



CITY OF CLEARLAKE

City Council

STAFF REPORT	
SUBJECT: Consideration of Adoption of the 1st Amendment to the FY 2025-26 Budget (Resolution 2025-26) for Mid-Year Adjustments; Resolution No. 2026-07	MEETING DATE: February 19, 2026
SUBMITTED BY: Philip D. Sales II, Finance Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt resolution 2026-07 Amending the FY 2025-26 Budget to include Mid-Year Adjustments.

BACKGROUND/DISCUSSION: Staff has completed a mid-year review of the FY 2025-26 budget.

City departments and the Finance Department have reviewed mid-year budget and actual results. Overall, revenues are coming in as anticipated with a few acceptations and each department’s expenses are coming on budget with a few acceptations. Based on the review of revenues and expenses to date, and in consultation with department heads, below is a list of mid-year adjustments proposed for consideration by the City Council:

Appropriation Adjustments					Approved	FY 25-26	
Fund	Fund Name	Department	Account	Description	Budget as of	Mid-Year	Amended
					12/31/2025	Adjustment	Budget
100	General Fund	Non-Departmental	100-1100-750-561	Contract Services-Misc	32,101	50,000	82,101
100	General Fund	Administrative Services/City Clerk	100-1200-500-101	Salaries (FT)	192,849	37,000	229,849
100	General Fund	Finance	100-1300-500-101	Salaries (FT)	99,978	30,000	129,978
100	General Fund	Community Development	100-1400-500-1xx	Salaries & Benefits	445,135	105,000	550,135
Total General Fund Appropriations Adjustments						\$ 222,000	

Revenue Budget Adjustments

Fund	Fund Name	Department	Account	Description	Approved		FY 25-26
					Budget as of	Mid-Year	Amended
					12/31/2025	Adjustment	Budget
100	General Fund		100-401-100	Property Tax Secured	1,030,000	216,000	1,246,000
100	General Fund		100-401-160	Property Tax In-Lieu VLF	1,612,000	29,000	1,641,000
100	General Fund		100-403-230	Franchise Fee-Waste Solution	550,000	117,000	667,000
100	General Fund		100-413-525	Encroachment Permit Fees	10,000	20,000	30,000
100	General Fund		100-402-260	Rental Registry Registration Fee	-	24,000	24,000
100	General Fund		100-402-261	Rental Registry Inspection Fee	-	6,000	6,000
100	General Fund		100-426-895	Event Income	59,750	(20,000)	39,750
100	General Fund		100-402-240	Development Impact Fee - Cannabis	50,000	(40,000)	10,000
100	General Fund		100-414-510	Planning Fees	60,000	(30,000)	30,000
100	General Fund		100-401-140	Sales Tax	2,113,000	(12,000)	2,101,000
100	General Fund		100-401-125	Transient Occupancy Tax	400,000	(10,000)	390,000
Total General Fund Revenue Budget Adjustments						\$ 300,000	

OPTIONS:

1. Move to adopt Resolution No. 2026-07
2. Provide direction to staff.

FISCAL IMPACT:

None See Attached Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$222,000

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Economic Development
- Goal #2: Public Facilities and Infrastructure
- Goal #3: Celebrate Clearlake
- Goal #4: Clean
- Goal #5: Fiscal Sustainability
- Goal #6: Safe

SUGGESTED MOTIONS:

Move to Adopt Resolution 2026-07 Amending the Fiscal Year 2025-26 Budget to include various Mid-Year Adjustments.

- Attachments:** 1) Resolution 2026-07: Resolution Amending the Fiscal Year 2025-26 Adopted Budget to include various Mid-Year Adjustments.