

Neighborhood Council Budget Advocates  
Charter Recommendations  
September 13, 2025

## **Current Situation**

Budget is most serious issue facing the City

Public Safety and Infrastructure Being Underfunded

State of Emergency Based on Fiscal Circumstances

\$1 Billion Shortfall

Layoffs

Unbalanced Budget

Reserve Fund

Next Year \$90 Million Shortfall

**Structural Deficit of \$600 million / Labor Agreements**

Deferred Maintenance > \$10 billion

Streets, Sidewalks, Parks, IT, Buildings, LAPD, LAFD

Unfunded Pension Liabilities > \$7 billion

No Money for Capital Projects

LA River, Convention Center, Civic Center, Parks, Clean Water

Lack of Trust and Confidence

## **We support the Controller's Six Recommendations**

Give the Controller an independent budget

Designate the Controller as the City's CFO

Require minimum qualifications for the Controller

Clarify the Controller's audit authority includes performance audits of ALL City programs that are sourced from or use City tax dollars (including those under elected offices)

Allow the Controller to hire outside counsel

Enshrine the Controller's Fraud, Waste, and Abuse function

**We support the recommendations of Rick Cole for bold Systematic Reform**

Chief Operating Officer (City Manager)

Chief Financial Officer

Two-year operating budget

Five-year capital plan

Controller Independence

Civil Service Reform

## **The Neighborhood Council Budget Advocates Recommend Seven Charter Reforms**

The Four-Year General Fund Budget Outlook updated to reflect anticipated raises for City employees.

Develop a two-year budget as recommended by the City Controller.

Conduct open and transparent labor negotiations that require significant outreach to Angelenos before, during, and after the negotiations.

Place a measure on the ballot that would prohibit the City from entering into any labor agreement that would create a current or future deficit. In the short term, pass an ordinance.

Develop a long-term infrastructure plan to address deferred maintenance and future capital expenditures.

Create a robust Reserve Fund that can only be used in declared emergencies, not to balance the budget as is the current procedure.

Establish an Office of Transparency and Accountability to oversee the City's budget and finances in real time as recommended by the LA 2020 Commission.

**Structural Deficit  
CAO Four Year Budget Outlook**

Fiscal Year	2025	2026	2027	2028	2029	2030
Revenue	8,033	8,178	8,403	8,679	9,032	9,400
Increase		145	225	276	353	368
% Increase		1.8%	2.8%	3.3%	4.1%	4.1%
Expenditures		8,178	8,494	8,680	8,794	8,947
% Change		0.0%	3.9%	2.2%	1.3%	
<b>Budget Surplus (Deficit)</b>	-	-	<b>(91)</b>	<b>(1)</b>	<b>238</b>	<b>453</b>
<b>Cumulative</b>			<b>(91)</b>	<b>(92)</b>	<b>146</b>	<b>599</b>

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The Budget Outlook does not contain any raises for City workers unless they are pursuant to an existing labor agreement.

Police contracts	-	37	74	74	74
Civilian contracts	-	-	37	74	74
Firefighter contracts	-	22	35	35	35
Overexpenditures/Litigation	-	-	-	-	-
Revenue Adjustment	-	-	-	-	-
<b>Annual Raises/Adjustments</b>	-	<b>59</b>	<b>146</b>	<b>183</b>	<b>183</b>
Cumulative Raises/Adjustments	-	59	205	388	571
<b>Budget Gap (Shortfall)</b>	-	<b>(151)</b>	<b>(206)</b>	<b>(150)</b>	<b>(118)</b>
<b>Cumulative</b>	-	<b>(151)</b>	<b>(357)</b>	<b>(507)</b>	<b>(625)</b>