

BUDGET AND FINANCE COMMITTEE REPORT relative to the First Financial Status Report (FSR) for Fiscal Year (FY) 2025-26.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the recommendations contained in the City Administrative Officer (CAO) report dated October 29, 2025, attached to Council file No. 25-0600-S126, relative to the First FSR for FY 2025-26.
2. REAPPROPRIATE \$2,184,037 from the Unappropriated Balance, Equipment, Expenses, Alterations and Improvements Account, into the same account and in the same amount that existed on June 30, 2025.
3. REAPPROPRIATE \$775,000 from the Unappropriated Balance, Elected Officials Transition Expenses Account, into the same account and in the same amount that existed on June 30, 2025.
4. TRANSFER and APPROPRIATE \$1,861,609 from the Measure M Local Return Fund No. 59C/94, Account No. 94CVB2 (Sidewalk Repair), to the following accounts, and in the amounts specified, within the Bureau of Street Services Fund No. 100/86 for the Bureau of Engineering's Sidewalk Repair Program:
 - a. Account No. 001010, Salaries, General; Amount: \$200,000
 - b. Account No. 001090, Salaries, Overtime; Amount: \$1,012,609
 - c. Account No. 001190, Hiring Hall Overtime; Amount: \$450,000
 - d. Account No. 003090, Field Equipment Expense; Amount: \$47,000
 - e. Account No. 004430, Uniforms; Amount: \$2,000
 - f. Account No. 006020, Operating Supplies; Amount: \$150,000
5. INSTRUCT the Los Angeles Police Department (LAPD) to report to the CAO on identified savings or proposed restructuring; and, DIRECT the CAO to evaluate options to reallocate those savings towards deficits within the LAPD.

Fiscal Impact Statement: The CAO reports that a total of \$263.20 million in projected over-expenditures are identified in the First FSR. Transfers, appropriations, and other budgetary adjustments totaling approximately \$493.04 million are recommended in Sections 1, 2, 5, 6, and 7 of said FSR. This includes \$10 million in transfers to the Reserve Fund.

Financial Policies Statement: The CAO reports that the recommendations in the FSR comply with the City's Financial Policies as the recommended transactions use current revenues and balances to pay for current operations.

Community Impact Statement: None submitted

SUMMARY

At its meeting held on November 4, 2025, your Budget and Finance Committee considered a CAO report, dated October 29, 2025, relative to the First FSR for FY 2025-26. Representatives of various City departments answered questions from Members of the Committee.

After an opportunity for public comment was held, the Committee recommended that Council approve the recommendations contained in said FSR; and, to approve the additional recommendations as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-