



STAFF REPORT

MEETING DATE: November 12, 2025

PRESENTER: Josefina Alvarez, Finance Director

SUBJECT: Budget Adjustments for 1st Quarter Fiscal Year 2025/2026 (JA)

RECOMMENDATION: Council review and adopt resolution adopting revisions to the Fiscal Year 2025/2026 Budget.

EXECUTIVE SUMMARY:

The Fiscal Year 2025/2026 annual budget was adopted on June 11, 2025, with a General Fund deficit of \$4,901,214 with revenues at \$11,865,997 and expenditures at \$16,767,210. The deficit in the General Fund is primarily due to the construction of Hart Ranch Park. Staff is recommending 1st quarter budget adjustments due to operational expenses, supplies, and improvements in technology.

The list below has General Fund revenues that need to be adjusted/increased for Fiscal Year 2025/2026.

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-0000-322-61-00	Animal Surrender Fee	300.00	1,000.00	700.00
100-0000-344-45-00	Foreclosure Registration Fees	0.00	50.00	50.00
	Total General Fund Revenues			750.00

The list below has General Fund expenditures that need to be adjusted/increased for Fiscal Year 2025-2026

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-1002-410-30-00	Overtime	0.00	100.00	100.00
100-1008-510-01-00	Contract Services-LAFCo	5,000.00	5,248.07	248.07
100-1008-551-02-00	Communications-Cellular Phone	144.00	552.00	408.00
100-1008-555-00-00	Dues & Subscriptions(GIS)	500.00	1,542.50	1,042.50
100-1042-521-01-00	Supplies	3,000.00	5,200.00	2,200.00
100-1042-551-02-00	Communications-Cellular Phone	144.00	552.00	408.00
100-2002-510-01-00	Contract Services	0.00	800.00	800.00
100-2002-510-10-00	Professional Services	357.14	400.00	42.86
100-2002-521-06-00	Uniforms	200.00	350.00	150.00
100-2010-521-01-00	Supplies	9,000.00	12,000.00	3,000.00
100-2010-521-03-00	Janitorial Supplies	8,500.00	18,000.00	9,500.00
100-2047-410-30-00	Overtime	0.00	800.00	800.00

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-2069-420-55-00	Workers Compensation Expense	865.56	3,061.20	2,195.64
100-3011-510-21-00	FLOCK Camera System	0.00	22,602.27	22,602.27
100-3011-600-03-08	Radar Trailer	0.00	12,000.00	12,000.00
100-3041-551-07-00	Communications - City Cameras	0.00	1,400.00	1,400.00
100-5005-410-20-00	Part-Time Wages	319.20	1,500.00	1,180.80
100-6004-410-30-00	Overtime	0.00	50.00	50.00
100-6004-554-01-00	Travel-Meetings	2,500.00	5,000.00	2,500.00
100-7001-420-40-00	Health Insurance Expense	1,000.88	2,880.00	1,879.12
Total General Fund Expenditures				62,507.26

The General Fund will have a new overall deficit of \$4,962,970 based on revenues of \$11,866,747 and expenditures of \$16,829,717.

The list below has Enterprise Fund expenditures that need to be adjusted/increased for Fiscal Year 2025/2026.

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
410-4041-510-21-00	FLOCK Camera System	0.00	9,040.91	9,040.91
410-4041-555-03-00	N. Kings Groundwater Sustainab	6,000.00	7,768.87	1,768.87
410-5005-410-20-00	Part-Time Wages	319.20	7,500.00	7,180.80
410-5005-521-01-00	Supplies	2,000.00	7,500.00	5,500.00
Total Water Fund Expenditures				23,490.58

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
420-4042-510-21-00	FLOCK Camera System	0.00	1,506.82	1,506.82
420-5005-410-20-00	Part-Time Wages	319.20	7,000.00	6,680.80
Total Sewer Fund Expenditures				8,187.62

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
430-5005-410-20-00	Part-Time Wages	319.20	5,700.00	5,380.80
430-5005-521-01-00	Supplies	1,200.00	4,000.00	2,800.00
Total Solid Waste Expenditures				8,180.80

The Enterprise Funds will have an overall increase in expenditures of \$39,859. The new budget numbers would increase the deficit to the Water Fund to \$124,429 and the Sewer Fund to \$259,096. The Solid Waste Fund would still remain with a surplus, but the surplus would decrease to \$121,046.

The list below has revenues from other funds that need to be adjusted/increased for Fiscal Year 2025/2026.

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-3999-334-30-12	Koret Shelter Welcome Grant	0.00	40,000.00	40,000.00
	Total Revenues for Other Funds			40,000

The list below has expenditures from other funds that need to be adjusted/increased for Fiscal Year 2025/2026.

