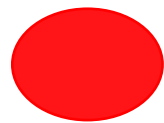


# Del Mar City Council Meeting Agenda

Del Mar Town Hall  
1050 Camino del Mar, Del Mar, California

## **April 7, 2026 City Council Meeting**

**INFORMATION RECEIVED  
AFTER THE COUNCIL AGENDA  
WAS DISTRIBUTED  
("Red Dots")**



**Leslie Carrillo**

---

**From:** Laura DeMarco <laurastanleydemarco@yahoo.com>  
**Sent:** Tuesday, April 7, 2026 12:27 PM  
**To:** Tracy Martinez; John Spelich-private; Terry Gaasterland; Dan Quirk  
**Cc:** Ashley Jones; City Clerk Mail Box  
**Subject:** Item 4: Omit landscaping of road obstructions in High Wildfire Risk Hazard Zones

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Council Members and Staff,

As noted in the city's upcoming road survey, many of the streets in Del Mar's High Wildfire Risk Hazard Zones do not meet meet the state's fire code requiring minimum road width of 20 ft (excluding parking area).

Thus, all road obstructions in this area, especially the chicanes on Crest Road that narrows this critical artery for firefighters and evacuees to a single lane and blocks oncoming traffic, should be removed instead of landscaped (see page 116).

This will reduce the cost of the city's landscaping contract as well as reduce the city's liability for maintaining a road hazard in a high wildfire hazard zone.

Thanks for your consideration.

Laura



## Robert Silva

---

**From:** Robert Silva  
**Sent:** Friday, April 3, 2026 9:01 AM  
**To:** Robert Silva  
**Subject:** FW: Red Dot - Encroachment Permit EP26-01

**From:** Janet Wilson <[janet@silverhook.com](mailto:janet@silverhook.com)>  
**Sent:** Thursday, April 2, 2026 4:52 PM  
**To:** City Manager Mail Box <[CityManager@delmar.ca.us](mailto:CityManager@delmar.ca.us)>  
**Cc:** Tracy Martinez <[tmartinez@delmar.ca.us](mailto:tmartinez@delmar.ca.us)>; Dan Quirk <[dquirk@delmar.ca.us](mailto:dquirk@delmar.ca.us)>; Terry Gaasterland <[tgaasterland@delmar.ca.us](mailto:tgaasterland@delmar.ca.us)>; John Spelich <[jspelich@delmar.ca.us](mailto:jspelich@delmar.ca.us)>; Ashley Jones <[ajones@delmar.ca.us](mailto:ajones@delmar.ca.us)>  
**Subject:** Red Dot - Encroachment Permit EP26-01

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mayor Martinez and City Councilmembers,

The majority of Del Mar, including 1215 Cuchara Drive, is now in the **Very High Fire Hazard Severity Zone**.

There are two points of concern about this encroachment application. First, it approves a condition that allows dense vegetation to remain in or next to the public right-of-way despite the existing wildfire risk. Second, the covenant and indemnification provisions do not eliminate the City’s continuing responsibility to protect public safety.

### **Dense Vegetation in a Very High Fire Hazard Severity Zone**

The staff report addresses sight lines, but not wildfire risks. Dense vegetation affects more than sight lines. It is also fuel for fires.

The report states that this area has had **dense, overgrown vegetation for many years**, and it treats that vegetation as a benefit because it screens the wall from view and acts as a natural barrier. The report says the vegetation will remain in place and be **trimmed only to improve sight distance at the intersection**.

Notifying the Fire Department before a road closure is not the same thing as analyzing fire hazard. That is a traffic-control condition, not a safety finding.

The staff report acknowledges this dense vegetation in a Very High Fire Hazard Severity Zone, leaves that fuel in place, and then concludes there are no significant environmental impacts. That skips over the obvious point: **in a wildfire-risk area, fuel load is itself an environmental concern**.

Because the report treats dense vegetation mainly as a sight-line issue and a natural barrier, rather than as fuel in a wildfire-risk area, it appears that the City’s public-safety analysis for encroachment permits has not yet caught up with the City’s changed fire hazard classification.

### **Covenant and Indemnification Requirement**

The recorded covenant is a run-with-the-land document that records maintenance responsibility and removal upon demand by the City. The staff report also describes it as requiring indemnification.

Separate from the covenant, the City retains broad control through revocation, removal upon notice, vegetation maintenance to the City's satisfaction, change of conditions, retention of the City's ownership interest in the public right-of-way, and Public Works inspection and approval of right-of-way work.

The covenant does not say that the public right-of-way is now entirely the owner's problem and risk. Quite the opposite. The City keeps substantial control.

Under California Government Code section 835, the issue is not whether the owner promised to maintain the vegetation or indemnify the City. The issue is whether public property is in a dangerous condition and whether the City had notice and the ability to act. If the City approves this encroachment and keeps the power to control it, the covenant and indemnification language do not eliminate the City's potential exposure.

**The covenant may shift costs, but it does not shift responsibility for public safety in the public right-of-way.**

### Request

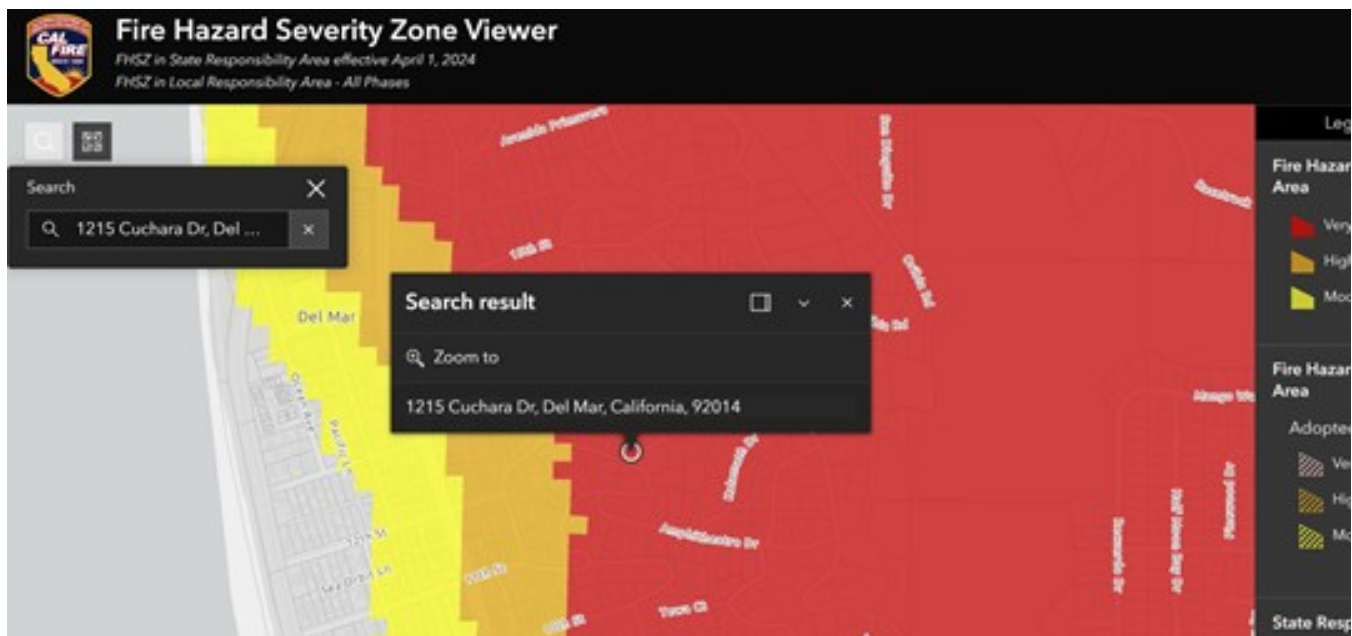
I respectfully ask that the Council decline to make Findings 1, 2, and 5 unless and until staff reassesses them in light of wildfire risk in this Very High Fire Hazard Severity Zone.

Finding 1 goes directly to whether the permit will endanger public health, safety, or welfare.

Findings 2 and 5 should also be reexamined because it is in the public interest to reduce fire risk in the public right-of-way, not approve a permit that leaves that risk in place.

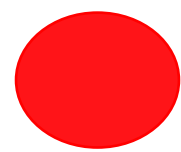
Respectfully,  
Janet Wilson

<https://experience.arcgis.com/experience/6a9cb66bb1824cd98756812af41292a0>



← 699 Rimini Rd  
Del Mar, California





## Leslie Carrillo

---

**From:** City Clerk Mail Box  
**Sent:** Thursday, April 2, 2026 11:18 AM  
**To:** Leslie Carrillo  
**Subject:** FW: Item 13: EP25-049 (Rael) -- LETTERS OF SUPPORT  
**Attachments:** 20260319\_114606.PDF

---

**From:** Robert Scott <[rjsplanning@gmail.com](mailto:rjsplanning@gmail.com)>  
**Sent:** Wednesday, April 1, 2026 8:23 PM  
**To:** Sarah Krietor <[Skrietor@delmar.ca.us](mailto:Skrietor@delmar.ca.us)>  
**Cc:** Nestor Machado <[nmachado@delmar.ca.us](mailto:nmachado@delmar.ca.us)>; Paul Rael <[pauljrael@gmail.com](mailto:pauljrael@gmail.com)>; Dean Meredith <[wdeanmeredith@gmail.com](mailto:wdeanmeredith@gmail.com)>  
**Subject:** Item 13: EP25-049 (Rael) -- LETTERS OF SUPPORT

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Sarah,

Please share the attached letter of support with the City Council for EP25-049 (Rael). The letter was a red-dot at the previously-scheduled March 17 hearing but I did not see it in the current April 7 CC packet.

We have overwhelming support from the surrounding Stratford Way neighborhood and will have additional neighbor support letters prior to next Tuesday night's hearing.

Thanks,

Bob

--

Robert J. Scott, AICP, LEED AP  
RJS Planning + Land Use Solutions, Inc.  
1155 Camino del Mar #119  
Del Mar, CA 92014  
Tel. 858.692.8832

January 19, 2026

Nestor Machado  
Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

**RE: Support for Encroachment Permit, EP25-049 (Rael)**

Dear Mr. Machado,

I am a neighbor along the Stratford Way neighborhood and am writing to express my support for the right-of-way improvements being proposed by Paul Rael. The Stratford Way loop does not provide for much on-street parking for guests. And what is there is mostly a dirt shoulder, in no way indicative of Del Mar's charm and beauty.

What Mr. Rael is proposing not only provides needed public parking but does so in an attractive fashion. His thoughtful design is informal yet beautiful, is an improvement to the neighborhood overall, and should serve as a template for granting all other encroachment permits throughout the city.

Please approve EP25-09.

Respectfully,


---

Cole Cohen 1639 Luneta Drive Del Mar CA 92014

January 19, 2026

Nestor Machado  
Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

**RE: Support for Encroachment Permit, EP25-049 (Rael)**

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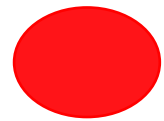
Please approve EP25-09.

Respectfully,

A solid black rectangular redaction box covering the signature of the sender.

---

Roberta Cohen 1655 Luneta Drive Del Mar CA 92014



**Leslie Carrillo**

---

**From:** City Clerk Mail Box  
**Sent:** Thursday, April 2, 2026 1:46 PM  
**To:** Leslie Carrillo  
**Subject:** FW: Item 13: EP25-049 (Rael) Drawings  
**Attachments:** EP25-049\_Drawings\_(Rael).pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

---

**From:** Robert Scott <[rjsplanning@gmail.com](mailto:rjsplanning@gmail.com)>  
**Sent:** Wednesday, April 1, 2026 8:14 PM  
**To:** Sarah Krietor <[Skrietor@delmar.ca.us](mailto:Skrietor@delmar.ca.us)>  
**Cc:** Nestor Machado <[nmachado@delmar.ca.us](mailto:nmachado@delmar.ca.us)>; Paul Rael <[pauljrael@gmail.com](mailto:pauljrael@gmail.com)>; Dean Meredith <[wdeanmeredith@gmail.com](mailto:wdeanmeredith@gmail.com)>  
**Subject:** Item 13: EP25-049 (Rael) Drawings

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Sarah,

Please forward the attached drawings to the City Council for the above item.

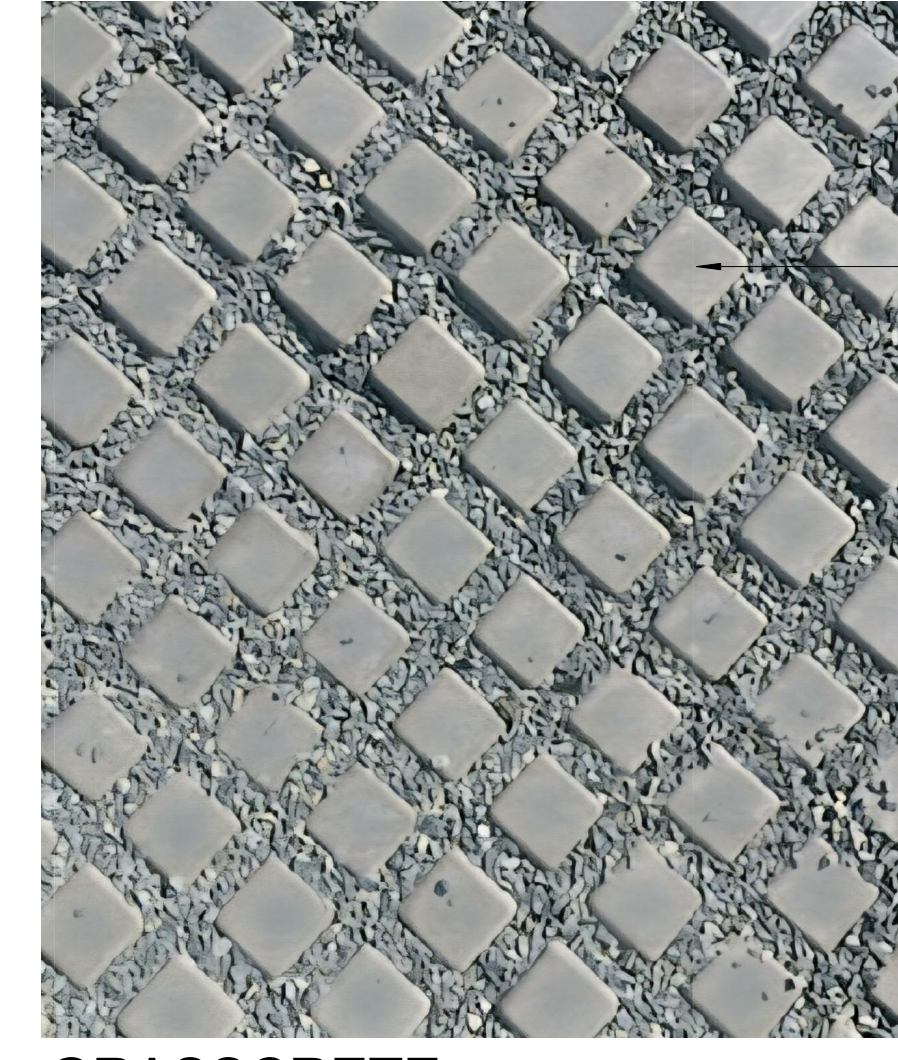
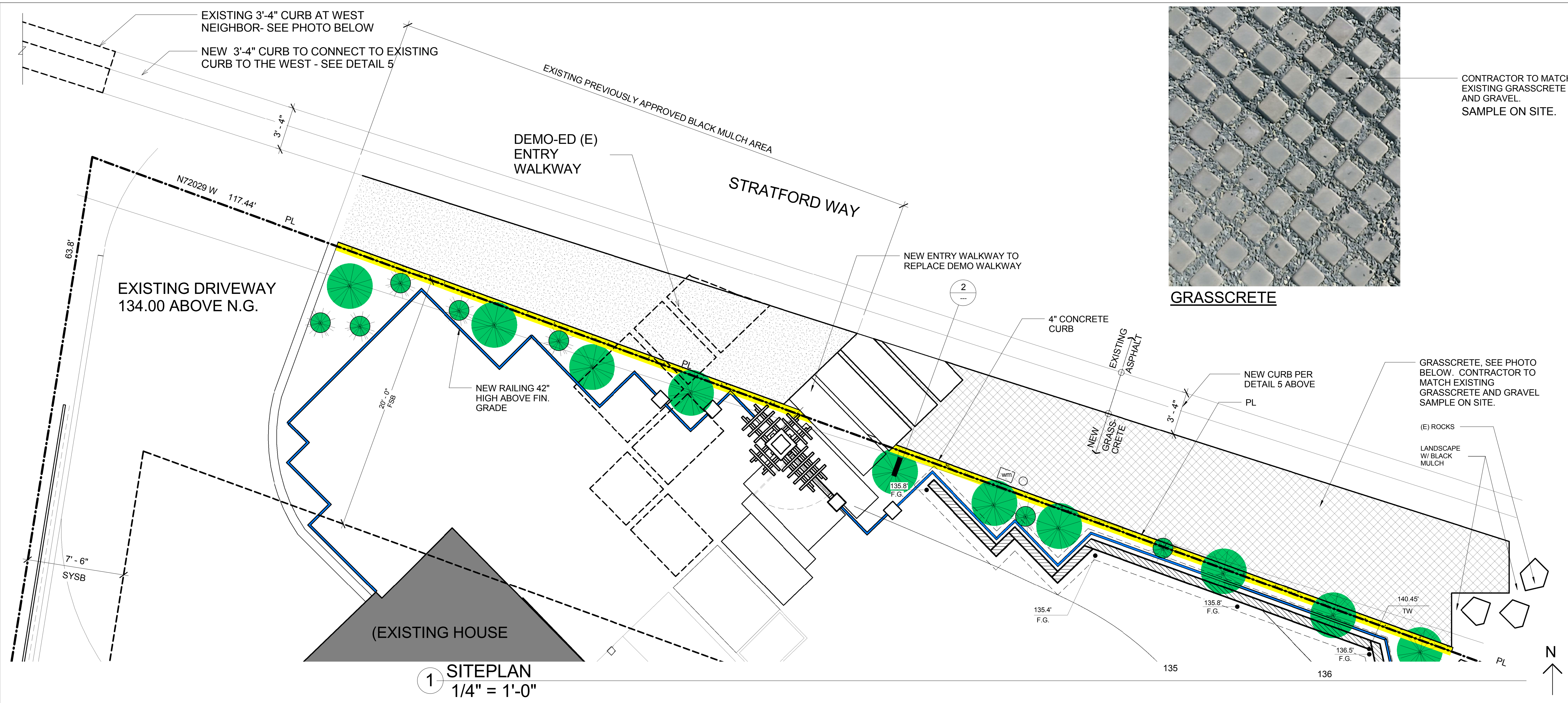
The item was continued from the March 17 City Council hearing and I want to be sure the Council has the most current set of drawings for consideration.

