



# FY 2026 Mid-Year Financial Review & Update

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- Finance Committee - February 25, 2026
- Nicole Gonzales, Finance Director

# General Fund Mid-Year Review

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General Fund  
FY 2026  
Mid-Year  
Review  
(in Millions)

GENERAL FUND		2024-25 December 31, 2024			2025-26 December 31, 2025			2024-25 vs 2025-26	
		Amended Budget	YTD as of 12/31/24	YTD % of Budget	Amended Budget	YTD as of 12/31/25	% of Amended Budget	Yr to Yr Change (\$)	Yr to Yr Change (%)
1	Revenues								
2	GENERAL GOVERNMENT								
3	Property Tax	31.9	14.9	47%	33.8	15.5	46%	0.6	4%
4	Sales Tax	53.3	16.0	30%	54.9	16.2	30%	0.2	1%
5	Utility Users Tax	13.9	5.5	39%	13.9	5.2	38%	-0.3	-5%
6	Franchise Fees	7.2	1.8	25%	7.4	1.9	25%	0.1	5%
7	Property Transfer Tax	8.8	2.9	33%	10.0	3.6	36%	0.7	26%
8	Emergency Communication Access Fee (911)	3.9	1.4	35%	4.0	1.1	27%	-0.3	-21%
9	Business License Tax	6.4	1.2	19%	6.6	0.4	7%	-0.8	-64%
10	Other Tax	1.9	0.4	24%	2.0	0.6	29%	0.1	28%
11	<b>Sub Total Taxes</b>	<b>\$127.3 M</b>	<b>\$44.0 M</b>	<b>35%</b>	<b>\$132.5 M</b>	<b>\$44.4 M</b>	<b>34%</b>	<b>\$0.4 M</b>	<b>1%</b>
12	Charges for Services	2.7	1.3	50%	3.6	2.0	55%	0.6	48%
13	Interest & Property Income	3.7	2.6	70%	3.6	4.1	116%	1.6	60%
14	Fines, Fees & Forfeitures	0.7	0.8	122%	0.4	0.3	75%	-0.5	-64%
15	Intergovernmental	0.9	0.5	55%	1.0	1.2	128%	0.7	145%
16	Licenses & Permits	4.7	2.2	46%	5.3	2.3	43%	0.1	6%
17	Interdepartmental	2.8	1.4	50%	2.9	1.4	50%	0.0	3%
18	Other/Transfers	0.7	0.4	60%	0.8	0.4	51%	0.0	-7%
19	<b>Sub Total Other</b>	<b>\$16.2 M</b>	<b>\$9.2 M</b>	<b>57%</b>	<b>\$17.5 M</b>	<b>\$11.7 M</b>	<b>67%</b>	<b>\$2.5 M</b>	<b>27%</b>
20	<b>Total Revenues</b>	<b>\$143.4 M</b>	<b>\$53.2 M</b>	<b>37%</b>	<b>\$150.0 M</b>	<b>\$56.2 M</b>	<b>37%</b>	<b>\$2.9 M</b>	<b>6%</b>
21									
22	Expenditures								
23	General Administration Council, Clerk, City Attorney, City Manager and Human Resources	10.6	3.9	37%	10.0	4.2	42%	0.3	7%
24	Finance	5.1	1.9	36%	5.5	2.1	38%	0.2	12%
25	Police	47.0	21.2	45%	50.8	23.1	46%	1.9	9%
26	Fire	33.9	13.6	40%	35.1	14.3	41%	0.7	5%
27	Recreation and Parks	6.1	2.8	46%	5.9	3.1	53%	0.4	13%
28	Human Services	7.8	1.1	14%	6.8	1.1	17%	0.0	4%
29	Library	9.1	4.1	45%	10.1	5.0	49%	0.9	22%
30	Public Works	16.5	7.6	46%	16.4	8.1	49%	0.4	6%
31	Community Development	13.9	5.6	40%	13.1	5.8	44%	0.2	3%
32	Non-Departmental	4.5	1.8	41%	4.4	1.7	40%	-0.1	-4%
33	Debt Service	0.4	0.2	50%	0.4	0.2	50%	0.0	0%
34	<b>Total Operating Expenditures</b>	<b>154.8</b>	<b>63.8</b>	<b>41%</b>	<b>158.5</b>	<b>68.8</b>	<b>43%</b>	<b>4.9</b>	<b>8%</b>
35	Transfers	9.3	0.1	2%	7.0	0.0	0%	-0.1	-100%
36	<b>Total Expenditures and Transfers</b>	<b>\$164.1 M</b>	<b>\$64.0 M</b>	<b>39%</b>	<b>\$165.5 M</b>	<b>\$68.8 M</b>	<b>42%</b>	<b>\$4.8 M</b>	<b>7%</b>

# General Fund

## Proposed Mid-Year Adjustments

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# Proposed General Fund Revenue Adjustments

