



# CITY OF CLEARLAKE

City Council

<b>STAFF REPORT</b>	
<b>SUBJECT:</b> Consideration of Adoption of the 2nd Amendment to the FY 2025-26 Budget (Resolution 2025-26); Resolution No. 2026-18	<b>MEETING DATE:</b> June 4, 2026
<b>SUBMITTED BY:</b> Philip D. Sales II, Finance Manager	
<b>PURPOSE OF REPORT:</b> <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 2026-18 Amending the FY 2025-26 Budget to include a Second Adjustment.

**BACKGROUND/DISCUSSION:** Staff has processed a claim settlement necessitating an adjustment to FY 2025-26 budget.

the Finance department seeks the Council’s approval to un-restrict committed fund balance so the budget for Claim Settlements can be increased. Additionally, staff request the use of unanticipated miscellaneous revenue to be used for support of 250<sup>th</sup> Anniversary celebration expenses.

Appropriation Adjustments							
Fund	Fund Name	Department	Account	Description	Approved Budget as of 12/31/2025	Requested Adjustment	FY 25-26 Amended Budget
100	General Fund	Non-Departmental	100-1110-970-993	Claim Settlements	100,000	835,475	935,475
100	General Fund	Non-Departmental	100-1110-960-891	Contributions	1,000	42,994	43,994
<b>Total Appropriations Adjustments: General Fund</b>						<b>\$ 878,469</b>	
Revenue/Fund Balance Adjustments							
Fund	Fund Name	Department	Account	Description	Approved Budget as of 02/19/2026	Requested Adjustment	FY 25-26 Amended Budget
100	General Fund		100-307-05	Committed PG&E Settlement	-	850,000	850,000
100	General Fund		100-5020-405-895	Misc. Income	-	28,469	28,469
<b>Total Revenue/Fund Balance Adjustments: General Fund</b>						<b>\$ 878,469</b>	

**OPTIONS:**

1. Adopt Resolution No. 2026-18
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: \$835,475

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 2026-18: Resolution Amending the Fiscal Year 2025-26 Adopted Budget to include a Second Adjustment.