



## **CITY OF ORLAND STAFF REPORT**

**MEETING DATE: June 17, 2025**

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**TO:** Mayor and Council members

**FROM:** Janet Wackerman, Interim City Manager

**SUBJECT:** Fiscal Year 2025-26 Draft Budget

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### **BACKGROUND:**

City staff will brief Council and seek direction in adopting a budget for the coming fiscal year.

### **ANALYSIS:**

A proposed budget was presented to the Council at its June 3, 2025, meeting. After review and discussion, Councilmembers requested that staff reevaluate their respective department budgets and return with an updated version for further review and consideration. Staff thoroughly reviewed the budget and eliminated all expenditures that were not essential to regular operations. Any further reductions would directly impact the City's ability to maintain current levels of operations and services.

### **RECOMMENDATION:**

Option 1: Reallocate eligible expenditures back to Measure A, thereby relieving pressure on the General Fund and eliminating the current General Fund deficit. However, this approach would result in a projected spending deficit within the Measure A fund.

Option 2: Adopt the proposed budget as a preliminary spending plan, with the understanding that a final, refined budget will be developed and formally adopted no later than October 1<sup>st</sup>, 2025, with the assistance of the newly appointed City Manager. This approach is similar to Glenn County's established budgeting practices.

### **FISCAL IMPACT OF RECOMMENDATION:**

Under both Option 1 and Option 2, a spending deficit is still anticipated. While each approach offers different strategies for managing the deficit, either by shifting the shortfall between funds or allowing time for a more thorough review, the City will need to continue exploring long-term solutions to achieve a structurally balanced budget.