



AGENDA

Special City Council Meeting,

Successor Agency to the
Former Redevelopment Agency and the
Wasco Public Finance Authority

Tuesday, April 21, 2026 – 6:00 pm.

Council Chambers

746 8th Street, Wasco, CA 93280

www.cityofwasco.org

AGENDA AVAILABILITY: The City Council Agenda is posted on the bulletin board at the entry of City Hall 746 8th Street, Wasco, at the entrance of 764 E Street, Wasco, and at the entry of the Sheriff's Office 748 F Street, Wasco. The agenda packet, meeting minutes, and archived City Council meetings are available on the City's website at www.cityofwasco.org.

AGENDA MATERIALS: City Council agenda materials are released no later than 24 hours prior to a Special meeting and are available to the public at the City Clerk's Office, 746 8th Street, Wasco, CA, in a public binder at each City Council meeting, and on the City's website at <https://www.cityofwasco.org/AgendaCenter>

PUBLIC COMMENTS: This is a special meeting, and only comments or statements concerning the Agenda items listed below are allowed (GC54954.3a). Public comments may be made in person or via email. **If you would like to submit a public comment via email**, please submit email comments to cityclerk@cityofwasco.org **no later than 4:00 p.m. A.**

Every effort will be made to read your comment into the record; however, they are limited to two (2) minutes. If a comment is received after the specific time mentioned above but before the meeting is adjourned, the comment will still be included as a part of the record of the meeting but will not be read into the record.

Please be advised that communications directed to the City Council are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under the applicable law. Communications will NOT be edited for redactions and will be printed/posted as submitted.

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INTERPRETACIÓN EN ESPAÑOL: Si necesita una interpretación de sus comunicaciones al Concejo Municipal del español al inglés, comuníquese con el Departamento del Secretario de la Ciudad al 661-758-7215 o por correo electrónico a cityclerk@cityofwasco.org. **Sujeto a disponibilidad.**

SPECIAL MEETING – 6:00 pm

- 1) **CALL TO ORDER:** Mayor
- 2) **ROLL CALL:** Mayor Saldaña, Mayor Pro Tem Reyna, Council Members: Martinez, Medina, Raya
- 3) **FLAG SALUTE:** led by the Mayor
- 4) **NEW BUSINESS:**
 - a. City Council finds this action is not a project not a "project" under Section 15378 of the CEQA Guidelines; Adopt a Resolution approving the mid-year operating budget adjustments totaling a \$406,224 increase. (Blakemore)
- 5) **ADJOURNMENT:**

This is to certify that this agenda was posted at Wasco City Hall on April 21, 2026, on/or before 6:00 p.m., 24 hours prior to the scheduled meeting. The agenda is also available on the City website at www.cityofwasco.org.



Maria O. Martinez, CMC
City Clerk

All agenda item supporting documentation is available for public review on the city website, www.cityofwasco.org, and the office of the City Clerk of the City of Wasco, 746 8th Street, Wasco, CA 93280, during regular business hours, 8:00 am – 4:30 pm Monday through Thursday and 8:30 am – 4:30 pm Friday (closed alternate Friday's), following the posting of the agenda. Any supporting documentation related to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location and available at the meeting. **Please remember to turn off all cell phones, pagers, or electronic devices during Council meetings.**

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If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (661) 758-7215 to make reasonable arrangements to ensure accessibility to this meeting. Telephone (661) 758-7215. Requests for assistance should be made at least two (2) days in advance whenever possible.



STAFF REPORT City of Wasco

TO: Honorable Mayor and Council Members

FROM: M. Scott Hurlbert, City Manager
Tracy Blakemore, Finance Director

DATE: April 21, 2026

SUBJECT: Adopt a Resolution approving the mid-year operating budget adjustments totaling a \$406,224 increase.

Recommendation:

Staff recommends that the City Council:

- 1) Adopt a resolution approving the mid-year operating budget adjustments totaling a \$406,224 increase; and
- 2) Find that this action is not a project defined under the California Environmental Quality Act State Guidelines; therefore, no environmental review is required pursuant to State Guidelines Section 15378.

Environmental Review:

The staff has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA guidelines because the proposed activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

Background:

This report provides an overview of the City of Wasco's General Fund financial condition at the midpoint of the 2025–26 fiscal year, along with updated year-end projections (Exhibit A and B). It also outlines proposed budget adjustments in response to developments that have occurred since the budget was adopted.

