

CITY COUNCIL
STAFF REPORT

CITY OF CHULA VISTA

**October 27, 2026**

## ITEM TITLE

Financial Report and Appropriations: Quarterly Financial Report and Budget Appropriations for the Quarter Ending June 30, 2026 (Fourth Quarter Report)

**Report Number:** 26-0323

**Location:** No specific geographic location

**Department:** Finance

**G.C. § 84308 Regulations Apply:** No

**Environmental Notice:** The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## Recommended Action

Accept the quarterly financial report for the quarter ended June 30, 2026 (the "Fourth Quarter Report") and adopt the following resolutions: A) making various amendments to the fiscal year 2025-26 budget to adjust for variances and appropriating funds for that purpose (**4/5 Vote Required**); B) accepting donations in the amount of $31,007.50 from the Chula Vista Police Foundation in support of Police Department K9 operations.

## SUMMARY

The Finance Department, in collaboration with other City of Chula Vista ("City") departments, prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlights major variances that may require additional action or budgetary changes to the Amended Budget. This Fourth Quarter Report is as of June 30, 2026, and is submitted in accordance with Section 505(F) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager

In preparing the Fourth Quarter Report, staff identified various budgetary changes that are needed to accurately reflect actual revenues and expenditures or address changes in budgetary needs. For government entities, a budget creates a legal framework for spending during the fiscal year. After the budget is approved by the City Council, there are circumstances which arise that could require adjustments to the approved budget. Council Policy 220-02 "Financial Reporting and Transfer Authority" was established in January of

1996, amended October of 2023, and allows for budget transfers across budget categories and other adjustments to be completed. Budget transfers and adjustments processed pursuant to this authority are provided as Attachments 2 and 3 to this report. This Fourth Quarter Report discusses budget adjustments that staff recommend in the General Fund as well as various other funds to address identified fiscal issues.

## ENVIRONMENTAL REVIEW

The proposed activity has been reviewed for compliance with the California Environmental Quality Act ("CEQA"), and it has been 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.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION:

Not applicable.

## DISCUSSION

The Finance Department, in collaboration with other City departments, prepares quarterly financial reports for the General Fund and other funds that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes to the Amended Budget. The Fourth Quarter Financial Report is in compliance with Section 505(F) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager.

As part of the fiscal year 2025-26 year-end process, staff has reviewed budget to actual reports to identify potential overages and savings at the budget category or fund level. The data in this report represents the most current data available; staff will monitor the City's actual revenues and expenditures and will provide year-end actuals as part of the release of the City's Annual Comprehensive Financial Report. The Fourth Quarter Financial Report provides summary information for the following areas:

- Current economic environment
- Overview of the General Fund
- Details of General Fund revenues and expenditures
- Discussion on significant General Fund revenue and expenditure variances
- Overview of Non-General Operating Funds
- Recommended budget adjustments to General Fund, Other Funds and Capital Improvement Project expenditures budgets

The following information provides an overview of the General Fund and recommended budget adjustments included in the attached Fourth Quarter Report (Attachment 1).

### General Fund Overview

General Fund Revenues are estimated to exceed the Amended Budget by $2.1 million, primarily driven by an increase in Other Revenues offset by a reduction in Major Discretionary Revenues. General Fund Expenditures reflect a positive variance of $0.8 million compared to the Amended Budget. This results in an estimated General Fund surplus of $2.9 million that will be contributed to General Fund Reserves per the

Citywide Reserve Policy – Fiscal Health Plan (Policy No. 220-03). The Fourth Quarter Report provides a comprehensive financial overview for the quarter.

**Fiscal Year 2025-26 General Fund Overview**
***Table 1*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance[1] |
|---|---|---|---|---|
| **Revenue Source** | | | | |
| *Major Discretionary Revenues* | | | | |
| Property Tax | $ 58.4 | $ 58.4 | $ 54.6 | $ (3.9) |
| Property Tax in lieu of VLF | 33.8 | 33.8 | 34.0 | 0.2 |
| Sales Tax | 51.2 | 51.2 | 52.4 | 1.2 |
| Measure P Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Measure A Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Franchise Fees | 15.4 | 15.4 | 16.4 | 1.0 |
| Transient Occupancy Tax | 21.7 | 21.7 | 20.6 | (1.2) |
| Utility Users Tax | 3.7 | 3.7 | 3.7 | - |
| **Major Discretionary Revenues Subtotal** | 246.0 | 246.0 | 243.8 | (2.2) |
| *Other General Fund Revenues* | | | | |
| Other Revenues | 59.6 | 62.8 | 67.1 | 4.3 |
| **Other General Fund Revenues Subtotal** | 59.6 | 62.8 | 67.1 | 4.3 |
| **Total Revenues/Sources** | **$ 305.6** | **$ 308.8** | **$ 310.8** | **$ 2.1** |
| **Expenditures** | | | | |
| Personnel Services | $ 161.8 | $ 162.8 | $ 162.1 | $ 0.7 |
| *Non-Personnel* | | | | |
| Supplies and Services | 28.6 | 33.6 | 32.4 | 1.2 |
| Other Expenses | 2.7 | 3.6 | 3.7 | (0.1) |
| Transfers Out | 100.0 | 103.3 | 103.9 | (0.6) |
| Internal Services | 4.6 | 4.6 | 4.6 | - |
| Utilities | 7.7 | 8.0 | 8.5 | (0.5) |
| Other Expenditures Category[2] | 0.2 | 0.6 | 0.5 | 0.1 |
| *Total Non-Personnel* | 143.8 | 153.7 | 153.3 | 0.4 |
| **Total Expenditures** | **$ 305.6** | **$ 316.5** | **$ 315.7** | **$ 0.8** |
| **Use of Prior Year Fund Balance** | **$ -** | **$ (7.7)** | **$ (7.7)** | **$ -** |
| **Total General Fund Surplus/(Deficit)** | **$ -** | **$ -** | **$ 2.9** | **$ (2.9)** |
| **Contribution to Reserves per Policy** | **-** | **-** | **(2.9)** | **2.9** |
| **Total General Fund Surplus/(Deficit)** | **$ -** | **$ -** | **$ -** | **$ -** |

[1] Variance compares the Amended Budget and the Year-End Projection.
[2] Other Expenditures Category includes: Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures.
*Tables may not tie due to rounding

## General Fund Revenues

The City's General Fund revenues are anticipated to end the year exceeding the Amended Budget by

approximately $2.1 million. This overage is a combination of Other General Fund Revenues exceeding the Amended Budget by $4.3 million offset with less than anticipated Major Discretionary Revenues of $2.2 million. The variance in Major Discretionary Revenues reflect increases in Sales Tax, Measure A Sales Tax, Measure P Sales Tax, Franchise Fees and Property Tax in Lieu of VLF offset with decreases in Property Tax and Transient Occupancy Tax ("TOT") revenues.

Major Discretionary Revenues

Sales Tax revenue is expected to exceed the Amended Budget by $1.2 million. Based on the latest information from HdL, the City's sales tax consultant, this positive variance is primarily driven by consumer spending and heightened regional economic activity from major Southern California events, including the Super Bowl and the FIFA World Cup. Franchise Fees revenues are also projected to exceed the Amended Budget by approximately $0.9 million, primarily attributed to higher than anticipated receipts from solid waste franchise fees and San Diego Gas & Electric (SDG&E) franchise fees. Similarly, Measure A Sales Tax, Measure P Sales Tax revenues and Property in Lieu of VLF are expected to exceed the Amended Budget by $0.8 million combined. These positive variances in Major Discretionary Revenues are partially offset by decreases in Property Tax and TOT revenues. As first reported in the Second Quarter Report, Property Tax revenues are projected to be $3.9 million below the Amended Budget, which was developed based on the assessed valuation report provided by the County. While we continue to see growth in property tax over the prior fiscal year's actuals of 5.2%, this growth is lower than anticipated in the budget. TOT revenues are expected to be $1.2 million below the Amended Budget, reflecting the delayed opening of two new hotels and revised revenue assumptions informed by actual receipts in the current fiscal year.

Other Revenues

Other revenues are projected to exceed the Amended budget by approximately $4.3 million primarily from a transfer from the Other Post Employment Benefit ("OPEB") Reserve Fund of $0.8 million for eligible OPEB expenditures in the General Fund and an increase of anticipated investment earnings. Additionally, this category is exceeding the Amended Budget due to increases in departmental revenues associated with staff time reimbursement and are detailed in the General Fund Revenues section of the Fourth Quarter Report.

**General Fund Expenditures**

The City's General Fund expenditures are projected to be lower than the Amended Budget by $0.8 million. The projected overage in Utilities, Transfers Out and Other Expenses totaling $1.2 million combined are expected to be offset with a decrease in Personnel Services, Supplies and Services and Other Expenditures Category of $2.0 million combined, resulting in a positive fiscal impact. The reduction in Personnel Services and Supplies and Services is primarily attributable to savings from vacant positions citywide and lower than anticipated operational expenses in various departments. The increase in the Transfers Out category is driven by additional transfers to the Measure A and Measure P Sales Tax Funds due to higher anticipated sales tax revenues, alongside transfers associated with the Bayfront development. This increase also reflects a supplemental transfer to the Public Liability Trust Fund to cover rising litigation costs.

## General Fund Reserves

In accordance with the Citywide Reserve Policy – Fiscal Health Plan (Policy No. 220-03), the City is required to fund General Fund Reserves through surplus funds after the close of the fiscal year. Surplus funds are calculated at year-end and represent excess fund balance that is not otherwise designated and remains available for appropriations. Based on the Fourth Quarter Report, the City is projecting approximately $2.9 million in available surplus funds for contribution to the General Fund Reserves. This contribution is expected to fully fund the Operating Reserve at its 15% target and the Economic Contingency Reserve at its 5% target. The Catastrophic Event Reserve, however, is projected to remain slightly below its 3% target, at approximately 2.8%.

## Fiscal Year 2025-26 Budget Adjustments

Staff are recommending various budget adjustments, appropriations, and transfers to City Departmental General Fund and Other Funds budgets that require City Council authorization. Amendments with financial impact of $75,000 or greater that exceed the budget transfer authority per policy are detailed in this report. For a comprehensive list of all other amendments, please refer to the Fourth Quarter Report.

## General Fund Adjustments

The proposed adjustments result in no net impact to the fiscal year 2025-26 General Fund budget. This includes transfers of General Fund appropriations of approximately $479,050 from Personnel Services Expenditures to Non-Personnel Expenditures in various departments. The recommended budget adjustments are shown in Table 2 below. Additional details by budget category can be found in Exhibit 1 to the Resolution.

**General Fund Budget Adjustments Summary**

***Table 2***

| Department | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Non-Departmental | $ 111,391 | $ 1,120,380 | $ 1,231,771 | $ - | $ 1,231,771 |
| Public Works | 523,376 | 234,004 | 757,380 | - | 757,380 |
| Parks and Recreation | 196,687 | (17,059) | 179,628 | - | 179,628 |
| Information Technology | 30,494 | 62,176 | 92,670 | - | 92,670 |
| City Attorney | (184,524) | 263,566 | 79,042 | - | 79,042 |
| Library | 23,495 | 12,604 | 36,099 | - | 36,099 |
| Police | (650,671) | (25,000) | (675,671) | - | (675,671) |
| Administration | (300,000) | (35,000) | (335,000) | - | (335,000) |
| City Clerk | - | (331,024) | (331,024) | - | (331,024) |
| Fire | (291,953) | (22,181) | (314,134) | - | (314,134) |
| Finance | 244,223 | (549,121) | (304,898) | - | (304,898) |
| Animal Care Facility | (64,000) | (75,000) | (139,000) | - | (139,000) |
| Human Resources | 111,111 | (240,921) | (129,810) | - | (129,810) |
| Economic Development | - | (87,053) | (87,053) | - | (87,053) |
| Engineering/Capital Projects | (228,679) | 168,679 | (60,000) | - | (60,000) |
| **Total General Fund** | **$ (479,050)** | **$ 479,050** | **$ -** | **$ -** | **$ -** |

Below are additional details of recommended expenditure budget adjustments exceeding $75,000:

*Non-Departmental:* Increase to Personnel Services and Non-Personnel Expenditures for total increased

appropriations of $1,231,771. These increases are mainly due to increases in transfers associated with public liability costs, Bayfront development obligations, and to Measure A and Measure P Sales Tax Funds and various encumbrances.

*Public Works:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $757,380, for higher reimbursed overtime and rising utility costs.

*Parks and Recreation:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total increased appropriations of $179,628 for increased hourly costs associated with recreation program operations.

*Information Technology:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $92,670 for additional costs associated with the Interim Department Director contract.

*City Attorney:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $79,042 for increases in litigation costs.

*Police:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $675,671 driven primarily from department vacancies.

*Administration:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $335,000 driven primarily from department vacancies.

*City Clerk:* Decrease to Non-Personnel Expenditures of $331,024 from savings in election costs.

*Fire:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $314,134 driven primarily from department vacancies.

*Finance:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decrease of appropriations of $304,898 from savings in contracted services.

*Animal Care Facility:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $139,000 largely due to savings in contracted services and department vacancies.

*Human Resources:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decreased appropriations of $129,810 due to savings in contracted services.

*Economic Development:* Decrease to Non-Personnel Expenditures of $87,053 from savings in contracted services attributable to deferred operational timelines.

*Engineering/Capital Projects:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for a total decreased appropriations of $60,000 primarily from department vacancies.

**Other Fund Adjustments**

The recommended adjustments in Table 3 below are for funds other than the General Fund that result in a fiscal impact at the revenue and expenditure level. Additional details by budget category can be found in Exhibit 1 to the Resolution.

The recommended adjustments are offset by additional current year revenues or the available fund balance of the respective funds.

**Other Fund Budget Adjustments Summary**
***Table 3***

| Other Funds | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Transport Enterprise | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | 9 | 9 | - | 9 |
| State Grants | 475,080 | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | 832 | 832 | (832) | - |
| OV Rd Fee Recovery District | - | 800 | 800 | (800) | - |
| Other Transportation Program | - | 421 | 421 | (421) | - |
| 2018 Measure A Sales Tax | 750,647 | (750,647) | - | - | - |
| **Total Other Funds** | **$ 1,097,165** | **$ 5,427,094** | **$ 6,524,259** | **$(3,765,830)** | **$2,758,429** |

Below are additional details of recommended expenditure budget adjustments exceeding $75,000:

*Transport Enterprise*: Increase to Non-Personnel Expenditures of $4,032,333 partially offset from available fund balance of $1,986,373 and estimated increased revenues of $2,045,960 for increased contract costs and payments resulting from program audits.

*Central Garage:* Increase to Non-Personnel Expenditures of $652,255 partially offset from available fund balance of $277,255 and estimated increased revenues of $375,000 for increased automotive maintenance costs.

*Public Liability Trust:* Increase to Non-Personnel Expenditures of $198,392 from available fund balance for litigation costs.

*Federal Grants:* Increase to Non-Personnel Expenditures of $150,412 from available fund balance to correct a carry-forward grant administrative error.

*CDBG Housing Program:* Increase to Non-Personnel Expenditures of $110,997 partially offset from available

fund balance of $83,997 for a fund balance transfer to correct prior-year revenue misallocations.

*Chula Vista Muni Golf Course*: Increase to Non-Personnel Expenditures of $432,154 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Advanced Life Support Program*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $265,259 fully offset from estimated increased revenues primarily for increased capital purchases and transfers out, driven by fire suppression differential costs.

*Sewer Service Revenue*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $182,043 fully offset from estimated increased revenues primarily for higher-than-anticipated transfers out for other fund reimbursements.

*Workers Compensation Fund*: Increase to Non-Personnel Expenditures of $170,429 fully offset from estimated increased revenues for additional claims expenses.

*Donations*: Increase to Non-Personnel Expenditures of $148,721 fully offset from estimated increased revenues for donations received for several departments.

**Donations Acceptance**

In accordance with Donations Policy 270-01, the Police Department is requesting City Council approval for the acceptance of a police canine and Dual Training Academy with an estimated value of $31,007.50. Terms include that the City funds ongoing veterinary, equipment, gear, training and food of police canine.

**Preparation of the Annual Comprehensive Financial Report**

Staff recommends that the City Council authorize the City Manager to amend the fiscal year 2025-26 budget and approve appropriations and transfers in the General Fund and various other funds to ensure audited actuals resulting from final year-end closing entries do not exceed budget.

Staff recommends that the Director of Finance report any amendments to the fiscal year 2025-26 budget and appropriations and transfers to the General Fund and various other funds approved by the City Manager in the next quarterly financial report.

## DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and have not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

## CURRENT-YEAR FISCAL IMPACT

The Fourth Quarter Report presents projected revenue and expenditure amounts as of June 30, 2026, with updates through October 16, 2026, as the most current information available. Approval of the resolution amending the fiscal year 2025-26 budget will result in the following fiscal impacts:

**General Fund** – The proposed adjustments result in no net impact to the fiscal year 2025-26 budget. This includes a transfer of expenditures in various budget categories in General Fund appropriations.

**Other Funds** – The proposed adjustments result in a negative net impact to the fiscal year 2025-26 budgets of the Other (non-General Fund) Funds of $2,758,429. This includes an increase in appropriations of approximately $6,524,259 and an increase in estimated revenues of $3,765,830.

## ONGOING FISCAL IMPACT

Staff will review the impacted budgets to identify potential ongoing impacts and may recommend budgetary adjustments to Council during fiscal year 2026-27 quarterly reports.

## ATTACHMENTS

1. Fiscal Year 2025-26 Fourth Quarter Report
2. General Fund Budget Transfers
3. General Fund Budget Amendments
4. Donation Acceptance Form - Canine and Dual Training Academy

*Staff Contact:* *Ed Prendell, Budget and Analysis Manager*
*Maritza Vargas, Fiscal and Management Analyst*
*Adrian Del Rio, Director of Finance/Treasurer*

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA MAKING VARIOUS AMENDMENTS TO THE FISCAL YEAR 2025-26 BUDGET TO ADJUST FOR VARIANCES AND APPROPRIATING FUNDS THEREFOR

WHEREAS, the Charter of the City of Chula Vista states that at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by a motion adopted by the affirmative votes of at least four members; and

WHEREAS, staff has completed the budget review for the quarter ending June 30, 2026 and recommends a number of budget amendments in the General Fund and various other funds to align the budget with anticipated year-end actuals where the actuals are expected to exceed the budget; and

WHEREAS, staff has prepared a comprehensive list of all amendments, which are identified as Exhibit 1, attached hereto and incorporated herein by reference; and

WHEREAS, staff recommends a transfer of expenditures of $479,050 across various departments in the General Fund, resulting in no net fiscal impact to the General Fund; and

WHEREAS, the Transport Enterprise Fund, Central Garage Fund, Public Liability Trust Fund, Federal Grants Fund, CDBG Housing Program Fund, Parking Meter Fund, Special Sewer Fund and Equipment Lease Fund will be negatively impacted due to adjustments that will add appropriations that will be made from the available balances of these funds or partially offset by increased estimated revenues; and

WHEREAS, the Chula Vista Muni Golf Course Fund, Advanced Life Support Program Fund, Sewer Service Revenue Fund, Workers Compensation Fund, Donations Fund, Western-Park Acquisition & Dev Fund, Public Benefit Contribution Fund, Capital Improvement Projects Fund, Park Benefit Fees Fund, Open Space District #11 Fund, CPF Benefit Funds Fund, Town Ctr Business Improv Dist Fund, Energy Conservation Loans Fund, OV Rd Fee Recovery District Fund and Other Transportation Program Fund are positively impacted as a result of increased appropriations and increased estimated revenue resulting from the recommended changes; and

WHEREAS, the recommended adjustments to 2018 Measure A Sales Tax, American Rescue Plan Act 2021 Fund and Drainage DIF Fund will result in no fiscal impact.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it does hereby amend the fiscal year 2025-26 budget and approve the following appropriations and transfers:

## Summary of General Fund Appropriations and/or Transfers
**General Fund Budget Amendments Summary – 4th Quarter Fiscal Year 2025-26**

| Department | Personnel Services | Non- Personnel Expenses | Total Expenses | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Non-Departmental | $ 111,391 | $ 1,120,380 | $ 1,231,771 | $ - | $ 1,231,771 |
| Public Works | 523,376 | 234,004 | 757,380 | - | 757,380 |
| Parks and Recreation | 196,687 | (17,059) | 179,628 | - | 179,628 |
| Information Technology | 30,494 | 62,176 | 92,670 | - | 92,670 |
| City Attorney | (184,524) | 263,566 | 79,042 | - | 79,042 |
| Library | 23,495 | 12,604 | 36,099 | - | 36,099 |
| Police | (650,671) | (25,000) | (675,671) | - | (675,671) |
| Administration | (300,000) | (35,000) | (335,000) | - | (335,000) |
| City Clerk | - | (331,024) | (331,024) | - | (331,024) |
| Fire | (291,953) | (22,181) | (314,134) | - | (314,134) |
| Finance | 244,223 | (549,121) | (304,898) | - | (304,898) |
| Animal Care Facility | (64,000) | (75,000) | (139,000) | - | (139,000) |
| Human Resources | 111,111 | (240,921) | (129,810) | - | (129,810) |
| Economic Development | - | (87,053) | (87,053) | - | (87,053) |
| Engineering/Capital Projects | (228,679) | 168,679 | (60,000) | - | (60,000) |
| **Total General Fund** | **$ (479,050)** | **$ 479,050** | **$ -** | **$ -** | **$ -** |

## Summary of Appropriations and/or Transfers for Other Funds
**Other Funds Budget Amendments Summary – 4th Quarter Fiscal Year 2025-26**

| Other Funds | Personnel Services | Non-Personnel Expenses | Total Expense | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Transport Enterprise | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | 9 | 9 | - | 9 |
| State Grants | 475,080 | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | 832 | 832 | (832) | - |
| OV Rd Fee Recovery District | - | 800 | 800 | (800) | - |
| Other Transportation Program | - | 421 | 421 | (421) | - |
| 2018 Measure A Sales Tax | 750,647 | (750,647) | - | - | - |
| **Total Other Funds** | **$ 1,097,165** | **$ 5,427,094** | **$6,524,259** | **$(3,765,830)** | **$2,758,429** |

*Table is shown in summary, funds with transfers within Non-Personnel Expenditures categories are detailed in Exhibit 1

BE IT FURTHER RESOLVED, by the City Council that it authorizes City Manager to amend the fiscal year 2025-26 budget and approves appropriations and transfers in the General Fund and various other funds in order to ensure auditor actuals resulting from final year end closing entries do not exceed authorized budget, and

BE IT FURTHER RESOLVED, by the City Council that it directs the Director of Finance to report any amendments to the fiscal year 2025-56 budget and appropriation transfers to the General Fund and various other funds approved by the City Manager in the next quarterly financial report following the release of the Annual Comprehensive Financial Report.

| | |
|---|---|
| Presented by | Approved as to form |
| _____ | _____ |
| Adrian Del Rio | Marco Verdugo |
| Director of Finance/Treasurer | City Attorney |

# EXHIBIT 1

## GENERAL FUND BUDGET AMENDMENTS SUMMARY – 4th QUARTER FISCAL YEAR 2025-26

| DEPARTMENT | PERSONNEL SERVICES | SUPPLIES & SERVICES | OTHER EXPENSES | OTHER CAPITAL | TRANSFERS OUT | UTILITIES | NON-CIP EXPENDITURES | TOTAL EXPENDITURES | NET IMPACT |
|---|---|---|---|---|---|---|---|---|---|
| **GENERAL FUND** | | | | | | | | | |
| Non-Departmental | $ 111,391 | $ 520,645 | $ 10,982 | $ - | $ 588,753 | $ - | $ - | $ 1,231,771 | $ 1,231,771 |
| Public Works | 523,376 | (128,085) | (645) | (23,457) | - | 305,934 | 80,257 | 757,380 | 757,380 |
| Parks and Recreation | 196,687 | - | - | - | - | (17,059) | - | 179,628 | 179,628 |
| Information Technology | 30,494 | 73,220 | - | - | - | (11,114) | 70 | 92,670 | 92,670 |
| City Attorney | (184,524) | 268,762 | - | (4,948) | - | (248) | - | 79,042 | 79,042 |
| Library | 23,495 | (63,503) | - | - | - | 75,094 | 1,013 | 36,099 | 36,099 |
| Administration | (300,000) | (35,000) | - | - | - | - | - | (335,000) | (335,000) |
| City Clerk | - | (331,024) | - | - | - | - | - | (331,024) | (331,024) |
| Fire | (291,953) | (176,134) | - | - | - | - | 153,953 | (314,134) | (314,134) |
| Finance | 244,223 | (549,121) | - | - | - | - | - | (304,898) | (304,898) |
| Animal Care Facility | (64,000) | (59,000) | - | - | - | (16,000) | - | (139,000) | (139,000) |
| Human Resources | 111,111 | (240,921) | - | - | - | - | - | (129,810) | (129,810) |
| Economic Development | - | (87,053) | - | - | - | - | - | (87,053) | (87,053) |
| Engineering/Capital Projects | (228,679) | - | - | - | - | 168,679 | - | (60,000) | (60,000) |
| **TOTAL GENERAL FUND** | **$ (479,050)** | **$ (807,214)** | **$ 10,337** | **$(53,405)** | **$ 588,753** | **$ 581,420** | **$ 159,159** | **$ 479,050** | **$ -** |

