

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 28, 2025

CAO File No. 0590-00098-5298

Council File No. 24-0600

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: 2024-25 Budget

Subject: **THIRD (MID-YEAR) FINANCIAL STATUS REPORT**

SUMMARY

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

Half-way through the 2024-25 fiscal year, the City continues to experience overspending, downside risk to revenue, and very limited opportunities to resolve these issues through the use of General Fund reserves. These conditions have caused us to report throughout this year that the City is in a particularly challenging financial position. In our most recent report on these conditions, the Second Financial Status Report that we released on December 6, 2024, we identified:

- Revenues above plan to date, but downside risks to several economically sensitive sources.
- \$296 million in overspending, of which we had identified no potential solutions for \$130 million.
- A Reserve Fund balance of 4.0 percent, which would drop to under 2.0 percent if the City had to use the Reserve Fund to address all overspending.

Since this time, external events have added uncertainty to the City's existing challenges. Most notably, the windstorm and wildfire events that began on January 7, 2025, devastated our Pacific Palisades community and larger Los Angeles region. Taking the necessary steps to respond to and recover from the fires is an urgent and critical priority. As it must, the City continues to dedicate resources to these efforts and continues to assess the impacts. Some of the transactions in this report are directly related to the City's response efforts. While we are tracking and assessing the required resources and evaluating the impacts, including to 2024-25 revenues, we cannot yet definitively quantify the additional resources that our response will require this fiscal year. In addition, recent actions by the federal government have added to our uncertainty. These include executive orders aimed at de-funding established programs and initiatives as well as increasing

enforcement actions against our immigrant communities. In some cases, these actions have been rescinded or legally challenged, making it impossible for the City to predict the magnitude, timing, and likelihood of any impacts.

In the Second FSR, we reported that General Fund revenues were \$54 million above plan through October 2024. With data through January 2025, General Fund revenues are now \$13 million below plan. This shift in revenue position reflects lower receipts across various revenue sources as compared to plan. Moreover, as we further detail in this report, the likelihood that we meet our budgeted revenue has been further diminished. The real question at hand now is by how much will revenue fall short of budget? Among the revenue sources causing concern are transient occupancy, property, and sales tax, which continue to lag behind plan demonstrating signs of slowness in those key sectors. We expect the Palisades wildfire to have a notable impact on City receipts due to a decline in economic activity as well as from the tax relief or deferrals for business, sales, and property tax payments currently being considered by the City and County. Further, we are facing uncertainty as the federal government considers and attempts to implement policies that economists have characterized as inflationary, which could put additional pressures on our economically sensitive revenues.

We have identified \$300.54 million in expenditures above current appropriations. The largest over-expenditures are in Liability Claims due to approved and pending liability payouts and in the Fire Department due to the recently approved fire sworn labor agreement and windstorm and wildfire event response. Other significant over-expenditures are in the Police Department for civilian and sworn salary costs and overtime associated with the windstorm and wildfire response, in Human Resources Benefits for workers' compensation and benefits costs, in General Services for increased fuel and fleet maintenance costs, and in the City Attorney for litigation expense and outside counsel costs.

In this report we recommend \$190.29 million in solutions to partially address the projected overspending of \$300.54 million and identify \$30.23 million in potential future actions to further reduce the remaining year-end overspending to \$80.02 million. The size of the remaining overspending highlights the need for the City to pursue cost control and reduction measures to balance the current-year budget. Departments must absorb or manage remaining overspending 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.

The Reserve Fund balance is \$263.54 million or 3.28 percent of 2024-25 General Fund revenue after accounting for transactions approved since July 1 and the recommendations in this report. If Council approves currently pending Reserve Fund transfers totaling \$5.23 million for various settlements and judgments, the Reserve Fund will drop to 3.22 percent of General Fund revenues. This balance is below the five percent Reserve Fund policy and provides very little buffer before the City would have to use the Emergency Reserve Account, or the first 2.75 percent of the Reserve Fund balance. Solving the remaining overspending using the Reserve Fund would reduce it to 2.22 percent. Due to the significant overspending identified, the downside risk to revenues, and the need to restore the Reserve Fund, we strongly recommend that the City refrain from using the Reserve

Fund for the remainder of the fiscal year for any purpose other than to pay settlements and judgments. Further, the City should make every effort to remain above the Emergency Reserve level.

In this report we also discuss the impacts of the windstorm and wildfire events, actions that we recommend to implement the Council and Mayor's prior instructions related to current year budget balancing, the potential impacts of actions that the federal government is taking, the current status of ongoing employee union negotiations with various bargaining units, and why we now believe that it is not feasible to issue a judgment obligation bond. We will continue to monitor these and any other issues that emerge this fiscal year and recommend additional actions as necessary, including in the Year-End FSR.

Fiscal Impact of the Windstorm and Wildfire Events on the 2024-25 Budget

Nearly two months have passed since the January 7 start of the windstorm and wildfire events that severely impacted the Los Angeles metropolitan area. Within the City of Los Angeles, the impacts have been especially devastating in the Pacific Palisades community. Facing an already particularly challenging financial position, the wildfire events demand urgent, essential, unexpected, and largely unbudgeted new expenditures. Further, the City must make plans to address medium- and long-term recovery and capital needs to return critical services to our rebuilding community. It is beyond the scope of this FSR to present a comprehensive assessment of these costs. That work, however, is currently being conducted by the departments with the required expertise to assess and develop cost estimates and, where feasible, to seek outside funding to support our response and recovery efforts. Our most recent estimates are that the overall cost to the City through February 14, 2025, were \$282 million. The largest portion of this is \$220 million in damage or destruction to structures and equipment managed by the following departments:

- Library - \$55 million
- Recreation and Parks - \$56 million
- Bureau of Street Lighting - \$23 million
- Water and Power - \$76 million
- Bureau of Sanitation - \$10 million

The remaining \$62 million in costs is related to City personnel costs during the field and Emergency Operations Center response with the Fire Department (\$38 million) and Police Department (\$18 million) accounting for the majority of those costs.

In this report we do identify departments that have experienced overspending as a result of the wildfires and recommend transactions to cover at least a portion of those costs. In some cases, while a department's response has generated unbudgeted costs, the department has been able to absorb those costs using existing resources. In other cases, however, when new wildfire-related overspending exceeds our capacity to address within this report or if the funding need was urgent and could not wait to the approval of this report, we have encouraged departments to apply for funding through the General City Purposes, 2025 Wildfire Emergency Response and Recovery Account for immediate assistance. Council established this Account on January 31, 2025, with a

\$50 million loan from the Building and Safety Building Permit Enterprise Fund and instructed this Office to authorize expenditures from the Account for FEMA-reimbursable response and recovery activities. We have begun our work administering this Account and will soon begin presenting monthly expenditure reports to Council, as Council instructed.

In addition to expenditure impacts, the windstorm and wildfire events are also quite likely to place an increased strain on the City's General Fund revenues beginning in 2024-25. We discuss these risks in more detail in the General Fund Revenue Section below. In summary, we have identified downside risk to our property, business, and transient occupancy taxes attributed to the wildfires, as well as other economic uncertainties. We has also identified specific special fund revenues that may be negatively impacted from the wildfires, such as the Street Lighting Assessment Fee and Recreation and Parks and Zoo receipts. It is, unfortunately, too soon to accurately determine the impact that these revenues sources will experience. This Office will report in the Year-End FSR with estimated impacts and, if necessary, will recommend steps to balance the 2024-25 Budget in light of any revenue shortfalls that we report.

Rating Agency Reactions

All rating agencies that review the City's credit have published reactions to the impact that the windstorm and wildfire events have on the City's credit rating. Although unlikely to have an impact on the balancing of the 2024-25 Budget, their analysis makes it clear that they will continue closely monitor how the City manages its current fiscal challenges.

On January 14, 2025, S&P Global Ratings (S&P) downgraded the Los Angeles Department of Water and Power's (LADWP) power system (to "A" from "AA-") and water system (to "AA-" from "AA+") revenue bonds by two notches and placed their ratings on negative credit watch. As described by S&P:

The downgrade on the power system's bonds reflects our view that, although the utility's infrastructure has so far not been implicated as the cause of the ongoing wildfires, the increasing frequency and severity of highly destructive wildfires within LADWP's service territory and recent spread into more urban areas highlights the utility's potential vulnerability to financial liability claims that could eclipse its liquidity and insurance coverage. The downgrade on the water system's bonds reflects our view of heightened potential for litigation, liabilities, and future costs surrounding the adequacy of existing water system assets and emergency preparedness during the ongoing wildfires. As with the power system, we believe these water system exposures have led us to reassess the adequacy of water system liquidity that can act as a resource or buffer for these potential liabilities and costs.

On January 15, 2025, S&P placed the ratings of the City's general obligation bonds and the Municipal Improvement Corporation of Los Angeles (MICLA) lease revenue bonds on negative credit watch stating that this action reflects their view of the City's "weakening financial trends and introduction of additional risk tied to the multiple wildfires" and their belief that the "fires and reports of widespread damage introduced heightened risk of credit deterioration for LADWP, which could pressure the City's finances."

On January 16, 2025, Kroll Bond Rating Agency placed the ratings of the LADWP's bonds and the City's general obligation bonds and the MICLA lease revenue bonds on "watch downgrade" which reflects their views that "the City, acting through LADWP, may have potential exposure to wildfire liability claims" and that the "wildfires have the potential to strain the City's financial position by necessitating an increase in unbudgeted expenditures and reducing available liquidity."

On January 17, 2025, Fitch Ratings (Fitch) placed the ratings of the LADWP bonds and the City's Issuer Default Rating on "rating watch negative." Fitch stated their review of the City will focus "on potential wildfire related liabilities as well as the city's ability to adequately address budgetary imbalance in its mid-year budget review and the development of its fiscal 2026 budget."

On January 22, 2025, Moody's Investor Service (Moody's) revised the rating outlook to "negative" from "stable" on the LADWP bonds and the City's general obligation bonds, MICLA lease revenue bonds, solid waste resources revenue bonds, and the wastewater system revenue bonds. Moody's negative outlook reflects their views that "the risks stemming from the potential liabilities related to the Palisades Fire, which could put financial strain on the government and the ability of its enterprise operations to achieve full cost recovery and maintain affordability."

Negative credit watch means the rating agencies are signaling that a downgrade may occur if the issuer's financial position continues to weaken. The rating agencies, over the next few months, will closely monitor and assess the actions of the City with respect to the response and recovery efforts to the fires, including getting state and federal financial assistance and the cause of the fires. They will also watch how the City manages its overspending in the current budget and its reserve levels. They will assess how the City prioritizes its needs in future budgets and whether the budget solutions are on-going or one-time in nature given the City's current structural imbalance.

If the City is downgraded, it could increase the cost of borrowing, which could either add budgetary pressures from rising debt service payments in the coming years or cause the City to consider reducing its capital spending.

Budget Balancing and Reserves Restoration Plan for 2024-25 and Beyond

Exacerbated by the wildfires, the City continues to face fiscal challenges, as we have previously presented in: the Second FSR, dated December 6, 2024, the First FSR, dated October 25, 2024, and the 2024-25 Budgetary Concerns report, dated September 27, 2024. In those reports, we recognized the threat that overspending and potential revenue shortfalls have on the Reserve Fund. Therefore, the Council and Mayor took a number of actions to help to preserve and ultimately restore the Reserve Fund to at least the five percent policy minimum.

Budget Reduction Proposals

Pursuant to the Council and Mayor's instruction, we have worked with all City departments to develop current year budget reduction proposals in an effort to mitigate overspending in a manner that minimizes the need to use the Reserve Fund. We present our proposals in this FSR with narrative descriptions in the applicable department sections and in Attachment 10, in which we describe potential service impacts. Mostly, our reduction proposals use surpluses that we have

identified. Using these surpluses for budget balancing will restrict departments' ability to expand services or hiring, but it should not cause any further impact on current service levels. In other cases, we have proposed an actual reduction to service levels. In these cases, we propose reductions using the following parameters:

- The reductions will have a limited impact to service levels.
- The reductions are to lower priority services.
- The reductions will only temporarily delay anticipated service expansions.

In summary, we have identified reductions that total \$75.97 million in the following categories:

- Internal Departmental Budget Balancing (\$28.63 million) – Transferring funds from one account to another within a department.
- Citywide Budget Balancing (\$38.63 million) – Transferring a surplus from an account to the Unappropriated Balance, Reserve for Mid-Year Adjustments and to address overspending in another department.
- Restore the Reserve Fund (\$8.70 million) – Reverting prior year encumbrances or surpluses from special funds that have the General Fund as their primary source to the Reserve Fund.

Preserve the Reserve Fund

As we continue to address the various fiscal challenges, a key objective we have established is preserving the Reserve Fund above the 2.75 percent Emergency Reserve level. Toward this goal, this Office has recommended that the use of the Reserve Fund for the remainder of 2024-25 be limited to paying for liability settlements and judgments. Further, to address budget balancing and consistent with prior Council and Mayor instructions, this Office recommends the following order of solutions: 1) the use of the Unappropriated Balance, Departmental Payroll Reconciliation Account (\$69.80), 2) any savings generated by the reduction exercise that we present in this report (\$75.97 million), and 3) as a last resort, the balance of the Budget Stabilization Fund (\$206.05 million).

In this report, we recommend fully exhausting the Departmental Payroll Reconciliation Account and recommend approving all of the budget reductions that we propose. That leaves only the Budget Stabilization Fund and the Council-directed departmental cost control measures described below as current options to address the remaining \$80.02 million in overspending that we project.

Specifically, to minimize the need for the budget balancing solutions above, the Council and Mayor have implemented or continued several cost control measures in an effort to mitigate the need for the use of General Fund reserves, including:

- Instructing departments to absorb overspending.
- Retaining the prioritized critical hiring process.
- Deferring requests for interim budget appropriations and reappropriations of prior year funds.
- Instructing the CAO to review off-budget special funds for budget balancing.

Restore the Reserve Fund

Beyond preserving the Reserve Fund to an amount above the Emergency Reserve level, the Council and Mayor have also issued a number of instructions that could help begin to restore the Reserve Fund back to the five percent threshold. One instruction directed the CAO to report on opportunities to expedite the repayment of outstanding Reserve Fund loans. This Office continues to work with departments and special fund administrators on Reserve Fund loan repayments and expects to have an update by the Year-End FSR. Another instruction directed the CAO with assistance from the City Attorney to pursue the necessary steps to enable the City to issue a judgment obligation bond with the intent of reimbursing the Reserve Fund for transfers made to pay for liability settlements and judgments. As we discuss below, we no longer believe that it is feasible to issue a judgment obligation bond. Thus, the restoration of the Reserve Fund in the current fiscal year is doubtful making the recommendations to preserve it, all that more vital.

Restore Structural Balance

In order to help to address structural budgetary challenges on an ongoing basis, the Council and Mayor have:

- Instructed the CAO and requested the City Attorney to report on strategies to limit future liability and outside counsel spending.
- Committed to evaluating the need for the prioritized critical hiring process in the 2025-26 Budget in the context of restoring the Reserve Fund balance to the five percent policy level.
- Instructed the Bureau of Sanitation and the Bureau of Street Lighting to present options to return solid waste fees and street lighting assessments to reasonable cost recovery. We strongly urge these bureaus to complete the necessary steps to achieve this so that we begin to see progress toward reasonable cost recovery in 2025-26.

In addition to these instructions, the City must take steps to reduce the chance that the challenges that we are facing this year will occur in future fiscal years. Therefore, as part of the 2025-26 Budget development process, this Office will recommend the necessary steps to:

- Restore the Reserve Fund to the five percent policy minimum during 2025-26. Pursuant to Charter Sections 302(b)(4) and (b)(5), if the Reserve Fund falls below the five percent minimum, the City must take steps to restore it in the subsequent fiscal year. If it falls more than one percent below the five percent minimum, the City must attempt to restore at least one percent in each subsequent fiscal year until the Reserve Fund returns to the five percent level.
- Restore any portion of Budget Stabilization Fund used for 2024-25 budget balancing through a multi-year repayment plan beginning with the 2025-26 Budget. This plan will require annual budgetary appropriations to the Budget Stabilization Fund, above what would otherwise be required by the policy, until the full amount used for 2024-25 budget balancing is repaid with interest.
- Reduce the risk that the City faces similar spending challenges in future fiscal years by recommending that the 2025-26 Budget increase appropriations in obligatory accounts that

are regularly underfunded. The most notable, but not the only, of these accounts is the Liability Claims Account.

If followed, these recommendations will make the 2025-26 and future budgets structurally stronger. They will also make it challenging to include funding for new or expanded services in the 2025-26 Budget. In fact, taking these steps will exacerbate what is likely to be an already existing need for cost and potentially service reductions in the 2025-26 Budget.

General Fund Revenue

Attachment 1 – 2024-25 Adopted General Fund Revenue through October

Key Findings/Recommendations

- *The likelihood that the Actual 2024-25 revenues will fall short of budgeted revenues has significantly increased. Actual 2024-25 revenue through January is \$3.7 billion, \$13.0 million below the adopted plan. However, based on trends first identified in the first FSR, revenue may fall short of budget by \$100 million or more. Receipts-to-date represent 45.9 percent of the General Fund revenue budget of \$8.03 billion.*
- *Previously reported downside risks to property, sales and transient occupancy tax revenue align with a combined \$50.5 million shortfall in these receipts to date. This risk is compounded by the January wildfires, adding further strain to these economically sensitive revenues.*
- *Other notable shortfalls include natural gas users tax and franchise fees which are \$4.3 million and \$11.1 million below planned receipts, respectively. Parking citation revenue is also \$1.9 million below plan.*
- *At this time, it is too soon to determine the potential impact of immigration actions, tariffs, boycotts, federal funding cuts and government layoffs to economically sensitive revenues.*
- *Except for documentary transfer tax, which currently exceeds projections by \$6.5 million, other offsetting surpluses in other receipts do not necessarily indicate a positive trend that would offset year-end shortfalls in economically sensitive revenues.*

2024-25 Adopted Revenue

General Fund revenue trends remain consistent with previous reports with economically sensitive receipts showing little to no sign of the anticipated recovery from Federal Reserve rate cuts. The Federal Reserve has signaled delays in further reductions due to uncertainties surrounding the economic impact of federal immigration policies, tariffs, funding cuts, and government layoffs, and reported consumer confidence has declined in reaction. Consequently, economists now predict

higher inflation and interest rates according to the consensus outlook reported by the Wall Street Journal.

The Palisades wildfire is anticipated to have a notable impact on City receipts; although this is not yet reflected in current receipts. The UCLA Anderson Forecast estimates regional property and capital losses from both fires to be between \$95 billion and \$164 billion with insured losses projected at \$75 billion. The wildfires are expected to cause a 0.48 percent decline in county-level GDP for 2025, or \$4.6 billion in reduced economic activity. Local businesses and employees in affected areas may face a combined wage loss of \$297 million and housing-market affordability is likely to worsen, both of which may potentially reduce consumer spending. Tax relief measures for individuals and businesses impacted by the wildfires will further reduce and delay property, sales, and business tax receipts.

Transient occupancy tax, which is already struggling to return to pre-pandemic levels with the slow recovery in Chinese tourism, may see further shortfalls from international disputes that lead to trade and tourism boycotts. The U.S. Travel Association estimates that a 10 percent decline in Canadian tourism in response to U.S. trade policy and statements could result in a nationwide economic loss of \$2.1 billion, with California among the top five most affected states.

On the positive side, documentary transfer tax has improved after multiple years of declining receipts under higher interest rates. Rising tax receipts are driven by higher revenue per deed rather than increased transaction volume. However, a stall in sales or an extended delay in anticipated Federal Reserve rate cuts may also slow this recovery. Taken together, the macro economic environment and our regional challenges will make achieving our budgeted revenue amounts almost impossible. While we currently are only \$13 million below our revenue plan, based on trends first identified in the first FSR and incorporating the potential impacts from the wildfires, the City's revenues may fall short by \$100 million or more. This Office will present a revised revenue estimate for 2024-25 concurrent with the submission of the Mayor's Proposed Budget for 2025-26.

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

(See Table 1 on the next page)

Table 1
2024-25 General Fund Revenue and Variance through January
(Million Dollars)

	Adopted Budget	Monthly Plan	Monthly Receipts	Receipts as % of Budget	Variance
Property Tax	\$2,770.4	\$1,472.9	\$1,461.0	3.9%	(\$11.9)
Property Tax Ex-CRA Inc.	142.6	48.7	52.5	0.0%	3.8
Department receipts	1,421.4	632.6	641.4	25.3%	8.8
Business Tax	837.1	154.2	167.8	8.8%	13.5
Sales Tax	691.0	404.2	379.6	31.9%	(24.6)
Utility Users Tax	685.1	406.2	406.0	33.7%	(0.2)
Transient Occupancy Tax	342.8	196.2	182.2	31.9%	(13.9)
Power Revenue Transfer	227.5	-	-	0.0%	-
Grant Receipts	224.6	3.7	15.7	3.2%	12.0
Documentary Transfer Tax	168.8	103.1	109.5	36.3%	6.5
Franchise Income	147.5	68.4	59.8	24.2%	(8.5)
Parking Occupancy Tax	134.6	78.9	85.7	38.3%	6.8
Parking Fines	110.0	64.5	62.6	33.5%	(1.9)
Special Parking Revenue Transfer	24.6	-	-	0.0%	-
Tobacco Settlement	10.7	-	-	0.0%	-
State Motor Vehicle License Fees	4.8	4.8	6.1	0.0%	1.3
Residential Development Tax	4.7	2.7	2.0	22.8%	(0.7)
Interest Income	84.5	58.3	54.5	58.0%	(3.8)
Total General Fund	\$8,032.6	\$3,699.5	\$3,686.5	45.9%	(\$13.0)

Property taxes: Net property tax receipts through January are \$11.9 million below plan partly due to a higher-than-estimated remittance for May 2024 in the prior fiscal year. Secured receipts are \$14.0 million lower, with an additional \$3.4 million shortfall in vehicle license fee replacement and other receipts. Offsetting these shortfalls are higher unsecured, supplemental, redemption, and adjusted receipts totaling \$5.5 million. There is additional downside risk due to anticipated reassessments of properties damaged by the wildfires as well as a 12-month extension of property tax relief for wildfire-impacted zip codes. The shortfall has increased to \$34.7 million with February receipts.

Department receipts: Departmental receipts through January, which include licenses, permits, fees, fines, and various reimbursements, total \$641.4 million, which is \$8.8 million above the adopted plan. With approximately \$13.7 million in new appropriations pending, however, net departmental receipts remain below plan.

Notable variations above planned receipts include emergency ambulance billing, which exceeded expectations by \$36.0 million primarily due to the receipt of prior-year funds from the Quality Assurance Program, which concluded in 2022. Fees and other miscellaneous revenues were also above plan, totaling a net increase of \$9.2 million largely due to state mandate police claims (\$9.8 million), General Services Department construction project receipts (\$5.1 million), Finance collection services (\$1.5 million), and a legal settlement (\$1.6 million). These gains were partially offset by delays in the Fire Department's excessive false alarm program implementation (\$1.7 million), police excessive false alarm fees (\$1.3 million), Bureau of Contract Administration special excavation fees (\$1.7 million), Bureau of Engineering U-permits (\$1.3 million), and municipal court fines (\$1.5 million).

Conversely, negative variances include delayed remittances for related costs and other reimbursements (\$11.6 million) and pending approval of reimbursements for MTA transit security services (\$30.5 million). Year-end departmental receipts may also be vulnerable to shortfalls if vacancies or changes to the cost allocation plan rates reduce budgeted reimbursements.

Business tax: Business tax receipts are \$13.5 million above plan. A surplus of \$18.8 million from non-cannabis-related business activities offsets a \$5.3 million shortfall in cannabis receipts. While this amount includes the first month of the 2025 business tax renewal period, as the bulk of renewal receipts are recorded in February and March, it is too early to forecast year-end results with certainty. Downside risks include the previous fiscal year's shortfall from revised receipts (\$41.6 million), state legislation effective January 2025 that will reduce cannabis-related taxes, and tax relief measures in response to the wildfires, which extend the filing deadline to April and waive taxes for impacted businesses.

Sales tax: Sales tax receipts are \$24.6 million below planned levels through January. Sales tax is one of the City's most economically sensitive revenues, and downside risks persist due to rising unemployment, slow economic recovery following the Federal Reserve's rate cuts, and additional uncertainties from immigration actions, tariffs, federal funding reductions, government layoffs, and the economic impact of the wildfires. Additionally, tax relief measures in response to the wildfires have extended quarterly payment deadlines by one quarter to April, with further extensions available upon request.

Utility users tax (UUT): Adjusted total receipts through January are near plan. Gas users tax is \$4.1 million below plan while surplus electricity and communication users taxes receipts of \$2.9 million and \$1.0 million respectively partially offset the shortfall.

Transient occupancy tax (TOT): TOT receipts are \$13.9 million below budget, following a \$14.3 million shortfall from the revised 2023-24 estimate. January receipts from hotel and short-term rental activity were \$12.1 million and \$1.9 million below plan, respectively. TOT revenue has yet to return to pre-pandemic levels and remains 1.0 percent below prior-year receipts to date. A lagging recovery in Chinese tourism, California's third-largest international tourism market, has been cited as a key factor in the shortfall. Additionally, the impact of the January wildfires along with political and trade disputes discouraging international travel, pose further risks to current and future TOT receipts. The U.S. Travel Association estimates that Canadian tourism, California's

second-largest international market, may decline by 10 percent, equating to a 1.3 percent reduction in Canadian visitor spending in the state.

Power Revenue Transfer: Following the adoption of the 2024-25 budget, the Department of Water and Power Board increased its Power Revenue Transfer estimate by \$0.5 million, from \$227.5 million to \$228.0 million. The actual transfer amount based on the audit of 2023-24 financial data, however, is \$219.3 million, or \$8.2 million below the General Fund's adopted budget.

Documentary transfer tax: Receipts through January are \$6.5 million above projections, driven by increasing revenue per deed. Recent reports of declining real estate sales and prices as well as delays in Federal Reserve rate cuts could slow the recovery of this revenue source.

Franchise income: Net franchise receipts through January are \$8.5 million below plan. The shortfall in natural gas franchise income, reported as \$7.7 million in October due to reductions in gross receipts from the California Climate Credit, has since increased to \$11.1 million due to lower winter demand and decreased fuel prices. Offsetting these losses are surplus receipts in solid waste franchise income (\$1.1 million), cable television franchise income (\$1.0 million), and official police garage franchise income (\$0.5 million).

Parking occupancy tax: Parking occupancy tax receipts are \$6.8 million above plan and \$5.3 million higher than LATax receipts through January. This revenue source is subject to large monthly fluctuations.

Parking fines: Parking fine revenue through January is \$1.9 million below plan with average revenue per issued ticket decreasing.

Grant receipts: Grant revenue through January totals \$15.7 million exceeding budget projections by approximately \$12.0 million. This surplus is driven by increased and prior-year direct and related cost reimbursements for Public Works and other departments (\$7.0 million) and an additional \$5.0 million in state grants allocated for the San Fernando Valley LA River Way project. The total grant budget also includes \$208.2 million in FEMA reimbursements for COVID-19 response efforts. The timing of these reimbursements remains uncertain, with a risk of delays pushing receipts into the next fiscal year.

Expenditures

Key Findings/Recommendations

- *This Office has identified \$300.54 million in projected overspending and unfunded items across various departments and funds. This is a \$4.40 million increase from the First FSR due primarily to the inclusion of the costs associated with the windstorm and wildfire response and increased liability claims costs.*
- *The recommendations in this FSR address \$190.29 million of this overspending leaving \$110.25 million to be addressed. This Office has identified potential future actions that would offset an additional \$30.23 million, reducing year-end overspending to \$80.02 million.*

Based on expenditure data through the end of December 2024 and the inclusion of the costs associated with the windstorm and wildfire response and increased liability claims costs, this Office has identified \$300.54 million in projected overspending and unfunded items across various departments and funds. This amount is largely due to overspending in the City Attorney (\$13.62 million), Fire (\$97.98 million), General Services (\$14.83 million), and Police (\$25.76 million) departments, the Cannabis Regulation Trust Fund (\$10.00 million), Human Resources Benefits (\$20.49 million), and in the Liability Claims Account (\$95.17 million).

In Table 2 we provide the year-end overspending amounts, the changes in these amounts since the Second FSR, and explain the primary causes for the overspending and the reasons for any changes. We provide additional detail on the overspending by department or non-department in the Discussion section of this report.

Table 2. Second FSR Projected Overspending/Unfunded Expenditures (in Millions)				
Departmental and Non-Departmental Overspending				
Department	Second FSR	Change	Mid-Year FSR	Reason
Aging	\$ 0.03	\$ (0.03)	\$ -	Overspending resolved through actions and additional savings since the Second FSR.
Animal Services	-	0.28	0.28	Overspending is due to a pending fine from the California Division of Occupational Safety and Health and the response to the windstorm and wildfire events.
City Administrative Officer	0.18	(0.18)	-	Overspending resolved through unanticipated staff attrition and delays in filling vacant positions.
City Attorney	25.41	(11.79)	13.62	Overspending is based on year-to-date and prior-year expenditure trends for litigation expenses and outside counsel costs. Overspending decrease is due to recommendations in the First FSR.
Controller	1.59	0.21	1.80	Overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year, spending above its salary savings rate in light of low staff vacancies, and overtime use. Increased overspending is due to projected growth in overtime use.

(Table 2 continued on the next page)

Departmental and Non-Departmental Overspending				
Department	Second FSR	Change	Mid-Year FSR	Reason
Emergency Management	-	0.08	0.08	Overspending is due to increased salaries and overtime costs in response to the windstorm and wildfire events.
Finance	1.33	0.44	1.77	Overspending is primarily due to contracting costs, LATAX data storage and software license renewal costs, and costs associated with the civilian labor agreements. Overspending increase is due to unbudgeted contractual obligations related to the LATAX replacement project.
Fire	36.68	61.30	97.98	Overspending is primarily due to unbudgetd costs associated with the impact of new sworn labor agreements and with the response to the windstorm and wildfire events. Increase reflects that neither of these costs were included in previous projections.
Fire Sworn Labor Agreement	53.40	(53.40)	-	Costs associated with the Fire's sworn labor agreements have been included in the Fire Department projections.
General Services	11.49	3.34	14.83	Overspending is primarily due to increased petroleum and fleet maintenance costs. Increased overspending is largely due to increased petroleum cost projections and the recognition of bonus costs associated with the civilian labor agreements.
Personnel	0.48	(0.48)	-	Overspending resolved through increased attrition and the incorporation of proposed reductions in the Contractual Services Account.
Police	19.65	6.11	25.76	Overspending is primarily due to salary costs associated with civilian and sworn labor agreements and increased use of sworn overtime. Increased overspending is associated with the sworn overtime in response to the windstorm and wildfire events.
Bureau of Sanitation	0.68	0.51	1.19	Overspending is primarily due the costs of responding to the windstorm and wildfire events and cost associated with the Livability Division's occupying a new space.

(Table 2 continued on the next page)

Departmental and Non-Departmental Overspending				
Department	Second FSR	Change	Mid-Year FSR	Reason
Transportation	13.95	(6.32)	7.63	Overspending is primarily due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year, increased staff overtime in light of full-time vacancies, and unbudgeted contract costs. Decreased overspending is primarily due to shifting spending to eligible special funds, actions taken in the Second FSR, and limitations on overtime use.
Non-Departmental				
Repair and Demolition Fund	0.98	(0.22)	0.76	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. Reduction is the result the availability of of additional spending data.
Cannabis Regulation Trust Fund	-	10.00	10.00	State determination of ineligible expenditures from the California Local Jurisdiction Assistance Grant.
Sanitation - Solid Waste Revenue Fund	7.00	(3.50)	3.50	Since the Solid Waste Revenue Fund is fully subsidized by the General Fund, overspending that cannot be resolved must be paid by the General Fund. Reduction is the result the availability of of additional spending data.
Human Resources Benefits	10.03	10.46	20.49	Overspending is due to higher benefits and premium costs and higher workers' compensation benefit payments than assumed in the budget. Increased overspending is largely due to newly projected workers' compensation overspending.
Leasing	1.24	0.81	2.05	Overspending, and the increase in overspending, is due to increased costs associated with newly approved unfunded leases for 2024-25.
Liability Claims	112.02	(16.85)	95.17	Overspending is due to approved and pending liability payouts from the General Fund and Solid Waste Resources Revenue Fund.
Water and Electricity	-	3.63	3.63	Overspending is primarily due to increased use of water and electricity by City departments and electricity costs associated with street lights.
Total Year-End Overspending	\$296.14	\$ 4.40	\$ 300.54	

Current Year Budget Balancing

As we will illustrate in Table 3 below, the recommendations in this report would reduce the year-end overspending by \$190.29 million from \$300.54 million to \$110.25 million. The largest portion of this reduction is from \$174.58 million in transfers from the Unappropriated Balance, Reserve for Mid-Year Adjustments. This Office has identified potential future actions totaling \$30.23 million,

which could further reduce the remaining year-end overspending to \$80.23 million. The remaining \$80.02 million in overspending poses a challenge insofar as the City cannot rely on the Reserve Fund as a potential solution. Therefore, Departments must continue to absorb or manage remaining overspending within their existing funds and retain projected surpluses to the greatest extent possible.

Table 3. 2024-25 Budget Balancing Solutions		
Mid-Year FSR Overspending	\$ (300.54)	
Mid-Year FSR Recommendations		
UB - Reserve for Mid-Year Adjustments	\$ 9.13	Transfer to the City Attorney to address Salaries General, Bar Dues, Litigation Expenses, and Outside Counsel overspending.
UB - Reserve for Mid-Year Adjustments	1.80	Transfer to the Controller to address Overtime General and Salaries General overspending.
UB - Reserve for Mid-Year Adjustments	0.08	Transfer to the Emergency Management Department to address Salaries General overspending.
UB - Reserve for Mid-Year Adjustments	1.74	Transfer to the Office of Finance to address Contractual Services, Salaries General, and Office and Administrative overspending.
UB - Fire Positions Reserve Account	0.07	Transfer to the Fire Department to partially address Salaries General overspending.
Medi-Cal Intergovernmental Transfer	5.60	Transfer receipts to the Fire Department to partially address Sworn Salaries overspending.
UB - Public Provider Ground Emergency Medical Transport Intergovernmental Transport	7.20	Transfer to the Fire Department for the payment of the quarterly invoice for the PP-GEMT-IGT Program.
UB - Reserve for Mid-Year Adjustments	68.42	Transfer to the Fire Department to partially address overspending across multiple accounts.
UB - Reserve for Mid-Year Adjustments	7.57	Transfer to the General Services Department to address Petroleum, Utilities Expense Private Company, Field Equipment and Expense, and Overtime General overspending.
UB - Reserve for Mid-Year Adjustments	8.50	Transfer to Human Resources Benefits for Workers' Compensation overspending.
UB - Reserve for Mid-Year Adjustments	57.18	Transfer to Liability Claims for General Fund and Solid Waste Resources Revenue Fund overspending.

(Table 3 continued on the next page)

Mid-Year FSR Recommendations		
UB - Reserve for Mid-Year Adjustments	14.00	Transfer to the Police Department to partially address Sworn Overtime overspending.
UB - Reserve for Mid-Year Adjustments	5.04	Transfer to the Bureau of Sanitation to partially address Overtime, Contractual Services, and Expense and Equipment overspending in the General Fund, the Solid Waste Resources Revenue Fund, and the Stormwater Pollution Abatement Fund.
UB - Reserve for Mid-Year Adjustments	1.57	Transfer to Transportation for As-Needed Salaries overspending.
Disencumbrance and Reappropriation of Prior-Year Funds	0.71	Disencumber and reappropriate prior-year funds to offset overspending in the Leasing Account.
Capital Program - Surplus Accounts	0.70	Transfer available funding from surplus accounts within the Municipal Facilities budget to offset overspending in the Leasing Account.
Gas Tax Funding Swap	0.98	Transfer available funding from surplus Bureau of Street Lighting and Bureau of Engineering accounts within Gas Tax to offset overspending in Water and Electricity.
Subtotal	\$ 190.29	
Potential Future Actions		
Reserve Fund	5.23	Transfers to the Liability Claims Fund to partially address liability payout overspending for cases previously identified as eligible for judgment obligation bond .
GCP - 2025 Wildfire Emergency Response and Recovery Account	25.00	Potential transfers to departments with overspending projected in this FSR that is the result of FEMA-eligible activities (primarily overtime,) in response to the windstorm and wildfire events.
Subtotal	\$ 30.23	
Year-End Overspending	\$ (80.02)	

City Reserves

Key Findings/Recommendations

- *After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$263.54 million, which represents 3.28 percent of the General Fund budget, which is below the five percent Reserve Fund Policy.*
- *The previously approved transfer to partially cover liability claims overspending exhausted the Unappropriated Balance Reserve for Mid-Year Adjustments account. The recommendations in this report will increase funding through transfers from the Reserve Fund and savings from other departments and funds and fully expend the funds for transfers to address overspending.*
- *In addition to the approved transactions to address liability claims, the City Attorney identified \$5.23 million in proposed transfers from the Reserve Fund for settlements and judgments that are pending Council approval. If approved, the transfers would reduce the Reserve Fund balance to 3.22 percent.*
- *If the City is not able to identify other solutions to address approximately \$80 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 the 2.75 percent Emergency Reserve level, which requires the City Council to make a finding of urgent economic necessity.*
- *If 2024-25 revenues fall short of budgeted amounts, absent further reductions to appropriations, the City will need to rely on the Reserve Fund to close out the fiscal year, and also dropping the Reserve Fund below the 2.75 percent Emergency Reserve level. The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City's reserves total \$469.59 million or 5.85 percent of the total 2024-25 General Fund revenue.*

Reserves	Balance (In Millions)	%	Purpose
UB, 2024-25 Reserve for Mid-Year Adjustments account	\$ 0.00	0.00%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	263.54	3.28%	Preserved for the most critical needs and matters of urgent economic necessity; not to be used for ongoing expenses.
Budget Stabilization Fund	206.05	2.57%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 469.59	5.85%	

Unappropriated Balance, Reserve for Mid-Year Adjustments

The 2024-25 Adopted Budget includes \$59.38 million in the Unappropriated Balance (UB) Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. In September 2024, Council and Mayor approved a transfer of the entire \$59.38 million to the Liability Claims Account. This action exhausted the full balance of the UB Reserve for Mid-Year Adjustments Account.

This report includes recommendations to increase funding in this account by \$174.58 million through transfers from the Reserve Fund (\$66.15 million), UB Department Payroll Reconciliation Account (\$69.80 million), and savings from other departments and funds for Citywide budget balancing (\$38.63 million). In addition, this report includes transfers totaling \$174.58 million from this account to the City Attorney (\$9.13 million), Controller (\$1.80 million), Emergency Management (\$0.08 million), Finance (\$1.74 million), Fire, (\$68.42 million), General Services (\$7.57 million), Police (\$14 million), Sanitation (\$5.04 million), Transportation (\$1.57 million), Human Resources Benefits (\$8.05 million), and Liability Claims (\$57.18 million). These actions exhaust the transferred balance in the UB Reserve for Mid-Year Adjustments Account.

**Reserve Fund
Recommendation No. 5
Attachment 2 – Current Status of Reserve Fund**

After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$263.54 million, which consists of \$220.91 million in the Emergency Reserve and \$42.63 million in the Contingency Reserve. This balance represents 3.28 percent of the General Fund budget, which is below the five percent Reserve Fund policy.

The Reserve Fund balance of \$263.54 million reflects a net reduction of approximately \$67.04 million from the July 1, 2024 balance of \$330.58 million. Among the transactions approved since

the Second FSR and contributing to the net reduction are transfers totaling \$10.18 million to address various liability claims.

The 3.28 percent Reserve Fund balance assumes that the Mayor and Council approve the recommendation in this report to transfer \$66.15 million from the Reserve Fund to the UB Reserve for Mid-Year Adjustments Account to address overspending and unfunded expenditures. This reduction to the Reserve Fund is partially offset by recommendations in this report to restore the Reserve Fund through reversion of prior year encumbrances and transfers of special fund surpluses that count the General Fund as their primary source.

In addition to approved transactions accounted for in this report, the City Attorney identified an additional \$5.23 million in proposed transfers from the Reserve Fund for settlements and judgments that are pending Council approval. If approved, the Reserve Fund balance would be reduced to 3.22 percent of the General Fund budget.

This report presents further current year anticipated overspending of \$80.02 million that may require the use of the Reserve Fund if the City is not able to identify other solutions. The use of the Reserve Fund to cover the additional overspending would reduce the Reserve Fund balance to \$178.29 million, which is 2.22 percent of the General Fund budget and below the Emergency Reserve Account level.

In order to make a transfer that results in the Reserve Fund dropping below the 2.75 percent Emergency Reserve level, the City Council must make a finding of *urgent economic necessity* concurrent with the transfer. A finding of *urgent economic necessity* is different from a declaration of fiscal emergency. The basis for such a finding includes, but is not limited to, a significant economic downturn after the adoption of the budget, a natural disaster, or another significant unanticipated event requiring the use of the General Fund.

In order to prevent this from occurring, in this report this Office recommends against using the Reserve Fund for any purpose other than to pay the settlements and judgments in cases that we previously were considering for a judgment obligation bond and are currently pending Council approval.

