the total subsidized amount in December 2025.

The Bureau is additionally working with CAO Risk Management to negotiate a possible insurance claim for business interruption related to solid resources fees. Since both the Solid Waste

Resources Revenue Fund (SWRRF) and the Multi-Family Bulky Item Fund (MBIF) are subsidized by the General Fund for related costs, if insurance is not able to cover this claim, and the Bureau moves forward with waiving backbilling of SWRRF and MBIF customers, approximately \$1.1 million in lost revenue may impact the General Fund.

We recommend that the Bureau report separately to the Council on the fiscal impacts of interrupted and waived service fees related to actions adopted by the Council under C.F. 25-0006-S20 and seek formal approval of any backbilling waivers and transfers from the Reserve Fund to reimburse the SCM, SWRRF, and MBIF funds as appropriate.

Additional considerations are in progress to waive development fees related to rebuilding impacted properties (C.F. 25-0006-S57) and certain fees collected on property tax bills, which would impact revenue to SPA and likely result in a General Fund due to the financial position of SPA. The estimated impact to SPA is at least \$490,000.

CARE/CARE+ Services and Illegal Dumping

The 2025-26 Adopted Budget eliminated 114 Livability Services Division positions and expense funding that provide Comprehensive Cleaning and Rapid Engagement (CARE/CARE+), Street Receptacles, and Mobile Hygiene Unit program services and transitioned an additional 26 positions from CARE/CARE+ to support the Illegal Dumping program. The Bureau reports that winding down these programs have incurred unbudgeted costs across multiple accounts. The Bureau further reports that, due to budget reductions, available funding, primarily for overtime, is insufficient to meet its operational needs including closing out a daily cleaning operations and unbudgeted contractual services costs for required security and janitorial services at its facilities. The Bureau reports that these costs may add up to over \$3 million this fiscal year. The 2025-26 Adopted Budget restored 81 positions to the Livability Services Division assuming the transition of workplans to lower demand and more cost-effective functions. We recommend a transfer of \$850,000 from the Salaries General Account to the Overtime General Account to meet the Bureau's obligations through January 2026. Options to resolve this overspending include reducing CARE/CARE+ service days, Citywide support operations, Public Receptacle Program collections, and Illegal Dumping operations to five days per week instead of seven days. We anticipate that additional appropriations will be needed if expenditures are not reduced.

Solid Resources Rates Implementation

The 2025-26 Adopted Budget includes \$105.34 million in increased revenue anticipated from new Solid Resources Fee (SRF) and Multi-Family Bulky Item Fee (BIF) rates implementation effective October 1, 2025. The Bureau completed the Proposition 218 notice and protest process for both adjustments, and anticipates the new rate implementation in late November 2025, a delay of two months compared to the 2025-26 Budget assumptions. This delay will reduce SWRRF revenue by approximately \$28.7 million and MBIF revenue by \$1.39 million. Further, both SWRRF and MBIF are subsidized by the General Fund for related costs in 2025-26 and do not have the ability to address significant revenue impacts. A General Fund appropriation of up to \$30.09 million will likely be needed for the City to pay its non-deferrable SWRRF and MBIF expenditure obligations.

The SRF and BIF updated rates implementation also includes an expansion of the Lifeline and Low Income Subsidy Programs to include all qualified low income customers. The Adopted Budget includes \$4.5 million in additional funding in the General City Purposes Fund for this expansion, which assumed that costs would ramp up as all current beneficiaries would have to reapply. After discussions with DWP, the Bureau now reports that current Lifeline and Low Income Program enrollees will automatically be enrolled into the new expanded program. The Bureau estimates the additional cost to the General Fund for this change is \$7.64 million this fiscal year and this amount is reflected in our projections for the Solid Waste Fee Lifeline Rate Program Account in the General City Purposes section of this report. We are working with the Bureau to validate this additional impact and will report in future FSRs with a refined projection for these costs.

Solid Waste Resources Revenue Fund (SWRRF)

The Bureau's SWRRF Overtime General Account provides insufficient funding to meet operational needs, including additional one-time costs related to implementation of new rates, such as providing green bins to all SWRRF small multi-family customers. The 2025-26 Adopted Budget provides \$12.1 million for SWRRF overtime, but we project an expenditure of \$21.3 million, resulting in overspending of \$9.2 million. In 2024-25, SWRRF overtime totaled \$18.8 million and required \$2.44 million in transfers from other Bureau accounts and \$1.91 million in appropriations from the Unappropriated Balance to meet the Bureau's obligations. A transfer of \$826,121 from the Salaries General Account is recommended as front funding to meet the Bureau's obligations through January 2026 but the Bureau may not be able to absorb the costs within its existing SWRRF appropriations.

Stormwater Pollution Abatement Fund

The 2025-26 Budget includes revenue to SPA related to implementation of updated Low Impact Development (LID) fees for service to fully recover program costs. Exhibit H, Item No. 27 of the Adopted Budget further instructs the Bureau to report on recommendations to achieve full cost recovery for the LID program. The Bureau has yet to provide this report and further delays may jeopardize the SPA Fund's ability to absorb the costs of the program, resulting in a potential need for additional appropriations.

Due to vacant position eliminations in the Adopted Budget, the Bureau projects overspending in the SPA Salaries General Account of \$550,000 related to the budgeted salary savings rate of 12.9 percent and a current vacancy rate of 9.3 percent.

The SPA Fund does not operate at full-cost recovery. The Bureau reports that after the completion of the new SWRRF and MBIF rates implementation, it will work on a fee study for SPA to address this issue, which may require a balloting process.

This Office recommends the following transactions at this time:

- Instruct the Bureau to report to Council on the fiscal impacts of interrupted and waived service fees related to actions adopted by the Council under C.F. 25-0006-S20 and seek

formal approval of any backbilling waivers and transfers from the Reserve Fund to reimburse the SCM, SWRRF, and MBIF funds as appropriate.

- Transfer \$1,950,000 from the Bureau's Salaries General (\$819,007) and Uniforms (\$80,993) accounts within SWRRF, and from the Salaries General Account within the General Fund (\$850,000) and MFBI (\$200,000) to the Overtime General Accounts within SWRRF (\$900,000), General Fund (\$850,000), and MFBI (\$200,000) to maintain service levels and address projected over-expenditures through Pay Period 15.
- Transfer \$300,000 from the Bureau's Salaries General Account to the Salaries As-Needed Account within SCM to maintain service levels and address projected over-expenditures through Pay Period 15.
- Transfer \$50,000 from the Bureau's Field Equipment Expense Account to the Overtime General Account within the General Fund to front fund labor costs incurred through the Delegated Maintenance Agreement between the Bureau and Caltrans.
- Transfer \$255,000 from the Bureau's Salaries General Account to the Salaries As-Needed (\$119,000), Overtime General (\$126,000), and Water and Electricity (\$10,000) accounts within the Measure W Local Return Fund to address projected over-expenditures and to establish utilities funding for completed projects transitioning to the City for operations and maintenance.
- Transfer \$1,078,836 from the Bureau's Salaries General Account to the Hiring Hall Salaries (\$719,290) and Benefits Hiring Hall (\$359,546) accounts within SCM to address increased hiring hall staff costs due to vacancies and critical maintenance needs at water reclamation plants.
- Transfer \$7,153.86 from the PW-Sanitation Expense and Equipment Account within SWRRF to the Department of City Planning's Reimbursement of Prior Year Salary Revenue Account to provide salary reimbursement for an employee on loan.
- Transfer \$146,092.80 from the Bureau's Sanitation Expense and Equipment Accounts within SCM (\$73,046.40) and SWRRF (\$73,046.40) to the Information Technology Agency's Communication Services Account to reimburse ITA for the Bureau's annual share of fiber service lease costs in City Hall East and connections to other facilities.
- Transfer \$131,500 from the Environmental Affairs Trust Fund (EATF) to the Bureau's Salaries General (\$39,000), Salaries As-Needed (\$85,000), Overtime General (\$5,000), and Travel (\$2,500) accounts within the EATF to support front-funding and reimbursement of

expenditures related to the GREENfiltration Tree Planting and Clean Cities grant-supported projects.

- Transfer \$2,552,558 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Bureau's On-Call Contractors (Emergency Funds) Account within the Stormwater Pollution Abatement Fund to maintain service levels and address projected overspending related to emergency storm drain repairs needed during the wet weather season through March 2026.

JJ. Public Works/Bureau of Street Lighting

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.36	\$ -	Projected surplus is primarily due to staff vacancies.
Office and Administrative	0.15	-	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
Contractual Services	0.12	(0.07)	
Operating Supplies	0.53	-	
Street Lighting Improvements and Supplies	0.96	-	
Other Surplus Accounts	0.00	-	
Special Funds Total	\$ 2.11	\$ (0.07)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 8.63	\$ 7.45	\$ (1.17)	Projected revenue shortfall is due to reduced related cost reimbursements associated with vacant positions.

This Office recommends the following transactions at this time:

- Transfer \$16,000 from the Street Lighting Maintenance Assessment Fund, NASA Grant PEACE for EEJ Account to the Reimbursement from Other Funds Account within the Street Lighting Maintenance Assessment Fund to reimburse the fund for the administration of the Predicting What We Breathe project (C.F. 20-1346).
- Appropriate \$100,000 from the cash balance of the Street Lighting Maintenance and Assessment Fund to the Assessment District Analysis Account within the Street Lighting Maintenance and Assessment Fund for outreach efforts required for the new District Wide Street Lighting Assessment Ballot.
- Transfer \$40,154 from the Street Lighting Maintenance Assessment Fund, NASA Grant PEACE for EEJ Account to the Office of the Mayor's Salaries General Account for the Predictive Environmental Analytics and Community Engagement for Equity and Environmental Justice Project (CF 20-1346).
- Transfer \$67,000 from the Bureau's Contractual Services Account within the Street Lighting Maintenance Assessment Fund to the General Services Department (GSD) Contractual Services Account to pay for security services at the Raymer Street Yard.

KK. Public Works/Bureau of Street Services
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (2.53)	\$ -	Projected overspending is due to costs associated with the retention of positions eliminated in the 2025-26 Budget and unbudgeted payouts.
Overtime General	(0.75)	-	Projected overspending is due to increased staff overtime related to continuing Palisades fire response work.
Hiring Hall Salaries	(0.51)	-	Projected overspending is based on year-to-date and prior-year expenditure trends.
Benefits Hiring Hall	(0.06)	-	
Operating Supplies	(0.13)	-	
Construction Expense	(0.28)	-	
Contractual Services	(3.98)	-	Projected overspending is primarily due to cost associated with continuing Palisades fire response work.
General Fund Total	\$ (8.24)	\$ -	

(Bureau of Street Services narrative continued on the next page)

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.22)	\$ -	Projected overspending is due to costs associated with the retention of positions eliminated in the 2025-26 Budget and unbudgeted payouts.
Overtime General	(4.63)	0.20	Projected overspending is due to staff overtime for special events, which have yet to be reimbursed.
Hiring Hall Salaries	(0.59)	-	Projected overspending is based on year-to-date and prior-year expenditure trends.
Benefits Hiring Hall	(0.18)	-	
Contractual Services	(0.82)	-	Projected overspending is due to unbudgeted costs associated with interim projects.
Operating Supplies	(0.61)	-	
Construction Expense	(1.23)	-	
Special Funds Total	\$ (9.28)	\$ 0.20	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 101.60	\$ 101.20	\$ (0.40)	Projected revenue shortfall is due to the Bureau's anticipation that it will not receive budgeted revenue from the Department of Water and Power.

This Office recommends a transfer to reimburse the Bureau and various other departments and funds for costs related to special events, which will partially offset the projected special fund Overtime General overspending. This Office anticipates transfers totaling \$10.60 million in the First Transportation Construction Projects Report (\$6.36 million), First Construction Projects Report (\$0.20 million), and various reports and administrative transfers pending approval (\$4.04 million) (C.F. 20-1536-S5, 25-0011-S10, 25-0011-S11, 25-0011-S12, 25-0833, 25-0960, 25-0715, 25-0835, and 25-0864) will offset the projected overspending. These transfers, if approved, would offset the General Fund overspending in the Salaries General (\$0.30 million), Overtime General (\$0.39 million), and Contractual Services (\$0.30 million) accounts, the special fund overspending in the Salaries General Account (\$0.71 million) and fully address projected General Fund and special fund overspending in the remaining accounts. After our recommended transfer and the anticipated future transfers, we project \$6.76 million in remaining overspending (\$6.26 million

General Fund and \$0.50 million in special funds). This Office will continue to work with the Bureau to monitor its expenditures and report in a future FSR with the recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Transfer \$3.96 million from the Bureau of Street Services Transaction Fund to the Bureau of Street Services (\$200,444), the Department of Transportation (\$217,838), the Solid Waste Resources Fund (\$602), the Building and Safety Building Permit Enterprise Fund (\$594), the Fire Department (\$24,119), the Police Department (\$3.46 million), and the Street Lighting Maintenance Assessment Fund (\$624) to reimburse salaries, overtime, and other expenses associated with special events.
- Transfer \$400,000 from the 2025 Wildfire Recovery Erosion Control and Debris Removal Account within the Road Maintenance and Rehabilitation Program Fund to the Bureau's Contractual Services Account to reimburse emergency erosion control measures costs.

LL. Recreation and Parks

Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Maintenance Materials, Supplies & Services	\$ 1.00	\$ -	Projected surpluses are based on prior-year expenditure patterns and projected operational needs through year end.
Office and Administrative	0.35	-	
Children's Play Equipment	0.25	-	
Other Surplus Accounts	0.33	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(1.83)	-	Projected overspending is due to unbudgeted excess sick and personal leave time payouts. The Department's vacancy rate is 18 percent as of August 2025.
Special Funds Total	\$ 0.10	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 60.86	\$ 60.86	\$ -	This Office projects the Department will meet its self-generated revenue budget by year end.

This Office anticipates that the projected overspending in the Salaries General Account will be resolved through an administrative transfer from the accounts with projected year-end surpluses.

Child Care Centers

The Department reports that ten child care centers are currently open: Branford, Downey, Echo Park, Evergreen, Hubert H. Humphrey, Ira C. Massey, Jim Gilliam, Ralph M. Parsons, South Park, and Victory-Valley. The table below summarizes the status of enrollment at these centers:

Center Name	Date Opened to the Public	Licensed Capacity	No. Enrolled as of August 2025	Available Enrollment Slots
Branford Child Care Center	8/15/22	50	5	45
Downey Child Care Center	7/10/23	44	2	42
Echo Park Child Care Center	2/12/24	50	3	47
Evergreen Child Care Center	7/10/23	46	5	41
Hubert Humphrey Child Care Center	7/10/23	52	2	50
Ira C. Massey Child Care Center	7/10/23	30	8	22
Jim Gilliam Child Care Center	1/11/95	45	12	33
Ralph M. Parsons Preschool	3/19/04	90	29	61
South Park Child Care Center	12/02/24	75	5	70
Victory Valley Child Care Center	8/15/22	50	10	40
Total		532	81	451

Effective June 16, 2025, Hubert Humphrey Child Care Center transitioned into a Preschool Enrichment Program, which is now overseen by the Hubert Humphrey Recreation Center. The program is currently free of charge to the public, with staff salaries funded through the American Rescue Plan Act grant. The Department voluntarily surrendered its legal authority to operate a licensed facility as of June 16, 2025. Ira C. Massey Child Care Center extended its hours of operation on July 18, 2025 from 9 a.m. to 3:00 p.m. Banning Child Care Center is currently not in operation due to ongoing renovations. The expected completion date is February 2026. Van Ness Child Care Center currently remains closed. The Department was unable to staff the site with a full-time Director, as required by Community Care Licensing regulations. As a result, the facility's license is currently designated as non-operational due to a closure or pause in operations, effective August 1, 2025.

Request for Proposals (RFP) – Management and Operation of Licensed Preschool Centers:

The Department conducted a non-mandatory meeting with providers on September 3, 2025 to assist with any questions prior to bids being submitted. The Department reported that bids were due on September 9, 2025. The Contracts Division will review information submitted by the providers and conduct reference verifications. The Child Care Team will conduct a second review once notified by the Contracts Division.

Transition Process from City Operated Child Care Centers to Non-City Providers:

The Department's Child Care Program Manager led parent meetings for the Evergreen/Downey, Branford/Victory Valley, Echo Park, and South Park Child Care Centers to discuss updates on the RFP process, the transition plan for providers/parents, and parent resources.