	A	B	C	D
		FY 2026 Adopted Budget	FY 2026 Recommended Mid-Year Adjustments	FY 2026 Adjusted Budget
<b>1</b>	<b>Revenue by Category</b>			
<b>2</b>	Property Tax	33.8	0.00	33.8
<b>3</b>	Sales Tax	54.9	(2.76)	52.1
<b>4</b>	Utility User Tax	13.9	0.25	14.1
<b>5</b>	Franchise Tax	7.4	0.05	7.5
<b>6</b>	Property Transfer Tax	10.0	0.00	10.0
<b>7</b>	Emergency Communication Access Fee (911)	4.0	0.00	4.0
<b>8</b>	Business License Tax	6.6	0.24	6.8
<b>9</b>	Other Tax	2.0	0.00	2.0
<b>10</b>	<b>Subtotal Taxes</b>	<b>\$132.5 M</b>	<b>(\$2.2 M)</b>	<b>\$130.3 M</b>
<b>11</b>	Charges for Services	3.6	0.27	3.9
<b>12</b>	Interest & Property Income	3.6	0.66	4.2
<b>13</b>	Fines, Fees & Forfeitures	0.4	0.00	0.4
<b>14</b>	Intergovernmental	1.0	0.64	1.6
<b>15</b>	Licenses & Permits	5.3	0.00	5.3
<b>16</b>	Interdepartmental	2.9	0.00	2.9
<b>17</b>	Other/ Transfers	0.8	0.01	0.8
<b>18</b>	<b>Subtotal Other</b>	<b>\$17.5 M</b>	<b>\$1.6 M</b>	<b>\$19.1 M</b>
<b>19</b>	<b>Total Revenue</b>	<b>\$149.9M</b>	<b>(\$0.6 M)</b>	<b>\$149.3 M</b>

# Proposed General Fund Expenditure Adjustments

	A	B	C	D
		FY 2026 Adopted Budget	FY 2026 Proposed Budget Adjustment	FY 2026 Adjusted Budget
<b>Expenditures by Department</b>				
1 General Administration		9.4	0.00	9.4
2 Council, Clerk, City Attorney,				
3 City Manager and Human Resources				
4 Finance		5.0	0.00	5.0
5 Police		49.7	0.00	49.7
6 Fire		34.5	0.00	34.5
7 Recreation and Parks		5.9	0.23	6.1
8 Human Services		3.2	0.00	3.2
9 Library		9.7	0.00	9.7
10 Public Works		15.9	0.03	15.9
11 Community Development		10.9	0.00	10.9
12 Non-Departmental		4.5	0.00	4.5
13 Debt Service		0.4	0.00	0.4
14 <b>Total Operating Expenditures</b>		<b>149.1</b>	<b>0.26</b>	<b>149.3</b>
15 Transfers		7.0	(0.35)	6.6
16				
17 <b>Total Expenditures and Transfers</b>		<b>156.1</b>	<b>(\$0.1)</b>	<b>156.0</b>

# Proposed General Fund Expenditure Adjustments

	A	B
	<b>Mid-Year Requests</b>	<b>FY 2026 Impact (\$)</b>
1	Instructor payments and supplies for increased Recreation programming/Offset by revenue	\$144,000
2	Enhanced Cherry Festival marketing for increased festival footprint/Offset by revenue	\$10,000
3	Additional wi-fi receivers to increase festival footprint/Offset by revenue	\$20,000
4	Three stream recycling stations for community centers/Offset by revenue	\$10,000
5	Additional picnic reservation signage installation/Offset by revenue	\$10,000
6	Haas Bridge expenses for mitigation and restoration	\$29,022
7	Citywide median landscaping/Offset by revenue	\$17,000
8	Bank service charges to reflect increased deposit pick up	\$20,000
9	<b>General Fund Proposed Operating Subtotal</b>	<b>\$260,022</b>
10	Eliminate Parking Fund subsidy from General Fund ( <i>Transfer</i> )	<b>(\$347,000)</b>
11	<b>General Fund Proposed Operating &amp; Transfer Total</b>	<b>(\$86,978)</b>

# Proposed General Fund Impact Summary

	A	B	C	D	E
<b>1</b>	<b>General Fund</b>	<b>FY 2026 Adopted Budget</b>	<b>FY 2026 Amended Budget</b>	<b>FY 2026 Recommended Mid-Year Adjustments</b>	<b>FY 2026 Adjusted Budget (=C+D)</b>
<b>2</b>	<i>Beginning Fund Balance</i>	<b>\$54.7</b>	<b>\$69.5</b>	<b>\$69.5</b>	<b>\$69.5</b>
<b>3</b>					
<b>4</b>	Revenue	149.9	150.0	(0.6)	149.4
<b>5</b>	Expenditures	149.1	149.1	0.3	149.4
<b>6</b>	Transfers	6.9	6.9	(0.4)	6.6
<b>7</b>	Prior Year Carryover + Budget Amendments	0.0	9.4	0.0	9.4
<b>8</b>					
<b>9</b>	<i>Net Change in Fund Balance</i>	<b>(6.1)</b>	<b>(15.4)</b>	<b>(0.6)</b>	<b>(16.0)</b>
<b>10</b>					
<b>11</b>	<i>Ending Fund Balance</i>	<b>\$48.6</b>	<b>\$54.1</b>	<b>\$68.9</b>	<b>\$53.5</b>

\*Beginning fund balanced updated in FY 2026 Amended Budget based on FY 2025 Year-End Balance.