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 and the critical importance to retain the full Emergency Reserve Account, this Office recommends the City continue to take steps to protect and restore the Reserve Fund to the five percent minimum policy. In this report, we both described the steps that the City has already taken to support the restoration of the Reserve Fund and recommend additional actions to support these efforts.

Budget Stabilization Fund Recommendation No. 6

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 current balance in the BSF is \$206.05 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 2025-26 Budget is 4.1 percent.

Including the UB Reserve for Mid-Year Adjustments Account, the Reserve Fund, and the Budget Stabilization Fund, the City's total reserves is 5.85 percent of the 2024-25 General Fund revenue, which reflects a decrease from the previously reported 6.54 percent.

This Office recommends the following action at this time:

- Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2025-26 Budget of 4.1 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 and risks associated with the federal budget.*

Employee Union Negotiations

On November 5, 2024, the City Council approved the agreement with the United Firefighters of Los Angeles City (MOU 23). The costs from this agreement are incorporated into the Fire Department section of this report. On December 3, 2024, the City Council approved MOUs 26 and 66, which the Harbor Department and Department of Recreation and Parks, respectively, will fully absorb within their budgeted funds. On February 7, 2025, the City Council approved the agreement with the Municipal Construction Inspectors Association (MOU 05). To the extent possible, we have incorporated the cost impacts of this agreement in the relevant departmental sections and will fully incorporate those costs, and any necessary transactions to address them, in the projections that we present in the Year-End FSR. This Office is still negotiating a successor agreement with the Los Angeles Fire Department Chief Officers' Association (MOU 22). The projections in this report

do not include costs associated with these agreements. This Office will report in future FSRs with recommendations to address 2024-25 overspending associated with agreements, should it occur.

Federal Budget Risks

Another major fiscal risk to the City are the recent actions by the Trump Administration and the pending federal budget. Over 77 grant funding opportunities have been canceled, seven (7) of which are grants City departments have received in the past. In addition, 27 grant programs have been postponed, including the U.S. Department of Interior's WaterSMART grant program, impacting (5) grant applications submitted by LADWP and LASAN. Federal grant guidance has been amended to require that all applicants be in compliance with the recent Presidential Executive Orders, including not operating programs that promote "diversity, equity, and inclusion" or "gender ideology." Moreover, the FY 2025 federal budget has to be adopted prior to the Continuing Resolution March 14, 2025 deadline to avoid a government shut-down. We anticipate major cuts to federal departments and programs as the Administration prioritizes funding increases for border enforcement and defense.

Judgment Obligation Bonds Recommendation No. 7

In the First FSR, the City Council instructed this Office and the City Attorney to pursue the necessary steps to enable the City to issue a judgment obligation bond (JOB), with the intent of reimbursing the Reserve Fund for transfers made from the Reserve Fund to pay for liability costs incurred in 2024-25. JOBs are generally considered a financing tool that should only be used sparingly in extraordinary circumstances. This Office recommended that a JOB be initiated given that the City had an extraordinary amount of liability claims payouts and had fully exhausted its Liability Claims Account, had drawn from the City's General Fund reserves to pay judgments and settlements, and would be required to pay any remaining liability costs in the fiscal year from the Reserve Fund.

The targeted JOB issuance size was \$80 million, which is the amount that would replenish the Reserve Fund by approximately one percent. As previously reported, the annual debt service payments associated with an \$80 million JOB issuance was projected to be approximately \$9.3 million over 10 years, with total interest of approximately \$20.7 million over the life of the bonds.

To date, Council has approved two reimbursement resolutions authorizing the City to reimburse the Reserve Fund with JOB proceeds for expenditures incurred in connection with certain judgment and settlement payments, which payments, if approved by Council, would amount to approximately \$18.3 million (C.F. 24-1539 and 24-1539-S1). Based on the list of remaining known pending cases and payment amounts that are not covered by the two aforementioned resolutions that fit the JOB criteria, the targeted bond issuance amount is no longer expected to be reached this fiscal year.

The number of anticipated JOB cases and payment amounts have dropped as additional information on cases has emerged, which have rendered certain cases ineligible for a JOB (e.g., non-tort cases, Council rejecting proposed settlement, payments spread out over multiple years). As a result, the remaining JOB eligible cases are expected to be significantly lower than the

targeted amount. The lower expected size of the issuance would not warrant the costs of issuance – for underwriting, municipal advisors, rating agencies, and legal services, among others – associated with bonds, especially JOBs, which typically have higher outside counsel fees.

In addition, as reported in the Second FSR, a JOB issuance cannot be executed in the current fiscal year due to a lengthier than expected court validation process. As a result, a JOB will not have the desired benefit of restoring the Reserve Fund in the current fiscal year. Insofar as a JOB is no longer expected to have the intended benefit of replenishing the Reserve Fund in the current fiscal year by the targeted amount, this Office no longer recommends proceeding with a JOB issuance. Unless instructed otherwise, this report concludes all work associated with the previously proposed JOB.

Budgetary Adjustments

Budgetary adjustments totaling \$91.80 million are recommended in Sections 1, 2, and 4 of this report which include:

1. \$3.94 million in new appropriations;
2. \$22.42 million for transfers between accounts within various departments and funds;
3. \$59.79 million for transfers between various departments and funds;
4. \$245.16 million in appropriations from the Unappropriated Balance;
5. \$31.35 million in disencumbrances and reappropriations
6. \$39.09 million in other appropriation adjustments

Attachments

- 1 2024-25 Adopted General Fund Revenue through January
- 2 Current Status of Reserve Fund
- 3 New Appropriations
- 4 Transfers between Accounts within Departments and Funds
- 5 Transfers between Departments and Funds
- 6 Appropriations from the Unappropriated Balance
- 7A Status of the Unappropriated Balance-General Account
- 7B Status of the Unappropriated Balance-Reserve for Mid-Year Adjustments
- 7C Status of the Unappropriated Balance-non-General Account
- 8 Status of Liability Claims Account

- 9 Employment Level Report
- 10 Budget Balancing Proposal

RECOMMENDATIONS

(Refer to Discussion Sections 1, 2, and 4)

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

1. Appropriate \$3,936,255.93 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$22,422,139.91 between accounts within various departments and funds as specified in Attachment 4;
3. Transfer \$59,791,656.28 between various department and funds as specified in Attachment 5;

4. Transfer \$245,157,017.00 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;
5. Transfer \$66,145,792 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58, Account 580196, Reserve for Mid-Year Adjustments.

Budget Stabilization Fund

6. Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2025-26 Budget of 4.1 percent.

Judgment Obligation Bond

7. Amend the recommendations in the Council Files listed below to rescind the previous actions to transfer as a Reserve Fund loan or advance to be repaid by proceeds of a judgment obligation bond issuance. Authorize the Controller to transfer the amounts approved from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the Liability Claims account as approved.

Council File	Council Approval	Amount
24-1231	11/20/2024	\$ 175,000.00
24-1234	11/20/2024	250,000.00
24-1235	11/20/2024	137,500.00
24-1237	11/20/2024	175,000.00
24-1238	11/20/2024	425,000.00
24-1239	11/20/2024	800,000.00
24-1240	11/20/2024	150,000.00
24-1241	11/20/2024	395,000.00
24-1242	11/20/2024	430,000.00
24-1248	11/20/2024	3,000,000.00
24-1249	11/20/2024	875,000.00
24-1250	11/20/2024	540,000.00
24-1310	11/20/2024	200,000.00
24-1304	12/13/2024	1,500,000.00
24-1307	12/13/2024	475,000.00
24-1293	1/7/2025	158,000.00
24-1296	1/7/2025	215,000.00
24-1298	1/7/2025	125,000.00
24-1299	1/7/2025	145,000.00
24-1300	1/7/2025	200,000.00
24-1302	1/7/2025	300,000.00
24-1294	1/14/2025	1,000,000.00

(Table continued on the next page)

Council File	Council Approval	Amount
24-1301	1/14/2025	250,000.00
24-1305	1/14/2025	200,000.00
24-1306	1/14/2025	350,000.00
24-0620	1/28/2025	200,000.00
24-1390	1/28/2025	140,000.00
24-1391	1/28/2025	175,000.00
24-1504	1/28/2025	1,400,000.00
24-1512	1/28/2025	340,000.00
24-1514	1/28/2025	500,000.00
25-0018	1/28/2025	275,000.00
25-0021	1/28/2025	125,000.00
25-0027	1/28/2025	236,373.70
24-0613	2/25/2025	190,000.00
24-1392	2/25/2025	200,000.00
24-1510	2/25/2025	300,000.00
24-1517	2/25/2025	550,000.00
24-1518	2/25/2025	200,000.00
24-1519	2/25/2025	250,000.00
25-0016	2/25/2025	185,000.00
	Total	\$17,736,873.70

Aging

8. Authorize the Controller to:
 - a. Disencumber up to \$3,393,504.60 from the 2023-24 encumbered balances within the Department of Aging Fund No. 100/02, Account No. 003040, Contractual Services Account from the following contracts:
 - i. C-145422M-3 (Everytable, PBC): \$451,544.60
 - ii. C-145222M-3 (Meg, Mettle & Moxie Inc dba Made by Meg): \$442,086
 - iii. C-145224M-3 (Noyon Inc. dba Sushi Koo): \$784,142
 - iv. C-145223M-3 (Revolution Foods PBC dba Revolution Foods, Inc): \$1,715,733; and
 - b. Process an early reversion in the amount up to \$3,393,504.60 to the Reserve Fund No. 101/62 to restore the Reserve Fund.

Building and Safety

9. Authorize the Controller to reduce appropriations in the amount of \$405,439.34 within the Repair and Demolition Fund No. 346/08, Account No. 08610Y, Oceanwide Plaza, as the funding is no longer required.

Cannabis Regulation

10. Authorize the Controller to reduce appropriations in the amount of \$1,254,783.38 within the Department of Cannabis Regulation Special Revenue Trust Fund No. 60E, Account No. 13W306, 2023 Cannabis Equity Grant Account, to reflect actual appropriations to and expenditures from the Fund. The Department completed additional reconciliation of expenditures for fee waivers supported by grant funding. The above action will ensure appropriations are aligned with available cash in the Fund.

City Administrative Officer

11. Rescind Recommendation No. 11 included in the First Financial Status Report of 2024-25, C.F. 24-0600-S111, to appropriate the available cash balance, up to \$4,804 within the American Rescue Plan Act Fund, No. 64M, to City Administrative Officer Fund No. 100/10, Account 003040, Contractual Services, to fund the 2024-25 costs for ARPA administration consultant support.
12. Authorize the Controller to transfer \$8,228.43 from the available cash balance accrued from interest income within the COVID-19 Federal Relief Fund No. 63M to the Reserve Fund No. 101/62 as part of the closeout of the COVID-19 Federal Relief Fund.
13. Authorize the Controller to transfer up to \$1,276,926.43 in available cash within the Innovation Fund No. 105/10 to the Reserve Fund No. 101/62 to restore the Reserve Fund.

City Planning

14. Instruct Department of City Planning to identify potential savings and available balances in the Planning Case Processing Special Fund No. 52D and the Planning Long-Range Planning Special Fund No. 52F to ensure that they are able to pay the full budgeted reimbursement of related costs to the General Fund despite projected revenue shortfalls in both of these special funds.

Community Investment for Families

15. Authorize the Controller to reduce 2022-23 appropriations in the amount of \$1,546,880 within the CIFD Miscellaneous Grants and Awards Fund No. 65G/21, Account No. 21W241, California Kids Investment and Development Savings (CaKIDS) Children's Savings Account Program Outreach, inasmuch as the funds are appropriated into other accounts and are no longer needed (C.F. 23-0568-S1).
16. Authorize the Controller to disencumber up to \$17,743.90 in Fiscal Year 2023-24 encumbered balances for Contract No. C-144254 with Bitfocus, Inc. (SC CO24144254Y) within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund No 101/62, and subsequently transfer a like amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services to complete the development of the case management system replacement.

17. Authorize the Controller to realign budgetary appropriations within the Community Services Block Grant Trust Fund No. 428/21 with available grant funds:

- a. Increase appropriations totaling \$91,882.83 within the Community Services Block Grant Trust Fund No. 428/21, Account No. 21A121, Community Investment for Families;
- b. Increase and reduce appropriations within the Community Investment for Families Fund No. 100/21 as follows:

Account No.	Account Name	Amount
001010	Salaries General	\$ 63,702.42
001070	Salaries As-Needed	15,347.00
001090	Overtime General	39,064.00
003040	Contractual Services	(5,000.00)
003310	Transportation	(15,000.00)
006010	Office and Administrative	(6,230.59)
	Total	\$ 91,882.83

- c. Increase appropriations in the amount of \$36,136.79 within the Community Services Block Grant Trust Fund No. 428/21, Account No. 21A299, Reimbursement of General Fund Costs.

18. Authorize the Controller to:

- a. Reduce appropriations within the Community Development Trust Fund No. 424/21 to align with the approved Community Development Block Grant allocations in the 50th Program Year (2024-25) Consolidated Plan (C.F. 24-0500) as follows:

Account No.	Account Name	Amount
21A122	Economic and Workforce Development	\$ (164,983.00)
21A143	Housing	(1,091,828.00)
21A299	Reimbursement of General Fund Costs	(2,294,151.00)
	Total	\$ (3,550,962.00)

- b. Reduce appropriations in the amount of \$164,983 from the Economic and Workforce Development Department, Fund No. 100/22 Account No. 001010, Salaries General to reflect the reduced 2024-25 Community Development Block Grant allocation within the 50th Program Year (2024-25) Consolidated Plan (C.F. 24-0500); and
- c. Reduce appropriations in the amount of \$1,091,828 in the Housing Department Fund No. 100/43, Account No. 006030, Leasing (424/21), to reflect the approved Community Development Block Grant allocation in the 50th Program Year (2024-25) Consolidated Plan (C.F. 24-0500).

Controller

19. Authorize the Controller to:

- a. Disencumber up to \$10,503 from the 2021-22 and 2022-23 encumbered balances within the Controller Fund No. 100/26, Account No. 003040 Contractual Services (\$10,424) and Account No. 006010 Office and Administrative (\$79) accounts from the following purchase orders; and

Fiscal Year	Dept	Doc Code	Document ID	Appr Code	Vendor Name	Encumbrance Amount
2022	26	BPO	220000201229	6010	TROY GROUP INC	25
2022	26	BPO	220000224591	6010	ODP BUSINESS SOLUTIONS, LLC	33
2022	26	CPO	220000408229	3040	KONICA MINOLTA BUSINESS SOLUTIONS	3,902
2022	26	CPO	220000415188	3040	KONICA MINOLTA BUSINESS SOLUTIONS	6,522
2023	26	CPO	230000468073	6010	ODP BUSINESS SOLUTIONS, LLC	6
2023	26	CPO	230000474436	6010	ODP BUSINESS SOLUTIONS, LLC	15
Total						\$ 10,503

- b. Process an early reversion in the amount up to \$10,503 to the Reserve Fund No. 101/62 to restore the Reserve Fund.

Economic and Workforce Development

20. Authorize the Controller to:

- a. Reduce appropriations in the amount of \$200,090.66 within the American Rescue Plan Act (ARPA) Fund No. 64N/22 as follows:

Account No.	Account Name	Amount
22V815	Small Business Rental Assistance	\$ 199,825.00
22V835	Legacy Business Recovery Program	265.66
	Total	\$ 200,090.66

- b. Transfer \$200,090.66 from available cash within the American Rescue Plan Act Fund No. 64N/22 to the Economic Development Trust Fund No. 62L/22, Account No. 22A769, Reserve for EWDD Oversight (\$199,825) and Account No. 22A835, Legacy Business Recovery (\$265.66). These funds were General Fund monies deposited into the American Rescue Plan Act Fund. Therefore expenses made against this allocation shall be re-designated as General Fund expenditures. This will ensure that the remaining balance within the ARPA Fund is spent by the federal deadline and the Legacy Business Program may continue operating through 2025.

Ethics

21. Authorize the Controller to:

- a. Decrease appropriations in the amount of \$268,579 within the Ethics Fund No. 534/17, Account No. 17A200, Ethics Commission – Future Year;
- b. Transfer \$268,579 from the Ethics Fund No. 534/17 to the Reserve Fund No. 101/62 to restore the Reserve Fund.

Fire

22. Relative to the 2025 Public Provider Ground Emergency Medical Transportation Program Intergovernmental Transfer (PP-GEMT-IGT) Program, authorize the Controller to:

- a. Transfer \$7,200,000 from the Unappropriated Balance Fund No. 100/58, Account 580304 – Ground Emergency Medical Transport QAF Program to the Fire Department Fund No. 100/38, Account 003040 – Contractual Services, for the payment of the second quarter invoice for the PP-GEMT-IGT Program; and,
- b. Electronically transfer or disburse up to \$7,200,000 therefrom to the State Department of Health Care Services in accordance with the deadline established by the State, upon receipt of the invoice, and report back on the status of the program in subsequent FSRs.

General Services

23. Authorize the Controller to:

- a. Disencumber up to \$49,994 in 2018-19 encumbered balances within the General Services Department Fund No. 100/40, Account No. 003040, Contractual Services, and process an early reversion of \$49,994 from the unencumbered funds to the Reserve Fund No. 101/62;
- b. Disencumber up to \$34,203 in 2020-21 encumbered balances within the General Services Fund 100/40, Account No. 003040, Contractual Services, and process an early reversion of \$34,203 revert the unencumbered funds to the Reserve Fund No. 101/62; and
- c. Transfer up to \$84,197 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the General Services Department Fund No. 100/40, Account No. 003040, Contractual Services to partially address the increased costs for the operation and maintenance costs for contracted City facilities in 2024-25.

24. Authorize the Controller to:

- a. Disencumber up to \$571,518 in 2021-22 encumbered balances within the General Services Fund 100/40, Account No. 003040, Contractual Services, and process an early reversion of up to \$571,518 from the unencumbered funds in this account to the Reserve Fund No. 101/62 to restore the Reserve Fund.
- b. Disencumber up to \$2,673,431 in 2023-24 encumbered balances within the General Services Department Fund No. 100/40, Account 009957, Master Trust and process an early reversion of up to \$2,673,431 from the unencumbered funds from Contract No. C-144429M-3, Housing Authority of the City of Los Angeles to the Reserve Fund No. 101/62 to restore the Reserve Fund.

25. Authorize the Controller to:

- a. Disencumber up to \$844,022 in 2022-23 encumbered balances within the General Services Fund 100/40, Account No. 003090, Field Equipment Expense, and process an early reversion of \$844,022 from the unencumbered funds in this account to the Reserve Fund No. 101/62;
- b. Disencumber up to \$2,006,787 in 2023-24 encumbered balances within General Services Fund 100/40, Account No. 003090, Field Equipment Expense, and process an early reversion of \$2,006,787 from the unencumbered funds to the Reserve Fund No. 101/62; and
- c. Transfer up to \$2,850,809 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the General Services Department Fund No. 100/40, Account No. 003090, Field Equipment Expense to fund the repair and maintenance of the City's fleet in 2024-25.

Housing

26. Authorize the Controller to decrease appropriations in the following prior-year accounts within the Low and Moderate Income Housing Fund, Fund No. 55J/43 to align appropriations with available funding.

Account No.	Account Name	Amount
43P143	Housing and Community Investment	\$ 27.20
43T143	Housing and Community Investment	80,150.00
43T158	Unappropriated Balance	90,000.00
43V143	Housing and Community Investment	627,630.30
43V299	Reimbursement of General Fund Costs	78,251.91
43W110	City Administrative Officer	19,700.69
43W143	Los Angeles Housing Department	445,071.08
43W299	Reimbursement of General Fund costs	7,567.49
	Total	\$1,348,398.67

27. Authorize the Controller to decrease appropriations in the following prior-year accounts within the Systematic Code Enforcement Trust Fund No. 41M/43 to align appropriations with the available cash balance.

Account No.	Account Name	Amount
43L900	Contract Programming	\$ 139,370.81
43M900	Contract Programming	1,719.86
43N900	Contract Programming	1,996.52
43P229	Hearing Officer Contract	665.00
43P900	Contract Programming	395,646.94
43R412	Service Delivery	42,771.81
43R560	Translation Services	29.27
43R620	Code Enforcement Training	38,648.00
43S560	Translation Services	12,499.70
43S620	Code Enforcement Training	30,000.00
43T158	Unappropriated Balance	380,000.00
43T412	Service Delivery	26,642.50
43T560	Translation Services	16,940.41
43T620	Code Enforcement Training	30,000.00
43V620	Code Enforcement Training	30,000.00
43W560	Translation Services	15,175.00
	Total	\$ 1,162,105.82

28. Authorize the Controller to decrease appropriations in the following prior-year accounts within the Rent Stabilization Trust Fund No. 440/43 to align appropriations with the available cash balance.

Account No.	Account Name	Amount
43R207	Fair Housing	\$ 0.01
43R560	Translation Services	6,448.22
43S560	Translation Services	7,410.30
43T158	Unappropriated Balance	12,000.00
43T560	Translation Services	4,019.10
43V560	Translation Services	6,000.00
	Total	\$ 35,877.63

29. Authorize the Controller to decrease the appropriation in the following prior-year account within the Foreclosure Registry Program Fund No. 56V/43 to align appropriations with the available cash balance.

Account No.	Account Name	Amount
43T158	Unappropriated Balance	\$ 2,285.00

30. Authorize the Controller to decrease appropriations in the following prior-year accounts within the Accessible Housing Fund No. 10D/43 to align appropriations with the available cash balance.

Account No.	Account Name	Amount
43T995	Plaintiff Counsel PY	\$142,882.01
43WB49	Relocation Consultant	605,564.00
43Y158	Unappropriated Balance	6,000,000.00
43YB49	Relocation Consultant	1,241,000.00
43P143	Housing and Community Investment	23.93
43W143	Los Angeles Housing Department	25,036.89
43Y112	City Attorney	199,589.78
43Y143	Los Angeles Housing Department	796,559.85
43Y299	Reimbursement of General Fund Costs	39,900.34
	Total	\$9,050,556.80

31. Authorize the Controller to decrease appropriations in the following prior-year accounts within the US Treasury Emergency Rental Assistance Fund No. 64D/43 to align appropriations with the available cash balance.

Account No.	Account Name	Amount
43T560	Translation Services	\$ 0.68
43TA48	Rental Assistance ERAP Fed	0.08
43TA52	Family Source Centers ERAP Fed	0.10
43TA53	Family Source Centers ERAP State	0.10
43TA54	Technical Contracts ERAP Fed	0.73
43TA55	Technical Contracts ERAP State	0.06
43TA56	Call Center and Outreach ERAP Fed	0.04
43TA57	Call Center and Outreach ERAP State	0.79
43TA58	Program Admin Contract ERAP Fed	0.88
43TA59	Program Admin Contract ERAP State	0.26
	Total	\$ 3.72

32. Authorize the Controller to:

- d. Decrease appropriations within the LAHD Small Grants and Awards Fund No. 49N/43 Account No. 43Y143 by \$98,757 and increase appropriations within the LAHD Small Grants and Awards Fund No. 49N/43 Account No. 43A143 by a like amount;
- e. Increase appropriations in the amount of \$98,757 within the Housing Department Fund No. 100/43, Account No. 001010, Salaries General to pay for salary expenditures related to the LEAP Grant (C.F. 20-0753);
- f. Decrease appropriations in the amount of \$21,175.07 from the LAHD Small Grants and Awards Fund No. 49N/43 Account No. 43Y299, Reimbursement of General Fund Costs and increase appropriations by a like amount within the LAHD Small Grants and Awards Fund No. 49N/43, Account No. 43A299, Reimbursement of General Fund Costs for the administration of the LEAP Grant (C.F. 20-0753).

33. Authorize the Controller to transfer and deposit \$233,528.83 from the following accounts within the Affordable Housing and Sustainable Communities Grant Fund No. 60V/43 to the Housing Department Fund No. 100/43, RSC 5168, Reimbursement of Prior Year Salary, revenue account to reimburse the General Fund for eligible salary costs related to the Affordable Housing and Sustainable Communities Grant.

Account No.	Account Name	Amount
43R749	Path Villas Hollywood	\$ 25,703.75
43R776	Elden Elms	6,695.46
43T863	Hollywood Arts Collective	8,850.65
43T864	Jordan Downs S3	26,216.96
43T856	Manchester Urban Homes	23,327.89
43T870	Vermont and Manchester	63,173.46
43T877	Weingart Tower	27,398.15
43TA91	619 Westlake	13,711.57
43TA92	Corazon Del Valle	1,889.97
43TA93	Parkview	2,432.86
43TA94	Rose Hills Court	15,158.73
43TA95	Santa Monica & Vermont	2,280.12
43TA96	Thatcher Yard	14,608.14
43TA97	Washington Arts Collective	2,081.12
	Total	\$ 233,528.83

Police

34. Authorize the Controller to:
- a. Decrease appropriations in the amount of \$532,149.26 within the Police Department Trust Fund No. 885/70, Account No. 70Y818, Active Bystandership for Law Enforcement;
 - b. Transfer and deposit \$435,756.03 from the Police Department Trust Fund No. 885/70 to the Police Department Fund No. 100/70, RSC 5301, Reimbursement from Other Funds (\$400,389.24) and RSC 5331, Reimbursement of Related Costs (\$35,366.79) revenue accounts;
 - c. Increase appropriations in the amount of \$96,393.23 within the Police Department Trust Fund No. 885/70, Account No. 70A170, Police Department (\$88,819.16) and Account No. 70A299, Reimbursement of General Fund Costs (\$7,574.07); and
 - d. Increase appropriations by \$88,819.16 within the Police Department Fund No. 100/70, Account No. 001092, Sworn Overtime (\$71,826.01) and Account No. 001090, Overtime General (\$16,993.15).

Public Works/Board

35. Authorize the Controller to disencumber up to \$500,000 from the 2022-23 encumbered balances within the Board of Public Works Fund No. 100/74, Account No. 003040, Contractual Services Account for C-140429M-1 (Los Angeles Black Worker Center) and process an early reversion of up to \$500,000 from this account to the Reserve Fund No 101/62 to restore the Reserve Fund.

Public Works/Bureau of Contract Administration

36. Authorize the Controller to:
- a. Decrease appropriations in the amount of \$1,140,000 within the Proposition C Anti-Gridlock Transit Fund No. 540/94 Account No. 94A176, Bureau of Contract Administration to align appropriations with projected spending and to transfer funding to the Department of Transportation for increased street resurfacing and slurry seal costs;
 - b. Decrease appropriations in the amount of \$1,000,000 within Bureau of Contract Administration Fund No. 100/76, Salaries General Account No. 001010;
 - c. Decrease appropriations in the amount of \$95,000 within Bureau of Contract Administration Fund No. 100/76, Overtime General Account No. 001090;
 - d. Decrease appropriations in the amount of \$45,000 within Bureau of Contract Administration Fund No. 100/76, Transportation Account No. 003310;
 - e. Increase appropriations in the amount of \$1,140,000 within the Proposition C, Anti-Gridlock Transit Fund No. 540/94, Account No. 94A194, Department of Transportation; and
 - f. Increase appropriations in the amount of \$1,140,000 within Department of Transportation Fund No. 100/94, Contractual Services Account No. 003040 for street resurfacing and slurry seal
37. Authorize the Controller to decrease appropriations in the amount of \$300,000 within the Sidewalk Repair Fund No. 57F/50 Account No. 50A176, Bureau of Contract Administration to align appropriations with projected spending to facilitate spending at targeted levels as follows:
- a. Decrease appropriations in the amount of \$215,000 within Bureau of Contract Administration Fund No. 100/76 Account No. 001010, Salaries General;
 - b. Decrease appropriations in the amount of \$85,000 within Bureau of Contract Administration Fund No. 100/76 Account No. 0010190, Overtime General;
 - c. Increase appropriations in the amount of \$300,000 within the Sidewalk Repair Fund No. 57F/50, Account No. 50AVAV, Sidewalk Repair Contractual Services Account.
38. Authorize the Controller to decrease appropriations in the amount of \$300,000 within the Street Damage Restoration Fee Fund No. 41A/50 Account No. 50A176, Bureau of Contract Administration and reduce appropriations by a like amount within Bureau of Contract Administration Fund No. 100/76 Account No. 001010, Salaries General to align with projected spending and in anticipation of reduced 2024-25 revenues to the Fund.

Public Works/Bureau of Engineering

39. Authorize the Controller to:

- a. Decrease appropriations in the amount of \$383,000 within the Special Gas Tax Street Improvement Fund No. 206/50 Account No. 50A178, Public Works-Engineering, to align appropriations with projected spending;
- b. Decrease appropriations in the amount of \$283,000 within Bureau of Engineering Fund No. 100/78, Account No. 001010, Salaries General;
- c. Decrease appropriations in the amount of \$100,000 within Bureau of Engineering Fund No. 100/78, Account No. 006010, Office and Administrative Account;
- d. Increase appropriations in the amount of \$50,000 within the Special Gas Tax Street Improvement Fund No. 206/50 Account No. 50A299, Reimbursement of General Fund Costs, to increase related cost reimbursements to the General Fund;
- e. Establish a new appropriation in the amount of \$333,000 within the Special Gas Tax Street Improvement Fund No. 206/50, Account No. TBD, Water and Electricity, and increase appropriations within the Water and Electricity Fund No. 100/60, Account No. 000023, Street Lighting General Benefit, to pay for street lighting energy costs.

40. Authorize the Controller to:

- a. Decrease appropriations in the amount of \$300,000 within the Stormwater Pollution Abatement Fund No. 511/50, Account No. 50A178, Public Works-Engineering, to align appropriations with projected spending and reduce appropriations in the amount of \$300,000 within Public Works-Engineering Fund No. 100/78, Account No. 001010, Salaries General, to align appropriations with projected spending.
- b. Increase appropriations in the amount of \$300,000 within the Stormwater Pollution Abatement Fund No. 511/50, Account No. 50A299, Reimbursement of General Fund Costs, to increase related cost reimbursements to the General Fund.

41. Authorize the Controller to:

- a. Decrease appropriations in the amount of \$500,000 within the Proposition C Anti-Gridlock Transit Improvement Fund No. 540/94, Account No. 94A178, Public Works-Engineering, to align appropriations with projected spending;
- b. Decrease appropriations in the amount of \$500,000 within Public Works-Engineering Fund No. 100/78, Account No. 001010, Salaries General; and
- c. Increase appropriations in the amount of \$500,000 within the Proposition C Anti-Gridlock Transit Improvement Fund No. 540/94, Account No. 94A299, Reimbursement of General Fund Costs, to increase reimbursements to the General Fund for related costs.

42. Authorize the Controller to decrease appropriations in the amount of \$1,500,000 within the Sewer Capital Fund No. 761/50, Account No. 50A178, Public Works-Engineering and decrease appropriations in the amount of \$1,500,000 within the Public Works – Engineering Fund No. 100/78 Account No. 001010, Salaries General to align appropriations with projected spending.

43. Authorize the Controller to:
- a. Decrease appropriations in the amount of \$100,000 within the Sidewalk and Curb Repair Fund No. 57F/50, Account No. 50A178, Public Works-Engineering, and decrease appropriations in the amount of \$100,000 within Public Works-Engineering Fund No. 100/78, Account No. 001010, Salaries General, to align appropriations with projected spending;
 - b. Increase appropriations in the amount of \$100,000 within the Sidewalk and Curb Repair Fund No. 57F/50, Account No. 50AVAV, Sidewalk Repair Contractual Services, for sidewalk repair.
44. Authorize the Controller to decrease appropriations in the amount of \$100,000 within the Measure M Local Return Special Fund No. 59C/94 Account No. 94A178, Public Works-Engineering, and decrease appropriations in the amount of \$100,000 within the Public Works-Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
45. Authorize the Controller to transfer \$1,753,854 from Revenue Source Code, 4903, Interest Income, within the Engineering Special Services Fund No. 682/50 to the Reserve Fund No. 101/62 for budget balancing pursuant to the 2024-25 Adopted Budget (C.F. 24-0600).

Public Works/Bureau of Sanitation

46. Authorize the Controller to:
- a. Disencumber up to \$1,701,622.31 from the 2021-22 (\$9,653.09) and 2022-23 (\$1,691,969.22) within the Public Works - Sanitation Fund No. 100/82, Account No. 003040, Contractual Services Account (GF) from the following contracts:
 1. C- 139248M-3 (On-Site Truck Wash Inc.): \$9,653.09 (2021-22)
 2. C- 139248M-4 (On-Site Truck Wash Inc.): \$367.84 (2022-23)
 3. C-121334M-9 (Clean Harbors Environmental Services Inc.): \$1,691,601.38 (2022-23)
 - b. Process an early reversion in the amount of up to \$1,701,622.31 to the Reserve Fund No. 101/62 and transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the Bureau of Sanitation Fund No. 100/82, Account No. 003040, Contractual Services Account (GF) to address overspending due to hazardous waste contract expenses related to CARE/CARE+ cleaning operations and windstorm and wildfire events response
47. Authorize the Bureau to use \$835,000 from the Salaries General Account within the General Fund to address projected over-expenditures for SWRFF-related activities due to prior transfers from the Salaries General Account (SWRFF), which were used to resolve overtime needs.

Public Works/Bureau of Street Lighting

48. Add a recommendation to the Board of Public Works report dated September 12, 2024, and approved by Council on November 19, 2024 (C.F. 20-1346), to authorize the Executive Director of the Bureau of Street Lighting, or designee, to receive and deposit \$250,000 in NASA grant funds in the Street Lighting Maintenance and Assessment Fund No. 347/50, Other Federal Grants – NASA Grant, Revenue Account 368409 for the Predictive Environmental Analytics and Community Engagement for Equity and Environmental Justice Project (PEACE for EEJ).

49. Amend Recommendation No. 4 contained in the Board of Public Works (BPW) report dated September 12, 2024, and approved by Council on November 19, 2024 (C.F. 20-1346) to authorize the Controller to increase appropriations in the amount of \$250,000 within the Street Lighting Maintenance and Assessment Fund No. 347/50, into a new account entitled “NASA Grant PEACE for EEJ” for the administration of the Predictive Environmental Analytics and Community Engagement for Equity and Environmental Justice Project.

50. Rescind the recommendation in Attachment 5 of the 2024-25 Second Financial Status Report (C.F. 24-0600-S113) to transfer \$15,000 from the Bureau of Street Lighting Account No. 50Y184 within the Council Discretionary Street Furniture Fund No. 43D/50 to the Bureau of Street Lighting Fund No. 100/84, Account No. 001090, Overtime General Account for civil and design work for the new Pedestrian Hybrid Beacon/HAWK at the Magnolia Boulevard/Tyrone Avenue intersection, as this was a duplicate transaction approved as part of the Second Transportation Construction Projects Report (C.F. 24-0879-S1).

51. Authorize the Controller to decrease appropriations in the amount of \$971,282 within the Street Lighting Maintenance Assess Fund, No. 347/50, Account No. 50A184, PW-Street Lighting, and decrease the following appropriations within the Bureau of Street Lighting Fund No. 100/84 as follows:

Account No.	Account Name	Amount
001010	Salaries General	\$ 968,282
002120	Printing and Binding	2,500
007300	Furniture, Office, and Technical Equipment	500
Total		\$ 971,282

Public Works/Bureau of Street Services

52. Instruct the CAO, with the assistance of the Bureau of Street Services and any other impacted departments and bureaus, to report in 15 days with a plan to reduce Street Damage Restoration Fund appropriations to match projected revenues that minimizes the impact on the General Fund and service impacts, including a discussion of any such service impacts.

Transportation

53. Authorize the Controller to decrease appropriations in the amount of \$700,000 within the Proposition A Local Transit Assistance Fund No. 385/94 Account No. 94A194, Department of Transportation, and decrease appropriations in the amount of \$700,000 within the Department of Transportation Fund No. 100/94, Account No. 001010 Salaries General (\$500,000) and Account No. 001090 Overtime General (\$200,000), to align appropriations with anticipated expenditures.
54. Authorize the Controller to decrease appropriations in the amount of \$526,950 within the Proposition A Local Transit Assistance Fund No. 385/94, Account No. 94A299. Reimbursement of General Fund Costs to account for staff vacancies.
55. Authorize the Controller to:
 - a. Disencumber up to \$201,411 from the 2023-24 encumbered balance within the Department of Transportation Fund No. 100/94, Account No. 003040 Contractual Services and process an early reversion of up to \$201,411 from this account to the Reserve Fund No. 101/62 from Contract No. C-140191M-7 (MV Transportation Inc.); and
 - b. Transfer up to \$201,411 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to Department of Transportation Fund No. 100/94, Account No. 003040 Contractual Services to pay for 41.18 signage under the Ilium contract (C-128772).
56. Authorize the Controller to:
 - a. Disencumber up to \$796,915 from the 2022-23 and 2023-24 encumbered balances within the Department of Transportation Fund No. 100/94, Account No. 003040 Contractual Services and process an early reversion of \$796,915 from the unencumbered funds within these accounts to the Reserve Fund No. 101/62 from the following contracts:
 - i. C-124676M-3 (Conduent State & Local Solutions, Inc.): \$576,235.47 (2022-23)
 - ii. C-140191M-7 (MV Transportation Inc.): \$220,680 (2023-24); and
 - b. Transfer up to \$796,915 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the Department of Transportation Fund No. 100/94, Account No. 003040, Contractual Services Account.

Leasing

57. Authorize the Controller to disencumber up to \$710,940.67 in 2020-21 encumbered balances within the General Services Fund 100/40, Account No. 006030, Leasing, and process an early reversion of up to \$710,940.67 in unencumbered funds to the Reserve Fund No. 101/62, and subsequently transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the Leasing Fund 100/63, Account No. 000024, General Fund Leasing, to partially address the overspending related to the approval of new unfunded leases.

Technical

58. 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

In this report we identify a total of \$300.54 million in projected over-expenditures. We recommend transfers, appropriations, and other budgetary adjustments totaling \$401.75 million in Sections 1, 2, and 4 of this report.

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, we base our analysis on data through December 31, 2024.

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	44
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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, transfers for operational needs, and budget balancing proposals.

A. Aging

Recommendation No. 8

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers Between Department and Funds

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.115	\$ (0.094)	The projected surplus is the result of slowed hiring and receipt of various grant fund awards and other transfers. As of December 2024 the Department's vacancy rate was 15.6 percent.
Transportation	0.010	-	The projected surplus is based on historical expenditures within this account.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries, As-Needed	(0.067)	0.067	The projected overexpenditure is the result of part-time Program Aide staffing costs.
General Fund Total	\$ 0.058	\$ (0.03)	

(Aging narrative continued on the next page)

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.236	\$ -	The projected surplus is based on reduced grant awards and special-funded vacancies. For the Older Americans Act surplus, any unused grant dollars will be returned to the grantor. For the surplus for the Community Development Block Grant funds, the Department anticipates reducing expenditures in this account to eliminate the projected surplus by year end because this amount is not supported by cash.
Salaries As-Needed	0.027	-	The projected surplus is based on reduced grant awards. The Department anticipates reducing expenditures in this account to eliminate the projected surplus by year end because this amount is not supported by cash.
Special Funds Total	\$ 0.263	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 0.400	\$ 0.402	\$ 0.002	This Office anticipates the Department will meet its General Fund revenue budget by year end.

This Office projects that the General Fund overspending that we reported in the Second FSR (\$0.028 million) is now a surplus. This change is driven by the elimination of the Office and Administrative Account overspending that we reported in the Second FSR (\$0.053 million) through a Mayoral transfer and increased salary savings (\$0.093 million). These are offset by new overspending in the Salaries As-Needed Account. We also project that the special fund surplus is \$0.139 higher than we reported in the Second FSR due to increased vacancies and slower hiring. Additionally, we also expect that the Department will receive future grant receipts totaling \$402,775, which will further increase these surpluses.

Rapid Response Senior Meals Program

The 2024-25 Adopted Budget authorized the reappropriation of \$2,711,000 in 2023-24 Rapid Response Senior Meals Program savings to cover the ramp down costs associated with the Program in the current fiscal year. The Program ended on August 31, 2024. Of the \$2,711,000 appropriation, \$2,606,591 was applied to the Program's contractual services and \$104,409 to administrative expenses. After the final close out of the Program and reconciliation of all prior year and current year invoices, \$3,393,505 in savings is available and recommended to be used for Citywide budget balancing, which consists of \$425,538 in current year savings and \$2,967,967 in prior year savings resulting from delays in program implementation.

This Office recommends the following transaction:

- Transfer \$67,127 from the Salaries General Account to the Salaries, As-Needed Account to cover a portion of the staffing costs for 14 part-time Program Aides from July 1, 2024 through June 30, 2025.

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$3,419,882.60 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer \$26,378 to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending and \$3,393,504.60 to the Reserve Fund.