This Office recommends the following transaction at this time:

- Transfer \$4,010 from the Recreation and Parks (Fund 302), Site Lease Fees Account, to the Public Works Bureau of Engineering, Salaries General Account, for the review of an easement on Departmental property at Dockweiler State Beach.

MM. Transportation

Recommendation No. 23

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.51	\$ -	Projected surplus is due to staff vacancies and savings from projected unpaid holidays associated with the recent agreement with EAA.
Salaries As-Needed	1.39	-	Projected surplus is based on year-to-date expenditures and prior-year expenditure trends.
Contractual Services	0.79	0.01	Projected surplus is associated with the Curb Asset Management System Project and will be transferred to the Bureau of Engineering to support the Public Right of Way Inventory and Assessment Project.
Other Surplus Accounts	0.05	-	Projected surpluses are based on prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(2.79)	-	Projected overspending is based on year-to-date expenditures and prior-year expenditure trends.
Office and Administrative	(0.20)	-	Projected overspending due to increased software licensing and other licensing fees.
Other Operating Equipment	(0.04)	0.04	Projected overspending is related to prior-year encumbrances that require technical adjustments prior to expenditure.
General Fund Total	\$ (0.29)	\$ 0.05	

(Transportation narrative continued on the next page)

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 1.02	\$ 0.36	Projected surplus is due to staff vacancies and savings from projected unpaid holidays associated with the recent agreement with EAA.
Furniture, Office and Technical Equipment	1.50	(1.50)	Projected surplus is due to funding for the purchase of a long-line striper, which needs to be expended from the Other Operating Equipment Account.
Benefits Hiring Hall	0.02	-	Projected surplus based on prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Overtime General	(7.49)	6.00	Projected overspending is based on year-to-date expenditures and prior-year expenditure trends.
Other Operating Equipment	(1.50)	1.50	Projected overspending related to the purchase of a long-line striper from this account instead of the Furniture, Office and Technical Equipment Account.
Special Funds Total	\$ (6.45)	\$ 6.36	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 106.66	\$ 94.63	\$ (12.03)	Projected revenue shortfall is primarily due to reduced related cost reimbursements associated with special funded positions and the Department anticipating that Quarter 4 (April-June 2026) related costs reimbursements will be delayed to 2026-27, which is partially offset by \$9.0 million in related costs reimbursements for prior-year charges.

This Office recommends the disencumbrance and reappropriation of prior-year Other Operating Equipment funding to address the current-year overspending in that account. This Office anticipates the transfer of \$0.8 million in surplus funds from the Contractual Services Account to

the Bureau of Engineering for the Public Right of Way Inventory and Assessment Project, will increase the current projected net General Fund overspending to \$1.09 million.

This Office projects special fund overspending of \$6.45 million, primarily related to overtime costs associated with traffic control services for special events. We recommend transfers totaling \$6.36 million in in this FSR, which will resolve the Other Operating Equipment overspending and offset the special funded Overtime General overspending. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with the recommendations necessary to resolve the remaining overspending.

Traffic Safety Fund

This Office projects the Traffic Safety Fund, which provides Salaries As-Needed funding to support the Crossing Guards Program, will receive \$1 million in revenues based on historical trends, resulting in a revenue shortfall of \$0.3 million. At the time of this FSR, the Fund has received \$0.2 million in revenues. If the budgeted revenue amount is not reached, any expenditures above the actual revenues would become General Fund obligations. This Office will continue to work with the Department to monitor the Fund's revenues and report in future FSRs.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber \$41,196.27 from the Fiscal Year 2025 encumbered balance under Purchase Order CPO94/250000480026 within the Department of Transportation, Fund No. 100/94, Account 003040 Contractual Services (\$1,970.85) and Account 007350 Other Operating Equipment (\$39,225.42), revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the Department of Transportation Fund No. 100/94, Account 003040, Contractual Services and Account 007350, Other Operating Equipment, to recreate a new CPO due to an error that prevented payment processing.
- Appropriate \$4,369.15 from the Miscellaneous Revenue-Others Account within the Department of Transportation to the Salaries General Account to restore funds previously overpaid to employees and subsequently repaid.
- Increase appropriations in the amount of \$860,811.99 in the ATSAC Systems Maintenance Account within the Measure R Local Return Fund from the revenue source account, Reim-Metro Rail Project, within the same fund for the Metro reimbursement related to material purchases for the NextGen Bus Priority Lane Project.
- Appropriate \$262,888 from the cash balance within the Transportation Review Fee Fund to the Department of Transportation's Overtime General Account to cover the projected overtime cost.
- Appropriate \$124,446.43 from the Fiscal Year 2025 Department of Transportation Trust Fund, Special Events Account to the Department's Overtime General Account to cover the

overtime cost related to traffic control services at venues.

- Appropriate \$485,340.65 from the Fiscal Year 2026 Department of Transportation Trust Fund, Special Events Account to the Department's Overtime General Account to cover the overtime cost related to traffic control services at the venues
- Deposit \$500,000 received in advance payment from Metro to the revenue source account, Miscellaneous Revenue-Others, within the Proposition C Anti-Gridlock Transit Fund, and transfer and appropriate therefrom to the Department of Transportation's Overtime General Account, subject to receipt of funds from Metro to cover overtime cost related to Metro-funded projects.
- Appropriate \$300,000 from the revenue source account, Service to Water and Power, within the Department of Transportation Trust Fund to the Department's Overtime General Account, subject to receipt of funds from the Los Angeles Department of Water and Power to cover overtime costs related to the water trunkline projects.
- Transfer \$110,271.53 from the 2025 Wildfire Recovery Sign and Signal Account within Measure M Local Return Fund to the Traffic Signal Supplies and Paint & Sign Maintenance accounts within the same fund to reimburse field operation expenses related to wildfire recovery.
- Transfer \$67,000 from the Department's Contractual Services Account to the Department of General Services' (GSD) Contractual Services Account to reimburse GSD for security service costs at the shared Raymer Street Yard for Fiscal Year 2025-26.
- Transfer \$1,500,000 from the Department's Furniture, Office, and Technical Equipment Account (Measure M Local Return Fund) to the Other Operating Equipment Account since this is the appropriate account for the purchase of a long-liner striper vehicle.
- Transfer \$224,405 from the Department's Salaries General Account (DOT Expedited Fee Trust Fund) to the Overtime General Account to cover projected overtime associated with the Transportation Expedited Fees.
- Appropriate \$92,775.86 from the Transportation Account within the Measure M Local Return Fund to the Department of Transportation's Overtime General Account to cover overtime costs related to the 15MPH School Zone Project.
- Appropriate \$300,000 from the ATSAC System Maintenance Account within the Measure R Local Return Fund to the Department of Transportation's Overtime General Account to cover the overtime cost related to the Advanced Transportation Systems and Research (ATSAR) Program.
- Transfer \$200,000 from the CD4 Hollywood Hills Traffic Mitigation Account within the

Department of Transportation Trust Fund to the Department's Overtime General Account to reimburse the overtime cost for traffic enforcement in Hollywood Hills.

- Appropriate \$3,239,780.24 from the Transportation Account within the Department of Transportation Trust Fund to the Department's Overtime General Account for traffic control services associated with special event venues.
- Transfer \$400,000 from the Bikeways Program within the Local Transportation Fund to the Department of Transportation's Salaries General Account to cover staff salaries.
- Appropriate \$163,241.88 from the ATSAC Maintenance Account within the Road Maintenance and Rehabilitation Program Special Fund to the Department of Transportation's Salaries General Account for ATSAC maintenance.
- Appropriate \$26,032.12 from the HSIP Cycle 7 Great St Crenshaw Bl. Improvement Florence 79th St Account within the Road Maintenance and Rehabilitation Program Special Fund to the Department of Transportation's Salaries General Account to support the project.

NN. Youth Development
Recommendation No. 24
Attachment 3 – New Appropriations

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.130	\$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.035	0.052	Projected surplus is based on anticipated operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.005)	-	Projected overspending is based on year-to-date expenditure trends and projected operational needs through year-end.
Youth Council Stipends	(0.005)	-	
General Fund Total	\$ 0.155	\$ 0.052	

(Youth Development narrative continued on the next page)

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.073	\$ 0.022	Projected surplus is due to staff vacancies.
Transportation	0.001	-	Projected surplus is based on anticipated operational needs through year end.
Special Funds Total	\$ 0.074	\$ 0.022	

This Office anticipates that the projected overspending in the Office and Administrative and Youth Council Stipends accounts will be addressed through transfers from accounts with projected surpluses. We will continue to work with the Department to monitor its expenditures and report in future FSRs with the recommendations necessary to address the projected overspending.

Californians for All Youth Workforce Development Grant

The Department is responsible for overseeing the evaluation component of the Californians for All Youth Workforce Development Grant (CA4All), a multi-year and cost-reimbursement grant awarded by the State of California for which the Economic and Workforce Development Department (EWDD) is the administrator (C.F. 22-0014). This grant had an original term of January 2022 through July 2024, which the state extended to December 31, 2024. The Department has received additional grant funding for this program (C.F. 24-1067) in the amount of \$113,299, with a performance period from October 2024 to December 2025. Due to delays in grant reimbursements from the state to EWDD, the Council approved a \$4.5 million Reserve Fund loan for EWDD to avoid cash flow and service disruptions related to the grant (C.F. 22-0683-S2). Subsequently, the Council approved a second Reserve Fund loan of \$10 million for the same purpose (C.F. 23-1073), to be repaid at the end of the grant and upon receipt of full reimbursement from the state. As of April 2025, funding in the amount of \$4.5 million was repaid to the Reserve Fund and the remainder is anticipated to be repaid upon completion of the grant performance periods and full reimbursement of expenditures by the State. As of September 2025, the State has issued reimbursements of approximately \$32.8 million. The final claim for the first round of the Californians for All Grant was submitted to the State in May 2025.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber up to \$51,872 in Fiscal Year 2024-25 encumbered balances for Odesus Inc. (\$10,007), Contract No. C-136949, and MYCA Multimedia and Training Solutions, LLC. (\$41,865), Contract No. C-136949, within the Youth Development Department Contractual Services Account, revert the disencumbered amount to the Reserve Fund, and appropriate these funds to the Youth Development Department Contractual Services Account for expenditures related to Central Information Platform Project, Personal Financial Management program, and outreach and community engagement services.

- Reappropriate up to \$22,139 from the Special Fund unencumbered balance within the Salaries, General Account for the CaliforniansForAll Youth Workforce Program Grant. The reappropriation of funds is required for continuation of the grant program scheduled to sunset in December 2025.

OO. Zoo

Recommendation No. 25

Attachment 3 – New Appropriations

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.43)	\$ -	Projected overspending is due to unbudgeted salary payouts and the Department not meeting its assumed salary savings rate due to the deletion of vacant positions and projected hiring.
Salaries As-Needed	(0.06)	0.06	Projected overspending is due to unbudgeted expenditures associated with the transition of services to the Zoo.
Printing and Binding	(0.01)	0.01	
Contractual Services	(0.50)	0.50	
Uniforms	(0.01)	0.01	
Office and Administrative	(0.11)	0.11	
Special Funds Total	\$ (2.12)	\$ 0.69	

This Office recommends new appropriations from anticipated Zoo Enterprise Trust Fund (Fund) receipts to address the projected overspending in all accounts with the exception of the Salaries General Account. This Office will continue to work with the Department to monitor its expenditures and the ability of the Fund to further offset expenditures and report in future FSRs with the recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Increase revenue totaling \$694,410 within the Zoo Enterprise Trust Fund, Reimbursements Miscellaneous, to reflect additional anticipated receipts from the Greater Los Angeles Zoo Association which were not assumed in the Adopted Budget.
- Increase appropriations totaling \$429,150 from the Zoo Enterprise Trust Fund cash balance to the Zoo Repairs and Improvement Account, and transfer funding to various General Services Department operating accounts to facilitate the design and construction of the Zoo's langur exhibit façade and roof upgrade project.

- Increase appropriations totaling \$265,260 from the Zoo Enterprise Trust Fund cash balance to various Zoo operating accounts to address unfunded items relative to the transition of services.

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

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Medicare	\$ 2.76	\$ -	Projected surplus is due to lower than anticipated wages, offset partially by higher than anticipated staffing.
Social Security	0.22	-	Projected surplus is due to lower than anticipated staffing.
Pension Savings Plan	0.42	-	
Overspending (Shown as Negative, in millions)			
Los Angeles Neighborhood Land Trust	(0.04)	-	Projected overspending due to delayed agreements with LA Neighborhood Land Trust and Sister Cities of LA to defray prior year operating expenses.
Sister Cities	(0.08)	-	
Southern California Association Of Governments	(0.01)	0.01	Projected overspending is to due membership invoice amounts being higher than budgeted.
Local Agency Formation Commission	(0.01)	0.01	
California Contract Cities	(0.01)	0.01	Projected overspending is due to delays in payment processing of fiscal year 2025 invoice.
Solid Waste Fee Lifeline Rate Program	(7.64)	-	Projected overspending due to expansion of the Lifeline and Low Income Subsidy Programs.
General Fund Total	\$ (4.38)	0.02	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 39.20	\$ 39.20	\$ -	This Office projects the Fund will meet its General Fund revenue budget by year end.

This Office projects a net overspending in General City Purposes of \$4.38 million, consisting of overspending of \$7.78 million offset by a surplus of \$3.40 million. Of the \$7.78 million overspending, (\$7.64 million) is due to the expansion of the Lifeline and Low Income Subsidy Programs to include all qualified low income customers and (\$0.14 million) is due to delayed 2024-25 contracts and higher than budgeted membership amounts. Reference the Sanitation section for more details on Lifeline/Low-Income subsidy programs. The offsetting surplus of \$3.40 million consists of surpluses in the Medicare (\$2.76 million), Social Security (\$0.23 million), and Pension Savings Plan (\$0.42 million) accounts, partially offset by overspending in various other accounts (\$0.14 million) due to delayed 2024-25 contracts and higher than budgeted membership amounts. While the projected Social Security and Pension Savings Plan surpluses do account for approved salary increases, they do not include the estimated impact of letter of agreements with labor that include unpaid holidays. This Office expects to refine our analysis throughout the fiscal year as the City moves forward with implementation of these agreements and more payroll data becomes available. This Office recommends a transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to address overspending for higher than budgeted membership costs.

This Office recommends the following transactions at this time:

- Transfer \$22,089 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the General City Purposes, Southern California Association of Governments (\$5,135), Local Agency Formation Commission (\$6,259), and California Contract Cities (\$10,695) accounts to address projected overspending for higher than budgeted membership costs.
- Transfer \$64,489.84 from the General City Purposes, City Charter Reform Account to the Mayor's Office, Salaries As-Needed Account to reimburse for the Executive Director salary costs for prior year pay periods 23-26 and current year pay periods 1-6.

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 2025-26 Adopted Budget includes \$290.52 million for the Unappropriated Balance (UB). Through October 15, 2025, the Mayor and City Council have approved a net of \$11.90 million in transactions, leaving a balance of \$278.62 million in the UB.

This report includes recommendations to process an early reversion of \$10 million to the Reserve Fund and to transfer \$15.98 million from various UB accounts, which leaves a remaining balance of \$252.64 million.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$10 million within the UB, Reserve for Mid-Year Adjustments Account and process the early reversion to the Reserve Fund to partially repay the Reserve Fund loan for Police's sworn overtime in 2024-25 (C.F. 25-0666).
- Transfer \$1,358,000 from the UB, Outside Counsel including Workers' Compensation Account to the City Attorney's Outside Counsel Account to address projected overspending.
- Transfer \$1,800,000 from the UB, Election Expenses - General Municipal Elections Account to the City Clerk's Elections Account to pay the County petition verification services.
- Transfer \$2,899,568 from the UB, Equipment, Expenses, and Alterations and Improvements Account to Council's Salaries As-Needed Account to cover staffing costs.
- Transfer \$20,000 from the UB, Equipment, Expenses, and Alterations and Improvements Account to Council's Office and Administrative Account to cover staffing costs.
- Transfer \$4,861,410 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Emergency Management Department's Contractual Services Account for the payment of invoices from the County for the City's proportional cost of debris removal services conducted by the Army Corps of Engineers in response to the Palisades Fire through July 2025.
- Transfer \$27,890.39 from the UB, Equipment, Expenses, and Alterations and Improvements Account to General Services Department's Contractual Services Account for various City Hall security measures.
- Transfer \$1,125,000 from the UB, Gang Injunction Settlement Agreement Account to the Economic and Workforce Development's Gang Injunction Settlement Agreement Fund to

support ongoing program expenses.