## OTHER FUNDS BUDGET AMENDMENTS SUMMARY – 4th QUARTER FISCAL YEAR 2025-26

| | PERSONNEL SERVICES | SUPPLIES & SERVICES | OTHER EXPENSES | OTHER CAPITAL | CIP BUDGET | INTERNAL SERVICE | TRANSFERS OUT | NON-CIP BUDGET | NON-PERSONNEL EXPENDITURES | TOTAL EXPENSE | TOTAL REVENUE | NET IMPACT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **OTHER FUNDS** | | | | | | | | | | | | |
| Transport Enterprise | $ - | $ 1,763,835 | $ 2,030,520 | $ - | $ - | $ - | $ 237,978 | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | - | - | - | - | - | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 48,960 | 149,432 | - | - | - | - | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | - | - | 150,412 | - | - | - | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | (72) | (1,656) | - | - | - | 318,623 | (205,898) | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | - | 63,345 | - | - | - | - | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | - | - | - | - | - | 502 | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | - | - | - | - | - | 9 | - | 9 | 9 | - | 9 |

| | PERSONNEL SERVICES | SUPPLIES & SERVICES | OTHER EXPENSES | OTHER CAPITAL | CIP BUDGET | INTERNAL SERVICE | TRANSFERS OUT | NON-CIP BUDGET | NON-PERSONNEL EXPENDITURES | TOTAL EXPENSE | TOTAL REVENUE | NET IMPACT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State Grants | 475,080 | - | (476,936) | - | - | - | - | - | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | - | 202,702 | - | 229,452 | - | - | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | (100,000) | - | 185,795 | - | (2,495) | 191,019 | - | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | (229,000) | 21,181 | (91,810) | - | 98,202 | 502,972 | - | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | - | 170,429 | - | - | - | - | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | - | 131,790 | - | - | - | 16,931 | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | - | 48,899 | - | - | - | - | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | - | 32,117 | - | - | - | - | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | - | 8,689 | - | - | - | 13,171 | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 5,151 | 284 | 3,135 | - | - | 1,057 | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | - | - | - | - | - | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | - | 842 | - | - | - | 1,000 | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | - | - | - | - | - | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | - | 832 | - | - | - | - | - | 832 | 832 | (832) | - |
| American Rescue Plan Act 2021 | - | - | (114,489) | - | 114,489 | - | - | - | - | - | - | - |
| Drainage DIF | - | - | - | - | (76,502) | - | 76,502 | - | - | - | - | - |
| 2018 Measure A Sales Tax | 750,647 | (358,000) | - | (76,000) | - | 87,353 | (404,000) | - | - | (750,647) | - | - |
| **TOTAL OTHER FUNDS** | **$ 1,097,165** | **$ 1,779,198** | **$2,267,151** | **$ 171,532** | **$ 267,439** | **$ 183,060** | **$ 956,619** | **$(205,898)** | **$ 5,427,094** | **$6,524,259** | **$ (3,765,830)** | **$ 2,758,429** |

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING A DONATION FROM CHULA VISTA POLICE FOUNDATION

WHEREAS, in accordance with City Council Donation Policy 270-01, the Police Department requests that the City Council accept certain donation from the Chula Vista Police Foundation (the "Donation"); and

WHEREAS, the Donation consists of acquisition of a police canine, K9 and Patrol and Detection Academy with an estimated value of $31,007.50; and

WHEREAS, the City will fund ongoing costs for canine acquisition, included but not limited to; food, veterinary services, equipment, fear and training; and

WHEREAS, the City Council finds that, consistent with Policy 270-01, the Donation serves a purpose consistent with the City of Chula Vista's ("City") goals and objectives and that acceptance of the Donation is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it accepts the Donation with an estimated value of $31,007.50 from the Chula Vista Police Foundation; and

BE IT FURTHER RESOLVED that the City Manager is authorized to enter into and execute any and all agreements or documents necessary to accept the Donations and implement this resolution.

Presented by

Adrian Del Rio
Director of Finance/Treasurer

Approved as to form by

Marco A. Verdugo
City Attorney

# Quarterly Financial Report

Period Ending June 30, 2026

## INTRODUCTION

Chula Vista City Council adopted the fiscal year 2025-26 budget on May 20, 2025. The Finance Department, in collaboration with other City of Chula Vista ("City") departments, prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes to the Amended Budget. Per Section 505(F) of the City Charter, the Director of Finance has prepared and submitted the quarterly financial report for the quarter ended June 30, 2026 (Fourth Quarter Report) through the City Manager.

The Fourth Quarter Report is developed using twelve months of actual financial activity for fiscal year 2025-26 as of June 30, 2026. The data in this report is the most current data available; however, as Finance prepares the Annual Comprehensive Financial Report, projections are likely to change.

The Fourth Quarter Report provides summary information for the following areas:

- Current economic environment
- Overview of the General Fund
- Details on major General Fund revenues and expenditure categories
- Discussion on significant General Fund revenue and expenditure variances
- Overview of Non-General Operating Funds
- Recommended budget adjustments to General Fund, Other Funds, and Capital Improvement Project expenditure budgets

The Finance Department will continue to monitor the City's actual revenues and expenditures and will provide updates in the next quarterly financial report.

## ECONOMIC OVERVIEW

City staff reviewed information from various sources including the following: federal data (U.S. Bureaus of Economic Analysis, Labor Statistics; Federal Reserve; U.S. Treasury), the quarterly UCLA Anderson Economic Outlooks, HdL (City sales tax consultant), the San Diego Tourism Authority, and other sources to develop the economic assumptions and growth rates included in the Fourth Quarter Report.

### Highlights – National

The UCLA Anderson Forecast ("Forecast") for June 2026 reports a relatively resilient national

economy despite another inflationary shock driven by the war in Iran.[1] Rising energy prices became an added pressure on business and household spending, as well as the Federal Reserve in moderating inflation.[1] Yet, with continued strong investment in artificial intelligence (AI) and tax cuts, the U.S. economy is expected to weather the oil shock and maintain its moderate growth trajectory.[1]

Unemployment

The labor market remained largely unchanged at a national unemployment rate of 4.2% slightly ticking down, driven by a decrease in the labor force participation rate as opposed to widespread new hiring.[2] The Forecast reflects the labor market slightly softening, with an unemployment increasing to 4.5% by the end of 2026 as energy costs weight on spending and fiscal stimulus ends.[1]

Inflation

Despite periods of trending downward in 2025, inflation continues to be elevated.[2] The seasonally adjusted annual rate of Consumer Price Index was 3.4% in July.[3] The Forecast predicts inflation to peak at 4.5% caused by inflationary pressure shifting from tariffs to a new energy shock caused by the war in Iran and the closing of the Strait of Hormuz. [1]

Interest Rates

The Federal Open Market Committee (FOMC), part of the Federal Reserve, is committed to Congress's mandate to promote maximum employment, stable prices (i.e., limited inflation), and moderate long-term interest rates. Reporting that job gains have remained low this year and unemployment remaining stabilized, in its latest meeting in July 2026 the Federal Reserve maintained the federal funds target at 3-1/2 to 3-3/4 percent.[4]

The "federal funds rate" established by the FOMC sets the interest rate at which banks lend money to other banks to maintain overnight reserves of funds. When the federal funds rate increases, the cost to banks for lending increases and passed on to businesses and consumers on other borrowing, such as for business investments, credit cards, cars, mortgages and other bank loans. Interest rate fluctuations impact the City's finances by affecting borrowing costs for capital projects and long-term investments; private investments growth; and investment returns on its cash balances.

Real Gross Domestic Product (GDP)

The chart below from the U.S. Bureau of Economic Analysis displays recent quarterly results of real GDP, a measure of the value of all goods and services produced in a country over a period of time (adjusted for inflation), which is an economic indicator of growth. In the second quarter (Q2) of 2026, real GDP increased at an annualized rate of 2.2%, a slight decline from the first quarter (Q1)

[1] UCLA Anderson School of Management. UCLA Anderson Forecast Says Oil Shock Has Replaced Tariffs as Leading Risk to U.S. Economy. 3 June 2026. UCLA Anderson Forecast

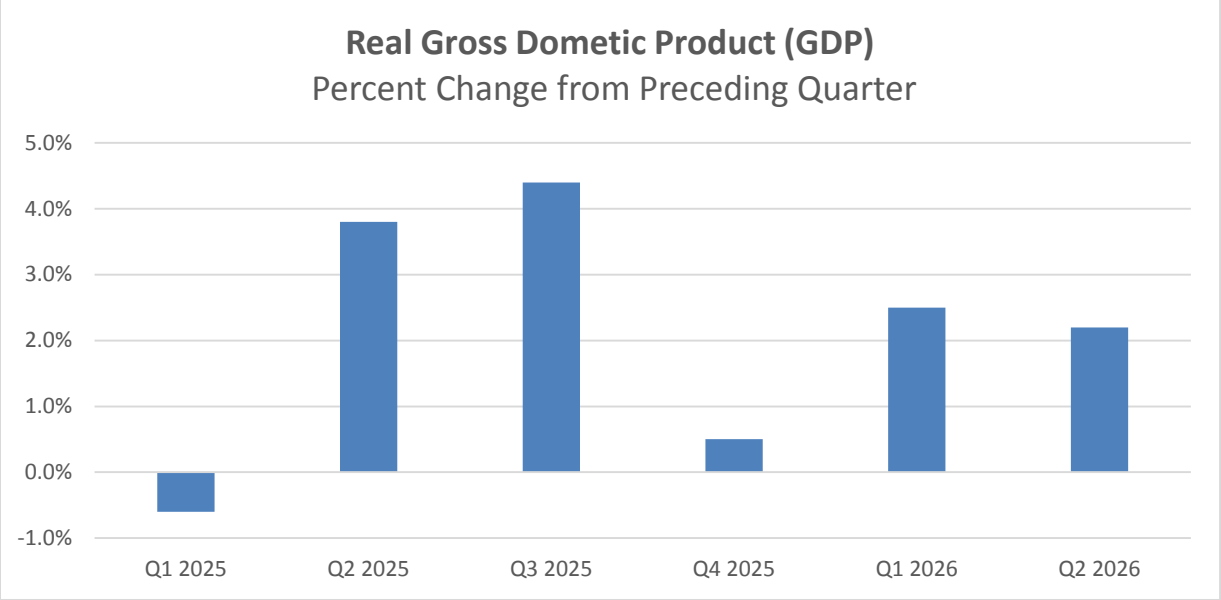
[2] U.S. Bureau of Labor Statistic. Economic News Release. 2 July 2026. U.S. Bureau of Labor Statistics.

[3] U.S. Bureau of Labor Statistic. Consumer Price Index. July 2026. U.S. Bureau of Labor Statistics

[4] Federal Open Market Committee. Press Release. Federal Reserve issues FMOC statement. 29 July. 2026. Federal Open Market Committee

of 2.5%.[5] The growth numbers suggest the economy has held up in the face of headwinds from the US-Israeli war with Iran.[6] The Federal Reserve will be closely monitoring this marginal positive economic growth in its policy decisions to reduce inflation.

**GDP: Percent Change from Preceding Quarter**




The Forecast predicts GDP growth to hold at roughly 2.1% in 2026 rather than accelerate.[7]

**Highlights – California**

The Forecast for California describes an economy that remains bifurcated, with output and income growth and employment remaining weak and uneven.[7] The Legislative Analyst Office indicates, despite improvements in revenues, the California budget problem is larger than anticipated. The strong income tax collections driven by enthusiasm around AI, have driven the stock market to be overheated and possibly not sustainable.[8]

The latest state employment reports show a 5.2% unemployment rate, the state's lowest since May 2024.[9] Some factors impacting California labor include changes in H-1B visas and artificial intelligence (AI) development in the technology sector and a general decline in manufacturing. National immigration policies are also exhibiting impacts on the non-durable goods (food) and agriculture sectors.

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[5] U.S. Bureau of Economic Analysis. Gross Domestic Product. 2nd Quarter 2026 (Third Estimate). GDP by Industries, Corporate Profits, State GDP, and State Personal Income. U.S. Bureau of Economic Analysis

[6] Reuters. US second-quarter GDP revised higher amid robust consumer spending. 30 September. 2026. Reuters

[7] UCLA Anderson School of Management. UCLA Anderson Forecast Says Oil Shock Has Replaced Tariffs as Leading Risk to U.S. Economy. 3 June 2026. UCLA Anderson.

[8] California Legislative Analyst's Office. The 2026-27 California's Fiscal Outlook. 19 Nov. 2025. California Legislative Analyst's Office.

[9] California Employment Development Department. California's Unemployment Rate Drops to 5.2% in June. 17 June 2026. California Employment Development Department.

Overall, both the nation and the state economies are expected to see sluggish growth in early 2026, with potential improvement beginning in late 2026 and into 2027. The outlook for the state's economy remains subject to several uncertainties, including federal immigration policies and associated deportations, the scope and impact of tariffs and related trade responses and the pace and practical application of artificial intelligence technologies.[7]

## GENERAL FUND OVERVIEW

General Fund revenues are estimated to exceed the Amended Budget by $2.1 million, and expenditures are anticipated to be lower than the Amended Budget by $0.8 million. Staff anticipates major revenues to come in lower than budget by $2.2 million and other revenues to exceed the Amended Budget by $4.3 million, detailed in the General Fund Revenues section. Fourth quarter projections for expenditures, as well as any known significant expenditure budget adjustments, are detailed in the General Fund Expenditures section.

**Fiscal Year 2025-26 General Fund Overview**

***Table 1*** *in millions*

| | Adopted Budget | Amended Budget | Year-end Projection | Variance[1] |
|---|---|---|---|---|
| Revenue Source | | | | |
| *Major Discretionary Revenues* | | | | |
| Property Tax | $ 58.4 | $ 58.4 | $ 54.6 | $ (3.9) |
| Property Tax in lieu of VLF | 33.8 | 33.8 | 34.0 | 0.2 |
| Sales Tax | 51.2 | 51.2 | 52.4 | 1.2 |
| Measure P Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Measure A Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Franchise Fees | 15.4 | 15.4 | 16.4 | 1.0 |
| Transient Occupancy Tax | 21.7 | 21.7 | 20.6 | (1.2) |
| Utility Users Tax | 3.7 | 3.7 | 3.7 | - |
| **Major Discretionary Revenues Subtotal** | 246.0 | 246.0 | 243.8 | (2.2) |
| ***Other General Fund Revenues*** | | | | |
| Other Revenues | 59.6 | 62.8 | 67.1 | 4.3 |
| **Other General Fund Revenues Subtotal** | 59.6 | 62.8 | 67.1 | 4.3 |
| **Total Revenues/Sources** | **$ 305.6** | **$ 308.8** | **$ 310.8** | **$ 2.1** |
| **Expenditures** | | | | |
| Personnel Services | $ 161.8 | $ 162.8 | $ 162.1 | $ 0.7 |
| *Non-Personnel* | | | | |
| Supplies and Services | 28.6 | 33.6 | 32.4 | 1.2 |
| Other Expenses | 2.7 | 3.6 | 3.7 | (0.1) |
| Transfers Out | 100.0 | 103.3 | 103.9 | (0.6) |
| Internal Services | 4.6 | 4.6 | 4.6 | - |
| Utilities | 7.7 | 8.0 | 8.5 | (0.5) |
| Other Expenditures Category[2] | 0.2 | 0.6 | 0.5 | 0.1 |
| *Total Non-Personnel* | 143.8 | 153.7 | 153.3 | 0.4 |
| **Total Expenditures** | **$ 305.6** | **$ 316.5** | **$ 315.7** | **$ 0.8** |
| **Use of Prior Year Fund Balance** | **$ -** | **$ (7.7)** | **$ (7.7)** | **$ -** |
| **Total General Fund Surplus/(Deficit)** | **$ -** | **$ -** | **$ 2.9** | **$ (2.9)** |

[1] Variance compares the Amended Budget and the Year-End Projection.

[2] Other Expenditures Category includes: Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures.
*Tables may not tie due to rounding

## GENERAL FUND REVENUES

As identified in Table 1 above, the City's General Fund revenues are projected to exceed the Amended Budget by approximately $2.1 million. The shortfall in Property Tax of $3.9 million and Transient Occupancy Tax (TOT) of $1.2 million is anticipated to be offset by the projected increases in Sales Tax, Property Tax in Lieu of VLF, Franchise Fees, Measure A Sales Tax, Measure P Sales Tax, and Other Revenues of approximately $7.2 million combined.

**Fiscal Year 2025-26 General Fund Overview**

***Table 2*** *in millions*

| Revenue Source | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| ***Major Discretionary Revenues*** | | | | |
| Property Tax | $ 58.4 | $ 58.4 | $ 54.6 | $ (3.9) |
| Property Tax in lieu of VLF | 33.8 | 33.8 | 34.0 | 0.2 |
| Sales Tax | 51.2 | 51.2 | 52.4 | 1.2 |
| Measure P Sales Tax | 30.8 | 30.8 | 31.1 | 0.3 |
| Measure A Sales Tax | 30.8 | 30.8 | 31.1 | 0.3 |
| Franchise Fees | 15.4 | 15.4 | 16.4 | 0.9 |
| Transient Occupancy Tax | 21.7 | 21.7 | 20.6 | (1.2) |
| Utility Users' Tax | 3.7 | 3.7 | 3.7 | - |
| **Major Discretionary Revenues Subtotal** | 246.0 | 246.0 | 243.8 | (2.2) |
| ***Other General Fund Revenues*** | | | | |
| Other Revenues | 59.6 | 62.8 | 67.1 | 4.3 |
| **Other General Fund Revenues Subtotal** | 59.6 | 62.8 | 67.1 | 4.3 |
| **Total General Fund Revenues Surplus/(Deficit)** | **$ 305.6** | **$ 308.8** | **$ 310.8** | **$ 2.1** |



### Property Tax

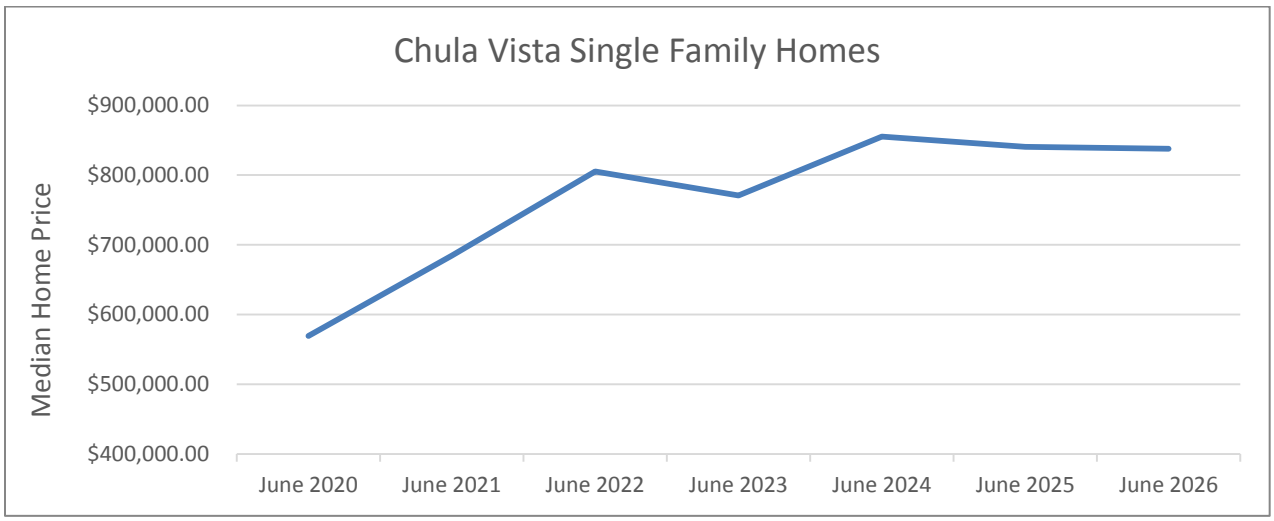
Property tax revenue derived from ad valorem taxes on real property and tangible personal property within the City boundaries. Property tax is administered by the County of San Diego and is limited by Proposition 13 to a general rate of 1% of assessed value. Currently, the City receives approximately 12.4% of property taxes revenues assessed for Chula Vista properties.

Property tax is the City's largest revenue source, representing 19.1% of General Fund revenues in the Adopted Budget. Property tax is projected to be $54.6 million; a $3.9 million decrease compared to the Adopted Budget. Approximately $1.3 million of the shortfall is attributable to the property taxes associated with timing of the supplemental property tax assessments for the Gaylord Pacific Resort and Convention Center project. This reduction in projected revenues also results in a corresponding decrease to expenditures in the Transfers Out category, resulting in an overall net zero fiscal impact to the General Fund.

In addition, final updates to receivables from the County Assessor, combined with a decline in home sales, contributed to property tax growth that was lower than originally assumed in the budget.

Based on trends observed in the current and prior fiscal years, staff revised the forecasting methodology to a more conservative approach to better reflect current market conditions.

Based on the Zillow Home Value Index – June 2026, Chula Vista's median home price for a single-family home was $837,898, a 0.3% year-over-year decline. A cooling trend in the housing market is apparent, with declines in sales across the San Diego region. Buyer enthusiasm has waned due to affordability constraints and mortgage rates remaining high despite recent Federal Reserve interest cuts. A slowdown in home sales will have some degree of impact on the growth of property taxes in the City as homes are typically reassessed at higher values upon major construction/improvements or sale, with home prices generally increasing over time. Property tax growth is otherwise limited by the cap on Proposition 13 on assessed value growth to the lesser of the California Consumer Price Index (CPI) or 2%.




Source: Chula Vista Zillow Home Values Index (https://www.zillow.com/home-values/51405/chula-vista-ca/)

**Property Tax in Lieu of VLF**

Property tax in lieu of vehicle license fees ("VLF") revenues are generated from vehicle license fees paid with vehicle registrations with the State of California and then allocated to cities and counties. VLF fluctuates with changes in assessed values within the City.

Property tax in lieu of VLF is projected to be $34.0 million, a $0.2 million increase compared to the Adopted Budget, consistent with the Third Quarter Financial Report projections. Projections for fiscal year 2026 are based on updated information from the County.




**Sales Tax**

The Bradley-Burns Uniform Local Sales and Use Tax (Sales Tax) tax revenue is generated from a percentage tax imposed on the sale of retail goods and services that occur within the City. Sales tax revenue is highly sensitive to economic conditions and reflects the factors that drive taxable sales, including levels of unemployment, consumer confidence, per-capita income, and business investment. The total citywide sales tax rate is 8.75%, of which the City's General Fund receives 1.0% of all taxable sales transactions within the City, excluding voter-approved sales tax measures for Measure P and A.

Sales tax revenue is the second largest General Fund source, representing 16.8% of the total General Fund revenues in the Adopted Budget. Sales tax is projected to be $52.4 million, reflecting a $1.2 million increase from the Adopted Budget of $51.2 million.

Chula Vista's largest economic segments include general consumer goods, state & county pools (sales tax revenues from transaction with no specific place of sale, allocated to local jurisdictions on a proportional basis), restaurants & hotels and autos & transportation. The opening of the Gaylord Pacific Resort and Convention Center on May 15, 2025, is anticipated to continue to generate a boost in sales tax revenue from visitor spending beyond the Gaylord Pacific Resort and Convention Center property, as guests venture into surrounding areas and contribute to broader local retail and dining activity.

While the Adopted Budget assumed stable employment and consumer confidence, it did not anticipate ongoing fluctuations in consumer behavior and broader economic uncertainty. The City remains mindful of consumer confidence and concerns about geopolitical instability. Nevertheless, local dining activity and new business openings continue to provide meaningful support to overall taxable sales.

Sales tax revenue will continue to be closely monitored to account for any changes in spending trends or other economic indicators impacting sales tax receipts.

- **Measure P Sales Tax -** Voters approved Measure P in November 2016 as a temporary, ten-year, half-cent sales tax dedicated to addressing high-priority deferred maintenance needs. In 2024, voters approved the continuation of Measure P through 2037. While the revenue generated from the Measure P sales tax is collected in the General Fund, the General Fund transfers this revenue to the Measure P Sales Tax Fund for accountability and transparency in the usage of these funds. These actions result in an overall net zero fiscal impact to the General Fund. Measure P sales tax is projected to be $31.1 million, reflecting a slight increase of $0.3 million from the Adopted Budget.