This Office recommends the following transactions at this time:

- Transfer \$26,378 from the Salaries General Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.
- Authorize the Controller to disencumber up to \$3,393,504.60 from the 2023-24 encumbered balances within the Aging's Contractual Services funding and revert \$3,393,505 to the Reserve Fund from the following contracts:
 - C-145422-3 (Everytable, PBC): \$451,543.60
 - C-145222-3 (Meg, Mettle & Moxie Inc dba Made by Meg): \$442,086
 - C-145224-3 (Noyon Inc. dba Sushi Koo): \$784,142
 - C-145223-3 (Revolution Foods PBC dba Revolution Foods, Inc): \$1,715,733

B. Animal Services
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.16	\$ (0.74)	Projected surplus is due to staff vacancies and hiring delays.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As Needed	(0.13)	0.13	Projected overspending is due to additional shelter support in light of full time vacancies.
Overtime General	(0.30)	0.30	Projected overspending is due to increased hours to support animal evacuations during the windstorm and wildfire events and to the payment of banked overtime.
Contractual Services	(0.15)	-	Projected overspending is due to mutual aid received from other jurisdictions during the windstorm and wildfire events
Medical Supplies	(0.07)	0.07	Projected overspending is due to increased sterilizations at City shelters.
Office and Administrative	(0.11)	0.11	Projected overspending is due to unanticipated increases in credit card transaction fees at all City shelters.
Operating Supplies	(0.70)	0.14	Projected overspending is due to a pending safety-related fine and the purchase of additional supplies for animals evacuated during the windstorm and wildfire events.
General Fund Total	\$ (0.28)	\$ (0.00)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 3.42	\$ 2.51	\$ (0.91)	Projected revenue shortfall is primarily due to reduced permit processing in light of full time vacancies.

After reporting no General Fund surplus or overspending in the Second FSR, this Office now projects General Fund overspending of \$0.28 million due to a pending fine from the California Division of Occupational Safety and Health (\$0.56 million) and increased overspending in various expense accounts (\$0.49 million) primarily due to animal evacuations in response to the windstorm and wildfire events. The increased overspending is offset by increased salary savings (\$0.77 million) due to staff vacancies and hiring delays. This Office estimates that approximately \$0.44 million of the expense account overspending is related to windstorm and wildfire response, including Overtime General (\$0.16 million), Contractual Services (\$0.15 million), and Operating Supplies (\$0.14 million) expenditures. This Office is working with the Department to obtain FEMA reimbursement for eligible costs.

California Division of Occupational Safety and Health (Cal/OSHA) Fines

In December 2024, Cal/OSHA fined the Department in the amount of \$0.56 million for safety and training-related issues at City animal shelters. The Department has submitted an appeal to Cal/OSHA to reduce the fine amount and is scheduled for a hearing on June 16, 2025. As the appeal remains pending, this Office has included the original fine amount in the Department's projected overspending. We will continue to monitor this issue and provide an update in the Year-End FSR.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$736,077 that we recommend transferring within the Department to partially address internal overspending.

- Transfer \$128,000 from the Salaries General Account to the Salaries As-Needed Account to address over-expenditures resulting from the use of as-needed staff in light of full time vacancies.
- Transfer \$300,077 from the Salaries General Account to the Overtime General Account to address over-expenditures related to windstorm and wildfire response and to the payment of banked overtime.
- Transfer \$65,000 from the Salaries General Account to the Medical Supplies Account to address increased sterilizations at City shelters.
- Transfer \$108,000 from the Salaries General Account to the Office and Administrative Account to address unanticipated increases in credit card transaction fees.
- Transfer \$135,000 from the Salaries General Account to the Operating Supplies Account to address unanticipated shelter equipment expenses related to the windstorm and wildfire events.

**C. Building and Safety
Recommendation No. 9
Attachment 5 – Transfers Between Department and Funds
Attachment 10 – Budget Balancing Proposal**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.20	\$ (0.75)	Projected surplus is due to staff vacancies. The Department has a 15 percent vacancy rate.
Other Surplus Accounts	0.35	-	Projected surpluses in several accounts are based on year-to-date expenditure trends.
General Fund Total	\$ 2.55	\$ (0.75)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 22.97	\$ -	Projected surplus is due to staff vacancies. The Department has a 15 percent vacancy rate.
Other Surplus Accounts	3.10	-	Projected surpluses in several accounts are based on year-to-date expenditure trends.
Special Funds Total	\$ 26.07	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 87.03	\$ 75.71	\$ (11.32)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special fund vacancies.

This Office projects that the Department's General Fund surplus is \$0.23 million lower than we reported in the Second FSR primarily due to reduced Salaries General savings (\$0.25 million) resulting from recent hiring and our incorporation of more aggressive hiring assumptions offset by increased surpluses across several expense accounts (\$0.02 million). The projected special fund surplus is \$3.32 million lower than we reported in the Second FSR due to reduced Salaries General savings (\$2.42 million) as a result of the reasons we mention above and to reduced savings across other accounts (\$0.90 million). With respect to General Fund revenue, this Office projects that the year-end shortfall is \$3.58 million lower than we reported in the Second FSR due to reduced related cost reimbursements associated with special fund vacancies.

Repair and Demolition Fund

The Repair and Demolition Fund (Fund) partially funds the Department's Salaries General Account in the amount of \$423,677. Delays in property owner reimbursements have impacted the Fund's cashflow for the prior two years.

The Fund has an outstanding Reserve Fund loan of \$404,657 to address the Fund's cash flow issues. In addition, the Fund has an outstanding loan from the Building and Safety Permit Enterprise Fund in the amount of \$857,000 used to address urgent abatement and demolition needs (C.F. 23-0941). As of December 31, 2024, the Fund revenues are \$576,594. Further, the Department anticipates to receive \$442,437 from direct assessments through the Los Angeles County.

In 2023-24, the Mayor and Council approved a \$1.10 million transfer to the Fund from the Department's Salaries General Account to pay for nuisance abatement at Oceanwide Plaza (C.F. 24-0114-S1). The Department reports that fencing and security of Oceanwide Plaza has been completed for a total cost \$694,561. At this time, it is unclear if the costs of the nuisance abatement at Oceanwide Plaza are recoverable, although the Department anticipates that some costs may be recovered following the sale of the Oceanwide Plaza property. The Department requests to reduce the appropriation for Oceanwide Plaza by \$405,439, the amount remaining from the \$1.10 million transfer in 2023-24. These funds would become available to pay the outstanding Reserve Fund loan or for pending work orders.

Based on the current projected year-end Fund revenue of \$1.18 million and outstanding loans to be repaid from the Fund, this Office projects a year-end revenue shortfall of approximately \$0.36 million, which is \$0.62 million lower than we reported in the Second FSR. We will continue to work with the Department to monitor the Fund, and provide updated projections and recommendations necessary to address the projected shortfall in the Year-End FSR.

This Office recommends the following transaction at this time:

- Reduce appropriations in the amount of \$405,439.34 in the Oceanwide Plaza Account within the Repair and Demolition Fund as the funding is no longer necessary.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$747,227 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

- Transfer \$747,227 from the Salaries, General Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.

**D. Cannabis Regulation
Recommendation No. 10**

Attachment 5 – Transfers Between Department and Funds

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.02	\$ (0.02)	Projected surplus is due to staff vacancies.
General Fund Total	\$ 0.02	\$ (0.02)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.95	\$ -	Projected surplus is due to staff vacancies.
Printing and Binding	0.01	-	Projected surplus is based on prior-year and year-to-date expenditure trends.
Office and Administrative	0.01	-	
Special Funds Total	\$ 0.97	\$ -	

(Cannabis narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 4.83	\$ 2.85	\$ (1.98)	Projected shortfall is due to the Department's inability to meet its budgeted related cost reimbursements to the General Fund as a result of delayed revenue collection and issues with the availability of California Local Jurisdiction Assistance Grant funds,

This Office projects that the General Fund surplus is \$0.99 million lower than we reported in the First FSR primarily due to an action that the Mayor and Council approved in the First FSR. Further, this Office projects that the special fund surplus is \$0.13 million lower than we reported in the First FSR largely due to accelerated hiring. This Office recommends reducing appropriations within the Department’s Special Fund to reflect current cash on hand as the Department continues its special fund reconciliation of grant monies received.

The Department's General Fund revenue is based entirely on related cost reimbursements to the General Fund. Due to the delay in revenue collection for the Department’s special fund and issues with the availability of grant funds as discussed below, this Office anticipates that the Department will fall short of its General Fund revenue budget by \$1.98 million this fiscal year. This Office anticipates, however, that the Department will pay for some or all of the remaining 2024-25 related cost reimbursements due to the General Fund in 2025-26. This Office is working with the Department and will report in the Year-End FSR with updates on the Department’s General Fund revenue.

California Local Jurisdiction Assistance Grant

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.

The significant delay and lack of clarity on eligible grant uses have caused significant cash flow issues for the Cannabis Regulation Special Revenue Trust Fund, which was unable to properly and timely invoice cannabis businesses while the amendment was pending agreement. Further, a number of previously-eligible costs were subsequently determined to be LJAG-ineligible. The Department reports these cash flow concerns, as well as the anticipated need to return up to \$10 million to the DCC toward the end of 2024-25, may require a one-time General Fund subsidy to the Fund to avoid interruptions in departmental operations or negative actions from the DCC. This

Office continues to work closely with the Department to determine the size and timing of this potential subsidy.

This Office recommends the following transaction at this time:

- Reduce appropriations in the amount of \$1,254,783.38 in the Cannabis Regulation Special Revenue Trust Fund, 2023 Cannabis Equity Grant Account to recognize fee waivers issued using California Equity Grant funding.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$16,364 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$16,364 from the Salaries General Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.

**E. City Administrative Officer
Recommendation Nos. 11, 12, and 13
Attachment 3 – New Appropriations
Attachment 5 – Transfers Between Department and Funds
Attachment 10 – Budget Balancing Proposal**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 1.81	\$ (1.81)	Projected surplus is due to delaying and reducing contract expenditures in order to accrue savings for Citywide budget balancing.
General Fund Total	\$ 1.81	\$ (1.81)	

(City Administrative Officer narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 7.28	\$ 9.89	\$ 2.61	Projected increase in General Fund receipts is primarily associated with unbudgeted special event reimbursement including for the Dodgers World Series Victory Parade.

This Office projects that the General Fund overspending of \$180,000 reported in the Second FSR has been eliminated primarily due to unanticipated staff attrition and delays in filling vacant positions. The Department is projected to complete the year within budget.

This Office recommends the following transaction at this time:

- Transfer \$191,724 from the Mayor's Salaries General Account to the Department's Salaries General Account reimburse for an employee on loan to the Mayor's Office.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$25,696,741.86 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer \$24,411,587 to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending and \$1,285,154.86 to the Reserve Fund.

This Office recommends the following transactions:

- Appropriate \$209,340.88 within the Insurance and Bonds Special Premiums Fund for reimbursements from the Harbor Department (\$30,000) and the Department of Recreation and Parks (\$179,340.88).
- Transfer \$8,228.43 in interest earnings from the COVID-19 Federal Relief Fund to the Reserve Fund to close the COVID-19 Federal Relief Fund.
- Transfer \$1,276,926.43 from the cash balance of the Innovation Fund to the Reserve Fund to restore the Reserve Fund.
- Transfer \$1,813,339 million from the Contractual Services Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.
- Transfer \$11,598,248 in savings from within the Tax Revenue Anticipation Notes Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.
- Transfer a total of \$11,000,000 in savings within various accounts in the Capital Finance Administration Fund to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

**F. City Attorney
Attachment 6 – Appropriations from the Unappropriated Balance**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.80)	\$ 0.80	Projected overspending is primarily due to a previously approved \$2 million transfer from this Account to address litigation expenses.
Overtime	(0.01)	-	Projected overspending due to increased staff overtime to maintain service levels in light of full time vacancies and address increased workload.
Bar Dues	(0.47)	0.47	Projected overspending due increase in the cost of bar dues.
Litigation Expenses	(6.47)	6.47	Projected overspending is due to specialized litigation services, audit fees, and other associated expenses and based on year-to-date and prior-year expenditure trends.
Outside Counsel	(5.87)	2.40	Projected overspending is based on year-to-date expenditure trends.
General Fund Total	\$ (13.62)	\$ 10.14	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
1010 - Salaries General	(0.84)	-	Projected overspending is due to salary costs for grants that have not yet been reimbursed.
Special Funds Total	\$ (0.84)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
General Fund Revenue	\$ 47.75	\$ -	The office anticipates that the Department will meet its General fund revenue budget by year end.

This Office projects that the General Fund overspending is \$11.79 million lower than we reported in the Second FSR. The reduction is primarily due to transactions approved in the Second FSR to partially address the projected overspending in the Litigation Expense (\$9.69 million) and Outside Counsel (\$6.38 million) accounts in addition to increased salary savings (\$0.65 million). This projected overspending decrease is partially offset by increased spending on outside counsel (\$1.33 million) and new overspending in the Bar Dues Account due to increases in bar dues prices. This Office recommends transfers to address the full projected overspending in the Salaries General and Bar Dues accounts. The overspending in the Litigation Expense Account continues to be a major concern and this Office recommends a transfer of \$6.47 million to this Account based on the City Attorney’s projected spending through the year end. This Office will continue to monitor the Department’s accounts and will report in a future FSR with recommendations necessary to address unanticipated over spending.

The Department requests to transfer unspent funds from the 2023-24 Resiliency in Communities After Stress and Trauma Program (ReCAST) for a total amount of \$50,623.04 to the 2024-25 Los Angeles Police Department Overtime Sworn account to allow for continued support for the LA Data Program.

Outside Counsel

This Office projects \$13.46 million in total spending on outside counsel this fiscal year of which \$5.87 million remains after transfers earlier in the year. The City Attorney states that its Outside Counsel Account overspending is primarily due to costs to support continuing litigation for police, employment, and high exposure personal injury cases. The Office recommends a transfer of \$2.40 million in this report to cover the projected outside counsel spending through the release of the Year-End FSR. This Office will continue to work with the City Attorney to monitor its Outside Counsel Account expenditures and report in a future FSR with recommendations necessary to address the \$3.47 million that we currently project as remaining overspending.

This Office recommends the following transactions at this time:

- Transfer \$590,000 from the Mayor’s Office to the Salaries General Account cover salaries for staff on loan through year end.

- Transfer \$213,715 from the Unappropriated Balance, Reserve for Mid-Year Adjustments account to the Salaries General Account to address projected overspending through year end.
- Transfer \$46,817 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Bar Dues Account to address projected overspending related to increasing bar dues costs.
- Transfer \$6,466,015 from the Unappropriated Balance, Reserve for Mid-Year Adjustments account to the Litigation Expense Account address projected overspending.
- Transfer \$2,400,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments account to the Outside Council Account address projected overspending.
- Transfer \$50,623.04 from the City Attorney Resiliency in Communities After Stress and Trauma Program to the Police Department’s Overtime Sworn Account to support the LA Data Program.

G. City Clerk
Attachment 5 – Transfers Between Department and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.27	\$ (0.14)	Projected surplus is due to staff vacancies and slower hiring. The Department's vacancy rate is 8.5 percent through December 2024.
Elections	2.24	-	Projected surplus is due to savings related to the March 2024 Presidential Primary and November 2024 City elections.
General Fund Total	\$ 2.51	\$ (0.14)	

(City Clerk narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 1.05	\$ 0.99	\$ (0.06)	Projected revenue shortfall is due to lower than anticipated Passport Application Fee receipts based on year-to-date trends.

This Office projects that the General Fund surplus is \$1.71 million higher than we reported in the Second FSR primarily due to a surplus in the Elections Account resulting from a lower County invoice for the March 2024 Presidential Primary Election and lower November 2024 City election costs than originally projected. While funds have been set aside to cover the County portion of the November 2024 election costs, the actual costs will not be known until the invoice is received from the County in March. Additionally, the Salaries General Account surplus is \$0.53 million lower than we reported in the Second FSR primarily due to updated hiring and retirement assumptions and an error in assumed staff attrition. This Office will continue to monitor the status of the Department's accounts and report changes in the Year-End FSR.

Passport Application Fee Receipts

The projected year-end Passport Application Fee revenue estimate of \$0.10 million assumes that receipts will continue to be behind the \$0.23 million budget amount by \$0.13 million. The Department continues its efforts to increase public awareness of its passport services as discussed in the Second FSR. As of this report, the Department has collected 31 percent (\$0.03 million) of its projected Passport Application Fee receipts. This Office will work with the Department to monitor this revenue source and report back in the Year-End FSR with an updated revenue projection.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$138,600 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transaction at this time:

- Transfer \$138,600 from the Salaries General Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

H. City Planning
Recommendation No. 14
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers Between Department and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.10	\$ (1.01)	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications. The current department vacancy rate is approximately 16 percent.
Overtime General, Printing and Binding, Contractual Services, and Office and Administrative	0.09	\$ (0.09)	Projected surplus is due to lower than anticipated expenditures to date and a reduction in various accounts in order to accrue savings for Citywide budget balancing.
General Fund Total	\$ 1.19	\$ (1.10)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 5.20	\$ (0.23)	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications. The current department vacancy rate is approximately 16 percent.
Salaries, As-Needed	0.09	-	Projected surplus is due to delays in as-needed staff hires through the end of this fiscal year.
Furniture, Office, and Technical Equipment	0.13	-	Projected surplus is due to anticipated delay in purchases of Geographic Information Systems workstations through the end of this fiscal year.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	\$ (0.23)	\$ 0.23	Projected shortfall is due to the anticipated new home-sharing platform contract with Granicus effective in April 2025.
Special Funds Total	\$ 5.18	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 13.97	\$ 9.07	\$ (4.90)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office projects that the General Fund surplus is \$0.86 million higher than we reported in the First FSR due to slower than anticipated hiring (\$0.77 million) and new small surpluses in several expense accounts that reflect spending to date. The special fund surplus is \$0.23 million higher than we reported in the First FSR due to slower than anticipated hiring (\$0.25 million), newly reported surpluses in the Salaries, As-Needed and Furniture, Office, and Technical Equipment accounts due to delays in hiring and equipment purchases, and offset by a projected shortfall in the Contractual Services Account related to costs associated with the enhanced home-sharing platform anticipated in 2025.

The General Fund revenue shortfall is primarily due to related cost reimbursements. The lower than anticipated related cost reimbursements from the Systems Development Trust Fund is due to vacancies. The Department's vacancy rate is 16 percent. The lower than anticipated related cost reimbursements from the Planning Case Processing Fund and Planning Long-Range Planning Fund are due to revenue shortfalls.

This Office recommends to transfer \$234,500 from the projected Short-Term Rental Trust Fund Salaries General Account surplus to address projected overspending in the Contractual Services Account. The projected overspending in the Contractual Services Account is related to a new home-sharing platform contract with Granicus anticipated to be effective in April 2025. The new contract includes additional communication options, an updated ticketing system for public inquiries, and other service delivery improvements.

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. The fees consist of case processing fees related to development projects, expedited processing services, and supplemental fee agreements. The projected year end revenue is \$4.4 million lower than budgeted. The projected year end revenue is based on the collection through December 2024 and assumes continuing lower than planned revenue through June 2025. The projected revenue shortfall could result in the underpayment of related cost reimbursements to the General Fund by \$1.74 million. This Office recommends that the Council and Mayor instruct the Department to identify potential savings and available balances to reduce or eliminate the General Fund impact. This Office also intends to continue to monitor the impact of the January fire and windstorm events on the special fund revenue.

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. The projected year-end revenue is \$2.5 million less than budgeted. The projected year end revenue is based on the collection through December 2024 and assumes continuing lower than planned revenue through June 2025. The projected revenue shortfall could result in the non-payment of \$1.16 million related cost reimbursement to the General Fund. This Office recommends that the Council and Mayor instruct the Department to identify potential savings and available balances to reduce or eliminate the General Fund impact. This Office also intends to continue to monitor the impact of the January fire and windstorm events on the special fund revenue.

This Office recommends the following transactions:

- Transfer \$234,500 within the Department of City Planning No. 68, Short-Term Rental Trust Fund No. 62N from Account No. 001010 Salaries General to Account No. 003040 Contractual Services for the home-sharing platform contract.
- Instruct the Department to identify potential savings and available balances in the Planning Case Processing Special Fund and the Planning Long-Range Planning Special Fund to ensure that they are able to pay the full budgeted reimbursement of related costs to the General Fund despite projected revenue shortfalls in both of these special funds.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$1,104,728 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$1,104,728 from the Salaries General (\$1,014,690), Overtime General (\$20,531), Printing and Binding (\$15,000), Contractual Services (\$19,507), and Office and Administrative (\$35,000) accounts to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

**I. City Tourism
No Recommendation**

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.24	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.02	-	Projected surpluses in various expense accounts are based on year-to-date and prior-year expenditure trends.
Special Funds Total	\$ 0.26	\$ -	

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

This Office projects that the General Fund surplus is \$0.06 million higher than we reported in the F1st FSR due to increased vacancies. This Office does not recommend any transactions at this time.

J. Civil, Human Rights, and Equity
Attachment 5 – Transfers Between Department and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.155	\$ (0.123)	Projected surplus based on staff vacancies and savings from positions filled with in-lieu classifications at a lower level.
Salaries As-Needed	0.025	(0.025)	Projected surplus is based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
Contractual Services	0.161	(0.161)	
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.016)	-	Projected Overspending is based on year-to-date expenditure trends and projected operational needs through year end.
General Fund Total	\$ 0.325	\$ (0.31)	

This Office projects that the General Fund surplus is \$0.234 million higher than we reported in the Second FSR largely due to vacancies (\$0.093 million) and lower anticipated operational needs for Discrimination Enforcement hearing officers (\$0.005 million) and Contractual Services Account expenditures (\$0.161 million). The increased surplus is offset by increased spending in the Printing and Binding and Operating Supplies accounts. The Department does not have a General Fund revenue budget.

L.A. REPAIR Program

The LA REPAIR Innovation Fund currently has a balance of \$8.5 million. The Department reports slight delays in the timeline that this Office reported in the Second FSR for initiating spending on both Cohort 1 and Cohort 2. The Department has executed four grant agreements and is pending final agreements for one grant agreement totaling \$3.1 million for Cohort 1. The Department expects that disbursements for Cohort 1 to commence by the end of February 2025, compared to the end of 2024 as we previously reported. Concurrently, the Department is working to finalize 14 grant agreements, totaling \$5.4 million for Cohort 2. Cohort grant agreements are anticipated to commence in mid-2025, compared to early 2025 as we previously reported. The Department relies on the Office of the City Clerk for technical accounting support. The City Clerk has filled an Accountant position to support small City departments, and will provide sufficient assistance to manage and disburse funds for the Participatory Budgeting Pilot Program.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$308,477 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$308,477 from the Salaries General (\$122,943), Salaries As-Needed (\$25,000), and Contractual Services (\$160,534) accounts to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

**K. Community Investment for Families
Recommendation Nos. 15, 16, 17, and 18
Attachment 5 – Transfers between Departments and Funds
Attachment 10 – Budget Balancing Proposal**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.017	\$ (0.017)	Projected surplus is due to staff vacancies.
Contractual Services	2.279	(2.279)	Projected surplus is due to lower than anticipated contract expenditures.
General Fund Total	\$ 2.297	\$ (2.297)	

(Community Investment narrative continued on the next page)

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.513	\$ 0.064	Projected surplus is due to staff vacancies.
Transportation	0.015	(0.015)	Projected surplus is due to lower than anticipated mileage reimbursements.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.029)	0.015	Projected overspending is due to unbudgeted expenditures for the Community Services Block Grant (CSBG) and Office of Traffic Safety (OTS) grants.
Overtime General	(0.049)	0.039	
Printing and Binding	(0.003)	-	Projected overspending is due to unbudgeted expenditures for the OTS grants.
Travel	(0.006)	-	
Office and Administrative	(0.029)	(0.006)	Projected overspending is due to unbudgeted contract expenditures for the CSBG and OTS grants.
Contractual Services	(0.025)	(0.005)	
Special Funds Total	\$ 0.387	\$ 0.092	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 4.96	\$ 4.50	\$ (0.46)	Projected revenue shortfall is due to reduced related costs reimbursements associated with vacancies in positions funded by the Community Development Trust Fund.

This Office projects that the General Fund surplus is approximately \$0.24 million higher than what we reported in the Second FSR primarily due to lower than anticipated contract expenditures for the Survivor Services System expansion (C.F. 24-0446). After reporting special fund overspending of \$0.62 million in the Second FSR, this Office now projects a special fund surplus primarily due to actions that the Mayor and Council approved in the Second FSR (\$0.47 million) and the Family

Homelessness Challenge (C.F. 22-1097) and Local Immigrant Inclusion and Integration (C.F. 21-1015-S7) transmittals (\$0.50 million). The special fund surplus in the Salaries General Account has increased due to hiring delays for positions funded by the Community Development Trust Fund (\$0.15 million).

This Office recommends realigning the Department's budgetary appropriations with available Community Services Block Grant funds to address \$0.12 million in special fund overspending in the Salaries General and Salaries As-Needed accounts. This Office also recommends reducing appropriations in the Community Development Trust Fund to align with the approved Community Development Block Grant allocations for the Economic and Workforce Development Department and Housing Department and the related costs account in the 50th Program Year (2024-25) Consolidated Plan (C.F. 24-0500). We anticipate that recommendations in the Office of Traffic Safety grants transmittal, which is pending Council approval, will address the remaining special fund overspending in various expense accounts (C.F. 25-0045). This Office will continue to work with the Department to monitor expenditures and report in Year-End FSR with recommendations necessary to address any remaining overspending.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$1,546,880 in the CIFD Miscellaneous Grants and Awards Fund, CalKIDS Children's Savings Account Program Outreach Account that are no longer needed.
- Disencumber, revert, and reappropriate up to \$17,743.90 from 2023-24 in the Department's Contractual Services Account to the current fiscal year to complete the development of the case management system replacement.
- Increase appropriations totaling \$128,019.62 within the Community Services Block Grant Trust Fund to align 2024-25 budgetary appropriations with available grant funds.
- Reduce appropriations totaling \$3,550,962 within the Community Development Trust Fund to align with the approved Community Development Block Grant allocations in the 50th Program Year Consolidated Plan (C.F. 24-0500).

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$2,314,572 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$17,477 from the Salaries General Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.
- Transfer \$2,297,095 from the Contractual Services Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.

L. Controller
Recommendation No. 19
Attachment 6 – Appropriations from the Unappropriated Balance
Attachment 10– Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.40)	\$ 1.40	Projected overspending is primarily due to spending above the Department's salary savings rate in light of a low staff vacancies and costs associated with the recent civilian labor agreements including sick time payouts and retroactive pay.
Overtime General	(0.40)	0.40	Projected overspending is due to fiscal year-end closing related functions, financial reporting, year-end payroll activities, and increased needs to issue emergency checks as a result of staffing shortages.
General Fund Total	\$ (1.80)	\$ 1.80	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 5.91	\$ 5.92	\$ 0.01	Revenue surplus is attributed to an increase in estimated proprietary billing reimbursements from LAWA.

This Office projects that General Fund overspending is \$0.21 million higher than we reported in the Second FSR due to an increase in Salaries Overtime overspending (\$0.20 million) as the Department will incur increased overtime costs for financial reporting, year-end payroll activities, and increased needs to issue emergency checks.

This Office recommends to address this projected overspending through a transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account.

- Transfer \$400,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account, to the Overtime General Account to address projected overspending through year end.
- Transfer \$1,402,464 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account, to the Salaries General Account to address projected overspending through year end.

Budget Balancing Actions

This Office had identified Departmental prior-year encumbrances totaling up to \$10,503 that we recommend using for budget balancing. We recommend that the Council and Mayor disencumber these funds and revert them to the Reserve Fund.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber \$10,503 from the 2021-2022 and 2022-2023 encumbered balances within the Controller’s Office Contractual Services and Office and Administrative accounts and revert \$10,503 to the Reserve Fund from the following purchase orders:

Fiscal Year	Dept	Doc Code	Document ID	Appr Code	Vendor Name	Encumbrance Amount
2022	26	BPO	220000201229	6010	TROY GROUP INC	25
2022	26	BPO	220000224591	6010	ODP BUSINESS SOLUTIONS, LLC	33
2022	26	CPO	220000408229	3040	KONICA MINOLTA BUSINESS SOLUTIONS	3,902
2022	26	CPO	220000415188	3040	KONICA MINOLTA BUSINESS SOLUTIONS	6,522
2023	26	CPO	230000468073	6010	ODP BUSINESS SOLUTIONS, LLC	6
2023	26	CPO	230000474436	6010	ODP BUSINESS SOLUTIONS, LLC	15
Total						\$ 10,503

M. Council

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

This Office recommends the following transactions at this time:

- Transfer \$1,075,000 from the Salaries General Account to the Travel (\$75,000) and Office and Administrative (\$1,000,000) accounts to align the budget with current expenditure patterns.
- Transfer \$207,202 from the Salaries General Account to the Mayor’s Salaries As-Needed Account to support salary costs for Council District 14 staff who have transferred to the Mayor’s Office.
- Transfer \$240,000 from the General City Purposes Fund, Additional Homeless Services Council District 14 Account to the Council’s Salaries As-Needed Account to support Council District 14 staffing costs related to homelessness activities.
- Transfer \$600,000 from the State AB 1290 City Fund, Council District 14 Redevelopment Fund to the Council’s Salaries As-Needed Account to support Council District 14 staffing costs.

N. Cultural Affairs
Attachment 3 – New Appropriations
Attachment 4 – Transfers Between Accounts within Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.06	\$ -	Projected surpluses based on prior-year and year-to-date expenditure trends and operational needs through year end.
Contractual Services	0.04	-	
Office and Administrative	0.03	(0.03)	
Operating Supplies	0.03	(0.03)	
Art and Music Expense	0.02	-	
Special Appropriations I	0.59	-	
Special Appropriations II	0.10	-	
Special Appropriations III	1.46	(0.20)	
Overspending (Shown as Negative, in millions)			
Salaries As-Needed	(0.83)	0.65	Projected overspending is due to the increased use of as-needed staff for programming at arts centers and theaters in light of full time vacancies.
Printing and Binding	(0.10)	0.10	Projected overspending is due to delayed billings and projected operational needs through year end.
Special Funds Total	\$ 1.40	\$ 0.50	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 10.60	\$ 10.60	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office projects that the special fund surplus is \$0.15 million higher than we reported in the Second FSR primarily to due to actions taken in the Second FSR to partially address Salaries As-Needed overspending (\$0.30 million) and to bolster the Special Appropriations III account to pay for projects and contracts that extended from 2023-24 (\$0.07 million). These increases are partially offset by small decreases in the surpluses that we projected Second FSR in a number of accounts. This Office recommends an appropriation from the cash balance of the Arts and Cultural Facilities and Services Trust Fund and transfers from various accounts that are experiencing surpluses to partially offset overspending in the Salaries As-Needed Account and fully address overspending in the Printing and Binding Account. This Office will continue to work with the Department to monitor this Salaries As-Needed Account and report in future FSRs with recommendations necessary to address any remaining overspending.

This Office recommends the following transactions at this time:

- Appropriate \$500,000 from the available cash balance of the Arts and Cultural Facilities and Services Trust Fund to the Department's Salaries As-Needed Account to support art centers and theaters.
- Transfer \$154,000 from the Summer Arts and Culture Youth Jobs Account to reimburse the Salaries, As-Needed Account to front fund the cost of the Summer Arts and Cultural Youth Jobs Program.
- Transfer \$100,000 to the Printing and Binding Account from the Office and Administrative (\$25,000), Operating Supplies (\$25,000), and Citywide Exhibits (\$50,000) accounts to cover operational needs through year end.

O. Disability
Attachment 5 – Transfers between Departments and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.10	\$ -	Projected surplus due to salary savings from vacancies in the first half of 2024-25 and receipt of reimbursement for an employee on loan.
AIDS Prevention Policy	0.02	-	Projected surplus based on year-to-date and prior year expenditure trends.
Contractual Services	0.32	(0.31)	Projected surplus is due to delaying and reducing contract expenditures in order to accrue savings for Citywide budget balancing.
Salaries As Needed	0.01	-	Projected surplus based on year-to-date and prior year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.04)		Projected overspending due to response to the windstorm and wildfire events.
General Fund Total	\$ 0.42	\$ (0.31)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
General Fund	\$ 0.03	\$ -	This Office projects the year-end revenue to match the revenue budget.

This Office projects that the General Fund surplus is \$0.24 million higher than we reported in the First FSR. The increased surplus is primarily due to a new surplus in the Contractual Services Account, where we had projected overspending in the First FSR, as the Department has underspent on its HIV/AIDS prevention programs and will maintain slower spending in order to generate savings for Citywide budget balancing. This increase is partially offset by a \$0.18 million decrease in the Salaries General Account surplus that we reported in the First FSR due to recent hiring and new overspending in the Overtime General Account due to the Department’s response to the windstorm and wildfire events.

The Department reports \$0.14 million in windstorm and wildfire related response costs related expenses including for salaries (\$0.04 million), overtime (\$0.04 million), and various sign language and video interpreting services (\$0.06 million). This Office projects that the Department will be able to absorb these costs. We will report in future FSRs with updated projections and transactions necessary to address any overspending.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$312,497 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$312,497 from the Contractual Service Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

P. Economic and Workforce Development

Recommendation No. 20

Attachment 5 – Transfers between Departments and Funds

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.59	\$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.63	-	Projected surpluses are based on prior-year expenditure trends and projected operational needs through year end.
Leasing	0.03	-	
General Fund Total	\$ 1.26	\$ -	

(Economic and Workforce Development narrative continued on the next page)

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 3.01	\$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.16	-	Projected surpluses are based on prior-year expenditure trends and projected operational needs through year end.
Office and Administrative	0.11	-	
Operating Supplies	0.19	-	
Leasing	0.50	-	
Other Surplus Accounts	0.10	-	
Special Funds Total	\$ 4.08	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 6.11	\$ 5.78	\$ (0.33)	Projected revenue shortfall is due to reduced related costs reimbursements.

This Office projects that the General Fund surplus is \$1.01 million higher than we reported in the Second FSR due to continued hiring delays (\$0.24 million) and new anticipated surpluses in the Contractual Services and Leasing accounts. The projected special fund surplus is \$1.55 million higher primarily due to hiring delays (\$0.96 million) and new surpluses in the Contractual Services and Leasing accounts offset by a lower surplus in the Operating Supplies Account (\$0.13 million). This Office will continue to monitor expenditures and report in future FSRs. This Office recommends several administrative transfers to implement previously approved American Rescue Plan Act (ARPA) reprogramming, make full use of ARPA dollars, and repay outstanding ARPA-related Reserve Fund loans for administrative costs.

Californians for All Grant

The Californians for All Grant is a \$53.3 million grant awarded by the State of California for youth workforce development programs with an original grant performance period of January 2022 through July 2024, subsequently extended through December 2024. The Department has received as 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, to be repaid upon completion of the grant performance period and full reimbursement of expenditures by the state. As of January 2025, the state has issued reimbursements of \$11.4 million. The Department reports there is \$22.5 million in reimbursements pending state review and \$14.5 million in reimbursements pending submission to the state.

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 2024 are eligible to support funding needs for the program in 2024-25 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 2024-25 program year, including \$843,834 in expenditures from July to December 2024. Additionally, the Department reports \$500,000 in invoices currently under review. Given the necessary extension of certain program expenses due to the ongoing court audit, the 2023-24 Fourth (Year-End) FSR (C.F. 23-0600-S120) reappropriated \$2.5 million to the Unappropriated Balance (UB) for this purpose with an instruction to the Department to report through the FSR or other means if funding is needed to support expenditures in the current year. The 2024-25 Second FSR, as amended, authorized the transfer of \$1.25 million from the UB to the Department to ensure sufficient funding is available for ongoing expenditures. \$1.25 million remains available in the UB.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$164,983 from the Department's Salaries General account to reflect the reduced 2024-25 Community Development Block Grant allocation.
- To facilitate the use of ARPA dollars and repay ARPA-related Reserve Fund loans:
 - Establish a new appropriation account entitled "LA Regional Small Business Legal Aid Program," and transfer \$650,000 from Fund 551, Various Programs, to the newly established appropriation account (No. TBD) in the Economic Development Trust Fund.
 - Transfer \$200,090.66 from the ARPA Fund to the Economic Development Trust Fund, and re-designate this amount as General Fund, to ensure ARPA funds are spent by the federal deadline and the Legacy Business Program operated by the

- Department can continue into 2025.
- Transfer \$262,120.17 from the ARPA Fund to the Reserve Fund (Fund 101/62), Balance Sheet Account No. TBD, to repay four reserve fund loans for Personnel, Economic and Workforce Development, and City Attorney Department expenses from prior years.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$516,503 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$516,503 from the Salaries, General (\$281,460), Leasing (\$27,119), and Contractual Services (\$207,744) accounts to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

**Q. El Pueblo
No Recommendation**

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Office and Administrative	\$ 0.012	\$ -	Projected surplus is based on prior-year and year-to-date expenditure trends.
Other Surplus Accounts	0.020	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.009)	-	Projected overspending is primarily due to the retirement payout of the General Manager.
Salaries As-Needed	(0.008)	-	Projected overspending is based on prior-year and year-to-date expenditure trends.
Contractual Services	(0.008)	-	Projected overspending is largely due to increased costs of the Department's key card security project.
Water and Electricity	(0.068)	-	Projected overspending is based on prior-year and year-to-date expenditure trends.
Special Events	(0.005)	-	
Special Funds Total	\$ (0.066)	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 5.30	\$ 4.92	\$ (0.38)	Projected revenue shortfall is largely attributed to overdue rent payments.

While we reported a \$0.07 million special fund surplus in the First FSR, this Office now projects special fund overspending of \$0.07 million due to an unbudgeted retirement payout (\$0.11 million), increased contractual expenditures for the Department’s key card security project (\$0.01 million), and increased Water and Electricity Account expenditures (\$0.04 million). The overspending is partially offset by reduced expenditures in the Salaries As-Needed Account and other expense accounts.

Due to the projected overspending and the anticipated revenue shortfall within the El Pueblo de Los Angeles Historical Monument Fund, the Department may be unable to meet its budgeted related cost reimbursement to the General Fund. At this time, this Office projects the related cost reimbursement to the General Fund to be \$196,000 below the budgeted amount. If the special fund revenue shortfall increases and the Department is unable to further reduce expenditures, the projected shortfall in the Department’s related cost reimbursement to the General Fund will increase. With respect to the projected overspending in the Water and Electricity Account, this Office reports that the Department is working with the Department of Water and Power (DWP) to secure discounted rates to reduce its expenditures. DWP and the Department, however, have not finalized such changes. This Office anticipates that the balance of overspending will be addressed through transfers from accounts with projected surpluses.

This Office does not recommend any transactions at this time.

R. Emergency Management
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 6 – Appropriations from the Unappropriated Balance
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.009	\$ (0.009)	Projected surplus is based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	0.008	(0.008)	Projected surplus is based on prior-year expenditure trends excluding outlier years with pandemic impacts or one-time software purchases.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.075)	0.075	Projected overspending is due to costs associated with new hiring and funding transfers to pay for overtime expenditures for the response to the Los Angeles wildfires.
Overtime General	(0.017)	0.017	Projected overspending is based on an increase in operational needs for the response to the Los Angeles wildfires.
General Fund Total	\$ (0.075)	\$ 0.075	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.001)	\$ 0.001	Projected overspending is due to unbudgeted one-time retroactive payments associated with the labor agreements approved in 2023-24.
Special Funds Total	\$ (0.001)	\$ 0.001	

(Emergency Management narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 0.12	\$ 0.12	\$ -	The Department anticipates meeting its General Fund revenue budget by year end.

This Office projects that there is no longer a General Fund surplus, which we reported to be \$0.086 million in the First FSR, and we now project General Fund overspending of \$0.075 million. The increased spending is due to an increase in workload due to the windstorm and wildfires events. The primary cost driver is Overtime General resulting from activations of the Emergency Operations Center and the Disaster Recovery Center, in which our prior projection of a \$0.024 million surplus has changed to projected overspending totaling \$0.017 million. This overspending remains even after a transfer of \$0.068 million from the Salaries General Account to the Overtime General Account to resolve cash flow issues and address the immediate need for increased overtime use, which has resulted in a projected overspending of the Salaries General Account. The Department has also increased its hiring compared to our prior projections in order to address windstorm and wildfire related workload, increasing the overspending in this Account. The overspending is also due to accelerated use of as-needed staffing (\$0.011 million).

In order to ensure that the Department has adequate funding to meet the projected overtime need related to its windstorm and wildfire response, this Office recommends transfer from both the remaining expense account surpluses and from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to offset the projected overspending.

- Transfer \$75,693 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Salaries General Account, to address projected overspending.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$17,232 that we recommend transferring within the Department to partially address internal overspending.

- Transfer \$17,232 from the Salaries, As-Needed (\$9,405) and Office and Administrative (\$7,827) accounts to the Overtime General Account to fund the increase in workload due to the wildfire and windstorm events.

**S. Employee Relations Board
No Recommendation**

General Fund			
Account Name	Mid-Year FSR	Proposed Mid-Yr FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.012	\$ -	Projected surplus is based on full employment and salary costs associated with approved labor agreements.
Other Surplus Accounts	0.012	-	Projected surpluses in various accounts are based on the Department's operational needs through year end.
General Fund Total	\$ 0.024	\$ -	

This Office projects that the General Fund surplus is \$0.02 million higher than we reported in the First FSR due to increased salary savings (\$0.010 million) and slower than projected expense account spending (\$0.010 million). The Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

**T. Ethics
Recommendation No. 21
Attachment 10 – Budget Balancing Proposal**

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.24	\$ -	Projected surplus is due to unanticipated attrition and vacant positions.
Salaries As Needed	0.04	-	Projected surplus is based on year to date expenditure trends
Contractual Services	0.13	-	Projected surplus assumes funding allocated for a contracted special prosecutor is only partially used.
Special Funds Total	\$ 0.41	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 1.24	\$ 1.80	\$ 0.56	General Fund receipts above budget is associated with a late payment for 2022-23 services for the Los Angeles Unified School District elections.

