



Mid-Year Budget Review

Fiscal Year 2025-26

March 2, 2026



Overview

- FY 2024-25 Closing Fund Balances
 - FY 2025-26 Mid-Year Update
 - Recommendations for Fiscal Year 2025-26
- 



FY 2024-25 Closing Fund Balances

Ending Fiscal Year 2024-25

Fund	FY 2024-25 Budget Ending Balance	FY 2024-25 Actual Ending Balance	Difference
General Fund	\$11,776,222	\$14,027,279	\$2,251,057
Development Services	\$2,144,200	\$2,691,692	\$547,492
Parks and Community Services	\$16,001	\$25,774	\$9,773
Airport	\$36,425	\$175,936	\$139,511
Measure C (2001/2030)	\$5,161,391	\$5,604,332	\$442,941
Measure Y	\$657,079	\$1,022,938	\$365,859
Housing Administration	\$0	(\$84,361)	(\$84,361)

Ending Fiscal Year 2024-25

General Fund Supplement

Fund	FY 2024-25 Budget	FY 2024-25 Actual	Savings or (Deficit)
Development Services	\$0	\$0	\$0
Parks and Community Services	\$1,619,353	\$1,619,353	\$0
Airport	\$0	\$0	\$0

Any savings indicated are part of the General Fund savings in the previous slide.



FY 2025-26 Mid-Year Update



Current Fiscal Year 2025-26

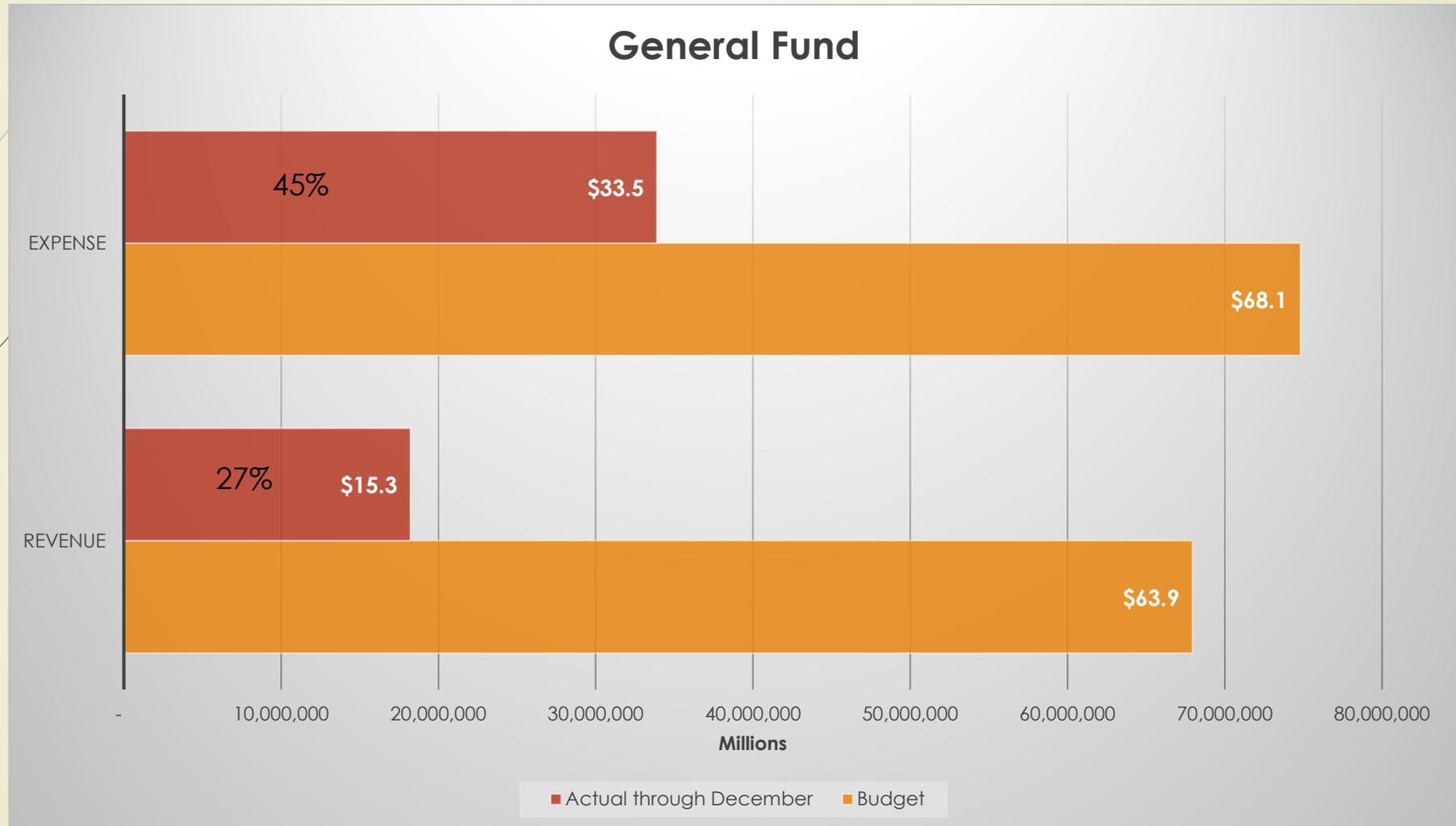
General Fund Supplemental Appropriations