- **Measure A Sales Tax -** Voters approved Measure A in June 2018, established as a permanent half-cent sales tax to fund critical public safety needs and enhance staffing levels. Similar to Measure P sales tax, revenue is collected and tracked within the General Fund and transferred to the Measure A Sales Tax Fund for accountability and transparency in the usage of these funds. Separate accounts (one for the Fire department and one for the Police department) were established to support the monitoring and allocation of these funds. These actions result in an overall net zero fiscal impact to the General Fund. Measure A sales tax is projected to be $31.1 million, reflecting a slight increase of $0.3 million from the Adopted Budget.



## Franchise Fees

Franchise fee revenues are generated from agreements with private utility companies in exchange for use of the City's rights-of-way. The fee compensates the City for the use of its property, such as its streets. Franchise fees are collected from three primary sources: San Diego Gas & Electric ("SDG&E") (2% on gas and 1.25% on electricity), Republic Services

trash collection franchises (20% fee), and AT&T and Cox Communications cable franchises (5% fee).

Franchise fee revenue is projected to be $16.4 million, a $0.9 million increase compared to the Adopted Budget, consistent with the Second Quarter Report projection. The change is largely due to an increase in revenue from SDG&E and Republic Services, while cable franchise revenues are down. The decrease represents the number of subscription service subscribers for cable television providers (premium video, equipment rental, on-demand, and programming services) as more customers continue to move to streaming services.




**Transient Occupancy Tax**

Transient Occupancy Tax ("TOT") is a tax imposed on occupants of hotel and motel rooms, short-term rentals, and RV parks within the City. The current TOT tax rate in the City is 10%. Major economic drivers for TOT revenue include room rates, average occupancy rates, and seasonal and non-seasonal tourism. The City has experienced strong growth in TOT in recent years with a number of new hotel developments on both the west and eastern portions of the City as well as an expansion of the short-term rental compliance program. Additionally, it is important to note that the TOT revenue generated from the RV Park and the Gaylord Pacific Resort & Convention Center in the Bayfront area is transferred out from the General Fund to a separate fund as part of the contractual requirements for the Gaylord Pacific Resort & Convention Center project.

TOT revenue is projected to be $20.6 million, an increase of $0.2 million compared to the Third Quarter Report projection, though still $1.2 million below the Adopted Budget. This revised projection reflects stronger-than-anticipated revenue performance, driven primarily by increased business travel and conferences at the Gaylord Pacific Resort & Convention Center. The remaining $1.2 million shortfall is due to the delay in anticipated opening of two hotels—now expected in future fiscal years beyond 2025-26—as well as updated revenue assumptions based on actual collections to date. Together, these factors reduce the estimated growth rate relative to the Adopted Budget, as reported in the Third Quarter Report.



**Utility Users' Tax**

Utility User's Tax ("UUT") is a local excise tax imposed on the consumption of utility services by residents and businesses. Specifically, the City imposes a UUT on the use of telecommunications (cable, telephone) at the rate of 4.75% of gross receipts and UUT on natural gas services of $0.00919 per therm and $0.00250 per kilowatt on electricity services, which equates to approximately a 1% tax. UUT is collected by utility companies as part of its regular billing and then remit to the City.

UUT is projected to align with the Third Quarter Report projection and Adopted Budget at $3.7 million. While some modest growth is anticipated in revenues from the natural gas and electricity utilities based upon population growth and the increases in utility prices, adoption of solar energy and conservations efforts suggest a decline in consumption of those utilities which reduce revenues. Additionally, consumption of telecommunications utilities is also expected to continue to decline due to changes in technology and consumer preferences.

## Other Revenues

Other Revenues include the following revenue categories: Charges for Services, Federal Revenue, Fines and Penalties, Licenses & Permits, Other Revenue, State Revenue, Transfers In and Use of Money/Property. The Other Revenues category is anticipated to exceed the Adopted Budget by $4.3 million. Transfers In reflects a positive variance of $1.5 million related to a transfer from the Other Post Employment Benefit (OPEB) Reserve Fund to reimburse the General Fund for eligible OPEB expenditures in the General Fund and an increase of anticipated investment earnings. Charges for Services, Fines and Penalties, Other Revenue, State Revenue and Use of Money/Property reflect a $2.8 million positive variance combined primarily related to increased staff time reimbursements and permit fees.

**Fiscal Year 2025-26 General Fund Overview**

***Table 3*** *in millions*

| Revenue Source | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| *Other Revenues* | | | | |
| Charges for Services | $ 13.6 | $ 14.1 | $ 14.8 | $ 0.7 |
| Federal Revenue | 0.5 | 0.5 | 0.5 | - |
| Fines and Penalties | 1.1 | 1.1 | 1.4 | 0.3 |
| Licenses & Permits | 2.0 | 2.0 | 2.0 | - |
| Other Revenue | 20.7 | 23.2 | 23.8 | 0.6 |
| State Revenue | 1.0 | 1.0 | 1.1 | 0.1 |
| Transfers In | 15.0 | 15.0 | 16.5 | 1.5 |
| Use Money/Property | 5.6 | 5.6 | 6.6 | 1.0 |
| Other Agency Revenue | - | 0.3 | 0.3 | - |
| **Total Other Revenues** | **$ 59.6** | **$ 62.8** | **$ 67.1** | **$ 4.3** |

Departmental Revenues

Table 4 below provides the Amended General Fund revenues budget, projected year-end revenues, and the variance (difference) between both at the department level. Additionally, Appendix A contains a net impact summary of each department within the General Fund.

**Fiscal Year 2025-26 General Fund Departmental Revenues**

***Table 4*** *in thousands*

| Department | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|
| City Clerk | $ 65.6 | $ 98.2 | $ 32.6 |
| City Attorney | 439.0 | 338.0 | (101.0) |
| Administration | 167.7 | 170.9 | 3.2 |
| Information Technology | 336.0 | 250.2 | (85.8) |
| Human Resources | 1,595.4 | 1,588.7 | (6.7) |
| Finance | 1,203.3 | 1,478.5 | 275.2 |
| Non-Departmental | 17,739.4 | 18,055.8 | 316.3 |
| Animal Care Facility | 1,090.3 | 1,119.8 | 29.6 |
| Economic Development | 1,643.2 | 1,143.4 | (499.8) |
| Development Services | 2,264.9 | 2,033.6 | (231.2) |
| Engineering/Capital Projects | 8,579.3 | 9,594.3 | 1,015.0 |
| Police | 6,436.5 | 7,294.0 | 857.4 |
| Fire | 6,851.1 | 7,581.4 | 730.3 |

| | | | |
|---|---|---|---|
| Public Works | 9,210.9 | 10,759.5 | 1,548.6 |
| Parks and Recreation | 4,597.4 | 4,993.8 | 396.3 |
| Library | 585.2 | 559.4 | (25.8) |
| **Total Departmental Revenue** | **$ 62,805.2** | **$ 67,059.5** | **$ 4,254.2** |

This section documents the justifications for significant budget variances with an anticipated impact greater than $250,000.

*Finance* – Increase of $0.3 million primarily in Other Revenue and Transfers In for increased staff time reimbursements and rebates.

*Non-Departmental* – Increase of $0.3 million primarily in Use of Money/Property for projected higher investment earnings.

*Economic Development* – Decrease of $0.3 million in Other Revenue due to deferred operational timelines.

*Engineering* – Increase of $1.0 million in Charges for Services and Other Revenue from higher staff reimbursements from development fees and capital improvement projects.

*Police* – Increase of $0.9 million in Charges for Services and Fines and Penalties from special event reimbursements and parking citations.

*Fire* – Increase of $0.7 million in Other Revenue from strike team deployment reimbursements.

*Public Works* – Increase of $1.6 million in Charges for Services and Other Revenue from higher staff reimbursements from development fees, capital improvement projects and community facility districts.

*Parks and Recreation*– Increase of $0.4 million in Charges for Services and Use of Money/Property from higher recreation program and class fees, and rental leases.

## GENERAL FUND EXPENDITURES

General Fund expenditures are projected to be $0.8 million below the Amended Budget. A combined overage of $1.2 million in Other Expenses, Transfers Out and Utilities is expected to be fully offset by a combined $2.0 million decrease in Personnel Services, Supplies and Services, and Other Expenditures Category. Overall, these adjustments result in a positive fiscal impact.

**Fiscal Year 2025-26 General Fund Overview**

***Table 5*** *in millions*

| Expenditures | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Personnel Services** | $ 161.8 | $ 162.8 | $ 162.1 | $ 0.7 |
| ***Non-Personnel*** | | | | |
| Supplies and Services | 28.6 | 33.6 | 32.4 | 1.2 |
| Other Expenses | 2.7 | 3.6 | 3.7 | (0.1) |
| Transfers Out | 100.0 | 103.3 | 103.9 | (0.6) |
| Internal Services | 4.6 | 4.6 | 4.6 | - |

| Fiscal Year 2025-26 General Fund Overview | | | | |
|---|---|---|---|---|
| ***Table 5*** | | | | *in millions* |
| Utilities | 7.7 | 8.0 | 8.5 | (0.5) |
| Other Expenditures Category | 0.2 | 0.6 | 0.5 | 0.1 |
| ***Total Non-Personnel*** | 143.8 | 153.7 | 153.6 | 0.1 |
| **Total Expenditures** | **$ 305.6** | **$ 316.5** | **$ 315.7** | **$ 0.8** |

## Personnel Services

Personnel Services category is expected to be $0.7 million below the Amended Budget. The decrease is primarily driven by vacancies in both the Police and Fire Departments, which offset the overage reflected in the Public Works Department. The overage in the Public Works Department is expected to be offset by excess revenues from staff-time reimbursements.

| Fiscal Year 2025-26 General Fund Overview | | | | |
|---|---|---|---|---|
| ***Table 6*** | | | | *in millions* |
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** |
| **Personnel Services** | | | | |
| Salary | $ 100.1 | $ 99.7 | $ 97.8 | $ 1.9 |
| Hourly | 4.5 | 4.5 | 5.2 | (0.6) |
| Overtime | 10.9 | 12.2 | 14.6 | (2.4) |
| PERS | 20.9 | 20.9 | 20.2 | 0.7 |
| FLEX | 15.9 | 15.9 | 14.3 | 1.6 |
| Other Personnel | 9.6 | 9.6 | 10.1 | (0.5) |
| **Total Personnel Services** | **$ 161.8** | **$ 162.8** | **$ 162.1** | **$ 0.7** |

## Supplies and Services

The Supplies and Services category is projected to be $1.2 million below the Amended Budget. This savings is primarily due to $0.3 million in the City Clerk's Department resulting from elections cost savings from the June 2026 ballot, and a combined $0.8 million reduction in the Human Resources, Economic Development and Finance Departments due to lower-than-anticipated contracted services.

| Fiscal Year 2025-26 General Fund Overview | | | | |
|---|---|---|---|---|
| ***Table 7*** | | | | *in millions* |
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** |
| Supplies and Services | $ 28.6 | $ 33.6 | $ 32.4 | $ 1.2 |
| **Total Supplies and Services** | **$ 28.6** | **$ 33.6** | **$ 32.4** | **$ 1.2** |

## Other Expenses

The Other Expenses category includes a wide variety of relatively minor costs within the General Fund, such as sales tax administration costs, small tools, credit card transaction fees and bank charges, and reimbursements to other agencies. The Other Expenses category is projected to exceed the Amended Budget by $0.1 million. This variance is primarily due to increased credit card transaction fees, bank charges and reimbursements to other agencies.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 8* | | | | | *in millions* |
|---|---|---|---|---|---|
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** | |
| Other Expenses | $ 2.7 | $ 3.6 | $ 3.7 | $ (0.1) | |
| **Total Other Expenses** | **$ 2.7** | **$ 3.6** | **$ 3.7** | **$ (0.1)** | |

## Transfers Out

The Transfers Out category represents authorized transfers of cash between City funds and is projected to exceed the Amended Budget by $0.6 million. The variance is primarily due to additional transfers to the Measure A and Measure P Sales Tax Funds due to higher anticipated sales tax revenues, alongside transfers associated with the Bayfront development. Additionally, this increase reflects a supplemental transfer to the Public Liability Trust Fund to cover litigation costs.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 9* | | | | | *in millions* |
|---|---|---|---|---|---|
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** | |
| Transfers Out | $ 100.0 | $ 103.3 | $ 103.9 | $ (0.6) | |
| **Total Transfers Out** | **$ 100.0** | **$ 103.3** | **$ 103.9** | **$ (0.6)** | |

## Internal Services

Expenditures in this category are for vehicle maintenance charges associated with the use of City vehicles and equipment. These charges are based on the actual vehicles that reside within a department and include costs ranging from routine maintenance (oil changes, preventive maintenance) to major repairs (drivetrain, repairs, accident repairs), as well as fuel costs. Internal services are projected to remain at budget through fiscal year end.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 10* | | | | | *in millions* |
|---|---|---|---|---|---|
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** | |
| Internal Services | $ 4.6 | $ 4.6 | $ 4.6 | $ - | |
| **Total Internal Services** | **$ 4.6** | **$ 4.6** | **$ 4.6** | **$ -** | |

## Utilities

The Utilities category is projected to exceed the Amended Budget by $0.5 million. The Engineering Department is impacted by rising costs to power city streetlights and traffic signals. The Library Department is experiencing higher electricity costs due to Heating, Ventilation, and Air Conditioning (HVAC) system issues requiring additional temporary cooling units. The Police Department reflects increased utility expenses caused by HVAC issues, while the Public Works Department is projected to exceed budget primarily related to pending solar system repairs.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 11* | | | | | | | *in millions* |
|---|---|---|---|---|---|---|---|
| **Expenditure Category** | | **Adopted Budget** | | **Amended Budget** | | **Year-End Projection** | **Variance** |
| Utilities | $ | 7.7 | $ | 8.0 | $ | 8.5 | $ (0.5) |
| **Total Utilities** | **$** | **7.7** | **$** | **8.0** | **$** | **8.5** | **$ (0.5)** |

## Other Expenditures Category

The Other Expenditures Category includes Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures budget categories. The Other Expenditures category is expected to be lower than the Amended Budget of $0.1 million.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 12* | | | | | | | *in millions* |
|---|---|---|---|---|---|---|---|
| **Expenditure Category** | | **Adopted Budget** | | **Amended Budget** | | **Year-End Projection** | **Variance** |
| Other Expenditures Category | $ | 0.2 | $ | 0.6 | $ | 0.5 | $ 0.1 |
| **Total Other Expenditures** | **$** | **0.2** | **$** | **0.6** | **$** | **0.5** | **$ 0.1** |

Departmental Expenditures

Table 13 below provides the Amended General Fund expenditure budget, projected year-end expenditures, and the variance (difference) between both at the department level. Additionally, Appendix A contains a net impact summary of each department within the General Fund.

| Fiscal Year 2025-26 General Fund Departmental Expenditures<br>*Table 13* | | | | | | *in thousands* |
|---|---|---|---|---|---|---|
| **Department** | | **Amended Budget** | | **Year-End Projection** | | **Variance** |
| City Council | $ | 1,888.0 | $ | 1,779.9 | $ | 108.2 |
| Boards & Commissions | | 7.1 | | 6.3 | | 0.8 |
| City Clerk | | 2,356.2 | | 2,025.2 | | 331.0 |
| City Attorney | | 4,111.4 | | 4,190.4 | | (79.0) |
| Administration | | 3,284.6 | | 2,947.8 | | 336.7 |
| Information Technology | | 5,469.8 | | 5,562.5 | | (92.7) |
| Human Resources | | 4,181.6 | | 4,049.2 | | 132.4 |
| Finance | | 5,785.7 | | 5,476.7 | | 309.1 |
| Non-Departmental | | 118,820.2 | | 120,051.1 | | (1,231.0) |
| Animal Care Facility | | 4,022.9 | | 3,882.8 | | 140.1 |
| Economic Development | | 1,834.7 | | 1,501.6 | | 333.2 |
| Development Services | | 3,476.1 | | 3,403.6 | | 72.5 |
| Engineering/Capital Projects | | 11,815.4 | | 11,638.7 | | 176.7 |
| Police | | 66,402.0 | | 65,575.9 | | 826.1 |
| Fire | | 42,764.7 | | 42,397.2 | | 367.5 |
| Public Works | | 28,612.3 | | 29,351.0 | | (738.7) |
| Parks and Recreation | | 6,961.9 | | 7,141.4 | | (179.5) |
| Library | | 4,707.0 | | 4,715.4 | | (8.4) |
| **Total Expenditure Budget** | **$** | **316,501.5** | **$** | **315,696.6** | **$** | **805.0** |

This section documents the justifications for significant budget variances with an anticipated impact greater than $250,000.

*City Clerk* – Decrease of $0.3 million in Supplies & Services from decreased costs associated with savings in election costs from the June 2026 ballot.

*Administration* – Decrease of $0.3 million in Personnel Services from department vacancies.

*Finance* – Decrease of $0.3 million in Supplies and Services driven by a reduction in contracted services.

*Non-Departmental* – Increase of $1.2 million in Transfers Out and Supplies and Services from additional transfers associated with higher revenues collected and increased contracted services.

*Economic Development* – Decrease of $0.3 million in Supplies and Services driven by a reduction in contracted services.

*Police* – Decrease of $0.8 million primarily in Personnel Services driven by department vacancies.

*Fire* – Decrease of $0.4 million in Personnel Services and Supplies & Services from department vacancies and reduced contracted services.

*Public Works* – Increase of $0.7 million in Personnel Services and Utilities. The overage in Personnel Services is mostly attributable to an increase in overtime and hourly costs related to Capital Improvement Projects, which is expected to be offset by excess revenues from staff time reimbursements. Increase in Utilities reflect overages in SDG&E costs exceeding budget by $0.3 million.

## OTHER FUNDS

The following section includes projections for other funds that provide support for significant operating activities throughout the City. These funds have an operating budget of over $15.0 million, with all fund projections available in Appendix B.

### 2018 Measure A Sales Tax

This fund accounts for the permanent half-cent sales tax voters approved to fund critical public safety needs and enhance public safety staffing levels.

2018 Measure A Sales Tax revenues are projected to exceed the Amended Budget by $2.5 million due to strike team reimbursements in the Fire Department. Expenditures are projected to be lower than the Amended Budget by $0.1 million, reflecting Personnel Services to exceed the Amended Budget by $0.7, also due to overtime expenses from strike team deployments, offset with savings in Non-Personnel Expenditures.

**Fiscal Year 2025-26 Measure A Fund Overview**

***Table 14*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue** | **$ 30.9** | **$ 30.9** | **$ 33.4** | **$ 2.5** |
| **Expenditures** | | | | |

| | | | | |
|---|---|---|---|---|
| Personnel Services | 26.7 | 28.1 | 28.8 | (0.7) |
| Non-Personnel | 6.9 | 23.3 | 22.5 | 0.8 |
| **Expenditure Subtotal** | **33.7** | **51.4** | **51.3** | **0.1** |
| **Total Fund Surplus/(Deficit)** | **$ (2.7)** | **$ (20.5)** | **$ (17.9)** | **$ 2.6** |

## Development Services

This fund accounts for revenues and expenses related to the processing of development plans and permits.

Development Services revenues are projected to be lower than the Amended Budget by $3.5 million by year-end, largely based on timing of receipts for building permits and developer fees and deposits. Expenditure projections are expected to be lower than the Amended Budget by $1.9 million, primarily in the Personnel Services category due to vacancies.

**Fiscal Year 2025-26 Development Services Fund Overview**

***Table 15*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue** | **$ 13.2** | **$ 13.1** | **$ 9.6** | **$ (3.5)** |
| **Expenditures** | | | | |
| Personnel Services | 10.1 | 10.1 | 9.0 | 1.1 |
| Non-Personnel | 5.3 | 5.4 | 4.6 | 0.8 |
| **Expenditure Subtotal** | **15.4** | **15.5** | **13.5** | **1.9** |
| **Total Fund Surplus/(Deficit)** | **$ (2.2)** | **$ (2.4)** | **$ (3.9)** | **$ (1.9)** |

## Transport Enterprise

This fund was established to account for all activities related to providing Ambulance Transport Services to the residents of Chula Vista, Bonita, and Imperial Beach.

Transport Enterprise revenues are expected to exceed the Amended Budget by $2.0 million based on current trend of ambulance transports. Similarly, expenditure projections are expected to exceed the Amended Budget by $2.8 million in the Supplies & Services and Other Expenses category, driven by deferred vehicle replacements and additional payments resulting from program audits.

**Fiscal Year 2025-26 Transport Enterprise Fund Overview**

***Table 16*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue** | **$ 21.3** | **$ 21.3** | **$ 23.3** | **$ 2.0** |

| | | | | |
|---|---|---|---|---|
| **Expenditures** | | | | |
| Personnel Services | 9.3 | 9.3 | 9.2 | 0.2 |
| Non-Personnel | 12.0 | 13.9 | 18.0 | (4.1) |
| **Expenditure Subtotal** | **21.3** | **23.3** | **27.2** | **(3.9)** |
| **Total Fund Surplus/(Deficit)** | **$ -** | **$ (2.0)** | **$ (3.9)** | **$ (1.9)** |

## Sewer Service Revenue Fund

This fund is used to account for all activities related to providing sewer services to the residents of Chula Vista.

Sewer Service revenues are projected to exceed the Amended Budget by $3.7 million. Expenditure projections are expected to be lower than the Amended Budget by $0.2 million, in Personnel Services category derived from department vacancies.

**Fiscal Year 2025-26 Sewer Fund Overview**

***Table 17*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue Subtotal** | **$ 47.6** | **$ 47.6** | **$ 51.3** | **$ 3.7** |
| **Expenditures** | | | | |
| Personnel Services | 5.9 | 5.9 | 5.7 | 0.2 |
| Non-Personnel | 41.7 | 44.6 | 44.6 | - |
| **Expenditure Subtotal** | **47.6** | **50.5** | **50.3** | **0.2** |
| **Total Fund Surplus/(Deficit)** | **$ -** | **$ (2.9)** | **$ 1.0** | **$ 3.9** |

## FISCAL YEAR 2025-26 BUDGET ADJUSTMENTS

### General Fund Adjustments

In the General Fund, some of the transfers are between expense categories within the same Department and some transfers are between Departments. The recommended budget adjustments are shown in the table below.

**General Fund Budget Adjustments Summary**

***Table 2***

| Department | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Non-Departmental | $ 111,391 | $ 1,120,380 | $ 1,231,771 | $ - | $ 1,231,771 |
| Public Works | 523,376 | 234,004 | 757,380 | - | 757,380 |
| Parks and Recreation | 196,687 | (17,059) | 179,628 | - | 179,628 |
| Information Technology | 30,494 | 62,176 | 92,670 | - | 92,670 |
| City Attorney | (184,524) | 263,566 | 79,042 | - | 79,042 |
| Library | 23,495 | 12,604 | 36,099 | - | 36,099 |
| Police | (650,671) | (25,000) | (675,671) | - | (675,671) |
| Administration | (300,000) | (35,000) | (335,000) | - | (335,000) |
| City Clerk | - | (331,024) | (331,024) | - | (331,024) |
| Fire | (291,953) | (22,181) | (314,134) | - | (314,134) |
| Finance | 244,223 | (549,121) | (304,898) | - | (304,898) |

| | | | | | |
|---|---|---|---|---|---|
| Animal Care Facility | (64,000) | (75,000) | (139,000) | - | (139,000) |
| Human Resources | 111,111 | (240,921) | (129,810) | - | (129,810) |
| Economic Development | - | (87,053) | (87,053) | - | (87,053) |
| Engineering/Capital Projects | (228,679) | 168,679 | (60,000) | - | (60,000) |
| **Total General Fund** | **$ (479,050)** | **$ 479,050** | **$ -** | **$ -** | **$ -** |

*Non-Departmental:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $1,231,771. These increases are mainly due to increases in transfers with public liability costs, Bayfront development obligations, and to Measure A and Measure P Sales Tax Funds and various encumbrances.

*Public Works:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $757,380, for higher reimbursed overtime and rising utility costs.

*Parks and Recreation:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total increased appropriations of $179,628 for increased hourly costs associated with recreation program operations.

*Information Technology:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $92,670 for additional costs associated with the Interim Department Director contract.

*City Attorney:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $79,042 for projected increases in litigation expenses.

*Library:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $36,099 for increased hourly and utility costs.

*Police:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $675,671 driven primarily from department vacancies.

*Administration:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $335,000 driven primarily from department vacancies.