Thanks so much,

Bob

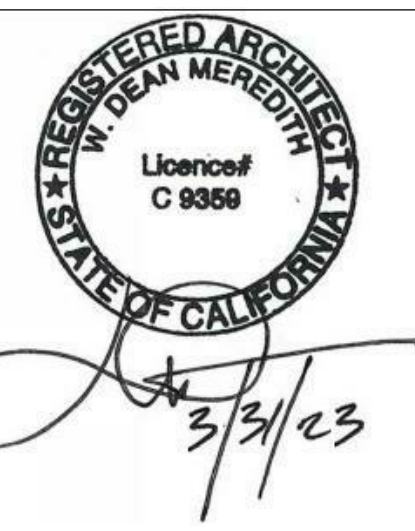
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Robert J. Scott, AICP, LEED AP  
RJS Planning + Land Use Solutions, Inc.  
1155 Camino del Mar #119  
Del Mar, CA 92014  
Tel. 858.692.8832



**GRASSCRETE**

CONTRACTOR TO MATCH EXISTING GRASSCRETE AND GRAVEL. SAMPLE ON SITE.



**1 SITEPLAN**  
1/4" = 1'-0"

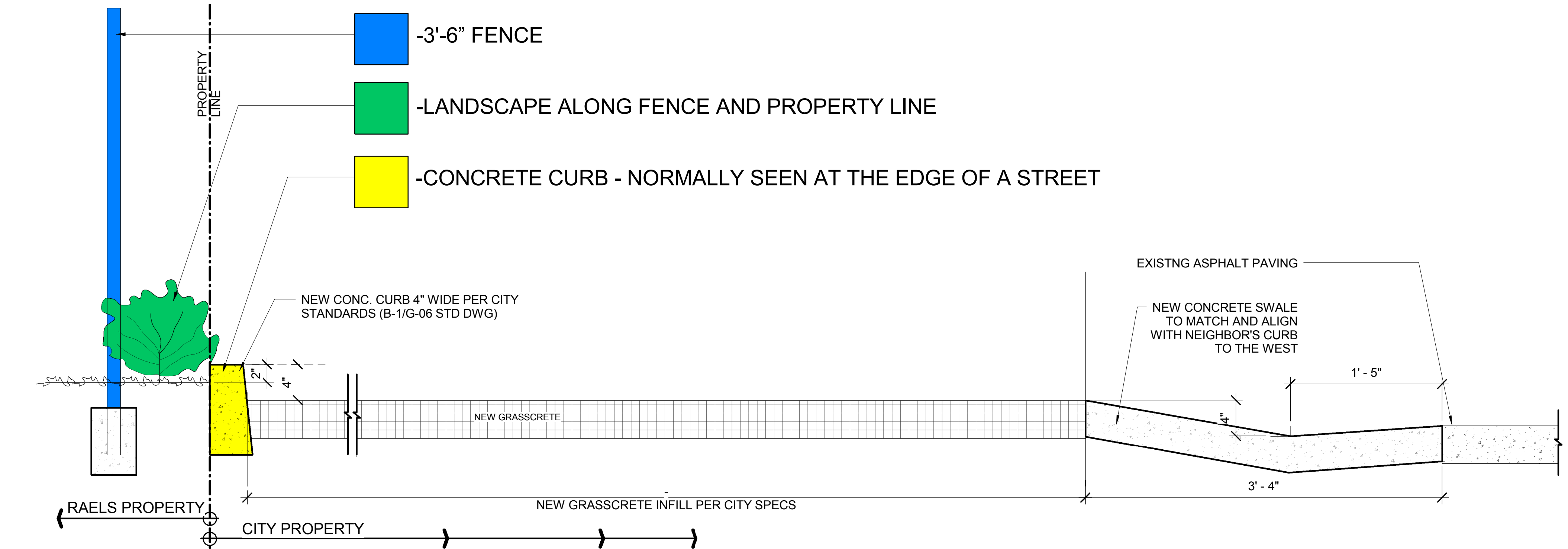
**VISUALS THAT DEPICT PRIVATE PROPERTY VS PUBLIC PROPERTY DEL MAR**

- 3'-6" FENCE
- LANDSCAPE ALONG FENCE AND PROPERTY LINE
- CONCRETE CURB - NORMALLY SEEN AT THE EDGE OF A STREET



PROPOSED CURB EXTENSION TO THE EAST  
EXISTING 3'-4" CURB AT WEST NEIGHBOR. NEW CURB TO EXTEND TO PROPOSED SITE.

**EXISTING CURB AT WEST NEIGHBOR**

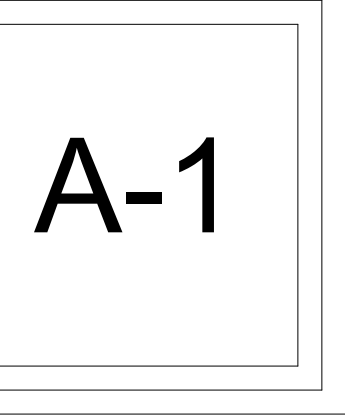


**2 SECTION**  
1 1/2" = 1'-0"

**W Dean Meredith ARCHITECT AIA**

P.O. BOX 2142 DEL MAR CALIFORNIA 92014

**RAEL RESIDENCE**  
1612 Stratford Way DEL MAR CALIFORNIA 92014





3/31/23

# RAEL RESIDENCE

92014

CALIFORNIA

DEL MAR

1612 Stratford Way

## W Dean Meredith ARCHITECT AIA

92014

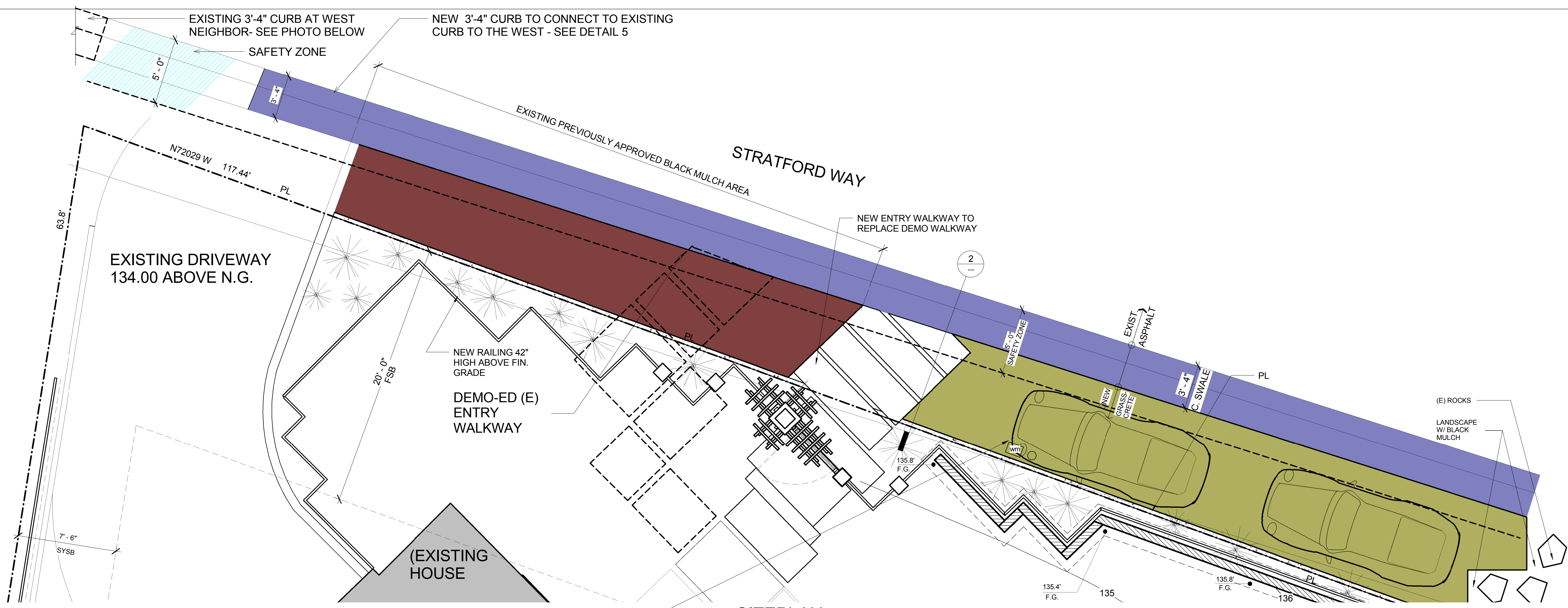
CALIFORNIA

DEL MAR

P.O. BOX 2142

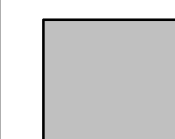
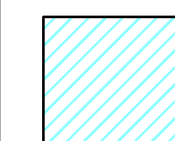




### A-2

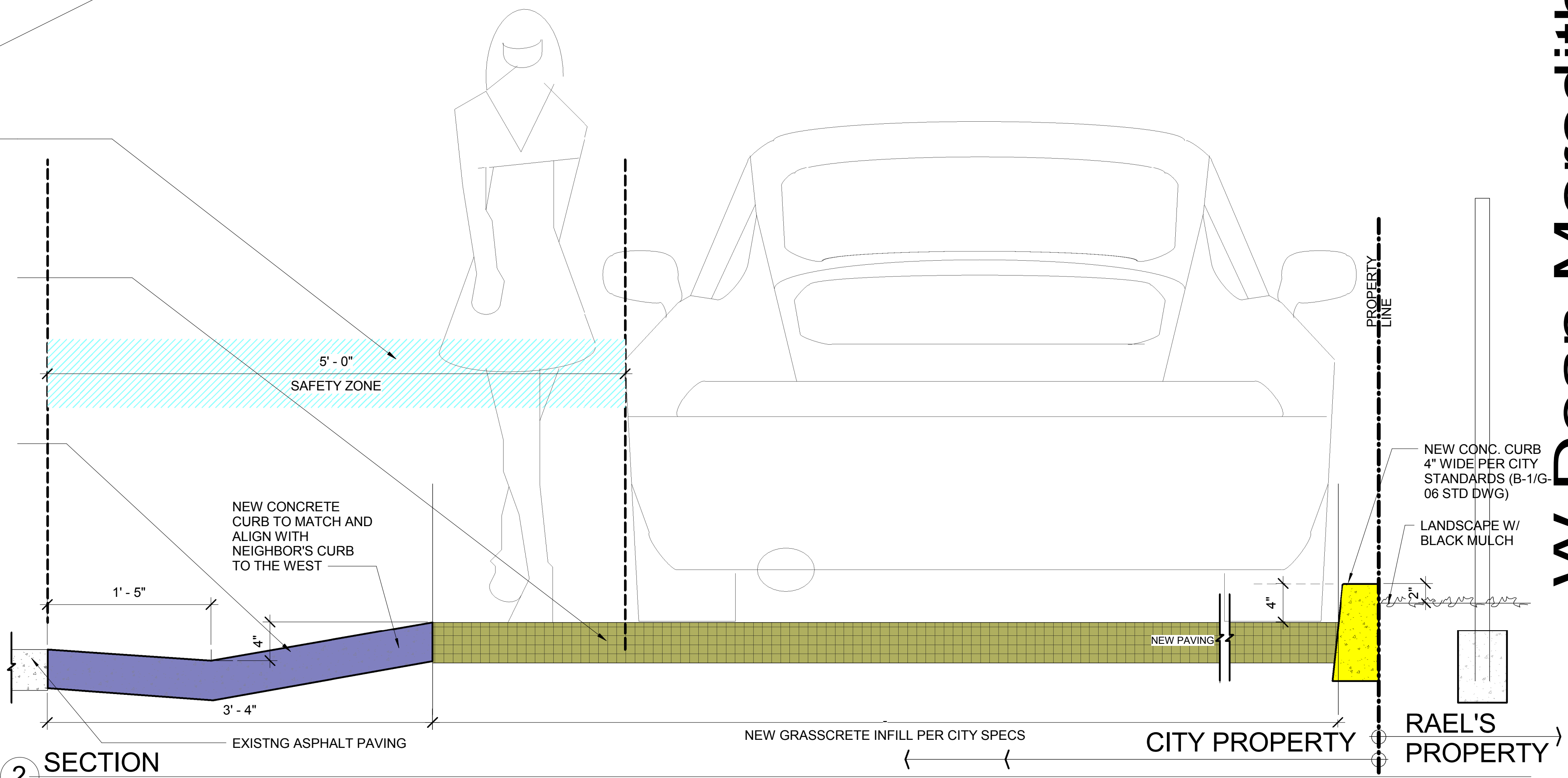
3/29/2026 3:35:07 PM



1 SITEPLAN  
1/4" = 1'-0"

### PUBLIC AND CITY OF DEL MAR BENEFITS

-  -TWO OFF STREET PARKING SPACES
-  -OUR DESIGN CREATES 5' SAFETY BUFFER FOR PEDESTRIANS TO EXIT STREET, PER DEL MAR REQUIREMENTS.
-  -PROPOSE A GRASSCRETE BASE WITH CHARCOAL GRAY DECOMPOSED GRANITE (COLOR TO MATCH THE EXISTING ASPHALT), APPEARS AS STREET EXTENSION FOR PARKING (NOT AS PART OF PRIVATE PROPERTY); SUPPORTS VEHICLE LOADS, STABILIZES GRANITE, ALLOWS WATER PERCOLATION, MORE AESTHETIC THAN ASPHALT; ECO-FRIENDLY WITH LESS NEGATIVE ENVIRONMENTAL IMPACT.
-  -PROPOSED NEW CONCRETE CURB AND GUTTER IMPROVEMENTS ALONG FRONTAGE, MATCHING WEST PROPERTY AND CORNER LOTS; AT RAE'L'S EXPENSE, RESOLVES CITY'S DRAINAGE/RUNOFF ISSUES.
-  -PROPOSED CONCRETE ENTRY PAVERS. WE ARE PROPOSING TO RELOCATE THE EXISTING ENTRY PAVERS EAST TO THE NEW ENTRY STRUCTURES AND GATES.
-  -PREVIOUSLY APPROVED BLACK MULCH AREA

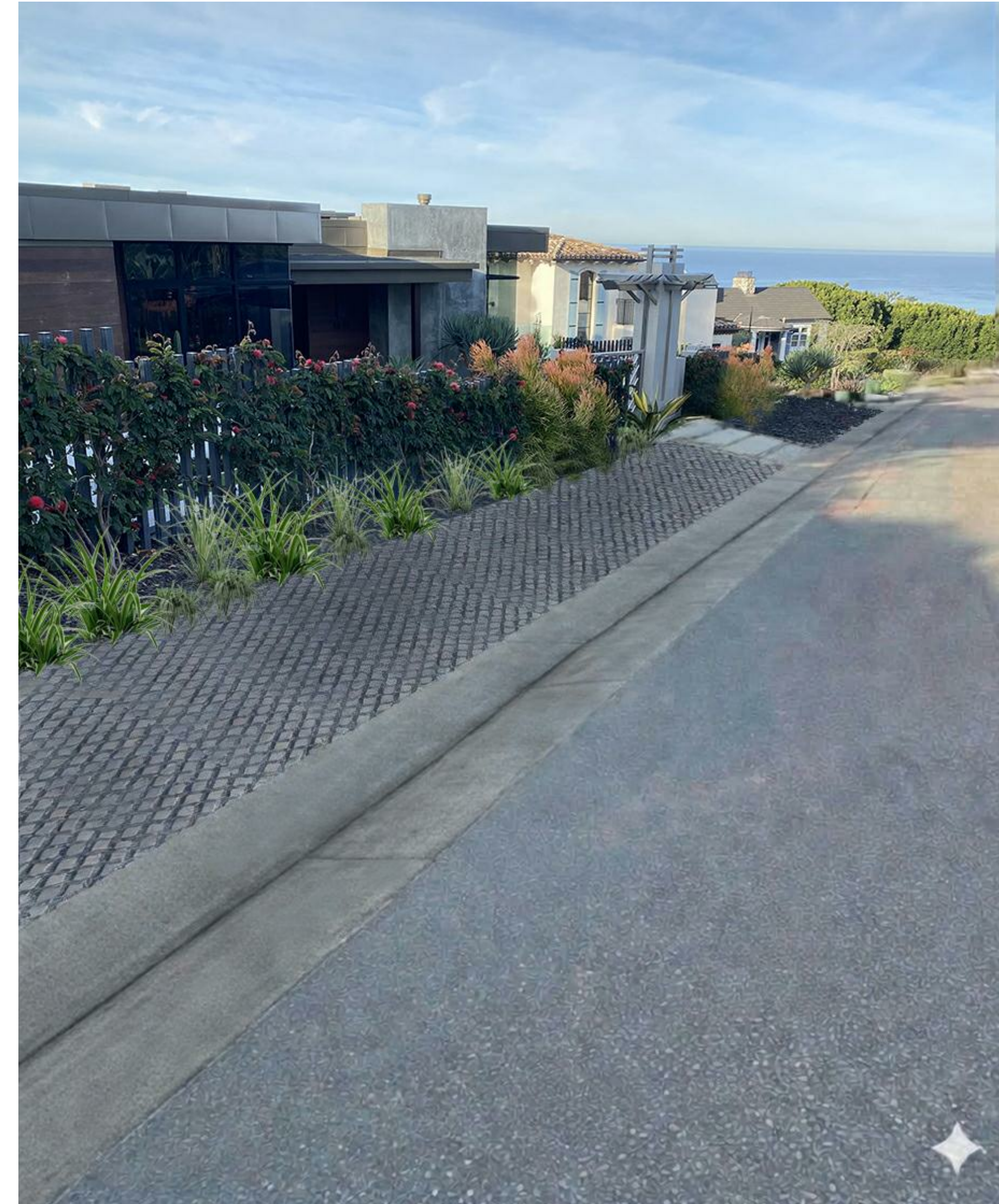


2 SECTION  
1 1/2" = 1'-0"



**ASPHALT**

FOR SAMPLE OF ASPHALT SEE 355 BEL AIR STREET,  
DEL MAR, CA.