Description	Amount
Community Assessment & Public Opinion Survey	\$53,250
MD Assessment ballot cost	16,546
Lew Edwards Group-Engagement & Consulting Services	104,375
HDL-Business License Ordinance/Fee Study	<u>50,000</u>
Net Appropriations	\$224,171
Mid-Year Budget Requests	<u>157,400</u>
Total	\$381,571

Current Fiscal Year 2025-26

General Fund	Original Budget	Revised Budget	Difference
<i>6/30/2025 Ending Balance</i>		\$16,774,736	
Encumbrance carryover		<u>(2,747,457)</u>	
7/1/2025 Beginning Balance	11,776,222	14,027,279	2,251,057
Revised Revenue	67,612,196	67,996,058	383,862
Revised Expense	<u>(72,010,918)</u>	<u>(72,254,282)</u>	<u>243,364</u>
<i>6/30/2026 Estimated Ending Balance</i>	7,377,500	9,769,055	2,391,555
General Fund Reserve-5% Contingency	<u>(3,380,610)</u>	<u>(3,380,610)</u>	<u>0</u>
Unreserved, Unencumbered General Fund Balance	\$3,996,890	\$6,388,445	\$2,391,555

Current Fiscal Year 2025-26



FY 2025-26 3rd Quarter Sales Tax

Original Budget	3 rd Quarter Actual	Percentage of Actual to Original Budget
\$17,027,000	\$4,627,035	27%

- ▶ 3rd Quarter over Quarter – July to September up 11% (Cash Basis)
- ▶ 3rd Quarter over Quarter – July to September up 6% (Adj for Economic Data)

Major Industry Groups UP ↑	Major Industry Groups DOWN ↓
General Consumer Goods	Business and Industry
Autos and Transportation	Food and Drugs
Fuel and Service Stations	
Restaurants and Hotels	
Building and Construction	
State and County Pools	

Other Sales Tax Impacts:

Measure C 3rd Quarter over Quarter Up 26.75% Cash Basis.