*City Clerk:* Decrease to Non-Personnel Expenditures of $331,024 from savings in election costs.

*Fire:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $314,134 driven primarily from department vacancies.

*Finance:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decrease of appropriations of $304,898 from savings in contracted services.

*Animal Care Facility:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $139,000 largely due to savings in contracted services and department vacancies.

*Human Resources:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decreased appropriations of $129,810 due to savings in contracted services.

*Economic Development:* Decrease to Non-Personnel Expenditures of $87,053 from savings in contracted services attributable to deferred operational timelines.

*Engineering/Capital Projects:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for a total decreased appropriations of $60,000 primarily from department vacancies.

## Other Funds Adjustments

The recommended adjustments in Table 18 are for funds outside of the General Fund. The adjustments are offset by additional revenues or from available fund balance of the respective funds.

***Table 19***

| Other Funds | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Transport Enterprise | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | 9 | 9 | - | 9 |
| State Grants | 475,080 | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | 832 | 832 | (832) | - |
| OV Rd Fee Recovery District | - | 800 | 800 | (800) | - |
| Other Transportation Program | - | 421 | 421 | (421) | - |
| 2018 Measure A Sales Tax | 750,647 | (750,647) | - | - | - |
| **Total Other Funds** | **$ 1,097,165** | **$ 5,427,094** | **$ 6,524,259** | **$(3,765,830)** | **$2,758,429** |

*Transport Enterprise*: Increase to Non-Personnel Expenditures of $4,032,333 partially offset from available fund balance of $1,986,373 and estimated increased revenues of $2,045,960 for increased

contract costs and payments resulting from program audits.

*Central Garage:* Increase to Non-Personnel Expenditures of $652,255 partially offset from available fund balance of $277,255 and estimated increased revenues of $375,000 for increased automotive maintenance costs.

*Public Liability Trust:* Increase to Non-Personnel Expenditures of $198,392 from available fund balance for litigation costs.

*Federal Grants:* Increase to Non-Personnel Expenditures of $150,412 from available fund balance to correct a carry-forward grant administrative error.

*CDBG Housing Program:* Increase to Non-Personnel Expenditures of $110,997 partially offset from available fund balance of $83,997 for a fund balance transfer to correct prior-year revenue misallocations.

*Parking Meter*: Increase to Non-Personnel Expenditures of $63,345 from available fund balance for increased City staff services.

*Special Sewer*: Increase to Non-Personnel Expenditures of $502 in the Transfer Out category fully offset from available fund balance for fund closeout expenses.

*Equipment Lease Fund*: Increase to Non-Personnel Expenditures of $9 in the Transfer Out category fully offset from available fund balance for final loan payment.

*State Grants*: Increase to Personnel Servies and decrease to Non-Personnel Expenditures for total decreased appropriations of $1,856 to align grant budget with actual reimbursements.

*Chula Vista Muni Golf Course*: Increase to Non-Personnel Expenditures of $432,154 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Advanced Life Support Program*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $265,259 fully offset from estimated increased revenues primarily for increased capital purchases and transfers out, driven by fire suppression differential costs.

*Sewer Service Revenue*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $182,043 fully offset from estimated increased revenues primarily for higher-than-anticipated transfers out for other fund reimbursements.

*Workers Compensation Fund*: Increase to Non-Personnel Expenditures of $170,429 fully offset from estimated increased revenues for additional claims expenses.

*Donations*: Increase to Non-Personnel Expenditures of $148,721 fully offset from estimated increased revenues for donations received for several departments.

*Western-Park Acquisition & Dev:* Increase to Non-Personnel Expenditures of $48,899 fully offset from estimated increased revenues for higher than anticipated interest expense.

*Public Benefit Contribution*: Increase to Non-Personnel Expenditures of $32,117 fully offset from estimated increased revenues for higher than anticipated interest expense.

*Capital Improvement Projects*: Increase to Non-Personnel Expenditures of $21,860 fully offset from estimated increased revenues for increased bank charges and debt payment.

*Park Benefit Fees*: Increase to Non-Personnel Expenditures of $21,860 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Open Space District #11*: Increase to Non-Personnel Expenditures of $1,912 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*CPF Benefit Funds*: Increase to Non-Personnel Expenditures of $1,842 fully offset from estimated increased revenues for increased bank charges.

*Town Ctr Business Improv Dist*: Increase to Non-Personnel Expenditures of $942 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Energy Conservation Loans*: Increase to Non-Personnel Expenditures of $832 fully offset from estimated increased revenues for increased debt payments.

*OV Rd Fee Recovery District:* Increase to Non-Personnel Expenditures of $800 fully offset from estimated increased revenues for increased bank charges.

*Other Transportation Program*: Increase to Non-Personnel Expenditures of $421 fully offset from estimated increased revenues for an administrative interfund correction transfer.

*2018 Measure A Sales Tax*: Transfer of Non-Personnel Expenditures of $750,647 for increased strike team deployment expenses in the Fire Department.

## CONCLUSION

The City takes great pride in being good stewards of taxpayer funds and providing transparent financial reporting. The Fourth Quarter Report updates the preliminary fiscal year 2025-26 trajectory with year-to-date results.

## APPENDICES

A. General Fund Net Impact
B. Other Funds Year-End Projections

## APPENDIX A

### General Fund Net Impact

The following table outlines the net impact of each department within the General Fund. Department generated revenues are broadly defined as those revenues generated by a given activity (e.g., grant revenues, charges for services, licenses, permits). General revenues, or "discretionary revenues," are broadly defined as those revenues that are generated not by any given activity, but by general or specific taxing authority such as property taxes and sales tax that are included in Non-Departmental and not assigned to a specific department.

**Fiscal Year 2025-26 General Fund Net Impact**

*in thousands*

| Department | Year-End Expenditure Projection | Year-End Revenue Projection | Net Impact |
|---|---|---|---|
| City Council | $ 1,779.9 | $ - | $ 1,779.9 |
| Boards & Commissions | 6.3 | - | 6.3 |
| City Clerk | 2,025.2 | 98.2 | 1,927.0 |
| City Attorney | 4,190.4 | 338.0 | 3,852.4 |
| Administration | 2,947.8 | 170.9 | 2,777.0 |
| Information Technology | 5,562.5 | 250.2 | 5,312.2 |
| Human Resources | 4,049.2 | 1,588.7 | 2,460.5 |
| Finance | 5,476.7 | 1,478.5 | 3,998.2 |
| Animal Care Facility | 3,882.8 | 1,119.8 | 2,762.9 |
| Economic Development | 1,501.6 | 1,143.4 | 358.2 |
| Development Services | 3,403.6 | 2,033.6 | 1,370.0 |
| Engineering/Capital Projects | 11,638.7 | 9,594.3 | 2,044.4 |
| Police | 65,575.9 | 7,294.0 | 58,281.9 |
| Fire | 42,397.2 | 7,581.4 | 34,815.8 |
| Public Works | 29,351.0 | 10,759.5 | 18,591.5 |
| Parks and Recreation | 7,141.4 | 4,993.8 | 2,147.6 |
| Library | 4,715.4 | 559.4 | 4,156.0 |
| **Total General Fund[1]** | **$ 195,645.5** | **$ 49,003.8** | **$ 146,641.7** |

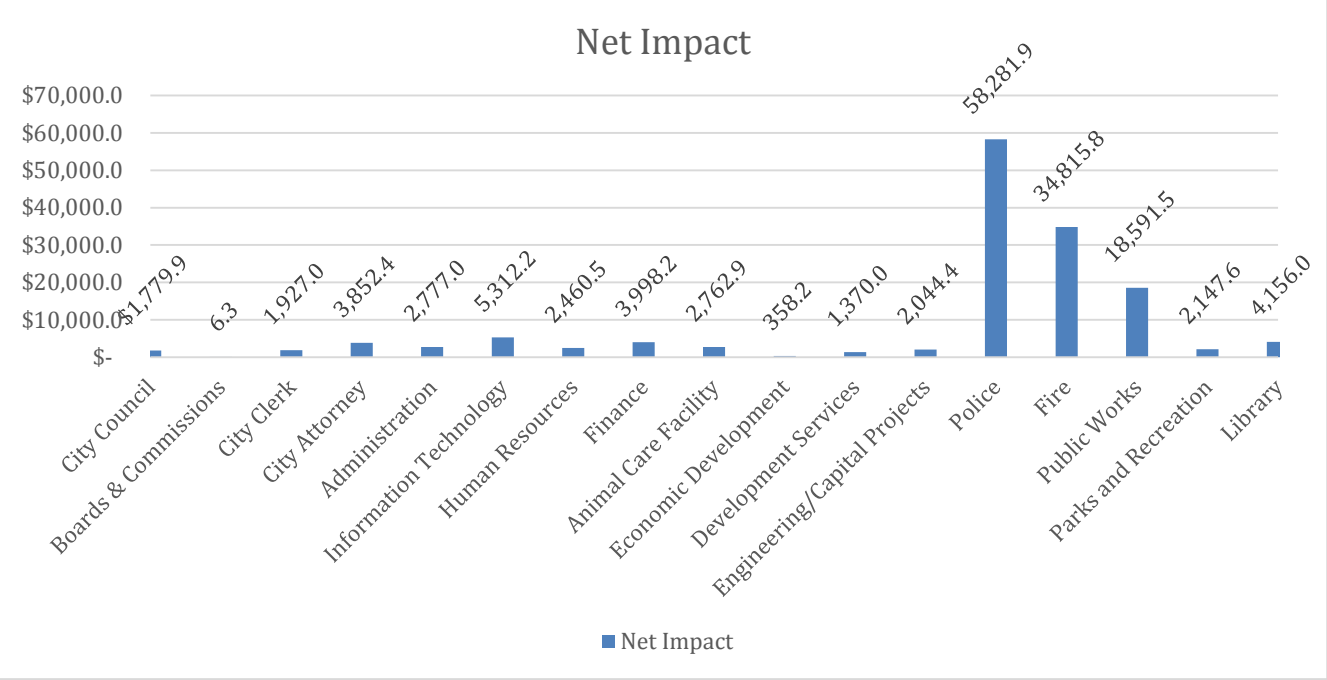
[1] Excludes Non-Departmental Department since activity is not directly related to any single department.

The chart below compares the projections as detailed in the report above to the net impact that was anticipated in the Adopted Budget.

| Fiscal Year 2025-26 General Fund Net Impact | | | | *in thousands* |
|---|---|---|---|---|
| **Department** | | **Adopted Budget Net Impact** | **Year-End Projection Net Impact** | **Net Impact Variance** |
| City Council | $ | 1,862.2 | $1,779.9 | ($82.3) |
| Boards & Commissions | | 2.1 | 6.3 | 4.2 |
| City Clerk | | 2,208.1 | 1,927.0 | (281.1) |
| City Attorney | | 3,490.8 | 3,852.4 | 361.6 |
| Administration | | 3,079.8 | 2,777.0 | (302.8) |
| Information Technology | | 4,874.9 | 5,312.2 | 437.3 |
| Human Resources | | 2,586.0 | 2,460.5 | (125.5) |
| Finance | | 4,579.3 | 3,998.2 | (581.1) |
| Animal Care Facility | | 2,917.2 | 2,762.9 | (154.3) |
| Economic Development | | 67.9 | 358.2 | 290.3 |
| Development Services | | 1,065.7 | 1,370.0 | 304.3 |
| Engineering/Capital Projects | | 2,967.7 | 2,044.4 | (923.3) |
| Police | | 59,963.9 | 58,281.9 | (1,682.0) |
| Fire | | 35,720.6 | 34,815.8 | (904.8) |
| Public Works | | 18,923.0 | 18,591.5 | (331.5) |
| Parks and Recreation | | 2,358.4 | 2,147.6 | (210.8) |
| Library | | 3,996.7 | 4,156.0 | 159.3 |
| **Total General Fund[1]** | **$** | **150,664.3** | **$146,641.7** | **($4,022.6)** |

[1] Excludes Non-Departmental Department since activity is not directly related to any single department.

As you can see from the chart below, the majority of discretionary revenue is allocated to public safety services, with the Police Department expenditure at $58.2 million followed by the Fire Department at $34.8 million. The next highest portion is allocated to Public Works Department at $18.6 million.



## APPENDIX B

### Other Funds Year-End Projections

The following table outlines the year-end projection for other funds that provide support for significant operating activities throughout the City.

**Fiscal Year 2025-26 Other Funds Year-End Projections**

*in millions*

| Other Funds | Revenue/Expense | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|---|
| **2018 Measure A Sales Tax** | Revenue | 30.9 | 30.9 | 33.4 | 2.5 |
| | Expense | 33.7 | 51.4 | 51.3 | 0.1 |
| | **Net Year-End Projection** | **(2.7)** | **(20.5)** | **(17.9)** | **2.6** |
| **Advanced Life Support Program** | Revenue | 3.0 | 3.0 | 3.6 | 0.6 |
| | Expense | 3.1 | 3.1 | 3.4 | (0.3) |
| | **Net Year-End Projection** | **(0.1)** | **(0.1)** | **0.2** | **0.3** |
| **Parking Meter** | Revenue | 1.1 | 1.1 | 1.1 | - |
| | Expense | 1.0 | 1.5 | 1.1 | 0.4 |
| | **Net Year-End Projection** | **0.1** | **(0.4)** | **-** | **0.4** |
| **Local Grants** | Revenue | - | - | 0.2 | 0.2 |
| | Expense | 2.5 | 2.7 | 1.8 | 0.9 |
| | **Net Year-End Projection** | **(2.5)** | **(2.7)** | **(1.6)** | **1.1** |
| **Federal Grants** | Revenue | 0.1 | 0.3 | 0.3 | - |
| | Expense | 0.1 | 0.3 | 0.2 | 0.1 |
| | **Net Year-End Projection** | **-** | **-** | **0.1** | **0.1** |
| **State Grants** | Revenue | 0.7 | 0.7 | 0.9 | 0.2 |
| | Expense | 0.7 | 0.8 | 0.7 | 0.1 |
| | **Net Year-End Projection** | **-** | **(0.1)** | **0.2** | **0.3** |
| **Environmental Services** | Revenue | 2.0 | 2.0 | 2.7 | 0.7 |
| | Expense | 3.1 | 3.1 | 2.6 | 0.5 |
| | **Net Year-End Projection** | **(1.1)** | **(1.1)** | **0.1** | **1.2** |
| **Chula Vista Housing Authority** | Revenue | 2.7 | 7.7 | 7.3 | (0.4) |
| | Expense | 2.6 | 8.2 | 7.1 | 1.1 |
| | **Net Year-End Projection** | **0.1** | **(0.5)** | **0.2** | **0.7** |
| **Central Garage Fund** | Revenue | 6.3 | 6.3 | 6.7 | 0.4 |
| | Expense | 6.3 | 6.4 | 7.0 | (0.6) |
| | **Net Year-End Projection** | **-** | **(0.1)** | **(0.3)** | **(0.2)** |
| **Development Services Fund** | Revenue | 13.2 | 13.1 | 9.6 | (3.5) |
| | Expense | 15.4 | 15.5 | 13.6 | 2.0 |
| | **Net Year-End Projection** | **(2.2)** | **(2.4)** | **(3.9)** | **(1.5)** |
| **Transport Enterprise** | Revenue | 21.3 | 21.3 | 23.3 | 2.0 |
| | Expense | 21.3 | 23.3 | 26.1 | (2.8) |
| | **Net Year-End Projection** | **-** | **(2.0)** | **(2.8)** | **(0.8)** |
| **Sewer Service Revenue** | Revenue | 47.6 | 47.6 | 51.3 | 3.7 |
| | Expense | 47.6 | 50.5 | 50.3 | 0.2 |
| | **Net Year-End Projection** | **-** | **(2.9)** | **1.0** | **3.9** |

**General Fund Budget Amendment Transfers**
**Approved by Administration**
**Fiscal Year 2025-26 (as of June 30, 2026)**

*Attachment 2*

| Department | From | To | Reason | Amount |
|---|---|---|---|---|
| Administration | Personnel | Supplies & Services | Overages for contracted services | $ 50,000 |
| Administration | Personnel | Supplies & Services | Overages for contracted services | 49,988 |
| Administration | Personnel | Supplies & Services | Overages for contracted services | 45,000 |
| Administration | Personnel | Supplies & Services | Overages for travel | 32,000 |
| Administration | Personnel | Supplies & Services | Overages for contracted services | 20,000 |
| Animal Care Services | Other Expenses | Supplies & Services | Overages for contracted services | 1,120 |
| City Attorney | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| City Attorney | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| City Clerk | Supplies & Services | Personnel | Overages, year-end budget alignment | 35,349 |
| City Council | Supplies & Services | Utilities | Overages for utilities | 274 |
| Development Services | Personnel | Other Expenses | Overages for other agency reimbursements | 11,904 |
| Development Services | Supplies & Services | Utilities | Overages for utilities | 327 |
| Engineering | Personnel | Supplies & Services | Overages, year-end budget alignment | 74,762 |
| Engineering | Supplies & Services | Supplies & Services | Transfer appropriations to various orgs | 19,100 |
| Fire | Personnel | Supplies & Services | Overages for wearing apparel | 6,000 |
| Human Resources | Contracted Services | Utilities | Overages for utilities | 569 |
| Information Technology | Other Capital | Supplies & Services | Overages for hardware & sofware purchses | 75,000 |
| Information Technology | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| Information Technology | Other Capital/Personnel | Supplies & Services | Overages for hardware & sofware purchses | 42,890 |
| Library | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| Library | Personnel | Supplies & Services | Overages for contracted services | 50,000 |
| Library | Supplies & Services | Personnel | Overages for hourly costs | 50,000 |
| Library | Supplies & Services | Utilities | Overages for utilities | 39,904 |
| Library | Supplies & Services | Other Expenses | Overages for credit card transaction fees | 1,400 |
| Library | Personnel | Other Expenses | Overages for credit card transaction fees | 1,090 |
| Parks and Recreation | Other Expenses | Internal Service/Other Capital | Overages for fleet charges and capital purchases | 59,312 |
| Parks and Recreation | Supplies & Services | Utilities | Overages for utilities | 14,675 |
| Police | Other Expense/Transfers Out | Supplies & Services | Overages for contracted services | 71,881 |
| Public Works | Supplies & Services | Supplies & Services/Other Expenses | Transfer appropriations to various orgs | 71,740 |
| Public Works | Personnel | Other Expenses | Overages for property damages | 70,000 |
| Public Works | Supplies & Services | Other Capital | Overages for bobcat purchase | 24,528 |
| Public Works | Supplies & Services | Other Capital | Overages for trailer purchase | 15,100 |
| Public Works | Supplies & Servies | Other Expenses | Overages for property damages | 14,800 |
| Public Works | Personnel | Other Expenses | Overages for property damages | 12,460 |
| | | | **Total General Fund Budget Transfers** | **$ 1,261,173** |

**General Fund Budget Amendments**
**Fiscal Year 2025-26 (as of June 30, 2026)**

*Attachment 3*

| Resolution | Date | Budget Amendments | Department | Revenue | Expenditure | Net Impact |
|---|---|---|---|---|---|---|
| 2025-114 | 7/8/2025 | Position Restructure - Classification and Comp | Engineering | $ - | $ 189,737 | $ (189,737) |
| | | | Public Works | - | (189,737) | 189,737 |
| 2025-146 | 9/9/2025 | Position Restructure - Classification and Comp | Engineering | (614,284) | (266,308) | (347,976) |
| | | | Public Works | 614,284 | 266,308 | 347,976 |
| | | | Non Departmental | - | (75,651) | 75,651 |
| | | | Economic | - | 75,651 | (75,651) |
| 2025-205 | 12/2/2025 | Position Restructure - Classification and Comp | City Council | - | (94,728) | 94,728 |
| | | | City Council | - | 94,728 | (94,728) |
| | | | City Clerk | - | 64,459 | (64,459) |
| | | | Non-Departmental | - | (64,459) | 64,459 |
| 2025-206 | 12/2/2025 | First Quarter Amendments | City Council | - | 14,640 | (14,640) |
| | | | Information | - | (94,380) | 94,380 |
| | | | Information | - | 121,094 | (121,094) |
| | | | Non Departmental | - | (3,036,741) | 3,036,741 |
| | | | Non Departmental | - | 2,995,387 | (2,995,387) |
| | | | Economic | 1,070,160 | 1,070,160 | - |
| 2026-047 | 3/17/2026 | Second Quarter Amendments | Boards & | - | 5,000 | (5,000) |
| | | | City Clerk | - | 17,885 | (17,885) |
| | | | Development Services | - | 142,633 | (142,633) |
| | | | Fire | 1,297,696 | 1,297,696 | - |
| | | | Information | - | 231,220 | (231,220) |
| | | | Library | - | 80,000 | (80,000) |
| | | | Non-Departmental | 250,000 | (476,738) | 726,738 |
| | | | Parks and Recreation | 325,000 | 325,000 | - |
| | | | Police | 118,000 | 118,000 | - |
| | | | Public Works | 113,000 | 363,000 | (250,000) |
| 2026-054 | 4/14/2026 | Consultant services agreement amendment for CVEATC Master Plan engineering and planning services | Non -Departmental | | (79,041) | 79,041 |
| | | | Non -Departmental | | 79,041 | (79,041) |
| 2026-131 | 6/16/2026 | Third Quarter Amendment | Public Works | | 300,000 | (300,000) |
| | | | Public Works | | (300,000) | 300,000 |
| **Total General Fund Budget Amendments** | | | | **$3,173,856** | **$ 3,173,856** | **$ -** |

**CITY OF CHULA VISTA**
**DONATION ACCEPTANCE FORM**

Name of donor: Chula Vista Police Foundation

Address: 315 4th Avenue City: Chula Vista State: CA Zip: 91910

Description of donation: Canine and Dual Training Academy – Patrol/Detection (Cohn)

Donor estimate of current value: $31,007.50 Purchase Date: 7/28/2025

Potential immediate or initial acquisition or installation cost, any on-going maintenance or replacement cost: Ongoing costs upon acquisition of a police K9 are food, veterinary services, equipment, gear and training. Estimated service life for a police K9 is 5-8 years.

This form serves as an amendment to the previously submitted donation acceptance form for K9 Cohn in the amount of $22,507.50, which included only one training academy. This updated form supersedes the prior version and now reflects the full scope of initial costs, including the K9, Patrol Academy and Detection Academy.

Intended use: The Chula Vista Police Department welcomes this four-legged partner to the K9 team.

Conditions of acceptance or donor designation: Chula Vista Police Foundation is requesting the City of Chula Vista to fund ongoing costs for the K9 upon acquisition.

Remarks: Incorporated in 2003, the Chula Vista Police Foundation is a 501(c)(3) nonprofit organization (Tax ID #30-0281686) with a mission to fund vital programs, community engagement initiatives, and critical police equipment that strengthen the public safety goals of the Chula Vista Police Department (CVPD).

City department receiving donation: Chula Vista Police Department

**APPROVED / DISAPPROVED**

| | |
|---|---|
| _____ | _____ |
| Date | Department Head' s Signature |
| _____ | _____ |
| Date | City Manager' s Signature |
| _____ | _____ |
| Date Submitted to Council | Date Approved by Council |
| _____ | _____ |
| Date | Mayor' s Signature |

Note: The City of Chula Vista cannot guarantee future funding for repair, maintenance, use or replacement of donated items.

CC:  City Council, Finance Department, City Manager's Office



CITY COUNCIL
STAFF REPORT

CITY OF CHULA VISTA

**October 27, 2026**

## ITEM TITLE

Financial Report and Appropriations: Quarterly Financial Report and Budget Appropriations for the Quarter Ending June 30, 2026 (Fourth Quarter Report)

**Report Number:** 26-0323

**Location:** No specific geographic location

**Department:** Finance

**G.C. § 84308 Regulations Apply:** No

**Environmental Notice:** The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## Recommended Action

Accept the quarterly financial report for the quarter ended June 30, 2026 (the "Fourth Quarter Report") and adopt the following resolutions: A) making various amendments to the fiscal year 2025-26 budget to adjust for variances and appropriating funds for that purpose (**4/5 Vote Required**); B) accepting donations in the amount of $31,007.50 from the Chula Vista Police Foundation in support of Police Department K9 operations.

## SUMMARY

The Finance Department, in collaboration with other City of Chula Vista ("City") departments, prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlights major variances that may require additional action or budgetary changes to the Amended Budget. This Fourth Quarter Report is as of June 30, 2026, and is submitted in accordance with Section 505(F) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager

In preparing the Fourth Quarter Report, staff identified various budgetary changes that are needed to accurately reflect actual revenues and expenditures or address changes in budgetary needs. For government entities, a budget creates a legal framework for spending during the fiscal year. After the budget is approved by the City Council, there are circumstances which arise that could require adjustments to the approved budget. Council Policy 220-02 "Financial Reporting and Transfer Authority" was established in January of

1996, amended October of 2023, and allows for budget transfers across budget categories and other adjustments to be completed. Budget transfers and adjustments processed pursuant to this authority are provided as Attachments 2 and 3 to this report. This Fourth Quarter Report discusses budget adjustments that staff recommend in the General Fund as well as various other funds to address identified fiscal issues.