This Office projects that the special fund surplus is \$0.14 million higher than we reported in the First FSR due to Salaries General savings associated with vacant positions (\$0.24 million) and reduced anticipated Salaries As-Needed expenditures (\$0.02 million), partially offset by increased estimated expenditures in the Contractual Services Account (\$0.12 million).

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$268,579 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Reserve Fund.

This Office recommends the following transactions:

- Transfer \$268,579 from the City Ethics Commission Fund, Ethics Commission – Future Year Account to the Reserve Fund.

U. Finance

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 7b – Status of the Unappropriated Balance, Reserve for Mid-Year Adjustments

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As Needed	\$ 0.06	\$ (0.05)	Projected surpluses are based on year-to-date expenditure trends.
Other Surplus Accounts	0.05	(0.03)	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.31)	0.31	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Transportation	(0.06)	-	Projected overspending is based on prior-year expenditure trends and projected operational needs through year end.
Office and Administrative	(0.25)	0.25	Projected overspending is due to increased costs for LATAX cloud data storage and software license renewals.
Contractual Services	(1.26)	1.26	Projected overspending is due to unbudgeted LATAX replacement project management services and to imaging and mailing services related to tax collection efforts.
General Fund Total	\$ (1.77)	\$ 1.74	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.41	\$ -	Projected surplus is due to staff vacancies.
Special Funds Total	\$ 0.41	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 13.33	\$ 12.70	\$ (0.63)	Projected shortfall is due to expected delays in recording FY 2025 reimbursements.

This Office projects that the General Fund overspending is \$0.44 million higher than we reported in the Second FSR primarily due to unfunded contractual obligations related to the Department's LATAX replacement project management efforts. This Office recommends to address projected overspending in the Contractual Services, Salaries General, and Office and Administrative accounts through transfers from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account and from accounts with projected surpluses. This Office will continue to work with the Department to monitor its expenditures and identify resolutions within its accounts to the extent possible. We will report in the Year-End FSR with transactions necessary to resolve any remaining projected overspending.

This Office recommends the following transaction at this time:

- Transfer \$1,264,199 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Contractual Services Account to address projected overspending due to costs related to LATAX replacement project management services and to imaging and mailing services related to tax collection efforts.
- Transfer \$308,500 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Salaries General Account to address projected overspending due to unbudgeted costs associated with civilian labor agreements.
- Transfer \$168,795 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Office and Administrative Account to address projected overspending due to increased costs for LATAX cloud data storage and software license renewals.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$80,000 that we recommend transferring within the Department to partially address internal overspending.

- Transfer \$80,000 from the Travel (\$9,416), Salaries As-Needed (\$50,000), and Printing and Binding (\$20,584) accounts to the Office and Administrative Account to address projected overspending due to increased costs for LATAX cloud data storage and software license renewals.

V. Fire

Recommendation No. 22

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Department and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Unused Sick Time	\$ 1.56	\$ (1.19)	Projected surplus is due to a decreased number of DROP exits compared to prior-year trends.
Other Surplus Accounts	0.44	-	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	\$ (3.60)	3.60	Projected overspending is primarily due to unbudgeted payment obligations related to a legal settlement, costs associated with the civilian labor agreements approved last fiscal year, and approved transfers to address potential shortfalls in other accounts.
Salaries Sworn	(66.10)	44.45	Projected shortfall due to a budget adjustment and transfer of funds to the Overtime Constant Staffing account in the adopted budget, approved transfers to address potential shortfalls in other accounts, and costs associated recently approved sworn labor agreements.
Firefighter Bonuses	(2.18)	2.30	Projected overspending due to new bonuses provided in recently approved sworn labor agreements.
Overtime General	(0.70)	0.90	Projected overspending due to higher than anticipated staff overtime for public safety inspections, fleet maintenance and Workday issue resolutions, and increased fleet and equipment maintenance due to recent wildfire incidents.

(Table continued on the next page)

Overtime Sworn	(5.16)	5.16	Projected overspending due to a higher than anticipated amount of resources deployed to wildfires.
Overtime Constant Staffing	(2.46)	2.46	Projected overspending due to unbudgeted labor agreement increases.
Overtime Variable Staffing	(4.37)	8.00	Projected overspending due to unbudgeted labor agreement increases and a higher than anticipated amount of resources deployed to wildfires.
Contractual Services	(10.80)	10.95	Projected overspending due to unbudgeted expense items and expenses related to the PP-GEMT-IGT program.
Field Equipment Expense	(0.53)	0.53	Projected overspending due to increased cost of auto parts and anticipated fireboat expenses.
Rescue Supplies and Expense	(0.91)	0.90	Projected overspending due to increased cost of medical supplies and increased demand from increasing operational needs.
Operating Supplies	(2.57)	2.57	Projected overspending is due to increasing demands on on-going operational supplies.
Other Overspending Accounts	(0.60)	0.67	Projected overspending is primarily due to unbudgeted costs associated with approved civilian labor agreements.
General Fund Total	\$ (97.98)	\$ 81.29	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 311.83	\$337.43	\$ 25.60	Projected revenue surplus is due to the receipt of one-time prior-year QAF funds and increased reimbursements for deployments to wildfire and storm events.

This Office projects that the General Fund overspending is approximately \$61.30 million higher than we reported in the Second FSR primarily due to increases in the projected overspending in the Salaries Sworn Account (\$55.10 million) and new overspending in the Overtime Constant Staffing and Firefighter Bonuses accounts due to costs associated with unbudgeted labor agreements. Further, there is new overspending in the Overtime Sworn and Overtime Variable accounts for costs associated with the windstorm and wildfire events response. Finally, overspending has increased in the Contractual Services Account (\$5.10 million) as a result of the

pending payment of the second quarter invoice for the 2025 Public Provider Ground Emergency Medical Transport Intergovernmental Transfer Program and due to higher than budgeted costs for the emergency medical services billing services contract.

This Office recommends transfers from the Unappropriated Balance, Reserve for Mid-Year Adjustments to address overspending in various accounts. This Office also recommends a transfer from the Unappropriated Balance, Fire Positions Reserve Account to the Salaries General for the salary costs of two positions that were proposed for deletion as a result of the elimination of vacant positions and restored in the Adopted Budget. We have also recommended transfers in amounts sufficient to provide funding for 15 substitute authorities approved by Council (C.F. 25-0073) to assist Department payroll and human resources functions. This Office will continue to work with the Department to monitor its expenditures and reports in future FSRs with recommendations to address additional projected overspending.

Windstorm and Wildfire Events Response

As a result of its extraordinary response to the windstorm and wildfire events, the Department has incurred spending in excess of amounts included in its budget. This Office recommends the transfers necessary to ensure that the Department has adequate resources for any ongoing response and required activities. We do not recommend addressing all overspending in this FSR. Instead, we will work with the Department to help it to receive funding from the General City Purposes, 2025 Wildfire Emergency Response and Recovery Account in an amount equal to its FEMA-reimbursable overspending. We have also recommended a \$150,000 transfer to fund the completion of an After-Action Report relative to the recent wildfire incidents.

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 increased fee 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 2024 calendar year is \$26.53 million, of which the Department has paid \$24.12 million to date. This Office will report in future FSRs with recommendations to pay any remaining costs upon the receipt of invoices.

The Department estimates the total amount for calendar year 2025 to be \$29.51 million but can only confirm actual amounts once it receives all quarterly invoices. The 2024-25 Budget includes funding in the Unappropriated Balance, Ground Emergency Medical Transport QAF Program Account, for these payments. Since the Department anticipated receiving a \$7.20 million invoice for the second payment of calendar year 2025, this Office recommends a transfer from this Account to the Department's Contractual Services Account for this payment.

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. Earlier this fiscal year, the Mayor and Council approved a \$5.70 million transfer from the Departments Salaries Sworn Account to its Contractual Services Account to pay for the DHCS invoice, which upon receipt was for \$5.20 million. The City has since received \$5.60 million in revenues that this Office recommends be used to reimburse the Sworn Salaries Account

The following transactions are recommended at this time:

- Transfer \$1,190,000 from the Unused Sick Time Account to the Overtime General Account (\$900,000) to meet workload needs for public safety inspection and fleet maintenance and to the Salaries, As-Needed Account (\$290,000) to address increased workload as a result of staffing reductions.
- Transfer up to \$66,558 from the Unappropriated Balance, Fire Positions Reserve Account to the Salaries General Account for salary costs of two positions that were proposed for deletion as a result of the elimination of vacant positions and restored in the Adopted Budget.
- Transfer \$68,423,140 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the following salary and expense accounts to address shortfalls through the year end:
 - Salaries General - \$3,532,120 to address current projected over-expenditure, including \$392,218 for 15 substitute authority positions that Council approved (C.F. 25-0073).
 - Salaries Sworn - \$38,850,000.
 - Overtime Sworn - \$5,160,949.
 - Overtime Constant Staffing - \$2,455,078.
 - Contractual Services - \$3,750,000 to address the current projected over-expenditure related to emergency medical services billing services (\$3,600,000) and to fund the completion of a windstorm and wildfire after-action report (\$150,000).
 - Office and Administrative - \$375,000.
 - Operating Supplies - \$2,570,993.
 - Sworn Bonuses - \$2,300,000.
 - Overtime Variable Staffing - \$8,000,000.
 - Field Equipment Expense - \$529,000.
 - Rescue Supplies and Expense - \$900,000.
- Transfer up to \$7.20 million set aside in the Unappropriated Balance, Public Provider Ground Emergency Medical Transport Intergovernmental Transfer (PP-GEMT-IGT) Program Account to the Contractual Services Account, for the payment of the second quarterly invoice for calendar year 2025 for the PP-GEMT-IGT Program.
- Authorize the Fire Department to electronically transfer or disburse up to \$7.2 million from the Contractual Services Account to the State Department of Health Care Services for the

payment of the second quarterly invoice for calendar year 2025 for the PP-GEMT-IGT Program

- Transfer up to \$5,600,000 from the Medi-Cal Intergovernmental Transfer to the Salaries Sworn Account for the calendar year 2023 Intergovernmental Transfer Program revenue receipts.

W. General Services

Recommendation Nos. 23, 24, and 25

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 7b – Status of the Unappropriated Balance, Reserve for Mid-Year Adjustments

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.64	\$ -	Projected surplus is due to staff vacancies and hiring delays. Departmental vacancy rate is 9.3 percent through December 2024.
Other Surplus Accounts	0.32	(0.02)	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries, As-Needed	(0.07)	-	Projected overspending is due to the increased use of as-needed staffing to meet workload needs as a result of staff vacancies.
Overtime General	(0.57)	0.57	Projected overspending is due to the increased use of overtime and hiring hall staff to maintain service levels in light of full-time vacancies.
Hiring Hall Fringe Benefits	(0.35)	-	
Overtime Hiring Hall	(0.02)	0.02	
Contractual Services	(0.08)	0.08	Projected overspending is due to increased costs for services at contracted City facilities.
Field Equipment Expense	(5.74)	3.85	Projected overspending is due to higher maintenance costs associated with the City's aging fleet, including SWRRF overspending in this account that we anticipate will become a General Fund Liability due to funding constraints in SWRRF.
Petroleum Products	(7.69)	5.00	Projected overspending is due to increased commodity prices.
Utilities Expense Private Company	(1.27)	1.00	
General Fund Total	\$ (14.83)	\$ 10.50	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.00	\$ -	Projected surplus is due to staff vacancies and hiring delays. Departmental vacancy rate is 9.3 percent through December 2024.
Petroleum Products	1.98	(1.00)	Projected surplus is due to the reduced need for petroleum products for Special Fund departments.
<i>Overspending (Shown as Negative, in millions)</i>			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Overtime General	(0.50)	0.50	Projected overspending is due to the increased use of staff overtime to maintain service levels in light of full-time vacancies.
Field Equipment Expense	(0.50)	0.50	Projected overspending is due to higher maintenance costs associated with the City's aging fleet.
Special Funds Total	\$ 1.98	\$ -	

General Fund Revenue			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 40.38	\$ 44.98	\$ 4.60	Projected revenue surplus is primarily due to unbudgeted prior-year reimbursements.

This Office projects that the General Fund overspending is \$3.34 million higher than we reported in the Second FSR due to increased overspending in the Petroleum Products Account (\$2.49 million) and Utilities Expense Private Company Account (\$0.13 million) due to increased commodity prices, a reduced surplus in the Salaries General Account (\$2.82 million) due in large part to recently approved labor agreements that increased standby bonus pay, and newly projected overspending in the Salaries As-Needed Account (\$0.32 million) to address workload needs in light of staff vacancies. This Office projects that \$0.70 million of the increase petroleum expenditures is related to the windstorm and wildfire events. This increase in overspending is partially offset by reduced overspending in the Field Equipment Expense Account (\$1.55 million) and Hiring Hall Fringe Benefits Account (\$0.33 million) due to transactions approved in the Second FSR and updated spending patterns.

The \$5.74 million in Field Equipment Expense Account overspending for the maintenance and repair of the fleet includes \$3.87 million in costs for services that are eligible to be paid by the Solid Waste Resources Revenue Fund (SWRRF). Due to funding constraints in SWRRF, we anticipate these costs will become a General Fund liability unless savings are identified in SWRRF sufficient to address these costs.

This Office projects that the special fund surplus is \$1.68 million higher than we reported in the Second FSR primarily due to a reduction in spending in the Salaries General Account. This is the surplus total after addressing \$1.00 million in costs for overtime for the maintenance and repair of the Bureau of Sanitation's fleet.

This Office recommends the following transactions at this time:

- Transfer \$6,000,000 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Department's Petroleum Products (\$5,000,000) and Utilities Expense Private Company (\$1,000,000) accounts to partially address the overspending related to increased commodity prices.
- Transfer \$1,000,000 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Department's Field Equipment Expense Account to partially address increased costs for the repair and maintenance of the City's fleet.
- Transfer \$571,518 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Department's Overtime General Account to address overtime needs due to staff vacancies.

Budget Balancing Actions

This Office has identified Departmental surpluses and prior-year encumbrances totaling \$8,900,864 that we recommend using for budget balancing. Of this amount, \$2.72 million was used for departmental budget balancing in the Second FSR. We recommend that the Council and Mayor partially offset remaining Departmental overspending (\$2.94 million) and to transfer the remaining balance (\$3.24 million) to the Reserve Fund.

This Office recommends the following transactions at this time:

- Disencumber, revert, and reappropriate up to \$49,994 in 2018-19 encumbered balances in the Department's Contractual Services Account to the current fiscal year to address increased costs for the operations and maintenance of contracted City facilities.
- Disencumber, revert, and reappropriate up to \$34,203 in 2020-21 encumbered balances in the Department's Contractual Services Account to the current fiscal year to address increased costs for the operations and maintenance of contracted City facilities.
- Disencumber, revert, and reappropriate up to \$844,022 in 2022-23 encumbered balances

in the Department's Field Equipment Expense Account to the current fiscal year to fund the repair and maintenance of City's fleet.

- Disencumber, revert, and reappropriate up to \$2,006,787 in 2023-24 encumbered balances in the Department's Field Equipment Expense Account to the current fiscal year to fund the repair and maintenance of City's fleet.
- Disencumber and revert up to \$571,518 in 2021-22 encumbered balances in the Department's Contractual Services Account to the Reserve Fund to restore the Reserve Fund.
- Disencumber and revert up to \$2,673,431 in the 2023-24 encumbered balance within the General Services Master Trust Account to the Reserve Fund to restore the Reserve Fund.
- Transfer \$20,000 from the Travel Account to the Overtime Hiring Hall Account to address overspending related to the increased costs for the repair and maintenance of City facilities.
- Transfer \$1,000,000 from the Petroleum Products Account (SWRRF) to the Field Equipment (\$500,000) and Overtime General (\$500,000) accounts to address the increased costs for the repair and maintenance of the City's fleet.

X. Housing

Recommendation Nos. 26, 27, 28, 29, 30, 31, 32, and 33

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.13	\$ -	Projected surplus is due to vacancies, attrition, and delays in hiring.
Overtime General	0.16	-	Projected surplus is due to lower than anticipated expenditures related to the Home Sharing Ordinance Afterhours Enforcement Pilot program.
Leasing	0.14	(0.01)	Projected surplus is due to the delay in securing a main office space.
<i>Overspending (Shown as Negative, in millions)</i>			
Transportation	(0.01)	0.01	Projected overspending is due to higher than anticipated site inspections of Proposition HHH funded units.
General Fund Total	\$ 0.42	\$ -	

(Housing narrative continued on the next page)

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 8.81	\$ 0.52	Projected net surplus is due to vacancies, attrition, and delays in hiring. This Office projects overspending in some special funds.
Contractual Services	2.48	-	Projected surplus is due to lower than anticipated as-needed contractual services expenditures.
Printing and Binding	0.02	-	Projected surplus is due to lower than anticipated expenditures related to the implementation of the Just Cause Ordinance.
Office and Administrative	0.36	0.12	Projected net surplus is due to lower than anticipated expenditures. This Office projects overspending for software license renewal costs.
Leasing	2.88	-	Projected surplus is due to the delay in securing a main office space.
Overspending (Shown as Negative, in millions)			
Salaries As-Needed	(0.12)	0.12	Projected overspending is due to increased need for part-time staff to maintain service levels.
Overtime General	(0.08)	0.08	Projected overspending is due to backlogs that must be addressed by full time staff.
Transportation	(0.06)	0.06	Projected overspending is due to higher than anticipated site inspections of accessible units and units subject to code enforcement.
Special Funds Total	\$ 14.29	\$ 0.89	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 57.59	\$ 54.16	\$ (3.43)	Revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

This Office projects that the General Fund surplus is \$0.38 million higher than we reported in the Second FSR due to increased available funding in the Salaries General (\$0.23 million) and Overtime General (\$0.16 million) accounts as a result of staff vacancies and lower than anticipated overtime expenditures of the Home Sharing Ordinance Afterhours Enforcement Pilot program. The increased surplus is partially offset by projected overspending in the Transportation Account (\$0.10 million) due to increased site inspections of Proposition HHH funded units.

This Office projects that the special fund surplus is \$4.87 million higher than we reported in the Second FSR primarily due to lower than anticipated expenditures in the Contractual Services (\$2.48 million) and Office and Administrative (\$0.68 million) accounts. While we project a net increase in special fund savings in the Salaries General Account (\$1.82 million), this Office projects overspending in this account within certain special funds. To address the projected Salaries General overspending, this Office recommends appropriating funds from the administrative reserve of the Housing Production Revolving Fund and transferring funds from the available cash balance of the Housing Impact Trust Fund.

The increased special fund surplus is partially offset by increased overspending in the Salaries As-Needed Account (\$0.05 million) due to part-time staffing needed to maintain service levels in light of vacancies and new overspending in the Overtime General Account (\$0.08 million) due to increased workloads in the Department's Accounting Division. Further, this Office projects special fund overspending in the Transportation Account as a result of increased code enforcement inspections and inspections of accessible units. This Office recommends transfers from accounts with projected surpluses within various funds to address the overspending within the Salaries As-Needed, Overtime General, and Transportation Accounts. This Office also recommends appropriating funds from the administrative reserve of the Housing Production Revolving Fund to the Office and Administrative Account for software license renewal costs related to labor compliance.

The General Fund revenue shortfall is primarily due to lower than anticipated related cost reimbursements due to vacant special-funded positions. The Department's vacancy rate is 17 percent. In addition, the Department has paused General Fund reimbursements from the Accessible Housing Fund due to lack of funds. While the current revenue projection assumes no additional General Fund reimbursements through year end from the Accessible Housing Fund, this Office is working with the Department to clarify prior-year obligations from this fund that may allow for additional General Fund reimbursements before the end of the fiscal year.

This Office recommends the following transactions at this time:

- Decrease appropriations totaling \$1,348,398.67 from prior-year accounts within the Low and Moderate Income Housing Fund to align appropriations with the available cash balance.
- Decrease appropriations totaling \$1,162,105.82 from prior-year accounts within the Systematic Code Enforcement Trust Fund to align the budget appropriations with the available cash balance.

- Decrease appropriations totaling \$35,877.63 from prior-year accounts within the Rent Stabilization Trust Fund to align appropriations with the available cash balance.
- Decrease appropriations totaling \$2,285.00 from a prior-year account within the Foreclosure Registry Fund to align appropriations with the available cash balance.
- Decrease appropriations totaling \$9,050,556.80 from prior-year accounts within the Accessible Housing Fund to align appropriations with the available cash balance.
- Decrease appropriations totaling \$3.72 from prior-year accounts within the US Treasury Emergency Rental Assistance Fund to align appropriations with the available grant balance.
- Decrease appropriations in the amount of \$1,091,828 in the Department's Leasing Account to reflect the approved Community Development Block Grant allocation in the 50th Program Year (2024-25) Consolidated Plan.
- Appropriate and transfer \$897,990 from the Proposition HHH Bond Proceeds Fund to the Department's Reimbursement from Other Funds (\$615,610) and Related Cost Reimbursements - Others (\$282,380) revenue accounts to reimburse the General Fund for eligible salary expenses and related costs related to the Proposition HHH Program.
- Appropriate \$725,665 from the available cash balance of the Housing Production Revolving Fund to the Salaries General (\$364,903) and Office and Administrative (\$115,000) accounts and to the Housing Production Revolving Fund's Reimbursement of General Fund Costs Account (\$245,762) to fund technical services and salaries.
- Transfer \$77,799 from the Leasing (\$13,269), Salaries General (\$44,043), and the Reimbursement of General Fund Costs (\$20,487) accounts in various special funds to the Transportation Account to pay for transportation costs.
- Transfer \$119,603 from the Salaries General (\$84,700) and the Reimbursement of General Fund Costs (\$34,903) accounts in various special funds to the Salaries As-Needed Account to pay for part-time staffing costs.
- Transfer \$77,674 from the Salaries General (\$55,726) and the Reimbursement of General Fund Costs (\$21,948) accounts in various special funds to the Overtime General Account to pay for the Accounting Division's overtime costs.
- Transfer \$233,529 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.
- Transfer \$25,000 from the Salaries General (\$17,592) and Foreclosure Registry Program Fund Reimbursement of General Fund Costs (\$7,048) accounts within the Foreclosure

Registry Program Fund to a new appropriation account, Foreclosure Registry Program Fee Study Account, for contractual services related to a fee study of the Foreclosure Registry Program fees.

- Transfer \$427,154 from the Administrative Reserve Account within the Housing Impact Trust Fund to the Salaries General (\$255,246) and Reimbursement of General Fund Costs (\$171,908) accounts to fund the Housing Development Bureau's salary costs.
- Transfer \$98,757 from the Housing Department Account within the LAHD Small Grants and Awards Fund to the Department's Salaries General Account to pay for salary expenditures related to the LEAP Grant (C.F. 20-0753).
- Transfer \$21,175 from the Reimbursement of General Fund Costs Account within the LAHD Small Grants and Awards Fund to a new Reimbursement of General Fund Costs Account for the administration of the LEAP Grant.
- Appropriate \$619,195 from the available cash balance of the Housing Production Revolving Fund to the Department's Salaries, General (\$370,000) and to the Housing Production Revolving Fund's Reimbursement of General Fund Costs Account (\$249,195) to fund technical salaries.
- Appropriate \$168,797 from the available cash balance of the Short-Term Rental Enforcement Trust Fund to the Department's Overtime General (\$168,797) account to fund technical overtime.

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$538,797 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$538,797 from the Salaries, General (\$370,000) and Overtime General (\$168,797) accounts to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

Y. Information Technology Agency
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.11	\$ (1.50)	Projected surplus is due to staff vacancies. The Departmental vacancy rate is 12 percent.
Salaries As-Needed	0.18	-	Projected surpluses are based on year-to-date expenditure trends.
Office and Administrative	0.20	(0.20)	
Operating Supplies	0.40	(0.40)	
Contractual Services	0.51	(0.51)	Projected surplus is due to delaying and reducing contract expenditures in order to accrue savings for Citywide budget balancing.
Communications Services	3.62	(3.62)	Projected surplus is primarily associated with the delays in identifying a vendor to complete the Green Mountain Radio Infrastructure Project. The use of the surplus for Citywide budget balancing will result in the need for a new appropriation to this account in a future fiscal year to complete the project.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(1.00)	1.00	Projected overspending is due to increased staff overtime to support departmental operations and requirements in key areas, such as emergency public safety and technical support.
Overtime Hiring Hall	(0.05)	0.05	Projected overspending is due to increased overtime hiring hall usage in response to staff vacancies and staff shortages to avoid delays in major projects.
General Fund Total	\$ 5.97	\$ (5.18)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.10	\$ -	Projected surplus is based on the current vacancy rate of 12 percent.
Special Funds Total	\$ 0.10	\$ -	

General Fund Revenue			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 5.44	\$ 4.93	\$ (0.51)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office projects that the General Fund surplus is \$3.31 million higher than we reported in the Second FSR. The increased surplus is primarily due to transactions approved in the Second FSR, increased staff vacancies, and projected reduced expenditures in the Communications Services Account as a result of the delay in the Green Mountain Radio Infrastructure Project, for which \$3.6 million in funding was reappropriated to the current fiscal year. The Department anticipates releasing the Request for Proposals for this project in spring 2025. This Office, therefore, does not expect the Department to encumber the funds before year end. This Office continues to project overspending in the Overtime General Account and Overtime Hiring Hall accounts due to increased staff overtime and hiring hall staff needed to support departmental operations in response to full-time vacancies. As of February 5, 2025, the Department has incurred Overtime General Account expenditures of \$0.11 million due to the windstorm and wildfire events. We project that the special fund overspending is unchanged since the Second FSR.

This Office recommends transfers from accounts with projected surpluses to address the overspending. This Office also recommends appropriations from the Department's revenue accounts to the Contractual Services Account (\$0.06 million) to fund payments for Human Resources and Payroll Project support services and to the Communications Services Account (\$0.03 million) for fiber optic installation.

This Office recommends the following actions at this time:

- Appropriate \$58,000 from General Fund Revenue received from the Los Angeles World Airports to the Contractual Services Account to fund payments for Human Resources and Payroll Project support services.

- Transfer \$47,080 from the Communication Services Account to the Overtime Hiring Hall Account to facilitate the completion of various Communication Services Requests.
- Appropriate \$25,000 from General Fund Revenue received from the Department of Water and Power to the Communication Services Account for fiber optic installation.

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$6,272,000 that we recommend using for budget balancing. We recommend the use of a portion of these surpluses to offset existing Departmental overspending (\$1.00 million) and to transfer the remaining balance (\$5.27 million) to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$1,000,000 from the Salaries General Account to the Overtime General Account to address projected overspending.
- Transfer \$5,272,000 from the Salaries General (\$500,000), Communication Services (\$3,600,000), Contractual Services (\$572,000), Office and Administrative (\$200,000), and Operating Supplies (\$400,000) accounts to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

Z. Library
Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries, General	\$ 2.58	\$ -	Projected surplus is due to staff vacancies.
Salaries, As-Needed	1.31	-	
Contractual Services	5.78	(0.47)	Projected surplus is based on prior-year expenditures and anticipated construction needs through year end.
Office and Administrative	2.08	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Various Special	1.36	-	
Other Surplus Accounts	0.30	-	
Special Funds Total	\$ 13.41	\$ (0.47)	

Special Fund Revenue			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ -	\$ 0.18	\$ 0.18	Revenue surplus from unanticipated prior-year reimbursements, film permit revenue, and union release time reimbursements.

This Office projects that the special fund surplus is \$0.92 million higher than we reported in the Second FSR. The surplus has increased in the Contractual Services Account (\$1.15 million) due to updated construction project timelines and in the Office and Administrative Account (\$0.91 million) due to delays in technology projects. These increases are partially offset by decreased surpluses in the Salaries, General (\$0.61 million) and Salaries, As-Needed (\$0.07 million) account due to hiring trends and in the Various Special Account (\$0.56 million) due to increased custodial and security costs. This Office recommends transferring funding from the Department’s Contractual Services Account surplus to cover costs associated with repair and landscaping projects at various facilities.

This Office recommends the following transactions at this time:

- Transfer \$430,038 from the Library's Contractual Services Account to the General Services Department's Salaries, Construction Projects (\$366,501.60) and Construction Materials (\$63,536.40) accounts to pay for alterations, improvements, and repairs at Library facilities.
- Transfer \$38,785.42 from the Library's Contractual Services Account to the Department of Public Works – Bureau of Engineering's Salaries, General (\$21,480.62) and Related Cost Reimbursement – Others (\$17,304.80) accounts for the design and management of drought resistant landscaping projects at library branches.

AA. Mayor

Attachment 5 – Transfers between Departments and Funds

This Office recommends the following transactions at this time:

- Transfer \$200,000 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 \$590,000 from the Mayor to the City Attorney's Salaries General Account to reimburse the City Attorney for employees on loan to the Mayor's Office.

BB. Neighborhood Empowerment
Attachment 4 – Transfers Between Accounts within Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Printing and Binding	\$ 0.075	\$ (0.064)	Projected surpluses are based on anticipated reduced operational needs through year end to accrue savings in order to address projected overspending in other accounts.
Contractual Services	0.128	(0.117)	
Office and Administrative	0.044	(0.042)	
Other Surplus Accounts	0.007	-	Projected surpluses are based on anticipated operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.214)	0.214	Projected overspending is due to spending above the Department's nine percent salary savings rate due to lower than anticipated attrition and unbudgeted costs associated with the civilian labor agreements approved last year.
Transportation	(0.018)	0.008	Projected overspending is based on projected operational needs through year end including increased workload during the Neighborhood Council election cycle and mileage costs.
Special Funds Total	\$ 0.022	\$ -	

After reporting special fund overspending of \$0.12 million in the Second FSR, this Office now projects a special fund surplus of \$0.02 million due to recent changes in projected salary payouts, actions that the Council and Mayor took through the First FSR, and revised expenditure plans for various expense accounts. The Department and this Office have collaborated to identify additional funding from various expense accounts to address the projected overspending. This Office recommends transfers in this report to address the projected overspending in the Salaries General and Transportation accounts. This Office will continue to work with the Department to monitor the special fund overspending and report in the Year-End FSR with recommendations necessary to address any remaining overspending.

This Office recommends the following transactions at this time:

- Transfer \$214,107 from the Printing and Binding (\$55,524), Contractual Services (\$116,680), and Office and Administrative (\$41,903) accounts to the Salaries General Account to address the projected overspending in this account.
- Transfer \$8,448 from the Printing and Binding Account to the Transportation Account to support transportation costs for staff through the upcoming Neighborhood Council election cycle.

CC. Personnel
Attachment 3 – New Appropriations
Attachment 4 – Transfers Between Accounts within Departments and Funds
Attachment 5 – Transfers Between Departments and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.70	\$ (1.50)	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications.
Other Expense Accounts	0.14	(0.14)	Projected surplus is based on current expenditure trends and proposed efforts to curtail spending to to achieve Citywide budget balancing.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries, As-Needed	(0.30)	0.30	Projected overspending is due to increased as-needed staff to maintain service levels in light of full-time vacancies and ensuring the 24/7 operation of medical staffing in the City's jails.
Overtime General	(0.21)	0.21	Projected overspending is due to increased staff overtime to maintain service levels in light of full-time vacancies, evening and weekend attendance at job fairs and recruitment events, ensuring the 24/7 operation of medical staffing in the City's jails, and providing disaster service worker support to the Fire Department.
Contractual Services	(0.75)	0.75	Projected overspending is due to an increase in reimbursement rates for Sexual Assault Response Team examinations (\$850,000) partially offset by reducing and delaying Contractual Services expenditures to achieve Citywide budget balancing (\$99,000).
General Fund Total	\$ 0.58	\$ (0.38)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries, General	\$ 0.22	-	Projected surplus is due to reduced special fund billing and staff vacancies.
Special Funds Total	\$ 0.22	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 32.66	\$ 35.60	\$ 2.94	Variance is due to prior year payments being received in 2024-25.

This Office projects that the net General Fund overspending of \$0.48 million that we reported in the Second FSR has been eliminated and we now report a surplus. This change is driven by delays in hiring and continued attrition (\$1.00 million) and the incorporation of proposed reductions in the Contractual Services Account (\$0.25 million) and various other expense accounts (\$0.12 million). These spending decreases are offset by increased use of as-needed medical staffing (\$0.30 million) and overtime (\$0.21 million). This Office recommends transfers from surplus account to overspending accounts within the Department to resolve all projected overspending at this time.

This Office recommends the following transaction at this time:

- Increase the appropriation in the Contractual Services account by \$40,760.60 from reimbursement from the Department of Water and Power for executive search services provided.

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$1,635,000 that we recommend using for budget balancing. We recommend that the Council and Mayor use a portion of these surpluses to offset existing Departmental overspending (\$1,259,000) and transfer the remaining balance (\$376,000) to the Unappropriated Balance, Reserve for Mid-year Adjustments to address Citywide overspending.

- Transfer \$1,259,000 from the Salaries General Account to the Salaries, As-Needed (\$300,000), Overtime General (\$208,000) and Contractual Services (\$751,000) accounts to address projected overspending.

- Transfer \$376,000 from the Salaries General (\$241,000), Printing and Binding (\$44,000), Transportation (\$35,500), Oral Board Expense (\$16,000) and Training Expense (\$39,500) accounts to the Unappropriated Balance, Reserve for Mid-year Adjustments Account for Citywide budget balancing.

DD. Police

Recommendation No. 34

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers Between Department and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Accumulated Overtime	0.70	(0.70)	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Firearms, Ammunition, Other Device	1.30	(1.30)	
Office and Administrative	1.55	(1.55)	
Other Surplus Accounts	1.14	(0.68)	

(Table continued on the next page)

<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(3.94)	-	Projected overspending is primarily due to salary costs associated with the civilian labor agreements approved last fiscal year and projected hiring.
Salaries Sworn	(7.36)	-	Projected overspending is primarily due increased vacation and sick payouts offset by lower than budgeted sworn employee counts.
Contractual Services	(1.58)	1.58	Projected overspending is related to contracts for security (\$0.70 million), Official Police Garages (\$1.06 million), Workday transition support (\$0.18 million), and various technology projects (\$1.60 million) partially offset by reductions in other areas.
Overtime Sworn	(16.17)	14.50	Projected overspending is based on prior-year expenditure trends and anticipated operational needs through year end, including increased use associated with the windstorm and wildfire events.
Other Overspending Accounts	(1.40)	1.30	Projected overspending is based on prior-year expenditure trends and anticipated operational needs through year end.
General Fund Total	\$ (25.76)	\$ 13.15	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.61	\$ (0.61)	Projected surpluses are due to staff vacancies.
Overtime Sworn	0.83	0.01	Projected surplus is based on lower than anticipated operational need for special funded sworn overtime.
Overspending (Shown as Negative, in millions)			
Contractual Services	(0.85)	0.77	Projected overspending is based on prior-year expenditure trends and increased contract security demand.
Salaries Sworn	(0.17)	0.17	Projected overspending is primarily due to security services for the Bureau of Sanitation.
Overtime General	(0.23)	0.23	Projected overspending is primarily due to cannabis regulation, narcotics analysis, and detention officer training.
Special Funds Total	\$ 0.19	\$ 0.57	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 168.93	\$157.69	\$ (11.24)	Projected revenue shortfall is primarily due to delayed MTA receipts due to Workday reporting issues, delayed approval of the MTA contract amendment, and reduced revenues anticipated from permits, false alarm, impound, and other fees.

This Office projects that General Fund overspending is \$6.11 million higher than what we reported in the Second FSR. This increase is primarily due to increased overspending in the Overtime Sworn Account (\$8.66 million) due to the recent wildfires and new overspending in the Contractual Services Account (\$1.58 million). These increases are offset by decreases in civilian hiring, vacation, sick leave and retroactive payouts (\$2.00 million), sworn hiring below prior projections (\$0.24 million) and new surpluses in the Firearms, Ammunition Other (\$1.30 million) and Office and Administrative (\$1.55 million) accounts. This Office recommends the use of existing surpluses and a transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments to partially address the reported overspending.

The \$16.17 million Overtime Sworn Account overspending that we are reporting represents higher overspending in non-reimbursable overtime (\$31.07 million) offset by a surplus in reimbursable overtime (\$14.9 million). As a result, the burden to the General Fund is higher than the overspending amount suggests as in addition to the need to increase the appropriation to match the projected spending level, the General Fund revenue will also fall short of budget as the Department performs less reimbursable overtime.

This Office will continue monitoring the status of all accounts and recommend additional transfers in the Year-end FSR, as necessary.

Sworn Hiring

From June 29, 2024, through December 28, 2024, the Department hired seven recruit classes for a total of 207 additional officers. The Department plans to hire 574 new recruits and 30 officers through the BOUNCE/Recall Program. Our expenditure projections assume the Department will hire 387 new recruits and five officers through the BOUNCE/Recall Program by year-end, based on year-to-date hiring trends. Officer attrition through December 28, 2024, was 222 versus the 243 assumed in the Adopted Budget. Hiring through December 28, 2024, is 31 percent lower than the Adopted Budget (207 actual hires versus 298 budgeted). As of December 28, 2024, there are 8,795 officers deployed citywide, including 17 Municipal Officers.

Citywide Recreational Vehicle (RV) Recycling Program

On August 16, 2024, the Council approved a \$2 million transfer from the Unappropriated Balance, Citywide Recreational Vehicle Program Account to the Department for the recycling of recreational vehicles (C.F. 24-0863). The Council also instructed this Office, with the assistance of the Department, to provide a report on funding for this program once the account reaches \$250,000 for this fiscal year.

In response this Office reported that as of November 6, 2024, the Department has spent \$0.7 million, leaving a remaining balance of \$1.3 million. We also projected that an additional \$1.0 million is needed through the end of the fiscal year. To partially address the projected shortfall, the Council transferred an additional \$150,000 from the Unappropriated Balance, Recreational Vehicle Program Account to the Department's Contractual Services account (C.F. 24-0600-S113).

As of February 5, 2025, the Department reported that it has spent \$1.19 million leaving a remaining balance of \$956,000. The Department requested an additional transfer of \$850,000 from the Unappropriated Balance at this time. Due to the City's fiscal constraints and the significant amount of remaining funding that the Department has for this purpose, this Office does not recommend this transfer at this time. We will continue to monitor this account and provide usage report in the Year-End FSR to assess whether additional funding is necessary.

This Office recommends the following transactions at this time:

- Transfer \$14,000,000 from the Unappropriated Balance, Reserve for Mid-Year

Adjustments Account to the Department's Overtime Sworn Account to address a projected overspending in non-reimbursable sworn overtime.

- Transfer \$600,000 from the Overtime Sworn Account to the Overtime General Account to realign budgeted funds specific to the Los Angeles County Metropolitan Transportation Authority (LACMTA) contract to address a deployment surge requested by LACMTA and Mayor Bass.
- Transfer \$60,300 from the Overtime Sworn Account to the Overtime General Account within the Cannabis Regulation Fund to realign actual usage of budgeted funds.
- Transfer \$25,000 from the Narcotics Analysis Laboratory Trust Fund to the Department's Overtime General Account in overtime costs for the Forensic Science Division staff.
- Transfer \$613,634 from the Salaries General Account to the Sworn Salaries (\$173,382) and Contractual Services (\$440,252) accounts within the Sewer Operations and Maintenance Fund for security services support provided for the Bureau of Sanitation.
- Transfer \$330,569 from the Sewer Operations and Maintenance Fund Cash Balance to the Police Department's Contractual Services Account within the Sewer Operations and Maintenance Fund to pay for contract security.
- Transfer \$300,000 from the Office and Administrative Expense Account to the Travel Account to partially offset the projected deficit in the Travel Expense Account due to increased demand for security detail costs and travel expense.
- Transfer \$400,000 from the Office and Administrative Expense Account to the Field Equipment Account to partially offset the projected deficit due to increased costs of automotive parts associated with aging fleet and increased costs of personal protective equipment.
- Transfer \$348,000 from the Office and Administrative Expense Account to the Information Technology Agency's Contractual Services Account to continue to fund a technical expert who will assist the Department with troubleshooting and the continued transition to Workday.
- Transfer \$500,000 from the Office and Administrative Expense Account to the General Services Department to address repairs at the Department's Davis Training facilities including the Emergency Vehicle Operator Course Track maintenance, Ranges A and B repairs, continued repairs of the Davis Training Facility Situation Simulator Village, and continued repairs of the Davis Training Firearm Ranges Targeting System.
- Transfer up to \$532,149.26 from the Police Donation Account to reimburse the General Fund for Active Bystandership for Law Enforcement training expenses (C.F. 22-0455).
- Transfer \$127,000 from the Standards and Training for Corrections Program Fund to the Department's Overtime General Account to cover training for Detention Officers.

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$2,681,241 that we recommend using for budget balancing. We recommend that the Council and Mayor use these surpluses to offset existing Departmental overspending.

- Transfer a total of \$1,101,247 from the Salaries As-Needed (\$278,258), Institutional Supplies (\$123,686), and the Accumulated Overtime (\$699,303) accounts to the Overtime Sworn Account to partially address projected overspending in non-reimbursable sworn overtime.
- Transfer a total of \$1,580,000 from the Firearms, Ammunition, Other Device (\$1,300,000), Transportation Expense (\$80,000), and the Uniforms (\$200,000) accounts to the Contractual Services Account to partially address projected overspending resulting from increased demand for contract security, extended evidence holds for vehicles at Official Police Garages, Accenture consultant services, and Body Worn Video contractual obligations.

