



## CITY COUNCIL MEETING STAFF REPORT

Meeting Date: February 24, 2026

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**SUBJECT:** Fiscal Year 2025-26 Mid-Year Budget Report

**PREPARED BY:** Susan Mahoney, Finance Director

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### RECOMMENDATION:

Receive and file this fiscal year (FY) 2025-26 mid-year budget report.

### DISCUSSION:

The FY 2025-26 budget was adopted on June 10, 2025. Subsequent budget amendments include:

- \$50,838 General Fund expense for an excavator, offset by grant funds revenue from CIRA
- \$14,900 Pumpkin Farm Joint Admission Fund expense for the purchase of a speed hump and sponsorship of the 2025 National Pumpkin Weigh-Off
- \$2,678 Pavement Maintenance Project Fund expense for road striping
- \$3,500,000 Regional Sewer Pipeline Fund grant revenue to complete engineering design, permitting, and right-of-way acquisition/utility relocation costs

The mid-year budget review is an analysis of the revenues and expenses for all funds. Any areas of over or under spending are identified and year-end projections are adjusted, if necessary, based on current information. The City's major fund types: General Fund, Enterprise Funds, Special Revenue Funds, and Project Funds, are discussed below.

General Fund – *The General Fund is the chief operating fund of the City. It accounts for all financial resources except those legally or contractually required to be accounted for in another fund.*

The charts below show projected increases or (decreases) to budgeted revenues and expenses based on actual financial activity for the first half of this fiscal year.

<b>Budgeted Revenue</b>	<b>\$3,312,282</b>
Property Tax	50,000
Transaction Sales Tax	(25,000)
Franchise Fees	3,000
Excise Tax	(20,000)
Admission Fees	24,000
Interest Income	5,000
Administrative Fees	15,000
<b>Projected Revenue</b>	<b>\$3,364,282</b>
Net Increase in Revenue	\$52,000

<b>Budgeted Expenses</b>	<b>\$3,256,052</b>
New phones	3,000
DocuSign and Civic Plus software	10,000
Single Audit	4,000
Police salary/benefit savings	(100,000)
Police Sheriff costs	86,000
Police building maintenance	10,000
Police recruitment	10,000
Park Utilities PG&E and water	15,000
<b>Projected Expenses</b>	<b>\$3,294,052</b>
Net Increase in Expenses	\$38,000

The FY 2025-26 adopted budget projected a General Fund net income of \$56,230. Based on the increases in revenue and expenses listed above, the net income is now projected to be \$70,230.

Enterprise Funds – *Enterprise Funds account for City operations that are financed and operated in a manner similar to private business enterprises, where the cost of providing goods or services to the public is financed or recovered through user charges.*

Water Fund operating revenue and expenses are currently projected to be within budget. Budgeted capital expenses (\$85,000) for a chlorine analyzer and hydrant/well testing have not yet been purchased.

Sewer Fund operating revenue and expenses are currently projected to be within budget. Budgeted capital expenses (\$300,000) include a motor, a corkscrew grinder, and aerators. To date only one aerator has been purchased.

Special Revenue Funds – *Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.*

The City’s Special Revenue Funds include the following: Gas Tax, TDA, CDBG, Economic Development, Impact Funds, SLES, Pumpkin Farm Joint Admission, Wheatland Community Gardens, Landscape and Lighting Districts, Community Facilities District, and the Maintenance and Replacement funds.

All Special Revenue Funds are currently projected to be within budget with two exceptions. The Pumpkin Farm Joint Admission revenue was \$20,000 over projections. This revenue offset the additional expenses mentioned above. The budgeted Caliterra Community Facilities District revenue is \$48,000 over the actual assessed amount. Projected savings in salary expenses will offset this amount.

Project Funds – *Project Funds account for planning projects and capital projects that may have multiple revenue sources and span more than one year.*

Planning projects generally involve planning and engineering costs and are paid in advance by the applicant.

The City’s major capital projects are the Comprehensive Drinking Water Project, the Regional Sewer Pipeline Project, the General Plan Update, and the Pavement Maintenance Project. The revenue and expenses for these projects have been brought to Council separately from the annual budget due to

their scope and complexity. At this time, the revenue sources for these projects have been secured or identified and all expenses have been approved by Council.

**FISCAL IMPACT:**

There are no fiscal impacts from receiving and filing this report.

**ATTACHMENTS:**

None