



Staff Report

TO: Honorable Mayor and Members of the City Council
FROM: Lisa Leach, Acting Finance Director
BY: Marcia Mason, Budget Analyst
DATE: May 5, 2026
SUBJECT: FY2025-2026 3rd Quarter Budget to Actuals

Description: Receive and file a report on the status of the City's budget and financial status as of March 31, 2026.

Background and Analysis:

The Fiscal Year 2025–26 third-quarter financial report provides an overview of the City's current financial position.

The Finance Department will continue to maintain a comprehensive system of tools that enable departments to effectively manage their budgets and support financial monitoring and control throughout the fiscal year. This system ensures that departments and the City Council have timely access to detailed information on revenues, expenditures, and overall budget performance at both the departmental and fund levels.

General Fund Summary

Most of the General Fund revenue budget is from taxes. Property tax is usually recorded in December and May. Sales tax is received in monthly advanced estimated payments and then a quarterly actual clean-up payment. Other taxes include Motor Vehicle In-Lieu, which is received in February and June, as well as Utility Users tax which is received monthly.

General Fund Revenues

As of March 31, 2026, the city has collected 60% of FY2025-26 budgeted revenues. Sales tax for the month of July-February has been recorded. Below is a table for General Fund Revenues as of March 31, 2026.

	GENERAL FUND REVENUES			
	CURRENT BUDGET	ACTUAL	ESTIMATED ACTUALS	%
Taxes	50,143,017	31,228,094.24	52,257,171	62%
Licenses	450,000	190,429.33	429,000	42%
Permits	2,071,119	1,508,641.30	1,961,233	73%
Franchise Fees	3,419,570	1,820,986.58	3,449,313	53%
Charges for Services	2,717,534	2,498,020.48	2,830,693	92%
Fines and Forfeitures	220,000	138,322.73	184,431	63%
Cost Recovery	1,103,297	695,374.36	1,024,103	63%
Miscellaneous	2,535,593	613,876.69	2,509,028	24%
Other Financing Sources	1,623,468	1,217,996.52	1,623,747	75%
Transfers	8,203,211	3,732,981.33	7,926,926	46%
TOTAL REVENUES	72,486,809	43,644,723.56	74,195,645	60%

General Fund Departments

The table below provides an overview of the general fund department budgets through March 31, 2026.

Through the third quarter of FY 2025–26, the City recorded total General Fund expenditures of **\$40.97 million**, representing **55.2%** of the **current amended budget of \$74.18 million**. This level of spending is consistent with expectations for the third quarter of the fiscal year, as many departments incur early-year costs related to personnel, contracts, and annual service renewals.

Overall, third-quarter expenditures indicate that the City’s departments are operating within budgetary expectations. While certain areas within normal spending patterns others show delayed spending patterns due to the timing of the annual or quarterly payments, the City’s overall financial performance remains stable and on track for the fiscal year. The Finance Department will continue to monitor expenditures to ensure fiscal discipline and transparency across all departments. Within the **Non-Departmental** category, several projects were closed or completed, resulting in the transfer of the remaining funds back into the General Fund resulting in an increase to revenue represented by the credit balance.

Departments that have been highlighted are outside of the +/- 10% from the 75% threshold. Legal and Fire are contractual services.