- Transfer \$1,881,432 from the UB, Equipment, Expenses, and Alterations and Improvements Account to the Mayor's Salaries, General (\$1,700,000) and Travel (\$181,432) accounts to align with current expenditures.
- Transfer \$1,000,000 from the UB, Reserve for Mid-Year Adjustments to the Stormwater Pollution Abatement Fund's On-Call Contractors (Emergency Funds) Account to partially address projected overspending related to emergency storm drain repairs.
- Transfer \$22,089 from the UB, Reserve for Mid-Year Adjustments Account to the General City Purposes' Southern California Association of Governments (\$5,135), Local Agency Formation Commission (\$6,259), and California Contract Cities (\$10,695) accounts to address projected overspending for higher than budgeted membership costs.
- Transfer \$982,637 from the UB, Reserve for Mid-Year Adjustments Account to the City Administrative Officer's Contractual Services Account for American Rescue Plan Act administration consultant support.
- Transfer \$156.61 from the UB, Reserve for Mid-Year Adjustments to the Employees' Retirement Fund for reimbursement of Disaster Service Worker Program staffing costs.
- Transfer \$3,897.10 from the UB, Reserve for Mid-Year Adjustments to the Fire and Police Tier 2 General Pension Fund for reimbursement of Disaster Service Worker Program staffing costs.

**C. Human Resources Benefits
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Police Health and Welfare Program	\$ 0.47	\$ -	Projected surplus is due to lower than assumed health plan premium rate increases.
Unemployment Insurance	1.38	-	Projected surplus is due to lower than assumed unemployment rates associated with the abeyance of layoffs.
<i>Overspending (Shown as Negative, in millions)</i>			
Civilian Benefits Program	(0.18)	-	Projected overspending is due to the impact of increasing enrollment and higher than assumed health plan premium rate increases.
Fire Health and Welfare Program	(1.46)	-	Projected overspending is due to higher than assumed health plan rate increases, partially offset by reductions in enrollment.
Supplemental Civilian Union Benefits	(0.06)	-	Projected overspending is due to higher than assumed rates and benefit payments.
General Fund Total	\$ 0.15	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.32	\$ 4.32	\$ -	This Office projects the Fund will meet its General Fund revenue budget by year end.

Projections this early in the fiscal year are subject to potentially significant expenditure fluctuations by year end due to changes in benefit rates, open enrollment, staff attrition and hiring, and workers' compensation claims. This Office and the Personnel Department will continue to monitor the status of this Fund and report in future FSRs. This Office does not recommend any transactions at this time.

D. Liability Claims Account

Attachment 8 – Status of Liability Accounts

The 2025-26 Adopted Budget provides \$187.37 million for Liability Payouts, allocated between the Miscellaneous Liability Payouts (\$180 million) and Public Works, Sanitation Liability Payouts Accounts; \$2 million from the Solid Waste Resources Revenue Fund (SWRRF) and \$5.37 million from the Sewer Operations & Maintenance Fund (SCM). The Unappropriated Balance (UB) Reserve for Extraordinary Liability Account includes supplemental funding of \$20 million to pay for both tort liability and tax-related cases beyond the amount allocated in the Liability Claims Account.

As of August 31, 2025, the City has paid \$16.36 million and approved an additional \$40.93 million, which is pending payment. This results in an available balance of \$130.08 million (\$124.41 million in General Fund and \$5.67 million for the Bureau of Sanitation) for the remainder of the fiscal year. The Department reports there are \$66.27 million worth of cases pending Council approval (\$65.92 million in General Fund and \$0.35 million for the Bureau of Sanitation), and \$48.74 million (\$47.17 million in General Fund and \$1.56 million for the Bureau of Sanitation) pending final report. Including these items pending various levels of approval, the projected year-end surplus is approximately \$15.08 million (\$11.32 million in General Fund and \$3.76 million from the Bureau of Sanitation). The projected \$15.08 million surplus only represents approved and pending payments, any additional settlements that arise later in the year will reduce the current surplus. This Office will continue to monitor this Account and report updated expenditures in future FSRs.

E. Leasing

No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
General Fund Leasing	\$ 2.38	\$ -	Projected surplus reflects the aggregate sum of all lease surpluses and shortfalls projected at year-end for currently approved agreements.
General Fund Total	\$ 2.38	\$ -	

This Office does not recommend any transactions at this time.

**F. Petroleum Products
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Petroleum Products	\$ (0.82)	\$ -	Projected overspending is based on projected monthly commodity prices and prior-year expenditure trends.
General Fund Total	\$ (0.82)	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Petroleum Products	\$ 0.40	\$ -	Projected surplus is due to lower than anticipated usage for SWRRF-funded vehicles and equipment.
Special Funds Total	\$ 0.40	\$ -	

This Office will continue to work with the General Services Department to monitor the Petroleum Products expenditures and report in future FSRs with recommendations necessary to address the projected overspending. This Office does not recommend transactions at this time.

**G. Water and Electricity
No Recommendation**

Due to delays in billing, this Office projected Water and Electricity expenditures based on prior-year spending. Based on these projections, the Water and Electricity Fund will end the year on-budget. We project that this Fund will meet its \$5.38 million General Fund revenue budget by year end. This Office does not recommend any transactions at this time.

**3. STATUS OF EMPLOYMENT
Attachment 9 – Employment Level Report**

Citywide employment authority from all funding sources totaled 37,435 at the end of August for both civilian and sworn classes. There are 31,804 filled positions at the end of August. Departments reported a total of 5,631 vacant positions: 3,702 General Fund and 1,929 special funded.

4. STATE BUDGET

No Recommendation

On June 27, 2025, Governor Newsom signed the 2025–26 State Budget, enacting a \$321 billion spending plan that addresses a projected \$11.8 billion deficit through delayed funding, internal borrowing, and reserve use. The Budget prioritizes reductions and reserve withdrawals to balance state finances including \$2.8 billion in ongoing program reductions, \$7.8 billion in revenue increases and borrowing, and \$1.2 billion in fund shifts. The deficit stems from slower-than-expected revenue growth, rising health and social service costs (particularly Medi-Cal), and structural imbalances between expenditures and recurring revenues.

The Budget maintains the state’s multiyear fiscal structure, preserving a positive reserve balance of \$15.7 billion in 2025-26 comprised of \$11.2 billion in the Budget Stabilization Account and \$4.5 billion in the state’s Special Fund for Economic Uncertainties. We summarize the Items with potential City impacts below.

Climate Change

The budget continues to invest in climate related programs and projects to advance the state’s climate goals for climate resiliency, wildfire prevention, water management, and energy infrastructure development. On September 19, 2025, the state its Cap-and-Trade, or Cap-and-Invest, Program through 2045, This legislation aims to lower electricity bills, stabilize utility costs, create public financing for clean-energy transmission, establish a new wildfire mitigation fund, and reform utility ratemaking.

Housing and Homelessness

The budget includes \$500 million for the Low-Income Housing Tax Credit, \$500 million in 2026–27 for a seventh round of the Homeless Housing Assistance and Prevention Programs, and \$100 million in one-time grants continued from the 2024 Budget Act. The Budget also includes one-time adjustments to support low-income housing tax credits, first-time homebuyer assistance, disaster recovery, disability advocacy, and rental assistance programs.

Wildfire Disaster Relief

The budget includes a one-time appropriation in state disaster relief funding to offset property tax losses for two years for the county and local governments that experienced reduction in their tax base due to the destruction of property.

Labor and Workforce Development

The Budget funds programs that expand apprenticeships, job training, and worker protections and support unemployment and loan programs. It also includes \$5 million in one-time funding for workforce development in Los Angeles and Ventura Counties related to wildfire recovery efforts.

Transportation

The Clean Transportation Program Trailer Bill expands eligibility for zero-emission vehicle infrastructure projects, removes previous restrictions limiting block grants and incentive programs,

and provides access to state grant funds that can offset City costs for fleet electrification, zero emission vehicle infrastructure, and related sustainability initiatives.

General Government and Statewide Issues:

The Budget provides \$17.6 million for transportation planning related to the 2028 Olympic and Paralympic Games including development of the Games Route Network. It also authorizes Caltrans to spend up to \$20 million from the same account for capital work in 2025–26.

Cannabis Tax Fund

The Budget estimates \$454.3 million will be available for Proposition 64 Allocation 3 programs, which fund local efforts supporting law enforcement, fire protection, and public health and safety. It expands eligibility to include local governments permitting retail cannabis sales even if they restrict cultivation, and prioritizes grants for illicit cannabis enforcement.

This Office will continue to monitor the state budget and will provide updates as necessary.

5. AMERICAN RESCUE PLAN ACT – STATE AND LOCAL FISCAL RECOVERY FUNDS
Attachment 6 – Appropriations from the Unappropriated Balance

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 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 the 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 City received the second tranche of SLFRF of \$639,450,464 on June 3, 2022. The 2021-22 Budget also treated those funds as General Fund revenue.

The CAO is responsible for administering the SLFRF funds and for preparing all required reports for the U.S. Treasury on behalf of the City. This Office submitted the sixteenth quarterly Project and Expenditures Report by the July 31, 2025, due date. Additionally, as required by the U.S. Treasury guidelines, the City obligated the entire balance of SLFRF funds by December 31, 2024 that were budgeted but had remained unspent due to project implementation delays. The City must expend all obligated SLFRF funds by December 31, 2026.

In the report, the CAO identified eligible spending of approximately \$12.38 million from April 1, 2025 through June 30, 2025 and total spending of approximately \$1.25 billion to date.

The status of the SLFRF as of June 2025 is provided in the following table:

Total SLFRF Award (amounts in millions)	\$ 1,278.90	
SLFRF Expenditures by Type as of 6/30/25	Totals	% of total SLFRF Award
Government Services Expenditures	\$ 1,111.71	86.9%
"Stand Alone Project" Expenditures	\$ 135.27	10.6%
Total Expenditures Reported	\$ 1,246.98	97.5%
Unexpended SLFRF as of 6/30/25	Totals	% of total SLFRF Award
Budgeted SLFRF Allocated to Stand-Alone Projects	\$ 31.92	2.5%
Total SLFRF Remaining Balance	\$ 31.92	2.5%

This Office currently uses a consultant services contract with KPMG to support our efforts to provide accurate and timely spending reports to the U.S. Treasury, comply with all grant requirements, and maintain and provide comprehensive documentation to enable our responses to ongoing and future audits. The funding for this year's consultant services of \$1,240,952 is not included in the CAO's 2025-26 Adopted Budget. In the past the CAO was able to identify SLFRF project savings and request interim transfers of those savings to fund this contract. There are no SLFRF project savings available to pay for this contract at this time. The Office has identified \$258,315 within the CAO's 2025-26 Adopted Budget to partially address the consultant services. This Office recommends approval of a \$982,637 interim appropriation for this purpose as this service is critical to reduce the City's exposure to having to repay all or part of the \$1.28 billion American Rescue Plan Act award.

This Office recommends the following transaction at this time:

- Transfer \$982,637 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the CAO's Contractual Services Account, to fund the 2025-26 costs for ARPA administration consultant support.

6. LOS ANGELES CITY EMPLOYEE'S RETIREMENT SYSTEM

Attachment 6 – Appropriations from the Unappropriated Balance

The Los Angeles City Employees' Retirement System (LACERS) requests reimbursement of \$156.61 for staffing costs associated with the Disaster Service Worker Program related to the windstorm and wildfire events response and recovery efforts provided during 2024-25.

This Office recommends the following transaction at this time:

- Transfer \$156.61 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the City Employees' Retirement Fund for reimbursement of Disaster Service Worker Program staffing costs.

7. LOS ANGELES FIRE AND POLICE PENSIONS

Attachment 6 – Appropriations from the Unappropriated Balance

The Los Angeles Fire and Police Pensions (LAFPP) requests reimbursement of \$3,897.10 for staffing costs associated with the Disaster Service Worker Program related to the windstorm and wildfire events response and recovery efforts provided during 2024-25.

This Office recommends the following transaction at this time:

- Transfer \$3,897.10 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Fire and Police Tier 2 General Pension Fund for reimbursement of Disaster Service Worker Program staffing costs.



Nicholas S. Campbell, Finance Specialist IV

APPROVED:

Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:NSC:01260047C

Attachments

2024-25 Adopted and Revised General Fund Revenue
Preliminary Final Receipts through June 2025

(Thousand Dollars)

	Adopted Budget	Revised Budget	Receipts Through June	Variance from Adopted	Variance from Revised	Comments
Property Tax	\$2,770,359	\$2,777,221	\$2,759,317	(\$11,042)	(\$17,905)	Supplemental receipts are -\$21.8m below revised. Unsecured adjustment - \$3.0m shortfall. -\$2.6m supplemental. +\$9.4m in less refunds. \$0.2m in misc property taxes.
Property Tax Ex-CRA Inc.	142,560	153,418	152,913	10,353	(506)	Anticipated receipts from property sales were not realized, but were offset by tax increment receipts that exceeded the County's estimate.
Utility Users' Tax	685,130	683,160	694,711	9,581	11,551	EUT ended \$4.4m above the revised plan, gas users tax was \$6.4m above and CUT \$0.7m above.
Department receipts (LPFF and reimbursements)	1,421,407	1,444,343	1,373,573	(47,834)	(70,770)	The shortfall from the revised estimate is primarily attributed to reduced reimbursements from delayed billings, vacancies and funding availability .
Business Tax	837,060	815,930	845,523	8,463	29,593	\$29m from non-cannabis activity including prior tax period receipts with \$0.6m from cannabis related activities.
Sales Tax	691,035	652,930	661,959	(29,076)	9,029	Receipts are above plan which may partly due to purchases made in advance of tariffs.
Documentary Transfer Tax	168,770	182,312	177,369	8,599	(4,943)	Shortfall reflects \$6.2m in misrecorded receipts transferred to the House LA Fund.
Power Revenue Transfer	227,481	219,312	219,312	(8,169)	-	
Transient Occupancy Tax	342,810	309,100	305,787	(37,023)	(3,313)	Hotel and short-term rental receipts ended -\$2.6m and -\$0.7m below the revised budget, respectively.
Parking Fines	110,000	108,400	108,319	(1,681)	(81)	
Parking Occupancy Tax	134,570	135,900	140,265	5,695	4,365	Year-end surplus attributed to the recording of \$4.3m in late tax period receipts in May.
Franchise Income	147,537	137,522	138,391	(9,146)	869	Natural gas franchise up \$1.3m from revised. Official police garage up \$0.1m up. Cable television short \$0.3m from revised. Solid waste short - \$0.2m.
State Motor Vehicle License Fees	4,813	6,147	6,147	1,334	-	
Grant Receipts	224,595	179,637	174,202	(50,393)	(5,435)	Shortfall attributed to \$11.2m of FEMA receipts redirected to special funds and proprietary departments.
Tobacco Settlement	10,715	9,555	9,064	(1,651)	(491)	
Residential Development Tax	4,680	3,325	3,726	(954)	401	Monthly receipts are variable.
Special Parking Revenue Transfer	24,623	24,623	24,623	-	-	
Subtotal General Fund	\$7,948,145	\$7,842,836	\$7,795,200	(\$152,945)	(\$47,636)	
Interest Income	84,501	81,050	77,825	(6,676)	(3,225)	Shortfall due to lower share of General Pool interest earnings.
Total General Fund	\$8,032,646	\$7,923,886	\$7,873,024	(\$159,622)	(\$50,861)	

2025-26 Adopted General Fund Revenue
Through September
(Thousand Dollars)

