



**Michael J. Garcia, Mayor**

**Date:** May 21, 2026

**To:** Governing Body

**From:** Andrea Phillips, Interim Finance Director <sup>AP</sup>  
Andy Hopkins, Budget Officer ANDREA PHILLIPS  
*AJH*

**Via:** Brian Moya, Interim City Manager <sup>BM</sup>  
BM

**RE:** FY2026-2027 Budget – Finance Committee Action, Amendment A

## EXECUTIVE SUMMARY:

The Finance Department requests an amendment to the FY2026-2027 (FY27) Annual Operating Budget.

## ITEM AND ISSUE:

In the course of the City Council's review of the proposed FY27 budget, two errors were discovered:

1. Due to ambiguous wording in the original memo from the Affordable Housing Division of the Planning & Land Use Department requesting the addition of Project Manager positions, two positions were approved for addition to the proposed FY27 budget, but only one position was budgeted. The request also incorporated a request for equipment for the position(s), including a computer, software and mobile phone, which would be purchased by the Information Technology and Telecommunications (ITT) Department and charged to the Affordable Housing Division via the Services of Other Departments account. When staff discovered the error, staff determined that not only did the second position need to be budgeted, the requested list of equipment would have to be increased as well in order to provide the necessary equipment for the second position. The correction of this error would require changes to the proposed FY27 budget for the Affordable Housing Division, ITT Department, and the Finance Department, as detailed in the proposed Amendment A to the FY27 Annual Operating Budget Resolution which is attached to this memo.

## City Council

Alma G. Castro, District 1  
Patricia Feghali, District 1

Elizabeth "Liz" Barrett, District 2  
Paul C. Bustamante, District 2

Lee Garcia, Mayor Pro Tem, District 3  
Pilar F.H. Faulkner, District 3

Jamie Cassutt, District 4  
Amanda Chavez, District 4

2. Upon review of the proposed FY27 budget for the Public Works Department, staff discovered that part of the debt service budget was inadvertently omitted from the proposed FY27 budget. Specifically, the debt service payable for the LED Streetlights and Citywide Solarization Projects was entered incorrectly in both the Public Works and the Public Utilities Departments. The correction for this error would result in changes to the proposed FY27 budget for both of these Departments, as detailed in the proposed Amendment A to the FY27 Annual Operating Budget Resolution, which is attached to this memo.

Both of the changes summarized above are fully funded within existing City resources and require no additional revenues in any funds in order to implement.

The amendment would result in an increase to the proposed FY27 All Funds Expenditures budget of \$513,069, thereby increasing All Funds Expenditures budget from \$521,144,821 to \$521,657,890. The amendment would also result in an increase to the proposed FY27 All Funds Revenue budget of \$153,634, thereby increasing the All-Funds Revenue budget from \$512,966,483 to \$513,120,117.

The amendment would result in an increase to the proposed FY27 General Fund expenditures budget of \$146,231, thereby increasing the General Fund expenditures budget from \$176,554,450 to \$176,700,681. The amendment would also result in an increase to the proposed FY27 General Fund revenue budget of \$146,231, thereby increasing the General Fund revenue budget from \$176,554,450 to \$176,700,681.

Changes to individual lines in the proposed FY27 budget are detailed in Amendment A, attached to this memo.

**ACTION REQUESTED:**

The Finance Department requests approval of Amendment A to the FY27 Annual Operating Budget.

**ATTACHMENT:**

Amendment A