Measure V Up 17.6% through December

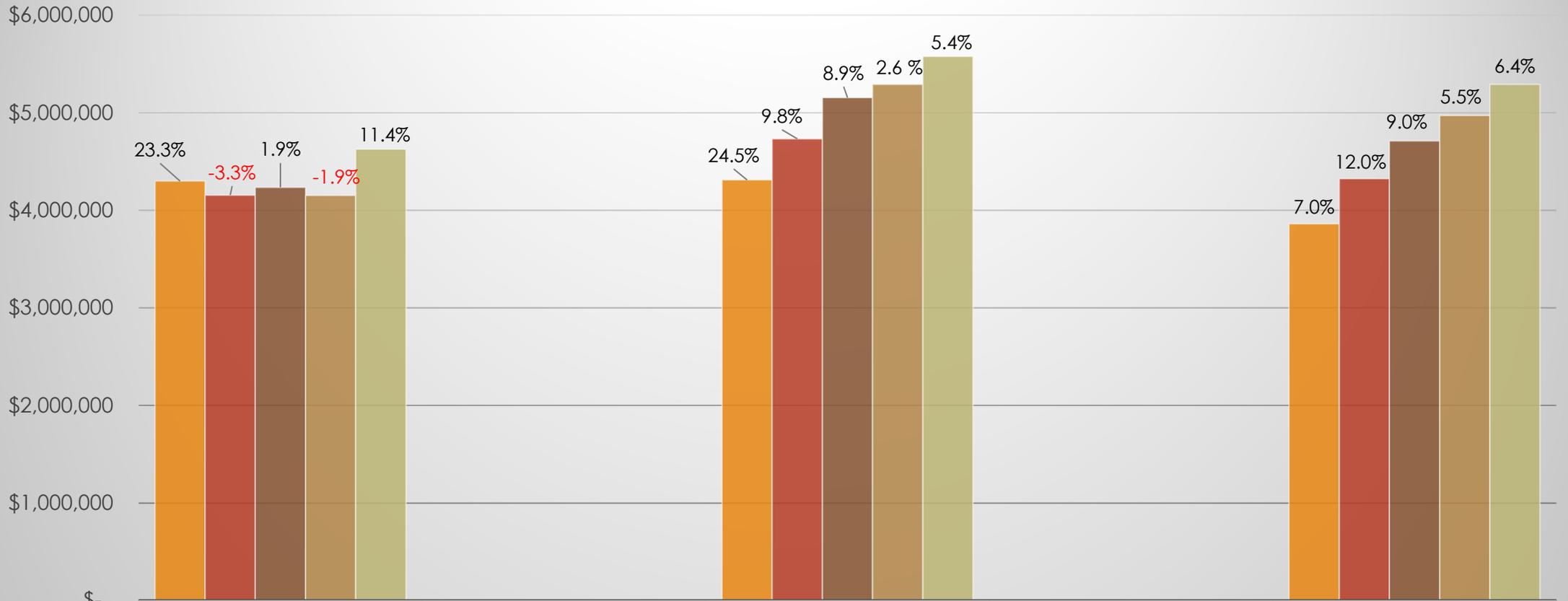
Current Fiscal Year 2025-26

Major Revenue Sources -55% of GF	2025-26 Budget	*Actual to Date	Percentage of Budget
Sales Tax	\$17,027,000	\$7,407,578	43.5%
Secured Property Tax	\$10,249,600	\$5,576,784	54.4%
Vehicle in Lieu Backfill	\$10,343,000	\$5,291,082	51.2%