	Adopted Budget	Plan Through September	Receipts Through September	Receipts as Percent of Budget	September Plan Variance	Comments on Variance from September Plan
Property Tax	\$2,839,082	\$100,366	\$111,012	3.9%	\$10,646	Excess revenue represents secured receipts from the prior tax period. The County Assessor has reported 3.6% AV growth for the City compared to 4.1% assumed in the adopted budget.
Property Tax Ex-CRA Inc.	172,622	-	-	-	-	
Utility Users' Tax	702,520	166,342	190,170	27.1%	23,828	\$22.1m of surplus attributed to EUT. Gas users tax \$1.8m above plan. CUT - \$0.1m below, with additional receipts still pending in LATax.
Department receipts (LPFF and reimbursements)	1,644,974	271,071	289,573	17.6%	18,502	Excess receipts primarily attributed to delayed 2024-25 reimbursements from special funds, proprietary departments and other agencies.
Business Tax	825,000	49,710	63,671	7.7%	13,961	Non-cannabis receipts are \$12.7m above plan, with receipts from cannabis activity \$1.3m above plan.
Sales Tax	647,485	162,575	171,397	26.5%	8,822	Receipts are above plan which may partly due to purchases made in advance of tariffs in Q2 and the impact of increasing inflation.
Documentary Transfer Tax	193,702	49,975	53,773	27.8%	3,798	Surplus is attributed to higher price per deed than assumed in the adopted budget. Sales volume is lower than assumed. Receipts from legal entity transfer are \$0.1m above plan.
Power Revenue Transfer	227,943	-	-	-	-	The DWP adopted budget transfer is \$228.2m. The actual transfer amount may vary according to FY25 Power Revenue Fund operating income.
Transient Occupancy Tax	314,990	86,040	77,638	24.6%	(8,402)	Hotel and short term rental receipts are \$7.8m and \$0.6m below plan respectively.
Parking Fines	108,400	27,090	27,347	25.2%	257	Receipts are near plan.
Parking Occupancy Tax	141,336	35,334	38,157	27.0%	2,823	Monthly receipts are variable.
Franchise Income	144,103	29,263	29,824	20.7%	561	Cable television short \$0.4m from plan. Natural gas up \$0.9m from plan. Solid waste up \$0.1m
State Motor Vehicle License Fees	6,146	6,146	5,960	97.0%	(186)	The single annual payment (remitted early) is -\$0.2m below the adopted estimate.
Grant Receipts	46,831	651	5,938	12.7%	5,288	Departmental grant receipts ahead of plan includes prior-year grant reimbursements.
Tobacco Settlement	9,555	-	-	-	-	
Residential Development Tax	3,580	894	1,069	29.9%	175	Monthly receipts are variable. Receipts are near plan.
Special Parking Revenue Transfer	36,647	-	-	-	-	
Subtotal General Fund	\$8,064,916	\$985,457	\$1,065,530	13.2%	\$80,072	
Interest Income	84,340	22,781	61,588	73.0%	38,807	Monthly receipts are variable. Interest may be owed to special funds.
Transfer from Budget Stabilization	29,000	-	-	-	-	
Total General Fund	\$8,178,256	\$1,008,238	\$1,127,118	13.8%	\$118,879	

ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 2/25/25

Council File No.	Item Description	Amount
	Balance Available, 7/1/2025	\$ 401,905,273.84
	Less: Emergency Reserve Account	<u>\$ 224,902,000.00</u>
	Contingency Reserve Account 7/1/2025	\$ 177,003,273.84
	 Loan Repayment and Other Receipts	<u>20,220,180.98</u>
	Contingency Reserve Account	<u>\$ 197,223,454.82</u>
	Loans and Transfers Approved to Date	
25-0525	Consolidated Plan Grants Loan	(10,000,000.00)
	Loans and Transfers Approved to Date Subtotal	<u>\$ (10,000,000.00)</u>
	Contingency Reserve Available Balance as of 10/15/2025	<u><u>\$ 187,223,454.82</u></u>
	Total Emergency and Contingency Reserve Fund	<u><u>\$ 412,125,454.82</u></u>

ATTACHMENT 2A
SCHEDULE OF REVERSIONS TO RESERVE AND OTHER FUNDS
FYE JUNE 30, 2025

Dept No.	Department Name	Balance	Reversion to Other Special Funds	Reversion to Reserve Fund
02	Aging	1,799,746.30	48,870.50	1,750,875.80
06	Animal Services	635,279.82	131,851.00	503,428.82
08	Building and Safety	20,887,955.56	20,887,914.90	40.66
10	City Administrative Officer	4,459,400.30	335,540.53	4,123,859.77
11	Public Accountability	3,562,935.00	0.00	3,562,935.00
12	City Attorney	556,871.24	412,819.75	144,051.49
13	Cannabis Regulation	1,316,946.02	1,302,148.59	14,797.43
14	City Clerk	1,955,739.16	0.00	1,955,739.16
15	Civil, Human Rights and Equity	167,660.42	0.00	167,660.42
17	City Ethics	521,019.38	521,019.38	0.00
19	Youth Development	789,388.02	0.00	789,388.02
21	Community Investment for Families	5,093,182.45	331,488.70	4,761,693.75
22	Economic and Workforce	2,626,868.36	306,111.55	2,320,756.81
26	Controller	708,787.57	76,464.69	632,322.88
28	Council	17,666,127.77	0.00	17,666,127.77
30	Cultural Affairs	3,097,985.61	2,562,079.37	535,906.24
32	Information Technology Agency	6,716,254.20	351,977.51	6,364,276.69
33	El Pueblo	155,036.19	155,036.19	0.00
35	Emergency Management	10,156.09	0.00	10,156.09
36	Employee Relations	41,534.49	0.00	41,534.49
38	Fire	29,088,002.51	1,272,838.68	27,815,163.83
39	Finance	2,480,577.45	0.00	2,480,577.45
40	General Services	76,849,264.26	32,465,520.76	44,383,743.50
43	Housing	1,065,882.36	758,047.72	307,834.64
46	Mayor	15,631,872.16	0.00	15,631,872.16
47	Neighborhood Empowerment	122,783.13	122,783.13	0.00
48	City Tourism	60,832.51	60,832.51	0.00
53	Capital Finance	1,300,653.46	0.00	1,300,653.46
54	Capital Improvement	118,133,299.53	13,963,967.19	104,169,332.34
56	General City Purposes	127,752,898.72	2,267,266.81	125,485,631.91
58	Unappropriated Balance	96,762,753.48	0.00	96,762,753.48
59	Liability Claims	74,770.46	0.00	74,770.46
60	Water and Electricity	0.00	0.00	0.00
61	Human Resources	6,431,726.53	0.00	6,431,726.53
62	General	475,136.85	0.00	475,136.85
63	Leasing	4,930,818.05	1,195.00	4,929,623.05
65	Disability	378,021.16	112,008.22	266,012.94
66	Personnel	1,094,268.97	522,827.64	571,441.33
68	City Planning	2,027,291.65	1,358,860.89	668,430.76
70	Police	3,573,573.03	580,863.70	2,992,709.33
74	PW Board Office	2,248,794.98	1,901,045.45	347,749.53
76	PW Bu of Contract Admin	3,747,403.33	3,572,889.54	174,513.79
78	PW Bu of Engineering	6,510,990.25	6,242,321.75	268,668.50
82	PW Bu of Sanitation	25,104,905.34	16,382,864.43	8,722,040.91
84	PW Bu of St Lighting	5,193,824.18	4,817,354.52	376,469.66
86	PW Bu of St Services	23,995,128.56	23,462,397.32	532,731.24
87	Zoo	1,118,894.66	1,118,894.66	0.00
94	Transportation	21,323,417.85	10,746,779.65	10,576,638.20
Total		650,246,659.37	149,154,882.23	501,091,777.14

Total 2024-25 Reserve Fund Year-End Reversion	501,091,777.14
2024-25 Reserve Fund Reversion Estimated in the 2025-26 Budget	493,790,000.00
Difference between Actual and Estimated Reversion	7,301,777.14

ATTACHMENT 3

FY 2025-26 BUDGET ADJUSTMENTS

NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Planning Home-Sharing Platform Home-Sharing Fee Study	Fund 62N/68, Short-term Rental Enforcement Trust Fund Cash Balance	\$ 234,659.00	Fund 100/68, City Planning (62N/68, 68C168) 003040, Contractual Services	\$ 234,659.00
	Fund 62N/68, Short-term Rental Enforcement Trust Fund Cash Balance	\$ 83,480.00	Fund 100/68, City Planning (62N/68, 68C168) 003040, Contractual Services	\$ 83,480.00
	Fund 760/ Sewer Operations & Maintenance Cash Balance	\$ 697,457.00	Fund 100/40, General Services 001010, Salaries General	\$ 697,457.00
	Fund 55J/43, Low and Moderate Income Housing Fund Cash Balance	\$ 44,334.42	Fund 55J/43, Low and Moderate Income Housing Fund 43C456 Financial Audit	\$ 44,334.42
General Services SCIM-Funded Positions	Fund 44G/43, Affordable Housing Trust Fund Cash Balance	\$ 15,740.25	Fund 44G/43, Affordable Housing Trust Fund 43C456 Financial Audit	\$ 15,740.25
	Subtotal	\$ 60,074.67	Subtotal	\$ 60,074.67
LCP Tracker Technology Needs	Fund 240/43, Housing Production Revolving Fund Cash Balance	\$ 126,050.00	Fund 100/43, Housing Department (240/43, 43C143) 006010, Office and Administrative	\$ 126,050.00
HHH Permanent Supportive Housing Program (FY2025 Costs)	Fund 17A/10, GOB Series 2017-A (Taxable), Prop HHH Construction Fund RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 100,062.21	Fund 100/43, Housing Department RSRC 5168, Reimbursement of Prior Year Salary RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 68,596.83 \$ 31,465.38
	Fund 17C/10, GOB Series 2018-A (Taxable), Prop HHH Construction Fund RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 288,153.47	RSRC 5168, Reimbursement of Prior Year Salary RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 197,541.25 \$ 90,612.22
	Fund 17E/10, GOB Series 2021-A (Taxable), Prop HHH Construction Fund RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 258,216.59	RSRC 5168, Reimbursement of Prior Year Salary RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 177,018.26 \$ 81,198.33
	Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 419,554.49	RSRC 5168, Reimbursement of Prior Year Salary RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 287,622.14 \$ 131,932.35
	Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 74,915.23	RSRC 5168, Reimbursement of Prior Year Salary RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 51,357.52 \$ 23,557.71
	Subtotal	\$ 1,140,901.99	Subtotal	\$ 1,140,901.99
Mayor Public Safety Grant	Fund 64V/46, FY 2020 Justice Assistance Grant Fund 46V310, Mayor's Office & Administration 46V912, City Attorney Grant Allocation 46A112, City Attorney Salaries 46A299, Reimbursement of General Fund Costs RSC 4903, Interest Income - Other	\$ 27.08 \$ 33,551.56 73,472.38 14,396.54 32,138.72 153,586.28	Fund 64V/46, FY 2020 Justice Assistance Grant Fund 46V668, Partner Jurisdiction 46C946, Grant Management & Administration	\$ 109,887.79 \$ 43,698.49 153,586.28
Public Safety Grant	Fund 67F/46, FY 2021 Justice Assistance Grant Fund 46Y318, Domestic Violence Program 46Y912, City Attorney Grant Allocation 46Y299, Reimbursement of General Fund Costs RSC 4903, Interest Income - Other	\$ 112,296.00 328,282.00 105,745.00 7,000.63 553,323.63	Fund 67F/46, FY 2021 Justice Assistance Grant Fund 46Y309, Mayor's Office and Administration 46Y668, Partner Jurisdiction 46Y970, LAPD Grant Allocation 46C946, Grant Management & Administration	\$ 2,079.00 \$ 110,217.00 328,282.00 62,000.00 502,578.00
			Fund 100/46, Mayor (67F/46, 46C299) RSC 5346, Related Costs Reimbursement from Grants	\$ 50,745.63 553,323.63
			Fund 100/46, Mayor (48R/08, 08C146) 001010, Salaries General	\$ 55,830.88
	Subtotal	\$ 130,203.19	Fund 100/46, Mayor (48R/08, 08C299) RSC 5331, Reimbursement of Related Cost - Prior Year	\$ 74,372.31 130,203.19
Building and Safety Reimbursement	Fund 48R/08, Building and Safety Permit Enterprise Fund TBD, Mayor's Office of Major Events 08C299, Reimbursement of General Fund Costs	\$ 55,830.88 74,372.31		\$ 55,830.88

ATTACHMENT 3
FY 2025-26 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation				
Salary Repaid by employees	Fund 100/94, Transportation RSC 5188, Miscellaneous Revenue-Others	\$ 4,369.15	Fund 100/94, Transportation 001010, Salaries General	\$ 4,369.15
Metro reimbursement for NexGen Bus Priority Lane Project	Fund 510/94, Measure R Local Return Fund RSRC 5311, Reim-Metro Rail Project	\$ 860,811.99	Fund 510/94, Measure R Local Return Fund 94W634, ATSAC Systems Maintenance	\$ 860,811.99
Overtime Cost Associated to Transportation Review Fee	Fund 50Y/94, Transportation Review Fee Fund BSA 1010, Cash	\$ 262,888.00	Fund 100/94, Transportation (Fund 50Y/94) 001090, Overtime General	\$ 262,888.00
Overtime Costs for Special Events Traffic Control	Fund 840/94, Dept of Transportation Trust (2025) RSRC 4658, Special Events	\$ 124,446.43	Fund 100/94, Transportation (Fund 840/94) 001090, Overtime General	\$ 124,446.43
Overtime Costs for Special Events Traffic Control	Fund 840/94, Dept of Transportation Trust (2026) RSRC 4658, Special Events	\$ 485,340.65	Fund 100/94, Transportation (Fund 840/94) 001090, Overtime General	\$ 485,340.65
Metro Support Overtime	Fund 540/94, Prop C Anti-Gridlock Transit Fund RSC 5188, Miscellaneous Revenue-Others	\$ 500,000.00	Fund 100/94, Transportation (Fund 540/94) 001090, Overtime General	\$ 500,000.00
Overtime Cost for Water Trunkline Projects	Fund 840/94, Dept of Transportation Trust RSRC 4596, Service to Water and Power	\$ 300,000.00	Fund 100/94, Transportation (Fund 840/94) 001090, Overtime General	\$ 300,000.00
Youth Development Department Outreach and Engagement	Fund 100/19, Youth Development Department (Fund 65N/22, 22A119) 001010, Salaries, General (FY 2024-25)	\$ 22,139.00	Fund 100/19, Youth Development Department (Fund 65N/22, 22C119) 001010, Salaries, General (FY 2025-26)	\$ 22,139.00
Zoo				
Reimbursements	Fund 40E/87, Zoo Enterprise Trust Fund Cash Balance	\$ 429,150	Fund 40E/87, Zoo Enterprise Trust Fund 87C795, Zoo Repairs and Improvement	\$ 429,150.00
	Fund 40E/87, Zoo Enterprise Trust Fund Cash Balance	\$ 265,260	Fund 100/87, Zoo 001070, Salaries As-Needed 002120, Printing and Binding 003040, Contractual Services 004430, Uniforms 006010, Office and Administrative	\$ 60,000.00 10,000.00 66,000.00 10,000.00 119,260.00
			Subtotal	\$ 265,260.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 6,434,140.98		\$ 6,434,140.98

