



CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

**DATE:** February 17, 2026  
**TO:** City Council  
**FROM:** Michelle Gonzalez, Finance Director  
**RE:** MID-YEAR BUDGET FISCAL YEAR 2025-2026

**MID-YEAR REVENUE PERFORMANCE (JULY – JANUARY):**

Through the first seven months of the fiscal year (July through January), the City has received \$3,823,384 in General Fund revenues, representing 57% of the adopted annual revenue budget of \$6,664,938. Overall revenues are tracking generally on pace with the adopted budget, with typical seasonal timing differences across revenue categories.

Major revenues remain stable, while development-related revenues have softened due to slowed building activity.

**Key Revenue Drivers**

- Property Tax: Revenues total \$913,408, with collections at 100% of the annual projection, which is typical at this point in the fiscal year. Property tax is also trending 7% above the adopted budget.
- Sales Tax / Bradley-Burns: Revenues total \$1,130,146 and are trending on track with adopted projections.
- Transient Occupancy Tax (TOT): Revenues total \$680,535, representing 61% of the annual budget. Staff will continue monitoring TOT performance in the second half of the year.

**Notable Variances**

- Building Permits: Permit revenues are trending below budget due to slowed development activity. Budget assumptions also included Habitat for Humanity completing approximately 50% of planned homes; current projections indicate approximately 8–10 homes will be completed by year-end, reducing expected permit-related revenue.
- Measure A: Measure A revenues are trending above budget, with the City having already met the annual projection within the first seven months. Per policy, 10% of Measure A revenues will be rolled into reserves at year end.

Overall, General Fund revenues remain stable. Staff will continue monitoring receipts and will adjust projections as necessary during the Mid-Year Budget process.

**GENERAL FUND DEPARTMENT PERFORMANCE**

**City Council, Legal, and Engineering**

The adopted budget totals \$260,195. Through January, expenditures total \$417,060, primarily due to higher-than-budgeted legal and professional services costs incurred during the first half of the fiscal year. Engineering costs are trending on budget at approximately 61% citywide. This department is projected to exceed budget; however, these costs are largely one-time in nature.

### **Administration, Finance, and Community Support**

The adopted budget totals \$1,530,614. Through January, expenditures total \$978,819 (approximately 64%). Salaries are trending at 62% and benefits at 54%, primarily due to one-time personnel-related payouts and transitional leadership costs. Operating expenditures are trending between 50% and 58%, consistent with mid-year expectations. These personnel costs are non-recurring and are not expected to increase baseline costs beyond the current fiscal year.

### **Building & Planning**

The adopted budget totals \$623,817. Through January, expenditures total \$372,162 (approximately 60%). The in-house Building Inspector/Code Enforcement Officer model has performed well and reduced reliance on consultants. Professional services expenditures are currently at 24% of budget, while salaries are trending appropriately at approximately 58%. Engineering costs are generally offset through fees.

### **Fire Department**

The adopted budget totals \$1,635,930. Through January, expenditures total \$971,011 (approximately 59%). Personnel costs are trending at approximately 55%, reflecting salary savings from an unexpected unpaid leave. Overtime is trending high at 88% due to backfill coverage; however, savings in other areas are expected to offset overtime costs. The department is projected to remain within budget.

### **Police Department**

The adopted budget totals \$2,228,202. Through January, expenditures total \$1,203,011 (approximately 54%). Salaries are trending at approximately 58%, while overtime is trending higher at 77% due to staffing vacancies. Operating expenditures are trending between 47% and 51%. Despite continued overtime needs, the department is projected to remain within budget.

### **Public Works**

The adopted budget totals \$421,181. Through January, expenditures total \$182,433 (approximately 43%). Salaries are trending at 40% due to the Foreman position being vacant for part of the year. Public Works is now fully staffed. This department typically incurs higher expenditures in the second half of the year due to seasonal maintenance (weed abatement, spraying) and planned equipment/tool purchases. The department is projected to remain within budget.

## **ENTERPRISE FUND PERFORMANCE (WATER/WASTEWATER)**

Water and Wastewater operations are accounted for as Enterprise Funds. The adopted combined budget totals \$6,846,498, including an operating budget of \$6,055,435 in revenues and expenses.

Through January:

- Revenues: \$3,314,859 (approximately 55%)
- Expenditures: \$2,617,902 (approximately 43%)

There have been no notable cost increases, staffing impacts, or major repairs during the first half of the fiscal year. Capital projects are on schedule and within approved budgets. Based on current trends, Water and Wastewater are projected to remain within budget for the fiscal year.

## **CURRENT NEEDS & PROPOSED BUDGET ADJUSTMENTS**

### **Budget Adjustments Overview**

The City's General Fund remains financially stable, with approximately \$4.3 million in reserves. Most departments are projected to remain within their adopted appropriations, with only minor line-item adjustments needed.

### **City Council and Legal**

This department is projected to exceed its adopted budget by approximately \$100,000 by year-end due to unanticipated professional services expenditures. This overage can be absorbed through sales tax performance, as sales tax was budgeted conservatively at 5% below the prior year and is now projected to perform above the adopted estimate.

### **Police Vehicle Replacement Request**

The Police Department is requesting authorization to purchase three (3) replacement vehicles. Two existing patrol vehicles (2017 and 2019 Dodge Chargers) are no longer under warranty and have required major repairs, with an estimated additional \$8,000 needed. The department recommends replacing these vehicles, along with the Chief's vehicle, with three Dodge Durango vehicles purchased at the CHP State Bid price.

- Total cost (fully outfitted): \$287,331
- Estimated surplus proceeds: \$53,470 (returned to General Fund reserves)
- Funding source: General Fund reserves

This replacement will ensure reliability of emergency response vehicles and is expected to provide a service life of approximately 8+ years.

### **Staff Recommendation**

Staff recommends that the City Council:

1. Approve the proposed mid-year budget adjustments as presented;
2. Authorize the purchase of three Dodge Durango police vehicles through the CHP State Bid procurement process; and
3. Authorize the use of General Fund reserves for the vehicle replacement, with surplus proceeds returned to reserves.

### **ATTACHMENTS:**

Resolution No. 26-30 Approving the Mid-Year Budget Adjustments for Fiscal Year 2025–2026 and Authorizing the Purchase of Three (3) Police Vehicles and the Use of General Fund Reserves for Said Purchase