EE. Public Accountability
No Recommendation

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.482	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.117	-	Projected surpluses in various accounts are based on prior-year expenditure trends and the Department's stated operational needs.
General Fund Total	\$ 0.599	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 6.928	\$ 4.649	\$ (2.280)	Projected revenue shortfall is due to staff vacancies and reduced expense account costs, which are fully reimbursed by the Department of Water and Power.

This Office projects that the General Fund surplus is \$0.03 million lower than we reported in the First FSR primarily due to anticipated hiring. We do not recommend any transactions at this time.

**FF.Public Works/Board
Recommendation No. 35
Attachment 5 – Transfers between Departments and Funds
Attachment 10 – Budget Balancing Proposal**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.03	\$ 0.07	Projected surplus is due to staff vacancies.
Contractual Services	0.10	(0.10)	Projected surplus is due to reducing contract expenditures in order to accrue savings for Citywide budget balancing. The surplus is partially offset by projected overspending related to the Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1).
Other Surplus Accounts	0.05	-	Projected surpluses in several accounts are based on year-to-date and prior-year expenditure trends.
General Fund Total	\$ 0.18	\$ (0.03)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.66)	\$ -	Projected overspending is due to pending reimbursements for staff dedicated to off-budget programs. Staff for these programs are unfunded and costs are reimbursed throughout the year through interim appropriations.
Special Funds Total	\$ (0.66)	\$ -	

(Board narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 5.68	\$ 6.00	\$ 0.32	Projected revenue surplus is due to prior-year related costs reimbursements.

This Office projects that the General Fund surplus is \$0.15 million higher than we reported in the First FSR primarily due to reduced contract expenditures to generate savings for Citywide budget balancing. The surplus is partially offset by overspending of \$0.80 million due to unbudgeted expenses to implement the Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1). We recommend transactions in this FSR to fully address this overspending.

This Office projects that the special fund overspending is \$0.25 million higher as a result of pending reimbursements for unfunded staff dedicated to off-budget programs. This Office will continue to work with the Board to ensure special fund overspending is addressed through interim appropriations in other reports.

This Office recommends the following transactions at this time:

- Appropriate \$67,207 from the Public Works Trust Fund to the Salaries General Account for costs related to the Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1).
- Reappropriate \$737,232 from the Public Works Trust Fund to the Contractual Services Account for costs related to the Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1).

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$1,337,847 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transaction at this time:

- Transfer \$837,847 from the Contractual Services Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.
- Authorize the Controller to disencumber \$500,000 from the 2022-23 encumbered balances within the Board of Public Works Contractual Services funding and revert \$500,000 to the Reserve Fund from the following contracts:
 - a. C-140429M-1 (Los Angeles Black Worker Center): \$500,000

**GG. Public Works/Bureau of Contract Administration
Recommendation Nos. 36, 37, and 38
Attachment 5 – Transfers Between Department and Funds
Attachment 10 – Budget Balancing Proposal**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.44	\$ (0.35)	Projected surplus is due to staff vacancies.
Printing and Binding	\$ 0.02	\$ -	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
Benefits Hiring Hall	\$ 0.05	-	
General Fund Total	\$ 0.51	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.06	\$ (1.52)	Projected surplus is due to staff vacancies.
Overtime General	0.44	(0.18)	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
Transportation	0.24	(0.05)	
Other Surplus Accounts	0.07	-	
Special Funds Total	\$ 3.81	\$ (1.74)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 33.19	\$ 26.02	\$ (7.17)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office projects that General Fund surplus is \$0.31 million higher than we reported in the First FSR primarily due increased salary savings of due to vacancies (\$0.39 million) offset by a \$0.08 million reduction in other surplus account based on anticipated operational needs through the end of the year. This Office also projects that the special fund surplus is \$0.68 million higher than we reported in the First FSR due to increased salary savings due to vacancies (\$0.20 million) and increased surpluses in the Overtime General (\$0.33 million) and Transportation (\$0.15 million) accounts based on anticipated operational needs through the end of the year.

Based on actual spending through January 2025, this Office projects a total year end surplus for various special funds, which include the Proposition C Anti-Gridlock Transit Fund, Sidewalk Repair Fund, and Street Damage Restoration Fund. This Office recommends special fund appropriations reductions in these funds.

This Office recommends the following transactions at this time:

- Transfer \$1,140,000 within the Proposition C Anti-Gridlock Transit Fund from the Bureau's Salaries General (\$1,000,000), Overtime General (\$95,000), and Transportation (\$45,000) accounts to the Department of Transportation Contractual Services Account for street resurfacing and slurry seal.
- Reduce appropriations in the amount of \$300,000 within the Sidewalk Repair Fund from the Bureau's Salaries General (\$215,000) and Overtime General (\$85,000) accounts and transfer the same amount to the Fund's contractual services line item to facilitate spending at targeted levels.
- Reduce appropriations in the amount of \$300,000 within the Street Damage Restoration Fee Fund from the Bureau's Salaries General Account in anticipation of reduced 2024-25 revenues to the Fund.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$350,000 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

This Office recommends the following transactions at this time:

- Transfer \$350,000 from Salaries, General Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments for Citywide budget balancing.

**HH. Public Works/Bureau of Engineering
Recommendation Nos. 39, 40, 41, 42, 43, 44, and 45
Attachment 4 – Transfers between Accounts within Departments and Funds**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 0.18	\$ (0.18)	Projected surplus is based on anticipated operational needs through year end.
Other Surplus Accounts	0.04	-	Projected surpluses in other accounts are based on prior-year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.06)	0.18	Projected surplus is based on prior-year and year-to-date expenditure trends.
General Fund Total	\$ 0.16	\$ (0.00)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.88	\$ (2.78)	Projected surplus as a result of anticipated staff vacancies and hiring delays.
Contractual Services	0.19	(0.18)	Projected surpluses are based on prior-year and year-to-date expenditure trends.
Office and Administrative	0.34	0.08	
Other Surplus Accounts	0.08	-	Projected surpluses in other accounts are based on year-to-date expenditure trends and anticipated operational needs through year end.
Special Funds Total	\$ 3.48	\$ (2.88)	

(Engineering narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 60.73	\$ 50.40	\$ (10.33)	Projected revenue shortfall is due reduced related cost reimbursements resulting from hiring delays.

This Office projects that the General Fund surplus is \$0.12 million higher than we reported in the Second FSR primarily due to lower than anticipated contract expenditures. Further, we project that the special fund surplus is \$0.18 million higher than we reported in the Second FSR due to staff attrition.

Special Fund Appropriation Reductions

The Bureau is pending reimbursements from special funds totaling \$7.33 million for various projects. Of the \$7.33 million, the Bureau has billed for \$2.42 million. This Office will work with the Bureau to ensure that the reimbursements are received and will provide a status update and recommendations in the Year-End FSR.

Based on actual receipts through January 2024, this Office projects a total year-end surplus for various special funds, which include the Special Gas Tax Improvement Fund, Stormwater Pollution Abatement Fund, Proposition C Anti-Gridlock Transit Fund, Sidewalk Repair Fund, Measure M Local Return Fund, and Sewer Capital Fund. This Office recommends reductions to special fund appropriations to the Bureau of Engineering to align appropriations with projected expenditures and increase reimbursement of General Fund costs.

Engineering Special Services Fund

The purpose of the Engineering Special Services Fund is for the Bureau of Engineering to receive and disburse receipts for work it performs for proprietary departments and developers. After performing the services paid by the receipts for the Fund, the Mayor and Council may approve the use of excess funds for other purposes. The 2024-25 Budget (C.F. 24-0600) instructed this Office to include in the 2024-25 FSRs the transfer of anticipated interest earnings in the amount of \$9,202,248 from the Engineering Special Services Fund to the Reserve Fund. In the First FSR, the Mayor and Council approved the transfer of \$6,726,467 in available funding to the Reserve Fund. We identified this as an initial transfer toward the \$9,202,248 amount included in the Budget. In the Mid-Year FSR, this Office recommends to transfer \$1,753,854 in interest earnings to the Reserve Fund. We will continue to monitor the interest earnings and include a recommendation in the Year-End FSR to transfer the remaining \$721,927 of the total commitment.

This Office recommends the following transactions at this time:

- Reduce 2024-25 appropriations in the amount of \$383,000 in the Bureau of Engineering Account within the Special Gas Tax Improvement Fund and reduce appropriations by the

same amount in the Bureau's Salaries General and Office and Administrative accounts to align appropriations with projected spending, and increase appropriations in the Related Cost and Water and Electricity accounts within the Special Gas Tax Improvement Fund to reimburse the General Fund for related costs (\$50,000) and pay for street lighting electricity costs (\$333,000).

- Reduce 2024-25 appropriations in the amount of \$300,000 in the Bureau of Engineering Account within the Stormwater Pollution Abatement Fund and reduce appropriations by the same amount in the Bureau's Salaries General Account to align appropriations with projected spending, and increase appropriations by the same amount in the Related Cost Account within the same fund to reimburse the General Fund for related costs.
- Reduce 2024-25 appropriations in the amount of \$500,000 in the Bureau of Engineering Account within in the Proposition C Anti-Gridlock Transit Fund and reduce appropriations by the same amount in the Bureau's Salaries General Account to align appropriations with projected spending, and increase appropriations by the same amount in the Reimbursement of General Fund Costs Account within the same fund to reimburse the General Fund for related costs.
- Reduce 2024-25 appropriations in the amount of \$1,500,000 in the Bureau of Engineering Account within the Sewer Capital Fund and reduce appropriations by the same amount in the Bureau's Salaries General Account to align appropriations with projected spending.
- Reduce 2024-25 appropriations in the amount of \$100,000 in the Bureau of Engineering Account within the Sidewalk Repair Fund and reduce appropriations by the same amount in the Bureau's Salaries General Account to align appropriations with projected spending, and increase appropriations by the same amount in the Contractual Services Account within the same fund.
- Reduce 2024-25 appropriations in the amount of \$100,000 in the Bureau of Engineering Account within the Measure M Local Return Fund and reduce appropriations by the same amount in the Bureau's Salaries General Account to align appropriations with projected spending.
- Transfer \$364,000 from the Contractual Services Account funded by the General Fund (\$182,000), Sewer Construction and Maintenance Fund (\$91,000) and Special Gas Tax Improvement Fund (\$91,000), to the Office and Administrative Account to pay for the Cloud Environment Subscription and Maintenance.
- Transfer \$1,753,854 in interest earnings from the Engineering Special Services Fund to the Reserve Fund to comply with the instructions included in the 2024-25 Budget (C.F. 24-0600).

**II. Public Works/Bureau of Sanitation
Recommendation Nos. 46 and 47**

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

Attachment 7B – Status of the Unappropriated Balance, Reserve for Mid-Year Adjustments

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.19	\$ (1.67)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.30	(0.22)	Projected surplus is based on year-to-date and prior year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(3.37)	2.42	Projected overspending is based on year-to-date and prior-year expenditure trends and projected operational needs through year end, including funding for windstorm and wildfire events response and recovery.
Overtime General	(1.09)	1.10	Projected overspending is due to increased staff overtime to provide services in light of full-time vacancies and for windstorm and wildfire events response and recovery.
Water and Electricity	(0.15)	0.15	Projected overspending is due to the anticipated move of Livability Services Division staff to a newly leased location in April 2025.
Other Overspending Accounts	(0.07)	0.07	Projected overspending is based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
General Fund Total	\$ (1.19)	\$ 1.85	

(Sanitation narrative continued on the next page)

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 12.65	\$ (1.66)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.57	0.01	Projected surplus is based on year-to-date and prior year expenditure trends.
Overspending (Shown as Negative, in millions)			
Contractual Services	(0.23)	-	Projected overspending is based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
Overtime General	(9.07)	3.46	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	(0.35)	0.56	
Hiring Hall Salaries	(0.32)	0.35	
Other Overspending Accounts	(0.11)	0.17	Projected overspending is based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
Special Funds Total	\$ 3.14	\$ 2.89	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 88.26	\$ 88.26	\$ -	This Office projects the Bureau will meet its General Fund revenue budget by year end.

This Office projects that the General Fund overspending is \$0.51 million higher than we reported in the Second FSR. This change is primarily due to increased projected costs related to CARE/CARE+ services and the Livability Services Division’s move into the new Young’s Market facility and \$2.90 million in additional projected costs the Bureau has and will incur for activities related to the windstorm and wildfire events response and recovery. These increases are offset as our spending projections no longer include costs related to the ramp up of CARE/CARE+ services from two days a week to five days a week starting in April 2025, which was the major driver of our projected overspending in prior FSRs. These issues are discussed in more detail below.

This Office projects that the special fund surplus is \$1.33 million lower than what we reported in the Second FSR primarily due to increased overspending in the Contractual Services and Overtime General accounts as the Bureau seeks to mitigate the service impacts of vacancies and accelerate sewer cleaning and closed-circuit television sewer assessments, including in fire-impacted areas. Of the special fund Overtime General overspending, \$1.66 million is in the Solid Waste Resources Revenue Fund (\$1.30 million) and the Stormwater Pollution Abatement Fund (\$0.36 million). Both of these funds are subsidized by the General Fund and neither has the ability to address this overspending within available balances. Therefore, this Office recommends a transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments at this time to partially address the over-expenditures.

This Office recommends transfers from the projected Salaries General Account surplus to partially address overspending in multiple accounts. We will continue to work with the Bureau to monitor its salary and expense accounts and will report in the Year-End FSR with recommendations necessary to address any remaining overspending.

We have identified the following issues of concern and will continue to monitor related funds and accounts and provide updates and potential impacts, including recommended transfers, in the Year-End FSR:

Windstorm and Wildfire Events Response and Recovery

Based on expenditures through January 2025, the Bureau projects increased General Fund expenditures of \$2.90 million in 2024-25 for its response and recovery efforts related to the windstorm and wildfire events. In response to these events, the Bureau has assigned staff as disaster service workers and to the Emergency Operations Center, retrieved damaged and destroyed refuse bins, provided refuse bins and collection and disposal services for City staff responding in the field, supported vehicle fire ash and hazardous debris removal, repaired damaged conveyance facilities, and supported contaminated stormwater diversion. These efforts impact the Salaries General (\$1.25 million), Overtime General (\$0.35 million), Contractual Services (\$0.92 million), and Operating Supplies (\$0.38 million) accounts and result in \$1.27 million in overspending in the Overtime General and Contractual Services accounts. We recommend transfers from the Unappropriated Balance to address this overspending.

CARE/CARE+ Services

This Office estimates that the CARE/CARE+ services increase from two days per week to five days per week in April 2025, once the new Young's Market central location for the Livability Services Division is fully established for occupancy, would result in an additional \$5.76 million in overspending in the Salaries, As-Needed, Overtime General, and Contractual Services accounts within the General Fund due to an anticipated increase in service days, vehicle rentals, and use of hazardous waste cleaning contracts. The full projected cost of the ramp up is \$7.56 million in 2024-25, and also includes the costs of hiring for currently authorized and funded positions. The 2024-25 Budget for the Bureau does not include adequate funding, primarily in the Contractual Services Account, to cover all costs associated with this service increase. Due to the additional General Fund appropriations required to support the Bureau's efforts in increasing services and

the current condition of the City's finances, we recommend deferring the ramp up of service days for the remainder of the current fiscal year and have proposed the elimination of these over-expenditures as part of our reduction exercise. Deferring the ramp-up will allow for the continuation of existing levels of service at two days per week.

Hyperion Spill

Expenditures from the Overtime General, Salaries As-Needed, and Hiring Hall accounts related to the wastewater spill in 2021 continue as the Bureau continues recovery efforts. As of January 2025, the Bureau has received payments totaling over \$46.3 million from the property insurance policy for damage to the Hyperion Water Reclamation Plant (Hyperion). The Bureau has received an additional \$20 million for a subsequent incident in February 2024. The Bureau anticipates the receipt of additional payments before the end of the current fiscal year but none have been finalized at this time.

Rate Increases

Several of the Bureau's funds are not operating at full-cost recovery. As part of the 2023-24 Adopted Budget, the Council and Mayor instructed the Bureau to conduct rate studies and to report on its findings. For 2024-25, the Bureau completed and presented its Sewer Construction and Maintenance Fund (SCM) rate study, which was approved and implemented in October 2024. Fee studies underway include the Solid Waste Resources Revenue Fund (SWRRF) and Multi-Family Bulky Item Fee Fund (MFBI). The Bureau will work on the Stormwater Pollution Abatement Fund in a future fiscal year. SWRRF has not had a rate adjustment since 2008 and is subsidized by the General Fund in the amount of \$111.7 million in 2024-25, including related costs. The MFBI has not had a rate increase since it was established in 2007 and is subsidized by the General Fund in the amount of \$3.4 million in 2024-25 for related costs. The Bureau is currently finalizing rate studies for SWRRF and MFBI, which it plans to present to the Mayor and Council this fiscal year for potential implementation in 2025-26. As stated in the Second FSR and reiterated in the Summary section of this FSR, returning this program to full cost recovery is an essential component in addressing the City's structural budgetary challenges on an ongoing basis and this Office has been working with the Bureau to accelerate the timeframe for presenting these rate adjustments.

Sewer Construction and Maintenance Fund

The Sewer Service Charge increase took effect October 19, 2024. The new Sewer Service Charge has begun to increase revenue to the SCM in accordance with the Adopted Budget, with a minor reduction to account for a 1.5 month delay in implementation. The Adopted Budget did not include corresponding appropriation increases. The Bureau plans to increase hiring and more aggressively pursue updates to Hyperion and other water conveyance and reclamation facilities to meet mandates, sustainability, and Citywide goals. As such, the Bureau requested an additional appropriation from the SCM cash balance in a Motion (C.F. 25-0090) to support hiring and overtime.

Solid Waste Resources Revenue Fund

The Bureau has identified more than \$3.5 million in non-departmental SWRRF overspending in 2024-25. As the General Fund fully subsidizes this Fund, the General Fund must pay for any 2024-25 overspending. An appropriation of \$2.3 million is recommended to support SWRRF over-expenditures related to Senate Bill 1383 grant-funded activities, which would reduce the projected

overspending to \$1.2 million. The fee study supporting this fund is underway and is a high priority for the Bureau. We will continue to monitor if additional appropriations are needed to support the fund in the current fiscal year.

Vacancies and Related Costs

The Bureau continues to pay the related cost amounts included in its budget. Due to the high vacancy rate, the Bureau may pay related costs in excess of the required amount. We will reconcile any excess payments that may occur and provide necessary recommendations in the Year-End FSR or through the annual budget process.

Proposition O

The Bureau projects approximately \$462,000 in expenditures for Proposition O activities in 2024-25. These activities are front-funded by the Measure W-Safe Clean Water-Municipal Program Special Fund (Measure W) and reimbursed on a yearly basis. Pending Council approval of The Proposition O 2024-25 Funding Considerations report (C.F. 13-1526-S4), sufficient funding will be available to reimburse the Bureau for its expenditures. If the Bureau does not receive a transfer from Proposition O to reimburse Measure W by year end, the City must process a Reserve Fund loan equal to the unreimbursed amount. We will work with the Bureau, the Bureau of Engineering, and the Public Works, Office of Accounting to ensure the timely review of invoices and completion of the necessary reimbursements in the current fiscal year to mitigate the need for a Reserve Fund loan.

This Office recommends the following transactions at this time:

- Appropriate up to \$138,181.97 from the Stormwater Pollution Abatement Fund (SPA) Cash Balance to the Bureau's 2024-25 Overtime General Account within SPA to maintain service levels in light of full-time vacancies, pending the disencumbrance of various encumbrance amounts from 2019-20 through 2023-24.
- Transfer \$2,520,000 from the Salaries General Account to the Salaries As-Needed (\$500,000), Overtime General (\$1,500,000), Hiring Hall Salaries (\$350,000), and Benefits Hiring Hall (\$170,000) accounts within the SCM to maintain service levels and address projected over-expenditures.
- Transfer \$65,000 in appropriations from the Solid Waste Resources Revenue Bonds 2023-A—Interest Account to the Solid Waste Resources Revenue Bonds 2023-A—Principal Account within SWRRF to balance necessary appropriations and comply with SWRRF Revenue Bond debt service payment schedules.
- Transfer \$92,200 from the Environmental Affairs Trust Fund (EATF) to the Bureau's Salaries General (\$28,000), Salaries As-Needed (\$57,000), Overtime General (\$3,000), Travel (\$1,200), and Office and Administrative (\$3,000) 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 \$1,083,980 from the Bureau's Sanitation Expense and Equipment Account within SWRRF (\$500,000) and within SCM (\$583,980) to the Information Technology Agency's Communications Services Account to address a MyLA311 implementation contract change order.
- Transfer \$91,000 from the Salaries General Account within the General Fund to the Mayor's Office's Contractual Services Account to reimburse the Mayor's Office for the MyLA311 Focus Groups contract.
- Appropriate \$1,066,378 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Bureau's Overtime General (\$352,000) and Contractual Services (\$714,378) accounts within the General Fund to address projected overspending due to recovery-related activities for the windstorm and wildfire events.
- Appropriate \$1,661,818 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Bureau's Overtime General Account within SWRRF (\$1,300,000) and the Stormwater Pollution Abatement Fund (\$361,818) to maintain service levels in light of full-time vacancies.
- Appropriate and transfer \$2,313,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Bureau's Overtime General Account (\$161,000) and the PW-Sanitation Expense and Equipment special purpose fund account appropriation within SWRRF (\$2,152,000) to address funding requirements for Senate Bill 1383 grant award activities.

Budget Balancing Actions

This Office has identified Departmental surpluses and prior year encumbrances totaling \$9,258,283 that we recommend using for budget balancing. We recommend that the Council and Mayor defer the ramp up in the number of CARE+ teams and services as this will allow \$7.56 million in funds to be used towards offsetting existing Departmental overspending in various accounts. The remaining (\$1.70 million) are prior-year encumbrances we recommend to disencumber, revert, and reappropriate to address Departmental overspending.

- Transfer \$965,000 from the Salaries General (\$745,000), Field Equipment Expense (\$150,000), and Uniforms (\$70,000) accounts within the General Fund to the Overtime General (\$745,000), Water and Electricity (\$150,000), and Office and Administrative (\$70,000) accounts to maintain service levels and address projected over-expenditures.

- Authorize the Bureau to use \$835,000 from the Salaries General Account within the General Fund to address projected over-expenditures for SWRFF-related activities due to prior transfers from the Salaries General Account (SWRFF), which were used to resolve overtime needs.
- Disencumber, revert, and reappropriate up to \$1,701,622.31 in 2021-22 encumbrances (\$9,653.09) and 2022-23 encumbrances (\$1,691,969.22) from the PW - Sanitation Contractual Services accounts within the General Fund to the 2024-25 Contractual Services Account to address overspending due to hazardous waste contract expenses related to CARE/CARE+ cleaning operations (\$1,500,000) and windstorm and wildfire events response (\$201,622.31).

JJ. Public Works/Bureau of Street Lighting

Recommendation Nos. 48, 49, 50, and 51

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Travel	\$ 0.003	\$ -	Projected surpluses are based on the average three year expenditure rate and anticipated operational needs through year end.
Street Lighting Improvements and Supplies	\$ 0.065	\$ (0.065)	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.022)	\$ 0.022	Projected overspending is primarily due to costs associated with the Disaster Service Worker Program and staffing of the Emergency Operations Center in response to the wildfires.
Overtime General	\$ (0.018)	\$ 0.018	Projected overspending is primarily due to costs associated with the Disaster Service Worker Program and staffing of the Emergency Operations Center in response to the wildfires.
General Fund Total	\$ 0.028	\$ (0.025)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 1.818	\$ (1.536)	Projected surplus is due to staff vacancies.
Operating Supplies	0.605	(0.081)	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
Street Lighting Improvements and Supplies	0.284	(0.047)	
Other Surplus Accounts	0.004	(0.003)	
Overspending (Shown as Negative, in millions)			
Overtime General	\$ (0.244)	\$ -	Projected overspending is primarily due to costs associated with the Warner Center 2035 Plan project.
Hiring Hall Salaries	(0.039)	0.039	Projected overspending is primarily due to costs associated with the Pavement Preservation Program.
Benefits Hiring Hall	(0.027)	0.027	Projected overspending is primarily due to costs associated with the Pavement Preservation Program.
Special Funds Total	\$ 2.401	\$ (1.601)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 7.175	\$ 6.511	\$ (0.664)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies and extended project timelines.

This Office projects that the General Fund surplus is \$0.040 million lower than we reported in the Second FSR due to new overspending in the Salaries General and Overtime General accounts related to the Bureau's response to the wildfires. This Office also projects that the special fund surplus is \$0.041 million lower than we reported in the Second FSR due to new Hiring Hall and Benefits Hiring Hall overspending related to the Pavement Preservation Program and increased

overspending in Overtime General (\$0.229) related to the Warner Center 2035 Plan project. These are partially offset by increased salary savings (\$0.524).

This Office projects an increase in the General Fund revenue shortfall (\$0.500 million) due to lower than estimated revenues from prior year related cost reimbursements as a result of project completion delays.

This Office recommends transfers from funds that the Bureau administers for the General Services Department's security services at Raymer Street Yard and the Mayor's Office services related to the Vision Lab Digital Inclusion Program. This Office recommends transfers to provide reimbursement for work performed and to support activities relates to various approved federal grant programs. This Office recommends transfers to address most remaining projected overspending through the end of the fiscal year. This Office recommends transactions to ensure that the Bureau pays its energy bills to the Department of Water and Power.

Street Lighting Maintenance and Assessment Fund

This Office projects year-end revenue shortfall of \$1.81 million from the Street Lighting Maintenance and Assessment Special Fund (SLMAF) revenue budget of \$61.47 million, which is a decrease of \$0.15 million from the shortfall we projected in the Second FSR. The projected shortfall is driven by decreased revenue in Street Lighting Assessments account due to impacts from the Palisades Fire and the Co-Location account due to a stagnation of demand for construction requests and lease fees from telecommunications companies.

This Office recommends reducing SLMAF appropriations by \$0.97 million at this time to partially offset projected revenues shortfalls.

This Office recommends the following transactions at this time:

- Amend Recommendation No. 4 contained in the Board of Public Works report dated September 12, 2024, and approved by Council on November 19, 2024 (C.F. 20-1346), to authorize the Executive Director of the Bureau of Street Lighting to receive and deposit \$250,000 in NASA grant funds into the Street Lighting Maintenance and Assessment Fund, Other Federal Grants – NASA Grant Revenue Account, for the Predictive Environmental Analytics and Community Engagement for Equity and Environmental Justice Project and appropriate a like amount into a new account entitled "NASA Grant PEACE for EEJ" within the Street Lighting Maintenance Assessment Fund for the administration of the Project.
- Rescind the recommendation in Attachment 5 of the 2024-25 Second Financial Status Report (C.F. 24-0600-S113) to transfer \$15,000 from the Bureau of Street Lighting Account within the Council Discretionary Street Furniture Fund to the Bureau's Overtime General Account for civil and design work for the new Pedestrian Hybrid Beacon/HAWK at the

Magnolia Boulevard/Tyrone Avenue intersection as it duplicated a transaction approved as part of the Second Transportation Construction Projects Report (C.F. 24-0879-S1).

- Authorize the Controller to reduce appropriations up to \$971,282 from \$36,323,508 to \$35,352,226 in 2024-25 funds within Public Works Bureau of Street Lighting Fund, PW-STREET LIGHTING Account and specifically reduce the following appropriations within the Bureau of Street Lighting in the following amounts:

Account No.	Account Name	Amount
001010	Salaries General	\$ 968,282
002120	Printing and Binding	\$ 2,500
007300	Furniture, Office, and Technical Equipment	\$ 500
Total		\$ 971,282

- Transfer \$73,999.67 from the Bureau’s Contractual Services Account within the General Fund to the General Services Department Contractual Services Account to pay for security services at the Raymer Street Yard.
- Transfer \$22,500 from CTIEP Fund, Digital Inclusion Account, to the Office of the Mayor’s Contractual Services Account for services provided by TEC Leimert for the Vision Lab Digital Inclusion Program’s Youth Tech Workforce Development.
- Transfer \$316,292.75 from the Street Lighting Maintenance and Assessment Fund, NASA Grant Predicting What We Breathe Account, to the Office of the Mayor’s Salaries General Account for the Predicting What We Breathe project (C.F. 20-1346).
- Transfer \$25,000 from the Street Lighting Maintenance and Assessment Fund, NASA Grant Predicting What We Breathe Account, to the Reimbursement from Other Funds Account within the Street Lighting Maintenance and Assessment Fund to reimburse the fund for the administration of the Predicting What We Breathe project (C.F. 20-1346).
- Transfer \$650,000 from the Bureau’s Salaries General Account within the Gas Tax Fund to the Water and Electricity Fund, Street Lighting General Benefit Account, to pay for Street Lighting energy costs.
- Transfer \$7,971,282 from the Street Lighting Maintenance and Assessment Fund, Energy Account, to the Department of Water and Power’s Deposit Receipts, Agency Funds Revenue Account, within the Power Revenue Fund to pay for Street Lighting energy costs.
- Transfer \$66,120 from the Bureau’s Salaries General Account within the Measure M Local Return Fund to the Bureau’s Hiring Hall and Benefits Hiring Hall Accounts to pay for street light relocation costs.

Budget Balancing Actions

This Office has identified Departmental surpluses totaling \$64,901 that we recommend using for budget balancing. We recommend that the Council and Mayor use a portion of these surpluses to offset existing Departmental overspending (\$39,900) and to transfer the remaining balance (\$25,001) to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to address Citywide overspending.

- Transfer \$39,900 from the Street Lighting Improvements and Supplies Account to the Salaries, General Account (\$21,855) and Overtime General (\$18,045) to address operational shortfalls.
- Transfer \$25,001 from the Street Lighting Improvement and Supplies Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.

**KK. Public Works/Bureau of Street Services
Recommendation No. 52**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.49	\$ -	Projected surplus due to staff vacancies.
Uniforms	\$ 0.06	\$ -	Projected surplus based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	\$ 0.09	\$ -	
Operating Supplies	\$ 0.05	\$ -	Projected surplus based on prior year and year-to-date expenditure trends and projected operational needs through year end.
General Fund Total	\$ 1.69	\$ -	

(Street Services narrative continued on the next page)

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 3.12	\$ -	Projected surplus due to staff vacancies.
Overtime General	\$ 0.94	\$ -	Projected surplus due interim appropriations, year-to-date expenditure trends, and projected operational needs through the year end.
Hiring Hall Salaries	\$ 0.27	\$ -	Projected surplus based on year-to-date expenditure trends and projected operational needs through year end.
Transportation	\$ 0.10	\$ -	Projected surplus based on prior year expenditure trends and projected operational needs through year end.
Uniforms	\$ 0.06	\$ -	Projected surplus based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	\$ 0.26	\$ -	
Operating Supplies	\$ 1.60	\$ -	Projected surplus based on prior year and year-to-date expenditure trends and projected operational needs through year end.
Other Operating Equipment	\$ 0.43	\$ -	Projected surplus based on prior year expenditure trends and projected operational needs through year end.
Special Funds Total	\$ 6.77	\$ -	

General Fund Revenue			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 89.70	\$ 90.00	\$ 0.30	Some accounts have exceeded budgeted revenue amount expected.

This Office projects that General Fund overspending is \$0.90 million lower than we reported in the Second FSR due to lower salary savings (\$1.11 million) offset by new surpluses in the Uniforms, Office and Administrative, and Operating Supplies accounts based on review of additional spending data and a review of prior year trends. This Office projects that the special funds surplus is \$6.55 million higher than we reported in the Second FSR due to newly projected surpluses across multiple

accounts offset by a decrease in the surplus that we previously reported in the Transportation Account (\$0.12 million).

Street Damage Restoration Fund Revenue Shortfall

The 2024-25 Adopted Budget includes \$65 million in anticipated revenue from the Street Damage Restoration Fee Fund (SDRF). SDRF funds are used for street repairs, reconstruction, and associated costs. As of February 21, 2025, the SDRF has received \$25 million in revenues. Based on receipts to date, this Office now projects 2024-25 revenues to be \$40 million, which is \$25 million below budget. As expenditures from this Fund cannot exceed its revenues, the City must reduce 2024-25 SDRF appropriations and associated expenditures for the remainder of this fiscal year. Doing so may require significant reductions in slurry sealing, access ramp completion, and Mobility Plan work. Due to the scope of the revenue shortfall, it is imperative that the departments that are authorized to use these funds, primarily the Bureau of Street Services, take action quickly to reduce SDRF-funded activities.

Therefore, this Office recommends that the Council and Mayor instruct the CAO, with the assistance of the Bureau of Street Services, to develop a plan to reduce SDRF appropriations while minimizing services impacts. We are not recommending the use of the surpluses that we are projecting in this FSR for Citywide budget balancing at this time to preserve them instead to potentially mitigate this SDRF revenue shortfall.

Windstorm and Wildfire Events Costs

The projections included in this FSR do not include the costs associated with the Bureau's response to the windstorm and wildfire events. The Bureau's estimates that it will incur contractual expenses for debris removal and mudslide cleanup totaling \$9 million. This is based on current spending patterns and the estimated scope of work and may change depending on actual site conditions and additional assessment of the required work. The Bureau has submitted a request for \$9 million from the General City Purposes, 2025 Wildfire Emergency Response and Recovery Account.

This Office recommends the following action at this time:

1. Instruct the CAO, with the assistance of the Bureau of Street Services and any other impacted departments and bureaus, to report in 15 days with a plan to reduce Street Damage Restoration Fund appropriations to match projected revenues that minimizes the impact on the General Fund and service impacts and includes a discussion of any such service impacts.

**LL. Recreation and Parks
No Recommendation**

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.31	\$ -	Projected surplus is due to staff vacancies. The Department's vacancy rate is 20 percent as of December 2024.
Contractual Services	0.96	-	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
Operating Supplies	2.23	-	
Other Surplus Accounts	1.09	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(10.00)	-	Projected overspending is due to unbudgeted salary costs associated with the civilian labor agreements approved last fiscal year, prior-year and year-to-date expenditure trends, projected operational needs through year end, and impacts from the windstorm and wildfire events.
Overtime General	(1.50)	-	Projected overspending is due to impacts from the windstorm and wildfire events.
Hiring Hall	(0.28)	-	
Maintenance Materials, Supplies and Services	(1.21)	-	Projected overspending is due to reductions to budgeted funds for these accounts.
Transportation	(0.03)	-	Projected overspending is based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
Special Funds Total	\$ (6.43)	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 57.40	\$ 56.21	\$ (1.19)	The special fund revenue shortfall is a result of the suspension of revenue operations at sites impacted by the windstorm and wildfire events.

While we reported a special fund surplus of \$0.99 million in the Second FSR, we now project special fund overspending of \$6.43 million primarily due to increased overspending in the Salaries As-Needed (\$5.87 million) and Overtime General (\$1.5 million) accounts related to the estimated impacts from the windstorm and wildfire events and projected operational needs through year end, as well as a reduced Salaries General surplus (\$2.21 million) due to a revised salary projection that incorporates staff on paid leave. These changes are offset by increased surpluses in various expense accounts.

On February 20, the Board of Recreation and Parks Commissioners (Board) approved a recommendation to transfer \$10 million from the Unreserved and Undesignated Fund Balance to the Salaries As-Needed Account to address the projected overspending in this account. In addition, the Board approved a recommendation to transfer \$1.81 million from the projected surplus in the Salaries General Account to the Overtime General (\$1.5 million), Hiring Hall (\$0.28 million), and Transportation (\$0.03 million) accounts to address the projected overspending in those accounts. This Office anticipates that these actions will fully address the special fund overspending in the Overtime General, Hiring Hall, and Transportation accounts and result in a projected \$3.57 million special fund surplus.

This Office recommends that the Department limit its full-time and as-needed hiring through the year end to maintain a surplus in the Salaries General Account, minimize projected overspending in the Salaries As-Needed Account, and seek Federal Emergency Management Agency (FEMA) assistance where eligible for impacts from the windstorm and wildfire events. At this time, this Office does not recommend an additional General Fund appropriation to address the projected overspending. Once the aforementioned transfers have been processed, we will work with the Department to monitor and report with recommendations necessary to address any remaining overspending in the Year-End FSR.

This Office projects an overall net reduction of \$1.19 million to the Department's 2024-25 revenue. This is comprised of reduced revenue (in millions) to administration (\$0.91), reimbursements from golf operations (\$0.56), recreation centers (\$0.20), camps (\$0.08), tennis reservations (\$0.06), pools (\$0.03), museums (\$0.01), and parks (\$0.01) and increased revenue to the Observatory (\$0.62) and reimbursements from Griffith Park parking (\$0.05).

Windstorm and Wildfire Events

The Department reports that many of its sites were affected by the January 2025 windstorm and wildfire events. The majority of the estimated cost from windstorm-related damages is due to debris removal as a result of fallen trees, broken branches, and limbs. There were major damages at Palisades Recreation Center, Palisades Park, and George Wolfberg Park at Potrero Canyon. The Department is requesting reimbursement for eligible costs and damages under the FEMA Public Assistance Program. The total estimated cost of damage or destruction to the Department's structures and equipment at this time is \$55.9 million. The Department does not anticipate to expend these costs this fiscal year.

Additionally, the Department estimates \$2.5 million in damages that are ineligible for FEMA reimbursement. The Department plans to restore these sites as quickly as possible. As the Department does not yet have an anticipated breakdown by account of these expenditures, this Office has included these costs in the Salaries As-Needed Account anticipated year-end expenditure in this FSR. This Office will revise its projections in the Year-End FSR once this information is available.

The total direct cost for labor expenses related to the windstorm and wildfire events through January 24, 2025 is \$1.29 million, which is comprised of Salaries General (\$0.81 million) and Overtime General (\$0.48 million) expenditures associated with shelter operations, maintenance, construction, the Department’s Emergency Operation Center, and drop-in child care centers.

The Board’s February 20th actions discussed above address projected overspending in the Salaries As-Needed, Overtime General, and Hiring Hall Salaries accounts related to ongoing support of emergency response, recovery, and reconstruction efforts. While this Office is projecting a surplus in the Contractual Services Account based on the expenditures through December 2024, the Department may have overspending in the account due to the need to hire contractors to assist in recovery and construction efforts. This Office will continue to monitor the Department’s expenditures and provide updated projections and recommendations in the Year-End FSR.

Child Care Centers

The Department reports that ten child care centers are currently open: Jim Gilliam, Ralph Parsons, Branford, Victory-Valley, Evergreen, Downey, Ira C. Massey, Echo, South Park and Hubert H. Humphrey. The table below summarizes the status of enrollment at the centers opened since 2022:

Center Name	Date Opened to the Public	Licensed Capacity	Number Enrolled as of January 2025	Available Enrollment Slots
Branford Child Care Center	8/15/2022	50	9	41
Downey Child Care Center	7/10/2023	44	15	29
Echo Child Care Center	11/12/2024	50	5	45
Evergreen Child Care Center	7/10/2023	46	7	39
Hubert Humphrey Child Care Center	7/10/2023	52	5	47
Ira C. Massey Child Care Center	7/10/2023	30	11	19
South Park Child Care Center	12/12/2024	75	4	71
Victory Valley Child Care Center	8/15/2022	50	11	39
Total		397	67	330

The soft opening of Van Ness Child Care Center has been delayed until April 2025 due to challenges in recruiting qualified full-time and part-time staff to support the child care program. The Department’s report on the challenges to increase staffing at childcare centers and center enrollment goals along with the cost efficiency of program delivery is pending (C.F. 24-0600-S105).

This Office does not recommend any transactions at this time.

MM. Transportation

Recommendation Nos. 53, 54, 55, and 56

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Printing and Binding	\$ 0.02	\$ -	Projected surpluses are based on prior-year expenditure trends.
Other Surplus Accounts	0.01	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(1.13)	(0.22)	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Salaries As-Needed	(1.57)	1.57	
Overtime General	(2.38)	-	Projected overspending due to increased staff overtime to maintain current service levels in light of full-time vacancies, to provide traffic control services for special events, and to windstorm and wildfire response.
Contractual Services	(2.29)	1.00	Projected overspending is due to unbudgeted costs for various contracts, including but not limited to security services (\$1.11 million), Mobility Data Software licensing fees (\$0.53 million), mobility communication charges (\$0.51 million), and strategic plan development (\$0.30 million).
Office and Administrative	(0.20)	0.20	Projected overspending is based on the year-to-date expenditure trend.
Transportation	(0.09)	0.02	Projected overspending is based on the year-to-date expenditure trend.
General Fund Total	\$ (7.63)	\$ 2.57	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.98	\$ (0.32)	Projected surplus is due to staff vacancies.
Overtime General	0.89	(0.20)	Projected surplus is based on the year-to-date expenditure trend.
Hiring Hall Salaries	0.10	(0.08)	Projected surpluses are based on prior-year expenditure trends.
Benefits Hiring Hall	0.10	(0.10)	
Office and Administrative	0.46	(0.46)	
Other Surplus Accounts	0.20	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(1.14)	1.14	Projected overspending is due to shifting street resurfacing and slurry seal costs from General Fund to special funds.
Other Operating Equipment	(0.46)	0.46	Projected overspending is due to radio and equipment purchases for field staff.
Special Funds Total	\$ 3.13	\$ 0.44	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 121.62	\$ 95.08	\$ (26.54)	Projected revenue shortfall is primarily due to reduced related cost reimbursements, reimbursements from other agencies, and various permit fees.

