



COUNCIL BUDGET & FINANCE COMMITTEE MEETING
Meeting Minutes of June 17, 2026

Call to Order: 5:31 p.m.

Members Present: Mayor Mark Salinas, Council Member Ray Bonilla Jr., Council Member George Syrop

Members Absent: None

Staff: Jennifer Ott, Mary Thomas, DeAnna Hilbrants, Michael Barnes, Franchesca Hatfield, Nicholas Mullins, Crissy Mello

Guests: None

Public Comments: None

Note: Meeting experienced Zoom technical delays in the first ten minutes of session.

1. Approval of Meeting Minutes from May 20, 2026
Action: Minutes reviewed and approved by Council Member Bonilla Jr. and Mayor Salinas.
2. Receive a Presentation about the Fiscal Year 2025-26 Monthly Budget to Actuals
 - Director DeAnna Hilbrants presented.
 - Mayor Salinas Questions:
 - A. Regarding the roughly \$21.3 million in outstanding fines owed to the City, could collecting even a portion of that meaningfully offset the deficit?
Response: When revenue is booked, it already reflects an estimated likelihood of collection. Some outstanding fines will be collected, but others become liens that may not be collected for years (e.g., only when a property is sold or refinanced), so they are not treated as a near-term funding source for closing the deficit.
 - B. What's the current balance of the Successor Agency?
Response: In theory, the balance is essentially zero. The Successor Agency provides the City each year with the exact amount needed to cover its recognized obligations.
 - Council Member Bonilla Jr. Questions:
 - A. Can you explain the nearly \$1 million charges-for-services line?
Response: This relates to development services. Staff had anticipated some larger transactions tied to specific projects, but those projects have been delayed. The swing reflects a regional slowdown in development

activity, alongside continued declines in real property transfer tax revenue; staff have been repeatedly revising this revenue downward and are hoping the market normalizes.

- B. Would you characterize the items below "Emergency Reserve" on the list as one-time in nature?

Response: I would say they're short-term. The bottom three items on that list are one-time in nature. Others (e.g., IT fund, workers' compensation fund) represent excess balances being drawn down and can sustain another year or two of use before becoming unsustainable, though staff do not want to leave those funds in a negative position.

- C. With roughly \$500,000 remaining in the overtime budget and one month left in the fiscal year, is the department on track to stay within the target?

Response: Based on recent monthly trends, staff expect to come in on target barring anything significant.

- Council Member Syrop Questions:

- A. Sales tax shows a projection of \$46 million but unaudited actuals of \$36 million, are we expecting to receive the remaining \$10 million in revenue by the end of the month?

Response: No, sales tax reporting runs about two months behind, so the gap reflects timing, not a shortfall.

- B. How much does the City bring in annually, on average, in the fines and forfeitures category?

Response: Staff will follow up with the specific figure. Fines and forfeitures are generally unrestricted, general-fund revenue, usable for any purpose, versus restricted funds.

- C. Is the Successor Agency structured to eventually wind down?

Response: Yes, that is the intended goal, though outstanding issued obligations mean the agency will continue providing funding to pay them off until they are satisfied.

- D. Is overtime seasonal, for example, driven by wildfires or higher call volume in warmer months?

Response: Yes, generally overtime tends to run higher in hotter months due to increased fire activity, though City personnel responding to incidents outside city limits are typically reimbursed by the State which helps offset the cost over time.

Action: The Committee received the presentation and provided feedback.

3. Debrief of Adopted FY 2026-27 Operating Budget City Council Meeting

- Finance Director DeAnna Hilbrants presented
- Mayor Salinas Questions:
 - A. Mayor agreed with committee's comments and suggestions.
- Council Member Bonilla Jr. Questions:
 - A. Council Member agreed with committee's comments and suggestions.
- Council Member Syrop Questions:

- A. Has there been any movement on discussion of compensation philosophy and reconsidering how compensation is structured given how quickly a small adjustment can become a multi-million-dollar ongoing cost?

Response: HR has been working with outside consultants on best practices and plans to bring a related item to the Committee in a September closed session

- B. Is there a way to use the City's property transfer tax authority to counteract slow home-sale activity and stimulate transactions?

Response: Staff indicated they can look into it but noted the property transfer tax is a one-time, relatively small cost in a home sale and is unlikely to be the primary factor suppressing sales. Staff believe elevated interest rates are the larger driver of the slow market.

Action: The Committee received the report and provided feedback.

4. Review and Approve the 2026 Council Budget and Finance Committee Agenda Planning Calendar

- Director of Finance DeAnna Hilbrants Presented.
- Mayor Salinas requested a dedicated discussion on how revenue would be spent and its intended purpose should the Business License Tax measure pass.
- Council Member Syrop requested discussion on budget to staff salaries ratios.
- Council Member Bonilla requested discussion on how one-time funding is allocated.

Action: The Committee received the report and staff will complete requests.

Committee Members/Staff Announcements: None.

Adjournment: The meeting was adjourned at 6:24 p.m.