# General Fund Forecast (Updated)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		2024	2025	2025	2026	2027	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actual	Budget	Actuals	Adopted	Adopted	Adjusted	Adjusted	Est.							
<b>Revenues</b>																
1	Total Revenues	\$144.7M	\$143.4M	\$147.7M	\$149.9M	\$154.4M	\$149.3M	\$152.9M	\$156.0M	\$159.5M	\$163.2M	\$167.1M	\$167.7M	\$171.7M	\$176.5M	\$181.8M
2																
3	Total Operating Expenditures	\$135.5M	\$154.8M	\$144.3M	\$149.1M	\$155.7M	\$149.3M	\$156.1M	\$158.8M	\$164.1M	\$167.9M	\$171.8M	\$174.7M	\$177.8M	\$180.6M	\$183.9M
4	Total Other Sources/(Uses) - Transfers	\$24.0M	\$9.3M	\$8.8M	\$7.0M	\$4.9M	\$6.6M	\$4.9M	\$6.5M	\$6.7M	\$6.8M	\$5.5M	\$5.7M	\$8.3M	\$6.0M	\$6.2M
5																
6	Total Expenditures and Transfers	\$159.5M	\$164.1M	\$153.1M	\$156.1M	\$160.6M	\$155.9M	\$161.0M	\$165.3M	\$170.8M	\$174.7M	\$177.3M	\$180.3M	\$186.1M	\$186.6M	\$190.0M
7	Prior Year Carry Over						\$9.4M									
8	Total Expenditures and Transfers Adjusted						\$165.3M									
9																
10	Net Change in Fund Balance	-\$14.7M	-\$20.7M	-\$5.4M	-\$6.1M	-\$6.1M	-\$16.0M	-\$8.1M	-\$9.3M	-\$11.3M	-\$11.5M	-\$10.2M	-\$12.6M	-\$14.5M	-\$10.1M	-\$8.2M
11																
12	Beginning Balance	\$90.2M	\$75.5M	\$74.9M	\$54.7M	\$48.6M	\$69.5M	\$53.5M	\$45.4M	\$36.1M	\$24.9M	\$13.3M	\$3.2M	-\$9.4M	-\$23.9M	-\$34.0M
13	Ending Balance	\$75.5M	\$54.7M	\$69.5M	\$48.6M	\$42.5M	\$53.5M	\$45.4M	\$36.1M	\$24.9M	\$13.3M	\$3.2M	-\$9.4M	-\$23.9M	-\$34.0M	-\$42.2M
14																
15	Ending Balance as % of Expenditures for Economic Uncertainties	30.4%	23.2%	38.6%	20.0%	15.2%	25.0%	20.2%	14.0%	6.7%	-0.3%	-6.2%	-13.3%	-21.2%	-26.5%	-30.5%

# Non-General Fund Proposed Mid-Year Adjustments

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# Proposed Non-General Fund Expenditure Adjustments

	A	B	C
<b>1</b>	<b>Fund</b>	<b>Mid-Year Request</b>	<b>FY 2026 Impact (\$)</b>
<b>2</b>	Environmental Services (594)	Filemaker support for upgrade and maintenance	\$17,580
<b>3</b>		<b>Environmental Services Fund Mid-Year Requests Total</b>	<b>\$17,580</b>
<b>4</b>			
<b>5</b>	Facilities Maintenance (687)	Increase in maintenance costs for facility repairs and maintenance	\$37,000
<b>6</b>	Facilities Maintenance (687)	Increase in grounds repair and maintenance; increase in need for pressure washing	\$30,000
<b>7</b>		<b>Facilities Maintenance Fund Mid-Year Requests Total</b>	<b>\$67,000</b>
<b>8</b>			
<b>9</b>	Stormwater (598)	Prop 218 efforts/work postponed until FY 27.	(\$300,000)
<b>10</b>		<b>Stormwater Fund Mid-Year Requests Total</b>	<b>(\$300,000)</b>
<b>11</b>			
<b>12</b>	Capital Projects Fund (210)	Move Parking Lot Repair Project (CIP) from FY 27 to FY 26	\$300,000
<b>13</b>		<b>Capital Projects Fund Mid-Year Requests Total</b>	<b>\$300,000</b>

# Finance Committee Action Requested

Accept the FY 2026 Mid-Year Financial Report

Review and recommend the proposed FY 2026 Budget adjustments to City Council for Consideration and Approval