This Office projects that the General Fund overspending is \$6.32 million lower than we reported in the Second FSR. This reduction is primarily due to decreased overspending in the Salaries General Account (\$3.48 million) from shifting General Fund work charges to special funds where eligible, in the Salaries As-Needed Account (\$2.41 million) due to actions taken in the Second FSR and revised projections for the Crossing Guard shift differential bonus, which was recently implemented in the Workday system, and in the Overtime General Account (\$0.91 million) due to limiting overtime worked by staff. This is partially offset by increased overspending in the Contractual Services Account (\$0.18 million) for unbudgeted items.

This Office projects that the special fund surplus is \$2.73 million lower than we reported in the Second FSR due to the Department shifting General Fund work charges to special funds. In addition, this Office projects that the General Fund revenue shortfall is \$2.59 million lower than we reported in the Second FSR primarily attributed to related costs reimbursements from various special funds resulting from shifting General Fund salary expenditures to special funds where eligible.

As street resurfacing and slurry seal costs are eligible to be funded by special funds, this Office recommends to replace \$1.14 million of the contractual services funding currently provided by the General Fund with Proposition C Anti-Gridlock Transit Fund surplus funds, generated by the Bureau of Contract Administration. This transaction, which is recommended in the Bureau of Contract Administration section of this report, will result in available General Fund funding to partially offset overspending in the Contractual Services Account (\$1.14 million) related to unbudgeted items. Of the \$2.38 million in overspending within the Overtime General account, \$1.16 million is related to the windstorm and wildfire events. This Office will work with the Department to address this overspending through the General City Purposes, 2025 Wildfire Emergency Response and Recovery Account, for which we will provide updates to the Council and Mayor in a separate report. To offset overspending in the Office and Administrative Account, this Office recommends a transfer from the Salaries General Account.

As the Department projects a salary surplus within the Proposition A Local Transit Assistance Fund due to vacancies, this Office recommends to reduce the Department's appropriations within this Fund and the associated related cost reimbursements to align appropriations with anticipated expenditures. This Office will work with the Department to ensure that all reimbursements from special funds are received and report with any additional recommendations in the Year-End FSR.

To offset projected special fund overspending within the Proposition C Anti-Gridlock Transit Fund, this Office recommends a transfer from the Hiring Hall Salaries and Benefits Hiring Hall accounts to the Salaries General Account. This Office also recommends the transfer of \$2.11 million from the Traffic Signal Supplies accounts to the Paint and Sign Maintenance accounts within the Measure R Local Return Fund, Measure M Local Return Fund, and Proposition C Anti-Gridlock Transit Fund to address projected overspending. In addition, this Office recommends transfers between accounts within special funds for the purchase of radio equipment, as well as parking meter and pay station replacement parts.

Crossing Guards

In the Second FSR, this Office reported projected overspending between \$1.7 million to \$2.5 million associated with unbudgeted costs for Crossing Guards. This estimate excluded the cost of the shift differential bonus, which was included in the Memorandum of Understanding (MOU) for Crossing Guards and was recently implemented in the Workday system. In the Second FSR, the Mayor and Council approved the transfer of \$1 million from the Unappropriated Balance, Department Payroll Reconciliation Account to partially offset the projected overspending. This Office now estimates that the remaining overspending for Crossing Guards is approximately \$1.57 million and recommends a transfer of funds from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Salaries As-Needed Account to address the overspending. This Office also

recommends a transfer from the Salaries General Account to the Transportation Account to address projected overspending for mileage reimbursements for Crossing Guards.

This Office will continue to monitor these accounts and report in the Year-End FSR with recommendations to address any additional overspending.

This Office recommends the following transactions at this time:

- Increase appropriations in the amount of \$1,140,000 within the Proposition C Anti-Gridlock Transit Fund in the Department's Contractual Services Account for street resurfacing and slurry seal.
- Transfer \$200,000 from the Salaries General Account to the Office and Administrative Account to address projected overspending.
- Reduce appropriations in the amount of \$700,000 in the Proposition A Local Transit Assistance Fund within the Department's Salaries General and Overtime General accounts to align appropriations with anticipated expenditures.
- Reduce appropriations in the amount of \$526,950 within the Proposition A Local Transit Assistance Fund, Reimbursement of General Fund Costs Account to account for staff vacancies.
- Transfer a total of \$180,000 from the Hiring Hall Salaries (\$80,000) and Benefits Hiring Hall (\$100,000) accounts within the Proposition C Anti-Gridlock Transit Fund to the Salaries General Account within the same fund to address projected overspending.
- Transfer a total of \$17,037.37 from the Traffic Signal Supplies accounts within the Measure R Local Return Fund to the Paint and Sign Maintenance Account within the same fund to address the projected overspending.
- Transfer a total of \$546,490.77 from the Traffic Signal Supplies accounts within the Measure M Local Return Fund to the Paint and Sign Maintenance Account within the same fund to address the projected overspending.
- Transfer a total of 1,541,725.77 from the Traffic Signal Supplies accounts within the Proposition C Anti-Gridlock Transit Fund to the Paint and Sign Maintenance Account within the same fund to address the projected overspending.
- Transfer \$462,000 from the Office and Administrative Expense Account (Measure M Local Return Fund) to the Other Operating Equipment Account to reflect the appropriate account for the purchase of radio and equipment.

- Transfer \$2,125,000 from the Capital Equipment Purchases Account (Special Parking Revenue Fund) to the Replacement Parts, Tools, and Equipment Account within the same fund for the purchase of parking meter and pay station parts.
- Transfer and appropriate \$3,549.48 in reimbursements received for a damaged copy machine within the Department's Miscellaneous Revenue to the Contractual Services Account in order for the Department to lease a new machine.
- Transfer \$1,569,094 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Salaries As-Needed Account to offset the projected overspending.
- Transfer \$24,745 from the Salaries General Account to the Transportation Account to address the projected overspending for mileage reimbursements for crossing guards.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$7,804,881 that we recommend using for budget balancing. Of this amount, we recommend that the Council and Mayor disencumber \$1,219,006 from prior-year contractual services encumbrances, revert the funds to the Reserve Fund, and transfer them to the Department's Contractual Services Account to partially address overspending in this account.

- Authorize the Controller to disencumber up to \$201,411 from the 2023-24 encumbered balance within the Department's Contractual Services funding from the following contract
 - C-140191M-7 (MV Transportation, Inc.) and revert \$201,411 to the Reserve Fund; and,
- Subsequently, transfer \$201,411 to Department's 2024-25 Contractual Services Account to pay for LAMC 41.18 signage invoices.
- Authorize the Controller to disencumber up to \$796,915 from the 2022-23 and 2023-24 encumbered balances within the Department's Contractual Services Account and revert \$796,915 to the Reserve Fund from the following contracts:
 - C-124676M-3 (Conduent State & Local Solutions, Inc.): \$576,235.47 (2022-23)
 - C-140191M-7 (MV Transportation, Inc.): \$220,680 (\$2023-24)
- Subsequently, transfer \$796,915 to the Department's 2024-25 Contractual Services Account to pay for unbudgeted items.

NN. Youth Development
Attachment 5 – Transfers between Departments and Funds
Attachment 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.122	\$ (0.090)	Projected surplus is due to staff vacancies and to the delayed hiring of two positions in order to accrue savings for Citywide budget balancing.
Salaries As Needed	0.007	-	Projected surplus is based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
Contractual Services	0.179	(0.048)	Projected surplus is based on reduced expenditures partially due to a reduction in services in order to accrue savings for Citywide budget balancing.
Other Surplus Accounts	0.003	-	Projected surpluses are based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.010)	-	Projected overspending is based on prior-year and year-to-date expenditure trends.
General Fund Total	\$ 0.301	\$ (0.138)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries, General	\$ 0.043	\$ -	Projected surpluses in several accounts are based on year-to-date expenditure trends.
Contractual Services	0.012	-	
Other Surplus Accounts	0.023		
Special Funds Total	\$ 0.079	\$ -	

This Office projects that the General Fund surplus is \$0.04 million lower than we reported in the Second FSR primarily due to a reduced Salaries General Account surplus (\$0.16 million) offset by increased Contractual Services Account savings (\$0.13 million) based on year-to-date and anticipated expenditures through year end. This Office will work with the Department to address

General Fund overspending through administrative transfers of projected savings from other accounts. We will continue to monitor the Department's expenditures and report in the Year-End FSR to address any remaining overspending.

This Office projects that the special fund surplus is \$0.03 million higher than we projected in the Second FSR due to unspent funds from the Californians for All Youth Workforce Development Grant. The Department has no budgeted General Fund revenues.

Californians for All Youth Workforce Development Grant

As we reported in the Second FSR, 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. 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. EWDD anticipates the state will reimburse the final expenses in the coming months and EWDD will process and transfer reimbursements for the Department's expenses to the Reserve Fund as reimbursements allow.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$138,169 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending

This Office recommends the following transaction at this time:

- Transfer \$138,169 from the Salaries General (\$90,000) and Contractual Services (\$48,169) accounts to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.

OO. Zoo

Attachment 4 – Transfers between Accounts within Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.29	\$ -	Projected surplus is due to program closures, hiring delays, and anticipated attrition.
Salaries As-Needed	0.38	(0.12)	
Feed and Grain	0.22	-	Projected surpluses are based on prior-year expenditure trends and operational needs through year end.
Overspending (Shown as Negative, in millions)			
Hiring Hall Salaries	(0.07)	0.07	Projected overspending is due to infrastructure repairs and maintenance needs.
Benefits Hiring Hall	(0.05)	0.05	
Special Funds Total	\$ 0.77	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 27.40	\$ 26.75	\$ (0.65)	Projected revenue shortfall is due to lower attendance and closures of certain revenue-generating areas in the Zoo and related to the windstorm and wildfire events.

This Office projects that the special fund surplus is \$0.47 million higher than what we reported in the Second FSR primarily due to a new surplus in the Salaries General Account, where we had previously projected overspending of \$0.30 million, and an increased surplus in the Salaries As-Needed Account (\$0.10 million) as a result of hiring delays and attrition. These increases are partially offset by new overspending in the Hiring Hall Salaries (\$0.07 million) and Benefits Hiring Hall (\$0.05 million) accounts due to infrastructure repairs and maintenance needs at the Zoo. This Office recommends a transfer from the Salaries As-Needed Account to the Hiring Hall Salaries and Benefits Hiring Hall accounts to address the projected overspending.

The Zoo is in the midst of a competitive bid process to select a contractor or contractors for, in partnership with the Zoo, the operation and management of fundraising, membership, special events, sponsorships, publications, and volunteers. In September 2024, the Zoo released separate Request for Proposals for each of these function. At this time, there are no status updates to report as the process is underway.

Zoo Revenue and Infrastructure Concerns

While we projected that the Zoo would meet its revenue targets in prior FSRs, we now project a revenue shortfall of \$0.65 million due to lower attendance that has been further exacerbated by the recent windstorm and wildfire events as well as closures of certain revenue-generating areas in the Zoo. The projected spending surplus of \$0.77 million is sufficient to fully offset the revenue shortfall.

The Zoo has noticed a downward trend in attendance in recent months. A contributing factor to this downturn is the magnitude of the Zoo's deferred maintenance and infrastructure repairs. Currently, there are certain areas within the Zoo that are closed until repairs are made. According to the Department, this has a significant impact on the Zoo's revenue as these areas are revenue generating. The Zoo is currently working with its construction staff and the General Services Department to determine project scopes and required funding to reopen impacted facilities. This Office will continue to monitor Zoo revenue and potential downside risks. Further, the Zoo was closed to the public for 13 days in January due to the windstorm and wildfire events and states that subsequent attendance has been reduced as ongoing conditions may have impacted the public's decision to resume recreational activities and the associated revenues to the Zoo. We will provide updated revenue projections in the Year-End FSR once additional revenue data has been received and, if necessary, we will present recommendations at that time to address any remaining imbalance.

This Office recommends the following transaction at this time:

- Transfer \$120,000 from the Salaries, As-Needed Account to the Hiring Hall Salaries (\$70,000) and Benefits Hiring Hall (\$50,000) to ensure continuity of infrastructure repairs and maintenance at the Zoo.

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 10 – Budget Balancing Proposal

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Medicare	\$ 1.44	\$ (0.50)	Projected surplus is the result of lower than anticipated wages.
Social Security	\$ 0.14	\$ -	Projected surplus is result of lower employee count and average wages.
Pension Savings Plan	\$ 0.29	\$ -	Projected surplus is the result of lower than anticipated wages.
General Fund Total	\$ 1.86	\$ (0.50)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 0.20	\$ 1.25	\$ 1.05	Entire revenue above budget is due to unbudgeted homeless reimbursements and Alliance settlement receipts that will be appropriated for related services.

This Office projects the surplus is \$1.00 million lower than we reported in the Second FSR. The surplus in the Medicare Account is \$0.74 million lower than we reported in the Second FSR. In the Second FSR, this Office stated that this projection incorporated the impact of the new firefighter memorandum of understanding. In fact, we inadvertently neglected to include the estimated impact of that agreement in the calculation that we included. The surplus in the Social Security Account, which we previously projected would meet budget, is a result of lower employee count than we previously anticipated. The surplus in the Pension Savings Plan Account is \$0.39 million lower than we reported in the Second FSR due to higher employee count and salary costs than we previously anticipated.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$500,000 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending

This Office recommends the following transaction at this time:

- Transfer \$500,000 from the Medicare Contributions Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments to offset Citywide overspending.

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 2024-25 Adopted Budget includes \$338.45 million for the Unappropriated Balance (UB). Through February 25, 2025, the Mayor and City Council have approved a net of \$138.99 million in transactions, leaving a balance of \$199.46 million in the UB and completely depleting the UB, Reserve for Mid-Year Adjustments Account.

This report includes recommendations to transfer \$66.15 million from the Reserve Fund, \$69.80 million from the UB, Department Payroll Reconciliation Account, and \$38.63 million from various departmental and non-department accounts into the UB, Reserve for Mid-Year Adjustments Account, to replenish the account for a total available balance of \$174.58 million for budget balancing. The transactions recommended in this report address several departments' overspending and unfunded expenditures and fully exhaust the balance in the UB, Reserve for Mid-Year Adjustments Account.

This report includes recommendations to transfer \$252.36 million from various UB accounts, which leaves a remaining balance of \$121.69 million in the UB.

This Office recommends the following transactions at this time:

- Transfer \$66,145,792 from the Reserve Fund to the UB, Reserve for Mid-Year Adjustments Account.
- Transfer \$7,200,000 from the UB, Ground Emergency Medical Transport QAF Program Account to the Fire's Contractual Services Account for the Ground Emergency Medical Transport QAF Program quarterly invoice.
- Transfer \$26,378 from Aging's Salaries General Account to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.

- Transfer \$747,227 from Building and Safety's Salaries General Account to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$16,364 from the Cannabis Regulation's Salaries General Account to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$1,813,339 from the City Administrative Officer's Contractual Services Account to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$11,598,248 from the Tax and Revenue Anticipation Note to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$11,000,000 from the Capital Finance Administration Fund to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$213,715 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Salaries General Account to address projected overspending.
- Transfer \$46,817 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Bar Dues Account to address projected overspending.
- Transfer \$6,466,015 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Litigation Account to address projected overspending for litigation expenses.
- Transfer \$2,400,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Outside Counsel Account to partially address overspending for various cases.
- Transfer \$138,600 from the City Clerk's Salaries General Account to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$1,104,728 from various City Planning accounts to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$308,477 from various Civil, Human Rights, and Equity accounts to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$2,314,572 from various Community Investment for Families accounts to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$400,000 from the UB, Reserve for Mid-Year Adjustments Account to the Controller's Overtime General Account to address projected overspending.
- Transfer \$1,402,464 from the UB, Reserve for Mid-Year Adjustments Account to the Controller's Salaries General Account to address projected overspending.

- Transfer \$312,497 from the Disability's Contractual Services Account to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$516,503 from various Economic and Workforce Development accounts to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$75,693 from the UB, Reserve for Mid-Year Adjustments Account to the Emergency Management's Salaries General Account to address projected overspending.
- Transfer \$1,264,199 from the UB, Reserve for Mid-Year Adjustments Account to Finance's Contractual Services Account to address projected overspending related to the LATAX replacement project management services.
- Transfer \$308,500 from the UB, Reserve for Mid-Year Adjustments Account to Finance's Salaries General Account to address projected overspending.
- Transfer \$168,795 from the UB, Reserve for Mid-Year Adjustments Account to Finance's Office and Administrative Account to address projected overspending due to increased costs for LATAX cloud data storage.
- Transfer \$66,558 from the UB, Fire Positions Reserve Account to the Fire's Salaries General Account to cover the salary costs of filling two positions proposed for deletion and subsequently restored in the Adopted Budget.
- Transfer \$68,423,140 from the UB, Reserve for Mid-Year Adjustments Account to various Fire accounts to address projected overspending.
- Transfer \$6,000,000 from the UB, Reserve for Mid-Year Adjustments Account to General Services' Petroleum Products (\$5,000,000) and Utilities Expense Private Company (\$1,000,000) accounts to partially address the overspending related to increased commodity prices.
- Transfer \$1,000,000 from the UB, Reserve for Mid-Year Adjustments Account to General Services' Field Equipment Expense Account to partially address increased costs for the repair and maintenance of the City's fleet.
- Transfer \$571,518 from the UB, Reserve for Mid-Year Adjustments Account to General Services' Overtime General Account to address projected overspending.
- Transfer \$538,797 from various Housing accounts to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.

- Transfer \$5,272,000 from various Information Technology Agency accounts to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$376,000 from various Personnel accounts to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$14,000,000 from the UB, Reserve for Mid-Year Adjustments Account to the Police's Overtime Sworn Account to address projected overspending.
- Transfer \$837,847 from the Public Works Board's Contractual Services Account to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$350,000 from the Public Works Contract Administration's Salaries General Account to the UB, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$1,066,378 from the UB, Reserve for Mid-Year Adjustments Account to the Bureau of Sanitation's Overtime General (\$352,000) and Contractual Services (\$714,378) accounts to address projected overspending.
- Transfer \$1,661,818 from the UB, Reserve for Mid-Year Adjustments Account to the Bureau of Sanitation's Overtime General Account within the Solid Waste Resources Revenue Fund (\$1,300,000) and the Stormwater Pollution Abatement Fund (\$361,818) accounts to address projected overspending.
- Transfer \$161,000 from the UB, Reserve for Mid-Year Adjustments Account to the Bureau of Sanitation's Overtime General Account within the Solid Waste Resources Revenue Fund to address funding requirements for Senate Bill 1383 grant award activities.
- Transfer \$2,152,000 from the UB, Reserve for Mid-Year Adjustments Account to the PW-Sanitation Expense and Equipment special purpose fund account appropriation within SWRRF within the Solid Waste Resources Revenue Fund to address funding requirements for Senate Bill 1383 grant award activities.
- Transfer \$25,001 from the Public Works Street Lighting's Street Lighting Improvement and Supplies Account to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$1,569,094 from the UB, Reserve for Mid-Year Adjustments Account to the Transportation's Salaries As-Needed Account to address projected overspending for Crossing Guards.

- Transfer \$138,169 from various Youth Development accounts to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$500,000 from the General City Purposes' Medicare Contributions Account to the UB, Reserve for Mid-Year Adjustments Account to offset Citywide overspending.
- Transfer \$69,804,960 from the UB, Department Payroll Reconciliation Account to the UB, Reserve for Mid-Year Adjustments to offset Citywide overspending.
- Transfer \$8,000,000 from the UB, Reserve for Mid-Year Adjustments Account to Human Resources Benefits' Workers' Compensation Account to address projected overspending.
- Transfer \$50,000 from the UB, Reserve for Mid-Year Adjustments Account to Human Resources Benefits' Contractual Services Account for plan design changes to the City's Deferred Compensation Plan.
- Transfer \$2,000,000 from the UB, Reserve for Mid-Year Adjustments Account to the Liability Claims Account, Public Works, Sanitation Liability Payouts Account to address Solid Waste Resources Revenue Fund approved settlements.
- Transfer \$55,184,353 from the UB, Reserve for Mid-Year Adjustments Account to the Liability Claims Account, Miscellaneous Liability Payouts Account for anticipated settlements.

Budget Balancing Actions

This Office had identified Departmental surpluses totaling \$700,000 that we recommend using for budget balancing. We recommend that the Council and Mayor transfer these surpluses to the Unappropriated Balance, Reserve for Mid-Year Adjustments to address Citywide overspending.

- Transfer \$700,000 from the UB, Domestic Violence and Human Trafficking Shelter Operations Account to the UB, Reserve for Mid-Year Adjustments to offset Citywide overspending.

C. Human Resources Benefits
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Overspending (Shown as Negative, in millions)			
Employee Assistance Program	\$ (0.15)	\$ -	Projected overspending is due to the impact of increasing enrollment.
Civilian Benefits Program	(9.94)	-	Projected overspending is due to the impact of increasing enrollment and higher than assumed health plan premium rate increases.
Fire Health and Welfare Program	(0.21)	-	Projected overspending is due to higher than assumed health plan rate increases, partially offset by reductions in enrollment.
Police Health and Welfare Program	(0.02)	-	
Supplemental Civilian Union Benefits	(1.03)	-	Projected overspending is due to higher than assumed rates and benefit payments.
Workers' Compensation	(9.30)	8.00	Projected overspending is due to higher than assumed benefit payments and liens.
General Fund Total	\$ (20.49)	\$ 8.00	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 4.20	\$ 4.20	\$ -	This Office projects the Fund will meet its General Fund budget by year end.

This Office projects that the overspending is \$10.46 million higher than we reported in the Second FSR due to new overspending in the Employee Assistance Program (\$0.15 million) and the Workers' Compensation (\$9.30 million) accounts and increased overspending in the Civilian Benefits Program (\$0.47 million), the Fire Health and Welfare Program (\$0.10 million), and the Supplemental Civilian Union Benefits (\$0.72 million) accounts. These increases are slightly offset by reduced overspending in the Police Health and Welfare Program Account (\$0.09 million).

The most significant overspending is in the Civilian Benefits Program and the Workers' Compensation accounts. For Civilian Benefits, the budget assumed no net change in overall civilian enrollment due to the implementation of the Prioritized Critical Hiring (PCH) process. In fact, the

City has experienced a 1.51 percent increase in enrollment since the beginning of the fiscal year (404 employees) and a 3.05 percent increase in enrollment since February 2024 when the PCH process was implemented (807 employees). We expect that actual spending may deviate from our current projections as civilian enrollment may exceed or fall short of our assumed zero growth. Growth has begun to slow and it is possible the City may begin to see enrollment reductions in the spring when the rate of retirements typically increases. In addition, open enrollment changes have not yet been incorporated into the projections. Therefore, we recommend addressing overspending in the Year-End FSR when we will be able to make more accurate projections.

For Workers' Compensation, the new overspending is driven by benefit payments and liens. Monthly expenditures are currently exceeding \$21.2 million per month compared to the expectation in the 2024-25 Budget of \$19.8 million per month. This monthly increase is somewhat offset by a lower than projected annual and obligatory California Assessment Fee. We did not have sufficient data in earlier FSRs to determine whether monthly increases were the beginning of a trend or normal variation, which is why we did not project overspending at that time. This Office recommends addressing the majority of the overspending at this time, and will address any remaining overspending in the Year-End FSR.

This Office recommends a transfer of \$50,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to initiate plan design changes to the City's Deferred Compensation Plan which would allow for employer contributions. Additional funding will be required in 2025-26 to fully fund the plan design changes.

Finally, we recommend waiting until the Year-End FSR to address projected overspending in all other accounts due to the relatively small amounts and the potential for significant expenditure fluctuations.

This Office recommends the following transaction at this time:

- Transfer \$8,000,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Workers' Compensation Account to resolve projected overspending.
- Transfer \$50,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Contractual Services Account to initiate plan design changes to the City's Deferred Compensation Plan.

D. Liability Claims Account

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 8 – Status of Liability Accounts

The 2024-25 Adopted Budget includes \$87.37 million for the Liability Claims Account (\$80.00 million in General Fund, \$2.00 million from the Solid Waste Resources Revenue Fund, and \$5.37 million from the Sewer Operations and Maintenance Fund). The 2024-25 Adopted Budget also includes \$20.00 million in the Unappropriated Balance, Reserve for Extraordinary Liability

Account. As of January 31, 2025, the City Attorney reports that the total value of all known settlements is \$320.10 million, which is more than \$210 million above the budgeted amount.

This is a \$19.07 million increase from the amount we reported in the Second FSR (\$18.04 million in the General Fund and \$1.03 million in special funds), which reflects that we are tracking currently settled cases rather than projecting year-end spending. As a result, the amount is likely to increase as the year progresses and the City Attorney settles more cases. We do, however, expect that the projected spending growth will slow because settlements and judgments that are not before the Council for consideration by the middle of March are unlikely to be paid in 2024-25.

The Mayor and Council have transferred \$122.63 million to this Account during this fiscal year to partially address the overspending in this account. The Mayor and Council have transferred the entire \$20.00 million from the Unappropriated Balance, Reserve for Extraordinary Liability, \$59.38 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments, \$23.24 million from the Reserve Fund, and \$20.00 million from the Unappropriated Balance, Department Payroll Reconciliation Account. The Mayor and Council also approved the transfer of \$0.85 million from Liability Claims to the Community for Families Department's Contractual Services Account to continue to provide emergency assistance to residents impacted by the 27th Street explosion. The adjusted budget for the Liability Claims Account, therefore, is \$209.15 million (\$201.78 million in General Fund and \$7.37 million from special funds). The remaining overspending in this Account is \$110.96 million (\$110.91 million in General Fund and a deficit of \$0.05 million in special funds).

Of the \$320.10 million in current settlements, \$182.72 million has been paid (\$179.66 million from the General Fund and \$3.06 million from special funds), \$25.25 million has been approved but are pending payment (\$24.05 million in General Fund and \$1.20 million in special funds), \$78.42 million are pending Council approval (\$76.22 million in General Fund and \$2.20 million in special funds), and \$33.71 million are pending final report in the City Attorney's Office (\$32.75 million in General Fund and \$0.96 million in special funds).

Several of the General Fund cases currently approved but pending payment and pending Council approval were under consideration for inclusion in a potential judgment obligation bond. These cases, valued at \$22.97 million, include an instruction for payment from the Reserve Fund and will not impact the balance of the Liability Claims Account. Although we state in this FSR that issuing a judgment obligation bond is no longer feasible, we recommend that these cases be paid by the Reserve Fund, consistent with the existing Council action or recommendation in each report.

For the General Fund overspending, this Office recommends that the Mayor and Council approve sufficient transfers in this FSR to pay for all cases that are currently paid, pending payment, and pending Council approval. The total General Fund value of these cases is \$279.93 million. Accounting for both the \$201.78 million adjusted General Fund budget and the \$22.97 million in previously judgment obligation bond cases that will be paid from the Reserve Fund, the Liability Claims Account will need an additional \$55.18 million to pay for these settlements and judgements. This Office recommends transferring this amount from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Liability Claims Account at this time. In addition, due to

funding constraints in the Solid Waste Resources Revenue Fund (SWRRF), this Office recommends an additional \$2.00 million transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments to address approved settlements against SWRRF that are pending payment.

This Office will evaluate the need for funding and recommend transfers in future FSRs if necessary to pay for settlements that are not yet before the City Council.

The Office recommends the following transaction at this time:

- Transfer \$2,000,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Liability Claims Account to address Solid Waste Resources Revenue Fund approved settlements.
- Transfer \$55,184,353 from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the Liability Claims Account to address the costs associated with settlements that are approved and pending before the City Council.

**E. Leasing Account
Recommendation No. 57
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
General Fund Leasing	\$ (2.05)	\$ 1.41	Projected overspending reflects the aggregate difference of all lease surpluses and shortfalls projected at year-end.

This Office projects that the \$1.24 million General Fund overspending that we reported in the Second FSR is approximately \$0.81 million higher due to increased costs associated with newly approved unfunded leases for 2024-25. This Office recommends reappropriating prior year funds and transferring funds to the General Fund Leasing Account to partially address the overspending.

This Office recommends the following transactions at this time:

- Disencumber, revert, and reappropriate up to \$710,940.67 in 2020-21 encumbered balances in the General Services Department’s Leasing Account to the Leasing Fund’s current fiscal year General Fund Leasing Account to partially address the overspending related to the approval of new unfunded leases.

- Transfer \$702,664 from the CTIEP Garland Restack & TI Reserve Account to the Leasing Fund’s General Fund Leasing Account to partially address the overspending related to the approval of new unfunded leases.

F. Water and Electricity
Attachment 4 – Transfers between Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Street Services Water	\$ 0.19	\$ (0.19)	Projected surplus is based on year-to-date expenditure trends for the Bureau of Street Services.
Street Services Electricity	0.30	(0.27)	
Library Electricity	0.35	(0.35)	Projected surplus is based on year-to-date expenditure trends for the Library.
<i>Overspending (Shown as Negative, in millions)</i>			
General Services Water	(0.78)	0.75	Projected overspending is based on year-to-date expenditure trends for the General Services Department.
General Services Electricity	(2.57)	0.05	
Street Lighting General Benefit	(1.02)	0.98	Projected overspending is based on anticipated operational needs for the Bureau of Street Lighting.
Library Water	(0.09)	-	Projected overspending is based on year-to-date expenditure trends for the Library.
General Fund Total	\$ (3.63)	\$ 0.98	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 5.14	\$ 5.23	\$ 0.09	Projected revenue surplus is due to increased water expenditures reimbursed by the Library.

This Office projects new General Fund overspending due to increased use of water and electricity by City departments. To address the overspending through the Year-End FSR, this Office

recommends transfers from accounts within the fund and a new appropriation from the Special Gas Tax Street Improvement Fund, as we discuss in the Bureau of Engineering and Bureau of Street Lighting sections of this report. This Office will continue to monitor Water and Electricity expenditures and will report in the Year-End FSR with recommendations necessary to address remaining overspending.

This Office recommends the following transaction at this time:

- Transfer \$802,293 from the Street Services Water (\$185,383), Street Services Electricity (\$269,200), and Library Electricity (\$347,710) accounts to the General Services Water (\$752,752) and General Services Electricity (\$49,541) accounts to partially address overspending related to increased usage of water and electricity for the General Services Department.

3. STATUS OF EMPLOYMENT

Attachment 9 – Employment Level Report

Citywide employment authority from all funding sources totaled 38,203 at the end of December for both civilian and sworn classes. There are 32,405 filled positions at the end of December. Departments reported a total of 5,798 vacant positions: 3,828 General Fund and 1,970 special funded.

4. STATE BUDGET

No Recommendation

On January 10, 2025, Governor Newsom presented his 2024-25 Proposed Budget, which projects a small surplus of \$363 million after two years of state budget deficits. The governor's proposal projects \$16.5 billion in additional revenue compared to estimates from last June and would draw down \$7.1 billion in reserves. The \$229 billion General Fund spending does not propose any significant new investments or major tax policy changes to increase state revenues. We identify the budget proposals with potential impacts to the City below:

Homelessness

The Budget continues to include \$100 million General Fund for Encampment Resolution Fund grants as committed to in the 2024-25 Budget. The Administration also continues to implement billions in homelessness funding appropriated over the last several years and deployed in local communities across California.

Public Safety

The Budget provides \$283.6 million for public safety efforts, which include community public safety, targeting organized retail theft, combatting gun violence, victim services and combatting illicit drugs.

Transportation

The Budget proposes adding \$25 million one-time General Fund in 2025-26 to the Clean California Program for a Community Cleanup and Employment Pathways Grant Program. This funding will provide matching grants to communities with a Clean California Community designation focused on both litter remediation and jobs creation.

Infrastructure

The Budget includes \$55.4 billion in state infrastructure investments over the next five years. Considering the current fiscal outlook, the Plan addresses only the most critical investments in capital assets that support core state functions, including fire and life safety and/or court-ordered projects.

Climate

The Governor's Budget proposes \$2.7 billion for the first year of a multi-year expenditure plan to implement the \$10 billion Climate Bond (Proposition 4) authorized by voters in November. This plan will accelerate projects and programs that build water and wildfire resilience with up to two-thirds of these investments delivering on California's nature-based solution climate targets, increasing the health of natural systems and their ability to absorb more carbon than they release.

The Governor will release his revised budget in May 2025. On January 23, the State approved \$2.5 billion to support a range of windstorm and wildfire recovery efforts including shelters, hazardous waste removal, and air quality testing. At this time, these funds are not intended to provide direct support or funding to the City. This Office will continue to monitor the State budget and will provide a status update in the Year-End FSR.

5. AMERICAN RESCUE PLAN ACT – STATE AND LOCAL FISCAL RECOVERY FUNDS Recommendation No. 11

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 \$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 thirteenth quarterly Project and Expenditures Report by the January 31, 2025, due date. The purpose of this report is to identify

actual and obligated spending. Pursuant to ARPA, the City was required to fully obligate the entire grand award by December 31, 2024. In this thirteenth quarterly report, the CAO complied with this requirement and reported obligations totaling \$1.28 billion.

In the report, the CAO also identified eligible spending of \$13.99 million from October 1, 2024, through December 31, 2024 and total spending of \$1.23 billion to date.

The status of the SLFRF as of December 2024 is provided in the following table:

Total SLFRF Award (amounts in millions)	\$ 1,278.90	
SLFRF Expenditures by Type as of 12/31/24	Totals	% of total SLFRF Award
Government Services Expenditures	\$ 1,109.94	86.8
"Stand Alone Project" Expenditures	\$ 119.84	9.4
Total Expenditures Reported	\$ 1,229.78	96.2
Unexpended SLFRF as of 12/31/24	Totals	% of total SLFRF Award
Budgeted SLFRF Allocated to Stand-Alone Projects	\$ 49.12	3.8
Unbudgeted SLFRF Allocated to Government Services	\$ 0.00	0
Total SLFRF Remaining Balance	\$ 63.15	3.8

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 audit. This Office has identified funding in other SLFRF projects that we can use to continue this consultant services contract through September 2025. The First FSR included a transfer of \$600,000 from the Department of Transportation's remaining ARPA balance for that purpose. The Department of Recreation and Parks has been authorized to use the KPMG contract and will pay for services rendered to them by KPMG up to amount not to exceed \$746,676 through September 2025. No additional funds are needed at this time.

The First Financial Status Report (C.F. 24-0600-S111) included a recommendation to transfer the remaining balance in the ARPA Trust Fund to the CAO's Contractual Service Account. The First FSR inadvertently included this recommendation twice, in recommendation 11 as well as in Attachment 3. Therefore, we recommend to rescind the duplicate recommendation in this Financial Status Report.

This Office recommends the following transaction at this time:

- Rescind Recommendation No. 11 included in C.F. 24-0600-S111 to appropriate the available cash balance, up to \$4,804 within the American Rescue Plan Act Fund, No. 64M, to City Administrative Officer Fund No. 100/10, Account 003040, Contractual Services, to fund the 2024-25 costs for ARPA administration consultant support.

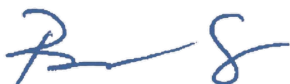
6. STATUS OF MICLA COMMERCIAL PAPER PROGRAMS
No Recommendation

The City's Financial Policies instruct this Office to periodically report on the status of Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper (CP) programs. The City has two MICLA CP programs, the general MICLA CP Program authorized for up to \$425 million and the MICLA Los Angeles Convention Center (LACC) CP Program authorized for up to \$100 million. Since the establishment of the MICLA CP programs, the Mayor and City Council have allocated MICLA CP to finance and refinance the acquisition, construction, and capital improvement of the LACC and various City facilities, and for the acquisition of capital equipment and vehicles for City departments. The MICLA CP programs allow the City to access the financial markets quickly to obtain flexible, short-term maturities, and to borrow at favorable rates. Commercial paper notes are short-term obligations with maturities ranging from 1 to 270 days.

The MICLA CP programs are secured by direct-pay letters of credit from three commercial banks. Below are the range of interest rates and the total amount of outstanding notes by CP program as of January 15, 2025.