The Mid-Year Budget Review covers the first nine months of the fiscal year, from July 1, 2025, through March 31, 2026. The analysis focuses on the City's primary operating funds—General Fund, Wastewater, Water, and Sanitation—which are essential to maintaining core services. The General Fund's primary revenue sources—Property Tax, Sales Tax, Measure X, and Motor Vehicle License Fees—continue to serve as its financial foundation.

Discussion:**General Fund Overview**

At mid-year, General Fund revenues and expenditures are generally tracking within expected ranges. While revenue collections may appear lower than anticipated, this is primarily due to normal timing differences in the receipt and posting of revenues through March. Historically, the City's major revenue sources have consistently met or exceeded budget expectations. Staff will continue to monitor revenue trends to ensure alignment with projections.

Key General Fund revenues remain consistent with projections included in the adopted 2025–26 Budget. The revised year-end fund balance is projected at \$25.6 million, representing 147% of operating expenditures (\$17.4 million), significantly exceeding the City's minimum reserve policy of 35%. The policy level enables the City to meet at least three months of operating obligations.

General Fund Fiscal Review

Exhibit A (Slide 5) and Exhibit B present General Fund revenues, expenditures, and changes in fund balance. The first three columns—"FY 2024–25 Budget," "FY 2024–25 Projected," and "Adopted FY26 Budget"—are drawn directly from the adopted FY26 Budget.

The beginning FY 2024 fund balance has been adjusted to align with audited financial statements, excluding Fund 71 (CIP). Fund 71 is omitted because its revenues and expenditures were not incorporated into the adopted FY26 Budget and are therefore not included in this analysis.

A comparison between the adopted budget and the budget entered into Munis revealed a \$200,000 variance, attributable to a transposition error in the adopted FY26 Budget.

The revised budget reflects a \$490K increase from the entered budget, representing Council-approved adjustments during FY26. Of this amount, \$460K is associated with approved contracts with Motorola Solutions (P25 RF Expansion) and Airwave Communications (dispatch console upgrades), authorized on December 22, 2025.

Slides 6 and 7 summarize mid-year adjustments totaling \$406,224, consisting of a \$493,000 increase in revenues and \$86,776 in additional expenditures. These adjustments result in a projected ending General Fund balance of \$25,588,014, a decrease of approximately 0.3% from the budget entered into Munis. Despite this minor change, the General Fund remains balanced, with revenues exceeding operating expenditures.

PROPOSED OPERATING BUDGET ADJUSTMENTS			
Department	Description	Action	Amount
General	Sales Tax	Increase	186,000
General	Measure X	Increase	307,000
		Revenue	493,000
Police 01143	Background Investigations	Increase	30,000
Police 01143	Auto Repair	Increase	17,000
PAL 01142	Office Supplies / Expense	Increase	3,026
Economic Development 01165	Professional Services	Increase	42,000
Engineering 01135	Grading Plan Check	Increase	10,000
Engineering 01135	Improvement Plan Check	Increase	1,500
Human Resources 01120	Variety of accounts	Decrease	(16,750)
		Expense	86,776
		Net Change (Increase)	406,224

Slide 8 illustrates the historical General Fund balance, showing a gradual decline after peaking in FY23/24. However, the overall balance remains strong and significantly higher than in earlier years. The projected FY25/26 ending balance of approximately \$25.6 million remains well above FY20/21 levels, confirming continued financial stability.

The City's top seven revenue categories have consistently outperformed budget projections from FY23 through FY25, reflecting strong growth in key areas such as sales tax, property tax, and motor vehicle license fees. Although FY26 revenues appear lower at this stage, this reflects timing differences, as only nine months of data are included. Certain revenues are received later in the fiscal year.

According to HdL's April 2026 analysis, sales tax is projected to exceed the revised budget by \$186,000, while Measure X revenues are expected to surpass projections by \$307,000. Based on historical trends and updated forecasts, revenues are anticipated to meet or exceed budget by year-end. Projections for FY27 indicate flat growth for both Sales Tax and Measure X.

Enterprise Funds

The City's Enterprise Funds—Wastewater, Water, and Sanitation—are monitored closely to ensure revenues adequately support operations, capital improvements, and long-term sustainability. These funds are designed to be self-supporting through user fees rather than General Fund support.