**GRASSCRETE W/ CHARCOAL GRANITE BASE**

FOR SAMPLE OF GRASSCRETE SEE RAEI RESIDENCE



**W Dean Meredith** ARCHITECT AIA

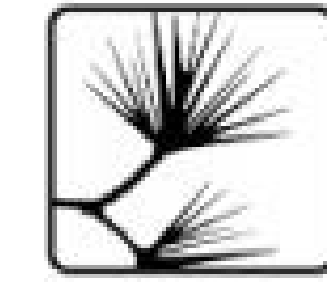
P.O. BOX 2142 DEL MAR CALIFORNIA 92014

A-3

**RAEL RESIDENCE**  
1612 Stratford Way DEL MAR CALIFORNIA 92014

# CHAPTER 2 SINGLE-FAMILY DESIGN GUIDELINES

## C. SITE PLANNING AND DESIGN




✓ Large pavers can replace concrete to increase permeability.



✓ Reduce the quantity of paving, or utilize pervious paving where possible.

### C.8 HARDSCAPE DESIGN GUIDELINES (CONTINUED)

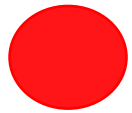
-  **C.** Limit hardscape to no more than 50% of the front yard/streetside setback.
  - 1.** Avoid compacted landscaped areas which can inhibit site drainage.
  - 2.** Maximize the use of pervious materials for driveways, walkways, and/or patios.
- D.** Paved areas should be broken up by using colored or textured materials.
- E.** Stormwater and non-stormwater runoff from the site to the street or neighboring properties should be minimized through the use of permeable materials, preservation of open space, and limiting paved areas.
- F.** Changes to existing drainage patterns should not be altered in a way that would negatively affect neighboring properties or homes.
- G.** Direct runoff from driveways, walkways, roofs, and/or patios onto pervious or vegetated areas.

 = Guidance does not apply to North Beach (Beach Colony) neighborhood due to its density, topography, and smaller lots.

W Dean Meredith ARCHITECT AIA

P.O. BOX 2142 DEL MAR CALIFORNIA 92014

RAEL RESIDENCE  
1612 Stratford Way DEL MAR CALIFORNIA 92014



## Robert Silva

---

**From:** Janet Wilson <janet@silverhook.com>  
**Sent:** Thursday, April 2, 2026 5:05 PM  
**To:** City Clerk Mail Box  
**Cc:** Tracy Martinez; Terry Gaasterland; John Spelich; Dan Quirk; Ashley Jones  
**Subject:** Red Dot - Initial Consideration of an Appeal of Encroachment Permit (EP) 25-049

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mayor Martinez and City Councilmembers,

I am writing in support of **Encroachment Permit 25-049** and respectfully request that the Council approve the permit.

Staff could not make two of the six required findings for this encroachment permit application.

**Finding 2:** The proposed encroachments would not unreasonably interfere with the intended use of the City right-of-way.

**Finding 5:** The proposed encroachments would not be detrimental to the interests of the general public.

Staff explained that unless the shoulder is asphalted, the public may be discouraged from parking within the area because other surface improvements might create the impression that the space is private property, potentially resulting in a loss of public parking.

In other words, the concern is **not about safety or a physical obstruction**, but the possibility that the area could **appear private** unless the shoulder is asphalted. Asphalt is not an attractive solution, and I am not aware of any requirement that public parking surfaces must be asphalt.

In this case, the property's physical condition makes it especially difficult to understand the concern. **A fence separates the private yard from the area outside it.** Everything inside the fence is clearly private property, and the natural assumption would be that the parking area outside the fence is not private property.

**The proposed improvement is not decorative. It is a parking surface specifically intended to accommodate vehicles.**

Because the fence creates a visually obvious boundary between private and public use, and because the surface outside the fence is designed specifically for parking, it should be clear that the area is for public parking.

If there is still concern about public perception, the solution is straightforward. The City could install a "**Public Parking**" sign with the Del Mar logo to make it clear that the space remains available to everyone.

So **the real issue** here is not whether the area is public space, but whether someone might mistakenly perceive it as private.

And **the real question** is whether improving the surface of that public space with something other than asphalt actually interferes with public parking.

This issue has been ongoing for quite some time. It is difficult to think about the number of hours Mr. Rael has spent trying to resolve this matter, as well as the unnecessary expense involved. Architects and consultants are not inexpensive, and the time, energy, and money invested to reach this point must be significant.

In this case, a private citizen is willing to improve the curb appeal of his property by **upgrading** the surface of the adjacent parking area within the right-of-way. That type of investment should be viewed as **a benefit to the community**. A maintained surface is more usable and more attractive than a dirt shoulder where people park or walk.

For these reasons, **approving Encroachment Permit 25-049 is a reasonable outcome**. The **right-of-way clearly remains public**, and the proposed improvement **does not interfere with its use**.

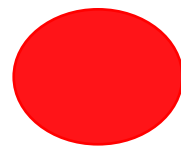
**More importantly, this situation highlights the need to modernize the City's approach to encroachments**. Asking Planning staff to revisit and clarify the framework used to evaluate these applications would help reduce the number of encroachment applications that need Council review and would allow staff to resolve more of them administratively.

Thank you for your consideration.

Janet Wilson  
635 Hoska Dr.

This is now the **fourth encroachment matter** to come before the Council in recent months. Why do these situations keep coming up?

One reason may be that the framework staff must use when evaluating encroachment applications is **too limited**, leaving staff with little flexibility when applying the required findings. At the **November 17, 2025 City Council meeting**, Planning and Community Development Director **Karen Brindley** explained that when staff evaluates encroachment permits, they must apply the findings strictly and **do not have discretion**, but the Council does. That rigid framework may be part of the reason these applications keep coming before the Council for resolution. During the **2026 Goals and Priorities Workshop**, **Councilmember Spelich suggested** that the city should have a more holistic review of encroachment policies. Clarifying the framework staff can use when evaluating these permits could **reduce appeals, save staff time, and make the process more efficient**.



**Leslie Carrillo**

---

**From:** Sarah Krietor  
**Sent:** Monday, April 6, 2026 9:25 AM  
**To:** City Clerk Mail Box  
**Subject:** FW: NEIGHBOR SUPPORT: EP25-049 (RAEL)  
**Attachments:** Ausmus Supprt Letter\_(EP25-049).pdf; Cohen Support Letter\_(EP25-049).PDF

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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**From:** Robert Scott <rjsplanning@gmail.com>  
**Sent:** Friday, April 3, 2026 10:31 AM  
**To:** Sarah Krietor <Skrietor@delmar.ca.us>  
**Cc:** Nestor Machado <nmachado@delmar.ca.us>; Paul Rael <pauljrael@gmail.com>; Dean Meredith <wdeanmeredith@gmail.com>  
**Subject:** NEIGHBOR SUPPORT: EP25-049 (RAEL)

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Good morning Sarah,

Please forward the attached neighbor support letters to the City Council as red-dots for Tuesday night.

Thanks so much,

Bob  
--

Robert J. Scott, AICP, LEED AP  
RJS Planning + Land Use Solutions, Inc.  
1155 Camino del Mar #119  
Del Mar, CA 92014  
Tel. 858.692.8832

April 2, 2026

Honorable Mayor and City Council Members  
C/o Nestor Machado, Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

**RE: Support for Item #13: Encroachment Permit EP25-049 (Rael)**

Dear City Council,

I am a neighbor along the Stratford Way neighborhood and am writing to express my **support** for the right-of-way improvements being proposed by Paul Rael. The Stratford Way loop does not provide for much on-street guest parking and what is there is mostly a dirt shoulder, in no way indicative of Del Mar's charm and beauty.

What Mr. Rael is proposing not only provides needed public parking but does so in an attractive fashion. His thoughtful design is informal yet beautiful, is an improvement to the neighborhood overall, and should serve as a template for granting all other encroachment permits throughout the city.

Please approve EP25-09.

Respectfully,

A black rectangular redaction box covers the signature of the sender. A blue ink scribble is visible above the box.

---

Name and Address

Brad Ausmus  
1644 Stratford Way  
Del Mar, CA 92014

January 19, 2026

Nestor Machado  
Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

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Please approve EP25-09.

Respectfully,

A black rectangular redaction box covers the signature of the sender. A handwritten signature is visible above the redaction, and another signature is visible below the redaction.

---

Cole Cohen 1639 Luneta Drive Del Mar CA 92014

January 19, 2026

Nestor Machado  
Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

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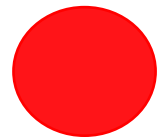
Please approve EP25-09.

Respectfully,

A black rectangular redaction box covering the signature of the sender.

---

Roberta Cohen 1655 Luneta Drive Del Mar CA 92014



## Leslie Carrillo

---

**From:** Sarah Krietor  
**Sent:** Monday, April 6, 2026 9:30 AM  
**To:** City Clerk Mail Box  
**Subject:** FW: NEIGHBOR SUPPORT LETTERS: EP25-049 (Rael)  
**Attachments:** Bruderer-Schwab Support Letter\_(EP25-049).pdf; Scheele Support Letter\_(EP25-049).pdf; Zeylin Support Letter\_(EP25-049).pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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**From:** Robert Scott <rjsplanning@gmail.com>  
**Sent:** Friday, April 3, 2026 2:09 PM  
**To:** Sarah Krietor <Skrietor@delmar.ca.us>  
**Cc:** Nestor Machado <nmachado@delmar.ca.us>; Paul Rael <pauljrael@gmail.com>; Dean Meredith <wdeanmeredith@gmail.com>  
**Subject:** NEIGHBOR SUPPORT LETTERS: EP25-049 (Rael)

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Sarah,

Please see attached for additional red-dot letters of support for Item #13: EP25-049 (Rael).

Thanks, have a nice weekend,

Bob

--

Robert J. Scott, AICP, LEED AP  
RJS Planning + Land Use Solutions, Inc.  
1155 Camino del Mar #119  
Del Mar, CA 92014  
Tel. 858.692.8832

April 3, 2026

Honorable Mayor and City Council Members  
C/o Nestor Machado, Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

**RE: Support for Item #13: Encroachment Permit EP25-049 (Rael)**

Dear City Council,

As a neighbor within the Stratford Way community, I am writing to express my strong support for the right-of-way improvements proposed by Paul Rael.

Currently, the Stratford Way loop suffers from a significant lack of on-street guest parking. What little space exists consists primarily of dirt shoulders that detract from the charm and beauty for which Del Mar is known. Mr. Rael's proposal addresses this need directly by providing functional public parking through a thoughtful, attractive design.

The proposed improvements are informal yet beautiful, offering a clear upgrade to our neighborhood's aesthetic. I believe this project is so well-conceived that it should serve as a template for future encroachment permits throughout the city.

I respectfully urge the Council to approve EP25-049.

Sincerely,

Marcus Bruderer-Schwal MS 1555 Luneta Dr. Del Mar,  
Name Address CA 92014



April 3, 2026

Honorable Mayor and City Council Members  
C/o Nestor Machado, Associate Management Analyst  
City of Del Mar Planning Department  
1050 Camino del Mar  
Del Mar, CA 92014

**RE: Support for Item #13: Encroachment Permit EP25-049 (Rael)**

Dear City Council,

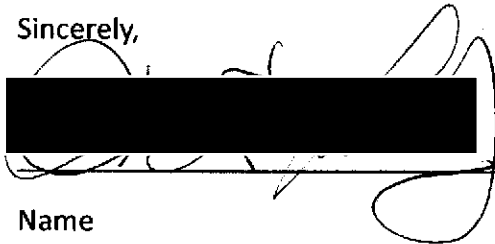
As a neighbor within the Stratford Way community, I am writing to express my strong support for the right-of-way improvements proposed by Paul Rael.

Currently, the Stratford Way loop suffers from a significant lack of on-street guest parking. What little space exists consists primarily of dirt shoulders that detract from the charm and beauty for which Del Mar is known. Mr. Rael's proposal addresses this need directly by providing functional public parking through a thoughtful, attractive design.

The proposed improvements are informal yet beautiful, offering a clear upgrade to our neighborhood's aesthetic. I believe this project is so well-conceived that it should serve as a template for future encroachment permits throughout the city.

I respectfully urge the Council to approve EP25-049.

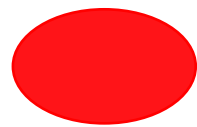
Sincerely,



Name

Address

1568 Luneta - Del Mar, CA  
92014



**Leslie Carrillo**

---

**From:** Sarah Krietor  
**Sent:** Monday, April 6, 2026 9:35 AM  
**To:** City Clerk Mail Box  
**Subject:** FW: Letter of support for Paul Rael's Encroachment Permit

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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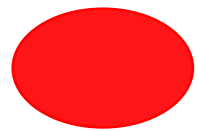
**From:** Terri Pavelko <terripavelko1@gmail.com>  
**Sent:** Saturday, April 4, 2026 8:33 AM  
**To:** Sarah Krietor <Skrietor@delmar.ca.us>  
**Subject:** Letter of support for Paul Rael's Encroachment Permit

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

*I am writing to support Paul Rael's Encroachment Permit (EP25-049). He has done a beautiful job on the re-landscaping of his front entry and has provided a functional, aesthetic landscape design for the street-side strip to complete the projects function and image. I reject the 100% asphalt solution currently proposed by City staff as unattractive and diminishing to the overall aesthetics of the finished project.*

*I ask you to approve the Rael's encroachment permit as submitted.*

*Sincerely,  
Terri Pavelko*



**Leslie Carrillo**

---

**From:** Lisa Knight <lisapknight@icloud.com>  
**Sent:** Monday, April 6, 2026 11:45 AM  
**To:** City Clerk Mail Box  
**Subject:** Medians?

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning council members,

Although the plans for the medians look lovely, perhaps it makes sense to prioritize funds to complete much needed paving projects and traffic control plans?

For example, the parking area in front of the library is designed for handicapped parking, but the pavement is damaged and uneven.

Also, there are no stop signs or warnings at the 3 way intersection of 13th and Maiden lane. (See the photos below of a near collision.)

Would you please consider addressing these infrastructure/ safety measures before spending city funds on the medians?

Lisa P. Knight  
610-212-2373  
348 13th St  
Del Mar, CA 92014



Thank you,







Facing east, library is on the left



One of many near collisions we have seen on our walks.



**Leslie Carrillo**

---

**From:** Tate Scott <tate.scott@gmail.com>  
**Sent:** Wednesday, April 1, 2026 8:24 PM  
**To:** City Clerk Mail Box; Tracy Martinez (tmartinezrn@lapbypass.com); John Spelich; Terry Gaasterland; Dan Quirk  
**Subject:** Red Dot Item 15 – Additional Pension Fund Transfer (FY 2025-26)

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Honorable Mayor and Councilmembers,

I am writing to urge your support for the proposed \$425,000 additional pension transfer. As a former member of the Finance Committee and the Pension Subcommittee that specifically designed the Section 115 Trust, I find the current 2-2 stalemate on this item to be a concerning departure from the fiscal discipline we established in 2023.

When we built the Section 115 Trust, our intent was clear: to create a protected, City-controlled vehicle to systematically buy down our at a minimum \$19.3 million unfunded liability. The 2032 target wasn't a suggestion; it was a calculated strategy to insulate future taxpayers from compounding debt. By authorizing only \$250,000 of what should be a \$1.1 million transfer per policy guidelines, the Council is effectively dismantling the very architecture designed to ensure Del Mar's long-term solvency.

