FY 2026
Mid-Year Financial Review & Update

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

General Fund

Mid-Year Review

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

	A	B	C	D	E	F	G	H	I
	GENERAL FUND	2024-25 December 31, 2024			2025-26 December 31, 2025			2024-25 vs 2025-26	
1	Revenues	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 (%)
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	***Sub Total Taxes***	***$127.3 M***	***$44.0 M***	***35%***	***$132.5 M***	***$44.4 M***	***34%***	***$0.4 M***	***1%***
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	***Sub Total Other***	***$16.2 M***	***$9.2 M***	***57%***	***$17.5 M***	***$11.7 M***	***67%***	***$2.5 M***	***27%***
20	**Total Revenues**	**$143.4 M**	**$53.2 M**	**37%**	**$150.0 M**	**$56.2 M**	**37%**	**$2.9 M**	**6%**
21									
22	Expenditures								
23	General Administration	10.6	3.9	37%	10.0	4.2	42%	0.3	7%
24	Council, Clerk, City Attorney,								
25	City Manager and Human Resources								
26	Finance	5.1	1.9	36%	5.5	2.1	38%	0.2	12%
27	Police	47.0	21.2	45%	50.8	23.1	46%	1.9	9%
28	Fire	33.9	13.6	40%	35.1	14.3	41%	0.7	5%
29	Recreation and Parks	6.1	2.8	46%	5.9	3.1	53%	0.4	13%
30	Human Services	7.8	1.1	14%	6.8	1.1	17%	0.0	4%
31	Library	9.1	4.1	45%	10.1	5.0	49%	0.9	22%
32	Public Works	16.5	7.6	46%	16.4	8.1	49%	0.4	6%
33	Community Development	13.9	5.6	40%	13.1	5.8	44%	0.2	3%
34	Non-Departmental	4.5	1.8	41%	4.4	1.7	40%	-0.1	-4%
35	Debt Service	0.4	0.2	50%	0.4	0.2	50%	0.0	0%
36	***Total Operating Expenditures***	**154.8**	**63.8**	**41%**	**158.5**	**68.8**	**43%**	**4.9**	**8%**
37	Transfers	9.3	0.1	2%	7.0	0.0	0%	-0.1	-100%
38	**Total Expenditures and Transfers**	**$164.1 M**	**$64.0 M**	**39%**	**$165.5 M**	**$68.8 M**	**42%**	**$4.8 M**	**7%**

General Fund
Proposed Mid-Year Adjustments

Proposed General Fund Revenue Adjustments

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

Proposed General Fund Expenditure Adjustments

	A	B	C	D
	Expenditures by Department	**FY 2026 Adopted Budget**	**FY 2026 Proposed Budget Adjustment**	**FY 2026 Adjusted Budget**
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	***Total Operating Expenditures***	***149.1***	***0.26***	***149.3***
15	*Transfers*	*7.0*	*(0.35)*	*6.6*
16				
17	**Total Expenditures and Transfers**	**156.1**	**($0.1)**	**156.0**

Proposed General Fund Expenditure Adjustments

	A	B
	Mid-Year Requests	**FY 2026 Impact ($)**
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	***General Fund Proposed Operating Subtotal***	***$260,022***
10	Eliminate Parking Fund subsidy from General Fund *(Transfer)*	($347,000)
11	***General Fund Proposed Operating & Transfer Total***	***($86,978)***

Proposed General Fund Impact Summary

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

*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 Actual	2025 Budget	2025 Actuals	2026 Adopted	2027 Adopted	2026 Adjusted	2027 Adjusted	2028 Est.	2029 Est.	2030 Est.	2031 Est.	2032 Est.	2033 Est.	2034 Est.	2035 Est.
	Revenues															
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

Proposed Non-General Fund Expenditure Adjustments

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

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