General Fund Expenditures			
DEPARTMENT	CURRENT BUDGET	ACTUAL	% spent through 3rdQTR
Non-Departmental	\$ 1,750,825	\$ (37,977.55)	-2.2%
City Council	\$ 336,016	\$ 152,241.90	45.3%
City Clerk	\$ 587,004	\$ 341,259.29	58.1%
Administration	\$ 2,122,102	\$ 1,208,476.62	56.9%
Communications	\$ 987,512	\$ 456,300.05	46.2%
Finance	\$ 2,614,352	\$ 1,634,807.94	62.5%
IT	\$ 2,597,620	\$ 1,586,413.55	61.1%
Economic Development	\$ 1,980,499	\$ 587,832.05	29.7%
Risk and HR	\$ 4,600,897	\$ 3,841,373.76	83.5%
Legal	\$ 1,501,000	\$ 849,690.18	56.6%
Community Development	\$ 1,326,771	\$ 727,739.61	54.9%
Community Services	\$ 2,985,322	\$ 1,518,358.47	50.9%
Animal Control	\$ 492,366	\$ 261,969.83	53.2%
Community Enhancement	\$ 778,458	\$ 411,330.76	52.8%
Police	\$ 19,817,838	\$ 13,049,419.93	65.8%
K-9	\$ 22,749	\$ 12,624.28	55.5%
Police Support	\$ 3,776,025	\$ 2,200,351.38	58.3%
Fire	\$ 9,349,440	\$ 2,218,804.17	23.7%
Building and Safety	\$ 1,640,015	\$ 1,028,012.10	62.7%
Public Works	\$ 3,537,753	\$ 2,028,597.41	57.3%
Street Maintenance	\$ 3,649,859	\$ 2,121,929.71	58.1%
Custodial Maintenance	\$ 659,868	\$ 436,110.77	66.1%
Facilities Maintenance	\$ 977,811	\$ 410,620.55	42.0%
Parks and Grounds	\$ 6,083,507	\$ 3,927,797.47	64.6%
TOTAL EXPENDITURES	74,175,609	40,974,084.23	55.2%

The table below provides for expenditures by type. Personnel costs make up 59% of the actuals to date. Operating costs are 35% of actuals followed by Contingency/Capital at 6%. Currently, there are no categories over budget.

By the close of the third quarter for Fiscal Year 2025-26, total General Fund expenditures amounted to **\$40.97 million**, or approximately **55%** of the **current budget of \$74.18 million**. Overall spending aligns with expected trends for this stage of the fiscal year.

	EXPENSE TYPE	FY 2026 ORIGINAL BUDGET	FY 2026 CURRENT BUDGET	FY 2026 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	26,336,355	26,112,102	16,970,238.17	23,222,431	65%
	Benefits	10,903,888	10,903,888	6,925,260.17	10,003,154	64%
	Other	660,419	667,746	363,274.72	544,912	54%
	TOTAL PERSONNEL	37,900,662	37,683,736	24,258,773.06	33,770,496.84	64%
Operating						
	Recruitment/Hiring	75,000	75,000	70,349.85	93,800	94%
	Utilities	2,245,782	2,245,782	1,554,041.24	2,664,071	69%
	Administration	1,762,397	1,775,397	995,699.02	1,493,549	56%
	Fleet Costs	903,887	903,887	626,804.67	884,901	69%
	Program Costs	2,777,798	2,844,798	929,772.99	1,593,897	33%
	Repairs & Maintenance	1,757,915	1,800,483	1,228,480.40	1,842,721	68%
	Supplies	1,238,767	1,467,871	704,865.16	1,409,730	48%
	Special Services	251,200	321,200	150,581.14	200,775	47%
	Contractual Service	15,389,895	15,423,681	5,092,729.15	14,385,458	33%
	Other	3,690,987	3,890,987	3,010,195.87	3,938,594	77%
	TOTAL OPERATING	30,093,628	30,749,086	14,363,519.49	28,507,494.86	47%
Capital						
	Equipment	1,068,841	1,422,896	730,723.51	1,422,896	51%
	Furniture	-	33,801	36,747.69	36,748	0%
	Vehicle	1,741,124	1,799,124	1,145,654.44	1,799,124	64%
	Structure	640,907	640,907	480,680.25	640,907	75%
	Debt Service (Leases)		-		-	
	TOTAL CAPITAL	3,450,872	3,896,728	2,393,805.89	3,899,675	61%
Contingency						
	CONTINGENCY	150,000	150,000	37,037.83	150,000	25%
Transfers						
	TRANSFERS	520,000	1,696,059	(79,052.05)	1,696,059	-5%
Total Expenditures		72,115,162	74,175,609	40,974,084.22	68,023,725.39	55%

Wastewater Fund Summary

Revenues

Wastewater revenues are collected in arrears. The July billing is accrued back to prior FY and the first billing for FY25/26 was collected in September. Billing is completed bi-monthly. As of March 31, 2026, the Wastewater Fund has collected 71% of its budgeted revenues. Below is the summary for FY2025-26 through the 3rd quarter.