There is a common "wait and see" argument—that we should hold onto this cash or wait for a better market year. As a former CEO, I can tell you that ignoring a debt while you have a surplus is not a "savings strategy"—it is a compounding error. Every dollar we fail to transfer today is a dollar that isn't earning market returns to offset the high interest CalPERS charges us on that \$19.3M debt. Waiting for a "better year" is mathematically no different than taking out a high-interest loan to pay for current expenses.

Furthermore, we must consider the impact on our workforce. If you've ever run an organization that depends on retaining top-tier professionals, you know that pensions are core to total compensation. When the Council ignores its own 2023 policy, it signals to City staff that our commitments are subject to political whims. In a competitive market for municipal talent, this foolish approach, an unforced error, makes it harder to keep the high-level staff we need to manage massive capital projects, like the \$121.8 million Undergrounding Program and its associated 42% forecast volatility.

The Finance Committee has unanimously recommended this transfer because it aligns with the policy and the current revenue surplus. If Councilmembers wish to move the goalposts on the 2032 funding target, they should bring that as a separate, transparent agenda item. Until then, I urge you

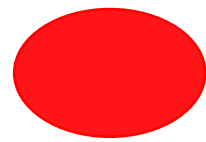
to honor the policy, follow the expert recommendation of your Committee, and approve the \$425,000 transfer.

Respectfully,

Tate Scott

Del Mar, CA

/wts



Honorable Mayor & Councilmembers  
City of Del Mar  
1050 Camino Del Mar  
Del Mar, CA 92014

Re: City Council Agenda Item 15 - Reconsideration of Additional Pension Fund Transfer for FY 2025-26

April 6, 2026

Honorable Mayor & Councilmembers,

Unfortunately, I am not able to attend the April 7<sup>th</sup> meeting, so I am respectfully submitting this letter to you regarding City pension funding.

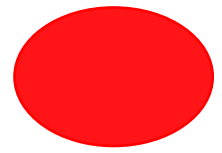
The City's Pension Reserve Fund was designed to achieve a fully funded pension plan, where the fair value of the plan assets was sufficient to match the plan obligations, and thereby eliminating the persistently unfunded liability. It was also understood that the 115 Trust funds were invested with a risk return profile that provided downside risk.

I encourage the Council to adopt a budget that maintains the adopted pension policy. Should staff, the Finance Committee, or Council wish to research and revisit the funding plan, I am happy to make myself available to provide any assistance I can.

Sincerely,

A black rectangular redaction box covering the signature of Jeffrey G. Sturgis.

Jeffrey G. Sturgis



**From:** Laura DeMarco <laurastanleydemarco@yahoo.com>  
**Sent:** Tuesday, April 7, 2026 10:57 AM  
**To:** Terry Gaasterland; Dan Quirk; John Spelich; Tracy Martinez  
**Cc:** Ashley Jones; City Clerk Mail Box  
**Subject:** Item 15: Follow Finance Committee's recommendation to increase pension reserve funding

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Council Members and Staff,

As chair of the city's finance committee, I urge you to follow the unanimous recommendation of the finance committee to allocate \$425,000 to the city's pension reserve fund.

This added contribution is fiscally responsible as the city's defined benefit plans' actuarial funded ratio is 80.7%, which is below the 90% benchmark for a resilient, well-funded plan. It is also far below the 100% target previously set by the city council to be achieved in FY 2031-32, only 6 years away.

Notably, Del Mar's current \$10M.9M unfunded liability is likely understated so that the city's annual contribution jumps when CalPERS revises critical actuarial assumptions such as increasing the inflation rate which is set to rise from 2.30% to 2.50%; lowers the interest assumption from 6.8% to 6.7%, the pension fund's return over the trailing 20 years (the fund's amortization period); and revises mortality tables to reflect longer life expectancy.

Del Mar is also exposed to substantial market risk when CalPERS marks-to-market the stale inflated valuations of its private assets, which are over 30% of the pension fund, and another market shock hits like the Great Financial Crisis in 2007-8 when CalPERS returns plunged -23%.

This market risk is made even more apparent since the outbreak of the war against Iran on February 28 with no end in sight as major oil and gas fields needed to sustain the global economy are damaged, destroyed, and threatened.

The pension reserve 115 plan is designed to insulate the city from these market and budgetary shocks. It is also highly valued by credit rating agencies which look favorably on governments that increase contributions to bolster their funding level and provide a clear, consistent plan, like that previously adopted by the city council, to be 100% funded.

It is important to note that Moody's and other credit rating agencies often recalculate a city's pension liabilities using a lower, market-based discount rate (3-4%) rather than the higher 6.8% rate currently used by public plans like CalPERS.

Remember that when voting on pension-related matters, city council members are legally and ethically obligated to act as fiduciaries in the best interest of the pension plan and its beneficiaries.

Thanks for your consideration,

Laura



**Item 15 - Reconsideration of Additional Pension Fund Transfer for FY 2025-26**

- 1. How did we wind up with a gap in the first place? What led to the gap? Why does it exist?**

A pension funding gap or “unfunded liability” can exist for various reasons, including plan changes, assumption changes, or methodology changes. For Del Mar, the largest impact has been related to CalPERS investment performance. Council direction and additional staff time to research and address would be needed if more detailed information is desired.

- 2. How does Del Mar’s status compare to other cities?**

Del Mar is in a pooled CalPERS plan with other small cities who have less than 100 full-time employees. All agencies included in the same pooled plan have similar funding status for CalPERS reporting purposes. Council direction to conduct additional research would be needed in order to provide a more detailed response.

- 3. The City has always contributed the required amount each year and is also contributing the mandatory amount toward the unfunded liability. Those are paid regularly. Why contribute more in addition? What are the benefits of contributing more?**

The City is not making additional payments to CalPERS beyond the annual required payment, nor is that proposed. Per the Pension Reserve Policy, additional funds are being set aside in a 115 Trust for pension purposes and to pay off the City’s unfunded liability once enough funds are available to do so.

- 4. What is the rationale for setting aside additional funds on top of the mandatory extra contribution that the city is already making?**

The rationale for setting aside additional pension funds is to get as close to 100% funded status as possible and decrease the City’s unfunded liability, therefore reducing or eliminating the City’s annual payment to CalPERS.

- 5. What are the risks due to the gap?**

Risks increase as the gap increases. Although the City continues to make its required Unfunded Annual Liability (UAL) annual payments to CalPERS, these payments can grow substantially when, for example, CalPERS investment return targets are not met. Having funds set aside in a Section 115 Trust can reduce the risk of one year not having sufficient funds to cover the required contribution by using funds in the Trust to help cover the required payment.

- 6. What other alternative approaches are there?**

There are various alternatives including making Additional Discretionary Payment (ADP) to CalPERS, which can better accomplish the City’s specific objectives with

## City Council April 7, 2026 Agenda Questions

regard to either smoothing out projected future payments or achieving a greater reduction in the UAL than would otherwise occur when making only the minimum required payment. However, with this approach the City will not have any control over the ADP fund once those funds are paid to CalPERS.

CalPERS also offers Amortization Schedule Alternatives that can provide a more stable pattern of payment or paying off the unfunded accrued liabilities more quickly than required. The disadvantage of this plan, which is not recommended by many financial professionals, is that the required annual contribution will be higher and would be required to be made each year, therefore reducing any Council discretion over the payment. Once established, there is no way to back out of the plan. In addition, as new UAL are calculated for current years, the required UAL payment will continue to grow. For these reasons, making the higher than required calculated annual contributions to the Section 115 Trust account gives the City the most flexibility and control over the funds.

### **7. Is there a policy document or resolution on this from 2023?**

The City's Pension Reserve Policy was approved by City Council consensus on May 31, 2023, and is included as Attachment A to the April 7, 2026, agenda report.

### **8. Using the latest numbers, what would strict application of the 2023 policy call for as the FY 2025-26 transfer? How does the proposed amount for this year compare?**

In compliance with the City's Pension Reserve Policy, the annual Pension Reserve Fund transfer amount is recalculated each year based on the updated unfunded accrued liability (UAL) reported in the City's Annual Comprehensive Financial Report (ACFR). Based on the current unfunded accrued liability (UAL) amount reported in the June 30, 2025, Annual Comprehensive Financial Report (ACFR), in order to fully fund 84% of the total UAL by June 30, 2032, the City would need to make an annual Pension Reserve Fund transfer of approximately \$1.1 million beginning in FY2025-26. The current recommendation would result in a total pension transfer of \$675K in FY 2025-26, which is approximately \$425K lower than the Pension Reserve Policy recommends.

### **9. What are the projected long-term General Fund savings from accelerating pre-funding vs just paying the minimum CalPERS amount?**

This information is not readily available and would require Council direction and additional staff time to research and provide a response.

### **10. What are the benefits of holding the pre-funding in a city-controlled account rather than making the extra payments to CALPERS?**

In the years that CalPERS does not meet their investment target, any extra payment to CalPERS would be affected by that loss. Once payments are made to CalPERS, the City no longer has any discretion/control over use of those funds. For example, if

## City Council April 7, 2026 Agenda Questions

the City faces another economic downturn, the funds in the Section 115 trust fund can be used to pay all or a portion of the required annual CalPERS payment.

### **11. Does stronger pension funding help us recruit and retain good staff, especially for big projects like the Undergrounding Program?**

Prospective employees who are considered “classic” members are typically most interested in the retirement formula provided in the City’s CalPERS contract (e.g., 2% at 60) and how that may compare to the agency they are coming from or other agencies they are considering for employment. Starting on January 1, 2013, all new CalPERS members are enrolled in the PEPRA plan upon start of employment. This CalPERS plan is the same for all municipal agencies.

### **12. If we skip the extra payment this year, what is the real opportunity cost to hitting the goal of closing the gap by 2032? (Is 2032 the correct year?)**

The current adopted budget includes a \$250K contribution to the pension reserve for FY2025-26. If no additional payment is made this year, based on the UAL of \$17.8M as of June 30, 2025, the City would need to contribute \$1.2M for the next 6 years, to be fully funded by June 30, 2032. If the additional \$425K contribution to the pension reserve is approved the annual contributed over the next 6 years would be approximately \$1.1M.

### **13. What is CalPERS track record? Are they reliable?**

The Actuarial Report provided in Chart A in the March 18, 2024, agenda report included as Attachment B to the April 7, 2026, agenda report, shows how CalPERS has performed in meeting its investment targets from 2016 to 2022. More detailed information responsive to this request is not readily available and would require Council direction and additional staff time to research and respond.

### **14. Is our contribution to the 115 Plan analogous to making an extra principal payment on a mortgage?**

No, payments to the 115 Trust are really not analogous to making extra principal payments on a mortgage, because the payments are not submitted to CalPERS where the City would get credited for the additional payments. And, unlike a mortgage, the City’s UAL is recalculated each year by CalPERS based primarily on investment performance and is typically based on a 20-year amortization period. Instead, the City’s practice is analogous to having a savings account to supplement or replace a checking account to ensure the mortgage can be paid on time.

### **15. Does making the 115 payment save "interest" charged by CalPERS?**

No, there is no savings in interest unless payments are made directly to CalPERS. 115 Trust payments stay within an account controlled by the City, which can only be used for pension related purposes.

## City Council April 7, 2026 Agenda Questions

- 16. What is the cost to the City for the gap? Are we paying 6.8% interest annual on the full amount? Does that increase the gap? Does that increase future contributions to the gap?**

The City is paying 6.8% annual interest on its current UAL. However, the City receives a discount of approximately 3.4% interest on the annual UAL payment by paying in full at the beginning of each fiscal year, which is an opportunity provided by CalPERS.

- 17. Is the amount of \$425,000 for FY2026-27 or for FY2025-26?**

The additional proposed pension transfer amount is for current fiscal year 2025-26.

- 18. How much of the mandatory \$1,390,000 UAL payment to CALPERS is interest and how much pays down the unfunded gap?**

This information is not readily available and would require Council direction and additional staff time to research and respond.

- 19. What is the City's current unfunded liability? What was the unfunded liability in 2022?**

The UAL reported by CalPERS as of June 30, 2022, was \$18.3 million.

The most recent valuation report provided by CalPERS, shows a current total unfunded liability for Del Mar of \$19.3 million as of June 30, 2024.

As noted in the March 3, 2026 FY2025-26 Mid-Year Report (pg. 12 and Attachment G), the total estimated UAL as of June 30, 2025, was approximately \$17.8M.

The City expects to receive the next CalPERS valuation report in July/August 2026, which will confirm the City's UAL as of June 30, 2025.

- 20. Does the City's Pension Reserve Fund still exist as an entity separate from the 115 Trust?**

The City's Pension Reserve fund still exists, and as noted in the FY 2025-26 Mid-Year Budget Report, continues to hold approximately \$1.9M in Water and Wastewater pension set aside funds as described in the City's Pension Reserve Policy. Retaining the Water and Wastewater pension funds in the City's Pension Reserve Fund allows the City to maintain discretion to transfer any excess Water and Wastewater Reserve to other reserves as may be prioritized by the City Council (i.e. rate stabilization reserve, revenue loss reserve, capital reserve).

Since the establishment of the 115 Trust, General Fund pension funds are transferred to the 115 Trust. The 115 Trust funds are held and managed separately by a third-party administrator. The 115 Trust permits the City, under federal and state law, to invest in a more diversified array of investments to maximize returns in comparison to what the City's investment options are if the funds were to continue to be held in the

## City Council April 7, 2026 Agenda Questions

City's Pension Reserve and invested in accordance with the City's investment policy and restrictions on general fund investments.

**21. Does a transfer from a reserve fund to the 115 Trust require explicit approval by the Council?**

No, once Council authorizes a pension reserve transfer no additional approval is needed to transfer the funds from the City to the 115 Trust. Any Council authorized pension transfer for the General Fund is transferred to the 115 Trust account by the end of the fiscal year. The City Council can request General Fund pension reserve transfers to be left in the Pension Reserve Fund with other City funds, but those funds would not benefit from potentially higher investment interest earned if transferred to the 115 Trust.

**22. Who controls the investments of the 115 Trust? (*Who is the fund manager and who makes decisions about changing investments?*)**

The City's funds held in the 115 Trust are managed by PFM Asset Management (PFMAM), through their Target Index Investment Platform which has four (4) pre-established investment options. All the plan assets in the Target Index Investment Platform are combined for economies of scale, but there is no cross sharing of earnings or liabilities. Strategies are comprised of index-based, mutual funds selected for their low expense ratio.

**23. Who controls the investments of the city's reserve funds? (*Who is the fund manager and who makes decisions about changing investments?*)**

The City manages the investments of the city's reserve funds in accordance with the City's investment policy and restrictions on General Fund investments, with the assistance of Optimized Investments Partners, LLC., who the City Council authorized hiring in November 2024.

**24. What is the current distribution of investments of the 115 Trust (bonds, stocks, equity, private equity, other...)? Trying to understand diversification.**

This information is not readily available and would require more time to research and provide a response.

**25. What is the current (April 1, 2026) balance of the 115 Trust and what was it on January 1, February 1, and March 1, 2026? Trying to understand impacts of market volatility.**

The City receives monthly statements from PARS with the balance of the 115 Trust account. The City's conservative investment election makes the account less susceptible to market volatility. The most recent statement was as of February 28, 2026, and the balance for the prior three months is as follows:

## City Council April 7, 2026 Agenda Questions

February 28, 2026	\$5,101,156
January 31, 2026	\$5,088,157
December 31, 2025	\$5,073,606
November 30, 2025	\$5,058,687

**26. How does the investment performance of the City's reserve funds compare to that of the 115 Trust? How do they compare to CalPERS?**

As of February 28, 2026, the annualized rate of return is 4.13% for the 115 Trust. As of the December 31, 2025 Quarterly Treasurer's Report the weighted yield to maturity on the City invested funds (including reserve funds) is 3.73%. CalPERS reported a preliminary 11.6% net investment return for year ending June 30, 2025.

**27. Considering the most recent CalPERS available UAL (\$19.3M) and the current balance of the 115 Trust, what is the City's level of pension funding?**

Please see March 3, 2026, FY 2025-26 Mid-Year Report, Attachment G – Pension Funding History.

**28. What is the City's actuarial funded ratio for the general employee and public safety plans?**

This information is not readily available and would require more time to research and provide a response.



# City of Del Mar Agenda Report

TO: Honorable Mayor and City Council Members

FROM: Marco Camacho, Finance Manager/Treasurer  
Monica Molina, Finance Officer  
Ashley Jones, City Manager

DATE: March 3, 2026

SUBJECT: Fiscal Year 2024-25 Final Financial Report and Fiscal Year 2025-26 Mid-Year Financial Report

**REQUESTED ACTION/RECOMMENDATION:**

Staff recommends that the City Council: 1) Receive the June 30, 2025 Annual Comprehensive Financial Report (ACFR) and Fiscal Year 2024-25 Final Financial Report; 2) Review the Fiscal Year 2025-26 Mid-Year Financial Report; and 3) Approve Resolution (Attachment A) amending the FY 2025-26 Operating and Capital Budget as included in Exhibit A, authorizing net revenue adjustments totaling \$5,673,620 million and net expenditure adjustments totaling \$1,325,660, and authorizing unspent FY 2024-25 encumbrances and continuing appropriations to be carried over to FY 2026-27 as included in Attachment B totaling \$9,071,519 in expenditures and \$3,924,755 in revenues.