Program	Reporting Period	Interest Range	Amount Outstanding
MICLA CP (Tax-Exempt)	January 1, 2024 through January 15, 2025	2.50% - 3.07%	\$ 245,085,000
MICLA CP (Taxable)		4.43% - 4.50%	9,000,000
MICLA LACC CP (Taxable)		4.72% - 4.80%	24,700,000
		Total	\$ 278,785,000

APPROVED:



Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:ZMB:VMV:01250036c

Attachments

ATTACHMENT 1
2024-25 Adopted General Fund Revenue
Through January
(Thousand Dollars)

	2024-25 Budget	Plan Through January	Receipts Through January	Receipts as Percent of Budget	Variance of Receipts from Plan	Comments on Variance
Property Tax	\$2,770,359	\$1,472,884	\$1,460,988	52.7%	(\$11,896)	A \$14.0m shortfall in secured receipts corresponds the earlier-than-anticipated remittance of receipts (from July 2024 to May 2024) for the prior property tax year as well as reduced current tax year receipts attributed to lower than projected growth in assessed value. Lower growth is also responsible for the \$0.6m shortfall in VLF. Other shortfalls include increased County charges (\$1.3m), higher refunds (\$9m) and lower miscellaneous receipts (\$6m). includes lower secured (\$23.4m) and redemption (\$0.6m) payments offset by higher secured, supplemental and adjusted receipts and lower refund activity (\$3.4m, \$1.3m, \$0.2m, and \$0.4m, respectively). There is further downside risk from reassessments and tax relief in response to the wildfires.
Property Tax Ex-CRA Inc.	142,560	48,693	52,455	36.8%	3,762	Surplus is attributed second half of payment that overlaps two City fiscal years.
Department receipts (LPFF and reimbursements)	1,421,407	632,643	641,402	45.1%	8,758	Current surplus is attributed to delayed and unanticipated prior year remittances, of which \$13.7m has been identified for new appropriations or as transfers to other funds.
Business Tax	837,060	154,244	167,775	20.0%	13,531	\$18.8m in excess business tax receipts from non-cannabis activity is offset by a \$5.3m shortfall in receipts from cannabis activity.
Sales Tax	691,035	404,229	379,605	54.9%	(24,624)	There is downside risk based on the decline in year-over-year sales for the quarter. Receipts to date are 4.6% below prior year receipts. Due to shift from goods to services. Higher unemployment. Higher healthcare, education, housing, food prices, cars, etc.
Utility Users' Tax	685,130	406,215	406,030	59.3%	(185)	A \$4.1m shortfall in gas tax receipts is offset by surpluses in electricity users (\$2.9m) and communication users (\$1.0m) receipts.
Transient Occupancy Tax	342,810	196,185	182,242	53.2%	(13,943)	Hotel and short-term rental receipts \$12.1m and \$1.9m below plan respectively. Receipts-to-date are 1.0% below receipts for the same period last year.
Power Revenue Transfer	227,481	-	-	0.0%	-	DWP's adopted transfer is \$8.2m below the adopted general fund budget and \$8.7m below the amount assumed in its own budget.
Grant Receipts	224,595	3,669	15,685	7.0%	12,016	Excess receipts are primarily attributed to increased and prior-year departmental grant receipts for the Public Works department and other departments. The budget includes \$208.4 million in FEMA reimbursements for which timing has been challenging to predict.
Documentary Transfer Tax	168,770	103,060	109,518	64.9%	6,458	Property transfers are \$8.3m and above budget; while legal entity transfers are -\$1.8m below plan. The surplus can be attributed to increasing revenue per deed above amounts assumed in the budget.
Franchise Income	147,537	68,390	59,843	40.6%	(8,547)	The shortfall in natural gas franchise receipts (\$11.1m) has been partly offset by \$1.1m in solid waste franchise receipts as well as \$1.0m and \$0.4m in cable television and official police garage receipts.
Parking Occupancy Tax*	134,570	78,900	85,663	63.7%	6,763	Reported figures are \$5.3m higher than LATax receipts recorded through January. Monthly receipts are variable.
Parking Fines	110,000	64,491	62,556	56.9%	(1,935)	Receipts have fallen short of plan for the past three months.
Special Parking Revenue Transfer	24,623	-	-	0.0%	-	
Tobacco Settlement	10,715	-	-	0.0%	-	
State Motor Vehicle License Fees	4,813	4,813	6,147	127.7%	1,334	This receipt is final
Residential Development Tax	4,680	2,730	2,011	43.0%	(719)	Receipts are variable
Subtotal General Fund	\$7,948,145	\$3,641,146	\$3,631,922	45.7%	(\$9,224)	
Interest Income	84,501	58,316	54,546	64.6%	(3,770)	Receipts are variable and excess receipts may be owed to special funds.
	0	0				
Total General Fund	\$8,032,646	\$3,699,462	\$3,686,468	45.9%	(\$12,994)	

**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 12/2/24**

Council File No.	Item Description	Amount
Balance Available, 7/1/2024		\$ 330,583,261.63
Less: Emergency Reserve Account		<u>\$ 220,908,000.00</u>
Contingency Reserve Account 7/1/2024		\$ 109,675,261.63
 Loan Repayment and Other Receipts		<u>50,080,283.18</u>
Contingency Reserve Account		\$ 159,755,544.81
 Loans and Transfers Approved to Date		
24-0500	Consolidated Plan Grants Loan	(10,000,000.00)
24-1060	Liability Claims	(23,241,426.00)
24-1231	Liability Claims	(175,000.00)
24-1310	Liability Claims	(200,000.00)
24-1249	Liability Claims	(875,000.00)
24-1235	Liability Claims	(137,500.00)
24-1240	Liability Claims	(150,000.00)
24-1239	Liability Claims	(800,000.00)
24-1250	Liability Claims	(540,000.00)
24-1242	Liability Claims	(430,000.00)
24-1238	Liability Claims	(425,000.00)
24-1241	Liability Claims	(395,000.00)
24-1234	Liability Claims	(250,000.00)
24-1248	Liability Claims	(3,000,000.00)
24-1237	Liability Claims	(175,000.00)
24-1307	Liability Claims	(475,000.00)
24-1304	Liability Claims	(1,500,000.00)
24-1298	Liability Claims	(125,000.00)
24-1299	Liability Claims	(145,000.00)
24-1293	Liability Claims	(158,000.00)
24-1302	Liability Claims	(300,000.00)
24-1300	Liability Claims	(200,000.00)
24-1296	Liability Claims	(215,000.00)
24-1305	Liability Claims	(200,000.00)
24-1294	Liability Claims	(1,000,000.00)
24-1306	Liability Claims	(350,000.00)
24-1301	Liability Claims	(250,000.00)
24-0620	Liability Claims	(200,000.00)
24-1512	Liability Claims	(340,000.00)
24-1391	Liability Claims	(175,000.00)
25-0021	Liability Claims	(125,000.00)
25-0018	Liability Claims	(275,000.00)
24-1504	Liability Claims	(1,400,000.00)
24-1514	Liability Claims	(500,000.00)
25-0027	Liability Claims	(236,373.70)
24-1390	Liability Claims	(140,000.00)
24-0613	Liability Claims	(190,000.00)
24-1519	Liability Claims	(250,000.00)
24-1392	Liability Claims	(200,000.00)
24-1518	Liability Claims	(200,000.00)
25-0016	Liability Claims	(185,000.00)
24-1517	Liability Claims	(550,000.00)
24-1510	Liability Claims	(300,000.00)
Loans and Transfers Approved to Date Subtotal		<u>\$ (50,978,299.70)</u>

**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 12/2/24**

Proposed Loans and Transfers

Mid-Year FSR	Unappropriated Balance, Reserve for Mid-Year Adjustments	(66,145,792.00)
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Proposed Loans and Transfers Subtotal

\$ (66,145,792.00)

Contingency Reserve Available Balance as of 2/25/2025

\$ 42,631,453.11

Total Emergency and Contingency Reserve Fund

\$ 263,539,453.11

ATTACHMENT 3
FY 2024-25 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
City Administrative Officer <i>Insurance Reimbursements</i>	<u>46S/10, Insurance and Bonds Premiums Special Fund</u>			<u>46S/10, Insurance and Bonds Premiums Fund</u>		
	RSC 4597, Service to Harbor	\$ 30,000.00		100230, Insurance and Bonds Premiums	\$ 209,340.88	
	RSC 5301, Reimbursement from Other Funds	179,340.88				
	Subtotal	<u>\$ 209,340.88</u>				
Cultural Affairs <i>Salaries As-Needed Overspending</i>	<u>Fund 480/30, Arts and Cultural Facilities and Services</u>			<u>Fund 100/30, Cultural Affairs (480/30/30A130)</u>		
	Available Cash Balance	\$ 500,000		001070, Salaries As-Needed	\$ 500,000	
Housing <i>Technical Services Salaries and Technology Needs</i>	<u>Fund 240/43, Housing Production Revolving Fund</u>			<u>Fund 240/43, Housing Production Revolving Fund</u>		
	Available Cash Balance	\$ 725,665.00		43A299, Reimbursement of General Fund Costs	\$ 245,762.00	
				<u>Fund 100/43, Housing Department (240/43/43A143)</u>		
				001010, Salaries General	364,903.00	
				006010, Office and Administrative	115,000.00	
			Subtotal	<u>\$ 725,665.00</u>		
<i>HHH Permanent Supportive Housing Program</i>	<u>Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund</u>			<u>Fund 100/43, Housing Department</u>		
	RSRC 4904, Interest on Pooled Invest-Bond Fds	\$ 897,990.00		RSRC 5301, Reimbursement from Other Funds	\$ 615,610.00	
				<u>Fund 100/43, Housing Department</u>		
				RSRC 5361, Related Cost Reimbursements-Others	282,380.00	
			Subtotal	<u>\$ 897,990.00</u>		
<i>Citywide Budget Balancing</i>	<u>Fund 240/43, Housing Production Revolving Fund</u>			<u>Fund 240/43, Housing Production Revolving Fund</u>		
	Available Cash Balance	\$ 619,195.00		43A299, Reimbursement of General Fund Costs	\$ 249,195.00	
				<u>Fund 100/43, Housing Department (240/43/43A143)</u>		
				001010, Salaries General	370,000.00	
			Subtotal	<u>\$ 619,195.00</u>		
<i>Citywide Budget Balancing</i>	<u>Fund 62N/68 Short-Term Rental Enforcement Trust Fund</u>			<u>Fund 100/43, Housing Department (62D/68/68A143)</u>		
	Available Cash Balance	\$ 168,797.00		001090, Overtime General	\$ 168,797.00	
Information Technology Agency <i>Workday Augmented Staffing</i>	<u>Fund 100/32, Information Technology Agency</u>			<u>Fund 100/32, Information Technology Agency</u>		
	RSC 4595, Service to Airports	\$ 58,000.00		003040, Contractual Services	\$ 58,000.00	
<i>Fiber Optic Reimbursement</i>	<u>Fund 100/32, Information Technology Agency</u>			<u>Fund 100/32, Information Technology Agency</u>		
	RSC 4591, Interfund Billings - Others	\$ 25,000.00		009350, Communication Services	\$ 25,000.00	

ATTACHMENT 3
FY 2024-25 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Personnel Department <i>Executive Recruitment for DWP</i>	<u>Fund 100/66, Personnel Department</u> RSC 4596, Service to Water & Power	\$ 40,760.60		<u>Fund 100/66, Personnel Department</u> 003040, Contractual Services Account	\$ 40,760.60	
Police <i>Contract Security'</i>	<u>Fund 760/50 Sewer Construction and Maintenance</u> 50A170, Police	\$ 330,569.00		<u>Fund 100/70, Police (760/50/50A170)</u> 003040, Contractual Services	\$ 330,569.00	
<i>Fund For Forensic Science Division Staff Overtime</i>	<u>Fund 863/70, Narcotics Analysis Laboratory Trust Fund</u> 70A170, Police	\$ 25,000.00		<u>Fund 100/70, Police (863/70/70A170)</u> 001090, Overtime General	\$ 25,000.00	
<i>Backfill for Detention Officer Training</i>	<u>Fund 41Y/70, Standards for Training and Corrections</u> 70A207, STD Training and Correction	\$ 127,000.00		<u>Fund 100/70, Police (41Y/70/70A170)</u> 001090, Overtime General	\$ 127,000.00	
Public Works - Board <i>Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1)</i>	<u>Fund 834/50 Public Works Trust Fund</u> 574220, St. Tree Replacement Guarantee (in-lieu) fee - PW Subsidy	\$ 198.00		<u>Fund 100/74, Board of Public Works (834/50/50A174)</u> 001010, Salaries General	\$ 198.00	
	<u>Fund 834/50 Public Works Trust Fund</u> 574221, St. Tree Replacement Guarantee (in-lieu) fee - PW No Subsidy	\$ 67,009.00		<u>Fund 100/74, Board of Public Works (834/50/50A174)</u> 001010, Salaries General	\$ 67,009.00	
Public Works - Sanitation <i>SPA Overspending</i>	<u>Fund 511/50, Stormwater Pollution Abatement Fund</u> 001010, Cash	\$ 138,181.97		<u>Fund 100/82, Bureau of Sanitation (50/511/50A182)</u> 001090, Overtime General (SPA)	\$ 138,181.97	
Transportation <i>Copier Machine Lease</i>	<u>Fund 100/94, Transportation</u> RSC 5188, Miscellaneous Revenue - Others	\$ 3,549.48		<u>Fund 100/94, Transportation</u> 003040, Contractual Services	\$ 3,549.48	
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 3,936,255.93			\$ 3,936,255.93	

ATTACHMENT 4

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Aging <i>Program Aide Staffing</i>	<u>Fund 100/02, Aging (GF)</u> 001010, Salaries General	\$ 67,127.00	<u>Fund 100/02, Aging (GF)</u> 001070, Salaries, As-Needed	\$ 67,127.00
Animal Services <i>Shelter Staffing Support</i>	<u>Fund 100/06, Animal Services</u> 001010, Salaries General	\$ 128,000.00	<u>Fund 100/06, Animal Services</u> 001070, Salaries As-Needed	\$ 128,000.00
<i>Animal Evacuations and Accrued Overtime</i>	<u>Fund 100/06, Animal Services</u> 001010, Salaries General	\$ 300,077.00	<u>Fund 100/06, Animal Services</u> 001090, Overtime General	\$ 300,077.00
<i>Sterilization Supplies</i>	<u>Fund 100/06, Animal Services</u> 001010, Salaries General	\$ 65,000.00	<u>Fund 100/06, Animal Services</u> 003190, Medical Supplies	\$ 65,000.00
<i>Credit Card Transaction Fees</i>	<u>Fund 100/06, Animal Services</u> 001010, Salaries General	\$ 108,000.00	<u>Fund 100/06, Animal Services</u> 006010, Office and Administrative	\$ 108,000.00
<i>Shelter Equipment Purchases</i>	<u>Fund 100/06, Animal Services</u> 001010, Salaries General	\$ 135,000.00	<u>Fund 100/06, Animal Services</u> 006020, Operating Supplies	\$ 135,000.00
City Planning <i>Home-sharing Platform</i>	<u>Fund 100/68, City Planning (Fund 62N/68)</u> 001010, Salaries General	\$ 234,500.00	<u>Fund 100/68, City Planning (Fund 62N/68)</u> 003040, Contractual Services	\$ 234,500.00
Council <i>Expenditure Account Realignment</i>	<u>Fund 100/28, Council</u> 001010, Salaries General	\$ 1,075,000.00	<u>Fund 100/28, Council</u> 002130, Travel 006010, Office and Administrative	\$ 75,000.00 1,000,000.00
			Subtotal	<u>\$ 1,075,000.00</u>
Cultural Affairs <i>Summer Youth Program Hires</i>	<u>Fund 100/30, Cultural Affairs</u> 009785, Summer Arts and Cultural Youth Jobs Programs	\$ 154,000	<u>Fund 100/30, Cultural Affairs</u> 001070, Salaries As-Needed	\$ 154,000
<i>Printing Services</i>	<u>Fund 100/30, Cultural Affairs</u> 006010, Office and Administrative 006020, Operating Supplies 009849, Citywide Exhibits	\$ 25,000 25,000 50,000	<u>Fund 100/30, Cultural Affairs</u> 002120, Printing and Binding	\$ 100,000
	Subtotal	<u>\$ 100,000</u>		
Emergency Management <i>Los Angeles Wildfires Response</i>	<u>Fund 100/35, Emergency Management</u> 001070, Salaries As-Needed 006010, Office and Administrative	\$ 9,405.00 7,827.00	<u>Fund 100/35, Emergency Management</u> 001090, Overtime General	\$ 17,232.00
	Subtotal	<u>\$ 17,232.00</u>		
Finance <i>LATAX Cloud Data Storage and Software Licenses</i>	<u>Fund 100/39, Office of Finance</u> 002130, Travel 001070, Salaries As Needed 002120, Printing and Binding	\$ 9,416.00 50,000.00 20,584.00	<u>Fund 100/39, Office of Finance</u> 006010, Office and Administrative	\$ 80,000.00
	Subtotal	<u>\$ 80,000.00</u>		

ATTACHMENT 4

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
As-Needed and Overtime Shortfalls	001050, Unused Sick Time	\$ 1,190,000.00	001070, Salaries As-Needed	\$ 290,000.00
			001090, Overtime General	900,000.00
			Subtotal	\$ 1,190,000.00
General Services	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
Overtime Hiring Hall Overspending	002130, Travel	\$ 20,000.00	001190, Overtime Hiring Hall	\$ 20,000.00
	<u>Fund 100/40, General Services (508/50/50A140)</u>		<u>Fund 100/40, General Services (508/50/50A140)</u>	
Field Equipment Expense Overspending (SWRRF)	003230, Petroleum Products (SWRRF)	\$ 500,000	003090, Field Equipment Expense (SWRRF)	\$ 500,000
	<u>Fund 100/40, General Services (508/50/50A140)</u>		<u>Fund 100/40, General Services (508/50/50A140)</u>	
Overtime Overspending (SWRRF)	003230, Petroleum Products (SWRRF)	\$ 500,000	001090, Overtime General (SWRRF)	\$ 500,000
Housing	<u>Fund 100/43, Housing</u>		<u>Fund 100/43, Housing</u>	
Department Wide Transportation Needs	006030, Leasing (100/43)	\$ 13,269.00	003310, Transportation (100/43)	\$ 13,269.00
	001010, Salaries General (10D/43/43A143)	1,421.00	003310, Transportation (10D/43/43A143)	1,421.00
	001010, Salaries General (41M/43/43A143)	40,586.00	003310, Transportation (41M/43/43A143)	40,586.00
	001010, Salaries General (56V/43/43A143)	824.00	003310, Transportation (56V/43/43A143)	824.00
	001010, Salaries General (66M/43/43A143)	1,212.00	003310, Transportation (66M/43/43A143)	1,212.00
	<u>Fund 10D/43, Accessible Housing Fund</u>		<u>Fund 100/43, Housing (10D/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	558.00	003310, Transportation	558.00
	<u>Fund 41M/43, Systemic Code Enforcement Fund</u>		<u>Fund 100/43, Housing (41M/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	18,978.00	003310, Transportation	18,978.00
	<u>Fund 56V/43, Foreclosure Registry Program Fund</u>		<u>Fund 100/43, Housing (56V/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	385.00	003310, Transportation	385.00
	<u>Fund 66M/43, House LA Fund</u>		<u>Fund 100/43, Housing (66M/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	566.00	003310, Transportation	566.00
	Subtotal	\$ 77,799.00	Subtotal	\$ 77,799.00
	<u>Fund 100/43, Housing</u>		<u>Fund 100/43, Housing</u>	
Department Wide Part Time Support Staff - 2nd Half of FY25	001010, Salaries General (440/43/43A143)	\$ 21,993.00	001070, Salaries As-Needed (440/43/43A143)	\$ 21,993.00
	001010, Salaries General (815/43/43A143)	38,123.00	001070, Salaries As-Needed (815/43/43A143)	38,123.00
	001010, Salaries General (64R/43/43A143)	24,584.00	001070, Salaries As-Needed (64R/43/43A143)	24,584.00
	<u>Fund 440/43, Rent Stabilization Trust Fund</u>		<u>Fund 100/43, Housing (440/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	10,284.00	001070, Salaries As-Needed	10,284.00
	<u>Fund 815/43, Municipal Housing Finance Fund</u>		<u>Fund 100/43, Housing (815/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	14,967.00	001070, Salaries As-Needed	14,967.00
	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation Fund</u>		<u>Fund 100/43, Housing (64R/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	9,652.00	001070, Salaries As-Needed	9,652.00
	Subtotal	\$ 119,603.00	Subtotal	\$ 119,603.00

ATTACHMENT 4

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Housing (Continued)	<u>Fund 100/43, Housing</u>		<u>Fund 100/43, Housing</u>	
<i>Accounting Division Overtime Needs</i>	001010, Salaries General (815/43/43A143)	\$ 31,512.00	001090, Overtime General (815/43/43A143)	\$ 31,512.00
	001010, Salaries General (10D/43/43A143)	18,231.00	001090, Overtime General (10D/43/43A143)	18,231.00
	001010, Salaries General (41M/43/43A143)	958.00	001090, Overtime General (41M/43/43A143)	958.00
	001010, Salaries General (55J/43/43A143)	1,628.00	001090, Overtime General (55J/43/43A143)	1,628.00
	001010, Salaries General (64R/43/43A143)	732.00	001090, Overtime General (64R/43/43A143)	732.00
	001010, Salaries General (66M/43/43A143)	2,665.00	001090, Overtime General (66M/43/43A143)	2,665.00
	<u>Fund 815/43, Municipal Housing Finance Fund</u>		<u>Fund 100/43, Housing</u>	
	43A299, Reimbursement of General Fund Costs	12,371.00	001090, Overtime General (815/43/43A143)	12,371.00
	<u>Fund 10D/43, Accessible Housing Fund</u>		<u>Fund 100/43, Housing (10D/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	7,157.00	001090, Overtime General	7,157.00
	<u>Fund 41M/43, Systemic Code Enforcement Fund</u>		<u>Fund 100/43, Housing (41M/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	448.00	001090, Overtime General	448.00
	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u>		<u>Fund 100/43, Housing (55J/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	639.00	001090, Overtime General	639.00
	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation Fund</u>		<u>Fund 100/43, Housing (64R/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	287.00	001090, Overtime General	287.00
	<u>Fund 66M/43, House LA Fund</u>		<u>Fund 100/43, Housing (66M/43/43A143)</u>	
	43A299, Reimbursement of General Fund Costs	1,046.00	001090, Overtime General	1,046.00
	Subtotal	<u>\$ 77,674.00</u>	Subtotal	<u>\$ 77,674.00</u>
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/32, Information Technology Agency</u>	
<i>Overtime Hiring Hall</i>	009350, Communication Services	\$ 47,080.00	001190, Overtime Hiring Hall	\$ 47,080.00
<i>Overtime General Overspending</i>	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/32, Information Technology Agency</u>	
	001010, Salaries General	\$ 1,000,000.00	001090, Overtime General	\$ 1,000,000.00
Neighborhood Empowerment	<u>Fund 100/47, Neighborhood Empowerment (Fund 44B/47/47A147)</u>		<u>Fund 100/47, Neighborhood Empowerment (Fund 44B/47/47A147)</u>	
<i>Salaries General Overspending</i>	002120, Printing and Binding	\$ 55,524.00	001010, Salaries General	\$ 214,107.00
	003040, Contactual Services	116,680.00		
	006010, Office and Administrative	41,903.00		
	Subtotal	<u>\$ 214,107.00</u>		
<i>Transportation Overspending</i>	<u>Fund 100/47, Neighborhood Empowerment (Fund 44B/47/47A147)</u>		<u>Fund 100/47, Neighborhood Empowerment (Fund 44B/47/47A147)</u>	
	002120, Printing and Binding	\$ 8,448.00	003310, Transportation	\$ 8,448.00
Personnel Department	<u>Fund 100/66, Personnel Department</u>		<u>Fund 100/66, Personnel Department</u>	
<i>Departmental Overspending</i>	001010, Salaries, General	\$ 1,259,000.00	001070, Salaries, As-Needed Account	\$ 300,000.00
			001090, Overtime General Account	208,000.00
			003040, Contractual Services Account	751,000.00
			Subtotal	<u>\$ 1,259,000.00</u>

ATTACHMENT 4

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police Department <i>To Realign Budgeted Funds to the LACMTA contract</i>	<u>Fund 100/70, Police</u> 001092, Sworn Overtime	\$ 600,000.00	<u>Fund 100/70, Police</u> 001090, Overtime General	\$ 600,000.00
 <i>Cannabis Regulation Special Revenue Trust Fund</i>	<u>Fund 100/70, Police (Fund 60E/70)</u> 001092, Sworn Overtime	\$ 60,300.00	<u>Fund 100/70, Police (Fund 60E/70)</u> 001090, Overtime General	\$ 60,300.00
 <i>Sanitation - Schedule 14</i>	<u>Fund 100/70, Police (Fund 760/70)</u> 001010, Salaries General	\$ 613,634.00	<u>Fund 100/70, Police (Fund 760/70)</u> 001012, Sworn Salaries 003040, Contractual Services	\$ 173,382.00 440,252.00
			Subtotal	\$ 613,634.00
 <i>To Address Projected Deficit</i>	<u>Fund 100/70, Police</u> 003010, Firearms, Ammunition, Others 003310, Transportation 004430, Uniforms	\$ 1,300,000.00 80,000.00 200,000.00	<u>Fund 100/70, Police</u> 003040, Contractual Services	\$ 1,580,000.00
	Subtotal	\$ 1,580,000.00		
 <i>To Address Projected Deficit</i>	<u>Fund 100/70, Police</u> 006010, Office and Administrative	\$ 300,000.00	<u>Fund 100/70, Police</u> 002130, Travel	\$ 300,000.00
 <i>To Address Projected Deficit</i>	<u>Fund 100/70, Police</u> 006010, Office and Administrative	\$ 400,000.00	<u>Fund 100/70, Police</u> 003090, Field Equipment Expense	\$ 400,000.00
 <i>To Address Projected Deficit</i>	<u>Fund 100/70, Police</u> 001070, Salaries As Needed 001095, Accumulated Overtime 003110, Institutional Supplies	\$ 278,258.00 699,303.00 123,686.00	<u>Fund 100/70, Police</u> 001092, Overtime Sworn	\$ 1,101,247.00
	Subtotal	\$ 1,101,247.00		
 Public Works - Engineering <i>Cloud Environment Subscription and Maintenance</i>	<u>Fund 100/78, Bureau of Engineering (General Fund)</u> 003040, Contractual Services	\$ 182,000.00	<u>Fund 100/78, Bureau of Engineering (General Fund)</u> 006010, Office and Administrative	\$ 182,000.00
	<u>Fund 100/78, Bureau of Engineering (761/50/50A178)</u> 003040, Contractual Services	91,000.00	<u>Fund 100/78, Bureau of Engineering (761/50/50A178)</u> 006010, Office and Administrative	91,000.00
	<u>Fund 100/78, Bureau of Engineering (206/50/50A178)</u> 003040, Contractual Services	91,000.00	<u>Fund 100/78, Bureau of Engineering (206/50/50A178)</u> 006010, Office and Administrative	91,000.00

ATTACHMENT 4

**FY 2024-25 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>SCMO Overspending</i>	<u>Fund 100/82, Bureau of Sanitation (50/760/50A182)</u> 001010, Salaries General (SCMO)	\$ 2,520,000.00	<u>Fund 100/82, Bureau of Sanitation (50/760/50A182)</u> 001070, Salaries As Needed (SCMO) 001090, Overtime General (SCMO) 001100, Hiring Hall Salaries (SCMO) 001120, Benefits Hiring Hall (SCMO)	\$ 500,000.00 1,500,000.00 350,000.00 170,000.00
			Subtotal	\$ 2,520,000.00
 <i>SWRRF Debt Service</i>	 <u>Fund 508/50, Solid Waste Resources Revenue Fund</u> 50AU73, Solid Waste Resources Revenue Bonds 2023-A - Interest	 \$ 65,000.00	 <u>Fund 508/50, Solid Waste Resources Revenue Fund</u> 50AU72, Solid Waste Resources Revenue Bonds 2023-A - Principal	 \$ 65,000.00
 <i>Livability Services Division Overspending</i>	 <u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General (GF) 003090, Field Equipment Expense (GF) 004430, Uniforms (GF)	 \$ 745,000.00 150,000.00 70,000.00	 <u>Fund 100/82, Bureau of Sanitation</u> 001090, Overtime General (GF) 003340, Water and Electricity (GF) 006010, Office and Administrative (GF)	 \$ 745,000.00 150,000.00 70,000.00
	Subtotal	\$ 965,000.00	Subtotal	\$ 965,000.00
 Public Works - Street Lighting <i>NASA Grant PEACE for EEJ</i>	 <u>Fund 347/50, SLMAF</u> Revenue Acct. 368409, Other Federal Grants - NASA Grant	 \$ 250,000.00	 <u>Fund 347/50, SLMAF</u> TBD, NASA Grant PEACE for EEJ	 \$ 250,000.00
 <i>Street Light Relocation</i>	 <u>Fund 100/84, Bureau of Street Lighting (59C/94, 94A184)</u> 001010, Salaries General	 \$ 66,120.00	 <u>Fund 100/84, Bureau of Street Lighting (59C/94/94A184)</u> 001100 - Hiring Hall Salaries 001120 - Benefits Hiring Hall	 \$ 39,146.00 26,974.00
			Subtotal	\$ 66,120.00
 <i>Departmental Overspending</i>	 <u>Fund 100/84, Bureau of Street Lighting</u> 008780, St. Lighting Improvements and Supplies	 \$ 39,900.00	 <u>Fund 100/84, Bureau of Street Lighting</u> 001010, Salaries General 001090, Overtime General	 \$ 21,855.00 18,045.00
			Subtotal	\$ 39,900.00
 Transportation <i>Salaries General Overspending</i>	 <u>Fund 100/94, Transportation (540/94)</u> 001100, Hiring Hall Salaries 001120, Benefits Hiring Hall	 \$ 80,000.00 100,000.00	 <u>Fund 100/94, Transportation (540/94)</u> 001010, Salaries General	 \$ 180,000.00
	Subtotal	\$ 180,000.00		
 <i>Transportation Reimbursements</i>	 <u>Fund 100/94, Transportation</u> 001010, Salaries General	 \$ 24,745.00	 <u>Fund 100/94, Transportation</u> 003310, Transportation	 \$ 24,745.00
 <i>Office and Administrative Expenses</i>	 <u>Fund 100/94, Transportation</u> 001010, Salaries General	 \$ 200,000.00	 <u>Fund 100/94, Transportation</u> 006010, Office and Administrative	 \$ 200,000.00
 <i>Paint and Sign Maintenance Overspending (Measure R)</i>	 <u>Fund 51Q/94, Measure R Local Return Fund</u> 94NC03, Traffic Signal Supplies 94PC03, Traffic Signal Supplies	 \$ 12,417.35 4,620.02	 <u>Fund 51Q/94, Measure R Local Return Fund</u> 94W478, Paint and Sign Maintenance	 \$ 17,037.37
	Subtotal	\$ 17,037.37		
 <i>Paint and Sign Maintenance Overspending (Measure M)</i>	 <u>Fund 59C/94, Measure M Local Return Fund</u> 94V800, Traffic Signal Supplies 94W800, Traffic Signal Supplies	 \$ 2,325.54 544,165.23	 <u>Fund 59C/94, Measure M Local Return Fund</u> 94A478, Paint and Sign Maintenance	 \$ 546,490.77
	Subtotal	\$ 546,490.77		

ATTACHMENT 4

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation (Continued)	<u>Fund 540/94, Proposition C Anti-Gridlock Transit Fund</u>		<u>Fund 540/94, Proposition C Anti-Gridlock Transit Fund</u>	
<i>Paint and Sign Maintenance Overspending (Proposition C)</i>	94V800, Traffic Signal Supplies	\$ 119,101.70	94Y478, Paint and Sign Maintenance	\$ 1,541,725.77
	94W800, Traffic Signal Supplies	1,422,624.07		
	Subtotal	\$ 1,541,725.77		
	<u>Fund 100/94, Transportation (59C/94)</u>		<u>Fund 100/94, Transportation (59C/94)</u>	
<i>Radio and Equipment</i>	006010, Office and Administrative	\$ 462,000.00	007350, Other Operating Equipment	\$ 462,000.00
	<u>Fund 363, Special Parking Revenue</u>		<u>Fund 363, Special Parking Revenue</u>	
<i>Parking Meter and Pay Station Parts</i>	94A040, Capital Equipment Purchases	\$ 2,125,000.00	94A070, Replacement Parts, Tools, and Equipment	\$ 2,125,000.00
Zoo	<u>Fund 100/87, Zoo</u>		<u>Fund 100/87, Zoo</u>	
<i>Infrastructure Repairs and Maintenance</i>	001070, Salaries As-Needed	\$ 120,000.00	001100, Hiring Hall Salaries	\$ 70,000.00
			001120, Benefits Hiring Hall	50,000.00
			Subtotal	\$ 120,000.00
	<u>Fund 100/60, Water and Electricity</u>		<u>Fund 100/60, Water and Electricity</u>	
<i>General Services Water and Electricity Overspending</i>	000041, Street Services Water	\$ 185,383.00	000021, General Services Water	\$ 752,752.00
	000042, Street Services Electricity	269,200.00	000022, General Services Electricity	49,541.00
	000062, Library Electricity	347,710.00		
	Subtotal	\$ 802,293.00	Subtotal	\$ 802,293.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 22,422,139.91		\$ 22,422,139.91

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

		TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT	
Aging <i>Citywide Budget Balancing</i>	<u>Fund 100/02, Aging</u> 001010, Salaries General	\$ 26,378.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 26,378.00	
Building and Safety <i>Citywide Budget Balancing</i>	<u>Fund 100/08, Building and Safety</u> 001010, Salaries General	\$ 747,227.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 747,227.00	
Cannabis Regulation <i>Citywide Budget Balancing</i>	<u>Fund 100/13, Cannabis Regulation</u> 001010, Salaries General	\$ 16,364.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 16,364.00	
City Administrative Officer <i>Citywide Budget Balancing</i>	<u>Fund 100/10, City Administrative Officer</u> 003040, Contractual Services	\$ 1,813,339.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 1,813,339.00	
<i>Tax and Revenue Anticipation Notes Savings</i> <i>Citywide Budget Balancing</i>	<u>Fund 100/62, Non-Departmental - General</u> 620P15, Tax Rev Anticipate Note	\$ 11,598,248.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 11,598,248.00	
<i>Capital Finance Administration Notes Savings</i> <i>Citywide Budget Balancing</i>	<u>Fund 100/53, Non-Departmental - Capital Finance Administration Fund</u> 000321, MICLA REFUNDING OF COMMERCIAL PAPER	\$ 11,000,000.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 11,000,000.00	
City Attorney <i>Resiliency in Communities After Stress and Trauma Program</i>	<u>Fund 368/12 City Attorney</u> 12Y351 - Resiliency in Communities After Stress and Trauma Program (ReCast)	\$ 50,623.04	<u>Fund 100/70 LAPD</u> 001092 - Overtime Sworn	\$ 50,623.04	
City Clerk <i>Citywide Budget Balancing</i>	<u>Fund 100/14, City Clerk</u> 001010, Salaries General	\$ 138,600.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 138,600.00	
City Planning <i>Citywide Budget Balancing</i>	<u>Fund 100/68, City Planning</u> 001010, Salaries General 001090, Overtime General 002120, Printing and Binding 003040, Contractual Services 006010, Office and Administrative	\$ 1,014,690.00 20,531.00 15,000.00 19,507.00 35,000.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 1,104,728.00	
		Subtotal \$ 1,104,728.00			
Civil, Human Rights and Equity <i>Citywide Budget Balancing</i>	<u>Fund 100/15, Civil, Human Rights and Equity</u> 001010, Salaries General 001070, Salaries As Needed 003040, Contractual Services	\$ 122,943.00 25,000.00 160,534.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 308,477.00	
		Subtotal \$ 308,477.00			
Community Investment for Families <i>Citywide Budget Balancing</i>	<u>Fund 100/21, Community Investment for Families</u> 001010, Salaries General 003040, Contractual Services	\$ 17,477.00 2,297,095.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 2,314,572.00	
		Subtotal \$ 2,314,572.00			
Council <i>Council District 14 Staff Transfers</i>	<u>Fund 100/28, Council</u> 001010, Salaries General	\$ 207,202.00	<u>Fund 100/46, Mayor</u> 001070, Salaries As Needed	\$ 207,202.00	
<i>Council District 14 Staffing</i>	<u>Fund 100/56, General City Purposes Fund</u> 000628, Additional Homeless Services - CD 14	\$ 240,000.00	<u>Fund 100/28, Council</u> 001070, Salaries As Needed	\$ 240,000.00	
<i>Council District 14 Staffing</i>	<u>Fund 53P/28, State AB1290 City Fund</u> 281214, CD 14 Redevelopment Fund	\$ 600,000.00	<u>Fund 100/28, Council</u> 001070, Salaries As Needed	\$ 600,000.00	
Disability <i>Citywide Budget Balancing</i>	<u>Fund 100/65, Disability</u> 003040, Contractual Services	\$ 312,497.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 312,497.00	

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Emergency Management <i>Citywide Budget Balancing</i>	<u>Fund 100/35, Emergency Management</u>		<u>Fund 100/35, Emergency Management</u>	
	001070, Salaries As Needed	\$ 9,405.00	001090, Overtime General	\$ 17,232.00
	006010, Office and Administrative	7,827.00		
	Subtotal	<u>\$ 17,232.00</u>		
Economic and Workforce Development <i>American Rescue Plan Act (ARPA) Business Assistance Fund CF 21-0691 and 24-0600-S110 - ARPA Reprogramming Fund Transfers</i>	<u>Fund 551/22, General Fund - Various Program</u>		<u>Fund 62L/22, Economic Development Trust Fund</u>	
	22Y4AK, LA Regional Small Business Legal Audit Program	\$ 650,000.00	NEW, LA Regional Small Business Legal Audit Program	\$ 650,000.00
<i>Citywide Budget Balancing</i>	<u>Fund 100/22, Economic and Workforce Development</u>		<u>Fund 100/58, Unappropriated Balance</u>	
	001010, Salaries General	\$ 281,640.00	580196, Reserve for Mid-Year Adjustments	\$ 516,503.00
	006030, Leasing	27,119.00		
	003040, Contractual Services	207,744.00		
Subtotal	<u>\$ 516,503.00</u>			
Fire <i>Medi-Cal Intergovernmental Transfer</i>	<u>Fund 59F/38, Medi-Cal Intergovernmental Transfer Program Trust Fund</u>		<u>Fund 100/38, Fire</u>	
	38P401, Medi-Cal Intergovernmental Transfer	\$ 5,600,000.00	001012, Salaries Sworn	\$ 5,600,000.00
General City Purposes <i>Citywide Budget Balancing</i>	<u>Fund 100/56, General City Purposes</u>		<u>100/58, Unappropriated Balance</u>	
	000510, Medicare Contributions	\$ 500,000.00	580196, Reserve for Mid-Year Adjustments	\$ 500,000.00
Housing Department <i>Foreclosure Registry Program Fee Study</i>	<u>Fund 100/43, Housing</u>		<u>Fund 56V/43, Foreclosure Registry Program Fund</u>	
	001010, Salaries General (56V/43/43A143)	\$ 17,952.00	TBD, Foreclosure Registry Program Fee Study	\$ 25,000.00
	<u>Fund 56V/43, Foreclosure Registry Program Fund</u>			
	43A299, Reimbursement of General Fund Costs	\$ 7,048.00		
Subtotal	<u>\$ 25,000.00</u>			
<i>Housing Development Bureau Salaries</i>	<u>Fund 59T/43, Housing Impact Trust Fund</u>		<u>Fund 100/43, Housing</u>	
	43T904, Administrative Reserve	\$ 427,154.00	001010, Salaries General (59T/43/43A143)	\$ 255,246.00
			<u>Fund 59T/43, Housing Impact Trust Fund</u>	
			43A299, Reimbursement of General Fund Costs	171,908.00
Subtotal			<u>\$ 427,154.00</u>	
<i>Citywide Budget Balancing</i>	<u>Fund 100/43, Housing Department</u>		<u>100/58, Unappropriated Balance</u>	
	001010, Salaries General	\$ 370,000.00	580196, Reserve for Mid-Year Adjustments	\$ 538,797.00
	001090, Overtime General	168,797.00		
Subtotal	<u>\$ 538,797.00</u>			
Information Technology Agency <i>Citywide Budget Balancing</i>	<u>100/32, Information Technology Agency</u>		<u>100/58, Unappropriated Balance</u>	
	001010, Salaries General	\$ 500,000.00	580196, Reserve for Mid-Year Adjustments	\$ 5,272,000.00
	003040, Contractual Services	572,000.00		
	006010, Office and Administrative	200,000.00		
	006020, Operating Supplies	400,000.00		
	009350, Communications Services	3,600,000.00		
	Subtotal	<u>\$ 5,272,000.00</u>		

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	TRANSFER TO	AMOUNT
Library <i>Alterations and Improvements</i>	<u>Fund 300/44, Library Fund</u> 003040, Contractual Services		\$ 430,038.00	<u>Fund 100/40, General Services Department</u> 001014, Salaries, Construction Projects 003180, Construction Materials	\$ 366,501.60 63,536.40 <u>Subtotal \$ 430,038.00</u>
 <i>Library Turf Reduction Project</i>	<u>Fund 300/44, Library Fund</u> 003040, Contractual Services		\$ 38,785.42	<u>Fund 100/78, Public Works Bureau of Engineering</u> 001010, Salaries, General RSC 5361, Related Cost Reimbursement - Others	\$ 21,480.62 17,304.80 <u>Subtotal \$ 38,785.42</u>
Mayor <i>Angeleno Connect Program Reimbursement</i>	<u>Fund 100/56, General City Purposes Fund</u> 000950, Angeleno Connect Program		\$ 200,000.00	<u>Fund 100/46, Mayor</u> 003040, Contractual Services	\$ 200,000.00
 <i>Employees on Loan</i>	<u>100/46, Mayor</u> 001010, Salaries General		\$ 191,724.00	<u>100/10, City Administrative Officer</u> 001010, Salaries General	\$ 191,724.00
	<u>Fund 100/46 Mayor</u> 003040, Contractual Services		\$ 590,000.00	<u>Fund 100/12 City Attorney</u> 001010, Salaries General	\$ 590,000.00
Personnel Department <i>Citywide Budget Balancing</i>	<u>Fund 100/66, Personnel Department</u> 001010, Salaries, General 002120, Printing and Binding 003310, Transportation 004260, Oral Board Expense 009570, Training Expense		\$ 241,000.00 44,000.00 35,500.00 16,000.00 39,500.00 <u>Subtotal \$ 376,000.00</u>	<u>100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 376,000.00
 Police Department <i>Workday Assistance for Workday assist and troubleshooting</i>	<u>Fund 100/70, Police</u> 006010, Office and Administrative		\$ 348,000.00	<u>Fund 100/32, Information Technology Agency</u> 003040, Contractual Services	\$ 348,000.00
 <i>For Repairs and Services at Davis Training Facilities</i>	<u>Fund 100/70, Police</u> 006010, Office and Administrative		\$ 500,000.00	<u>Fund 100/40, General Services</u> 001014, Salaries Construction 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 30,000.00 216,000 54,000 200,000 <u>Subtotal \$ 500,000.00</u>
 Public Works - Board <i>Citywide Budget Balancing</i>	<u>Fund 100/74, Public Works Board</u> 003040, Contractual Services		\$ 837,847.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 837,847.00
 <i>Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1)</i>	<u>Fund 834/50 Public Works Trust Fund</u> 50174Y, PW-Board Office		\$ 737,232.40	<u>Fund 100/74, Board of Public Works (834/50/50174A)</u> 003040, Contractual Services	\$ 737,232.40
 Public Works - Contract Administration <i>Citywide Budget Balancing</i>	<u>Fund 100/76, Public Works Contract Administration</u> 001010, Salaries General		\$ 350,000.00	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 350,000.00

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Sanitation <i>Clean Cities and GREENfiltration</i>	<u>537/50, Environmental Affairs Trust Fund</u>		<u>Fund 100/82, Bureau of Sanitation (537/50/50A182)</u>	
	50M311, Clean Cities Program Support	\$ 70,200.00	001010, Salaries General	\$ 28,000.00
	50VMGF, GREENfiltration Project	22,000.00	001070, Salaries As Needed	57,000.00
			001090, Overtime General	3,000.00
			002130, Travel	1,200.00
			006010, Office and Administrative	3,000.00
		Subtotal		Subtotal
		\$ 92,200.00		\$ 92,200.00
<i>MyLA311 Contract Change Order</i>	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		<u>Fund 100/32, Information Technology Agency (50/508/50A132)</u>	
	50AX82, PW-Sanitation Expense and Equipment	\$ 500,000.00	003040, Contractual Services (SWRRF)	\$ 500,000.00
	<u>Fund 760/50, Sewer Operations and Maintenance Fund</u>		<u>Fund 100/32, Information Technology Agency (50/760/50A132)</u>	
	50AX82, PW-Sanitation Expense and Equipment	\$ 583,980.00	003040, Contractual Services (SCMO)	\$ 583,980.00
<i>MyLA311 Focus Group Contract</i>	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/46, Mayor</u>	
	001010, Salaries General (GF)	\$ 91,000.00	003040, Contractual Services (GF)	\$ 91,000.00
Public Works - Street Lighting <i>Raymer Street Security Services</i>	<u>Fund 100/84, Bureau of Street Lighting (347/50/50A184)</u>		<u>Fund 100/40, General Services (347/50/50A140)</u>	
	003040, Contractual Services	\$ 73,999.67	003040, Contractual Services	\$ 73,999.67
<i>Vision Lab Digital Inclusion Program</i>	<u>Fund 100/54, CTIEP</u>		<u>Fund 100/46, Mayor</u>	
	00V837, Digital Inclusion	\$ 22,500.00	003040, Contractual Services	\$ 22,500.00
<i>NASA Grant Predicting What We Breathe</i>	<u>Fund 347/50, SLMAF</u>		<u>Fund 100/46 Mayor (347/50/50A146)</u>	
	50TLWB, NASA Grant Predicting What We Breathe	\$ 316,292.75	001010, Salaries General	\$ 316,292.75
<i>Street Lighting Energy</i>	<u>Fund 100/84, Bureau of Street Lighting (206/50/50A184)</u>		<u>Fund 100/60, Water and Electricity (206/50/50A160)</u>	
	001010, Salaries General	\$ 522,000.00	000023, Street Lighting General Benefit	\$ 650,000.00
	006020, Operating Supplies	81,000.00		
	008780, St. Lighting Improvements and Supplies	47,000.00		
	Subtotal	\$ 650,000.00		
<i>Street Lighting Energy</i>	<u>Fund 347/50, SLMAF</u>		<u>Fund 704/98, Power Fund</u>	
	50ALTT, Energy	\$ 7,971,282.00	RSC 5166, Deposit Receipts- Agency Funds	\$ 7,971,282.00
<i>Citywide Budget Balancing</i>	<u>Fund 100/84, Bureau of Street Lighting</u>		<u>Fund 100/58, Unappropriated Balance</u>	
	008780, Street Lighting Improvement and Supplie	\$ 25,001.00	580196, Reserve for Mid-Year Adjustments	\$ 25,001.00
Leasing <i>Newly Approved Unfunded Leases</i>	<u>Fund 100/54, CTIEP</u>		<u>Fund 100/63, Leasing</u>	
	00V853, Garland Restack & TI Reserve	\$ 702,664.00	000024, General Fund Leasing	\$ 702,664.00
Youth Development <i>Citywide Budget Balancing</i>	<u>Fund 100/19, Youth Development</u>		<u>Fund 100/58, Unappropriated Balance</u>	
	001010, Salaries General	\$ 90,000.00	580196, Reserve for Mid-Year Adjustments	\$ 138,169.00
	003040, Contractual Services	48,169.00		
	Subtotal	\$ 138,169.00		
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 59,791,656.28		\$ 59,791,656.28

