Agenda Item No: 3.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: February 17, 2026
Submitted by: Gavin Houn
From: Finance

Subject:
FISCAL YEAR 2025-26 MID-YEAR BUDGET REPORT

Financial Impact:
Fiscal Impact:

Fund	**Revenues** (included transfers-in)	**Appropriations** (including Capital & Transfers-Out)
General Fund	1,460,811	2,054,667
Special Revenue	400,000	1,490,685
Capital Projects	-	-
Enterprise Funds	-	-
Internal Service Fund	(1,382,037)	(1,379,037)
Total	**478,774**	**2,166,315**

Based upon preliminary FY 2025-26 projections, which reflect a net increase in revenues of $478,774 and net increases in expenses of $2,166,315.

It is anticipated that the General Fund balance, inclusive of the Measure U and General Fund reserves, Unassigned Fund Balance and Nonspendable monies will be $9,400,198 at June 30, 2026.

Summary:
The City's Operating Budget is reviewed and presented to the City Council quarterly for recommended amendments and to provide current information on the financial activities of the City. Additionally, these types of quarterly reports assist City departments in communicating the financial operations throughout the fiscal year including any program changes and significant impacts to their annual budgets, as well as ensuring spending and revenues received throughout the year closely align with the adopted budget. This report includes requested departmental budget adjustments through the second quarter of fiscal year 2025-26, covering the period through December 2025.

Recommendation:
Recommended Action: It is recommended that the City Council:
Approve the Mid-Year Budget Report and adopt Resolution No. R-2026-10, A Resolution Of

The City Council of the City of Placentia, California, authorizing a budget amendment in Fiscal Year 2025-26 in compliance with City Charter of the City of Placentia Section 1206 pertaining to appropriations for actual expenditures.

Strategic Plan Statement:
This item is consistent with the City Council approved Strategic Goal No. 1, Fiscal Sustainability.

Discussion:
At the June 3, 2025, City Council meeting, the City Council approved the FY 2025-26 budget which included $92.7 million in expenditures supported by $89.7 million in revenues, with the difference supported by the use of one-time monies in various funds to address capital improvement projects.

The City conducts a thorough mid-year analysis of its budget after completion of the first two quarters and makes adjustments as needed to both the revenues and the expenditures in order to ensure sufficient funding through June 30th.

Fiscal Impact Summary:

Fund	**Revenues** (included transfers-in)	**Appropriations** (including Capital & Transfers-Out)
General Fund	1,460,811	2,054,667
Special Revenue	400,000	1,490,685
Capital Projects	-	-
Enterprise Funds	-	-
Internal Service Fund	(1,382,037)	(1,379,037)
Total	**478,774**	**2,166,315**

Based upon preliminary FY 2025-26 projections, which reflect a net increase in revenues of $478,774 and net increases in expenses of $2,166,315.

It is anticipated that the General Fund fund balance, inclusive of the Measure U and General Fund reserves, Unassigned Fund Balance and Nonspendable monies will be $9,400,198 at June 30, 2026.

Attachments
Staff Report - FY25.26 Mid Year Budget Report 2.12.26.pdf
Resolution No. R-2026-10 - FY 25.26 Midyear Budget.docx
Resolution No. R-2026-10 - Exhibit A.pdf
Presentation for Council 2.12.26.pdf