**DISCUSSION/ANALYSIS:**

**FISCAL YEAR 2024-25 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

The City's audit firm, Davis Farr LLP, has completed its audit of the City's financial statements and notes to the basic financial statements for the fiscal year (FY) ended June 30, 2025. Based on the results of their audit, Davis Farr LLP provided the City with an unmodified opinion on the financial statements, which means that the City's financial statements are free of material misstatements and consistent with Generally Accepted Accounting Principles (GAAP). The auditor provided a report with information about the auditor's responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133 as well as certain communications related to their audit. These communications are contained in the ACFR.

The specific financial documents on which the auditor expresses an opinion are the basic financial statements, and notes to the basic financial statements. These documents, along with the auditor's opinion letter and management's discussion and analysis, are the core ACFR documents. Additional documents that make up the ACFR include the letter of transmittal from the City Manager and Finance Manager/Treasurer and a supplemental section, which includes a statistical section presenting detailed information to assist the reader in assessing the economic condition of the City. The ACFR is available on the City's website at <http://www.delmar.ca.us/acfr>.

Davis Farr LLP prepared a communication (Attachment C) addressed to individuals charged with governance regarding internal controls over financial reporting and compliance based on an audit of Financial Statements performed in accordance with Government Auditing Standards. The purpose of this report is to describe the scope of the auditors' testing of internal controls over financial reporting and compliance, and the results of that testing. The City's internal controls over

City Council Action:

IT WAS MOVED BY COUNCILMEMBER GAASTERLAND AND SECONDED BY COUNCILMEMBER QUIRK TO 1) RECEIVE AND FILE THE JUNE 30, 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND FISCAL YEAR 2024-25 FINAL FINANCIAL REPORT; 2) RECEIVE AND FILE THE FISCAL YEAR 2025-26 MID-YEAR FINANCIAL REPORT; AND 3) ADOPT RESOLUTION 2026-16, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, AMENDING THE FISCAL YEAR 2025-2026 OPERATING AND CAPITAL BUDGET" INCLUDED IN EXHIBIT A, AUTHORIZING NET REVENUE ADJUSTMENTS TOTALING \$5,673,620 MILLION AND NET EXPENDITURE ADJUSTMENTS TOTALING \$1,325,660, AND AUTHORIZING UNSPENT FY 2024-25 ENCUMBRANCES AND CONTINUING APPROPRIATIONS TO BE CARRIED OVER TO FY 2024-25AS INCLUDED IN ATTACHMENT B TOTALING \$9,071,519 IN EXPENDITURES AND \$3,924,755 IN REVENUES, EXCLUDING THE \$425,000 TRANSFER TO THE PENSION RESERVE FUND RECOMMENDED BY STAFF WITH THE FUNDS REMAINING IN THE GENERAL FUND. (VOTE 4-0)

IT WAS MOVED BY DEPUTY MAYOR SPELICH AND SECONDED BY MAYOR MARTINEZ TO TRANSFER \$425,000 TO THE PENSION RESERVE FUND (VOTE 2-2-0 WITH COUNCILMEMBERS GAASTERLAND AND QUIRK VOTING NO; MOTION FAILED)

financial reporting were considered for the limited purpose of expressing an opinion on the financial statements.

Article XIII-B of the California State Constitution places limits on the amount of revenue that can be spent by the State and each local government entity. It is the responsibility of the City to calculate the annual appropriations limit. The City’s auditors are required to review and approve the appropriations calculation as part of their audit of the City. The auditor found no exceptions to the City’s calculation of the appropriations limit. The *Independent Accountants’ Report* is included as Attachment D.

**FISCAL YEAR 2024-25 FINAL FINANCIAL REPORT**

The FY 2024-25 Budget was originally adopted in June 2023 and updated in June 2024. The approved FY 2024-25 Budget Update reflected a projected General Fund Contingency (GF) of 25.69% (94 days of operations). The City Council approved the FY 2024-25 Mid-Year Budget amendment in April 2025, which included increasing General Fund revenue projections by \$685,620 and General Fund expenditure budgets by \$330,724, and included transfers of: \$360,000 to the Pensions Reserve Fund; \$100,000 to the Equipment Reserve Fund; \$300,000 to the Housing Reserve Fund; and, \$2,500,000 to the Capital Reserve Fund. The FY 2024-25 Mid-Year Budget was approved with an adjusted June 30, 2025 General Fund Contingency of 30.08% or \$5,683,024 which represents 110 days of operations.

In January 2026, Davis Farr LLP completed the FY 2024-25 financial audit. Attached for review is the Final Financial Report (Attachment E) for FY 2024-25. The report reflects a final General Fund Contingency balance of \$6,503,908, which represents a contingency of 34.80% (127 days of operations).

Attachment F is a General Fund cash flow report for FY 2024-25, which includes the FY 2024-25 Mid-Year budget (column B) as approved in April 2025, Final Results (column C), and the difference between the Mid-Year Budget and audited Final Results (column D) for the year ending June 30, 2025.

The following summary tables compare Final Budgets as of the end of the fiscal year to the audited Final Results for FY 2024-25.

**General Fund Revenues**

The final revenue report for FY 2024-25 indicates that there was a gain in total General Fund revenues of \$1,249,297 when compared to the Final Budget, which is summarized in Table A.

**Table A – General Fund Revenues**

Revenue Source	Final Budget FY 2024-25	Final Results FY 2024-25	Difference	% of Budget
Property Tax	\$8,032,500	\$8,088,157	\$55,657	100.7%
TOT	4,000,000	4,084,758	84,758	102.1%
Sales Tax	2,300,000	2,297,404	(2,596)	99.9%
Parking Meter	1,700,000	1,734,993	34,993	102.1%
Parking Violations	1,350,000	1,538,560	188,560	114.0%
Planning Services	1,220,000	1,150,732	(69,268)	94.3%
Investment Earnings	400,000	892,952	492,952	223.2%

Other Revenue	4,003,430	4,467,671	464,241	111.6%
<b>Total</b>	<b>\$23,005,930</b>	<b>\$24,255,227</b>	<b>\$1,249,297</b>	<b>105.4%</b>

Overall, roughly all General Fund revenue sources came in as projected. Parking meter, TOT, and parking violations all came in overbudget, including property tax. The surplus in the other revenue grouping is a reflection of additional revenue postings for activities such as parking permits, moving violations, penalties, red light enforcement, contributions, and insurance reimbursements. The largest surplus was for investment earnings due to additional cash on balance, favorable interest rates, better rates of return than projected, and the stewardship of the City’s investment advisors, Optimized Investment Partners. While total General Fund revenues reflect a positive year-end variance, some activities such as planning services and grant reimbursements did come in slightly under budget.

**General Fund Expenditures**

General Fund operating expenditures were increased to \$17,155,684 during the FY 2024-25 Mid-Year Budget process. Subsequent Council actions adjusted the budget slightly for a final operating expenditure budget of \$17,166,481. The following Final Results displayed in Table B indicate that total General Fund operating expenditures ended the fiscal year slightly under budget reflecting a savings of \$90,864 when compared to the Final Budget.

**Table B – General Fund Operating Expenditures**

<b>Program</b>	<b>Final Budget FY 2024-25</b>	<b>Final Results FY 2024-25</b>	<b>Difference</b>	<b>% of Budget</b>
General Government*	\$6,444,810	\$6,758,747	(\$313,937)	104.9%
Public Safety**	8,791,589	8,682,202	109,387	98.8%
Public Works	829,613	646,868	182,745	78.0%
Non-departmental	842,570	868,891	(26,321)	103.1%
Equipment replacement	257,899	118,909	138,990	46.1%
<b>Total</b>	<b>\$17,166,481</b>	<b>\$17,075,617</b>	<b>\$90,864</b>	<b>99.5%</b>

\* Includes City Council, City Manager, Legal services, Admin services, and Planning services.

\*\*Includes Law enforcement, Fire services; Lifeguard services; and Parking enforcement.

The negative variance for general government expenditures is primarily attributed to unanticipated increases in risk management services and claims, which was offset by an insurance claim revenue reimbursement. Non-departmental activity reflects greater expenditures than anticipated for community support programs due to additional TOT revenues received. These overages were offset by savings from services and activities in public works, and equipment replacement expenditures.

**Capital Improvement/Special Projects**

The calculated Final Results for capital projects totaled \$2,899,866 and the Final Results for special projects totaled \$191,058. As depicted in Table C, final results show measurable savings between capital and special projects totaling a combined \$6,401,995. Since these projects are typically not completed in the same fiscal year that funds are allocated, staff is recommending that the City Council approve the carry-over of FY 2024-25 unspent funds in the amount of \$4,987,659 for capital projects and \$1,122,910 for special projects. A listing of all encumbrances and continuing appropriations (funds to be carried over to the following fiscal year) is included as Attachment B.

**Table C- Capital & Special Projects**

Program	Final Budget FY 2024-25	Final Results FY 2024-25	Unspent (carry-over)*	% of Budget
General Fund CIP	\$4,971,925	\$2,458,116	\$2,513,809	49.4%
Open Space CIP	1,922,398	206,364	1,716,034	10.7%
TransNet CIP	578,000	191,159	386,841	33.1%
Clean Water CIP	482,322	44,227	438,095	9.2%
<b>Total CIP</b>	<b>\$7,954,645</b>	<b>\$2,899,866</b>	<b>\$5,054,779</b>	<b>36.5%</b>
Special Projects	1,538,274	191,058	1,347,216	12.4%
<b>Total</b>	<b>\$9,492,919</b>	<b>\$3,090,924</b>	<b>\$6,401,995</b>	<b>32.6%</b>

\*Only \$4,987,659 of unspent capital improvement budget and \$1,122,910 of special projects will be carried over to FY 2025-26.

**Measure Q Fund**

Final results indicate that Measure Q revenues surpassed the \$3.50 million budget by \$458,543 as displayed in Table D. This outcome points to online purchases and vehicle sales coming in greater than projected, plus additional interest earnings resulting from the high Measure Q balance during the year.

The final Measure Q budget for FY 2024-25 expenditures was \$15,216,225. Actual Measure Q expenditures for the year totaled \$6,885,074. Although the final results in Table D indicate a savings of \$8,331,151 in Measure Q expenditures, the majority of remaining unspent funds will be encumbered and carried over to FY 2025-26.

**Table D – Measure Q Fund**

Revenue	Final Budget FY 2024-25	Final Results FY 2024-25	Difference	% of Budget
Measure Q	\$3,500,000	\$3,958,543	\$458,543	113.1%

Expenditures	Final Budget FY 2024-25	Final Results FY 2024-25	Unspent (carry-over*)	% of Budget
Undergrounding – General	\$326,263	\$259,262	\$67,001	79.46%
UUD1A – Stratford Ct South	7,261,118	6,339,274	921,844	87.30%
UUD-X1A – Crest Canyon	6,991,052	104,587	6,886,465	1.50%
UUD1B – Stratford North	450,644	178,358	272,286	39.58%
UUD2 – Beach Colony	8,364	2,539	5,825	30.36%
UUD3 – South Hill	87,784	1,054	86,730	1.20%
Pavement Rehab	91,000	-	91,000	0.00%
<b>Total</b>	<b>\$15,216,225</b>	<b>\$6,885,074</b>	<b>\$8,331,151</b>	<b>45.25%</b>

\*Only \$1,352,130 of unspent Measure Q budget will be carried over to FY 2025-26. On September 8, 2025, the City Council approved a carry-over of \$6,886,465 from FY 2024-25 to cover the construction cost of UUD-X1A.

Based on final Measure Q revenues of \$3,958,543 (including earned interest) and \$6,885,074 million in expenditures, the final FY 2024-25 ending fund balance, including unspent funds that

will be carried over to FY 2025-26, is at \$7,449,974. Staff is recommending carrying over \$1,352,130 of unspent funds as part of the FY 2025-26 Mid-Year Budget action.

**General Fund Reserves**

Table E provides a summary of the changes in General Fund reserves including the Housing and Capital Improvement Reserve funds. In comparison to the Mid-Year Budget approved in April 2025, the Final Reserve Summary for FY 2024-25 shows an increase of 4.72% to the General Fund Contingency from 30.08% to 34.80%, and a total General Fund Contingency balance increase of \$820,884 from \$5,683,024 to \$6,503,908. The final balances will be carried over to the FY 2025-26 Reserve Summary to calculate the new estimated projected General Fund Contingency at June 30, 2026.

**Table E – General Fund Reserves & Transfers**

Account	Budget Update FY 2024-25 (6/17/24)	Mid-Year Budget FY 2024-25 (4/7/25)	Final Results FY 2024-25 (1/26/26)
<b>General Fund Contingency</b>	<b>25.69%</b>	<b>30.08%</b>	<b>34.80%</b>
General Fund Contingency	\$4,837,122	\$5,683,024	\$6,503,908
Pension Reserve*	4,760,000	4,781,894	4,977,684
Housing Reserve	1,650,000	1,650,000	1,650,000
Self-Insurance	300,000	300,000	410,216
Leave Liability	100,000	100,000	100,000
Equipment Replacement	678,460	657,342	796,332
Encumbrances	-	-	67,655
<b>Total General Fund</b>	<b>\$12,325,582</b>	<b>\$13,172,260</b>	<b>\$14,505,795</b>
Capital Improvements Reserve	3,150,000	3,150,000	3,150,000

\*A total additional Pension Reserve of \$1.90 million is reported in the Water and Wastewater Funds, resulting in a Citywide Pension Reserve balance of \$6.88 million.

**Debt Management**

As of June 30, 2025, the City had a total outstanding debt balance of approximately \$20.05 million. Of that amount, roughly \$13.12 million or 65% was a General Fund debt obligation. The Wastewater Fund accounts for approximately \$4.56 million or 23% of that total balance and \$2.37 million or 12% is attributed to TransNet funds. While largely deliberated during FY 2024-25, the most recent \$5.00 million IBank loan to fund construction of Undergrounding Program district projects X1A Crest Canyon and 1B Stratford Court North was executed in Fiscal Year 2025-26.

**Table F – City Debt**

Debt	Purpose	Issued	Term	Amount	Balance	Repayment Source	Final Payment
State Water Resources Control Board - Clean Water State Revolving Fund	21st Street Sewer Pump Station Replacement	Feb 2010	20 years	\$5,000,000	\$2,425,114	Wastewater Fund	Aug 2032

IBank Loan	San Elijo Joint Powers Authority Pipeline	Oct 2015	20 years	3,535,354	2,130,240	Wastewater Fund	Aug 2035
SANDAG's Debt Financing Program	ROW Improvements	Jul 2014	30 years	3,000,000	2,370,000	TransNet Funds	Jun 2044
IBank Loan	City Hall	Jun 2016	30 years	16,161,000	13,073,771	General Fund	Aug 2045
County of San Diego Finance Agreement	Regional Communication System Upgrade	Aug 2016	10 years	435,436	49,130	General Fund	Jun 2026
IBank Loan*	Undergrounding Program: X1A & 1B	Nov 2025	10 years	5,000,000	5,000,000	Measure Q Fund	Aug 2035
<b>Total</b>				<b>\$33,131,790</b>	<b>\$25,048,255</b>		

\*Issued during Fiscal Year 2025-26.

**FISCAL YEAR 2025-26 MID-YEAR FINANCIAL REPORT**

The original FY 2025-26 Budget, was approved on June 16, 2025. The adopted budget included capital and special project expenditures related to the City Work Plan that was discussed by the City Council during the Goals & Priorities Workshop on March 5, 2025. The original adopted FY 2025-26 Operating and Capital Budget totaled approximately \$48.38 million with a General Fund Contingency of 21.33% (78 days of operations) and included transfers of \$250,000 to the Pension Reserve Fund and \$250,000 to the Housing Reserve Fund. Subsequent Council actions since July 1, 2025, have amended the total expenditure budget to a current total of approximately \$55.33 million.

In order to present the FY 2025-26 Mid-Year Financial Report with the most updated information, the July 1, 2025, beginning balances have been updated to reflect the FY 2024-25 Final Results as previously discussed in this report.

After a thorough review of financial data through the second quarter (July-December 2025) of FY 2025-26, as discussed in detail below and presented in Attachment A as Exhibit A, staff is recommending increasing General Fund revenues by \$936,180 and decreasing General Fund expenditures by \$23,000. Accounting for excess equity from FY 2024-25 Final Results, current year-end projections, and General Fund Contingency goals, additional transfers of \$425,000 are recommended to both the Housing and Pension Reserve Funds plus \$850,000 to the Capital Reserve Fund. Staff is also recommending carrying over funds from FY 2024-25, resulting in a revised General Fund Contingency of \$5,324,903 million at June 30, 2026 and reflecting a 25.17% contingency (92 days of operations), matching the Council's General Fund Contingency goal of 25%.

**General Fund Revenues**

Staff has reviewed revenues through the second quarter of the current fiscal year and an increase of \$936,180 in General Fund revenue is being recommended. Below is information regarding the revenues received for the first half of the fiscal year in each of the City's largest sources of revenue, which is summarized, along with recommended adjustments in Table I.