ATTACHMENT 4

FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Attorney Overtime Overspending	Fund 100/12 City Attorney		Fund 100/12 City Attorney	
	001010, Salaries	\$ 500,000.00	001090, Overtime General	\$ 500,000.00
Community Investment for Families Program Year 51 Consolidated Plan	Fund 424/21, Community Development Trust Fund		Fund 424/21, Community Development Trust Fund	
	21C771, Rose Hills Park Improvements	\$ 300,000.00	21C261, Assistance to Microenterprises/DTLA Small Business Assistal	\$ 300,000.00
	21C708, Hollenbeck Park Improvements	27,000.00	21C774, Hermon Park Improvements	27,000.00
	Subtotal	\$ 327,000.00	Subtotal	\$ 327,000.00
Council Staffing and Expenses	Fund 100/28, Council		Fund 100/28, Council	
	001010, Salaries General	\$ 1,875,000.00	001070, Salaries As-Needed	\$ 1,000,000.00
			002130, Travel	75,000.00
			003040, Contractual Services	100,000.00
			006010, Office and Administrative	700,000.00
			Subtotal	\$ 1,875,000.00
Pershing Square Summer Activities	Fund 100/56, General City Purposes Fund		Fund 100/56, General City Purposes Fund	
	000410, Gang Intervention, Youth Development, and Re-Er	\$ 100,000.00	000A28, Council Projects	\$ 100,000.00
Fire Overtime General Over-Expenditure	Fund 100/38, Fire		Fund 100/38, Fire	
	001050, Unused Sick Time	\$ 1,000,000.00	001090, Overtime General	\$ 1,200,000.00
	001098, Overtime Variable Staffing	200,000.00		
	Subtotal	\$ 1,200,000.00		
Salaries As-Needed Over-Expenditure	Fund 100/38, Fire		Fund 100/38, Fire	
	001098, Overtime Variable Staffing	\$ 481,000.00	001070, Salaries As-Needed	\$ 481,000.00
Hurst and Palisades Fire Invoices	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	\$ 544,960.00	003040, Contractual Services	\$ 544,960.00
CA Conservation Corps Invoices	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	\$ 105,096.00	003040, Contractual Services	\$ 105,096.00
Palisades Fire Invoice Overspending	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	\$ 290,126.00	006020, Operating Supplies	\$ 290,126.00
UFLAC Wellness Reimbursement	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	\$ 555,000.00	006010, Office and Administrative	\$ 555,000.00
Sworn Bonuses Over-Expenditure	Fund 100/38, Fire		Fund 100/38, Fire	
	001098, Overtime Variable Staffing	\$ 2,500,000.00	001030, Sworn Bonuses	\$ 2,500,000.00
General Services Restored Positions - Postage	Fund 100/40, General Services		Fund 100/40, General Services	
	009130, Mail Services	\$ 375,605	001010, Salaries General	\$ 375,605

ATTACHMENT 4

FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Housing <i>GASP Part-Time Support Staff</i>	Fund 100/43, Housing (43C143)		Fund 100/43, Housing (43C143)	
	006030, Leasing (41M/43)	\$	001070, Salaries, As Needed (41M/43)	\$ 44,752.00
	001010, Salaries, General (67W/43)		001070, Salaries, As Needed (67W/43)	\$ 4,781.00
	001010, Salaries, General (440/43)		001070, Salaries, As Needed (440/43)	112,867.00
	001010, Salaries, General (10D/43)		001070, Salaries, As Needed (10D/43)	17,140.00
	001010, Salaries, General (64R/43)		001070, Salaries, As Needed (64R/43)	65,654.00
	001010, Salaries, General (66M/43)		001070, Salaries, As Needed (66M/43)	25,619.00
			Subtotal	\$ 270,813.00
	Fund 67W/43, Just Cause Enforcement Fee Trust Fund			
	43C299, Reimbursement of General Fund Costs	\$ 1,523.00		
<i>MYCA Reimbursement</i>	Fund 440/43, Rent Stabilization Trust Fund			
	43C299, Reimbursement of General Fund Costs	\$ 35,961.00		
	Fund 10D/43, Accessible Housing Fund			
	43C299, Reimbursement of General Fund Costs	\$ 4,832.00		
	Fund 64R/43, SB2 Permanent Local Housing Allocation Fund			
	43C299, Reimbursement of General Fund Costs	\$ 18,509.00		
	Fund 66M/43, House LA Fund			
	43C299, Reimbursement of General Fund Costs	\$ 7,222.00		
	Subtotal	\$ 270,813.00		
	Fund 100/43, Housing (43C143)		Fund 100/43, Housing (43C143)	
	001010, Salaries, General (10D/43)	\$ 12,925.00	003040, Contractual Services (10D/43)	\$ 18,000.00
<i>Field Inspection Equipment Replacement</i>	Fund 10D/43, Accessible Housing Fund			
	43C299, Reimbursement of General Fund Costs	\$ 5,075.00		
	Subtotal	\$ 18,000.00		
	Fund 100/43, Housing (43C143)		Fund 100/43, Housing (43C143)	
	001010, Salaries, General (10D/43)	\$ 59,242.00	006010, Office and Administrative (10D/43)	\$ 82,500.00
	006030, Leasing (41M/43)	316,800.00	006010, Office and Administrative (41M/43)	316,800.00
	Fund 10D/43, Accessible Housing Fund		Subtotal	\$ 399,300.00
	43C299, Reimbursement of General Fund Costs	23,258.00		
	Subtotal	\$ 399,300.00		

FY 2025-26 BUDGET ADJUSTMENTS

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ATTACHMENT 4

FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Sanitation <i>Overtime Overspending</i>	Fund 100/82, Bureau of Sanitation		Fund 100/82, Bureau of Sanitation	
	001010, Salaries General (SWRRF)	\$ 819,007.00	001090, Overtime General (SWRRF)	\$ 900,000.00
	004430, Uniforms (SWRRF)	80,993.00	001090, Overtime General (GF)	850,000.00
	001010, Salaries General (GF)	850,000.00	001090, Overtime General (MFB)	200,000.00
	001010, Salaries General (MFB)	200,000.00		
	Subtotal	\$ 1,950,000.00		Subtotal \$ 1,950,000.00
SCM As-Needed Overspending	Fund 100/82, Bureau of Sanitation (Fund 760/50)		Fund 100/82, Bureau of Sanitation (Fund 760/50)	
	001010, Salaries General (SCM)	\$ 300,000.00	001070, Salaries, As Needed (SCM)	\$ 300,000.00
Caltrans Delegated Maintenance Agreement	Fund 100/82, Bureau of Sanitation		Fund 100/82, Bureau of Sanitation	
	003090, Field Equipment Expense	\$ 50,000.00	001090, Overtime General	\$ 50,000.00
Measure W Local Return Fund <i>Salaries and Utilities Funding</i>	Fund 100/82, Bureau of Sanitation (Fund 60W/50)		Fund 100/82, Bureau of Sanitation (Fund 60W/50)	
	001010, Salaries General	\$ 255,000.00	001070, Salaries, As Needed	\$ 119,000.00
			001090, Overtime General	126,000.00
			003340, Water and Electricity	10,000.00
			Subtotal	\$ 255,000.00
SCM Hiring Hall Overspending (7 Months)	Fund 100/82, Bureau of Sanitation (Fund 760/50)		Fund 100/82, Bureau of Sanitation (Fund 760/50)	
	001010, Salaries General	\$ 1,078,836.00	001100, Hiring Hall Salaries	\$ 719,290.00
			001120, Benefits Hiring Hall	359,546.00
			Subtotal	\$ 1,078,836.00
Public Works - Street Lighting <i>NASA Grant PEACE for EEJ</i>	Fund 347/50, SLMAF		Fund 347/50, SLMAF	
	50AEEJ, NASA Grant PEACE for EEJ	\$ 16,000.00	RSC 5301, REIMB FROM OTHER FUNDS	\$ 16,000.00
Assessment Ballot Outreach	Fund 347/50, SLMAF		Fund 347/50, SLMAF	
	Cash Balance	\$ 100,000.00	50TLOO, Assessment District Analysis	\$ 100,000.00
Transportation <i>Field Ops reimbursement cost for wildfire recovery</i>	Fund 59C/94, Measure M Local Return		Fund 59C/94, Measure M Local Return	
	94CVB4, 2025 Wildfire Recovery Sign & Signal	\$ 110,271.53	94A800, Traffic Signal Supplies	\$ 83,991.50
			94A478, Paint & Sign Maintenance	26,280.03
			Subtotal	\$ 110,271.53
Security Services at Raymer St. Yard	Fund 100/94, Transportation		Fund 100/40, General Services	
	003040, Contractual Services	\$ 67,000.00	003040, Contractual Services	\$ 67,000.00
Procurement Long Line Tripper Vehicle	Fund 100/94, Transportation (Fund 59C/94)		Fund 100/94, Transportation (Fund 59C/94)	
	007300, Furniture, Office and Technical Equipment	\$ 1,500,000.00	007350, Other Operating Equipment	\$ 1,500,000.00
Offset projected overspending	Fund 100/94, Transportation		Fund 100/94, Transportation	
	001010, Salaries General	\$ 200,000.00	006010, Office & Administrative	\$ 200,000.00
Overtime Cost Associated to Transportation Expedited Fees	Fund 100/94, Transportation (Fund 57P/94)		Fund 100/94, Transportation (Fund 57P/94)	
	001010, Salaries General	\$ 224,405.00	001090, Overtime General	\$ 224,405.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 16,561,316.53		\$ 16,561,316.53

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FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Building and Safety <i>Salary Reimbursement</i>	Fund 48R/08, Building and Safety Building Permit Enterprise Fund		Fund 48R/08, Building and Safety Building Permit Enterprise Fund	
	08C204, Reserve for Future Costs	\$ 130,203.19	TBD, Mayor's Office of Major Events	\$ 55,830.88
			08C299, Reimbursement of General Fund Costs	74,372.31
			Subtotal	\$ 130,203.19
Community Investment for Families <i>Community Development Trust Fund Realignment</i>	Fund 100/21, Community Investment for Families (424/21, 21C121)		Fund 100/21, Community Investment for Families (424/21, 21C121)	
	001010, Salaries General	\$ 37,944.43	001070, Salaries As-Needed	\$ 18,384.00
	002120, Printing and Binding	12,341.00	001090, Overtime General	4,000.00
	002130, Travel	1,974.00	003040, Contractual Services	65,000.00
	003310, Transportation	5,500.00		
	006010, Office and Administrative	4,069.00	Subtotal	\$ 87,384.00
	Subtotal	\$ 61,828.43		
Family Homelessness Challenge Grant	Fund 424/21, Community Development Trust Fund			
	21C299, Reimbursement of General Fund Costs	\$ 25,555.57		
		Subtotal		\$ 87,384.00
Emergency Management <i>EOC Reimbursement for Changeable Message Sign Repair</i>	Fund 65G, CIFD Miscellaneous Grants and Awards Fund		Fund 100/21, Community Investment for Families (65G/21, 21C121)	
	21A221, FHC Administrative Reserve	\$ 192,500.00	001010, Salaries General	\$ 115,028.38
Council <i>Safe Passage Program</i>	Fund 53P/28, State AB 1290 City Fund		Fund 65G, CIFD Miscellaneous Grants and Awards Fund	
	281213, CD 13 Redevelopment Fund	\$ 198,000.00	21C299, Reimbursement of General Fund Costs	\$ 77,471.62
	Fund 53P/28, State AB 1290 City Fund		Subtotal	\$ 192,500.00
	281209, CD 9 Redevelopment Fund	\$ 1,000,000.00		\$ 198,000.00
Cultural Affairs <i>Prior-Year Reappropriations</i>	Fund 480/30, Arts and Cultural Facilities and Services		Fund 100/46, Mayor	
	30A130, Cultural Affairs	\$ 2,012,855	003040, Contractual Services	\$ 1,000,000.00
			Fund 100/28, Council	
			001070, Salaries As-Needed	\$ 1,000,000.00
			Fund 100/30, Cultural Affairs	
			002120, Printing and Binding	\$ 82,502
Emergency Management <i>EOC Reimbursement for Changeable Message Sign Repair</i>	Fund 392/34, Emergency Operations Fund		009781, Cultural Grants for Family and Youth	504,700
	343040, Contractual Services (FY 2025)	\$ 636.56	009832, Matching Grant Program	25,000
			009840, LACMA/Watts Towers Conservation	300,000
			009856, Citywide Mural Art Program	599,500
			009871, Youth and Creative Workers Mural Program	501,153
			Subtotal	\$ 2,012,855
Finance <i>Debt Module</i>	Fund 392/34, Emergency Operations Fund		Fund 700/04, Airports	
	006010, Office and Administrative	\$ 636.56	RSC 5166, Deposit Receipts-Agency Funds	\$ 636.56
Fire <i>Fire Chief Search</i>	Fund 100/39, Finance		Fund 100/32, Information Technology Agency	
	001012, Salaries Sworn	\$ 66,980.00	003040, Contractual Services	\$ 66,980.00
General City Purposes <i>Charter Reform Commission Staffing 2024-25 Reimbursement</i>	Fund 100/38, Fire		Fund 100/66, Personnel	
	000A38, City Charter Reform	\$ 40,000.00	003040, Contractual Services	\$ 40,000.00
	Fund 100/56, General City Purposes		Fund 100/46, Mayor	
	000A38, City Charter Reform	\$ 25,400.08	001070, Salaries As Needed	\$ 25,400.08
Housing <i>Affordable Housing & Sustainable Communities Reimbursements</i>	Fund 100/56, General City Purposes		Fund 100/46, Mayor	
	000A38, City Charter Reform	\$ 39,449.76	001070, Salaries As Needed	\$ 39,449.76
		Subtotal		\$ 64,849.84
			Fund 100/43, Housing	
Information Technology Agency <i>Social Media Tools</i>	Fund 60V/43, Affordable Housing & Sustainable Communities Grant		RSRC 5168 Reimb of Prior Year Salary	
	43T863 - Hollywood Arts Collective	\$ 9,216.52		\$ 33,971.68
	43T864 - Jordan Downs S3	8,210.79		
	43T865 - Manchester Urban Homes	8,362.32		
Mayor <i>Homeland Security Grant</i>	43T877 - Weingart Tower	8,182.05		
		Subtotal		\$ 33,971.68
			Fund 100/46, Mayor's Office	
			006010, Office and Administrative	\$ 150,000.00
Information Technology Agency <i>Social Media Tools</i>	Fund 100/32, Information Technology Agency		Fund 64G/46, FY2020 Securing the Cities Fund	
	003040, Contractual Services	\$ 150,000.00	46C970, LAPD Grant Allocation	\$ 22,359.28
			Fund 100/38, Fire (64G/46, 46C138)	
			001098, Overtime, Variable Staffing	\$ 63,800.00
			Subtotal	\$ 86,159.28

ATTACHMENT 5

FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Mayor (continued) CalVIP Cohort IV	Fund 66P/46, 2022-23 CalVIP Cohort IV Grant Fund		Fund 100/46, Mayor (66P/46, 46A299)	
	46A146, Mayor	\$ 16,860.97	RSC 5331, Reimbursement of Related Cost - Prior Year	\$ 16,860.97
	Fund 66J/46, 2019 Project Safe Neighborhood Grant Fund		Fund 100/46, Mayor (66J/46, 46Y299)	
	46W170, Police	\$ 408.61	RSC 5331, Reimbursement of Related Cost - Prior Year	\$ 3,112.61
	46W299, Reimbursement of General Fund Costs	2,704.00		
		Subtotal \$ 3,112.61		
	Fund 66K/46, 2020 Project Safe Neighborhood Grant Fund		Fund 100/46, Mayor (66K/46, 46Y299)	
	46W299, Reimbursement of General Fund	\$ 6,237.00	RSC 5331, Reimbursement of Related Cost - Prior Year	\$ 6,237.00
	Fund 66V/46, Proposition 47 Board of State and Community Corrections		Fund 100/46, Mayor (66V/46, 46A299)	
	46W946, Grant Management & Administration	\$ 119,869.24	RSC 5331, Reimbursement of Related Cost - Prior Year	\$ 52,720.68
Angeleno Connect Program Reimbursement	Fund 100/56, General City Purposes Fund		Fund 100/46, Mayor (66V/46, 46C299)	
	000950, Angeleno Connect Program	\$ 100,000.00	RSC 5346, Related Costs Reimbursement from Grants	\$ 67,148.56
			Subtotal \$ 119,869.24	
	Fund 51Q/84, Measure R Local Return Fund		Fund 100/46, Contractual Services	
	94Y299, Reimbursement of General Fund Costs	\$ 420,000.00	003040, Contractual Services	\$ 100,000.00
	Fund 100/54, CTILEP		Fund 51Q/94, Measure R Local Return Fund	
	00Y969, Figueroa Mobility	\$ 420,000.00	TBD, Figueroa Mobility	\$ 420,000.00
	Fund 339/70, Police Dept Grant Fund		Fund 100/46, Mayor's Office	
	70A170, Police	\$ 227,885.89	003040, Contractual Services	\$ 420,000.00
		Subtotal \$ 60,370.77	Fund 100/70, Police Department	
Police 2021 Connect and Protect 70W573 (C.F. 22-0282)	Fund 339/70, Police Dept Grant Fund		001092, Overtime Sworn	\$ 214,924.31
	70A170, Police	\$ 55,124.35	001092, Overtime Sworn	12,961.58
	70A299, Related Costs	5,246.42	001090, Overtime General	\$ 227,885.89
		Subtotal \$ 60,370.77	Subtotal \$ 227,885.89	
	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 55,124.35	001092, Overtime Sworn	\$ 219,855.03
	70A299, Related Costs	5,246.42	Fund 339/70, Police Dept Grant Fund	
		Subtotal \$ 60,370.77	70C299, Related Costs	\$ 17,793.23
			Subtotal \$ 237,648.26	
			Subtotal \$ 5,246.42	
2021 Hate Crime 70W574 (C.F. 22-0417)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 219,855.03	001092, Overtime Sworn	\$ 219,855.03
	70A299, Related Costs	17,793.23	Fund 339/70, Police Dept Grant Fund	
		Subtotal \$ 237,648.26	70C299, Related Costs	\$ 17,793.23
			Subtotal \$ 237,648.26	
	Fund 339/70, Police Dept Grant Fund		Fund 339/70, Police Department	
	70A170, Police	\$ 642.99	70W416, 2021 ICAC OJJDP	\$ 3,860.78
	70A299, Police	3,217.79		
		Subtotal \$ 3,860.78		
			Fund 339/70, Police Department	
2021 Project Safe Neighborhood 70W564 (C.F. 22-1118)	Fund 339/70, Police Dept Grant Fund		70W564 2021 Project Safe Neighborhood	\$ 206.40
	70A170, Police	\$ 188.05		
	70A299, Related Costs	18.35	Fund 100/70, Police Department	
		Subtotal \$ 206.40	001092, Overtime Sworn	\$ 138,806.20
	Fund 339/70, Police Dept Grant Fund		001090, Overtime General	212,437.24
	70A170, Police	\$ 351,243.44	Fund 339/70, Police Dept Grant Fund	
	70A299, Related Costs	9,506.98	70C299, Related Costs	\$ 9,506.98
		Subtotal \$ 360,750.42	Subtotal \$ 360,750.42	
			Fund 100/70, Police Department	
			001092, Overtime Sworn	\$ 163,433.53
2022 BWC - Digital Evidence Management 70W409(C.F. 22-1481-S1)	Fund 339/70, Police Dept Grant Fund		Fund 339/70, Police Dept Grant Fund	
	70A170, Police	\$ 165,017.53	70C299, Related Costs	\$ 14,648.82
	70A299, Related Costs	13,064.82		
		Subtotal \$ 178,082.35	Subtotal \$ 178,082.35	
			Fund 100/70, Police Department	
			001092, Overtime Sworn	\$ 163,433.53
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 14,648.82
			Subtotal \$ 178,082.35	
			Subtotal \$ 178,082.35	

