



AGENDA

FEBRUARY 3, 2026

NOTICE AND CALL OF SPECIAL MEETING CITY COUNCIL CITY OF YUBA CITY

3:00 P.M. SPECIAL MEETING - BUDGET WORKSHOP COUNCIL CHAMBERS/VIRTUAL

MAYOR	• Marc Boomgaarden
VICE MAYOR	• Michael Pasquale
COUNCILMEMBER	• Toni Cole
COUNCILMEMBER	• Wade Kirchner
COUNCILMEMBER	• Dave Shaw
CITY MANAGER	• Robert Bendorf
CITY ATTORNEY	• Shannon L. Chaffin

1201 Civic Center Blvd
Yuba City CA 95993

Wheelchair Accessible

*The City has adopted a Reasonable Accommodations Policy that provides a procedure for receiving and resolving requests for accommodation to participate in this meeting. Please visit yubacity.net ADA & Accessibility Resources page. If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to help. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation; 72 hours in advance is suggested. Please contact City offices at (530) 822-4817 or **(TTY: 530-822-4732)**, so such aids or services can be arranged. Requests may also be made by email at cityclerk@yubacity.net or citymanager@yubacity.net or mail City Clerk, 1201 Civic Center Blvd, Yuba City, CA 95993.*

AGENDA
NOTICE AND CALL OF SPECIAL MEETING
CITY COUNCIL - CITY OF YUBA CITY
FEBRUARY 3, 2026
3:00 P.M. SPECIAL MEETING - BUDGET WORKSHOP
COUNCIL CHAMBERS/VIRTUAL

PLEASE TAKE NOTICE, that pursuant to California Government Code Section 54956, Mayor Marc Boomgaarden has called a Special Meeting of the City Council as set forth in this Agenda.

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City's website at www.yubacity.net, subject to staff's availability to post the documents before the meeting.

The Council Chambers will be open for public attendance and participation. The meeting will also be live streamed for public viewing, but not participation, at the following link: https://yubacity-net.zoom.us/webinar/register/WN_zAPD2xm_SnG3vJPST1DJrw

Special Meeting - Budget Workshop

Call to Order

Roll Call

- Mayor Boomgaarden
- Vice-Mayor Pasquale
- Councilmember Cole
- Councilmember Kirchner
- Councilmember Shaw

Pledge of Allegiance to the Flag

General Items

- 1 Mid-Year Budget Review for Fiscal Year 2025-2026 and Budget Outlook for Fiscal Year 2026-2027**

Recommendation: Note & File Mid-Year Budget Review for Fiscal Year 2025-26 and Budget Outlook FY 2026-27

Adjournment

CITY OF YUBA CITY
STAFF REPORT

Date: February 3, 2026
To: Honorable Mayor & Members of the City Council;
From: Administration Department
Presentation By: Robert Bendorf, City Manager and Diona Pope, Finance Director

Summary

Subject: Mid-Year Budget Review for Fiscal Year 2025-2026 and Budget Outlook for Fiscal Year 2026-2027
Recommendation: Note & File Mid-Year Budget Review for Fiscal Year 2025-26 and Budget Outlook FY 2026-27
Fiscal Impact: Informational Item Only

Purpose:

To present the Mid-Year Budget Review for Fiscal Year 2025–26 and the Budget Outlook for Fiscal Year 2026–27.

Council’s Strategic Goals:

The budget workshop addresses the City Council’s Strategic Goal of Fiscal Responsibility.

Background:

In accordance with the City’s adopted policies and direction upon approval of the current year budget policies, staff has prepared a presentation for the Mid-Year Budget Review and the FY 2026–27 Budget Outlook.

Analysis:

MID-YEAR REVIEW

As of December 31, 2025, projected expenditures for FY 2025–26 are expected to come in under budget, and staff anticipates a minimal increase in revenues. As a result, the projected Use of Reserves for FY 2025–26 has been reduced by \$1.7 million. With continued monitoring, the City is positioned to potentially conclude the fiscal year under budget, supporting sound fiscal management and the City Council’s Strategic Goal of Fiscal Responsibility.