Property Tax

Property tax is the City's largest source of revenue and accounts for 36% of the City's FY 2025-26 General Fund revenues. The City receives 12 property tax apportionments per fiscal year (July

1 – June 30). To date, the City has received six property tax apportionments, with the largest of these distributions received in December. As of January 2026, the total property tax received by the City for the first six periods in FY 2025-26, is \$4.74 million. In comparison to prior year collections, current receipts indicate that property tax is 6.0% above prior year collections through the same periods. Applying a 6.0% increase to FY 2024-25 final results of approximately \$8.09 million, would result in a FY 2024-25 year-end projection of \$8.57 million.

Another available resource that staff utilizes to project property tax revenue is the County of San Diego tax/revenue accountability report that is provided to the City monthly. This report includes total property tax allocated to Del Mar based on the property tax bill that was sent out to residents for the current year. The reported amount includes corrections, supplemental bills, prior year escapes and penalties and interest. Staff estimates that 98% of expected collections will be received by the end of the year, which for FY 2025-26 is projected at \$8.46 million. Based on the data and revenues received to date, and reports provided by the County of San Diego, staff is recommending a modest increase of \$61,000 above the adopted budget.

Transient Occupancy Tax (TOT)

TOT is the City’s second largest revenue source and accounts for 19% of the City’s FY 2025-26 General Fund revenues. The City receives TOT payments on a monthly basis. Final Results for FY 2024-25 reflect a 7.5% increase over the previous year’s results.

In comparison to the prior year, the first half collections (July-December 2025) for FY 2025-26 show revenue coming in approximately 9.1% higher than FY 2024-25 through the same time period. The following Table G summarizes Mid-Year and Final Results for the past five fiscal years.

**Table G. FY 2021-22 thru FY 2025-26 Mid-Year and Year-End TOT Results**

Fiscal Year	Mid-Year Results	% of Total	Final Results	Difference to PY
2025-26	\$2,409,836	55.59%	\$4,335,000*	\$250,242
2024-25	2,209,192	54.08%	4,084,758	285,720
2023-24	2,123,582	55.90%	3,799,038	(17,354)
2022-23	2,146,670	56.25%	3,816,392	396,526
2021-22	1,851,155	54.13%	3,419,866	1,627,776

\*Budget projection for TOT revenue.

Historical data indicates that receipts collected through December of each year typically represent approximately 55.1% of the total revenue collected by the end of the year. Applying this average to the Mid-Year Results yields a year-end estimate of \$4.37 million. Based on the current 9.1% increase in TOT collections through December, the projected FY 2025-26 total over prior year results would be approximately \$4.46 million. Accounting for current year trends, staff is recommending an increase of \$175,000.

In addition to the aforementioned adjustment, staff is also recommending a reduction of \$65,000 in TOT revenue associated with Short-Term Rentals (STR). The adopted FY 2025-26 Operating and Capital Budget included \$193,750 in anticipated revenues from permitted STR activities over the final quarter of the fiscal year. The proposed revenue adjustment is based on the updated

timing of implementation of the City’s STR regulations and associated TOT revenue collections for the remainder of FY 2025-26.

Sales Tax

Sales tax is the City’s third largest source of revenue and accounts for 10% of the City’s total General Fund revenues. The City receives sales tax payments on a monthly basis with quarterly true-up payments, which the State correlates with the calendar year not the fiscal year. To date, the City has received \$970,389 in sales tax receipts. When compared to the same quarter receipts last year, third quarter receipts (July-September 2025) came in 4.5% higher primarily driven by performance in the restaurants and hotels group and state and county pool allocations. Third quarter receipts were generated geographically 19% by businesses on the eastside and 23% by businesses on the westside of Camino del Mar, 30% by Del Mar Fairgrounds, 10% from other locations, and 18% from state and county pools. The City’s sales tax consultant’s (HdL) forecasts anticipate Fiscal Year 2025-26 revenue to remain relatively flat at \$2.34 million citing contributing factors including inflation, high interest rates, weaker consumer confidence, and lower household discretionary spending.

Staff is not recommending any adjustments to the current \$2.30 million budget and will continue to monitor sales tax revenue and return to the City Council if adjustment is necessary. Table H below includes historical sales tax data by calendar year quarter. The last three quarters of the current fiscal year are estimated projections.

**Table H. FY 2021-22 thru FY 2025-26 Quarterly Sales Tax Receipts**

Fiscal Year	3 <sup>rd</sup> Quarter Jul-Sep Receipts	4 <sup>th</sup> Quarter Oct-Dec Receipts	1 <sup>st</sup> Quarter Jan-Mar Receipts	2 <sup>nd</sup> Quarter Apr-Jun Receipts	Totals
2025-2026	\$809,036	\$482,000*	\$360,000*	\$649,000*	\$2,300,000*
2024-2025	773,839	502,486	373,679	647,400	2,297,404
2023-2024	760,245	433,535	354,742	647,943	2,196,465
2022-2023	813,190	509,776	346,379	636,917	2,306,262
2021-2022	644,065	476,648	368,787	579,216	2,068,716

\*Projected quarterly receipts and totals.

Parking Violation Revenue

Parking violation revenue is anticipated to come in similar to prior year final results. Adjustments to fees, and improved equipment that increased the ability to acquire vehicle registered owner data, continue to factor into strong revenue performance. Through the first six months of the fiscal year, attractive weather, visitor demand, and experienced staff are also contributing factors to the projected revenue generation. Staff is recommending increasing parking violation revenue by \$150,000, resulting in an amended revenue estimate of \$1.55 million.

Parking Meter Revenue

Parking meter revenue for the first six months of the fiscal year came in 6.93% higher than the prior year through the same period largely driven by the same factors benefitting parking violation revenues, plus maintenance of functional meters with little downtime. Staff is recommending increasing parking meter revenue by \$165,000, resulting in a new revenue projection of \$1.70 million.

Investment Earnings

An increase of \$390,000 for projected investment earnings is recommended based on prior year results and current year trends. Estimated cash balances, favorable rates of return, and good guidance from the City’s investment advisors are supporting the proposed adjustment.

Other General Fund Revenue Adjustments

Based on actual receipts received to date, a net increase of \$60,180 is being recommended in other revenues. This adjustment combines additional contributions from penalties, rental income, and miscellaneous sources. These gains are partially offset by reductions in planning and building services.

The following Table I summarizes the requested General Fund Mid-Year revenue adjustments.

**Table I. Recommended FY 2025-26 General Fund Revenue Adjustments**

<b>Account</b>	<b>Current Budget</b>	<b>Recommended Adjustment</b>	<b>Amended Budget</b>
Property Tax	\$8,394,000	\$61,000	\$8,455,000
TOT	4,353,750	110,000	4,463,750
Sales Tax	2,300,000	-	2,300,000
Parking Violations	1,400,000	150,000	1,550,000
Parking Meters	1,535,000	165,000	1,700,000
Investment Earnings	400,000	390,000	790,000
Other Revenue	5,011,470	60,180	5,071,650
<b>Total</b>	<b>\$23,394,220</b>	<b>\$936,180</b>	<b>\$24,330,400</b>

**Other Non-General Fund Revenues**

In addition to the General Fund adjustments described above, staff will be requesting an increase of \$41,530 in the Supplemental Law Enforcement Fund to account for the actual funds received from the Revenue Growth program, and a combined increase of \$70,860 based on grants and other miscellaneous revenues. A revenue reduction of \$57,190 is also recommended for the Workers’ Compensation Fund based on final receipts for the year.

Included in this report is an increase of \$200,000 to the Water Fund and \$85,000 to the Wastewater Fund that does not have an impact to the General Fund. This increase is largely due to increased usage revenues based on current activity.

**General Fund Operating Expenditures**

Staff has reviewed expenditures through the second quarter of the current fiscal year and a net decrease of \$23,000 in General Fund expenditure adjustments is being recommended. Below is information regarding the more significant General Fund adjustments being proposed, which are summarized along with the recommended adjustments in Table J.

Legal Services

The City of Del Mar contracts with Devaney Pate Morris & Cameron, LLP for City Attorney legal services. Based on demand for services through the mid-year including ongoing high-risk litigation and claims requiring additional legal counsel, and anticipated needs through the year-end, staff is recommending an increase of \$50,000 for legal services.

Fire Protection Services

In June 2025, the City of Encinitas notified Del Mar and Solana Beach that they would be leaving the Cooperative Management Agreement (COOP) between the three cities for shared fire management services effective March 31, 2026. On January 20, 2026 the City Council approved a new Cost Sharing Agreement with the City of Solana Beach for Fire Management Transition Services. Furthermore, on February 17, 2026, the City Council is being asked to approve the first amendment to this agreement to provide interim fire prevention services including the addition of shared costs for a Fire Marshal and Fire Prevention Technician positions. Per this agreement and the estimated costs for the remainder of the fiscal year, staff are recommending an increase of \$60,000 to support the transition plan. This adjustment takes into account the original budget to fund the COOP and anticipated budget savings for the final quarter of the fiscal year.

Other Services

A net decrease of \$148,000 is also requested across other General Fund services. Reductions for storm drains and risk management are based on funding adjustments and final insurance premium costs. The reduction for building services is based on the current year trend for building permit and inspections services, and has a related revenue reduction. These reductions are partially offset by an increased need for contractual current planning services, and increased parking enforcement services, which also has a related revenue increase.

Equipment Replacement

A requested adjustment of \$15,000 is recommended to replace the City's security server. This will enhance facility access control and video security. The security server hosts mission critical applications including the door access control system and the video security system. It was installed in 2018 with the new Civic Center. The hardware is at the end of its useful life and running out of storage space for the video archives.

**Table J. Recommended FY 2025-26 General Fund Expenditure Adjustments**

Program	Current Budget	Enc & Approp	Recommended Adjustment	Amended Budget
General Government	\$6,973,460	\$9,787	(\$32,000)	\$6,951,247
Public Safety	9,166,860	-	84,000	\$9,250,860
Public Works	1,251,500	57,868	(90,000)	\$1,219,368
Non-Departmental	907,910	-	-	\$907,910
Equipment Replacement	112,240	-	15,000	\$127,240
<b>Total</b>	<b>\$18,411,970</b>	<b>\$67,655</b>	<b>(\$23,000)</b>	<b>\$18,456,625</b>

**Other Non-General Fund Expenditure Adjustments**

Recommended adjustments to Non-General Fund expenditures are included in Table K below.

**Table K. Recommended FY 2025-26 Non-General Fund Expenditure Adjustments**

Fund	Amount	Description
Gas Tax	(\$18,450)	Less street maintenance staff time and wooden light pole repair costs, and more street landscaping operations and supplies.
Open Space	27,000	Less seasonal staff operations at Powerhouse; more beach vehicle maintenance; and more park landscape rejuvenation.

PEG	63,540	New Cablecast system hardware and pro-services to comply with new State mandate (SB 707) by July 1, 2026 requiring public meetings to be closed captioned.
Capital Improvement	(1,750,000)	JDB Pavement Improvement Project cost savings based on bid results.
<b>Total</b>	<b>(\$1,677,910)</b>	

Included in this report are also recommended adjustments to the Enterprise funds that do not impact the General Fund Contingency. This includes an increase of \$295,000 to the Water Fund and \$80,250 to the Wastewater Fund, which are largely due to increased operational costs including vehicle maintenance, supplies, and contractual expenses.

### Reserves

An updated FY 2025-26 Reserve Summary Report is included with this report as part of Exhibit A within Attachment A, which reflects the following:

- Updated beginning balances at July 1, 2025 based on FY 2024-25 final results;
- Current adopted budget which includes adjustments approved by the City Council from July 1, 2025 to February 3, 2026;
- Encumbrances and Continuing Appropriations (Attachment B) for committed contracts or capital projects that were not completed by June 30, 2025;
- Additional adjustments recommended for approval, as described above; and,
- Additional reserve transfers recommended for approval which include: an additional \$425,000 to the Housing Reserve, an additional \$425,000 to the Pension Reserve, and \$850,000 to the Capital Reserve. An allocation of \$900,000 in Capital Reserves for the JDB Pavement Improvement Project is being returned to the reserve balance as a result of the project cost savings which further improves the total year-end Capital Reserve balance to \$4 million.

Table L below displays the estimated ending General Fund reserve balances at June 30, 2026, reflecting adjustments and additional reserve transfers recommended by staff as part of this Mid-Year Budget report.

**Table L. General Fund Reserve Balances**

Account	FY 2025-26 Original Budget (6/16/25)	FY 2025-26 Mid-Year Budget (3/3/26)	Difference
<b>General Fund Contingency</b>	<b>21.33%</b>	<b>25.17%</b>	<b>3.84%</b>
General Fund Contingency	\$4,341,582	\$5,324,903	\$983,321
Pension Reserve*	5,200,000	5,842,684	642,684
Housing Reserve	1,900,000	2,325,000	425,000
Self-Insurance	300,000	377,216	77,216
Leave Liability	100,000	100,000	-
Equipment Replacement	545,102	669,092	123,990
<b>Total General Fund</b>	<b>\$12,386,684</b>	<b>\$14,638,895</b>	<b>\$2,252,211</b>
Capital Improvement Reserve	2,250,000	4,000,000	1,750,000

\*An additional \$1.90 million in Pension Reserve Funds are held in the Water and Wastewater Funds.

### **Pension Reserve**

Per the most recent CalPERS Actuarial Report for June 30, 2024, the City's pension assets totaled approximately \$47.81 million and had a funded ratio of 80.7% (Attachment G). As of June 30, 2025, the City has a total Unfunded Accrued Pension Liability estimated at approximately \$17.80 million. When accounting for Governmental Fund and Enterprise Fund pension reserve balances of approximately \$6.88 million on June 30, 2025, the adjusted unfunded pension liability is reduced to an estimated \$10.92 million.

The City's Pension Reserve Policy established a 15-year schedule to achieve a 100% funded ratio by Fiscal Year 2031-32 for Governmental Fund pension obligations. Approximately 84% of the City's total unfunded pension liability is attributed to Governmental Fund salary employee benefits. As of June 30, 2025, the Governmental Fund share of the pension liability was 33% funded. After accounting for the \$250,000 Pension Reserve allocation in the adopted budget, and the additional \$425,000 transfer recommended in this report, it is estimated that annual pension reserve contributions of approximately \$1.10 million would be required over the next six years to achieve the 100% funded ratio by Fiscal Year 2031-32 for Governmental Fund pension obligations. Per prior Council direction, this policy has remained flexible to allow for the funding of other competing priorities.

### **Measure Q Fund**

#### ***Revenues***

Measure Q revenues allocated to the City are made up of 1% of all taxable transactions that occur within the Del Mar city boundary, online purchases made by Del Mar residents, and vehicle purchases by Del Mar residents from out-of-town vendors and car dealers.

To date in the current fiscal year, the City has received \$1,317,229 in Measure Q tax receipts. Based on current trends, including interest earnings, and quarterly reports prepared by HdL, the City's sales tax consultant, the Measure Q revenue for FY 2025-26 is projected as budgeted at approximately \$3.68 million. Staff will continue to monitor Measure Q revenue and will request additional adjustments as necessary.

The adopted FY 2025-26 Operating and Capital Budget included an estimated \$12 million in additional Measure Q Fund revenues to be sourced from an anticipated California Infrastructure Economic Development Bank (IBank) loan. Subsequent to the final budget adoption on June 16, 2025, the City Council approved on September 22, 2025 the final loan amount at \$5 million to fund construction of Undergrounding Program projects Crest Canyon (X1A) and Stratford Court North (1B). The net Measure Q revenue adjustment accounts for the reduced final loan amount.

#### ***Expenditures***

Through the midpoint of Fiscal Year 2025-26, the Undergrounding Program has completed multiple project phases, as follows: Utility companies' construction and anticipated overall completion for Stratford Court South (UUD 1A); bidding and City Council award of construction contracts, along with the initiation and continuation of City construction, homeowner private service laterals, and utility companies' construction for Crest Canyon (UUD X1A); continued design for Stratford Court North (UUD 1B); and Undergrounding Program cash flow analysis to determine the timing of future phases, including Beach Colony (UUD 2) and UUD 25th Street.

The total available funding for all Measure Q projects is currently at \$14.24 million, which includes the \$1,352,130 in carry over funds from FY 2024-25, and the \$6,886,465 in carry over funds

previously authorized by City Council in September 2025. Based on a review of all current activities and available resources, no budget adjustments are recommended.

### **Reserves**

Based on the final FY 2024-25 year-end results, revenues received to date, and projected activity through the remainder of the fiscal year, the Measure Q fund balance at June 30, 2026, is projected at \$1,883,009.

### **Finance Committee Feedback**

Staff presented the FY 2024-25 Final Financial Report and FY 2025-26 Mid-Year Financial Report to the City's Finance Committee on February 18, 2026. The Committee was pleased with the positive results and voted unanimously to support staff's recommendation to approve the budget adjustments as included in the report. The committee also provided feedback and suggestions on formatting and level of detail which have been incorporated in this agenda report.

### **OVERALL SUMMARY**

After a thorough review of financial activity through January 2026 for all funds, staff is recommending a net total revenue decrease of \$5,673,620; a net total expenditure decrease of \$1,325,660; and a net carry-over of unspent FY 2024-25 funds totaling \$5,146,764. Also recommended are additional transfers of \$425,000 to both the Pension Reserve and Housing Reserve, and \$850,000 to the Capital Improvement Reserve. If these adjustments are approved, the new ending General Fund Contingency balance at June 30, 2026, will increase from \$4,341,582 as adopted on June 16, 2025, to \$5,324,903, which represents a 25.17% contingency (92 days of operations) satisfying the Council's 25% General Fund Contingency goal.