ATTACHMENT 6

**FY 2024-25 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 100/12, City Attorney</u> 001010, Salaries General	\$ 213,715.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 002060, Bar Dues	\$ 46,817.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 004200, Litigation	\$ 6,466,015.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 009301, City Attorney Outside Counsel	\$ 2,400,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/26, Controller</u> 001090, Overtime General	\$ 400,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/26, Controller</u> 001010, Salaries General	\$ 1,402,464.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/35, Emergency Management</u> 001010, Salaries General	\$ 75,693.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/39, Finance</u> 003040, Contractual Services	\$ 1,264,199.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/39, Finance</u> 001010, Salaries General	\$ 308,500.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/39, Finance</u> 006010, Office and Administrative	\$ 168,795.00
580438, Fire Positions Reserve	<u>Fund 100/38, Fire</u> 001010, Salaries General	\$ 66,558.00

ATTACHMENT 6

**FY 2024-25 BUDGET ADJUSTMENTS
APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/38, Fire</u>	
	001010, Salaries General	\$ 3,532,120.00
	001012, Salaries Sworn	\$ 38,850,000.00
	001030, Sworn Bonuses	\$ 2,300,000.00
	001092, Overtime Sworn	\$ 5,160,949.00
	001093, Overtime Constant Staffing	\$ 2,455,078.00
	001098, Overtime Variable Staffing	\$ 8,000,000.00
	003040, Contractual Services	\$ 3,750,000.00
	003090, Field Equipment Expense	\$ 529,000.00
	003260, Rescue Supplies and Expense	\$ 900,000.00
	006010, Office and Administrative	\$ 375,000.00
	006020, Operating Supplies	\$ 2,570,993.00
	Subtotal	\$ 68,423,140.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/40, General Services</u>	
	003230, Petroleum Products	\$ 5,000,000.00
	003330, Utilities Expense Private Company	\$ 1,000,000.00
	Subtotal	\$ 6,000,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/40, General Services</u>	
	003090, Field Equipment Expense	\$ 1,000,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/40, General Services</u>	
	001090, Overtime General	\$ 571,518.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/70, Police</u>	
	001092, Overtime Sworn	\$ 14,000,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/82, Bureau of Sanitation</u>	
	001090, Overtime General	\$ 352,000.00
	003040, Contractual Services	\$ 714,378.00
	Subtotal	\$ 1,066,378.00

ATTACHMENT 6

**FY 2024-25 BUDGET ADJUSTMENTS
APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/82, Bureau of Sanitation</u>	
	001090, Overtime General	\$ 1,300,000.00
	001090, Overtime General	\$ 361,818.00
	Subtotal	<u>\$ 1,661,818.00</u>
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/82, Bureau of Sanitation</u> 001090, Overtime General	\$ 161,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u> 50AX82, PW-Sanitation Expense and Equipment	\$ 2,152,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/94, Transportation</u> 001070, Salaries As-Needed	\$ 1,569,094.00
580383, Department Payroll Reconciliation	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 69,804,960.00
580434, Domestic Violence and Human Trafficking Shelter Operations	<u>Fund 100/58, Unappropriated Balance</u> 580196, Reserve for Mid-Year Adjustments	\$ 700,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/61, Human Resources Benefits</u> 009910, Workers' Compensation/Rehabilitation	\$ 8,000,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/61, Human Resources Benefits</u> 003040, Contractual Services	\$ 50,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/59, Liability Claims</u> 009794, Public Works, Sanitation Liability Payouts	\$ 2,000,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/59, Liability Claims</u> 009798, Miscellaneous Liability Payouts	\$ 55,184,353.00
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE		\$ 245,157,017.00

ATTACHMENT 7A

STATUS OF UNAPPROPRIATED BALANCE GENERAL ACCOUNT

C.F.	Appropriations	Date	Amount
24-0600	General		\$ 50,000
	Approved Transfer		
		Balance Available	<u>50,000.00</u>
	Anticipated Appropriations		
		Projected Balance Available	<u>\$ 50,000.00</u>

ATTACHMENT 7B
STATUS OF UNAPPROPRIATED BALANCE, RESERVE FOR MID-YEAR ADJUSTMENTS

2024-25 Budget	\$ 59,384,134.00
 Interim Transfers	
 Transfer Out:	
Transfer to Liability Claims - Miscellaneous Liability Payouts	(59,384,134.00)
Subtotal	\$ (59,384,134.00)
 Year-end Available	
	\$ <u><u> -</u></u>

Mid-year FSR Recommendations

Transfer In:	
Transfer from Reserve Fund	66,145,792.00
Transfer from Aging - Salaries General	26,378.00
Transfer from Building and Safety - Salaries General	747,227.00
Transfer from Cannabis Regulation - Salaries General	16,364.00
Transfer from City Administrative Officer - Contractual Services	1,813,339.00
Transfer from Tax and Revenue Anticipation	11,598,248.00
Transfer from Capital Finance Administration Fund	11,000,000.00
Transfer from City Clerk - Salaries General	138,600.00
Transfer from City Planning - Various Accounts	1,104,728.00
Transfer from Civil, Human Rights, and Equity - Various Accounts	308,477.00
Transfer from Community Investment for Families - Various Accounts	2,314,572.00
Transfer from Disability - Contractual Services	312,497.00
Transfer from Economic and Workforce Development - Various Accounts	516,503.00
Transfer from Housing - Various Accounts	538,797.00
Transfer from Information Technology Agency - Various Accounts	5,272,000.00
Transfer from Personnel - Various Accounts	376,000.00
Transfer from Public Works Board - Contractual Services	837,847.00
Transfer from Public Works Contract Administration - Salaries General	350,000.00
Transfer from Public Works Street Lighting - Street Lighting Improvement and Supplies	25,001.00
Transfer from Youth Development - Various Accounts	138,169.00
Transfer from General City Purposes - Medicare Contributions	500,000.00
Transfer from Unappropriated Balance - Department Payroll Reconciliation	69,804,960.00
Shelter Operations	700,000.00
Subtotal	<u><u>174,585,499.00</u></u>

ATTACHMENT 7B
STATUS OF UNAPPROPRIATED BALANCE, RESERVE FOR MID-YEAR ADJUSTMENTS

Transfer Out:

Transfer to City Attorney - Salaries General	(213,715.00)
Transfer to City Attorney - Bar Dues	(46,817.00)
Transfer to City Attorney - Litigation	(6,466,015.00)
Transfer to City Attorney - Outside Counsel	(2,400,000.00)
Transfer to Controller - Overtime General	(400,000.00)
Transfer to Controller - Salaries General	(1,402,464.00)
Transfer to Emergency Management - Salaries General	(75,693.00)
Transfer to Finance - Contractual Services	(1,264,199.00)
Transfer to Finance - Salaries General	(308,500.00)
Transfer to Finance - Office and Administrative Expense	(168,795.00)
Transfer to Fire - Various Accounts	(68,423,140.00)
Transfer to General Services - Petroleum Products	(5,000,000.00)
Transfer to General Services - Utilities Expense Private Company	(1,000,000.00)
Transfer to General Services - Field Equipment Expense	(1,000,000.00)
Transfer to General Services - Overtime General	(571,518.00)
Transfer to Police - Sworn Overtime	(14,000,000.00)
Transfer to Public Works Sanitation - Overtime General and Contractual Services	(1,066,378.00)
Transfer to Public Works Sanitation - Overtime General (SWRRF and SPA)	(1,661,818.00)
Transfer to Public Works Sanitation - Overtime General (SWRRF)	(161,000.00)
Transfer to Public Works Sanitation - Solid Waste Resources Revenue Fund	(2,152,000.00)
Transfer to Transportation - As-Needed Salaries	(1,569,094.00)
Transfer to Human Resources Benefits - Workers' Compensation	(8,000,000.00)
Transfer to Human Resources Benefits - Contractual Services	(50,000.00)
Transfer to Liability Claims - Public Works, Sanitation Liability Payouts	(2,000,000.00)
Transfer to Liability Claims - Miscellaneous Liability Payouts	(55,184,353.00)
Subtotal	<u>(174,585,499.00)</u>

Subtotal Mid-Year FSR Recommendations -

Year-end Available \$ -

**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												
580265	Animal Sterilization Trust Fund	Animal Services	\$ 1,500,000										\$ 1,500,000.00
580345	City Charter Reform	City Clerk	\$ 500,000						(500,000)				\$ -
580422	Citywide Recreational Vehicle Program	Police	\$ -	2,250,000	(2,000,000)			(150,000)					\$ 100,000.00
580420	CleanLA	PW Board	\$ 2,600,780	1,500,000									\$ 4,100,780.00
580383	Department Payroll Reconciliation	All	\$ 104,829,960					(35,025,000)		(69,804,960)			\$ -
580434	Domestic Violence and Human Trafficking Shelter Operations	CIFD	\$ 2,000,000						(1,300,000)	(700,000)			\$ -
580409	Elected Officials Transition Expenses	GSD	\$ 775,000										\$ 775,000.00
580431	Election Expenses - General Municipal Elections	City Clerk	\$ 9,000,000			(856,993)							\$ 8,143,007.00
580132	Equipment, Expense, and Alterations & Improv.	Mayor/Council	\$ 6,181,000	2,841,151		(359,621)		(5,168,493)					\$ 3,494,037.15
580438	Fire Positions Reserve	Fire	\$ 406,770					(68,671)		(66,558)			\$ 271,541.00
580231	Gang Injunction Settlement Agreement	EWDD	\$ -	2,500,000				(1,250,000)					\$ 1,250,000.00
580001	General (see Attachment 7A)	All	\$ 50,000										\$ 50,000.00
580304	Ground Emergency Medical Transport QAF Program	Fire	\$ 27,400,000		(6,158,101)	(6,107,240)		(6,286,294)		(7,200,000)			\$ 1,648,364.64
580381	LAHSA Homeless Engagement Teams	Housing	\$ 4,075,686	225,000	(225,000)								\$ 4,075,686.00
580433	LAHSA Homeless Outreach Navigators	Housing	\$ 629,583										\$ 629,583.00
580274	Mutual Aid Overtime	Fire	\$ 3,000,000		(3,000,000)								\$ -
580199	Neighborhood Councils	DONE	\$ 32,000										\$ 32,000.00
580168	Office of Public Accountability Studies	OPA	\$ 742,414										\$ 742,414.00
580197	Outside Counsel including Workers' Comp	City Atty	\$ 3,250,000		(750,000)		(450,000)	(2,050,000)					\$ -
580430	Quiet Zone Study	DOT	\$ -	500,000									\$ 500,000.00
580437	Rancho LPG Facility Amortization Study	PW Board	\$ 300,000										\$ 300,000.00
580384	Reserve for Allocation of FEMA Reimbursement	All	\$ 90,477,453										\$ 90,477,453.00
580232	Reserve for Extraordinary Liability	All	\$ 20,000,000		(20,000,000)								\$ -
580196	Reserve for Mid-Year Adjustments	All	\$ 59,384,134		(59,384,134)								\$ -
580425	Unarmed Crisis Response	CAO	\$ -	10,473,450					(7,855,000)				\$ 2,618,450.00
580436	Watts Cultural Crescent Planning	Planning	\$ 137,155										\$ 137,155.00
580396	Wildland Fuel Management Paid Crew	Fire	\$ 1,182,000	943,101	(1,274,222)								\$ 850,879.00
	Grand Total		\$ 338,453,935	\$ 21,232,702	\$ (92,791,457)	\$ (7,323,854)	\$ (450,000)	\$ (49,998,458)	\$ (9,655,000)	\$ (77,771,518)	\$ -	\$ -	\$ 121,696,349.79

**ATTACHMENT 8
STATUS OF LIABILITY ACCOUNTS**

Department/Bureau	Account	Budget		Paid	Available Balance after Paid Amounts	Pending Payments	Pending Approval	Pending Report	Available Balance after Committed and Pending	Percent of Available Balance to Adjusted Budget
		(A1)	(A2)	(B)	C = A2 + B					
		2024-25 City Budget	2024-25 Adjusted Budget	Amount	Amount	Amount	These distributions are considered CONFIDENTIAL and are still		Amount	
FIRE	009790	\$ -	\$ 4,069,066.00	\$ (4,069,066.00)	\$ -	\$ -			\$ (9,750,000.00)	-7%
GENERAL SERVICES	009791	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	0%
POLICE	009792	\$ -	\$ 105,904,817.00	\$ (104,540,217.00)	\$ 1,364,600.00	\$ (7,454,600.00)			\$ (59,032,854.00)	-79%
PW/ENGINEERING	009793	\$ -	\$ 2,336,633.00	\$ (2,336,633.00)	\$ -	\$ -			\$ (2,250,000.00)	-2%
PW/SANITATION SOLID	009794	\$ 2,000,000.00	\$ 2,000,000.00	\$ (1,469,005.00)	\$ 530,995.00	\$ (998,084.00)			\$ (1,923,361.00)	-2%
PW/SANITATION SEWER	009794	\$ 5,370,072.00	\$ 5,370,072.00	\$ (1,597,269.00)	\$ 3,772,803.00	\$ (200,866.00)			\$ 1,875,809.00	-2%
PW/STREET SERVICES	009795	\$ -	\$ 20,397,769.00	\$ (20,030,269.00)	\$ 367,500.00	\$ (8,951,572.00)			\$ (29,428,446.00)	-24%
RECREATION & PARKS	009796	\$ -	\$ 700,000.00	\$ (700,000.00)	\$ -	\$ (175,000.00)			\$ (3,875,000.00)	-2%
TRANSPORTATION	009797	\$ -	\$ 15,300,000.00	\$ (15,300,000.00)	\$ -	\$ (1,158,000.00)			\$ (8,123,650.00)	-11%
MISCELLANEOUS	009798	\$ 80,000,000.00	\$ 53,068,485.00	\$ (32,680,191.00)	\$ 20,388,294.00	\$ (6,312,928.00)			\$ 1,546,375.00	-25%
GENERAL FUND SUBTOTAL		\$ 80,000,000.00	\$ 201,776,770.00	\$ (179,656,376.00)	\$ 22,120,394.00	\$ (24,052,100.00)	\$ (76,224,521.00)	\$ (32,757,348.00)	\$ (110,913,575.00)	-155%
SPECIAL FUNDS SUBTOTAL		\$ 7,370,072.00	\$ 7,370,072.00	\$ (3,066,274.00)	\$ 4,303,798.00	\$ (1,198,950.00)	\$ (2,195,310.00)	\$ (957,090.00)	\$ (47,552.00)	-101%
TOTAL		\$ 87,370,072.00	\$ 209,146,842.00	\$ (182,722,650.00)	\$ 26,424,192.00	\$ (25,251,050.00)	\$ (78,419,830.00)	\$ (33,714,438.00)	\$ (110,961,127.00)	-153%

ATTACHMENT 9
EMPLOYMENT LEVEL REPORT
2024-25

Department	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.	
	2024-25 Budget	Start of December	Changes	End of December	Start of December	Changes			End of December
Aging	47	52	-	52	43	(1)	42	10	1
Animal Services	328	378	-	378	319	(2)	317	61	-
Building and Safety	1,009	1,147	-	1,147	958	2	960	187	2
Cannabis Regulation	48	65	-	65	53	-	53	12	2
City Administrative Officer	164	195	-	195	182	-	182	13	8
City Attorney	876	1,069	-	1,069	973	(4)	969	100	24
City Clerk	115	128	-	128	114	1	115	13	-
City Planning	427	567	-	567	473	1	474	93	1
City Tourism	12	12	-	12	8	-	8	4	-
Civil, Human Rights and Equity	8	37	-	37	33	2	35	2	-
Community Investment for Families	76	106	-	106	93	-	93	13	-
Controller	140	179	-	179	148	-	148	31	18
Cultural Affairs	77	92	-	92	75	4	79	13	-
Disability	25	30	-	30	25	-	25	5	-
Economic & Workforce Development	79	171	1	172	140	4	144	28	1
El Pueblo	10	11	-	11	11	-	11	-	1
Emergency Management	28	31	-	31	30	(1)	29	2	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	45	47	-	47	43	-	43	4	-
Finance	330	362	-	362	312	-	312	50	3
Fire - Civilian	357	413	-	413	340	3	343	70	11
Fire - Sworn	3,520	3,847	-	3,847	3,403	27	3,430	417	294
General Services	1,320	1,334	-	1,334	1,206	(1)	1,205	129	7
Housing	531	873	-	873	669	4	673	200	2
Information Technology Agency	381	393	-	393	347	-	347	46	-
Neighborhood Empowerment	35	39	-	39	36	(1)	35	4	1
Personnel	610	654	-	654	583	(2)	581	73	9
Police - Civilian	3,256	3,282	-	3,282	2,681	(3)	2,678	604	-
Police - Sworn	10,599	10,740	-	10,740	8,784	11	8,795	1,945	8
Public Accountability	9	9	-	9	1	-	1	8	-
PW/Board of Public Works	86	124	-	124	109	-	109	15	-
PW/Bureau of Contract Administration	281	389	-	389	340	-	340	49	1
PW/Bureau of Engineering	710	913	2	915	786	(1)	785	130	5
PW/Bureau of Sanitation	3,058	3,613	-	3,613	3,063	(1)	3,062	551	22
PW/Bureau of Street Lighting	188	343	-	343	309	(1)	308	35	5
PW/Bureau of Street Services	878	1,339	1	1,340	1,170	(3)	1,167	173	3
Transportation	1,374	1,721	-	1,721	1,511	2	1,513	208	3
Youth Development	10	22	-	22	17	-	17	5	1
Zoo	270	287	-	287	253	2	255	32	4
Subtotal	31,320	35,017	4	35,021	29,644	42	29,686	5,335	437
Library	1,298	1,298	-	1,298	1,205	10	1,215	83	-
Recreation and Parks	1,500	1,884	-	1,884	1,508	(4)	1,504	380	276
Subtotal	2,798	3,182	-	3,182	2,713	6	2,719	463	276
Total	34,118	38,199	4	38,203	32,357	48	32,405	5,798	713

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

Monthly Summary	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.	
	2024-25 Budget	Start of Month	Changes	End of Month	Start of Month	Changes			End of Month
July	34,118	38,144	(39)	38,105	32,432	(3)	32,429	5,676	690
August	34,118	38,105	9	38,114	32,429	(84)	32,345	5,769	699
September	34,118	38,114	5	38,119	32,345	(16)	32,329	5,790	704
October	34,118	38,119	3	38,122	32,329	(39)	32,290	5,832	707
November	34,118	38,122	77	38,199	32,290	67	32,357	5,842	709
December	34,118	38,199	4	38,203	32,357	48	32,405	5,798	713

ATTACHMENT 10

BUDGET BALANCING PROPOSAL: DEPARTMENTAL AND NON-DEPARTMENTAL REDUCTIONS

Account Name	Account No. or Revenue Source	Total Reduction	General Fund	Special Fund	Impact	Reduction Impacts Grant-Funded Program (Yes or No)
Aging						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (26,378)	\$ (26,378)	\$ -	Services will be maintained at existing service levels. Savings generated from operational optimization of positions in administrative support of granted funded programs/services.	No
Subtotal		\$ (26,378)	\$ (26,378)	\$ -		
<i>Restore the Reserve Fund</i>						
Contractual Services	3040	\$ (3,393,505)	\$ (3,393,505)	\$ -	No impact to services. Proposed reduction to prior year encumbrances no longer needed due to sunset of the pandemic-era Rapid Response Senior Meals contracts.	No
Subtotal		\$ (3,393,505)	\$ (3,393,505)	\$ -		
Animal Services						
<i>Internal Departmental Budget Balancing</i>						
Salaries General	1010	\$ (736,077)	\$ (736,077)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Subtotal		\$ (736,077)	\$ (736,077)	\$ -		
Building and Safety						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (747,227)	\$ (747,227)	\$ -	Services will be maintained at existing levels. Savings generated from repositioning twelve employees who are partially General Funded to 100% funded by Building and Safety Permit Enterprise Fund a special fund at full cost recovery.	No
Subtotal		\$ (747,227)	\$ (747,227)	\$ -		

Cannabis Regulation						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (16,364)	\$ (16,364)	\$ -	Services will be maintained at existing levels. Reduction generated from salary savings from four months of vacancy.	No
Subtotal		\$ (16,364)	\$ (16,364)	\$ -		
City Administrative Officer						
<i>Citywide Budget Balancing</i>						
Contractual Services	3040	\$ (1,813,339)	\$ (1,813,339)	\$ -	Proposed reductions to contractual services line items: <ul style="list-style-type: none"> • Asset Management and Real Estate Services (\$150,000) • Climate Action and Adaptation Plan (\$850,000) • Climate Impact Analysis (\$150,000) • Equity Index Consulting Services (\$100,000) • Procurement System Licensing (\$200,000) • Procurement Consulting Services (\$363,339) The proposed reductions will have a service impact as the Department will scale back contract support and delay some contract costs to 2025-26, specifically for the Climate Action and Adaptation Plan.	No
Capital Finance Administration Fund	321	\$ (11,000,000)	\$ (11,000,000)	\$ -	No impact. Reduction generated from savings as a result of MICLA Commercial Paper refunding originally anticipated to occur in 2024-25 at the time of the Proposed Budget release. Commercial Paper refunding is now projected to occur in 2025-26.	No
Tax and Revenue Anticipation Notes (TRAN) Debt Service	620P15	\$ (11,598,248)	\$ (11,598,248)	\$ -	No impact. Reduction generated from savings as a result of TRAN interest rates being lower at the time of issuance than they were projected at the time of the 2024-25 Proposed Budget release.	No
Subtotal		\$ (24,411,587)	\$ (24,411,587)	\$ -		
<i>Restore the Reserve Fund</i>						
Innovation Fund	Cash Balance	\$ (1,276,926)	\$ -	\$ (1,276,926)	No impact. Reduction generated from savings of accrued interest income.	No
COVID-19 Federal Relief Fund	Cash Balance	\$ (8,228)	\$ -	\$ (8,228)	No impact. Reduction generated from savings of accrued interest income.	No
Subtotal		\$ (1,285,154)	\$ -	\$ (1,285,154)		

City Clerk						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (138,600)	\$ (138,600)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Subtotal		\$ (138,600)	\$ (138,600)	\$ -		
City Planning						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (1,014,690)	\$ (1,014,690)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Overtime General	1090	\$ (20,531)	\$ (20,531)	\$ -	Service impact to community meetings and ordinance preparation of general funded projects including environmental justice policy work.	No
Printing and Binding	2120	\$ (15,000)	\$ (15,000)	\$ -	Service impact reduction in printing and mailing which may slow the public hearing process for some general funded projects.	No
Contractual Services	3040	\$ (19,507)	\$ (19,507)	\$ -	Service impact reduces trainings for California Environmental Quality Act (CEQA) Policy unit.	No
Office and Administrative	6010	\$ (35,000)	\$ (35,000)	\$ -	Service impact reduction in supplies and scale back of cubicle reconfiguration and data port activations.	No
Subtotal		\$ (1,104,728)	\$ (1,104,728)	\$ -		

Civil, Human Rights and Equity						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (122,943)	\$ (122,943)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Salaries As-Needed	1070	\$ (25,000)	\$ (25,000)	\$ -	Service impact would include a reduction to as-needed hours for administrative interns and fellows.	No
Contractual Services	3040	\$ (160,534)	\$ (160,534)	\$ -	Proposed reductions to contractual services line items: <ul style="list-style-type: none"> • Internal and External Training (\$53,317) • Discrimination Enforcement and Outreach consultants (\$53,317) • Information Technology Services (\$28,900) • Security Services (\$25,000) The proposed reductions will have a service impact to community/heritage month events, advertising, commission engagement support, reduction of council office support for community engagement events, and awareness of the civil rights enforcement programs and protections.	No
Subtotal		\$ (308,477)	\$ (308,477)	\$ -		
Community Investment for Families Department						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (17,477)	\$ (17,477)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Contractual Services	3040	\$ (2,297,095)	\$ (2,297,095)	\$ -	Services will be maintained at existing levels. Proposed reduction is a result of delay in start of new six month contracts being January 2025 for Domestic Violence Shelter Operations contracts.	No
Subtotal		\$ (2,314,572)	\$ (2,314,572)	\$ -		
Controller						
<i>Restore the Reserve Fund</i>						
Contractual Services	3040	\$ (10,503)	\$ (10,503)	\$ -	No impact. Reduction to prior year encumbrances no longer needed.	No
Subtotal		\$ (10,503)	\$ (10,503)	\$ -		

Disability						
<i>Citywide Budget Balancing</i>						
Contractual Services	3040	\$ (312,497)	\$ (312,497)	\$ -	Proposed reductions to contractual service line item: • AID Syndrome Prevention Programs The proposed reduction would be spread across 14 vendors to minimize impact to community services.	No
Subtotal		\$ (312,497)	\$ (312,497)	\$ -		
Economic and Workforce Development						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (281,640)	\$ (281,640)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Leasing	6030	\$ (27,119)	\$ (27,119)	\$ -	No service impact. Department is currently in shared workspaces that have reduced leasing expenditures.	No
Contractual Services	3040	\$ (207,744)	\$ (207,744)	\$ -	Proposed reduction to contractual service line item: • Economic Development and Job Creation Strategy Consulting Services (\$207,744) The proposed reduction are savings generated from delays of establishing a consulting services bench, program/project launch, and cost savings.	No
Subtotal		\$ (516,503)	\$ (516,503)	\$ -		

Emergency Management						
<i>Internal Departmental Budget Balancing</i>						
Salaries As-Needed	1070	\$ (9,405)	\$ (9,405)	\$ -	No impact savings based on year-to-date expenditure trends and projected operational needs through year-end.	No
Office and Administrative	6010	\$ (7,827)	\$ (7,827)	\$ -	No impact savings based on historical expenditure trends.	No
Subtotal		\$ (17,232)	\$ (17,232)	\$ -		
Ethics						
<i>Restore the Reserve Fund</i>						
City Ethics Commission Fund	11A200	\$ (268,579)	\$ -	\$ (268,579)	No impact. Reduction generated from savings due to the passage of Measure ER which eliminated the need to budget one year in advance for the Ethics Commission.	No
Subtotal		\$ (268,579)	\$ -	\$ (268,579)		
Finance						
<i>Internal Departmental Budget Balancing</i>						
Salaries As-Needed	1070	\$ (50,000)	\$ (50,000)	\$ -	No impact savings based on year-to-date expenditure trends and projected operational needs through year-end.	No
Printing and Binding	2120	\$ (20,584)	\$ (20,584)	\$ -	No impact savings based on year-to-date expenditure trends and projected operational needs through year-end.	No
Travel	2130	\$ (9,416)	\$ (9,416)	\$ -	No impact savings based on year-to-date expenditure trends and projected operational needs through year-end.	No
Subtotal		\$ (80,000)	\$ (80,000)	\$ -		

General Services						
<i>Restore the Reserve Fund</i>						
Master Trust	9957	\$ (2,673,431)	\$ (2,673,431)	\$ -	Services will be maintained at existing levels. Proposed reduction to prior year encumbrances is based on anticipated year-end surplus balance. Funding will need to be budgeted in the future fiscal year for continued Mayfair Hotel property management services including capital improvements.	No
Contractual Services	3040	\$ (571,518)	\$ (571,518)	\$ -	No impact. Reduction to prior year encumbrances no longer needed.	No
Subtotal		\$ (3,244,949)	\$ (3,244,949)	\$ -		
<i>Internal Departmental Budget Balancing</i>						
Contractual Services	3040	\$ (84,197)	\$ (84,197)	\$ -	No impact. Reduction to prior year encumbrances no longer needed. Reappropriated in Mid-Year FSR.	No
Field Equipment Expense	3090	\$ (4,084,268)	\$ (4,084,268)	\$ -	No impact. Reduction to prior year encumbrances no longer needed. Reappropriated in Second FSR (\$1,233,459) and Mid-Year FSR (\$2,850,809).	No
Petroleum Products	3230	\$ (1,040,450)	\$ (1,040,450)	\$ -	No impact. Reduction to prior year encumbrances no longer needed. Reappropriated in Second FSR.	No
Utilities Private Company Expense	3330	\$ (447,000)	\$ (447,000)	\$ -	No impact. Reduction to prior year encumbrances no longer needed. Reappropriated in Second FSR.	No
Subtotal		\$ (5,655,915)	\$ (5,655,915)	\$ -		
Housing						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (370,000)	\$ (370,000)	\$ -	Services will be maintained at existing levels. Reduction generated by shifting a portion of GF funded positions to the Housing Production Revolving Fund a special fund at full cost recovery for expenses related to prevailing wage monitoring.	No
Overtime General	1090	\$ (168,797)	\$ (168,797)	\$ -	Services will be maintained at existing levels. Reduction generated by identifying Short-Term Rental Enforcement Trust Fund a special fund at full cost recovery to cover expenses.	No
Subtotal		\$ (538,797)	\$ (538,797)	\$ -		

Information Technology						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (500,000)	\$ (500,000)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Communication Services	9350	\$ (3,600,000)	\$ (3,600,000)	\$ -	No immediate service impact. This reduction would eliminate funding for the Green Mountain Radio Infrastructure project. This project is facing delays given the potential timeline for procurement funding would need to be budgeted in a future fiscal year to complete this project.	No
Contractual Services	3040	\$ (572,000)	\$ (572,000)	\$ -	Proposed reductions to contractual services line items: <ul style="list-style-type: none"> • Franchise Fee Audits (\$100,000): No impact. Reduction is based on estimated expenditures department will be able to absorb to sustain current level of operations. • Financial Management System (FMS) Managed Application Support (\$450,000): No impact. Reduction would eliminate funding provided for one contracted Database Architect (DBA). There is currently no consultant DBA on contract. • Digital Accessibility Tools (\$22,000): Service impact to departments who are not able to fund two Adobe Acrobat Pro licenses for \$480/year with their own operational funds. 	No
Office and Administrative	6010	\$ (200,000)	\$ (200,000)	\$ -	No service impact. Based on current expenditure patterns it is anticipated the department can absorb this reduction.	No
Operating Supplies	6020	\$ (400,000)	\$ (400,000)	\$ -	No service impact. Based on current expenditure patterns it is anticipated the department can absorb this reduction.	No
Subtotal		\$ (5,272,000)	\$ (5,272,000)	\$ -		
<i>Internal Departmental Budget Balancing</i>						
Salaries General	1010	\$ (1,000,000)	\$ (1,000,000)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Subtotal		\$ (1,000,000)	\$ (1,000,000)	\$ -		

Personnel						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (241,000)	(241,000)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Printing and Binding	2120	\$ (44,000)	(44,000)	\$ -	Proposed reduction will impact outreach at recruitment events and job fairs that distribute hard copy City printed materials, including job ads, promotional flyers, and banners.	No
Transportation	3310	\$ (35,500)	(35,500)	\$ -	No impact. Based on prior year actual expenditures, the Department can absorb this reduction.	No
Oral Board Expense	4260	\$ (16,000)	(16,000)	\$ -	No impact. Based on prior year actual expenditures, the Department can absorb this reduction.	No
Training Expense	9570	\$ (39,500)	(39,500)	\$ -	Service impact to Personnel Department employees in attending further training the remainder of the fiscal year. Remaining available funding in this account would be required to be used for mandated trainings, such as California Peace Officer Standards and Training (POST) required training for Background Investigators.	No
Subtotal		\$ (376,000)	\$ (376,000)	\$ -		
<i>Internal Departmental Budget Balancing</i>						
Salaries General	1010	\$ (1,259,000)	(1,259,000)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Contractual Services	3040	\$ (99,000)	(99,000)	\$ -	Proposed reductions to contractual services line items: <ul style="list-style-type: none"> • Medical/psychological testing services (\$40,000) • Psychological testing services for Police Department recruiting (\$20,000) No impact to existing service levels. Based on prior year actual expenditures, the Department can absorb these reductions. <ul style="list-style-type: none"> • Job Assessment and Test Administration (\$20,000) • Employee Training and Development (\$19,000) The proposed reductions will have impacts to executive management tools and the ability to create new trainings.	No
Subtotal		\$ (1,358,000)	\$ (1,358,000)	\$ -		

Police						
<i>Internal Departmental Budget Balancing</i>						
Salaries As-Needed	1070	\$ (278,258)	\$ (278,258)	\$ -	No impact savings based on historical spending trends and current year-to-date data.	No
Accumulated Overtime	1095	\$ (699,303)	\$ (699,303)	\$ -	No impact savings based on historical spending trends and current year-to-date data.	No
Firearms, Ammunition Other	3010	\$ (1,300,000)	\$ (1,300,000)	\$ -	No impact savings based on historical spending trends and current year-to-date data.	No
Institutional Supplies	3110	\$ (123,686)	\$ (123,686)	\$ -	No impact savings based on historical spending trends and current year-to-date data.	No
Transportation	3310	\$ (80,000)	\$ (80,000)	\$ -	No impact savings based on historical spending trends and current year-to-date data.	No
Uniforms	4430	\$ (200,000)	\$ (200,000)	\$ -	No impact savings based on slower than anticipated hiring.	No
	Subtotal	\$ (2,681,247)	\$ (2,681,247)	\$ -		

Board of Public Works						
<i>Citywide Budget Balancing</i>						
					Proposed reductions to contractual services line items: <ul style="list-style-type: none"> • Graffiti Abatement Pre-Apprenticeship Program (\$387,847) The proposed reduction will an impact to the MC3 program training opportunities for graffiti abatement workers. There are 10 individuals currently in the program and no additional ones would be hired. • Climate Emergency Mobilization Office Outreach (\$450,000) The proposed reduction will impact the ability to conduct stakeholder engagement and community assembly outreach, prepare outreach materials, and other work related to the Heat Relief Campaign, as well as other programs related to the Heat Action and Resilience Plan. 	
Contractual Services	3040	\$ (837,847)	\$ (837,847)	\$ -		No
	Subtotal	\$ (837,847)	\$ (837,847)	\$ -		
<i>Restore the Reserve Fund</i>						
					Proposed reduction to contractual service line item: <ul style="list-style-type: none"> • Workforce Equity Demonstration (WED) (\$500,000) No impact. Release of prior year encumbrance for a contract with the LA Black Worker Center for the WED Project. Contract is currently on pause due to implementation issues and advice from the City Attorney. No additional cohorts planned, there are currently 11 participants that are awaiting placement into a City job. 	
Contractual Services	3040	\$ (500,000)	\$ (500,000)	\$ -		No
	Subtotal	\$ (500,000)	\$ (500,000)	\$ -		
Bureau of Contract Administration						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (350,000)	\$ (350,000)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
	Subtotal	\$ (350,000)	\$ (350,000)	\$ -		

Bureau of Sanitation						
<i>Internal Departmental Budget Balancing</i>						
Salaries General	1010	\$ (662,612)	\$ (662,612)	\$ -	The reduction will not change the current level of service, but additional hiring needed, overtime, contractual services, uniforms, and operating supplies to increase CARE+ service days from two days a week to five days a week for the remainder of the fiscal year will be deferred. The deferral of the ramp up in the number of CARE+ teams and services will allow funds to be used towards offsetting overspending in these and other accounts. Deferral of the ramp up will eliminate an additional expenditure of \$7.56 million and overall \$5.76 million in projected overspending and appropriation needed to support the ramp up. Deferral of the ramp up will allow \$1.80 million in funds to be used towards offsetting existing Departmental overspending in various accounts.	No
Salaries As-Needed	1070	\$ (55,000)	\$ (55,000)	\$ -		No
Overtime General	1090	\$ (375,000)	\$ (375,000)	\$ -		No
Contractual Services	3040	\$ (6,140,000)	\$ (6,140,000)	\$ -		No
Uniforms	4430	\$ (74,049)	\$ (74,049)	\$ -		No
Operating Supplies	6020	\$ (250,000)	\$ (250,000)	\$ -		No
Contractual Services	3040	\$ (1,701,622)	\$ (1,701,622)	\$ -	No impact. Reduction to prior year encumbrances no longer needed.	No
Subtotal		\$ (9,258,283)	\$ (9,258,283)	\$ -		
Bureau of Street Lighting						
<i>Citywide Budget Balancing</i>						
Street Lighting Improvements and Supplies	8780	\$ (25,001)	\$ (25,001)	\$ -	Services will be maintained at existing level. Based on historical expenditure data rate of operations for fortification of conduit to prevent copper wire theft from the street lighting systems will have no impact and continue at current pace.	No
Subtotal		\$ (25,001)	\$ (25,001)	\$ -		
<i>Internal Departmental Budget Balancing</i>						
Street Lighting Improvements and Supplies	8780	(39,900)	(39,900)	\$ -	Services will be maintained at existing level. Based on historical expenditure data rate of operations for fortification of conduit to prevent copper wire theft from the street lighting systems will have no impact and continue at current pace.	No
Subtotal		\$ (39,900)	\$ (39,900)	\$ -		

Transportation						
<i>Internal Departmental Budget Balancing</i>						
					<p>Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan (\$130,234).</p> <p>Services will be maintained at existing level. Reduction generated by shifting a portion of General Funded positions to Measure M and Measure R, special funds at full cost recovery for transportation/street related work (\$4,102,722).</p> <p>Services will be maintained at existing level. Reduction generated by shifting a portion of General Funded positions to Proposition C, a subsidized special fund for transportation/street related work (\$1,959,567).</p>	
Salaries General	1010	\$ (6,192,523)	\$ (6,192,523)	\$ -		No
					<p>Proposed reductions to contractual services line items:</p> <ul style="list-style-type: none"> • Street resurfacing and slurry seal (\$574,032) <p>The proposed reduction will have service impacts for street resurfacing and slurry seal related striping performed by contract.</p> <ul style="list-style-type: none"> • Unbudgeted costs - disinfecting services (\$40,000) <p>The proposed reduction would have a service impact as high touch disinfecting services would be discontinued for months of March to June 2025.</p>	
Contractual Services	3040	\$ (614,032)	\$ (614,032)	\$ -		No
Contractual Services	3040	\$ (998,326)	\$ (998,326)	\$ -	No impact. Reduction to prior year encumbrances no longer needed.	No
	Subtotal	\$ (7,804,881)	\$ (7,804,881)	\$ -		

Youth Development						
<i>Citywide Budget Balancing</i>						
Salaries General	1010	\$ (90,000)	\$ (90,000)	\$ -	Services will be maintained at existing levels. Proposed reduction will impact the Department's future hiring plan.	No
Contractual Services	3040	\$ (48,169)	\$ (48,169)	\$ -	Proposed reductions to contractual services line items: • Translation services (\$38,169) • Information Technology and Website Support (\$10,000) The proposed reductions will have a service impact to interpretation services, departmental website maintenance, and IT desktop support.	No
Subtotal		\$ (138,169)	\$ (138,169)	\$ -		

Proposed Non-Departmental Reductions

Unappropriated Balance						
<i>Citywide Budget Balancing</i>						
Domestic Violence and Human Trafficking Shelter Operations	580434	\$ (700,000)	\$ (700,000)	\$ -	No impact. C.F. 24-0446 approved \$1.3 million of the \$2 million in this line item for the Survivor System expansion.	No
Subtotal		\$ (700,000)	\$ (700,000)	\$ -		
General City Purpose						
<i>Citywide Budget Balancing</i>						
Medicare Contributions	570	\$ (500,000)	\$ (500,000)	\$ -	No impact. Reduction reflects year-to-date spending trends.	No
Subtotal		\$ (500,000)	\$ (500,000)	\$ -		
		\$ (1,200,000)	\$ (1,200,000)	\$ -		

Category Total	Total Reduction	General Fund	Special Fund	
Internal Departmental Budget Balancing Total	\$ (28,631,535)	\$ (28,631,535)	\$ -	
Citywide Budget Balancing Total	\$ (38,634,747)	\$ (38,634,747)	\$ -	
Restore the Reserve Fund Total	\$ (8,702,690)	\$ (7,148,957)	\$ (1,553,733)	
Grand Total	\$ (75,968,972)	\$ (74,415,239)	\$ (1,553,733)	