Wastewater Fund (slides 9 & 10)

Wastewater revenues are performing well, reaching approximately 79.5% of the annual budget as of March 31, 2026. Expenditures are at 41.5%, below expected levels due to timing differences, including outstanding vendor invoices not yet processed.

Water Fund (slides 11 & 12)

Water Fund revenues and expenditures are currently at 8.7% and 10.9% of the budget, respectively, as of March 31, 2026. These lower percentages are primarily due to the timing of grant-funded activities.

A significant portion of the Water Fund budget is dedicated to grant-funded capital projects. Expenditures are recorded as project costs are incurred, while related revenues are recognized once qualifying expenditures are incurred, in accordance with grant requirements. In addition, many of these projects span multiple fiscal years, contributing to lower year-to-date budget realization.

Of the \$31.1 million in budgeted revenue, \$27.9 million is associated with grants. Grant-related expenditures totaled \$1.3 million through March 31, 2026, and are currently in the process of being billed by Dee Jasper.

These variances reflect normal grant accounting timing and do not indicate underperformance. Activity is expected to trend closer to budget as projects progress and reimbursements are received.

Sanitation Fund (slide 13 & 14)

The Sanitation Fund is performing strongly, with revenues reaching approximately 91.4% of the annual budget, reflecting consistent service charge collections.

Expenditures are at 30.3%, below mid-year expectations due to timing differences, including delayed spending and scheduled capital purchases.

The FY25/26 budget includes approximately \$1.3 million in capital improvement projects, primarily for fleet, equipment replacement and parking. Some of these expenditures may be deferred to future fiscal years.

Although the budget anticipates using fund balance for these capital investments, current performance reflects a positive operating position. The ending fund balance is projected at approximately \$5.6 million, indicating continued financial stability.

Key Takeaways

The mid-year financial review indicates that the City of Wasco remains in a strong fiscal position. The General Fund balance of \$25.6 million significantly exceeds the established reserve policy.

While revenues and expenditures are generally tracking as expected, ongoing economic factors—including inflation, slowing sales tax growth, rising fuel costs, and ongoing labor negotiations—require continued monitoring.

The City's commitment to responsible and sustainable budgeting practices supports the continued delivery of essential services while maintaining long-term financial health.

Staff will continue to monitor revenue trends, legislative changes, and state and federal budget developments. Adjustments will be made as necessary to preserve fiscal stability.

Fiscal Impact

The proposed mid-year adjustments result in a net positive fiscal impact of approximately \$406,224 to the fund balances identified above.

Attachments:

1. Resolution
2. Exhibit A (Mid-Year Adjustment Breakdown)
3. Exhibit B (General Fund Revenues, Expenditures & Changes in Fund Balance)

RESOLUTION NO. 2026 - _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WASCO APPROVING THE FY 2025-26
MID-YEAR BUDGET ADJUSTMENTS**

WHEREAS, the Finance Department of the City of Wasco has prepared the Mid-Year Budget Review for the fiscal year 2025-2026 and identified needed adjustments to the budget document totaling \$406,224 as shown in Exhibit A, attached hereto.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Wasco as follows:

SECTION 1: Approve the FY 2025-26 proposed Mid-Year operating budget adjustments totaling \$406,224.

SECTION 2: That the City Council of the City of Wasco accepts the mid-year financial report, and directs the Finance Director to incorporate these amendments into the 2025-2026 annual operating budget.

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I HEREBY CERTIFY that the foregoing Resolution No. 2026 - _____ was passed and adopted by the Council of the City of Wasco at a special meeting thereof held on April 21, 2026, by the following vote:

COUNCIL MEMBERS: SALDAÑA, REYNA, MARTINEZ, MEDINA, RAYA

AYES:

NOES:

ABSTAIN:

ABSENT:

EDUARDO SALDAÑA,
MAYOR of the City of Wasco

Attest: _____

MARIA O. MARTINEZ, CMC
CITY CLERK and Ex Officio Clerk of
the Council of the City of Wasco

Exhibit A – Mid Year Adjustment Breakdown

PROPOSED OPERATING BUDGET ADJUSTMENTS			
Department	Description	Action	Amount
General	Sales Tax	Increase	186,000
General	Measure X	Increase	307,000
		Revenue	<u>493,000</u>
Police 01143	Background Investigations	Increase	30,000
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Human Resources 01120	Variety of accounts	Decrease	(16,750)
		Expense	<u>86,776</u>
		Net Change (Increase)	<u><u>406,224</u></u>

