

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to the Fiscal Year (FY) 2025-26 Second Quarterly Status Report for the Citywide Leasing Program.

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

AUTHORIZE the Controller to:

- a. Transfer and reprogram \$1,300,000 from the Leasing Fund No. 100/63, Account No. 000024, General Fund Leasing Account to a newly established account within the Capital and Technology Improvement Expenditure Program No. 100/54, titled "Garland Relocation."
- b. Transfer and reprogram \$289,362 from the Leasing Fund No. 100/63, Account No. 000024, General Fund Leasing Account to the General Services Department Fund No. 100/40, Account No. 003040, Contractual Services to fund security services at the Seventh Street Yard.

Fiscal Impact Statement: The Municipal Facilities Committee (MFC) reports that There is no impact to the General Fund for the Citywide Leasing Program. The projected surplus will be used for unfunded costs associated with the relocation of employees from the Garland Building and unanticipated security costs.

Fiscal Policies Statement: The MFC reports that the recommendation contained in the December 18, 2025 MFC report, attached to the Council File, complies with the City's Financial Policies in that, to the extent possible, changes to budget appropriations during the fiscal year shall be limited and subject to the review and approval of the Mayor and Council.

Community Impact Statement: None submitted.

Summary:

On February 3, 2026, your Committee considered a December 11, 2025 MFC report relative to the FY 2025-26 Second Quarterly Status Report for the Citywide Leasing Program. According to the MFC, the Second Quarterly Status report provides an update and overview of the Citywide Leasing Program (Program), which includes unfunded leasing liabilities projected through the end of FY 2025-26 approved by the MFC, and the use of surplus funds to address these liabilities. As detailed in the report, there is a projected year-end surplus of \$2.9 million for the FY 2025-26 Program. The MFC is recommending to fully reprogram the anticipated year-end surplus to address unfunded needs associated with the Garland Relocation and for security services at the Seventh Street Yard. Additional costs are anticipated for staff who were previously assigned to the Garland Building for relocation to their new assigned workspace. After consideration and having provided an opportunity for public comment, the Committee moved to

recommend approval of the recommendation contained in the MFC report, as amended.
This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES

LEE: YES

JURADO: YES

ARL

2/3/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-