## ENVIRONMENTAL REVIEW

The proposed activity has been reviewed for compliance with the California Environmental Quality Act ("CEQA"), and it has been 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.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION:

Not applicable.

## DISCUSSION

The Finance Department, in collaboration with other City departments, prepares quarterly financial reports for the General Fund and other funds that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes to the Amended Budget. The Fourth Quarter Financial Report is in compliance with Section 505(F) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager.

As part of the fiscal year 2025-26 year-end process, staff has reviewed budget to actual reports to identify potential overages and savings at the budget category or fund level. The data in this report represents the most current data available; staff will monitor the City's actual revenues and expenditures and will provide year-end actuals as part of the release of the City's Annual Comprehensive Financial Report. The Fourth Quarter Financial Report provides summary information for the following areas:

- Current economic environment
- Overview of the General Fund
- Details of General Fund revenues and expenditures
- Discussion on significant General Fund revenue and expenditure variances
- Overview of Non-General Operating Funds
- Recommended budget adjustments to General Fund, Other Funds and Capital Improvement Project expenditures budgets

The following information provides an overview of the General Fund and recommended budget adjustments included in the attached Fourth Quarter Report (Attachment 1).

### General Fund Overview

General Fund Revenues are estimated to exceed the Amended Budget by $2.1 million, primarily driven by an increase in Other Revenues offset by a reduction in Major Discretionary Revenues. General Fund Expenditures reflect a positive variance of $0.8 million compared to the Amended Budget. This results in an estimated General Fund surplus of $2.9 million that will be contributed to General Fund Reserves per the

Citywide Reserve Policy – Fiscal Health Plan (Policy No. 220-03). The Fourth Quarter Report provides a comprehensive financial overview for the quarter.

**Fiscal Year 2025-26 General Fund Overview**
***Table 1*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance[1] |
|---|---|---|---|---|
| **Revenue Source** | | | | |
| *Major Discretionary Revenues* | | | | |
| Property Tax | $ 58.4 | $ 58.4 | $ 54.6 | $ (3.9) |
| Property Tax in lieu of VLF | 33.8 | 33.8 | 34.0 | 0.2 |
| Sales Tax | 51.2 | 51.2 | 52.4 | 1.2 |
| Measure P Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Measure A Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Franchise Fees | 15.4 | 15.4 | 16.4 | 1.0 |
| Transient Occupancy Tax | 21.7 | 21.7 | 20.6 | (1.2) |
| Utility Users Tax | 3.7 | 3.7 | 3.7 | - |
| **Major Discretionary Revenues Subtotal** | 246.0 | 246.0 | 243.8 | (2.2) |
| *Other General Fund Revenues* | | | | |
| Other Revenues | 59.6 | 62.8 | 67.1 | 4.3 |
| **Other General Fund Revenues Subtotal** | 59.6 | 62.8 | 67.1 | 4.3 |
| **Total Revenues/Sources** | **$ 305.6** | **$ 308.8** | **$ 310.8** | **$ 2.1** |
| **Expenditures** | | | | |
| Personnel Services | $ 161.8 | $ 162.8 | $ 162.1 | $ 0.7 |
| *Non-Personnel* | | | | |
| Supplies and Services | 28.6 | 33.6 | 32.4 | 1.2 |
| Other Expenses | 2.7 | 3.6 | 3.7 | (0.1) |
| Transfers Out | 100.0 | 103.3 | 103.9 | (0.6) |
| Internal Services | 4.6 | 4.6 | 4.6 | - |
| Utilities | 7.7 | 8.0 | 8.5 | (0.5) |
| Other Expenditures Category[2] | 0.2 | 0.6 | 0.5 | 0.1 |
| *Total Non-Personnel* | 143.8 | 153.7 | 153.3 | 0.4 |
| **Total Expenditures** | **$ 305.6** | **$ 316.5** | **$ 315.7** | **$ 0.8** |
| **Use of Prior Year Fund Balance** | **$ -** | **$ (7.7)** | **$ (7.7)** | **$ -** |
| **Total General Fund Surplus/(Deficit)** | **$ -** | **$ -** | **$ 2.9** | **$ (2.9)** |
| **Contribution to Reserves per Policy** | **-** | **-** | **(2.9)** | **2.9** |
| **Total General Fund Surplus/(Deficit)** | **$ -** | **$ -** | **$ -** | **$ -** |

[1] Variance compares the Amended Budget and the Year-End Projection.
[2] Other Expenditures Category includes: Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures.
*Tables may not tie due to rounding

## General Fund Revenues

The City's General Fund revenues are anticipated to end the year exceeding the Amended Budget by

approximately $2.1 million. This overage is a combination of Other General Fund Revenues exceeding the Amended Budget by $4.3 million offset with less than anticipated Major Discretionary Revenues of $2.2 million. The variance in Major Discretionary Revenues reflect increases in Sales Tax, Measure A Sales Tax, Measure P Sales Tax, Franchise Fees and Property Tax in Lieu of VLF offset with decreases in Property Tax and Transient Occupancy Tax ("TOT") revenues.

Major Discretionary Revenues

Sales Tax revenue is expected to exceed the Amended Budget by $1.2 million. Based on the latest information from HdL, the City's sales tax consultant, this positive variance is primarily driven by consumer spending and heightened regional economic activity from major Southern California events, including the Super Bowl and the FIFA World Cup. Franchise Fees revenues are also projected to exceed the Amended Budget by approximately $0.9 million, primarily attributed to higher than anticipated receipts from solid waste franchise fees and San Diego Gas & Electric (SDG&E) franchise fees. Similarly, Measure A Sales Tax, Measure P Sales Tax revenues and Property in Lieu of VLF are expected to exceed the Amended Budget by $0.8 million combined. These positive variances in Major Discretionary Revenues are partially offset by decreases in Property Tax and TOT revenues. As first reported in the Second Quarter Report, Property Tax revenues are projected to be $3.9 million below the Amended Budget, which was developed based on the assessed valuation report provided by the County. While we continue to see growth in property tax over the prior fiscal year's actuals of 5.2%, this growth is lower than anticipated in the budget. TOT revenues are expected to be $1.2 million below the Amended Budget, reflecting the delayed opening of two new hotels and revised revenue assumptions informed by actual receipts in the current fiscal year.

Other Revenues

Other revenues are projected to exceed the Amended budget by approximately $4.3 million primarily from a transfer from the Other Post Employment Benefit ("OPEB") Reserve Fund of $0.8 million for eligible OPEB expenditures in the General Fund and an increase of anticipated investment earnings. Additionally, this category is exceeding the Amended Budget due to increases in departmental revenues associated with staff time reimbursement and are detailed in the General Fund Revenues section of the Fourth Quarter Report.

**General Fund Expenditures**

The City's General Fund expenditures are projected to be lower than the Amended Budget by $0.8 million. The projected overage in Utilities, Transfers Out and Other Expenses totaling $1.2 million combined are expected to be offset with a decrease in Personnel Services, Supplies and Services and Other Expenditures Category of $2.0 million combined, resulting in a positive fiscal impact. The reduction in Personnel Services and Supplies and Services is primarily attributable to savings from vacant positions citywide and lower than anticipated operational expenses in various departments. The increase in the Transfers Out category is driven by additional transfers to the Measure A and Measure P Sales Tax Funds due to higher anticipated sales tax revenues, alongside transfers associated with the Bayfront development. This increase also reflects a supplemental transfer to the Public Liability Trust Fund to cover rising litigation costs.

## General Fund Reserves

In accordance with the Citywide Reserve Policy – Fiscal Health Plan (Policy No. 220-03), the City is required to fund General Fund Reserves through surplus funds after the close of the fiscal year. Surplus funds are calculated at year-end and represent excess fund balance that is not otherwise designated and remains available for appropriations. Based on the Fourth Quarter Report, the City is projecting approximately $2.9 million in available surplus funds for contribution to the General Fund Reserves. This contribution is expected to fully fund the Operating Reserve at its 15% target and the Economic Contingency Reserve at its 5% target. The Catastrophic Event Reserve, however, is projected to remain slightly below its 3% target, at approximately 2.8%.

## Fiscal Year 2025-26 Budget Adjustments

Staff are recommending various budget adjustments, appropriations, and transfers to City Departmental General Fund and Other Funds budgets that require City Council authorization. Amendments with financial impact of $75,000 or greater that exceed the budget transfer authority per policy are detailed in this report. For a comprehensive list of all other amendments, please refer to the Fourth Quarter Report.

## General Fund Adjustments

The proposed adjustments result in no net impact to the fiscal year 2025-26 General Fund budget. This includes transfers of General Fund appropriations of approximately $479,050 from Personnel Services Expenditures to Non-Personnel Expenditures in various departments. The recommended budget adjustments are shown in Table 2 below. Additional details by budget category can be found in Exhibit 1 to the Resolution.

**General Fund Budget Adjustments Summary**

***Table 2***

| Department | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Non-Departmental | $ 111,391 | $ 1,120,380 | $ 1,231,771 | $ - | $ 1,231,771 |
| Public Works | 523,376 | 234,004 | 757,380 | - | 757,380 |
| Parks and Recreation | 196,687 | (17,059) | 179,628 | - | 179,628 |
| Information Technology | 30,494 | 62,176 | 92,670 | - | 92,670 |
| City Attorney | (184,524) | 263,566 | 79,042 | - | 79,042 |
| Library | 23,495 | 12,604 | 36,099 | - | 36,099 |
| Police | (650,671) | (25,000) | (675,671) | - | (675,671) |
| Administration | (300,000) | (35,000) | (335,000) | - | (335,000) |
| City Clerk | - | (331,024) | (331,024) | - | (331,024) |
| Fire | (291,953) | (22,181) | (314,134) | - | (314,134) |
| Finance | 244,223 | (549,121) | (304,898) | - | (304,898) |
| Animal Care Facility | (64,000) | (75,000) | (139,000) | - | (139,000) |
| Human Resources | 111,111 | (240,921) | (129,810) | - | (129,810) |
| Economic Development | - | (87,053) | (87,053) | - | (87,053) |
| Engineering/Capital Projects | (228,679) | 168,679 | (60,000) | - | (60,000) |
| **Total General Fund** | **$ (479,050)** | **$ 479,050** | **$ -** | **$ -** | **$ -** |

Below are additional details of recommended expenditure budget adjustments exceeding $75,000:

*Non-Departmental:* Increase to Personnel Services and Non-Personnel Expenditures for total increased

appropriations of $1,231,771. These increases are mainly due to increases in transfers associated with public liability costs, Bayfront development obligations, and to Measure A and Measure P Sales Tax Funds and various encumbrances.

*Public Works:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $757,380, for higher reimbursed overtime and rising utility costs.

*Parks and Recreation:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total increased appropriations of $179,628 for increased hourly costs associated with recreation program operations.

*Information Technology:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $92,670 for additional costs associated with the Interim Department Director contract.

*City Attorney:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $79,042 for increases in litigation costs.

*Police:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $675,671 driven primarily from department vacancies.

*Administration:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $335,000 driven primarily from department vacancies.

*City Clerk:* Decrease to Non-Personnel Expenditures of $331,024 from savings in election costs.

*Fire:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $314,134 driven primarily from department vacancies.

*Finance:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decrease of appropriations of $304,898 from savings in contracted services.

*Animal Care Facility:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $139,000 largely due to savings in contracted services and department vacancies.

*Human Resources:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decreased appropriations of $129,810 due to savings in contracted services.

*Economic Development:* Decrease to Non-Personnel Expenditures of $87,053 from savings in contracted services attributable to deferred operational timelines.

*Engineering/Capital Projects:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for a total decreased appropriations of $60,000 primarily from department vacancies.

**Other Fund Adjustments**

The recommended adjustments in Table 3 below are for funds other than the General Fund that result in a fiscal impact at the revenue and expenditure level. Additional details by budget category can be found in Exhibit 1 to the Resolution.

The recommended adjustments are offset by additional current year revenues or the available fund balance of the respective funds.

**Other Fund Budget Adjustments Summary**
***Table 3***

| Other Funds | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Transport Enterprise | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | 9 | 9 | - | 9 |
| State Grants | 475,080 | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | 832 | 832 | (832) | - |
| OV Rd Fee Recovery District | - | 800 | 800 | (800) | - |
| Other Transportation Program | - | 421 | 421 | (421) | - |
| 2018 Measure A Sales Tax | 750,647 | (750,647) | - | - | - |
| **Total Other Funds** | **$ 1,097,165** | **$ 5,427,094** | **$ 6,524,259** | **$(3,765,830)** | **$2,758,429** |

Below are additional details of recommended expenditure budget adjustments exceeding $75,000:

*Transport Enterprise*: Increase to Non-Personnel Expenditures of $4,032,333 partially offset from available fund balance of $1,986,373 and estimated increased revenues of $2,045,960 for increased contract costs and payments resulting from program audits.

*Central Garage:* Increase to Non-Personnel Expenditures of $652,255 partially offset from available fund balance of $277,255 and estimated increased revenues of $375,000 for increased automotive maintenance costs.

*Public Liability Trust:* Increase to Non-Personnel Expenditures of $198,392 from available fund balance for litigation costs.

*Federal Grants:* Increase to Non-Personnel Expenditures of $150,412 from available fund balance to correct a carry-forward grant administrative error.

*CDBG Housing Program:* Increase to Non-Personnel Expenditures of $110,997 partially offset from available

fund balance of $83,997 for a fund balance transfer to correct prior-year revenue misallocations.

*Chula Vista Muni Golf Course*: Increase to Non-Personnel Expenditures of $432,154 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Advanced Life Support Program*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $265,259 fully offset from estimated increased revenues primarily for increased capital purchases and transfers out, driven by fire suppression differential costs.

*Sewer Service Revenue*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $182,043 fully offset from estimated increased revenues primarily for higher-than-anticipated transfers out for other fund reimbursements.

*Workers Compensation Fund*: Increase to Non-Personnel Expenditures of $170,429 fully offset from estimated increased revenues for additional claims expenses.

*Donations*: Increase to Non-Personnel Expenditures of $148,721 fully offset from estimated increased revenues for donations received for several departments.

**Donations Acceptance**

In accordance with Donations Policy 270-01, the Police Department is requesting City Council approval for the acceptance of a police canine and Dual Training Academy with an estimated value of $31,007.50. Terms include that the City funds ongoing veterinary, equipment, gear, training and food of police canine.

**Preparation of the Annual Comprehensive Financial Report**

Staff recommends that the City Council authorize the City Manager to amend the fiscal year 2025-26 budget and approve appropriations and transfers in the General Fund and various other funds to ensure audited actuals resulting from final year-end closing entries do not exceed budget.

Staff recommends that the Director of Finance report any amendments to the fiscal year 2025-26 budget and appropriations and transfers to the General Fund and various other funds approved by the City Manager in the next quarterly financial report.

## DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and have not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

## CURRENT-YEAR FISCAL IMPACT

The Fourth Quarter Report presents projected revenue and expenditure amounts as of June 30, 2026, with updates through October 16, 2026, as the most current information available. Approval of the resolution amending the fiscal year 2025-26 budget will result in the following fiscal impacts:

**General Fund** – The proposed adjustments result in no net impact to the fiscal year 2025-26 budget. This includes a transfer of expenditures in various budget categories in General Fund appropriations.

**Other Funds** – The proposed adjustments result in a negative net impact to the fiscal year 2025-26 budgets of the Other (non-General Fund) Funds of $2,758,429. This includes an increase in appropriations of approximately $6,524,259 and an increase in estimated revenues of $3,765,830.

## ONGOING FISCAL IMPACT

Staff will review the impacted budgets to identify potential ongoing impacts and may recommend budgetary adjustments to Council during fiscal year 2026-27 quarterly reports.

## ATTACHMENTS

1. Fiscal Year 2025-26 Fourth Quarter Report
2. General Fund Budget Transfers
3. General Fund Budget Amendments
4. Donation Acceptance Form - Canine and Dual Training Academy

*Staff Contact:* *Ed Prendell, Budget and Analysis Manager*
*Maritza Vargas, Fiscal and Management Analyst*
*Adrian Del Rio, Director of Finance/Treasurer*

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA MAKING VARIOUS AMENDMENTS TO THE FISCAL YEAR 2025-26 BUDGET TO ADJUST FOR VARIANCES AND APPROPRIATING FUNDS THEREFOR

WHEREAS, the Charter of the City of Chula Vista states that at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by a motion adopted by the affirmative votes of at least four members; and

WHEREAS, staff has completed the budget review for the quarter ending June 30, 2026 and recommends a number of budget amendments in the General Fund and various other funds to align the budget with anticipated year-end actuals where the actuals are expected to exceed the budget; and

WHEREAS, staff has prepared a comprehensive list of all amendments, which are identified as Exhibit 1, attached hereto and incorporated herein by reference; and

WHEREAS, staff recommends a transfer of expenditures of $479,050 across various departments in the General Fund, resulting in no net fiscal impact to the General Fund; and

WHEREAS, the Transport Enterprise Fund, Central Garage Fund, Public Liability Trust Fund, Federal Grants Fund, CDBG Housing Program Fund, Parking Meter Fund, Special Sewer Fund and Equipment Lease Fund will be negatively impacted due to adjustments that will add appropriations that will be made from the available balances of these funds or partially offset by increased estimated revenues; and

WHEREAS, the Chula Vista Muni Golf Course Fund, Advanced Life Support Program Fund, Sewer Service Revenue Fund, Workers Compensation Fund, Donations Fund, Western-Park Acquisition & Dev Fund, Public Benefit Contribution Fund, Capital Improvement Projects Fund, Park Benefit Fees Fund, Open Space District #11 Fund, CPF Benefit Funds Fund, Town Ctr Business Improv Dist Fund, Energy Conservation Loans Fund, OV Rd Fee Recovery District Fund and Other Transportation Program Fund are positively impacted as a result of increased appropriations and increased estimated revenue resulting from the recommended changes; and

WHEREAS, the recommended adjustments to 2018 Measure A Sales Tax, American Rescue Plan Act 2021 Fund and Drainage DIF Fund will result in no fiscal impact.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it does hereby amend the fiscal year 2025-26 budget and approve the following appropriations and transfers:

## Summary of General Fund Appropriations and/or Transfers
**General Fund Budget Amendments Summary – 4th Quarter Fiscal Year 2025-26**

| Department | Personnel Services | Non- Personnel Expenses | Total Expenses | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Non-Departmental | $ 111,391 | $ 1,120,380 | $ 1,231,771 | $ - | $ 1,231,771 |
| Public Works | 523,376 | 234,004 | 757,380 | - | 757,380 |
| Parks and Recreation | 196,687 | (17,059) | 179,628 | - | 179,628 |
| Information Technology | 30,494 | 62,176 | 92,670 | - | 92,670 |
| City Attorney | (184,524) | 263,566 | 79,042 | - | 79,042 |
| Library | 23,495 | 12,604 | 36,099 | - | 36,099 |
| Police | (650,671) | (25,000) | (675,671) | - | (675,671) |
| Administration | (300,000) | (35,000) | (335,000) | - | (335,000) |
| City Clerk | - | (331,024) | (331,024) | - | (331,024) |
| Fire | (291,953) | (22,181) | (314,134) | - | (314,134) |
| Finance | 244,223 | (549,121) | (304,898) | - | (304,898) |
| Animal Care Facility | (64,000) | (75,000) | (139,000) | - | (139,000) |
| Human Resources | 111,111 | (240,921) | (129,810) | - | (129,810) |
| Economic Development | - | (87,053) | (87,053) | - | (87,053) |
| Engineering/Capital Projects | (228,679) | 168,679 | (60,000) | - | (60,000) |
| **Total General Fund** | **$ (479,050)** | **$ 479,050** | **$ -** | **$ -** | **$ -** |

## Summary of Appropriations and/or Transfers for Other Funds
**Other Funds Budget Amendments Summary – 4th Quarter Fiscal Year 2025-26**

| Other Funds | Personnel Services | Non-Personnel Expenses | Total Expense | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Transport Enterprise | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | 9 | 9 | - | 9 |
| State Grants | 475,080 | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | 832 | 832 | (832) | - |
| OV Rd Fee Recovery District | - | 800 | 800 | (800) | - |
| Other Transportation Program | - | 421 | 421 | (421) | - |
| 2018 Measure A Sales Tax | 750,647 | (750,647) | - | - | - |
| **Total Other Funds** | **$ 1,097,165** | **$ 5,427,094** | **$6,524,259** | **$(3,765,830)** | **$2,758,429** |

*Table is shown in summary, funds with transfers within Non-Personnel Expenditures categories are detailed in Exhibit 1

BE IT FURTHER RESOLVED, by the City Council that it authorizes City Manager to amend the fiscal year 2025-26 budget and approves appropriations and transfers in the General Fund and various other funds in order to ensure auditor actuals resulting from final year end closing entries do not exceed authorized budget, and

BE IT FURTHER RESOLVED, by the City Council that it directs the Director of Finance to report any amendments to the fiscal year 2025-56 budget and appropriation transfers to the General Fund and various other funds approved by the City Manager in the next quarterly financial report following the release of the Annual Comprehensive Financial Report.

| | |
|---|---|
| Presented by | Approved as to form |
| _____ | _____ |
| Adrian Del Rio | Marco Verdugo |
| Director of Finance/Treasurer | City Attorney |

# EXHIBIT 1

## GENERAL FUND BUDGET AMENDMENTS SUMMARY – 4th QUARTER FISCAL YEAR 2025-26

| DEPARTMENT | PERSONNEL SERVICES | SUPPLIES & SERVICES | OTHER EXPENSES | OTHER CAPITAL | TRANSFERS OUT | UTILITIES | NON-CIP EXPENDITURES | TOTAL EXPENDITURES | NET IMPACT |
|---|---|---|---|---|---|---|---|---|---|
| **GENERAL FUND** | | | | | | | | | |
| Non-Departmental | $ 111,391 | $ 520,645 | $ 10,982 | $ - | $ 588,753 | $ - | $ - | $ 1,231,771 | $ 1,231,771 |
| Public Works | 523,376 | (128,085) | (645) | (23,457) | - | 305,934 | 80,257 | 757,380 | 757,380 |
| Parks and Recreation | 196,687 | - | - | - | - | (17,059) | - | 179,628 | 179,628 |
| Information Technology | 30,494 | 73,220 | - | - | - | (11,114) | 70 | 92,670 | 92,670 |
| City Attorney | (184,524) | 268,762 | - | (4,948) | - | (248) | - | 79,042 | 79,042 |
| Library | 23,495 | (63,503) | - | - | - | 75,094 | 1,013 | 36,099 | 36,099 |
| Administration | (300,000) | (35,000) | - | - | - | - | - | (335,000) | (335,000) |
| City Clerk | - | (331,024) | - | - | - | - | - | (331,024) | (331,024) |
| Fire | (291,953) | (176,134) | - | - | - | - | 153,953 | (314,134) | (314,134) |
| Finance | 244,223 | (549,121) | - | - | - | - | - | (304,898) | (304,898) |
| Animal Care Facility | (64,000) | (59,000) | - | - | - | (16,000) | - | (139,000) | (139,000) |
| Human Resources | 111,111 | (240,921) | - | - | - | - | - | (129,810) | (129,810) |
| Economic Development | - | (87,053) | - | - | - | - | - | (87,053) | (87,053) |
| Engineering/Capital Projects | (228,679) | - | - | - | - | 168,679 | - | (60,000) | (60,000) |
| **TOTAL GENERAL FUND** | **$ (479,050)** | **$ (807,214)** | **$ 10,337** | **$(53,405)** | **$ 588,753** | **$ 581,420** | **$ 159,159** | **$ 479,050** | **$ -** |

## OTHER FUNDS BUDGET AMENDMENTS SUMMARY – 4th QUARTER FISCAL YEAR 2025-26

| | PERSONNEL SERVICES | SUPPLIES & SERVICES | OTHER EXPENSES | OTHER CAPITAL | CIP BUDGET | INTERNAL SERVICE | TRANSFERS OUT | NON-CIP BUDGET | NON-PERSONNEL EXPENDITURES | TOTAL EXPENSE | TOTAL REVENUE | NET IMPACT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **OTHER FUNDS** | | | | | | | | | | | | |
| Transport Enterprise | $ - | $ 1,763,835 | $ 2,030,520 | $ - | $ - | $ - | $ 237,978 | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | - | - | - | - | - | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 48,960 | 149,432 | - | - | - | - | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | - | - | 150,412 | - | - | - | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | (72) | (1,656) | - | - | - | 318,623 | (205,898) | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | - | 63,345 | - | - | - | - | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | - | - | - | - | - | 502 | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | - | - | - | - | - | 9 | - | 9 | 9 | - | 9 |

| | PERSONNEL SERVICES | SUPPLIES & SERVICES | OTHER EXPENSES | OTHER CAPITAL | CIP BUDGET | INTERNAL SERVICE | TRANSFERS OUT | NON-CIP BUDGET | NON-PERSONNEL EXPENDITURES | TOTAL EXPENSE | TOTAL REVENUE | NET IMPACT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State Grants | 475,080 | - | (476,936) | - | - | - | - | - | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | - | 202,702 | - | 229,452 | - | - | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | (100,000) | - | 185,795 | - | (2,495) | 191,019 | - | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | (229,000) | 21,181 | (91,810) | - | 98,202 | 502,972 | - | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | - | 170,429 | - | - | - | - | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | - | 131,790 | - | - | - | 16,931 | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | - | 48,899 | - | - | - | - | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | - | 32,117 | - | - | - | - | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | - | 8,689 | - | - | - | 13,171 | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 5,151 | 284 | 3,135 | - | - | 1,057 | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | - | - | - | - | - | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | - | 842 | - | - | - | 1,000 | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | - | - | - | - | - | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | - | 832 | - | - | - | - | - | 832 | 832 | (832) | - |
| American Rescue Plan Act 2021 | - | - | (114,489) | - | 114,489 | - | - | - | - | - | - | - |
| Drainage DIF | - | - | - | - | (76,502) | - | 76,502 | - | - | - | - | - |
| 2018 Measure A Sales Tax | 750,647 | (358,000) | - | (76,000) | - | 87,353 | (404,000) | - | - | (750,647) | - | - |
| **TOTAL OTHER FUNDS** | **$ 1,097,165** | **$ 1,779,198** | **$2,267,151** | **$ 171,532** | **$ 267,439** | **$ 183,060** | **$ 956,619** | **$(205,898)** | **$ 5,427,094** | **$6,524,259** | **$ (3,765,830)** | **$ 2,758,429** |

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING A DONATION FROM CHULA VISTA POLICE FOUNDATION

WHEREAS, in accordance with City Council Donation Policy 270-01, the Police Department requests that the City Council accept certain donation from the Chula Vista Police Foundation (the "Donation"); and

WHEREAS, the Donation consists of acquisition of a police canine, K9 and Patrol and Detection Academy with an estimated value of $31,007.50; and

WHEREAS, the City will fund ongoing costs for canine acquisition, included but not limited to; food, veterinary services, equipment, fear and training; and

WHEREAS, the City Council finds that, consistent with Policy 270-01, the Donation serves a purpose consistent with the City of Chula Vista's ("City") goals and objectives and that acceptance of the Donation is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it accepts the Donation with an estimated value of $31,007.50 from the Chula Vista Police Foundation; and

BE IT FURTHER RESOLVED that the City Manager is authorized to enter into and execute any and all agreements or documents necessary to accept the Donations and implement this resolution.

