



COUNCIL BUDGET & FINANCE COMMITTEE MEETING
Meeting Minutes of May 20, 2026

Call to Order: 5:31 p.m.

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

Members Absent: None

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

Guests: Whitney Crockett, Maze & Associates

Public Comments: None

1. Approval of Meeting Minutes from March 18, 2026
Action: Minutes reviewed and approved by Councilmember Syrop and Mayor Salinas.

 2. FY 2025 Annual Audit Process
 - Director DeAnna Hilbrants and guest Whitney Crockett presented.
 - Mayor Salinas Questions:
 - A. What would be the nature of the audit opinion?
Response: The opinion isn't going to mention or call out findings. It's going to refer to this other document, the Memorandum on Internal Control, that is actually going to outline the severity and all the findings, and it's not going to name call.
 - B. When will the audit be complete?
Response: I think we'll have a good idea after this June wrap-up.

 - Councilmember Bonilla Jr. Questions:
 - A. Councilmember provided feedback on presentation.

 - Councilmember Syrop Questions:
 - A. What potential insight would I be able to glean from this memorandum or is it not going to touch some of the issues that came up that led to the deficit?
Response: To an extent, as far as the deficit relates to the financial statements in that year.
- Action: The Committee received the presentation and provided feedback.*

3. Receive an Oral Report and Provide Comments on the Fiscal Year 2025-26 Monthly Budget Update

- Finance Director DeAnna Hilbrants presented
- Councilmember Salinas Questions:
 - A. What's the status of the market right now?
Response: There's still transactions happening. Some of this would anticipate some commercial transactions, which tend to be higher. I know we had one very recent. There's always homes that are turning over.
 - B. Where do we see the cannabis tax going?
Response: We can work with our consultant and bring them back next month. It's likely another victim of the economy.
 - C. Do we know who has the lowest cannabis tax?
Response: Alameda Unincorporated has the lowest tax.
 - D. Do we want to have a policy around positions that are funded with grants that require us to review them by a certain date on a regular basis?
Response: We do; we can add this to our future agenda. That's the next agenda item, but certainly we can add that to a future agenda in terms of what grants are funded.
- Councilmember Bonilla Jr. Questions:
 - A. Councilmember commented that tax rate on cannabis may incentivizing consumers.
 - B. Can you explain the intergovernmental charges for service use?
Response: There's two big pieces- one is the fire contract was higher than was budgeted, so that was good. Also, we identified we had some revenue in a grant fund.
 - C. Councilmember asked staff if they were prepared to locate \$2 million due from the loss of revenue.
Response: We've built it to this number now. You'll see the transfers, which is the next slide, so that the revenue and the expenses match.
- Councilmember Syrop Questions:
 - A. The excise tax sunsets pretty soon, right? Is it just for hotels or other industries that's impacting, and are we prepared for losing that \$2 million?
Response: It is built into our forecast.
 - B. What is the function of an excise tax, and would it provide value?
Response: It would have to go to the voters. The point of it was that the tax would pay for the bond payments to seismically retrofit so that our emergency services would be able to perform in case of a big emergency.

Action: The Committee received the report and provided feedback.

4. Discuss the Proposed FY2026-27 Operating Budget City Council

Action: The Committee received the report and provided feedback

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

- Director of Finance DeAnna Hilbrants Presented.

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

Committee Members/Staff Announcements: None.

Adjournment: The meeting was adjourned at 6:54 p.m.