Council file No. 25-0600-S133

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

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

APPROVE the recommendations contained in the City Administrative Officer (CAO) report dated February 27, 2026, attached to the Council file, relative to the Third FSR for FY 2025-26, as amended to include the following recommendation:

a. TRANSFER and APPROPRIATE $680,000 from the General City Purposes Fund No. 100/56, Account No. 000903 (Council Community Projects – Operation Safe Streets Initiative), to a new account in the Capital Technology Improvement Expenditure Program Fund No. 100/54 for engineering and design services for the Dirt Mulholland project.

Fiscal Impact Statement: The CAO reports that a total of $209.44 million in projected over-expenditures are identified in the Mid-Year FSR. Transfers, appropriations, and other budgetary adjustments totaling approximately $322.40 million are recommended in Sections 1 and 2 of said CAO report.

Financial Policies Statement: The CAO reports that the recommendations the report 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 March 3, 2026, your Budget and Finance Committee considered the CAO report, dated February 27, 2026, relative to the Third (Mid-Year) FSR for FY 2025-26. The CAO and representatives of the CAO's Office presented an overview of the Third (Mid-Year) FSR. Representatives of various City departments answered questions from Members of the Committee regarding their respective funding requests. Councilmember Blumenfield introduced a motion, seconded by the Councilmembers Hutt and Yaroslavsky, to include a recommendation for the transfer and appropriation of $680,000 for engineering and design services for the Dirt Mulholland project.

After consideration and having provided an opportunity for public comment, the Committee recommended approval of recommendations contained in said CAO report, as amended to include the recommendation introduced by Councilmember Blumenfield, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

MEMBER	VOTE
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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