Presented by

Adrian Del Rio
Director of Finance/Treasurer

Approved as to form by

Marco A. Verdugo
City Attorney

# Quarterly Financial Report

Period Ending June 30, 2026

## INTRODUCTION

Chula Vista City Council adopted the fiscal year 2025-26 budget on May 20, 2025. The Finance Department, in collaboration with other City of Chula Vista ("City") departments, prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes to the Amended Budget. Per Section 505(F) of the City Charter, the Director of Finance has prepared and submitted the quarterly financial report for the quarter ended June 30, 2026 (Fourth Quarter Report) through the City Manager.

The Fourth Quarter Report is developed using twelve months of actual financial activity for fiscal year 2025-26 as of June 30, 2026. The data in this report is the most current data available; however, as Finance prepares the Annual Comprehensive Financial Report, projections are likely to change.

The Fourth Quarter Report provides summary information for the following areas:

- Current economic environment
- Overview of the General Fund
- Details on major General Fund revenues and expenditure categories
- Discussion on significant General Fund revenue and expenditure variances
- Overview of Non-General Operating Funds
- Recommended budget adjustments to General Fund, Other Funds, and Capital Improvement Project expenditure budgets

The Finance Department will continue to monitor the City's actual revenues and expenditures and will provide updates in the next quarterly financial report.

## ECONOMIC OVERVIEW

City staff reviewed information from various sources including the following: federal data (U.S. Bureaus of Economic Analysis, Labor Statistics; Federal Reserve; U.S. Treasury), the quarterly UCLA Anderson Economic Outlooks, HdL (City sales tax consultant), the San Diego Tourism Authority, and other sources to develop the economic assumptions and growth rates included in the Fourth Quarter Report.

### Highlights – National

The UCLA Anderson Forecast ("Forecast") for June 2026 reports a relatively resilient national

economy despite another inflationary shock driven by the war in Iran.[1] Rising energy prices became an added pressure on business and household spending, as well as the Federal Reserve in moderating inflation.[1] Yet, with continued strong investment in artificial intelligence (AI) and tax cuts, the U.S. economy is expected to weather the oil shock and maintain its moderate growth trajectory.[1]

Unemployment

The labor market remained largely unchanged at a national unemployment rate of 4.2% slightly ticking down, driven by a decrease in the labor force participation rate as opposed to widespread new hiring.[2] The Forecast reflects the labor market slightly softening, with an unemployment increasing to 4.5% by the end of 2026 as energy costs weight on spending and fiscal stimulus ends.[1]

Inflation

Despite periods of trending downward in 2025, inflation continues to be elevated.[2] The seasonally adjusted annual rate of Consumer Price Index was 3.4% in July.[3] The Forecast predicts inflation to peak at 4.5% caused by inflationary pressure shifting from tariffs to a new energy shock caused by the war in Iran and the closing of the Strait of Hormuz. [1]

Interest Rates

The Federal Open Market Committee (FOMC), part of the Federal Reserve, is committed to Congress's mandate to promote maximum employment, stable prices (i.e., limited inflation), and moderate long-term interest rates. Reporting that job gains have remained low this year and unemployment remaining stabilized, in its latest meeting in July 2026 the Federal Reserve maintained the federal funds target at 3-1/2 to 3-3/4 percent.[4]

The "federal funds rate" established by the FOMC sets the interest rate at which banks lend money to other banks to maintain overnight reserves of funds. When the federal funds rate increases, the cost to banks for lending increases and passed on to businesses and consumers on other borrowing, such as for business investments, credit cards, cars, mortgages and other bank loans. Interest rate fluctuations impact the City's finances by affecting borrowing costs for capital projects and long-term investments; private investments growth; and investment returns on its cash balances.

Real Gross Domestic Product (GDP)

The chart below from the U.S. Bureau of Economic Analysis displays recent quarterly results of real GDP, a measure of the value of all goods and services produced in a country over a period of time (adjusted for inflation), which is an economic indicator of growth. In the second quarter (Q2) of 2026, real GDP increased at an annualized rate of 2.2%, a slight decline from the first quarter (Q1)

[1] UCLA Anderson School of Management. UCLA Anderson Forecast Says Oil Shock Has Replaced Tariffs as Leading Risk to U.S. Economy. 3 June 2026. UCLA Anderson Forecast

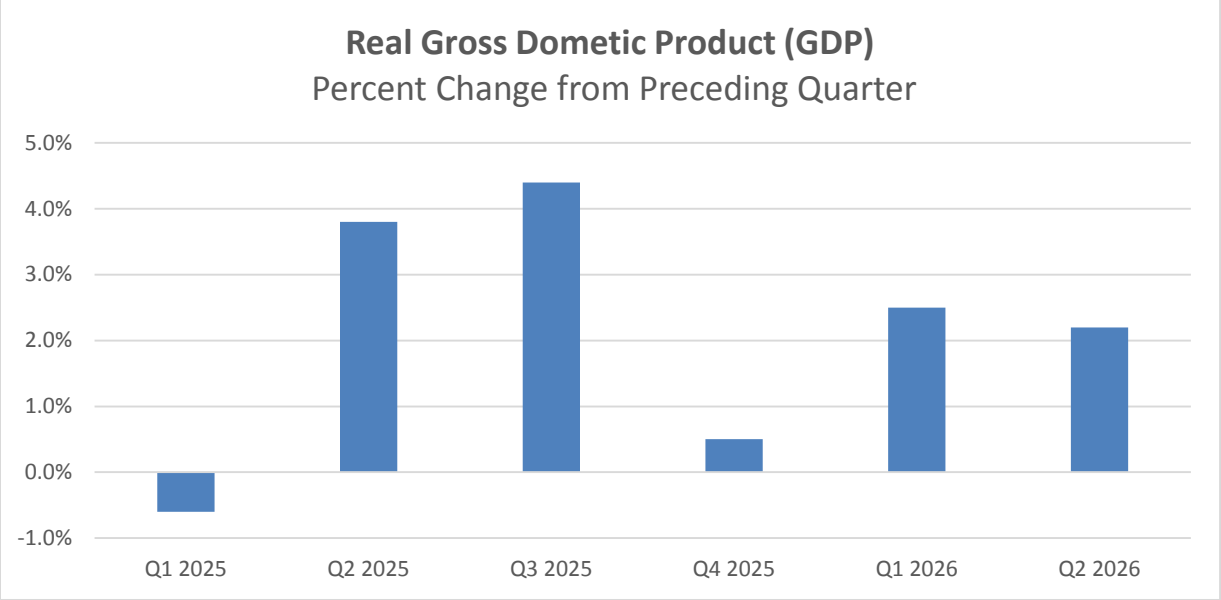
[2] U.S. Bureau of Labor Statistic. Economic News Release. 2 July 2026. U.S. Bureau of Labor Statistics.

[3] U.S. Bureau of Labor Statistic. Consumer Price Index. July 2026. U.S. Bureau of Labor Statistics

[4] Federal Open Market Committee. Press Release. Federal Reserve issues FMOC statement. 29 July. 2026. Federal Open Market Committee

of 2.5%.[5] The growth numbers suggest the economy has held up in the face of headwinds from the US-Israeli war with Iran.[6] The Federal Reserve will be closely monitoring this marginal positive economic growth in its policy decisions to reduce inflation.

**GDP: Percent Change from Preceding Quarter**




The Forecast predicts GDP growth to hold at roughly 2.1% in 2026 rather than accelerate.[7]

**Highlights – California**

The Forecast for California describes an economy that remains bifurcated, with output and income growth and employment remaining weak and uneven.[7] The Legislative Analyst Office indicates, despite improvements in revenues, the California budget problem is larger than anticipated. The strong income tax collections driven by enthusiasm around AI, have driven the stock market to be overheated and possibly not sustainable.[8]

The latest state employment reports show a 5.2% unemployment rate, the state's lowest since May 2024.[9] Some factors impacting California labor include changes in H-1B visas and artificial intelligence (AI) development in the technology sector and a general decline in manufacturing. National immigration policies are also exhibiting impacts on the non-durable goods (food) and agriculture sectors.

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[5] U.S. Bureau of Economic Analysis. Gross Domestic Product. 2nd Quarter 2026 (Third Estimate). GDP by Industries, Corporate Profits, State GDP, and State Personal Income. U.S. Bureau of Economic Analysis

[6] Reuters. US second-quarter GDP revised higher amid robust consumer spending. 30 September. 2026. Reuters

[7] UCLA Anderson School of Management. UCLA Anderson Forecast Says Oil Shock Has Replaced Tariffs as Leading Risk to U.S. Economy. 3 June 2026. UCLA Anderson.

[8] California Legislative Analyst's Office. The 2026-27 California's Fiscal Outlook. 19 Nov. 2025. California Legislative Analyst's Office.

[9] California Employment Development Department. California's Unemployment Rate Drops to 5.2% in June. 17 June 2026. California Employment Development Department.

Overall, both the nation and the state economies are expected to see sluggish growth in early 2026, with potential improvement beginning in late 2026 and into 2027. The outlook for the state's economy remains subject to several uncertainties, including federal immigration policies and associated deportations, the scope and impact of tariffs and related trade responses and the pace and practical application of artificial intelligence technologies.[7]

## GENERAL FUND OVERVIEW

General Fund revenues are estimated to exceed the Amended Budget by $2.1 million, and expenditures are anticipated to be lower than the Amended Budget by $0.8 million. Staff anticipates major revenues to come in lower than budget by $2.2 million and other revenues to exceed the Amended Budget by $4.3 million, detailed in the General Fund Revenues section. Fourth quarter projections for expenditures, as well as any known significant expenditure budget adjustments, are detailed in the General Fund Expenditures section.

**Fiscal Year 2025-26 General Fund Overview**

***Table 1*** *in millions*

| | Adopted Budget | Amended Budget | Year-end Projection | Variance[1] |
|---|---|---|---|---|
| Revenue Source | | | | |
| *Major Discretionary Revenues* | | | | |
| Property Tax | $ 58.4 | $ 58.4 | $ 54.6 | $ (3.9) |
| Property Tax in lieu of VLF | 33.8 | 33.8 | 34.0 | 0.2 |
| Sales Tax | 51.2 | 51.2 | 52.4 | 1.2 |
| Measure P Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Measure A Sales Tax | 30.8 | 30.8 | 31.1 | 0.2 |
| Franchise Fees | 15.4 | 15.4 | 16.4 | 1.0 |
| Transient Occupancy Tax | 21.7 | 21.7 | 20.6 | (1.2) |
| Utility Users Tax | 3.7 | 3.7 | 3.7 | - |
| **Major Discretionary Revenues Subtotal** | 246.0 | 246.0 | 243.8 | (2.2) |
| ***Other General Fund Revenues*** | | | | |
| Other Revenues | 59.6 | 62.8 | 67.1 | 4.3 |
| **Other General Fund Revenues Subtotal** | 59.6 | 62.8 | 67.1 | 4.3 |
| **Total Revenues/Sources** | **$ 305.6** | **$ 308.8** | **$ 310.8** | **$ 2.1** |
| **Expenditures** | | | | |
| Personnel Services | $ 161.8 | $ 162.8 | $ 162.1 | $ 0.7 |
| *Non-Personnel* | | | | |
| Supplies and Services | 28.6 | 33.6 | 32.4 | 1.2 |
| Other Expenses | 2.7 | 3.6 | 3.7 | (0.1) |
| Transfers Out | 100.0 | 103.3 | 103.9 | (0.6) |
| Internal Services | 4.6 | 4.6 | 4.6 | - |
| Utilities | 7.7 | 8.0 | 8.5 | (0.5) |
| Other Expenditures Category[2] | 0.2 | 0.6 | 0.5 | 0.1 |
| *Total Non-Personnel* | 143.8 | 153.7 | 153.3 | 0.4 |
| **Total Expenditures** | **$ 305.6** | **$ 316.5** | **$ 315.7** | **$ 0.8** |
| **Use of Prior Year Fund Balance** | **$ -** | **$ (7.7)** | **$ (7.7)** | **$ -** |
| **Total General Fund Surplus/(Deficit)** | **$ -** | **$ -** | **$ 2.9** | **$ (2.9)** |

[1] Variance compares the Amended Budget and the Year-End Projection.

[2] Other Expenditures Category includes: Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures.
*Tables may not tie due to rounding

## GENERAL FUND REVENUES

As identified in Table 1 above, the City's General Fund revenues are projected to exceed the Amended Budget by approximately $2.1 million. The shortfall in Property Tax of $3.9 million and Transient Occupancy Tax (TOT) of $1.2 million is anticipated to be offset by the projected increases in Sales Tax, Property Tax in Lieu of VLF, Franchise Fees, Measure A Sales Tax, Measure P Sales Tax, and Other Revenues of approximately $7.2 million combined.

**Fiscal Year 2025-26 General Fund Overview**

***Table 2*** *in millions*

| Revenue Source | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| ***Major Discretionary Revenues*** | | | | |
| Property Tax | $ 58.4 | $ 58.4 | $ 54.6 | $ (3.9) |
| Property Tax in lieu of VLF | 33.8 | 33.8 | 34.0 | 0.2 |
| Sales Tax | 51.2 | 51.2 | 52.4 | 1.2 |
| Measure P Sales Tax | 30.8 | 30.8 | 31.1 | 0.3 |
| Measure A Sales Tax | 30.8 | 30.8 | 31.1 | 0.3 |
| Franchise Fees | 15.4 | 15.4 | 16.4 | 0.9 |
| Transient Occupancy Tax | 21.7 | 21.7 | 20.6 | (1.2) |
| Utility Users' Tax | 3.7 | 3.7 | 3.7 | - |
| **Major Discretionary Revenues Subtotal** | 246.0 | 246.0 | 243.8 | (2.2) |
| ***Other General Fund Revenues*** | | | | |
| Other Revenues | 59.6 | 62.8 | 67.1 | 4.3 |
| **Other General Fund Revenues Subtotal** | 59.6 | 62.8 | 67.1 | 4.3 |
| **Total General Fund Revenues Surplus/(Deficit)** | **$ 305.6** | **$ 308.8** | **$ 310.8** | **$ 2.1** |



### Property Tax

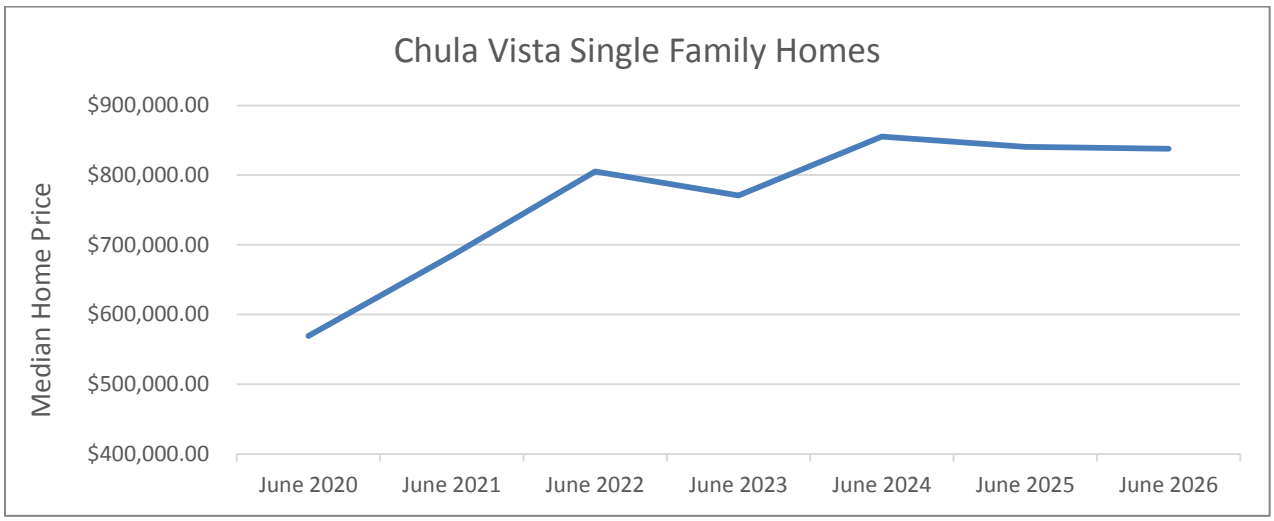
Property tax revenue derived from ad valorem taxes on real property and tangible personal property within the City boundaries. Property tax is administered by the County of San Diego and is limited by Proposition 13 to a general rate of 1% of assessed value. Currently, the City receives approximately 12.4% of property taxes revenues assessed for Chula Vista properties.

Property tax is the City's largest revenue source, representing 19.1% of General Fund revenues in the Adopted Budget. Property tax is projected to be $54.6 million; a $3.9 million decrease compared to the Adopted Budget. Approximately $1.3 million of the shortfall is attributable to the property taxes associated with timing of the supplemental property tax assessments for the Gaylord Pacific Resort and Convention Center project. This reduction in projected revenues also results in a corresponding decrease to expenditures in the Transfers Out category, resulting in an overall net zero fiscal impact to the General Fund.

In addition, final updates to receivables from the County Assessor, combined with a decline in home sales, contributed to property tax growth that was lower than originally assumed in the budget.

Based on trends observed in the current and prior fiscal years, staff revised the forecasting methodology to a more conservative approach to better reflect current market conditions.

Based on the Zillow Home Value Index – June 2026, Chula Vista's median home price for a single-family home was $837,898, a 0.3% year-over-year decline. A cooling trend in the housing market is apparent, with declines in sales across the San Diego region. Buyer enthusiasm has waned due to affordability constraints and mortgage rates remaining high despite recent Federal Reserve interest cuts. A slowdown in home sales will have some degree of impact on the growth of property taxes in the City as homes are typically reassessed at higher values upon major construction/improvements or sale, with home prices generally increasing over time. Property tax growth is otherwise limited by the cap on Proposition 13 on assessed value growth to the lesser of the California Consumer Price Index (CPI) or 2%.




Source: Chula Vista Zillow Home Values Index (https://www.zillow.com/home-values/51405/chula-vista-ca/)

**Property Tax in Lieu of VLF**

Property tax in lieu of vehicle license fees ("VLF") revenues are generated from vehicle license fees paid with vehicle registrations with the State of California and then allocated to cities and counties. VLF fluctuates with changes in assessed values within the City.

Property tax in lieu of VLF is projected to be $34.0 million, a $0.2 million increase compared to the Adopted Budget, consistent with the Third Quarter Financial Report projections. Projections for fiscal year 2026 are based on updated information from the County.




**Sales Tax**

The Bradley-Burns Uniform Local Sales and Use Tax (Sales Tax) tax revenue is generated from a percentage tax imposed on the sale of retail goods and services that occur within the City. Sales tax revenue is highly sensitive to economic conditions and reflects the factors that drive taxable sales, including levels of unemployment, consumer confidence, per-capita income, and business investment. The total citywide sales tax rate is 8.75%, of which the City's General Fund receives 1.0% of all taxable sales transactions within the City, excluding voter-approved sales tax measures for Measure P and A.

Sales tax revenue is the second largest General Fund source, representing 16.8% of the total General Fund revenues in the Adopted Budget. Sales tax is projected to be $52.4 million, reflecting a $1.2 million increase from the Adopted Budget of $51.2 million.

Chula Vista's largest economic segments include general consumer goods, state & county pools (sales tax revenues from transaction with no specific place of sale, allocated to local jurisdictions on a proportional basis), restaurants & hotels and autos & transportation. The opening of the Gaylord Pacific Resort and Convention Center on May 15, 2025, is anticipated to continue to generate a boost in sales tax revenue from visitor spending beyond the Gaylord Pacific Resort and Convention Center property, as guests venture into surrounding areas and contribute to broader local retail and dining activity.

While the Adopted Budget assumed stable employment and consumer confidence, it did not anticipate ongoing fluctuations in consumer behavior and broader economic uncertainty. The City remains mindful of consumer confidence and concerns about geopolitical instability. Nevertheless, local dining activity and new business openings continue to provide meaningful support to overall taxable sales.

Sales tax revenue will continue to be closely monitored to account for any changes in spending trends or other economic indicators impacting sales tax receipts.

- **Measure P Sales Tax -** Voters approved Measure P in November 2016 as a temporary, ten-year, half-cent sales tax dedicated to addressing high-priority deferred maintenance needs. In 2024, voters approved the continuation of Measure P through 2037. While the revenue generated from the Measure P sales tax is collected in the General Fund, the General Fund transfers this revenue to the Measure P Sales Tax Fund for accountability and transparency in the usage of these funds. These actions result in an overall net zero fiscal impact to the General Fund. Measure P sales tax is projected to be $31.1 million, reflecting a slight increase of $0.3 million from the Adopted Budget.

- **Measure A Sales Tax -** Voters approved Measure A in June 2018, established as a permanent half-cent sales tax to fund critical public safety needs and enhance staffing levels. Similar to Measure P sales tax, revenue is collected and tracked within the General Fund and transferred to the Measure A Sales Tax Fund for accountability and transparency in the usage of these funds. Separate accounts (one for the Fire department and one for the Police department) were established to support the monitoring and allocation of these funds. These actions result in an overall net zero fiscal impact to the General Fund. Measure A sales tax is projected to be $31.1 million, reflecting a slight increase of $0.3 million from the Adopted Budget.



## Franchise Fees

Franchise fee revenues are generated from agreements with private utility companies in exchange for use of the City's rights-of-way. The fee compensates the City for the use of its property, such as its streets. Franchise fees are collected from three primary sources: San Diego Gas & Electric ("SDG&E") (2% on gas and 1.25% on electricity), Republic Services

trash collection franchises (20% fee), and AT&T and Cox Communications cable franchises (5% fee).

