



CITY OF ORLAND STAFF REPORT

MEETING DATE: December 16, 2025

TO: Honorable Mayor and Council

FROM: Joe Goodman, City Manager

SUBJECT: **City Accounting and Budgets Update for Q1 (Discussion)**

Purpose

Staff is pleased to present the First Quarter Budget Review for the period ending September 30, 2025. This report utilizes the City's new financial reporting software, Tyler ERP Pro 10, marking a transition from the prior Excel-based reporting format.

Background

Staff has prepared several summary reports from Tyler ERP Pro 10 to provide an overview of Citywide appropriations, departmental spending, and estimated revenues through the first quarter of FY 2025–26. Below is a summary of each report and staff's observations.

Discussion

- **Appropriations Funds Summary**

This high-level report presents budget appropriations by fund, including the Original Budget, Current Budget (reflecting adjustments), Period Activity (monthly expenditures), Fiscal Activity (year-to-date spending), Variance, and Percent of Budget Used.

As of September 30, 2025, 25% into the fiscal year, the City has expended 17.37% of its overall budget. The General Fund is showing 27.3% expended, while most other funds remain below the 25% benchmark. Staff is reviewing expenditures to ensure costs are coded accurately, as some misallocations are expected during the transition from the MOMs accounting system to Tyler ERP.

- **Appropriations Summary by Fund and Department**

This report provides the same data as the Appropriations Funds Summary but categorized by department within each fund. Some departments appear above the 25% spending level, while others fall significantly below it. These variances indicate that additional reallocation of expenditures to the appropriate departments is necessary. Staff will correct these issues prior to the next quarterly report.

- **Estimated Revenues**

This report shows estimated revenues by fund compared to actual receipts through September 30, 2025. Highlights of major revenue sources include:

- General Fund Property Tax: Approximately 50% will be received in December.
- Sales Tax: Tracking on schedule at 23.47% of budget.
- Measure A: 30.78% of budget received.
- Measure J: 37.48% of budget received.
- Water Enterprise: Revenues at 40.98% of budget.
- Sewer Enterprise: Revenues at 49.89% of budget.

Staff will continue to monitor sales tax closely. At mid-year, staff will recommend any necessary budget adjustments based on six months of actual collections.

Next Steps

Over the next several Council meetings, staff will present more detailed financial reports and begin analyzing the budget by major fund groups, including the General Fund, Special Revenue Funds, Capital Project Funds, and Enterprise Funds.

As staff continues to evaluate enterprise and special revenue funds, we will also work toward identifying strategies to reduce the General Fund deficit by fiscal year-end and prepare for development of the FY 2026–27 budget.

Fiscal Impact

None at this time.

Recommendation

None at this time.