### **FISCAL IMPACT:**

Council approval of the recommended action for this agenda item will result in amending the Fiscal Year 2025-26 Operating and Capital Budget as included in Exhibit A of Attachment A.

### **ENVIRONMENTAL IMPACT:**

The proposed City Council action does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

### **NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:**

This item is operational in nature and is not directly related to the City Council's list of Goals and Priorities.

### **ATTACHMENTS**

- Attachment A - Resolution 2026-XX Amending the Fiscal Year 2025-26 Operating and Capital Budget
- Attachment B - Fiscal Year 2024-25 Encumbrances and Continuing Appropriations
- Attachment C - Independent Auditors' Communication regarding internal controls over financial reporting and compliance performed in accordance with *Government Auditing Standards*
- Attachment D - Independent Accountants' Report regarding appropriations limit worksheets
- Attachment E - Fiscal Year 2024-25 Final Financial Report
- Attachment F - Fiscal Year 2024-25 General Fund Cash Flow Report
- Attachment G - Pension Funding History

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, AMENDING THE FISCAL YEAR 2025-2026 OPERATING AND CAPITAL BUDGET

WHEREAS, on June 16, 2025, the City Council of the City of Del Mar adopted Resolution 2025-17, approving the Fiscal Years 2025-2026 and 2026-2027 Operating and Capital Budget; and

WHEREAS, a comprehensive second quarter review of expenditures and revenues through December 31, 2025, has been completed; and

WHEREAS, based on the results of the review, adjustments to the Fiscal Year 2025-2026 Operating and Capital Budget are needed to cover costs and account for anticipated revenues through the end of the current fiscal year (Exhibit "A"); and

WHEREAS, it is necessary to purchase a replacement security server from the Equipment Replacement Fund in an amount not to exceed \$15,000 to enhance facility access control and video security at the Civic Center.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Mar, California, that the above recitals are true and correct.

BE IT FURTHER RESOLVED that the Fiscal Year 2025-2026 Operating and Capital Budget is amended as shown in Exhibit "A" to the Resolution.

BE IT FURTHER RESOLVED that the City Council does hereby provide authorization to the City Manager to approve the purchase of a replacement security server from the Equipment Replacement Fund for Fiscal Year 2025-2026 for an amount not to exceed \$15,000.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at a Regular Meeting held on the 3<sup>rd</sup> day of March 2026.

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Tracy Martinez, Mayor  
City of Del Mar

APPROVED AS TO FORM:

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Christina Cameron, City Attorney  
City of Del Mar

ATTEST AND CERTIFICATION:

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO  
CITY OF DEL MAR

I, Sarah Krietor, Administrative Services Manager/City Clerk of the City of Del Mar, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2026-XX, adopted by the City Council of the City of Del Mar, California, at a Regular Meeting held the 3<sup>rd</sup> day of March 2026, by the following vote:

AYES:

NOES:

RECUSE:

ABSENT:

ABSTAIN:

---

Sarah Krietor, Administrative Services  
Manager/City Clerk  
City of Del Mar

**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
RESERVE SUMMARY**

		<b>BEGINNING BALANCE JUL 1, 2025 ACTUAL</b>	<b>REVENUES FY 2026</b>	<b>O &amp; M EXPENDITURES FY 2026</b>	<b>CIP EXPENDITURES FY 2026</b>	<b>TRANSFERS IN FY 2026</b>	<b>TRANSFERS (OUT) FY 2026</b>	<b>ENDING BALANCE JUN 30, 2026 ESTIMATE</b>
<b>GENERAL FUND</b>								
CONTINGENCY	25.17%	6,503,908	24,058,500	(18,146,830)	-	530,718	\$ (7,621,393)	5,324,903
RESTRICTED:								
SELF-INSURANCE		410,216	-	(33,000)	-	-	-	377,216
DESIGNATED:								
ENCUMBRANCES		67,655	-	(67,655)	-	-	-	-
COASTAL PARKING REVENUE		-	81,900	(81,900)	-	-	-	-
HOUSING RESERVE		1,650,000	-	-	-	675,000	-	2,325,000
PENSION RESERVE		4,977,684	190,000	-	-	675,000	-	5,842,684
LEAVE LIABILITY		100,000	-	-	-	-	-	100,000
EQUIPMENT REPLACEMENT		796,332	-	(127,240)	-	-	-	669,092
TOTAL GENERAL FUND		14,505,795	24,330,400	(18,456,625)	-	1,880,718	(7,621,393)	14,638,895
<b>MEASURE Q</b>								
NOTE PROCEEDS		7,449,974	3,677,380	-	(9,244,345)	-	-	1,883,009
TOTAL MEASURE Q FUND		-	5,000,000	-	(5,000,000)	-	-	-
		7,449,974	8,677,380	-	(14,244,345)	-	-	1,883,009
<b>ROAD MAINTENANCE REHABILITATION ACCT</b>								
		221,777	107,000	-	-	-	(328,777)	-
<b>GAS TAX FUND</b>								
		19,980	119,560	(1,025,810)	-	886,270	-	-
<b>OPEN SPACE FUND</b>								
		-	621,392	(1,543,230)	-	921,838	-	-
DESIGNATED:								
ENCUMBRANCES		302,404	-	-	(302,404)	-	-	-
CAPITAL IMPROVEMENT PROJECTS		-	1,418,673	-	(1,453,591)	34,918	-	-
OPEN SPACE ACQUISITION		86,388	-	-	-	-	-	86,388
TREE RESERVE		41,017	-	-	-	-	-	41,017
TOTAL OPEN SPACE FUND		429,809	2,040,065	(1,543,230)	(1,755,995)	956,756	-	127,405
<b>SUPPLEMENTAL LAW ENFORCEMENT FUND</b>								
		411	201,530	-	-	-	(201,941)	-
<b>REGIONAL COMMUNICATIONS FUND</b>								
		15,529	46,000	(61,250)	-	2,072	-	2,351

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**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
RESERVE SUMMARY**

	BEGINNING BALANCE JUL 1, 2025 ACTUAL	REVENUES FY 2026	O & M EXPENDITURES FY 2026	CIP EXPENDITURES FY 2026	TRANSFERS IN FY 2026	TRANSFERS (OUT) FY 2026	ENDING BALANCE JUN 30, 2026 ESTIMATE
<b>GRANTS FUND</b>	159,775	75,000	(61,500)	-	-	-	173,275
<b>HOUSING FUND</b>	158,004	-	(61,660)	-	-	-	96,344
<b>AB 939 FUND</b>	679,196	154,000	(107,810)	-	-	-	725,386
<b>PEG FEE FUND</b>	8,267	37,200	(75,440)	-	29,973	-	-
<b>CAPITAL IMPROVEMENT FUND</b>	-	2,740,250		(4,243,494)	1,503,244	-	-
ENCUMBRANCES	1,166,296	-		(1,166,296)	-	-	-
RESERVE FOR CAPITAL	3,150,000	-	-	-	850,000	-	4,000,000
DEBT SERVICE	-	-	(899,880)	-	899,880	-	-
TOTAL CAPITAL IMPROVEMENT FUND	4,316,296	2,740,250	(899,880)	(5,409,790)	3,253,124	-	4,000,000
<b>SPECIAL PROJECT FUND</b>	453,852	2,248,900	-	(3,215,910)	513,158	-	-
<b>TRANSNET FUND</b>	3,487	649,000	-	(649,000)	-	-	3,487
<b>RTCIP</b>	38,130	-	-	(36,000)	-	-	2,130
<b>WORKERS' COMPENSATION FUND</b>	502,835	362,000	(322,750)	-	-	-	542,085
<b>WATER FUND</b>							
NET POSITION	1,799,681	4,995,000	(5,189,190)	-	-	(1,094,455)	511,036
RESTRICTED:							
CONTRIBUTED CAPITAL	4,028,272	-	-	-	-	-	4,028,272
DESIGNATED							
ENCUMBRANCES	-	-	-	-	-	-	-
SELF-INSURANCE	50,000	-	-	-	-	-	50,000
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
CAPTIAL REPLACEMENT	470,000	-	-	(1,036,455)	916,455	-	350,000
NET PENSION LIABILITY	(1,962,119)	-	-	-	-	-	(1,962,119)
PENSION RESERVE	1,000,000	-	-	-	-	-	1,000,000
OPERATING RESERVE	500,000	-	-	-	150,000	-	650,000
EQUIPMENT REPLACEMENT	200,000	-	(28,000)	-	28,000	-	200,000
UTILITY PLANT IN SERVICE	7,423,130	-	(385,000)	-	-	-	7,038,130
TOTAL WATER FUND	13,708,964	4,995,000	(5,602,190)	(1,036,455)	1,094,455	(1,094,455)	12,065,319

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**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
RESERVE SUMMARY**

	<b>BEGINNING BALANCE JUL 1, 2025 ACTUAL</b>	<b>REVENUES FY 2026</b>	<b>O &amp; M EXPENDITURES FY 2026</b>	<b>CIP EXPENDITURES FY 2026</b>	<b>TRANSFERS IN (OUT) FY 2026</b>		<b>ENDING BALANCE JUN 30, 2026 ESTIMATE</b>
<b>CLEANWATER FUND</b>							
NET POSITION	-	612,500	(911,651)	-	299,151	-	-
DESIGNATED							
UTILITY PLANT IN SERVICE	536,251			-			536,251
ENCUMBRANCES	515,984		(145,249)	(370,735)	-		-
CAPITAL REPLACEMENT	-	244,790		(575,679)	330,889		-
TOTAL CLEAN WATER FUND	1,052,235	857,290	(1,056,900)	(946,414)	630,040	-	536,251
<b>WASTEWATER FUND</b>							
NET POSITION	1,940,691	4,515,960	(4,781,990)	-	-	(1,061,980)	612,681
RESTRICTED							
IBANK RESERVE	228,828	-	-	-	-	-	228,828
CONTRIBUTED CAPITAL	650,814	-	-	-	-	-	650,814
LOAN RESERVE-STATE REVOLVING	332,979	-	-	-	-	-	332,979
DESIGNATED							
ENCUMBRANCES	-	-	-	-	-	-	-
SELF-INSURANCE	50,000	-	-	-	-	-	50,000
CAPITAL REPLACEMENT	500,000	-	-	(1,005,080)	855,080	-	350,000
NET PENSION LIABILITY	(1,962,119)	-	-	-	-	-	(1,962,119)
PENSION RESERVE	900,000	-	-	-	-	-	900,000
OPERATING RESERVE	408,000	-	-	-	192,000	-	600,000
EQUIPMENT REPLACEMENT	300,000	-	(14,900)	-	14,900	-	300,000
UTILITY PLANT IN SERVICE	7,895,094	-	(700,000)	-	-	-	7,195,094
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
TOTAL WASTEWATER FUND	11,444,287	4,515,960	(5,496,890)	(1,005,080)	1,061,980	(1,061,980)	9,458,277
<b>TOTAL ENTERPRISE FUNDS</b>	<b>26,205,486</b>	<b>10,368,250</b>	<b>(12,155,980)</b>	<b>(2,987,949)</b>	<b>2,786,475</b>	<b>(2,156,435)</b>	<b>22,059,847</b>
<b>TOTAL - ALL FUNDS</b>	<b>55,168,603</b>	<b>52,156,535</b>	<b>(34,771,935)</b>	<b>(28,298,989)</b>	<b>10,308,546</b>	<b>(10,308,546)</b>	<b>44,254,214</b>

**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FINAL FY2023-24	ACTUAL REVENUE FINAL FY2024-25	ACTUAL REVENUE MID-YEAR FY2024-25	% RECV'D FINAL FY2024-25	CURRENT ADOPTED BUDGET FY2025-26	ENC & APPROP FY2025-26	MID-YEAR BUDGET REQUEST FY2025-26	PROPOSED AMENDED BUDGET FY2025-26	ACTUAL REVENUE MIDYEAR FY 2025-26	% RECV'D MIDYEAR FY2025-26	PROJECTED REVENUE FY2025-26
<b>GENERAL FUND</b>											
<b>TAXES</b>											
PROPERTY TAX	7,651,288	8,088,157	3,330,496	41.2%	8,394,000	-	61,000	8,455,000	3,590,756	42.5%	8,455,000
VLF IN LIEU OF PROPERTY TAX	807,116	858,932	-	0.0%	860,000	-	44,840	904,840	-	0.0%	904,840
SALES AND USE TAX	2,196,466	2,297,404	895,354	39.0%	2,300,000	-	-	2,300,000	970,389	42.2%	2,300,000
TRANSIENT OCCUPANCY TAX	3,799,038	4,084,758	2,209,192	54.1%	4,160,000	-	175,000	4,335,000	2,409,836	55.6%	4,335,000
TRANSIENT OCCUPANCY TAX - STR	-	-	-	0.0%	193,750	-	(65,000)	128,750	-	0.0%	125,000
BUSINESS LICENSE TAX	362,769	360,364	203,298	56.4%	350,000	-	-	350,000	211,473	60.4%	360,000
FRANCHISE TAX	446,816	422,411	77,866	18.4%	420,000	-	-	420,000	70,890	16.9%	418,050
REAL PROPERTY TRANSFER TAX	178,484	171,806	70,777	41.2%	150,000	-	-	150,000	73,734	49.2%	180,000
<b>TOTAL</b>	<b>15,441,977</b>	<b>16,283,832</b>	<b>6,786,983</b>	<b>41.7%</b>	<b>16,827,750</b>	<b>-</b>	<b>215,840</b>	<b>17,043,590</b>	<b>7,327,078</b>	<b>43.0%</b>	<b>17,077,890</b>
<b>LICENSES &amp; PERMITS</b>											
LICENSES & PERMITS	3,485	4,615	750	16.3%	500	-	-	500	-	0.0%	500
JUNIOR LIFE GUARD	90,310	92,770	1,615	1.7%	95,000	-	-	95,000	1,021	1.1%	95,000
PARKING PERMITS	27,387	34,995	13,165	37.6%	30,000	-	-	30,000	19,148	63.8%	37,000
<b>TOTAL</b>	<b>121,181</b>	<b>132,380</b>	<b>15,530</b>	<b>11.7%</b>	<b>125,500</b>	<b>-</b>	<b>-</b>	<b>125,500</b>	<b>20,169</b>	<b>16.1%</b>	<b>132,500</b>
<b>FINES &amp; FORFEITURES</b>											
MOVING VIOLATIONS/VEHICLE CODE FINES	69,284	66,761	31,893	47.8%	65,000	-	-	65,000	27,835	42.8%	65,000
PARKING VIOLATIONS	1,395,851	1,538,560	569,311	37.0%	1,400,000	-	150,000	1,550,000	141,045	9.1%	1,550,000
PENALTIES	25,267	22,788	9,505	41.7%	9,000	-	21,000	30,000	22,558	75.2%	30,000
ADMINISTRATIVE CITATIONS	55,152	41,590	24,115	58.0%	45,000	-	-	45,000	11,187	24.9%	25,000
RED LIGHT ENFORCEMENT	94,156	86,561	38,291	44.2%	80,000	-	-	80,000	33,161	41.5%	75,000
<b>TOTAL</b>	<b>1,639,711</b>	<b>1,756,260</b>	<b>673,115</b>	<b>38.3%</b>	<b>1,599,000</b>	<b>-</b>	<b>171,000</b>	<b>1,770,000</b>	<b>235,786</b>	<b>13.3%</b>	<b>1,745,000</b>
<b>REVENUE FROM USE OF ASSETS</b>											
INV EARN-GENERAL	925,444	892,952	378,132	42.3%	400,000	-	390,000	790,000	349,382	44.2%	790,000
RENTAL INCOME	240,743	256,210	182,029	71.0%	235,000	-	37,000	272,000	187,768	69.0%	272,170
PARKING METER INCOME	1,433,473	1,734,993	892,896	51.5%	1,535,000	-	165,000	1,700,000	954,790	56.2%	1,700,000
SIDEWALK CAFÉ USER FEE	12,371	7,980	4,055	50.8%	4,000	-	-	4,000	2,577	64.4%	3,000
<b>TOTAL</b>	<b>2,612,031</b>	<b>2,892,135</b>	<b>1,457,112</b>	<b>50.4%</b>	<b>2,174,000</b>	<b>-</b>	<b>592,000</b>	<b>2,766,000</b>	<b>1,494,517</b>	<b>54.0%</b>	<b>2,765,170</b>
<b>REVENUE FROM OTHER AGENCIES</b>											
MOTOR VEHICLE LICENSE FEE	4,868	6,229	-	0.0%	4,000	-	-	4,000	-	0.0%	6,000
PUBLIC SAFETY AUGMENTATION FUND	107,890	109,006	46,154	42.3%	100,000	-	-	100,000	36,654	36.7%	105,000
HOMEOWNER EXEMPT	34,592	34,652	5,150	14.9%	30,000	-	-	30,000	-	0.0%	34,600
STATE MANDATED COST REIMB	128	-	-	0.0%	-	-	-	-	-	0.0%	-
FEDERAL/STATE/LOCAL GRANTS	24,406	5,000	5,000	100.0%	-	-	-	-	5,000	100.0%	5,000
CORONAVIRUS RELIEF FUNDS	-	-	-	0.0%	162,310	-	-	162,310	-	0.0%	162,310
ON-TRACK PARIMUTUEL	-	-	-	0.0%	-	-	24,340	24,340	24,344	100.0%	24,340
OFF-TRACK PARIMUTUEL	7,465	5,726	1,366	23.9%	5,000	-	-	5,000	1,459	29.2%	6,000
SOLID WASTE	12,620	12,932	12,932	100.0%	12,900	-	-	12,900	12,639	98.0%	12,640
<b>TOTAL</b>	<b>191,969</b>	<b>173,545</b>	<b>70,602</b>	<b>40.7%</b>	<b>314,210</b>	<b>-</b>	<b>24,340</b>	<b>338,550</b>	<b>80,096</b>	<b>23.7%</b>	<b>355,890</b>