General Fund / Discretionary Revenue – Major Categories

	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Adopted	FY 25/26 Projectio
Property Tax	\$17,124,000	\$17,854,000	\$18,705,000	\$18,692,0
Sales Tax	\$17,033,000	\$16,026,000	\$16,493,000	\$16,493,0
Franchise Fees	\$2,187,000	\$2,195,000	\$2,100,000	\$2,100,0
Hotel/Motel	\$1,437,000	\$1,454,000	\$1,600,000	\$1,600,0
Business Licenses	\$1,428,000	\$1,426,000	\$1,300,000	\$1,300,0
Other	\$17,365,000	\$18,601,000	\$20,889,000	\$21,092,0

FY 2026-2027 BUDGET OUTLOOK

In conjunction with the City’s Mid-Year Budget Review, staff is presenting an overview of budget expectations for the coming year, including anticipated impacts and mitigation strategies that have been under development for several months. Your Executive Team has worked in concert with each other to come up with departmental recommendations for the City Council.

In response to the current Fiscal Year 2025-2026 General Fund budget deficit, estimated at approximately \$6.2 million, staff has undertaken a comprehensive review of both ongoing and one-time revenues, worked collaboratively with departments to further reduce expenditures, and evaluated existing policies while developing new measures to enhance budget transparency and fiscal certainty.

To partially address the deficit, preliminary FY 2026-2027 expenditure reduction recommendations from departments and miscellaneous operations are submitted to the City Council for review and further direction as appropriate. Equally important, we will continue to monitor revenue performance, particularly for the General Fund (GF).

Staff intends to bring additional recommendations forward in the coming months, as we make progress with developing the FY 2026-2027 citywide budget.

Staff does expect increases in General Fund revenue estimates in several categories for FY 2026-2027, and we are still determining, as we get closer to the July, the extent of potential revenue increases, which may assist in reducing the structural deficit and combating cost increases.

Potential Economic Impacts for the Current and Upcoming Fiscal Year

Gasoline – Trends indicate gasoline prices at the pump will continue to drop and/or stay fairly static. This is a positive for those that use fuel, such as the City, but can lead to steep declines in sales tax receipts, potentially impacting general fund revenue by tens of thousands.

Home Sales

In the last 12 months, Yuba City has experienced a significant increase in the number of new single-family homes permitted at over 120. This is the highest activity since the great recession. While property tax is a critical General Fund revenue source for services provided to Yuba City residents and businesses, it also benefits Sutter County, who receives a majority of the property tax share for assessed properties in the City to fund their operations.

Retail Sales*

Nationwide, most retail has remained resilient across categories even with the following categorical price increases.

- Home Furnishings +4.1%
- Apparel +5.3%
- Transportation +3.1%
- Food at Home +3.2%
- Energy +4.6%

*The following data will most likely be adjusted, as it reflected the final quarter of 2025, with the data being difficult to assemble due to the prolonged government shutdown that occurred during that quarter.

Economic Factors – Next 6-12 months

Slightly negative outlooks with respect to inflation and labor markets are predicted primarily due to some initial data gaps but also the unemployment rate has continued to tick higher with the primary cause being static levels of net new jobs created and job openings declining.

Global economic growth and consumer spending outlooks remain neutral, with consumer spending remaining resilient.

Global Monetary and overall Financial Condition for the United States is rated as slightly positive, recognizing the recent rate cuts and potential signaling of further cuts in 2026 and 2027 and corporate earnings exceeding expectations.

Local Impacts

The cost of goods for the City continues to rise. Cost increases experienced in recent months range from chemicals to vehicles, other significant purchase items and fixed assets. Labor costs are projected to continue their increase (health insurance, liability insurance, workers compensation, PERS rates, etc.).

Fund Investments continue to perform well at the direction of our Finance Director / City Treasurer and her coordination with Insight Investment and PFM Asset Management (contributor for specific outlooks mentioned here). Our investment portfolio continues to outperform benchmarks at the 1, 3, 5 and 10 year marks with the portfolio average at over 2.7% compared to the average benchmark of 1.93%.

Staff will monitor local impacts as a result of State or Federal funding policies in a variety of different categories. We continue to explore more efficient and effective cost-saving strategies, with more recommendations coming soon.

Consistent with the Strategic Plan, which is being presented for consideration to the Council on February 17, 2026, we remain focused on public safety services, water quality and reliability for our residents and businesses, and repairing our roads (with a unique concept being presented to your council next month for consideration).

Fiscal Impact:

As Presented

Alternatives:

The following alternatives are available to the City Council:

1. Request additional information or clarification from the Finance Department regarding specific revenue or expenditure categories.
2. Provide staff with other direction.

Recommendations:

Note & File Mid-Year Budget Review for FY 2025-26 and Budget Outlook FY 2026-27 and provide direction as appropriate.

Attachments:

None

Prepared By:
Diona Pope
Finance Director

Submitted By:
Robert Bendorf
City Manager