Franchise fee revenue is projected to be $16.4 million, a $0.9 million increase compared to the Adopted Budget, consistent with the Second Quarter Report projection. The change is largely due to an increase in revenue from SDG&E and Republic Services, while cable franchise revenues are down. The decrease represents the number of subscription service subscribers for cable television providers (premium video, equipment rental, on-demand, and programming services) as more customers continue to move to streaming services.




**Transient Occupancy Tax**

Transient Occupancy Tax ("TOT") is a tax imposed on occupants of hotel and motel rooms, short-term rentals, and RV parks within the City. The current TOT tax rate in the City is 10%. Major economic drivers for TOT revenue include room rates, average occupancy rates, and seasonal and non-seasonal tourism. The City has experienced strong growth in TOT in recent years with a number of new hotel developments on both the west and eastern portions of the City as well as an expansion of the short-term rental compliance program. Additionally, it is important to note that the TOT revenue generated from the RV Park and the Gaylord Pacific Resort & Convention Center in the Bayfront area is transferred out from the General Fund to a separate fund as part of the contractual requirements for the Gaylord Pacific Resort & Convention Center project.

TOT revenue is projected to be $20.6 million, an increase of $0.2 million compared to the Third Quarter Report projection, though still $1.2 million below the Adopted Budget. This revised projection reflects stronger-than-anticipated revenue performance, driven primarily by increased business travel and conferences at the Gaylord Pacific Resort & Convention Center. The remaining $1.2 million shortfall is due to the delay in anticipated opening of two hotels—now expected in future fiscal years beyond 2025-26—as well as updated revenue assumptions based on actual collections to date. Together, these factors reduce the estimated growth rate relative to the Adopted Budget, as reported in the Third Quarter Report.



**Utility Users' Tax**

Utility User's Tax ("UUT") is a local excise tax imposed on the consumption of utility services by residents and businesses. Specifically, the City imposes a UUT on the use of telecommunications (cable, telephone) at the rate of 4.75% of gross receipts and UUT on natural gas services of $0.00919 per therm and $0.00250 per kilowatt on electricity services, which equates to approximately a 1% tax. UUT is collected by utility companies as part of its regular billing and then remit to the City.

UUT is projected to align with the Third Quarter Report projection and Adopted Budget at $3.7 million. While some modest growth is anticipated in revenues from the natural gas and electricity utilities based upon population growth and the increases in utility prices, adoption of solar energy and conservations efforts suggest a decline in consumption of those utilities which reduce revenues. Additionally, consumption of telecommunications utilities is also expected to continue to decline due to changes in technology and consumer preferences.

## Other Revenues

Other Revenues include the following revenue categories: Charges for Services, Federal Revenue, Fines and Penalties, Licenses & Permits, Other Revenue, State Revenue, Transfers In and Use of Money/Property. The Other Revenues category is anticipated to exceed the Adopted Budget by $4.3 million. Transfers In reflects a positive variance of $1.5 million related to a transfer from the Other Post Employment Benefit (OPEB) Reserve Fund to reimburse the General Fund for eligible OPEB expenditures in the General Fund and an increase of anticipated investment earnings. Charges for Services, Fines and Penalties, Other Revenue, State Revenue and Use of Money/Property reflect a $2.8 million positive variance combined primarily related to increased staff time reimbursements and permit fees.

**Fiscal Year 2025-26 General Fund Overview**

***Table 3*** *in millions*

| Revenue Source | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| *Other Revenues* | | | | |
| Charges for Services | $ 13.6 | $ 14.1 | $ 14.8 | $ 0.7 |
| Federal Revenue | 0.5 | 0.5 | 0.5 | - |
| Fines and Penalties | 1.1 | 1.1 | 1.4 | 0.3 |
| Licenses & Permits | 2.0 | 2.0 | 2.0 | - |
| Other Revenue | 20.7 | 23.2 | 23.8 | 0.6 |
| State Revenue | 1.0 | 1.0 | 1.1 | 0.1 |
| Transfers In | 15.0 | 15.0 | 16.5 | 1.5 |
| Use Money/Property | 5.6 | 5.6 | 6.6 | 1.0 |
| Other Agency Revenue | - | 0.3 | 0.3 | - |
| **Total Other Revenues** | **$ 59.6** | **$ 62.8** | **$ 67.1** | **$ 4.3** |

Departmental Revenues

Table 4 below provides the Amended General Fund revenues budget, projected year-end revenues, and the variance (difference) between both at the department level. Additionally, Appendix A contains a net impact summary of each department within the General Fund.

**Fiscal Year 2025-26 General Fund Departmental Revenues**

***Table 4*** *in thousands*

| Department | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|
| City Clerk | $ 65.6 | $ 98.2 | $ 32.6 |
| City Attorney | 439.0 | 338.0 | (101.0) |
| Administration | 167.7 | 170.9 | 3.2 |
| Information Technology | 336.0 | 250.2 | (85.8) |
| Human Resources | 1,595.4 | 1,588.7 | (6.7) |
| Finance | 1,203.3 | 1,478.5 | 275.2 |
| Non-Departmental | 17,739.4 | 18,055.8 | 316.3 |
| Animal Care Facility | 1,090.3 | 1,119.8 | 29.6 |
| Economic Development | 1,643.2 | 1,143.4 | (499.8) |
| Development Services | 2,264.9 | 2,033.6 | (231.2) |
| Engineering/Capital Projects | 8,579.3 | 9,594.3 | 1,015.0 |
| Police | 6,436.5 | 7,294.0 | 857.4 |
| Fire | 6,851.1 | 7,581.4 | 730.3 |

| | | | |
|---|---|---|---|
| Public Works | 9,210.9 | 10,759.5 | 1,548.6 |
| Parks and Recreation | 4,597.4 | 4,993.8 | 396.3 |
| Library | 585.2 | 559.4 | (25.8) |
| **Total Departmental Revenue** | **$ 62,805.2** | **$ 67,059.5** | **$ 4,254.2** |

This section documents the justifications for significant budget variances with an anticipated impact greater than $250,000.

*Finance* – Increase of $0.3 million primarily in Other Revenue and Transfers In for increased staff time reimbursements and rebates.

*Non-Departmental* – Increase of $0.3 million primarily in Use of Money/Property for projected higher investment earnings.

*Economic Development* – Decrease of $0.3 million in Other Revenue due to deferred operational timelines.

*Engineering* – Increase of $1.0 million in Charges for Services and Other Revenue from higher staff reimbursements from development fees and capital improvement projects.

*Police* – Increase of $0.9 million in Charges for Services and Fines and Penalties from special event reimbursements and parking citations.

*Fire* – Increase of $0.7 million in Other Revenue from strike team deployment reimbursements.

*Public Works* – Increase of $1.6 million in Charges for Services and Other Revenue from higher staff reimbursements from development fees, capital improvement projects and community facility districts.

*Parks and Recreation*– Increase of $0.4 million in Charges for Services and Use of Money/Property from higher recreation program and class fees, and rental leases.

## GENERAL FUND EXPENDITURES

General Fund expenditures are projected to be $0.8 million below the Amended Budget. A combined overage of $1.2 million in Other Expenses, Transfers Out and Utilities is expected to be fully offset by a combined $2.0 million decrease in Personnel Services, Supplies and Services, and Other Expenditures Category. Overall, these adjustments result in a positive fiscal impact.

**Fiscal Year 2025-26 General Fund Overview**

***Table 5*** *in millions*

| Expenditures | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Personnel Services** | $ 161.8 | $ 162.8 | $ 162.1 | $ 0.7 |
| ***Non-Personnel*** | | | | |
| Supplies and Services | 28.6 | 33.6 | 32.4 | 1.2 |
| Other Expenses | 2.7 | 3.6 | 3.7 | (0.1) |
| Transfers Out | 100.0 | 103.3 | 103.9 | (0.6) |
| Internal Services | 4.6 | 4.6 | 4.6 | - |

| Fiscal Year 2025-26 General Fund Overview | | | | |
|---|---|---|---|---|
| ***Table 5*** | | | | *in millions* |
| Utilities | 7.7 | 8.0 | 8.5 | (0.5) |
| Other Expenditures Category | 0.2 | 0.6 | 0.5 | 0.1 |
| ***Total Non-Personnel*** | 143.8 | 153.7 | 153.6 | 0.1 |
| **Total Expenditures** | **$ 305.6** | **$ 316.5** | **$ 315.7** | **$ 0.8** |

## Personnel Services

Personnel Services category is expected to be $0.7 million below the Amended Budget. The decrease is primarily driven by vacancies in both the Police and Fire Departments, which offset the overage reflected in the Public Works Department. The overage in the Public Works Department is expected to be offset by excess revenues from staff-time reimbursements.

| Fiscal Year 2025-26 General Fund Overview | | | | |
|---|---|---|---|---|
| ***Table 6*** | | | | *in millions* |
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** |
| **Personnel Services** | | | | |
| Salary | $ 100.1 | $ 99.7 | $ 97.8 | $ 1.9 |
| Hourly | 4.5 | 4.5 | 5.2 | (0.6) |
| Overtime | 10.9 | 12.2 | 14.6 | (2.4) |
| PERS | 20.9 | 20.9 | 20.2 | 0.7 |
| FLEX | 15.9 | 15.9 | 14.3 | 1.6 |
| Other Personnel | 9.6 | 9.6 | 10.1 | (0.5) |
| **Total Personnel Services** | **$ 161.8** | **$ 162.8** | **$ 162.1** | **$ 0.7** |

## Supplies and Services

The Supplies and Services category is projected to be $1.2 million below the Amended Budget. This savings is primarily due to $0.3 million in the City Clerk's Department resulting from elections cost savings from the June 2026 ballot, and a combined $0.8 million reduction in the Human Resources, Economic Development and Finance Departments due to lower-than-anticipated contracted services.

| Fiscal Year 2025-26 General Fund Overview | | | | |
|---|---|---|---|---|
| ***Table 7*** | | | | *in millions* |
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** |
| Supplies and Services | $ 28.6 | $ 33.6 | $ 32.4 | $ 1.2 |
| **Total Supplies and Services** | **$ 28.6** | **$ 33.6** | **$ 32.4** | **$ 1.2** |

## Other Expenses

The Other Expenses category includes a wide variety of relatively minor costs within the General Fund, such as sales tax administration costs, small tools, credit card transaction fees and bank charges, and reimbursements to other agencies. The Other Expenses category is projected to exceed the Amended Budget by $0.1 million. This variance is primarily due to increased credit card transaction fees, bank charges and reimbursements to other agencies.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 8* | | | | | *in millions* |
|---|---|---|---|---|---|
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** | |
| Other Expenses | $ 2.7 | $ 3.6 | $ 3.7 | $ (0.1) | |
| **Total Other Expenses** | **$ 2.7** | **$ 3.6** | **$ 3.7** | **$ (0.1)** | |

## Transfers Out

The Transfers Out category represents authorized transfers of cash between City funds and is projected to exceed the Amended Budget by $0.6 million. The variance is primarily due to additional transfers to the Measure A and Measure P Sales Tax Funds due to higher anticipated sales tax revenues, alongside transfers associated with the Bayfront development. Additionally, this increase reflects a supplemental transfer to the Public Liability Trust Fund to cover litigation costs.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 9* | | | | | *in millions* |
|---|---|---|---|---|---|
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** | |
| Transfers Out | $ 100.0 | $ 103.3 | $ 103.9 | $ (0.6) | |
| **Total Transfers Out** | **$ 100.0** | **$ 103.3** | **$ 103.9** | **$ (0.6)** | |

## Internal Services

Expenditures in this category are for vehicle maintenance charges associated with the use of City vehicles and equipment. These charges are based on the actual vehicles that reside within a department and include costs ranging from routine maintenance (oil changes, preventive maintenance) to major repairs (drivetrain, repairs, accident repairs), as well as fuel costs. Internal services are projected to remain at budget through fiscal year end.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 10* | | | | | *in millions* |
|---|---|---|---|---|---|
| **Expenditure Category** | **Adopted Budget** | **Amended Budget** | **Year-End Projection** | **Variance** | |
| Internal Services | $ 4.6 | $ 4.6 | $ 4.6 | $ - | |
| **Total Internal Services** | **$ 4.6** | **$ 4.6** | **$ 4.6** | **$ -** | |

## Utilities

The Utilities category is projected to exceed the Amended Budget by $0.5 million. The Engineering Department is impacted by rising costs to power city streetlights and traffic signals. The Library Department is experiencing higher electricity costs due to Heating, Ventilation, and Air Conditioning (HVAC) system issues requiring additional temporary cooling units. The Police Department reflects increased utility expenses caused by HVAC issues, while the Public Works Department is projected to exceed budget primarily related to pending solar system repairs.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 11* | | | | | | | *in millions* |
|---|---|---|---|---|---|---|---|
| **Expenditure Category** | | **Adopted Budget** | | **Amended Budget** | | **Year-End Projection** | **Variance** |
| Utilities | $ | 7.7 | $ | 8.0 | $ | 8.5 | $ (0.5) |
| **Total Utilities** | **$** | **7.7** | **$** | **8.0** | **$** | **8.5** | **$ (0.5)** |

## Other Expenditures Category

The Other Expenditures Category includes Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures budget categories. The Other Expenditures category is expected to be lower than the Amended Budget of $0.1 million.

| Fiscal Year 2025-26 General Fund Overview<br>*Table 12* | | | | | | | *in millions* |
|---|---|---|---|---|---|---|---|
| **Expenditure Category** | | **Adopted Budget** | | **Amended Budget** | | **Year-End Projection** | **Variance** |
| Other Expenditures Category | $ | 0.2 | $ | 0.6 | $ | 0.5 | $ 0.1 |
| **Total Other Expenditures** | **$** | **0.2** | **$** | **0.6** | **$** | **0.5** | **$ 0.1** |

Departmental Expenditures

Table 13 below provides the Amended General Fund expenditure budget, projected year-end expenditures, and the variance (difference) between both at the department level. Additionally, Appendix A contains a net impact summary of each department within the General Fund.

| Fiscal Year 2025-26 General Fund Departmental Expenditures<br>*Table 13* | | | | | | *in thousands* |
|---|---|---|---|---|---|---|
| **Department** | | **Amended Budget** | | **Year-End Projection** | | **Variance** |
| City Council | $ | 1,888.0 | $ | 1,779.9 | $ | 108.2 |
| Boards & Commissions | | 7.1 | | 6.3 | | 0.8 |
| City Clerk | | 2,356.2 | | 2,025.2 | | 331.0 |
| City Attorney | | 4,111.4 | | 4,190.4 | | (79.0) |
| Administration | | 3,284.6 | | 2,947.8 | | 336.7 |
| Information Technology | | 5,469.8 | | 5,562.5 | | (92.7) |
| Human Resources | | 4,181.6 | | 4,049.2 | | 132.4 |
| Finance | | 5,785.7 | | 5,476.7 | | 309.1 |
| Non-Departmental | | 118,820.2 | | 120,051.1 | | (1,231.0) |
| Animal Care Facility | | 4,022.9 | | 3,882.8 | | 140.1 |
| Economic Development | | 1,834.7 | | 1,501.6 | | 333.2 |
| Development Services | | 3,476.1 | | 3,403.6 | | 72.5 |
| Engineering/Capital Projects | | 11,815.4 | | 11,638.7 | | 176.7 |
| Police | | 66,402.0 | | 65,575.9 | | 826.1 |
| Fire | | 42,764.7 | | 42,397.2 | | 367.5 |
| Public Works | | 28,612.3 | | 29,351.0 | | (738.7) |
| Parks and Recreation | | 6,961.9 | | 7,141.4 | | (179.5) |
| Library | | 4,707.0 | | 4,715.4 | | (8.4) |
| **Total Expenditure Budget** | **$** | **316,501.5** | **$** | **315,696.6** | **$** | **805.0** |

This section documents the justifications for significant budget variances with an anticipated impact greater than $250,000.

*City Clerk* – Decrease of $0.3 million in Supplies & Services from decreased costs associated with savings in election costs from the June 2026 ballot.

*Administration* – Decrease of $0.3 million in Personnel Services from department vacancies.

*Finance* – Decrease of $0.3 million in Supplies and Services driven by a reduction in contracted services.

*Non-Departmental* – Increase of $1.2 million in Transfers Out and Supplies and Services from additional transfers associated with higher revenues collected and increased contracted services.

*Economic Development* – Decrease of $0.3 million in Supplies and Services driven by a reduction in contracted services.

*Police* – Decrease of $0.8 million primarily in Personnel Services driven by department vacancies.

*Fire* – Decrease of $0.4 million in Personnel Services and Supplies & Services from department vacancies and reduced contracted services.

*Public Works* – Increase of $0.7 million in Personnel Services and Utilities. The overage in Personnel Services is mostly attributable to an increase in overtime and hourly costs related to Capital Improvement Projects, which is expected to be offset by excess revenues from staff time reimbursements. Increase in Utilities reflect overages in SDG&E costs exceeding budget by $0.3 million.

## OTHER FUNDS

The following section includes projections for other funds that provide support for significant operating activities throughout the City. These funds have an operating budget of over $15.0 million, with all fund projections available in Appendix B.

### 2018 Measure A Sales Tax

This fund accounts for the permanent half-cent sales tax voters approved to fund critical public safety needs and enhance public safety staffing levels.

2018 Measure A Sales Tax revenues are projected to exceed the Amended Budget by $2.5 million due to strike team reimbursements in the Fire Department. Expenditures are projected to be lower than the Amended Budget by $0.1 million, reflecting Personnel Services to exceed the Amended Budget by $0.7, also due to overtime expenses from strike team deployments, offset with savings in Non-Personnel Expenditures.

**Fiscal Year 2025-26 Measure A Fund Overview**

***Table 14*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue** | **$ 30.9** | **$ 30.9** | **$ 33.4** | **$ 2.5** |
| **Expenditures** | | | | |

| | | | | |
|---|---|---|---|---|
| Personnel Services | 26.7 | 28.1 | 28.8 | (0.7) |
| Non-Personnel | 6.9 | 23.3 | 22.5 | 0.8 |
| **Expenditure Subtotal** | **33.7** | **51.4** | **51.3** | **0.1** |
| **Total Fund Surplus/(Deficit)** | **$ (2.7)** | **$ (20.5)** | **$ (17.9)** | **$ 2.6** |

## Development Services

This fund accounts for revenues and expenses related to the processing of development plans and permits.

Development Services revenues are projected to be lower than the Amended Budget by $3.5 million by year-end, largely based on timing of receipts for building permits and developer fees and deposits. Expenditure projections are expected to be lower than the Amended Budget by $1.9 million, primarily in the Personnel Services category due to vacancies.

**Fiscal Year 2025-26 Development Services Fund Overview**

***Table 15*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue** | **$ 13.2** | **$ 13.1** | **$ 9.6** | **$ (3.5)** |
| **Expenditures** | | | | |
| Personnel Services | 10.1 | 10.1 | 9.0 | 1.1 |
| Non-Personnel | 5.3 | 5.4 | 4.6 | 0.8 |
| **Expenditure Subtotal** | **15.4** | **15.5** | **13.5** | **1.9** |
| **Total Fund Surplus/(Deficit)** | **$ (2.2)** | **$ (2.4)** | **$ (3.9)** | **$ (1.9)** |

## Transport Enterprise

This fund was established to account for all activities related to providing Ambulance Transport Services to the residents of Chula Vista, Bonita, and Imperial Beach.

Transport Enterprise revenues are expected to exceed the Amended Budget by $2.0 million based on current trend of ambulance transports. Similarly, expenditure projections are expected to exceed the Amended Budget by $2.8 million in the Supplies & Services and Other Expenses category, driven by deferred vehicle replacements and additional payments resulting from program audits.

**Fiscal Year 2025-26 Transport Enterprise Fund Overview**

***Table 16*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue** | **$ 21.3** | **$ 21.3** | **$ 23.3** | **$ 2.0** |

| | | | | |
|---|---|---|---|---|
| **Expenditures** | | | | |
| Personnel Services | 9.3 | 9.3 | 9.2 | 0.2 |
| Non-Personnel | 12.0 | 13.9 | 18.0 | (4.1) |
| **Expenditure Subtotal** | **21.3** | **23.3** | **27.2** | **(3.9)** |
| **Total Fund Surplus/(Deficit)** | **$ -** | **$ (2.0)** | **$ (3.9)** | **$ (1.9)** |

## Sewer Service Revenue Fund

This fund is used to account for all activities related to providing sewer services to the residents of Chula Vista.

Sewer Service revenues are projected to exceed the Amended Budget by $3.7 million. Expenditure projections are expected to be lower than the Amended Budget by $0.2 million, in Personnel Services category derived from department vacancies.

**Fiscal Year 2025-26 Sewer Fund Overview**

***Table 17*** *in millions*

| | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|
| **Revenue Subtotal** | **$ 47.6** | **$ 47.6** | **$ 51.3** | **$ 3.7** |
| **Expenditures** | | | | |
| Personnel Services | 5.9 | 5.9 | 5.7 | 0.2 |
| Non-Personnel | 41.7 | 44.6 | 44.6 | - |
| **Expenditure Subtotal** | **47.6** | **50.5** | **50.3** | **0.2** |
| **Total Fund Surplus/(Deficit)** | **$ -** | **$ (2.9)** | **$ 1.0** | **$ 3.9** |

## FISCAL YEAR 2025-26 BUDGET ADJUSTMENTS

### General Fund Adjustments

In the General Fund, some of the transfers are between expense categories within the same Department and some transfers are between Departments. The recommended budget adjustments are shown in the table below.

**General Fund Budget Adjustments Summary**

***Table 2***

| Department | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Non-Departmental | $ 111,391 | $ 1,120,380 | $ 1,231,771 | $ - | $ 1,231,771 |
| Public Works | 523,376 | 234,004 | 757,380 | - | 757,380 |
| Parks and Recreation | 196,687 | (17,059) | 179,628 | - | 179,628 |
| Information Technology | 30,494 | 62,176 | 92,670 | - | 92,670 |
| City Attorney | (184,524) | 263,566 | 79,042 | - | 79,042 |
| Library | 23,495 | 12,604 | 36,099 | - | 36,099 |
| Police | (650,671) | (25,000) | (675,671) | - | (675,671) |
| Administration | (300,000) | (35,000) | (335,000) | - | (335,000) |
| City Clerk | - | (331,024) | (331,024) | - | (331,024) |
| Fire | (291,953) | (22,181) | (314,134) | - | (314,134) |
| Finance | 244,223 | (549,121) | (304,898) | - | (304,898) |

| | | | | | |
|---|---|---|---|---|---|
| Animal Care Facility | (64,000) | (75,000) | (139,000) | - | (139,000) |
| Human Resources | 111,111 | (240,921) | (129,810) | - | (129,810) |
| Economic Development | - | (87,053) | (87,053) | - | (87,053) |
| Engineering/Capital Projects | (228,679) | 168,679 | (60,000) | - | (60,000) |
| **Total General Fund** | **$ (479,050)** | **$ 479,050** | **$ -** | **$ -** | **$ -** |

*Non-Departmental:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $1,231,771. These increases are mainly due to increases in transfers with public liability costs, Bayfront development obligations, and to Measure A and Measure P Sales Tax Funds and various encumbrances.

*Public Works:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $757,380, for higher reimbursed overtime and rising utility costs.

*Parks and Recreation:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total increased appropriations of $179,628 for increased hourly costs associated with recreation program operations.

*Information Technology:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $92,670 for additional costs associated with the Interim Department Director contract.

*City Attorney:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $79,042 for projected increases in litigation expenses.

*Library:* Increase to Personnel Services and Non-Personnel Expenditures for total increased appropriations of $36,099 for increased hourly and utility costs.

*Police:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $675,671 driven primarily from department vacancies.

*Administration:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $335,000 driven primarily from department vacancies.

*City Clerk:* Decrease to Non-Personnel Expenditures of $331,024 from savings in election costs.

*Fire:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $314,134 driven primarily from department vacancies.

*Finance:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decrease of appropriations of $304,898 from savings in contracted services.

*Animal Care Facility:* Decrease to Personnel Services and Non-Personnel Expenditures for total decreased appropriations of $139,000 largely due to savings in contracted services and department vacancies.

*Human Resources:* Increase to Personnel Services and decrease to Non-Personnel Expenditures for total decreased appropriations of $129,810 due to savings in contracted services.

*Economic Development:* Decrease to Non-Personnel Expenditures of $87,053 from savings in contracted services attributable to deferred operational timelines.

*Engineering/Capital Projects:* Decrease to Personnel Services and increase to Non-Personnel Expenditures for a total decreased appropriations of $60,000 primarily from department vacancies.

## Other Funds Adjustments

The recommended adjustments in Table 18 are for funds outside of the General Fund. The adjustments are offset by additional revenues or from available fund balance of the respective funds.