	WASTEWATER REVENUES			
	CURRENT BUDGET	ACTUAL	ESTIMATED ACTUALS	%
Fines and Forfeitures	\$ -	\$ 93,399	\$ 93,399	0%
Cost Recovery	\$ 8,053	\$ -	\$ 8,053	0%
Miscellaneous	\$ 138,851	\$ 325,542	\$ 138,851	234%
Proprietary Revenues	\$ 16,099,013	\$ 11,163,894	\$ 16,099,013	69%
Other Financing Sources	\$ -		\$ -	0%
Transfers	\$ 42,036	\$ 33,452	\$ 42,036	0%
TOTAL REVENUES	16,287,953.00	11,616,286.35	16,381,351.63	71%

Expenses

Wastewater expenses as of March 31, 2026, total \$8.14M representing approximately **49%** of the **amended budget of \$16.62 million**. Personnel costs make up 69% of the actuals to date, operating costs make up 51%, Contingency/Transfers Out make up 55%. Overall spending is consistent with expectations for this point in the fiscal year.

WASTEWATER EXPENSES						
	EXPENSE TYPE	FY 2026 ORIGINAL BUDGET	FY 2026 CURRENT BUDGET	FY 2026 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	2,034,502.00	2,030,937.00	1,449,530.13	1,983,567.55	71%
	Benefits	820,015.00	820,015.00	505,067.10	757,600.65	62%
	Other	33,901.00	34,502.00	22,475.72	33,713.58	65%
	TOTAL PERSONNEL	2,888,418.00	2,885,454.00	1,977,072.95	2,774,881.78	69%
Operating						
	Utilities	1,474,686.00	1,474,686.00	767,814.10	1,535,628.20	52%
	Administration	298,852.00	298,852.00	187,327.44	280,991.16	63%
	Fleet Costs	117,010.00	117,010.00	67,975.47	116,529.38	58%
	Repairs & Maintenance	797,753.00	797,753.00	322,821.23	645,642.46	40%
	Supplies	1,019,328.00	1,019,328.00	460,717.99	921,435.98	45%
	Contractual Services	1,425,012.00	1,444,161.00	466,895.79	933,791.58	32%
	Admin Overhead	1,489,000.00	1,489,000.00	1,116,750.00	1,489,000.00	75%
	Other	470,907.00	470,907.00	253,770.93	435,035.88	54%
	TOTAL OPERATING	7,092,548.00	7,111,697.00	3,644,072.95	6,358,054.64	51%
Capital						
	Equipment	-	-	-	-	-
	Vehicle	-	-	1,831.66	-	-
	TOTAL CAPITAL	-	-	1,831.66	-	0%
Contingency						
	CONTINGENCY	229,320.00	585,517.00	444,983.72	585,517.00	76%
Transfers						
	TRANSFERS	6,035,631.00	6,035,631.00	2,071,896.75	6,035,631.00	34%
Total Expenses		16,245,917.00	16,618,299.00	8,139,858.03	15,754,084.41	49%

Transit Fund Summary

Revenues

Most of the transit fund revenues consist of funding from the Riverside County Transportation Commission (RCTC). Revenue from RCTC is received on a monthly basis. Other revenues received include ridership fares, Measure A taxes, and interest and EV charging station revenue recorded in Miscellaneous revenue. As of March 31, 2026, the Transit Fund has collected 72% of its budgeted revenues.