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FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (continued) 2022 Coverdell BJA 70W40A (C.F. 22-14b2)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 8,976.48	001090, Overtime General	\$ 8,276.48
			Fund 339/70, Police Department	
			70C299, Related Costs	\$ 548.40
			70W40A, 2022 Coverdell BJA	151.60
			Subtotal	\$ 8,976.48
2022 Firearm Relinquishment Grant 70Y581 (C.F. 23-0745)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 371.57	001092, Overtime Sworn	\$ 719,947.19
	70Y299, Police	34.77	001090, Overtime General	50,968.00
	70A170, Police	779,592.55		
	70A299, Related Costs	77,095.80	Fund 339/70, Police Dept Grant Fund	
		Subtotal	70C299, Related Costs	\$ 86,179.50
			Subtotal	\$ 857,094.69
2022 Project Safe Neighborhood 70Y564 (C.F. 24-0019)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 20,571.50	001092, Overtime Sworn	\$ 20,571.50
	70A299, Related Costs	2,570.02		
		Subtotal	Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 2,570.02
			Subtotal	\$ 23,141.52
2022 Prosecuting Cold Cases with LJNA 70W528 (C.F. 22-1419)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 110,536.88	001092, Overtime Sworn	\$ 91,150.53
	70A299, Related Costs	7,195.72	001090, Overtime General	19,386.35
		Subtotal	Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 7,195.72
			Subtotal	\$ 117,732.60
2023 CPD DeEscalation Training 70Y568 (C.F. 23-1335)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 33,523.24	001092, Overtime Sworn	\$ 33,523.24
	70A299, Related Costs	3,608.91		
		Subtotal	Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 3,608.91
			Subtotal	\$ 37,132.15
2023 DNA CEER Grant 70Y502 (C.F. 23-1235)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 300.83	001090, Overtime General	\$ 300.83
2023 ICAC - CalOES 70Y559 (C.F. 24-0431)	Fund 339/70, Police Dept Grant Fund		Fund 339/70, Police Department	
	70A170, Police	\$ 428.36	70Y559 2023 ICAC - CalOES	\$ 625.07
	70A299, Police	196.71		
		Subtotal		
			Fund 100/70, Police Department	
			001092, Overtime Sworn	\$ 191,332.81
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 19,382.90
			Subtotal	\$ 210,715.71
2023 Organized Retail Theft - BSOC 70Y582 (C.F. 24-0018)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 4,587.76	70Y56E 2023 OHMVR - Education	\$ 5,072.44
	70A299, Related Costs	484.68		
		Subtotal	Fund 339/70, Police Department	
			70Y560 2023 OHMVR - Law Enforcement	\$ 526.46
			Subtotal	\$ 526.46
2023 OHMVR - Education 70Y56E (C.F. 24-0016)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 21,240.00	001092, Overtime Sworn	\$ 21,240.00
	70A299, Related Costs	2,006.00		
		Subtotal	Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 2,006.00
			Subtotal	\$ 23,246.00
2023 OHMVR Law Enforcement 70Y560 (C.F. 24-0017)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 21,240.00	001092, Overtime Sworn	\$ 21,240.00
	70A299, Related Costs	2,006.00		
		Subtotal	Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 2,006.00
			Subtotal	\$ 23,246.00
2024 Abby Honold 70A587 (C.F. 24-1041)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 21,240.00	001092, Overtime Sworn	\$ 21,240.00
	70A299, Related Costs	2,006.00		
		Subtotal	Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 2,006.00
			Subtotal	\$ 23,246.00

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FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (continued) 2024 Alcohol Policing Partnership 70A549 (C.F. 24-1105)	Fund 339/70, Police Dept Grant Fund		Fund 339/70, Police Department	
	70A170, Police	\$ 405.27	70A549 2024 Alcohol Policing Partnership	\$ 928.45
	70A299, Related Costs	523.18		
	Subtotal	\$ 928.45		
2024 ILAC (CABILES) 70A539 (C.F. 25-0360)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 110,000.00	001092, Overtime Sworn	\$ 100,000.00
	70A299, Police	9,505.00	001090, Overtime General	10,000.00
	Subtotal	\$ 119,505.00		
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 9,505.00
			Subtotal	\$ 119,505.00
2024 ILAC OULP 70A416 (C.F. 25-0015)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 209,839.13	001092, Overtime Sworn	\$ 200,000.00
	70A299, Related Costs	19,372.07	001090, Overtime General	9,839.13
	Subtotal	\$ 229,211.20		
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 19,372.07
			Subtotal	\$ 229,211.20
2024 OHMVR - Education 70A56E (C.F. 24-1502-S1)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 91,374.27	001092, Overtime Sworn	\$ 91,374.27
	70A299, Related Costs	8,625.73		
	Subtotal	\$ 100,000.00		
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 8,625.73
			Subtotal	\$ 100,000.00
2024 OHMVR Law Enforcement 70A560 (C.F. 24-1502)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 50,908.18	001092, Overtime Sworn	\$ 50,908.18
	70A299, Related Costs	4,826.68		
	Subtotal	\$ 55,734.86		
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 4,826.68
			Subtotal	\$ 55,734.86
2024 Selective Traffic Enforcement Program 70A527 (C.F. 23-1234)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 1,095,767.38	001092, Overtime Sworn	\$ 1,057,197.68
	70A299, Related Costs	124,335.14	001090, Overtime General	38,569.70
	Subtotal	\$ 1,220,102.52		
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 124,335.14
			Subtotal	\$ 1,220,102.52
2025 Regional Threat Assessment Center (HSGP) 70A563 (C.F. 21-0460-S4)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70A170, Police	\$ 14,551.45	001092, Overtime Sworn	\$ 14,551.45
	70A299, Related Costs	1,410.50		
	Subtotal	\$ 15,961.95		
			Fund 339/70, Police Dept Grant Fund	
			70C299, Related Costs	\$ 1,410.50
			Subtotal	\$ 15,961.95
Public Works - Board Amortization Study	Fund 65K/50, Climate Equity Fund		Fund 100/74, Board of Public Works (65K/50, 50C174)	
	50WZBL, Amortization Study Contingency	\$ 15,856.26	003040, Contractual Services	\$ 15,856.26
Public Works - Sanitation City Planning - Employee Loan Reimbursement	Fund 100/82, Bureau of Sanitation (508/50)		Fund 100/68, City Planning	
	50AX82, PW-Sanitation Expense and Equipment	\$ 7,153.86	RSC 5168, Reimb of Prior Year Salary	\$ 7,153.86
ITA Annual Fiber Service Lease	Fund 508/50, Solid Waste Resources Revenue Fund		Fund 100/32, Information Technology Agency	
	50CX82, PW- Sanitation Expense and Equipment	\$ 73,046.40	009350, Communication Services	\$ 146,092.80
	Fund 760/50, Sewer Construction and Maintenance Fund			
	50CX82, PW- Sanitation Expense and Equipment	73,046.40		
	Subtotal	\$ 146,092.80		
Clean Cities and GREENfiltration Grant Program	Fund 537/50, Environmental Affairs Trust Fund		Fund 100/82, Bureau of Sanitation (Fund 537/50)	
	50M311, Clean Cities Programmatic Support	\$ 69,500.00	001010, Salaries General	\$ 39,000.00
	50VMGF, GREENfiltration Project	62,000.00	001070, Salaries, As Needed	85,000.00
	Subtotal	\$ 131,500.00	001090, Overtime General	5,000.00
			002130, Travel	2,500.00
			Subtotal	\$ 131,500.00

ATTACHMENT 5

FY 2025-26 BUDGET ADJUSTMENTS TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM		TRANSFER TO	
		AMOUNT	FUND/ACCOUNT	AMOUNT	AMOUNT
Public Works - Street Lighting NASA Grant PEACE for EEJ Raymer Street Security	Fund 347/50, SLMAF 50AEEJ, NASA Grant PEACE for EEJ	\$ 40,154.00	Fund 100/46, Mayor's Office 001010, Salaries General	\$ 40,154.00	
	Fund 100/84, Bureau of Street Lighting (347/50, 50C184) 003040, Contractual Services	\$ 67,000.00	Fund 100/40, General Services (347/50, 50C140) 003040, Contractual Services	\$ 67,000.00	
	Fund 64C/50, BSS Transaction Fund RSRC 465800, Special Events-General	\$ 3,955,716.66	Fund 100/86, Public Works-Street Services 001090, Overtime General Fund 100/94, Transportation 001090, Overtime General	\$ 200,444.27	
Public Works - Street Services Reimbursements for Special Events			Fund 508/50, Solid Waste Resources Fund RSRC 518801, Miscellaneous Revenue-Others	\$ 271,837.62	
			Fund 48R/08, Bldg. & Safety Permit Enterprise Fund RSRC 3225, Building Permits-Regular	\$ 602.10	
			Fund 100/38, LAFD 001012, Salaries Sworn	\$ 593.60	
			Fund 100/70, LAPD 001092, Overtime Sworn	\$ 24,118.98	
			Fund 347/50, St. Lighting Maintenance Assess RSRC 530100 Reimb from Other Funds (Gen)	\$ 3,457,496.09	
				Subtotal \$ 624.00	
				\$ 3,955,716.66	
			Fund 100/86, Public Works-Street Services (59V/50, 50C186) 003040, Contractual Services	\$ 400,000.00	
			Fund 100/78, Public Works Bureau of Engineering 001010, Salaries General	\$ 4,010.00	
			Fund 100/94, Transportation (Fund 59C/94) 001090, Overtime General	\$ 92,775.86	
Recreation and Parks Dockweiler State Beach (easement review) Transportation Overtime for 15MPH School Zone Project Overtime for AT SAR Program OT cost for traffic enforcement in Hollywood Hills OT Cost for Traffic Control Services for special event venues Appropriation from Local Transportation Funds SB 1 AT SAR Maintenance SB 1 - HSIP Cycle 7 Great Street Crenshaw Imp Project Zoo Langur Exhibit Façade and Roof Upgrade Project	Fund 59V/50, Road Maintenance and Rehabilitation Program Special Fund 50CZ50, 2025 Wildlife Recovery Erosion Control and Debris Removal	\$ 400,000.00			
	Fund 302/89, Recreation and Parks 89701H, Site Lease Fees	\$ 4,010.00			
	Fund 59C/94, Measure M Local Return 94AC13, School Speed Limit Updates	\$ 92,775.86			
	Fund 51Q/94, Measure R Local Return 94C634, AT SAR System Maintenance	\$ 300,000.00			
	Fund 840/94, Dept of Transportation Trust 94AE49, CD4 Hollywood Hills Traffic Mitigation	\$ 200,000.00			
	Fund 840/94, Dept of Transportation Trust 94A194, Transportation	\$ 3,239,780.24			
	Fund 207/94, Local Transportation 94AD02, Bikeways Program	\$ 400,000.00			
	Fund 59V/50, Road Maintenance and Rehabilitation Program Special 50AVHM, AT SAR Maintenance	\$ 163,241.88			
	Fund 59V/50, Road Maintenance and Rehabilitation Program Special 50YZAL, HSIP Cycle 7 Great St Crenshaw Bl Improvmt Florence 79th St	\$ 26,032.12			
	Fund 40E/87, Zoo Enterprise Trust Fund 87C795, Zoo Repairs and Improvement	\$ 429,150.00			
			Fund 100/40, General Services Department (40E/87, 87C140) 001014, Salaries Construction Projects 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 25,000.00 113,162.00 48,498.00 242,490.00	
				Subtotal \$ 429,150.00	
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 18,927,745.69		\$ 18,927,745.69	

ATTACHMENT 6

FY 2025-26 BUDGET ADJUSTMENTS APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT:
<u>Fund, 100/58, Unappropriated Balance</u>		
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/10, City Administrative Officer</u> 003040, Contractual Services	\$ 982,637.00
580197, Outside Counsel including Workers' Compensation	<u>Fund 100/12 City Attorney</u> 009301, City Attorney Outside Counsel	\$ 1,358,000.00
580431, Election Expenses - General Municipal Elections	<u>Fund 100/14, City Clerk</u> 004170, Elections	\$ 1,800,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 800/16, City Employees Retirement</u> 161070, Salaries As-Needed 165200, Employee Benefits	\$ 149.94 6.67 Subtotal \$ 156.61
580132, Equipment, Expenses, and Alterations & Improvements	<u>Fund 100/28, Council</u> 006010, Office and Administrative	\$ 20,000.00
580132, Equipment, Expenses, and Alterations & Improvements	<u>Fund 100/28, Council</u> 001070, Salaries As-Needed	\$ 2,899,568.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/35, Emergency Management</u> 003040, Contractual Services	\$ 4,861,410.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 804/64, Fire and Police Tier 2 General Pension Fund</u> RSC 5691 Addl Interfund Trans - General FD	\$ 3,897.10
580231, Gang Injunction Settlement Agreement	<u>Fund 10B/22, Gang Injunction Curfew Settlement Fund</u> 22C887, Gang Injunction Curfew Settlement - City GF	\$ 1,125,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/56, General City Purposes</u> 000208, Southern California Association of Governments 000509, Local Agency Formation Commission 000890, California Contract Cities	\$ 5,135.00 6,259.00 10,695.00 Subtotal \$ 22,089.00

ATTACHMENT 6

FY 2025-26 BUDGET ADJUSTMENTS
APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT:
580132, Equipment, Expenses, and Alterations & Improvements	<u>Fund 100/40, General Services</u> 003040, Contractual Services	\$ 27,890.39
580132, Equipment, Expenses, and Alterations & Improvements	<u>Fund 100/46, Mayor</u> 001010, Salaries General 002130, Travel	\$ 1,700,000.00 181,432.00 Subtotal \$ 1,881,432.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 511/50, Stormwater Pollution Abatement Fund</u> 50C387, On Call Contractors (Emergency Funds)	\$ 1,000,000.00
<u>TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE</u>		<u>\$ 15,982,080.10</u>

[illegible]

ATTACHMENT 7B
Status of the Unappropriated Balance, Reserve for Mid Year Adjustments