Budget Overview

General Funds Revenues, Expenditures & Changes in Fund Balance

Funds 01, 10, 11, 16, 23

	2024-25 Budget	2024-25 Projected	2025-26 Adopted Budget	2025-26 Entered Budget	2025-26 Revised Budget	Proposed Mid Year Adjustments	Projected 2025-26 Budget
FUND BALANCE, BEGINNING OF YEAR (A)	30,207,227	30,207,227	28,525,025	28,525,025	28,525,025		28,525,025
REVENUES							
TAXES AND FRANCHISE FEES							
GENERAL PROPERTY TAX	875,000	866,250	875,000	875,000	875,000		875,000
VLF SWAP PROPERTY TAX	3,475,000	3,403,763	3,475,000	3,475,000	3,475,000		3,475,000
GENERAL SALES TAX	2,040,000	2,019,600	2,095,000	2,095,000	2,095,000	186,000	2,281,000
MEASURE X SALES TAX	3,125,000	2,757,490	3,090,000	3,090,000	3,090,000	307,000	3,397,000
FRANCHISE FEES	425,000	606,333	660,000	660,000	660,000		660,000
TRANSIENT OCCUPANCY TAX	170,000	168,300	150,000	150,000	150,000		150,000
BUSINESS LICENSE TAX	95,000	94,050	90,000	90,000	90,000		90,000
PROPERTY TRANSFER TAX	45,000	44,550	45,000	45,000	45,000		45,000
TOTAL TAXES	10,250,000	9,960,336	10,480,000	10,480,000	10,480,000	493,000	10,973,000
PERMIT AND SERVICE CHARGES							
DEVELOPMENT REVIEW	122,750	90,831	145,500	145,500	145,500		145,500
GENERAL & ADMINISTRATION ALLOCATIONS	3,547,498	2,755,391	3,547,498	3,547,498	3,547,498		3,547,498
OTHER CHARGES	357,334	348,629	401,850	401,900	401,900		401,900
TOTAL PERMIT AND SERVICE CHARGES	4,027,582	3,194,851	4,094,848	4,094,898	4,094,898	-	4,094,898
GRANT(S) / INTROGOVERNMENTAL	845,948	634,355	992,979	984,479	1,187,621		1,187,621
OTHER REVENUES	721,360	1,334,547	1,673,370	1,681,820	1,685,420		1,685,420
TOTAL REVENUES	15,844,890	15,124,089	17,241,197	17,241,196	17,447,938	493,000	17,940,938
EXPENDITURES							
OPERATING COSTS	16,169,264	14,853,949	17,154,402	17,150,891	17,293,908	86,776	17,380,684
CIP PROJECTS	622,517	184,076	704,514	708,025	801,750		801,750
TOTAL EXPENDITURES	16,791,781	15,038,025	17,858,916	17,858,915	18,095,657	86,776	18,182,433
OTHER SOURCES (USES)							
TRANSFERS IN	4,706,413	4,067,094	5,641,670	5,641,670	5,641,670		5,641,670
TRANSFERS OUT	(4,590,452)	(5,835,360)	(7,676,662) B)	(7,876,662)	(8,337,186)		(8,337,186)
TOTAL OTHER SOURCES (USES)	115,961	(1,768,266)	(2,034,992)	(2,234,992)	(2,695,516)	-	(2,695,516)
SOURCES OVER (UNDER) USES	(830,930)	(1,682,202)	(2,652,711)	(2,852,711)	(3,343,235)		(2,937,011)
FUND BALANCE, END OF YEAR	29,376,297	28,525,025	25,872,314	25,672,314	25,181,790	406,224	25,588,014

-0.3%

Change in Fund Balance
Projected Budget compared to Entered Budget

A) The General Fund balance as of June 30, 2024, has been adjusted to exclude Fund 71. The adopted FY 2025/26 budget included Fund 71 within total fund balance; however, its associated revenues and expenditures were not reflected in the detailed budget. This report presents General Fund activity for Funds 01, 10, 11, 16, and 23, excluding Fund 71.

B) Transposition error of \$200K in Adopted FY26 budget.