	TRANSIT REVENUES			
	CURRENT BUDGET	ACTUAL	ESTIMATED ACTUALS	%
Taxes	\$ 206,123	\$ 154,592	\$ 206,123	75%
Intergovernmental	\$ 3,247,289	\$ 2,354,927	\$ 3,247,289	73%
Miscellaneous	\$ 46,699	\$ 22,914	\$ 46,699	49%
Proprietary Revenues	\$ 40,616	\$ 29,132	\$ 40,616	72%
Other Financing Sources	\$ 85,638	\$ 61,095	\$ 85,638	0%
Transfers	\$ 47,447	\$ 34,840	\$ 47,447	0%
TOTAL REVENUES	3,673,812.00	2,657,500.04	3,673,812.00	72%

Expenses

Transit expenses as of March 31, 2026, total \$2.62M, which is 71% of the FY2025-26 budget. Personnel costs make up 72% of the actuals to date and operating costs make up 71% with Capital actual to date expenditures at 62%.

TRANSIT EXPENSES						
	EXPENSE TYPE	FY 2026 ORIGINAL BUDGET	FY 2026 CURRENT BUDGET	FY 2026 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	1,943,878.00	1,990,645.00	1,453,059.27	1,988,396.90	73%
	Benefits	778,874.00	778,874.00	532,959.89	729,313.53	68%
	Other	39,302.00	39,980.00	27,694.79	37,898.13	69%
	TOTAL PERSONNEL	2,762,054.00	2,809,499.00	2,013,713.95	2,755,608.56	72%
Operating						
	Utilities	114,053.00	114,053.00	63,765.08	127,530.16	56%
	Administration	99,235.00	80,873.00	44,720.18	76,663.17	55%
	Fleet Costs	210,729.00	210,729.00	206,262.19	275,016.25	98%
	Program Costs	48,768.00	48,768.00	23,377.92	46,755.84	48%
	Repairs & Maintenance	65,449.00	65,791.00	37,076.65	63,559.97	56%
	Supplies	12,811.00	12,811.00	13,388.90	17,851.87	105%
	Contractual Services	86,554.00	104,574.00	70,216.00	93,621.33	67%
	Admin Overhead	134,000.00	134,000.00	100,500.00	134,000.00	75%
	Other	23,370.00	23,370.00	6,064.10	12,128.20	26%
	TOTAL OPERATING	794,969.00	794,969.00	565,371.02	847,126.79	71%
Capital						
	Equipment	61,500.00	61,500.00	37,257.52	61,500.00	61%
	Structure	7,842.00	7,842.00	5,881.50	7,842.00	75%
	TOTAL CAPITAL	69,342.00	69,342.00	43,139.02	69,342.00	62%
Transfers						
	TRANSFERS		-	-	-	
Total Expenses		3,626,365.00	3,673,810.00	2,622,223.99	3,672,077.35	71%

Recommended Budget Adjustments

The following table comprises a list of recommended budget adjustments.

Fund	Amount	Reason
Special Revenue	\$16,259	Increase revenue JAG Grant
General Fund-City Council (from unspent funds)	\$5,000 \$5,000	Increase Sponsorships BEST \$5,000 MSJC \$5,000
General Fund-Econ Dev General Fund-City Council	(\$30,000) \$30,000	Move IOA sponsorship
General Fund-City Council General Fund-Econ Dev	(\$100,000) \$100,000	Cherry Festival

The FY2025-2026 3rd quarter budget to actuals were posted to the Finance and Audit Committee meeting on April 27, 2026, but due to lack of quorum, the item was not discussed.

Fiscal Impact:

The fiscal impact on the General Fund for budget amendments will increase spending authority by \$10,000. The Special Fund spending authority will increase by \$16,259. The estimated cost to prepare this report is \$385.

Recommended Action:

Receive and file report;
Approve attached budget amendments.

Attachments:

- A. 3rd Quarter Budget Adjustments