2025-26 Budget **\$ 125,000,000.00**

First FSR Recommendations

Transfer Out:

Transfer to Emergency Management - Army Corps Debris Removal	(4,861,410.00)
Transfer to Public Works Sanitation - Solid Waste Resources Revenue Fund	(1,000,000.00)
Transfer to General City Purposes - Memberships	(22,089.00)
Transfer to City Administrative Officer - ARPA Contractual Services	(982,637.00)
Transfer to City Employees' Retirement Fund	(156.61)
Transfer to Fire and Police Pension Fund	(3,897.10)
Early Reversion to Reserve Fund to repay Reserve Fund Loan	(10,000,000.00)

Subtotal \$ (16,870,189.71)

Subtotal First FSR Recommendations (16,870,189.71)

Year-end Available **\$ 108,129,810.29**

ATTACHMENT 7B
Status of the Unappropriated Balance, Reserve for Mid Year Adjustments

ATTACHMENT 7C
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT

Account No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Appropriated during year	First FSR	Appropriated during year	Second FSR	Appropriated during year	Mid-Year FSR	Appropriated during year	Year-End FSR	Available Balance
	General Fund												
580440	Community Services Efficiencies	CIFD	\$ 630,000										\$ 630,000.00
580383	Department Payroll Reconciliation	All	\$ 12,000,000										\$ 12,000,000.00
580431	Election Expenses - General Municipal Elections	City Clerk	\$ 10,000,000			(1,800,000)							\$ 8,200,000.00
580132	Equipment, Expense, and Alterations & Improv.	Mayor/Council	\$ 6,181,000	-		(4,828,890)							\$ 1,352,109.61
580231	Gang Injunction Settlement Agreement	EWDD	\$ -	1,250,000		(1,125,000)							\$ 125,000.00
580001	General (see Attachment 7A)	All	\$ 50,000										\$ 50,000.00
580304	Ground Emergency Medical Transport QAF Program	Fire	\$ 30,000,000		(8,464,911)								\$ 21,535,089.00
	Information Technology Network Equipment Replacement												
580445	Interim Housing	ITA	\$ 500,000										\$ 500,000.00
580441	Mayor/CAO	Mayor/CAO	\$ 41,895,450										\$ 41,895,450.00
580381	LAHSA Homeless Engagement Teams	Housing	\$ 3,290,288										\$ 3,290,288.00
580433	LAHSA Homeless Outreach Navigators	Housing	\$ 528,408										\$ 528,408.00
580245	LATAX Replacement Project	Finance	\$ 9,800,000										\$ 9,800,000.00
580274	Mutual Aid Overtime	Fire	\$ 3,000,000										\$ 3,000,000.00
580197	Outside Counsel including Workers' Comp	City Atty	\$ 5,982,000		(4,624,000)	(1,358,000)							\$ -
	Police Department Sworn Overtime - Interim Homeless Housing												
580429	Police	Police	\$ 4,378,000										\$ 4,378,000.00
580232	Reserve for Extraordinary Liability	All	\$ 20,000,000										\$ 20,000,000.00
580196	Reserve for Mid-Year Adjustments	All	\$ 125,000,000			(16,870,190)							\$ 108,129,810.29
580443	South Bay Cities Association	City Clerk	\$ 59,021		(59,021)								\$ -
580444	Trade and Commerce Relations	Mayor	\$ 549,000										\$ 549,000.00
			\$ 273,843,167	\$ 1,250,000	\$ (13,147,932)	\$ (25,982,080)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	235,963,154.90
	Special Funds												
	2028 Games Project Public Right of Way Improvements												
580442	CTIEP	CTIEP	\$ 5,281,868										\$ 5,281,868.00
580446	Cannabis Regulation Compliance Inspections	Cannabis	\$ 147,407										\$ 147,407.00
580441	Interim Housing	CAO	\$ 11,250,000										\$ 11,250,000.00
			\$ 16,679,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,679,275.00
	Grand Total		\$ 290,522,442	\$ 1,250,000	\$ (13,147,932)	\$ (25,982,080)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	252,642,429.90

STATUS OF LIABILITY CLAIMS ACCOUNTS

Department/Bureau	Account	Budget		Paid	Available Balance after Paid Amounts	Pending Payments	Available Balance after Paid + Pending Payments	Percent Available of Available Balance to Adjusted Budget
		(A1)	(A2)					
		2025-26 Adopted Budget	Adjusted Budget (AB)					
		Amount	Amount					
FIRE	009790	\$ -	\$ 900,000	\$ -	\$ 900,000	\$ (1,275,000)	\$ (375,000)	-1%
GENERAL SERVICES	009791	\$ -	\$ -	\$ -	\$ -	\$ (137,500)	\$ (137,500)	0%
POLICE	009792	\$ -	\$ 15,541,401	\$ (7,727,366)	\$ 7,814,035	\$ (18,910,389)	\$ (11,096,354)	-27%
PW/ENGINEERING	009793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
PW/SANITATION SOLID	009794	\$ 2,000,000	\$ 2,000,000	\$ (96,548)	\$ 1,903,452	\$ (507,380)	\$ 1,396,072	-1%
PW/SANITATION SEWER	009794	\$ 5,370,072	\$ 5,370,072	\$ (1,077,261)	\$ 4,292,811	\$ (16,453)	\$ 4,276,357	-1%
PW/STREET SERVICES	009795	\$ -	\$ 6,297,500	\$ (4,140,000)	\$ 2,157,500	\$ (9,227,500)	\$ (7,070,000)	-15%
RECREATION & PARKS	009796	\$ -	\$ 2,500,000	\$ (500,000)	\$ 2,000,000	\$ (2,350,000)	\$ (350,000)	-2%
TRANSPORTATION	009797	\$ -	\$ 1,545,000	\$ -	\$ 1,545,000	\$ (4,755,000)	\$ (3,210,000)	-3%
MISCELLANEOUS	009798	\$ 180,000,000	\$ 153,216,099	\$ (2,823,140)	\$ 150,392,959	\$ (3,747,876)	\$ 146,645,083	-41%
GENERAL FUND SUBTOTAL		\$ 180,000,000	\$ 180,000,000	\$ (15,190,506)	\$ 164,809,494	\$ (40,403,264)	\$ 124,406,229.85	-94%
SPECIAL FUNDS SUBTOTAL		\$ 7,370,072	\$ 7,370,072	\$ (1,173,809)	\$ 6,196,263	\$ (523,833)	\$ 5,672,429	-49%
TOTAL		\$ 187,370,072	\$ 187,370,072.00	\$ (16,364,315)	\$ 171,005,757	\$ (40,927,098)	\$ 130,078,659	-92%

**ATTACHMENT X
EMPLOYMENT LEVEL REPORT
FY 2025-26**

Department	2025-26 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of August	Changes	End of August	Start of August	Changes	End of August		
Aging	40	44	-	44	42	2	44	-	-
Animal Services	305	331	(5)	326	314	(1)	313	13	6
Building and Safety	993	1,100	-	1,100	945	(4)	941	159	1
Cannabis Regulation	53	63	-	63	51	-	51	12	-
City Administrative Officer	146	187	(9)	178	166	(6)	160	18	9
City Attorney	894	1,066	-	1,066	944	(4)	940	126	29
City Clerk	108	116	-	116	108	-	108	8	-
City Planning	374	545	(7)	538	469	(3)	466	72	2
City Tourism	12	12	-	12	8	-	8	4	-
Civil, Human Rights and Equity	5	32	(1)	31	30	(1)	29	2	4
Community Investment for Families	74	101	(1)	100	91	(2)	89	11	1
Controller	142	170	1	171	144	-	144	27	12
Cultural Affairs	89	95	-	95	76	(1)	75	20	-
Disability	21	31	-	31	30	-	30	1	5
Economic & Workforce Development	85	168	-	168	140	(2)	138	30	-
El Pueblo	10	11	-	11	9	-	9	2	1
Emergency Management	30	37	-	37	30	-	30	7	-
Employee Relations Board	3	3	-	3	3	(1)	2	1	1
Ethics Commission	46	46	-	46	42	-	42	4	-
Finance	297	342	-	342	320	7	327	15	-
Fire - Civilian	358	446	-	446	379	(3)	376	70	1
Fire - Sworn	3,478	3,824	-	3,824	3,409	(4)	3,405	419	295
General Services	1,186	1,279	(15)	1,264	1,184	(8)	1,176	88	45
Housing	543	888	-	888	691	10	701	187	2
Information Technology Agency	322	381	(7)	374	338	(6)	332	42	46
Neighborhood Empowerment	31	35	(1)	34	34	-	34	-	3
Personnel	503	599	(4)	595	553	(4)	549	46	65
Police - Civilian	3,007	3,261	(8)	3,253	2,607	(22)	2,585	668	222
Police - Sworn	10,600	10,741	-	10,741	8,699	3	8,702	2,039	3
Public Accountability	9	9	-	9	2	-	2	7	-
PW/Board of Public Works	88	110	-	110	105	1	106	4	2
PW/Bureau of Contract Administration	264	361	-	361	317	(1)	316	45	-
PW/Bureau of Engineering	673	867	-	867	766	2	768	99	6
PW/Bureau of Sanitation	3,074	3,652	(25)	3,627	3,014	9	3,023	604	15
PW/Bureau of Street Lighting	177	327	-	327	295	(1)	294	33	12
PW/Bureau of Street Services	742	1,160	(2)	1,158	1,108	(6)	1,102	56	4
Transportation	1,211	1,555	(7)	1,548	1,436	(11)	1,425	123	3
Youth Development	8	17	(2)	15	13	(2)	11	4	4
Zoo	245	257	-	257	242	-	242	15	3
Subtotal	30,246	34,269	(93)	34,176	29,154	(59)	29,095	5,081	802
Library	1,302	1,434	-	1,434	1,213	(5)	1,208	226	132
Recreation and Parks	1,536	1,825	-	1,825	1,510	(9)	1,501	324	276
Subtotal	2,838	3,259	-	3,259	2,723	(14)	2,709	550	408
Total	33,084	37,528	(93)	37,435	31,877	(73)	31,804	5,631	1,210

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

Monthly Summary	2025-26 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	33,084	37,594	(66)	37,528	31,982	(105)	31,877	5,651	1,303
August	33,084	37,528	(93)	37,435	31,877	(73)	31,804	5,631	1,210

2025-26 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK
(\$ millions)

	Adopted 2025-26	2026-27	2027-28	2028-29	2029-30
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 8,033.0	\$ 8,178.3	\$ 8,402.8	\$ 8,679.0	\$ 9,032.6
Revenue Growth (2)					
Property Related Taxes (3)	122.8	136.0	188.2	191.7	198.8
Business and Sales Taxes (4)	(55.6)	15.8	32.6	33.4	34.3
Utility Users Tax (5)	17.4	14.4	15.1	15.8	16.5
Departmental Receipts (6)	223.6	136.2	41.1	84.7	88.7
Other Fees, Taxes, and Transfers (7)	(203.9)	(35.8)	(0.8)	28.0	29.2
SPRF Transfer (8)	12.0	(13.1)	-	-	-
Transfer from the Budget Stabilization Fund (9)	29.0	(29.0)	-	-	-
Transfer from Reserve Fund (10)	-	-	-	-	-
Total Revenue	\$ 8,178.3	\$ 8,402.8	\$ 8,679.0	\$ 9,032.6	\$ 9,400.1
<i>General Fund Revenue Increase %</i>	<i>1.8%</i>	<i>2.7%</i>	<i>3.3%</i>	<i>4.1%</i>	<i>4.1%</i>
<i>General Fund Revenue Increase \$</i>	<i>145.3</i>	<i>224.5</i>	<i>276.2</i>	<i>353.6</i>	<i>367.5</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (11)	\$ 8,033.0	\$ 8,178.3	\$ 8,494.1	\$ 8,679.0	\$ 8,794.2
Incremental Changes to Base: (12)					
Employee Compensation Adjustments (13)	199.0	184.9	120.3	34.4	40.6
City Employees' Retirement System (14)	(2.8)	74.1	48.8	10.0	30.2
Fire and Police Pensions (14)	(26.6)	49.2	(0.5)	(8.6)	(0.5)
Workers' Compensation Benefits (15)	(9.8)	12.3	11.4	11.2	12.5
Health, Dental, and Other Benefits (16)	41.8	12.5	16.2	17.1	17.5
Debt Service (17)	(13.9)	8.7	(14.2)	(1.6)	(3.2)
Delete Resolution Authorities (18)	(126.9)	-	-	-	-
Add New and Continued Resolution Authorities (18)	102.5	-	-	-	-
Delete One-Time Costs (19)	(20.9)	(7.1)	-	-	-
Add One-Time Costs (19)	11.5	-	-	-	-
Comprehensive Homeless Strategy (20)	(13.9)	-	-	-	-
Unappropriated Balance (21)	(108.0)	(95.0)	-	-	-
CTIEP-Municipal Facilities and Physical Plant (22)	6.5	20.1	(3.9)	2.1	2.3
CTIEP-Sidewalks (23)	2.2	(3.3)	5.5	-	-
CTIEP-Pavement Preservation (24)	(2.6)	36.6	3.2	3.3	3.3
Appropriation to the Reserve Fund (25)	84.0	(121.8)	-	-	-
Appropriation to the Budget Stabilization Fund (26)	-	-	-	-	-
Net - Other Additions and Deletions (27)	23.2	144.6	(1.9)	47.3	50.4
Total Expenditures	\$ 8,178.3	\$ 8,494.1	\$ 8,679.0	\$ 8,794.2	\$ 8,947.3
<i>Expenditure Growth %</i>	<i>1.8%</i>	<i>3.9%</i>	<i>2.2%</i>	<i>1.3%</i>	<i>1.7%</i>
<i>Expenditure Growth \$</i>	<i>145.3</i>	<i>315.8</i>	<i>184.9</i>	<i>115.2</i>	<i>153.1</i>
REVENUES OVER (BELOW) EXPENDITURES (28)	\$ -	\$ (91.3)	\$ 0.0	\$ 238.4	\$ 452.8
<i>Incremental Increase \$</i>	<i>-</i>	<i>(91.3)</i>	<i>91.3</i>	<i>238.4</i>	<i>214.4</i>

2025-26 ADOPTED BUDGET

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

REVENUE:

(1) General Fund (GF) Base: The revenue base for each year represents the prior year's estimated revenues. Each year's Total Revenue incorporates revised estimates for prior year receipts, adds revenue growth, and subtracts revenue reductions to the GF Base.

(2) Total City revenue growth for outgoing years is estimated between 3.5 and 4.1 percent. Unless otherwise noted, individual revenue sources reflect continuing growth in fiscal years 2025-26 through 2029-30 based on historical average receipts. The amounts represent projected incremental change to the base. The revenue growth amounts deduct one-time receipts from the estimated revenue growth for the following fiscal year.

(3) Property Related Taxes include all property tax revenues, Documentary Transfer Tax, Residential Development Tax, and the redirection of ex-CRA tax increment monies. Assessed Value growth in property tax is projected at 4.1 percent based on assumptions for the full two percent inflationary adjustment to secured receipts, ongoing reductions to secured assessed value from the Palisades Fire, restrained growth in unsecured and supplemental receipts to reflect current economic conditions, and redemptions of prior-year delinquent payments. Net growth in fiscal year receipts will vary from Assessed Value growth due to the shifting of property tax period remittances between fiscal years and interim year Assessed Value adjustments and collection activities. The outgoing years assume a gradual return to average growth.

Documentary Transfer is a volatile revenue in particular when sales volume and price move together. The 2025-26 revenue is based on real estate industry forecasts for a continuing recovery in sales and volume, contingent on anticipated mortgage rate reductions. Fiscal Year 2026-27 and outgoing years assumes slowing growth as receipts approach levels that immediately preceded the pandemic.

The Residential Development Tax is correlated with building permit activity. The 2025-26 revenue assumes gradual improvement in receipts and is likely impacted by increased construction financing costs. Permitting activity is assumed to remain stable in outgoing years.

Ex-CRA tax increment revenue growth is irregular. The estimate for 2025-26 reflects the adopted payment schedule (ROPS) and assumptions based on prior disbursements. Additional one-time miscellaneous revenue from surplus property sales is included in the 2025-26 estimate. No additional receipts are anticipated from surplus property sales in outgoing years. Growth in subsequent fiscal years align with property tax growth assumptions.