***Table 19***

| Other Funds | Personnel Services | Non-Personnel Expenditures | Total Expenditures | Total Revenue | Net Impact |
|---|---|---|---|---|---|
| Transport Enterprise | $ - | $ 4,032,333 | $ 4,032,333 | $ (2,045,960) | $ 1,986,373 |
| Central Garage Fund | - | 652,255 | 652,255 | (375,000) | 277,255 |
| Public Liability Trust | - | 198,392 | 198,392 | - | 198,392 |
| Federal Grants | - | 150,412 | 150,412 | - | 150,412 |
| CDBG Housing Program | - | 110,997 | 110,997 | (27,000) | 83,997 |
| Parking Meter | - | 63,345 | 63,345 | - | 63,345 |
| Special Sewer | - | 502 | 502 | - | 502 |
| Equipment Lease Fund | - | 9 | 9 | - | 9 |
| State Grants | 475,080 | (476,936) | (1,856) | - | (1,856) |
| Chula Vista Muni Golf Course | - | 432,154 | 432,154 | (432,154) | - |
| Advanced Life Support Program | (9,060) | 274,319 | 265,259 | (265,259) | - |
| Sewer Service Revenue | (119,502) | 301,545 | 182,043 | (182,043) | - |
| Workers Compensation Fund | - | 170,429 | 170,429 | (170,429) | - |
| Donations | - | 148,721 | 148,721 | (148,721) | - |
| Western-Park Acquisition & Dev | - | 48,899 | 48,899 | (48,899) | - |
| Public Benefit Contribution | - | 32,117 | 32,117 | (32,117) | - |
| Capital Improvement Projects | - | 21,860 | 21,860 | (21,860) | - |
| Park Benefit Fees | - | 9,627 | 9,627 | (9,627) | - |
| Open Space District #11 | - | 1,912 | 1,912 | (1,912) | - |
| CPF Benefit Funds | - | 1,842 | 1,842 | (1,842) | - |
| Town Ctr Business Improv Dist | - | 954 | 954 | (954) | - |
| Energy Conservation Loans | - | 832 | 832 | (832) | - |
| OV Rd Fee Recovery District | - | 800 | 800 | (800) | - |
| Other Transportation Program | - | 421 | 421 | (421) | - |
| 2018 Measure A Sales Tax | 750,647 | (750,647) | - | - | - |
| **Total Other Funds** | **$ 1,097,165** | **$ 5,427,094** | **$ 6,524,259** | **$(3,765,830)** | **$2,758,429** |

*Transport Enterprise*: Increase to Non-Personnel Expenditures of $4,032,333 partially offset from available fund balance of $1,986,373 and estimated increased revenues of $2,045,960 for increased

contract costs and payments resulting from program audits.

*Central Garage:* Increase to Non-Personnel Expenditures of $652,255 partially offset from available fund balance of $277,255 and estimated increased revenues of $375,000 for increased automotive maintenance costs.

*Public Liability Trust:* Increase to Non-Personnel Expenditures of $198,392 from available fund balance for litigation costs.

*Federal Grants:* Increase to Non-Personnel Expenditures of $150,412 from available fund balance to correct a carry-forward grant administrative error.

*CDBG Housing Program:* Increase to Non-Personnel Expenditures of $110,997 partially offset from available fund balance of $83,997 for a fund balance transfer to correct prior-year revenue misallocations.

*Parking Meter*: Increase to Non-Personnel Expenditures of $63,345 from available fund balance for increased City staff services.

*Special Sewer*: Increase to Non-Personnel Expenditures of $502 in the Transfer Out category fully offset from available fund balance for fund closeout expenses.

*Equipment Lease Fund*: Increase to Non-Personnel Expenditures of $9 in the Transfer Out category fully offset from available fund balance for final loan payment.

*State Grants*: Increase to Personnel Servies and decrease to Non-Personnel Expenditures for total decreased appropriations of $1,856 to align grant budget with actual reimbursements.

*Chula Vista Muni Golf Course*: Increase to Non-Personnel Expenditures of $432,154 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Advanced Life Support Program*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $265,259 fully offset from estimated increased revenues primarily for increased capital purchases and transfers out, driven by fire suppression differential costs.

*Sewer Service Revenue*: Decrease to Personnel Services and increase to Non-Personnel Expenditures for total increased appropriations of $182,043 fully offset from estimated increased revenues primarily for higher-than-anticipated transfers out for other fund reimbursements.

*Workers Compensation Fund*: Increase to Non-Personnel Expenditures of $170,429 fully offset from estimated increased revenues for additional claims expenses.

*Donations*: Increase to Non-Personnel Expenditures of $148,721 fully offset from estimated increased revenues for donations received for several departments.

*Western-Park Acquisition & Dev:* Increase to Non-Personnel Expenditures of $48,899 fully offset from estimated increased revenues for higher than anticipated interest expense.

*Public Benefit Contribution*: Increase to Non-Personnel Expenditures of $32,117 fully offset from estimated increased revenues for higher than anticipated interest expense.

*Capital Improvement Projects*: Increase to Non-Personnel Expenditures of $21,860 fully offset from estimated increased revenues for increased bank charges and debt payment.

*Park Benefit Fees*: Increase to Non-Personnel Expenditures of $21,860 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Open Space District #11*: Increase to Non-Personnel Expenditures of $1,912 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*CPF Benefit Funds*: Increase to Non-Personnel Expenditures of $1,842 fully offset from estimated increased revenues for increased bank charges.

*Town Ctr Business Improv Dist*: Increase to Non-Personnel Expenditures of $942 fully offset from estimated increased revenues to align budget with current year actual expenditures.

*Energy Conservation Loans*: Increase to Non-Personnel Expenditures of $832 fully offset from estimated increased revenues for increased debt payments.

*OV Rd Fee Recovery District:* Increase to Non-Personnel Expenditures of $800 fully offset from estimated increased revenues for increased bank charges.

*Other Transportation Program*: Increase to Non-Personnel Expenditures of $421 fully offset from estimated increased revenues for an administrative interfund correction transfer.

*2018 Measure A Sales Tax*: Transfer of Non-Personnel Expenditures of $750,647 for increased strike team deployment expenses in the Fire Department.

## CONCLUSION

The City takes great pride in being good stewards of taxpayer funds and providing transparent financial reporting. The Fourth Quarter Report updates the preliminary fiscal year 2025-26 trajectory with year-to-date results.

## APPENDICES

A. General Fund Net Impact
B. Other Funds Year-End Projections

## APPENDIX A

### General Fund Net Impact

The following table outlines the net impact of each department within the General Fund. Department generated revenues are broadly defined as those revenues generated by a given activity (e.g., grant revenues, charges for services, licenses, permits). General revenues, or "discretionary revenues," are broadly defined as those revenues that are generated not by any given activity, but by general or specific taxing authority such as property taxes and sales tax that are included in Non-Departmental and not assigned to a specific department.

**Fiscal Year 2025-26 General Fund Net Impact**

*in thousands*

| Department | Year-End Expenditure Projection | Year-End Revenue Projection | Net Impact |
|---|---|---|---|
| City Council | $ 1,779.9 | $ - | $ 1,779.9 |
| Boards & Commissions | 6.3 | - | 6.3 |
| City Clerk | 2,025.2 | 98.2 | 1,927.0 |
| City Attorney | 4,190.4 | 338.0 | 3,852.4 |
| Administration | 2,947.8 | 170.9 | 2,777.0 |
| Information Technology | 5,562.5 | 250.2 | 5,312.2 |
| Human Resources | 4,049.2 | 1,588.7 | 2,460.5 |
| Finance | 5,476.7 | 1,478.5 | 3,998.2 |
| Animal Care Facility | 3,882.8 | 1,119.8 | 2,762.9 |
| Economic Development | 1,501.6 | 1,143.4 | 358.2 |
| Development Services | 3,403.6 | 2,033.6 | 1,370.0 |
| Engineering/Capital Projects | 11,638.7 | 9,594.3 | 2,044.4 |
| Police | 65,575.9 | 7,294.0 | 58,281.9 |
| Fire | 42,397.2 | 7,581.4 | 34,815.8 |
| Public Works | 29,351.0 | 10,759.5 | 18,591.5 |
| Parks and Recreation | 7,141.4 | 4,993.8 | 2,147.6 |
| Library | 4,715.4 | 559.4 | 4,156.0 |
| **Total General Fund[1]** | **$ 195,645.5** | **$ 49,003.8** | **$ 146,641.7** |

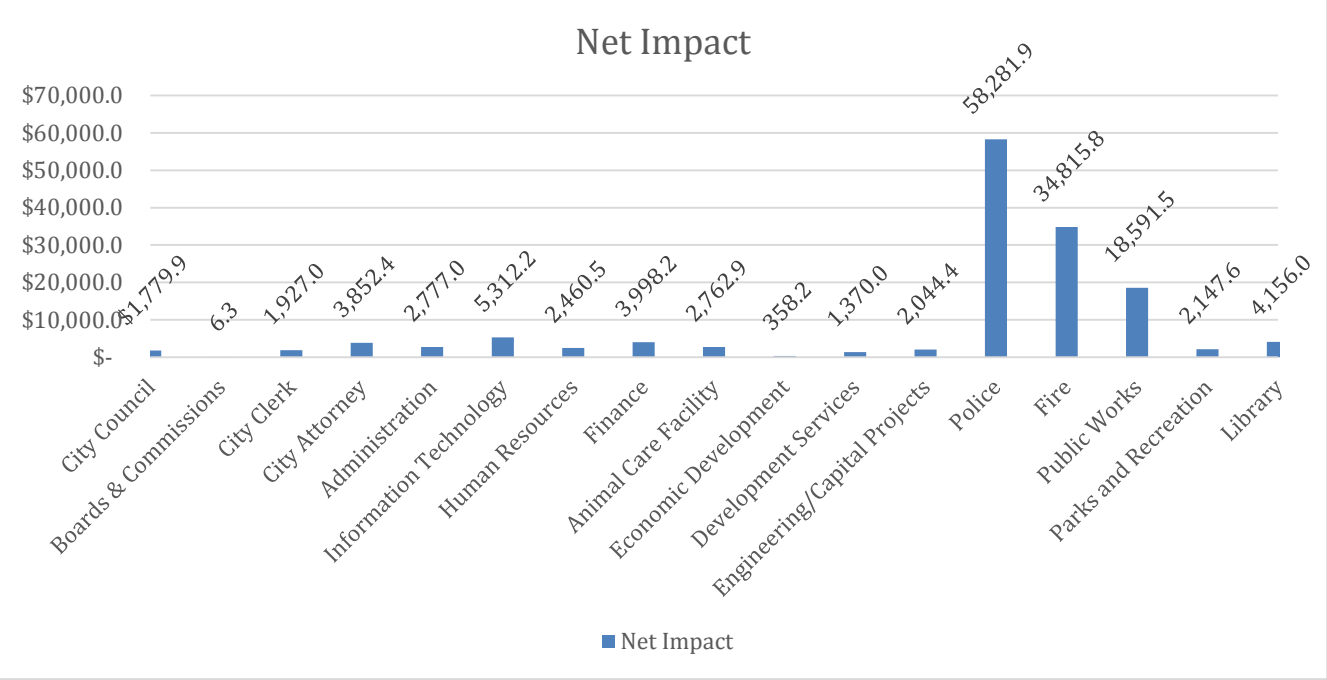
[1] Excludes Non-Departmental Department since activity is not directly related to any single department.

The chart below compares the projections as detailed in the report above to the net impact that was anticipated in the Adopted Budget.

| Fiscal Year 2025-26 General Fund Net Impact | | | | *in thousands* |
|---|---|---|---|---|
| **Department** | | **Adopted Budget Net Impact** | **Year-End Projection Net Impact** | **Net Impact Variance** |
| City Council | $ | 1,862.2 | $1,779.9 | ($82.3) |
| Boards & Commissions | | 2.1 | 6.3 | 4.2 |
| City Clerk | | 2,208.1 | 1,927.0 | (281.1) |
| City Attorney | | 3,490.8 | 3,852.4 | 361.6 |
| Administration | | 3,079.8 | 2,777.0 | (302.8) |
| Information Technology | | 4,874.9 | 5,312.2 | 437.3 |
| Human Resources | | 2,586.0 | 2,460.5 | (125.5) |
| Finance | | 4,579.3 | 3,998.2 | (581.1) |
| Animal Care Facility | | 2,917.2 | 2,762.9 | (154.3) |
| Economic Development | | 67.9 | 358.2 | 290.3 |
| Development Services | | 1,065.7 | 1,370.0 | 304.3 |
| Engineering/Capital Projects | | 2,967.7 | 2,044.4 | (923.3) |
| Police | | 59,963.9 | 58,281.9 | (1,682.0) |
| Fire | | 35,720.6 | 34,815.8 | (904.8) |
| Public Works | | 18,923.0 | 18,591.5 | (331.5) |
| Parks and Recreation | | 2,358.4 | 2,147.6 | (210.8) |
| Library | | 3,996.7 | 4,156.0 | 159.3 |
| **Total General Fund[1]** | **$** | **150,664.3** | **$146,641.7** | **($4,022.6)** |

[1] Excludes Non-Departmental Department since activity is not directly related to any single department.

As you can see from the chart below, the majority of discretionary revenue is allocated to public safety services, with the Police Department expenditure at $58.2 million followed by the Fire Department at $34.8 million. The next highest portion is allocated to Public Works Department at $18.6 million.



## APPENDIX B

### Other Funds Year-End Projections

The following table outlines the year-end projection for other funds that provide support for significant operating activities throughout the City.

**Fiscal Year 2025-26 Other Funds Year-End Projections**

*in millions*

| Other Funds | Revenue/Expense | Adopted Budget | Amended Budget | Year-End Projection | Variance |
|---|---|---|---|---|---|
| **2018 Measure A Sales Tax** | Revenue | 30.9 | 30.9 | 33.4 | 2.5 |
| | Expense | 33.7 | 51.4 | 51.3 | 0.1 |
| | **Net Year-End Projection** | **(2.7)** | **(20.5)** | **(17.9)** | **2.6** |
| **Advanced Life Support Program** | Revenue | 3.0 | 3.0 | 3.6 | 0.6 |
| | Expense | 3.1 | 3.1 | 3.4 | (0.3) |
| | **Net Year-End Projection** | **(0.1)** | **(0.1)** | **0.2** | **0.3** |
| **Parking Meter** | Revenue | 1.1 | 1.1 | 1.1 | - |
| | Expense | 1.0 | 1.5 | 1.1 | 0.4 |
| | **Net Year-End Projection** | **0.1** | **(0.4)** | **-** | **0.4** |
| **Local Grants** | Revenue | - | - | 0.2 | 0.2 |
| | Expense | 2.5 | 2.7 | 1.8 | 0.9 |
| | **Net Year-End Projection** | **(2.5)** | **(2.7)** | **(1.6)** | **1.1** |
| **Federal Grants** | Revenue | 0.1 | 0.3 | 0.3 | - |
| | Expense | 0.1 | 0.3 | 0.2 | 0.1 |
| | **Net Year-End Projection** | **-** | **-** | **0.1** | **0.1** |
| **State Grants** | Revenue | 0.7 | 0.7 | 0.9 | 0.2 |
| | Expense | 0.7 | 0.8 | 0.7 | 0.1 |
| | **Net Year-End Projection** | **-** | **(0.1)** | **0.2** | **0.3** |
| **Environmental Services** | Revenue | 2.0 | 2.0 | 2.7 | 0.7 |
| | Expense | 3.1 | 3.1 | 2.6 | 0.5 |
| | **Net Year-End Projection** | **(1.1)** | **(1.1)** | **0.1** | **1.2** |
| **Chula Vista Housing Authority** | Revenue | 2.7 | 7.7 | 7.3 | (0.4) |
| | Expense | 2.6 | 8.2 | 7.1 | 1.1 |
| | **Net Year-End Projection** | **0.1** | **(0.5)** | **0.2** | **0.7** |
| **Central Garage Fund** | Revenue | 6.3 | 6.3 | 6.7 | 0.4 |
| | Expense | 6.3 | 6.4 | 7.0 | (0.6) |
| | **Net Year-End Projection** | **-** | **(0.1)** | **(0.3)** | **(0.2)** |
| **Development Services Fund** | Revenue | 13.2 | 13.1 | 9.6 | (3.5) |
| | Expense | 15.4 | 15.5 | 13.6 | 2.0 |
| | **Net Year-End Projection** | **(2.2)** | **(2.4)** | **(3.9)** | **(1.5)** |
| **Transport Enterprise** | Revenue | 21.3 | 21.3 | 23.3 | 2.0 |
| | Expense | 21.3 | 23.3 | 26.1 | (2.8) |
| | **Net Year-End Projection** | **-** | **(2.0)** | **(2.8)** | **(0.8)** |
| **Sewer Service Revenue** | Revenue | 47.6 | 47.6 | 51.3 | 3.7 |
| | Expense | 47.6 | 50.5 | 50.3 | 0.2 |
| | **Net Year-End Projection** | **-** | **(2.9)** | **1.0** | **3.9** |

**General Fund Budget Amendment Transfers**
**Approved by Administration**
**Fiscal Year 2025-26 (as of June 30, 2026)**

*Attachment 2*

| Department | From | To | Reason | Amount |
|---|---|---|---|---|
| Administration | Personnel | Supplies & Services | Overages for contracted services | $ 50,000 |
| Administration | Personnel | Supplies & Services | Overages for contracted services | 49,988 |
| Administration | Personnel | Supplies & Services | Overages for contracted services | 45,000 |
| Administration | Personnel | Supplies & Services | Overages for travel | 32,000 |
| Administration | Personnel | Supplies & Services | Overages for contracted services | 20,000 |
| Animal Care Services | Other Expenses | Supplies & Services | Overages for contracted services | 1,120 |
| City Attorney | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| City Attorney | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| City Clerk | Supplies & Services | Personnel | Overages, year-end budget alignment | 35,349 |
| City Council | Supplies & Services | Utilities | Overages for utilities | 274 |
| Development Services | Personnel | Other Expenses | Overages for other agency reimbursements | 11,904 |
| Development Services | Supplies & Services | Utilities | Overages for utilities | 327 |
| Engineering | Personnel | Supplies & Services | Overages, year-end budget alignment | 74,762 |
| Engineering | Supplies & Services | Supplies & Services | Transfer appropriations to various orgs | 19,100 |
| Fire | Personnel | Supplies & Services | Overages for wearing apparel | 6,000 |
| Human Resources | Contracted Services | Utilities | Overages for utilities | 569 |
| Information Technology | Other Capital | Supplies & Services | Overages for hardware & sofware purchses | 75,000 |
| Information Technology | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| Information Technology | Other Capital/Personnel | Supplies & Services | Overages for hardware & sofware purchses | 42,890 |
| Library | Personnel | Supplies & Services | Overages for contracted services | 75,000 |
| Library | Personnel | Supplies & Services | Overages for contracted services | 50,000 |
| Library | Supplies & Services | Personnel | Overages for hourly costs | 50,000 |
| Library | Supplies & Services | Utilities | Overages for utilities | 39,904 |
| Library | Supplies & Services | Other Expenses | Overages for credit card transaction fees | 1,400 |
| Library | Personnel | Other Expenses | Overages for credit card transaction fees | 1,090 |
| Parks and Recreation | Other Expenses | Internal Service/Other Capital | Overages for fleet charges and capital purchases | 59,312 |
| Parks and Recreation | Supplies & Services | Utilities | Overages for utilities | 14,675 |
| Police | Other Expense/Transfers Out | Supplies & Services | Overages for contracted services | 71,881 |
| Public Works | Supplies & Services | Supplies & Services/Other Expenses | Transfer appropriations to various orgs | 71,740 |
| Public Works | Personnel | Other Expenses | Overages for property damages | 70,000 |
| Public Works | Supplies & Services | Other Capital | Overages for bobcat purchase | 24,528 |
| Public Works | Supplies & Services | Other Capital | Overages for trailer purchase | 15,100 |
| Public Works | Supplies & Servies | Other Expenses | Overages for property damages | 14,800 |
| Public Works | Personnel | Other Expenses | Overages for property damages | 12,460 |
| | | | **Total General Fund Budget Transfers** | **$ 1,261,173** |

**General Fund Budget Amendments**
**Fiscal Year 2025-26 (as of June 30, 2026)**

*Attachment 3*

| Resolution | Date | Budget Amendments | Department | Revenue | Expenditure | Net Impact |
|---|---|---|---|---|---|---|
| 2025-114 | 7/8/2025 | Position Restructure - Classification and Comp | Engineering | $ - | $ 189,737 | $ (189,737) |
| | | | Public Works | - | (189,737) | 189,737 |
| 2025-146 | 9/9/2025 | Position Restructure - Classification and Comp | Engineering | (614,284) | (266,308) | (347,976) |
| | | | Public Works | 614,284 | 266,308 | 347,976 |
| | | | Non Departmental | - | (75,651) | 75,651 |
| | | | Economic | - | 75,651 | (75,651) |
| 2025-205 | 12/2/2025 | Position Restructure - Classification and Comp | City Council | - | (94,728) | 94,728 |
| | | | City Council | - | 94,728 | (94,728) |
| | | | City Clerk | - | 64,459 | (64,459) |
| | | | Non-Departmental | - | (64,459) | 64,459 |
| 2025-206 | 12/2/2025 | First Quarter Amendments | City Council | - | 14,640 | (14,640) |
| | | | Information | - | (94,380) | 94,380 |
| | | | Information | - | 121,094 | (121,094) |
| | | | Non Departmental | - | (3,036,741) | 3,036,741 |
| | | | Non Departmental | - | 2,995,387 | (2,995,387) |
| | | | Economic | 1,070,160 | 1,070,160 | - |
| 2026-047 | 3/17/2026 | Second Quarter Amendments | Boards & | - | 5,000 | (5,000) |
| | | | City Clerk | - | 17,885 | (17,885) |
| | | | Development Services | - | 142,633 | (142,633) |
| | | | Fire | 1,297,696 | 1,297,696 | - |
| | | | Information | - | 231,220 | (231,220) |
| | | | Library | - | 80,000 | (80,000) |
| | | | Non-Departmental | 250,000 | (476,738) | 726,738 |
| | | | Parks and Recreation | 325,000 | 325,000 | - |
| | | | Police | 118,000 | 118,000 | - |
| | | | Public Works | 113,000 | 363,000 | (250,000) |
| 2026-054 | 4/14/2026 | Consultant services agreement amendment for CVEATC Master Plan engineering and planning services | Non -Departmental | | (79,041) | 79,041 |
| | | | Non -Departmental | | 79,041 | (79,041) |
| 2026-131 | 6/16/2026 | Third Quarter Amendment | Public Works | | 300,000 | (300,000) |
| | | | Public Works | | (300,000) | 300,000 |
| **Total General Fund Budget Amendments** | | | | **$3,173,856** | **$ 3,173,856** | **$ -** |

**CITY OF CHULA VISTA**
**DONATION ACCEPTANCE FORM**

Name of donor: Chula Vista Police Foundation

Address: 315 4th Avenue City: Chula Vista State: CA Zip: 91910

Description of donation: Canine and Dual Training Academy – Patrol/Detection (Cohn)

Donor estimate of current value: $31,007.50 Purchase Date: 7/28/2025

Potential immediate or initial acquisition or installation cost, any on-going maintenance or replacement cost: Ongoing costs upon acquisition of a police K9 are food, veterinary services, equipment, gear and training. Estimated service life for a police K9 is 5-8 years.

This form serves as an amendment to the previously submitted donation acceptance form for K9 Cohn in the amount of $22,507.50, which included only one training academy. This updated form supersedes the prior version and now reflects the full scope of initial costs, including the K9, Patrol Academy and Detection Academy.

Intended use: The Chula Vista Police Department welcomes this four-legged partner to the K9 team.

Conditions of acceptance or donor designation: Chula Vista Police Foundation is requesting the City of Chula Vista to fund ongoing costs for the K9 upon acquisition.

Remarks: Incorporated in 2003, the Chula Vista Police Foundation is a 501(c)(3) nonprofit organization (Tax ID #30-0281686) with a mission to fund vital programs, community engagement initiatives, and critical police equipment that strengthen the public safety goals of the Chula Vista Police Department (CVPD).

City department receiving donation: Chula Vista Police Department

**APPROVED / DISAPPROVED**

| | |
|---|---|
| _____ | _____ |
| Date | Department Head' s Signature |
| _____ | _____ |
| Date | City Manager' s Signature |
| _____ | _____ |
| Date Submitted to Council | Date Approved by Council |
| _____ | _____ |
| Date | Mayor' s Signature |

Note: The City of Chula Vista cannot guarantee future funding for repair, maintenance, use or replacement of donated items.

CC:  City Council, Finance Department, City Manager's Office