## Gautho, Julia

**From:** Kevin Maguire <kmaguire831@gmail.com>
**Sent:** Wednesday, September 9, 2026 9:47 AM
**To:** Gerry Jensen; Margaux Morgan; Melinda Orbach; Clarke, Joe; Westman, Susan; City Council; City Clerk; Goldstein, Jamie
**Subject:** 9/10/26 - Item 9E – FY 2025-26 Revenue and Expenditure Update

**Item 9E – FY 2025-26 Revenue and Expenditure Update**

I support the prudent use of the $1 million one-time Wharf insurance settlement to restore City reserves rather than using one-time revenue for ongoing expenditures. However, before Council directs the allocation, I ask that the public be provided a clear reserve schedule showing each established reserve target, the current balance of each reserve, and the proposed balance after applying the insurance proceeds.

I also ask Council for greater detail regarding City Attorney expenditures. The City budgeted $325,000 and spent $629,625, an approximately $304,625 unfavorable variance. The report identifies districting, Mall/Housing Element work, PRA costs and flume litigation generally, but does not show the cost attributable to each or identify the amount staff expects to reallocate to special revenue funds. A variance of this magnitude warrants a transparent breakdown.

Finally, please clarify the apparent inconsistency in the report: General Fund revenues exceeded budget by approximately $591,000, while the approximately $486,000 figure appears to represent revenues exceeding expenditures, not revenues exceeding budget.

Given the pending Stockton Bridge costs, Laurence Avenue repairs, winter risks and the Finance Advisory Committee's planned review of the reserve policy, I would also encourage Council not to treat the approximately $100,000 above today's reserve target as discretionary money until that reserve-policy review is completed.

Kevin Maguire - Capitola Citizen