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-3050-410-10-00	Salaries	28,675.60	128,675.60	100,000.00
100-3050-410-30-00	Overtime	6,500.00	20,000.00	13,500.00
100-3999-520-00-12	Koret Shelter Welcome Grant	0.00	20,000.00	20,000.00
100-3999-520-00-16	Officer Wellness/Mental Health	0.00	15,170.00	15,170.00
410-4041-600-03-03	Capital Imp-Well 9A Emerg Rep	132,000.00	11,000.00	-121,000.00
410-4041-600-03-28	Backhoe	0.00	16,791.07	16,791.07
410-4041-600-03-48	Capital Improvements-Well 15 R	0.00	90,000.00	90,000.00
410-8000-600-04-01	SGMAGrant Recharge Proj. Lions	0.00	11,000.00	11,000.00
410-8000-600-04-47	Well No 14 Rehabilitation	0.00	176,443.58	176,443.58
420-4042-600-03-28	Backhoe	0.00	16,791.06	16,791.06
430-5005-521-34-00	SB1383 Local Assistance OWR1	75,000.00	0.00	-75,000.00
430-5005-600-03-28	Backhoe	0.00	75,000.00	75,000.00
750-4075-552-01-00	Public Notice	0.00	409.50	409.50
750-4075-600-03-28	Backhoe	0.00	16,791.06	16,791.06
870-4087-600-03-28	Backhoe	0.00	16,791.06	16,791.06
870-8000-600-03-82	STBG-KeBlvd.Reh.Park-Del Norte	0.00	1,000.00	1,000.00
870-8000-600-03-85	Siskiyou Ave Rehab 180/Kearney	3,000.00	53,000.00	50,000.00
882-4088-410-20-00	Part-Time Wages	500.00	1,984.22	1,484.22
890-8000-600-03-86	Goldenrod Ave Reh Kearney/RR	0.00	42,000.00	42,000.00
	Total Expenditures for Other Funds			467,171.55

FISCAL IMPACT: The overall fiscal impact will increase the General Fund deficit of \$4,901,214 to \$4,962,970. The Enterprise Funds would increase expenditures by \$39,859. Other funds would increase revenues by \$40,000 and expenditures by \$467,171.55. The majority of the expenditures in other funds are capital projects in our Enterprise Funds and Street Funds.

ATTACHMENTS:

- A. Resolution

Attachment 'A'

RESOLUTION NO. 25-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ADOPTING
REVISIONS TO THE FISCAL YEAR 2025-2026 BUDGET**

WHEREAS, the City Council approved the Fiscal Year 2025-2026 Budget by Resolution 25-33 dated June 11, 2025; and

WHEREAS, adjustments are requested for the Fiscal Year 2025-2026 budget based on the actual and estimated sources and uses; and

WHEREAS, the Fiscal Year 2025-2026 Budget adjustments requests include adjustments totaling \$528,787.81 per the attached **Exhibit 'A'**.

NOW, THEREFORE, the City Council of the City of Kerman resolves as follows:

1. The foregoing results are true and incorporated by reference.
2. The Council approves adjustments to expenditures for the Fiscal Year 2025-2026 budget as outlined in the schedule in **Exhibit 'A'**, which is attached and incorporated by reference.
3. This resolution is effective upon adoption.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 12th day of November 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Josie Camacho
City Clerk

Exhibit 'A'

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-1002-410-30-00	Overtime	0.00	100.00	100.00
100-1008-510-01-00	Contract Services-LAFCo	5,000.00	5,248.07	248.07
100-1008-551-02-00	Communications-Cellular Phone	144.00	552.00	408.00
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100-3999-520-00-12	Koret Shelter Welcome Grant	0.00	20,000.00	20,000.00
100-3999-520-00-16	Officer Wellness/Mental Health	0.00	15,170.00	15,170.00
100-5005-410-20-00	Part-Time Wages	319.20	1,500.00	1,180.80
100-6004-410-30-00	Overtime	0.00	50.00	50.00
100-6004-554-01-00	Travel-Meetings	2,500.00	5,000.00	2,500.00
100-7001-420-40-00	Health Insurance Expense	1,000.88	2,880.00	1,879.12
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410-4041-600-03-03	Capital Imp-Well 9A Emerg Rep	132,000.00	11,000.00	-121,000.00
410-4041-600-03-48	Capital Improvements-Well 15 R	0.00	90,000.00	90,000.00
410-5005-410-20-00	Part-Time Wages	319.20	7,500.00	7,180.80
410-5005-521-01-00	Supplies	2,000.00	7,500.00	5,500.00
410-8000-600-04-01	SGMAGrant Recharge Proj. Lions	0.00	11,000.00	11,000.00
410-8000-600-04-47	Well No 14 Rehabilitation	0.00	176,443.58	176,443.58
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430-5005-410-20-00	Part-Time Wages	319.20	5,700.00	5,380.80
430-5005-521-01-00	Supplies	1,200.00	4,000.00	2,800.00
750-4075-600-03-28	Backhoe	0.00	16,791.06	16,791.06
750-4075-552-01-00	Public Notice	0.00	409.50	409.50

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870-8000-600-03-82	STBG-KeBlvd.Reh.Park-Del Norte	0.00	1,000.00	1,000.00
870-8000-600-03-85	Siskiyou Ave Rehab 180/Kearney	3,000.00	53,000.00	50,000.00
882-4088-410-20-00	Part-Time Wages	500.00	1,984.22	1,484.22
890-8000-600-03-86	Goldenrod Ave Rehab Kearney/RR	0.00	42,000.00	42,000.00
430-5005-521-34-00	SB1383 Local Assistance OWR1	75,000.00	0.00	-75,000.00
430-5005-600-03-28	Backhoe	0.00	75,000.00	75,000.00
Total Expenditures				\$569,537.81

Account Number	Description	Budget Amount	New Amount	Increase/Decrease
100-0000-322-61-00	Animal Surrender Fee	300.00	1,000.00	700.00
100-0000-344-45-00	Foreclosure Registration Fees	0.00	50.00	50.00
100-3999-334-30-12	Koret Shelter Welcome Grant	0.00	40,000.00	40,000.00
Total Revenues				\$40,750