*Received through January

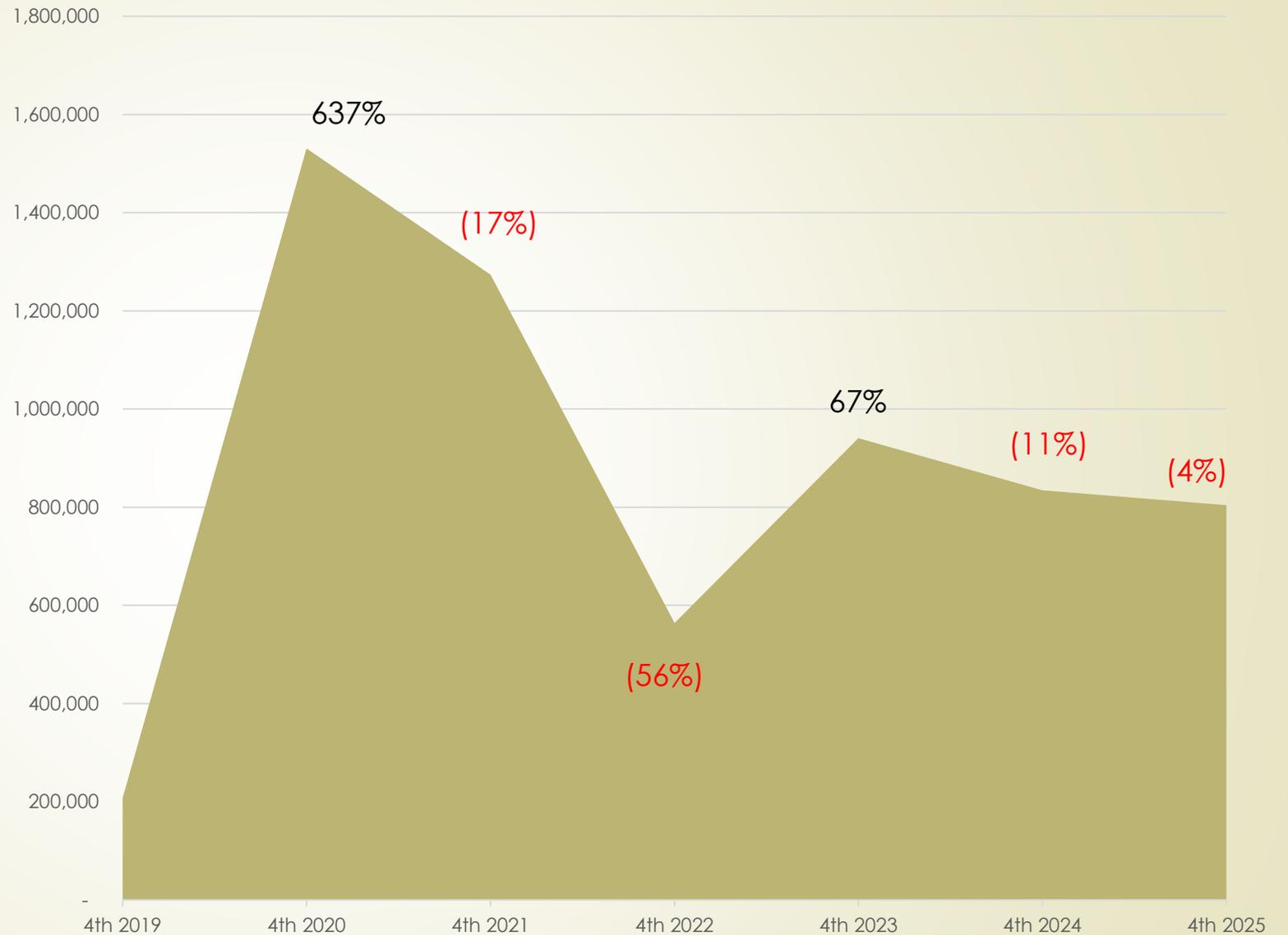
Current Fiscal Year 2025-26

Major Revenues compared to Prior Years



	3rd Qtr Sales Tax		Secured Property Tax		Vehicle in Lieu
2021-22	\$4,299,257		\$4,310,774		\$3,861,160
2022-23	\$4,155,813		\$4,732,623		\$4,322,943
2023-24	\$4,235,197		\$5,154,563		\$4,711,452
2024-25	\$4,151,643		\$5,290,427		\$4,972,136
2025-26	\$4,627,035		\$5,576,784		\$5,291,082

Measure Y-
3rd-4th Quarters
over Prior 3rd-
4th Quarters
Net Cannabis
Tax to the City



A decorative graphic on the left side of the slide. It features a solid orange arrow pointing to the right, positioned horizontally. Behind the arrow and extending upwards and to the right are several thin, curved green lines that resemble stylized grass or reeds. The background of the slide is a light beige color with a subtle gradient.

Recommendations for FY 2025-26

Fiscal Year 2025-26 Recommendations

Request	General Fund Supplemental Appropriation	Other Funding Source For this Fiscal Year
City Clerk Remodel Project	\$20,000	
Fire-Weed Abatement	\$60,000	
Fire-AED Replacements		\$60,000 (Measure Y)
Police-Software		\$20,300 (Measure Y)
Housing-Administrative Costs	\$77,400	\$352,600 (Affordable Hsg)
Housing-Cal HOME Grant Administration		\$72,773 (Affordable Hsg)
Engineering-Surveying Equipment		\$60,000 (Dev Svcs)
Engineering-Scanning Services		\$25,000 (Dev Svcs)
Engineering-project management		\$25,000 (Dev Svcs)
Fleet-Carryover True-Up		\$109,645 (Fleet Repl)
Total	\$157,400	\$725,318



Fiscal Year 2025-26 Recommendations

- ▶ Finance Department
 - ▶ Delete one Payroll Supervisor (\$155,000 annually)
 - ▶ Add one Senior Accountant (\$155,000 annually)
 - ▶ No fiscal impact
- ▶ Property Based Improvement District and Tourism Based Improvement District
 - ▶ Budget authority based on reconciliation of actuals received for delinquencies.

Fund 2500-Housing Administration

▶ Time Allocation

▶ Affordable Housing 82% = \$352,600

▶ Non-Affordable Housing 18% = \$77,400

FY 2025-26	Original Budget	Revised Budget	Difference to Original	Projected Budget	Difference to Revised
7/1/2025 Beginning Balance	\$0	(\$73,782)	(\$73,782)	(\$73,782)	\$0
Revised Revenue	741,161	741,161	0	258,790	(482,371)
Revised Expense	<u>(741,161)</u>	<u>(666,801)</u>	<u>74,360</u>	<u>(605,283)</u>	<u>61,518</u>
6/30/2026 Estimated Ending Balance	\$0	\$578	\$578	(\$420,275)	\$420,853



Fund 2507-Cal HOME

- ▶ \$2.5 million Cal Home Grant
 - ▶ Awarded 10/4/22
 - ▶ Expired 10/3/25
 - ▶ Total Grant Amount Received \$884,758
 - ▶ First Time Home Buyer Loans = \$803,000
 - ▶ Owner Occupied Rehab Loans = \$44,494
 - ▶ City Administration = \$0
 - ▶ Self Help Administration Costs = \$110,037
 - ▶ Grant Reimbursed Admin = \$37,264
 - ▶ Shortfall = \$72,773



Fund 1018-Parks and Community Services

- ▶ No Mid-Year Recommendations (may need to come at year-end)
 - ▶ Fee Increases (approved 12/2025)
 - ▶ Salary Savings
 - ▶ Zookeeper Contribution (\$65K)
 - ▶ Reduction in Measure Y Cannabis Tax (4%)
 - ▶ Reduction in Zoo Revenue (due to construction)
 - ▶ MCSD Agreements
 - ▶ No-Outdoor Program (est \$61k)
 - ▶ Yes-Youth Sports based on student participation (est \$217k)
 - ▶ Some additional revenue

Questions?