(4) Business tax estimates for 2025-26 is based on current trends for non-cannabis renewal activity. In light of current economic uncertainty, 2025-26 business tax from non-cannabis activities is projected to remain flat with \$12 million in new ongoing receipts and \$8 million in one-time receipts attributed to the implementation of an aggressive tax discovery program by the Office of Finance in 2025-26.. Outgoing years assume growth from non-cannabis activities returning to historical growth. Outgoing years for cannabis activities assumes zero growth. .

Sales tax revenue estimates reflect decreasing consumer demand under inflation, the Federal Reserve's higher interest rates, and the continuing shift of receipts to other jurisdictions. Growth is consistent with forecasts for taxable sales in 2027-28, with growth in outgoing years stabilizing with the lower growth compared to prior years, due to the consumers shift to services from goods and to on-line retail from brick-and-mortar locations.

(5) Electricity users tax revenue is based on estimates provided by the Department of Water and Power. 2024-25 and outgoing years assume average growth. No increase to the base rate is assumed for 2025-26, while outgoing years assume average growth.

Gas users tax estimate is based on the U.S. Energy Information Administration is forecast for increases to price and consumption. No growth is assumed for outgoing years due to price volatility.

The communication users tax revenue continues to decline with strategic wireless plan pricing and decreased landline use. The average decline is assumed for 2025-26 revenue and outgoing years.

2025-26 ADOPTED BUDGET FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

(6) Departmental receipts inclusive of License, Permits, Fees, and Fines reflect higher reimbursements for ambulance transport, services to Airports, state mandated, capital projects, and one-time reimbursements. These higher receipts are partially by lower reimbursements from special funds and other fee and permit revenues. These lower receipts are partially offset by higher reimbursements for ambulance transports, state mandated claims and one-time reimbursements. State mandated, LACMTA reimbursements, emergency transport, and one-time reimbursements are estimated to decline. Outgoing years assume average growth for ongoing receipts. The 2026-27 estimate includes additional ongoing receipts from fee adjustments that will be implemented mid-year in 2025-26. One-time County remittances related to the Alliance Settlement agreement in excess of \$39.8 million are reflected in 2025-26 and 2026-27 estimates.

(7) Modest growth in transient occupancy tax (TOT) revenue from hotels and short-term rentals through 2025-26 are based on trends in current receipts and the tourism industry forecast for lower growth as a result of economic uncertainty and foreign tourism boycotts. There is no adjustment to tourism growth assumptions for the World Cup or Olympic events. Transient occupancy tax revenue from hotels and short-term rentals from 2023-24 through 2024-25 are based on the tourism industry forecast that reflects a modest growth due to a delay in the return of Chinese tourism. The industry forecast predicts increasing growth for 2026-27 and outgoing years. Outgoing years assume steady growth.

The parking occupancy tax estimate for 2024-25 is based on the current trend in receipts which includes receipts attributed to the prior fiscal year. 2025-26 and outgoing years assume growth in line with historical receipts.

The Power Revenue transfer for 2025-26 is based on the estimate included in the proposed budget for DWP, which is derived from assumptions for estimated 2024-25 Power System revenue. The final transfer amount may be adjusted to conform to actual 2024-25 power system revenue in accordance with audited financial statements. Outgoing years assume an average of amounts transferred since a transfer limit was established.

Grant revenue is variable. The estimate for 2024-25 receipts from the Federal Emergency Management Agency for reimbursement of pandemic-response costs has been reduced to reflect delayed receipts and reduced Project Roomkey reimbursement. The 2025-26 estimate represents the balance of anticipated FEMA reimbursements for COVID activities, as well as additional FEMA receipts for other events.

(8) Revenue from the Special Parking Revenue Fund represents the projected surplus that may be available to transfer to the General Fund after accounting for debt service and other expenditures associated with the maintenance, upgrades, and repairs of parking structures, meters, and related assets. The annual base-level surplus is \$23.5 million. Any amounts above this are considered one-time receipts and deducted from the estimated revenue growth for the following fiscal year. Additional one-time receipts of \$1.1 million above the base transfer of \$23.5 million are included in the 2024-25 transfer amount. The 2025-26 transfer of \$36.6 million includes \$13.1 million in one-time receipts above the base transfer, with \$14.4 million in anticipated receipts from a planned increase in parking meter rates. The base transfer is assumed for outgoing years.

(9) A transfer of \$29.0 million is included in the 2025-26 budget from the Budget Stabilization Fund. The Outlook does not assume a transfer from the Budget Stabilization Fund for outgoing years.

(10) The Outlook does not assume any transfers from the Reserve Fund in 2025-26 or in subsequent years.

ESTIMATED GENERAL FUND EXPENDITURES:

(11) General Fund Base: The General Fund base carries over all estimated General Fund expenditures from the prior year to the following fiscal year.

(12) Incremental changes to the Base: The 2025-26 amount reflects funding adjustments to the prior fiscal year's General Fund budget. The expenditures included for subsequent years represent major expenses known at this time and are subject to change.

(13) Employee Compensation Adjustments: The 2025-26 amount includes employee compensation adjustments consistent with existing labor agreements, the deletion of one-time salary funding from the prior year, and all other

2025-26 ADOPTED BUDGET

FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

required salary adjustments. Fiscal years 2026-27 through 2029-30 reflect the restoration of one-time salary AND reductions from the prior year, full-funding for partially financed positions, and adjustments in existing labor agreements. The Outlook does not include projections for future compensation adjustments from future labor agreements, although it does include a two percent annual increase to account for natural salary growth. Most current agreements for civilians expire in 2027-28 or 2028-29. The majority of agreements for sworn expire in 2026-27.

(14) City Employees' Retirement System (LACERS) and Fire and Police Pensions (LAFPP): The contribution rates are based on information that the systems' actuary calculated and includes the employee compensation adjustment assumptions above. In 2024, the board of commissioners for LACERS and LAFPP adopted economic and demographic assumption changes, including maintaining the inflation rate at 2.50 percent, payroll growth at three percent, and the assumed investment rate of return at seven percent.

Assumptions	2025-26	2026-27	2027-28	2028-29	2029-30
LACERS					
6/30 th Investment Returns	7%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	31.44%	31.88%	31.83%	31.39%	31.93%
LAFPP					
6/30 th Investment Returns	7%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	35.80%	35.73%	34.82%	33.94%	33.21%

(15) Workers' Compensation Benefits: The projection reflects the April 2025 actuarial analysis. They reflect the impact of both current and projected future COVID-19 claims.

(16) Health, Dental, and Other Benefits: Health, Dental, and Other Benefits: The projection incorporates all known cost-sharing provisions adopted into labor agreements for the civilian and sworn populations. It assumes that net enrollment will reduce for two years in the civilian population and remain flat for the remaining years for both the civilian and sworn populations. Benefit rate increase assumptions are consistent with historical and current industry trends.

(17) Debt Service: The debt service amounts include known future payments from the Capital Finance budget. The 2025-26 Proposed Budget and projected debt service amounts in 2026-27 to 2029-30 do not include costs associated with major construction projects, including the Los Angeles Convention Center Expansion Project and Civic Center Master Plan.

(18) Resolution Authorities: The deletion line reflects the practice of annually deleting resolution authority positions, which must be authorized each year through a Council resolution. The "Add New and Continued Resolution Authorities" line reflects the continued or new resolution positions included in the 2025-26 Budget. The difference between these two amounts reflects that 250 resolution authority positions that were previously fully or partially paid by the General Fund are not continued in 2025-26.

(19) One-time Costs: The deletion line reflects the practice of deleting programs and costs that are limited-term and temporary in nature each year. The "Add One-Time Costs" line reflects the continued and new one-time costs included in the 2025-26 Budget. The Outlook deletes funding for all one-year projects in 2026-27 and retains the remaining balance for multiyear projects that will not become part of the General Fund base. To the extent that there are budget decisions to continue one-time programs in future years, expenditures would be higher than the reported projections.

(20) Comprehensive Homeless Strategy: This amount represents a decrease of \$13.9 million from the General Fund appropriation for homelessness-related services and expenditures within the context of the City's Comprehensive Homeless Strategy. The Outlook assumes the continuation of this level of spending in future years.

2025-26 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

(21) Unappropriated Balance (UB): The significant decrease in 2025-26 reflects the decrease to the Department Payroll Reconciliation Account previously approved salary adjustments, which are now incorporated in departmental salary accounts and a reduction in anticipated FEMA grant receipts. To the extent that the new programs are continued in the 2025-26 Budget, the funding for those programs and positions is included in the "Add New and Continued Resolution Authorities" line or "Net – Other Additions and Deletions" line. The 2026-27 amount eliminates one-time UB items included in 2025-26 and continues ongoing ones.

(22) CTIEP – Municipal Facilities and Physical Plant: The CTIEP is the Capital and Technology Improvement Expenditure Program. The 2025-26 Budget includes increased funding from the General Fund totaling \$6.3 million for physical plant related capital projects and \$0.2 million for municipal facilities. The 2026-27 amount deletes funding for one-year projects. The Outlook assumes increased funding in future years to meet the policy spending level of 1.5 percent of General Fund revenue for capital and technology projects.

(23) CTIEP – Sidewalk: Pursuant to the settlement in the case of *Willits v. City of Los Angeles*, the City is responsible for investing \$31 million annually for sidewalk improvements through 2047, with adjustments of 15.3 percent every five years to account for inflation and material price increases. The 2025-26 Budget provides a one-time increase of \$2.2 million. The General Fund appropriation will return to \$12.6 million in 2026-27, with the balance of the required investment covered by other sources of funds. The 2027-28 increase of \$5.5 million reflects the required adjustment to the minimum obligation.

(24) CTIEP – Pavement Preservation Program: The Pavement Preservation Program decrease of \$36.6 million in 2026-27 reflects the restoration of General Fund to cover the costs shifted to special funds on a one-time basis in 2025-26. Future years assume that the General Fund will bear cost increases to maintain service levels that exceed the capacity of special funds.

(25) Appropriation to the Reserve Fund: The 2025-26 Budget provides a one-time appropriation of \$121.8 million to the Reserve Fund. The 2026-27 amount deletes this one-time amount. The Outlook does not assume an appropriation to the Reserve Fund in subsequent years.

(26) Appropriation to the Budget Stabilization Fund: Consistent with the BSF Policy, the 2025-26 Budget does not include an appropriation to the BSF. Based on revenue projections, no contribution to the BSF is required in subsequent years.

(27) Net – Other Additions and Deletions: The 2025-26 amount includes the restoration of one-time reductions and efficiencies, ongoing changes, the deletion of filled and vacant positions, and the reduction in Sworn hiring. The overall increase is attributed to the appropriations to the Recreation and Parks the Library departments and new and increased ongoing costs to a variety of departmental programs, which are offset by the deletion of 918 regular authority positions and reductions in expense accounts. Subsequent years include projected expenditures for the restoration of one-time expenditure reductions, hotel development incentive agreements, one-time payment for the Fire and Police Pension System relative to the transfer of employees under Measure FF, the recycling incentives program, and increased appropriations to Recreation and Parks and the Library.

(28) Revenues Over (Below) Expenditures: The amount reflects the difference between the projected revenues and expenditures in each of the years, with a positive number reflecting higher projected revenues than expenditures and negative numbers reflecting higher projected expenditures than revenues.

ATTACHMENT 11 **LIST OF PENDING INTERIM REQUESTS FOR FUNDING**

Proposing Department/Office	Impacted Department(s)	Council File Number	Brief Description	Amount of Request
Planning	Planning	14-0518	Request for nine positions to implement the proposed wildlife district ordinance.	Not identified
CD-14	Community Investment for Families	17-0046-S4	Motion instructing CAO to increase the City contribution to RepresentLA.	\$1,000,000
Housing	Housing	23-0038-S11	Request for 109 positions and additional expense funding for United to House LA programs.	Not identified
CD-1	Animal Services	23-0452	Motion and subsequent Council action instructing the CAO to identify source of funds to provide sufficient funding for spay and neuter voucher increases for free certificates for dogs and cats.	Not identified
CD-13/15	Bureau of Contract Administration City Attorney	23-0932	Motion CLA and the Bureau of Contract Administration to identify the resources required to enable the enforcement of workplace violation. Subsequent CLA report directs the CAO report on adding 16 positions and to identify a potential source of special funds.	\$2,890,000
CD-12	Sanitation	24-1178	Motion and subsequent Bureau of Sanitation report instructing the CAO to identify funding sources for position authorities to resume illegal dumping investigations.	Unspecified
CD-11	Board of Public Works	25-0378	Motion and subsequent Council action instructing the CAO to identify source of funds to maintain the Venice Beach Ocean Front Walk Crash Ramps and Bollards Project	Not identified
CD-1	Multiple	25-0381	Motion instructing CAO to report with funding necessary for various services and programs for and around MacArthur Park.	Not identified
Housing	Housing	25-0600	Exhibit H of the Adopted Budget instructed LAHD to report with a staffing plan for the Homelessness Oversight Bureau. LAHD is preparing to release a report requesting approximately 50 new positions. Exact details will not be known until the report is released, which is expected in October.	Not identified
CD-12	Police	25-0600	Adopted budget motion authorizing the Police Department to recruit and hire 240 police officers above the funded amount and restore civilian positions identified for layoff contingent upon funding availability as reported by the CAO in the Second or Third FSR and subject to the Council and Mayor's determination that additional hiring is responsive to both the Department's needs and the City's fiscal condition.	Not identified
CD-11	Multiple	25-0600-S10	Budget motion proposing funding to repair Posetano Road.	\$6,000,000
CD-12	Engineering	25-0600-S11	Budget motion proposing funding to remediate the Tarmonto landslide.	\$4,000,000

ATTACHMENT 11 **LIST OF PENDING INTERIM REQUESTS FOR FUNDING**

Proposing Department/Office	Impacted Department(s)	Council File Number	Brief Description	Amount of Request
CD-2	Multiple	25-0600-S13	Budget motion instructing the CAO and CLA to identify funding for building decarbonization work for municipal facility projects under construction in 2025-26.	\$3,000,000
CD-7	Emergency Management	25-0600-S14	Budget motion instructing the CAO to identify funding to replace the security video management system the Emergency Operations Center.	\$209,000
CD-11	Police	25-0600-S15	Budget motion proposing funding for sworn overtime patrols on Ocean Front Walk in Venice.	\$1,500,000
CD-14	Unspecified	25-0600-S16	Budget motion instructing the CAO and CLA to identify funding for a public bank study.	\$460,000
CD-14	Street Services	25-0600-S17	Budget motion instructing the CAO and CLA to identify funding for public toilet maintenance contracts.	\$643,858
CD-7	Fire	25-0600-S19	Budget motion proposing funding for five EMS advance providers.	\$956,416
CD-13	Sanitation	25-0600-S20	Motion instructing the CAO to identify non-General Fund source that could restore the Mobile Hygiene Program.	\$5,703,950
CD-7	Police	25-0600-S21	Budget motion proposing funding for 60 additional recruits.	\$3,525,739
CD-11	Recreation and Parks	25-0600-S27	Budget motion proposing funding for demolition of Murphy Ranch.	\$5,000,000
CD-13	Civil, Human Right and Equity	25-0600-S28	Budget motion instructing the CAO and CLA to identify funding for one Public Information Director.	Not identified
CD-11	Building and Safety	25-0600-S4	Budget motion proposing funding for demolition of the abandoned lifeguard structure in Playa Del Rey	\$980,000
CD-11	Recreation and Parks	25-0600-S6	Budget motion proposing funding for refurbishment of the Venice Beach paddle tennis courts.	\$250,000
CD-11	Neighborhood Council Fund	25-0600-S7	Budget motion proposing additional funding for the Fund.	\$693,000
CD-11	Sanitation	25-0600-S8	Budget motion proposing funding for soil testing for victims of the Palisades Fire.	\$3,500,000
CD-11	Multiple	25-0600-S9	Budget motion proposing funding for reconstruction of Revello Drive.	\$5,500,000
CD-3	Economic and Workforce Development	25-1081	Motion instructing the CLA, CAO, and EWDD to identify \$5M in public and/or private/philanthropic funding to establish a 40 percent Launch and Rebate grant for "micro-drama" productions.	\$5,000,000
CD-6	Animal Services	Pending	purchase large transportation vehicles and personnel to participate in community resource fairs, health fairs, and other City sponsored	Not identified
Identified Total:				\$50,811,963