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**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FINAL FY2023-24	ACTUAL REVENUE FINAL FY2024-25	ACTUAL REVENUE MID-YEAR FY2024-25	% RECV'D FINAL FY2024-25	CURRENT ADOPTED BUDGET FY2025-26	ENC & APPROP FY2025-26	MID-YEAR BUDGET REQUEST FY2025-26	PROPOSED AMENDED BUDGET FY2025-26	ACTUAL REVENUE MIDYEAR FY 2025-26	% RECV'D MIDYEAR FY2025-26	PROJECTED REVENUE FY2025-26
<b>CHARGES - PLANNING SERVICES</b>											
PLANNING SERVICES	502,183	552,483	314,907	57.0%	525,000	-	(35,000)	490,000	244,239	49.8%	490,000
ENGINEERING SERVICES	171,259	124,232	77,847	62.7%	120,000	-	-	120,000	61,260	51.1%	122,520
BUILDING SERVICES	612,862	474,017	292,629	61.7%	500,000	-	(60,000)	440,000	221,322	50.3%	442,500
<b>TOTAL</b>	<b>1,286,304</b>	<b>1,150,732</b>	<b>685,383</b>	<b>59.6%</b>	<b>1,145,000</b>	<b>-</b>	<b>(95,000)</b>	<b>1,050,000</b>	<b>526,821</b>	<b>50.2%</b>	<b>1,055,020</b>
<b>OTHER REVENUE SOURCES</b>											
PARKING IN-LIEU FEE	13,764	10,372	2,669	25.7%	2,500	-	-	2,500	4,122	164.9%	4,120
ADMINISTRATIVE CHARGE	937,650	965,790	482,898	50.0%	994,760	-	-	994,760	497,380	50.0%	994,760
ADMINISTRATIVE CHARGE-MEASURE Q	90,528	152,731	-	0.0%	150,000	-	-	150,000	-	0.0%	150,000
EXPENDITURE REIMBURSEMENT	148,006	53,613	30,766	57.4%	35,000	-	-	35,000	18,119	51.8%	42,000
MISCELLANEOUS	73,594	683,836	81,274	11.9%	26,500	-	28,000	54,500	50,609	92.9%	55,410
<b>TOTAL</b>	<b>1,263,541</b>	<b>1,866,342</b>	<b>597,607</b>	<b>32.0%</b>	<b>1,208,760</b>	<b>-</b>	<b>28,000</b>	<b>1,236,760</b>	<b>570,230</b>	<b>46.1%</b>	<b>1,246,290</b>
<b>TOTAL GENERAL FUND</b>	<b>22,556,715</b>	<b>24,255,226</b>	<b>10,286,332</b>	<b>42.4%</b>	<b>23,394,220</b>	<b>-</b>	<b>936,180</b>	<b>24,330,400</b>	<b>10,254,697</b>	<b>42.1%</b>	<b>24,377,760</b>
<b>MEASURE Q FUND</b>	<b>3,780,939</b>	<b>3,958,543</b>	<b>1,537,116</b>	<b>38.8%</b>	<b>15,627,380</b>	<b>-</b>	<b>(6,950,000)</b>	<b>8,677,380</b>	<b>1,317,229</b>	<b>15.2%</b>	<b>8,680,000</b>
<b>ROAD MAINTENANCE REHAB ACCOUNT</b>	<b>107,381</b>	<b>114,392</b>	<b>39,257</b>	<b>34.3%</b>	<b>107,000</b>	<b>-</b>	<b>-</b>	<b>107,000</b>	<b>46,271</b>	<b>43.2%</b>	<b>104,560</b>
<b>GAS TAX FUND</b>	<b>114,641</b>	<b>115,990</b>	<b>42,124</b>	<b>36.3%</b>	<b>119,560</b>	<b>-</b>	<b>-</b>	<b>119,560</b>	<b>51,183</b>	<b>42.8%</b>	<b>119,280</b>
<b>OPEN SPACE FUND</b>											
TAXES	18,144	5,374	2,308	42.9%	6,000	-	-	6,000	200	3.3%	5,300
LICENSE & PERMITS	403,365	423,758	195,030	46.0%	390,000	-	-	390,000	182,767	46.9%	410,000
RENTAL INCOME	-	221,676	110,838	50.0%	227,200	-	-	227,200	113,610	50.0%	227,200
FEDERAL/STATE/LOCAL GRANTS	215,672	-	-	0.0%	-	1,393,635	-	1,393,635	-	0.0%	1,393,635
ON-TRACK PARIMUTUEL	-	-	-	0.0%	-	-	16,230	16,230	16,229	100.0%	16,230
OFF-TRACK PARIMUTUEL	4,976	3,817	911	23.9%	3,000	-	-	3,000	972	32.4%	4,000
MISCELLANEOUS	42,952	6,302	3,445	54.7%	4,000	-	-	4,000	3,183	79.6%	5,000
<b>TOTAL OPEN SPACE FUND</b>	<b>685,109</b>	<b>660,927</b>	<b>312,532</b>	<b>47.3%</b>	<b>630,200</b>	<b>1,393,635</b>	<b>16,230</b>	<b>2,040,065</b>	<b>316,961</b>	<b>15.5%</b>	<b>2,061,365</b>
<b>SUPPLEMENTAL LAW FUND</b>	<b>192,923</b>	<b>199,879</b>	<b>126,665</b>	<b>63.4%</b>	<b>160,000</b>	<b>-</b>	<b>41,530</b>	<b>201,530</b>	<b>131,537</b>	<b>65.3%</b>	<b>201,530</b>
<b>REGIONAL COMMUNICATION</b>	<b>46,159</b>	<b>45,165</b>	<b>-</b>	<b>0.0%</b>	<b>46,000</b>	<b>-</b>	<b>-</b>	<b>46,000</b>	<b>-</b>	<b>0.0%</b>	<b>46,000</b>
<b>GRANTS FUND</b>	<b>87,833</b>	<b>85,067</b>	<b>13,664</b>	<b>16.1%</b>	<b>62,400</b>	<b>-</b>	<b>12,600</b>	<b>75,000</b>	<b>46,363</b>	<b>61.8%</b>	<b>75,000</b>
<b>HOUSING FUND</b>	<b>42,364</b>	<b>222,137</b>	<b>191,109</b>	<b>86.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
<b>AB 939</b>	<b>251,345</b>	<b>179,710</b>	<b>51,140</b>	<b>28.5%</b>	<b>154,000</b>	<b>-</b>	<b>-</b>	<b>154,000</b>	<b>75,000</b>	<b>48.7%</b>	<b>154,000</b>
<b>PEG FEE FUND</b>	<b>40,405</b>	<b>36,839</b>	<b>9,023</b>	<b>24.5%</b>	<b>37,200</b>	<b>-</b>	<b>-</b>	<b>37,200</b>	<b>17,344</b>	<b>46.6%</b>	<b>37,200</b>

**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FINAL FY2023-24	ACTUAL REVENUE FINAL FY2024-25	ACTUAL REVENUE MID-YEAR FY2024-25	% RECV'D FINAL FY2024-25	CURRENT ADOPTED BUDGET FY2025-26	ENC & APPROP FY2025-26	MID-YEAR BUDGET REQUEST FY2025-26	PROPOSED AMENDED BUDGET FY2025-26	ACTUAL REVENUE MIDYEAR FY 2025-26	% RECV'D MIDYEAR FY2025-26	PROJECTED REVENUE FY2025-26
<b>CAPITAL IMPROVEMENT FUND</b>											
FEDERAL/STATE GRANTS	208,899	182,145	2,226	1.2%	1,170,000	1,309,220	63,230	2,542,450	63,230	2.5%	2,542,450
MISCELLANEOUS	202,872	214,538	137,543	100.0%	219,000	-	(21,200)	197,800	-	100.0%	197,800
<b>TOTAL CAPITAL IMPROVEMENT FUND</b>	<b>411,771</b>	<b>396,683</b>	<b>139,769</b>	<b>35.2%</b>	<b>1,389,000</b>	<b>1,309,220</b>	<b>42,030</b>	<b>2,740,250</b>	<b>63,230</b>	<b>2.3%</b>	<b>2,740,250</b>
<b>TRANSNET FUND</b>											
	228,931	191,281	80	0.0%	131,000	518,000	-	649,000	-	0.0%	649,000
<b>RTCIP FUND</b>											
	4,977	1,525	873	100.0%	-	-	-	-	-	0.0%	-
<b>SPECIAL PROJECTS FUND</b>											
	-	177,814	-	0.0%	1,545,000	703,900	-	2,248,900	87,403	0.0%	2,248,900
<b>TOTAL GENERAL GOVERNMENTAL FUNDS</b>	<b>28,551,493</b>	<b>30,641,178</b>	<b>12,749,684</b>	<b>41.6%</b>	<b>43,402,960</b>	<b>3,924,755</b>	<b>(5,901,430)</b>	<b>41,426,285</b>	<b>12,407,218</b>	<b>30.0%</b>	<b>41,494,845</b>
<b>WORKERS' COMPENSATION FUND</b>											
	349,499	395,606	192,817	48.7%	419,190	-	(57,190)	362,000	180,272	49.8%	362,000
<b>WATER UTILITY FUND</b>											
WATER SALES	2,365,627	2,760,874	1,515,410	54.9%	2,700,000	-	200,000	2,900,000	1,618,099	55.8%	2,900,000
READY TO SERVE CHARGE	1,954,206	2,021,281	949,921	47.0%	2,000,000	-	-	2,000,000	1,029,252	51.5%	2,000,000
OTHER CONNECTION FEES	68,356	56,558	19,686	34.8%	30,000	-	-	30,000	11,966	39.9%	30,000
MISCELLANEOUS	200,549	163,392	99,136	60.7%	65,000	-	-	65,000	17,960	27.6%	65,000
<b>TOTAL OPERATING REVENUE</b>	<b>4,588,738</b>	<b>5,002,105</b>	<b>2,584,153</b>	<b>51.7%</b>	<b>4,795,000</b>	<b>-</b>	<b>200,000</b>	<b>4,995,000</b>	<b>2,677,277</b>	<b>53.6%</b>	<b>4,995,000</b>
<b>CLEAN WATER PROGRAM</b>											
SERVICE CHARGE	657,722	617,884	304,405	49.3%	575,000	-	-	575,000	302,009	52.5%	585,000
MISCELLANEOUS	10,973	7,869	2,423	30.8%	282,290	-	-	282,290	1,369	0.5%	279,890
<b>TOTAL CLEAN WATER PROGRAM</b>	<b>668,695</b>	<b>625,753</b>	<b>306,828</b>	<b>49.0%</b>	<b>857,290</b>	<b>-</b>	<b>-</b>	<b>857,290</b>	<b>303,378</b>	<b>35.4%</b>	<b>864,890</b>
<b>WASTEWATER FUND</b>											
SERVICE CHARGES	1,954,106	2,178,563	1,009,510	46.3%	2,200,000	-	15,000	2,215,000	1,114,775	50.3%	2,215,000
USAGE CHARGES	1,950,126	2,026,033	1,028,892	50.8%	2,100,000	-	100,000	2,200,000	1,182,501	53.8%	2,200,000
OTHER SEWER FEES	83,766	83,766	19,331	23.1%	40,000	-	(30,000)	10,000	3,222	32.2%	10,000
MISCELLANEOUS	188,378	172,209	90,154	52.4%	90,960	-	-	90,960	8,397	9.2%	90,960
<b>TOTAL WASTEWATER FUND</b>	<b>4,176,376</b>	<b>4,460,571</b>	<b>2,147,887</b>	<b>48.2%</b>	<b>4,430,960</b>	<b>-</b>	<b>85,000</b>	<b>4,515,960</b>	<b>2,308,895</b>	<b>51.1%</b>	<b>4,515,960</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>9,433,809</b>	<b>10,088,429</b>	<b>5,038,868</b>	<b>49.9%</b>	<b>10,083,250</b>	<b>-</b>	<b>285,000</b>	<b>10,368,250</b>	<b>5,289,550</b>	<b>51.0%</b>	<b>10,375,850</b>
<b>TOTAL ALL FUNDS</b>	<b>38,334,801</b>	<b>41,125,213</b>	<b>17,981,369</b>	<b>43.7%</b>	<b>53,905,400</b>	<b>3,924,755</b>	<b>(5,673,620)</b>	<b>52,156,535</b>	<b>17,877,040</b>	<b>34.3%</b>	<b>52,232,695</b>

**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
EXPENDITURE SUMMARIES**

DEPARTMENT	ACTUAL EXP FINAL FY 2023-24	ACTUAL EXP FINAL FY 2024-25	ACTUAL EXP MID-YEAR FY 2024-25	% EXPENSED MID-YEAR FY 2024-25	CURRENT ADOPTED BUDGET FY 2025-26	ENC & APPROP FY 2024-25	MID-YEAR BUDGET REQUEST FY 2024-25	PROPOSED AMENDED BUDGET FY 2024-25	ACTUAL EXP MIDYEAR FY 2024-25	% EXP MIDYEAR FY 2024-25	PROJECTED EXP FY 2024-25
<b>GENERAL FUND</b>											
<b>GENERAL GOVERNMENT</b>											
CITY COUNCIL	41,603	48,113	10,440	21.7%	78,970	-	-	78,970	23,872	30.2%	66,770
LEGAL SERVICES	700,194	634,897	201,991	31.8%	550,000	-	50,000	600,000	248,595	41.4%	600,000
CITY MANAGER	878,774	1,002,306	418,517	41.8%	1,071,350	5,000	-	1,076,350	529,677	49.2%	1,081,840
HUMAN RESOURCES	258,453	283,609	145,932	51.5%	316,850	-	-	316,850	139,876	44.1%	329,490
CITY CLERK	361,529	432,525	227,303	52.6%	370,080	-	-	370,080	190,425	51.5%	375,690
INFORMATION SYSTEMS	548,153	471,783	349,802	74.1%	540,380	4,787	-	545,167	298,313	54.7%	538,940
FINANCE SERVICES	764,865	801,530	352,223	43.9%	1,015,980	-	-	1,015,980	394,198	38.8%	1,028,010
RISK MANAGEMENT	368,636	804,507	401,001	49.8%	554,500	-	(56,000)	498,500	472,356	94.8%	498,000
PLANNING SERVICES	1,508,816	1,744,868	956,054	54.8%	1,929,860	-	22,000	1,951,860	976,267	50.0%	1,951,130
CODE ENFORCEMENT	161,031	145,465	99,344	68.3%	141,990	-	-	141,990	75,001	52.8%	145,600
BUILDING SERVICES	476,118	389,145	247,615	63.6%	403,500	-	(48,000)	355,500	136,279	38.3%	354,000
<b>TOTAL</b>	<b>6,068,172</b>	<b>6,758,748</b>	<b>3,410,222</b>	<b>50.5%</b>	<b>6,973,460</b>	<b>9,787</b>	<b>(32,000)</b>	<b>6,951,247</b>	<b>3,484,859</b>	<b>50.1%</b>	<b>6,969,470</b>
<b>PUBLIC SAFETY</b>											
LAW ENFORCEMENT	2,747,809	2,837,524	978,161	34.5%	3,072,560	-	-	3,072,560	1,007,959	32.8%	3,068,850
LIFEGUARD SERVICES	1,516,815	1,664,222	866,376	52.1%	1,730,100	-	-	1,730,100	937,835	54.2%	1,740,100
PARKING ENFORCEMENT	1,046,838	1,181,768	573,396	48.5%	1,213,570	-	24,000	1,237,570	568,465	45.9%	1,236,730
FIRE PROTECTION	2,741,927	2,970,463	1,481,517	49.9%	3,116,030	-	60,000	3,176,030	1,601,453	50.4%	3,166,000
HAZARDOUS WASTE MANAGEMENT	20,077	21,907	21,907	100.0%	23,850	-	-	23,850	23,372	98.0%	24,420
SOLID WASTE	3,001	3,345	191	5.7%	5,000	-	-	5,000	887	17.7%	3,000
EMERGENCY PREPAREDNESS	3,152	2,973	1,327	44.6%	5,750	-	-	5,750	1,142	19.9%	5,750
<b>TOTAL</b>	<b>8,079,619</b>	<b>8,682,202</b>	<b>3,922,875</b>	<b>45.2%</b>	<b>9,166,860</b>	<b>-</b>	<b>84,000</b>	<b>9,250,860</b>	<b>4,141,113</b>	<b>44.8%</b>	<b>9,244,850</b>
<b>PUBLIC WORKS</b>											
ENGINEERING SERVICES	284,858	170,231	73,229	43.0%	314,750	-	-	314,750	71,556	22.7%	314,750
STORM DRAIN	199,913	221,939	147,414	66.4%	359,740	10,700	(90,000)	280,440	131,465	46.9%	277,050
FACILITIES	284,889	254,698	102,166	40.1%	577,010	47,168	-	624,178	240,446	38.5%	625,000
<b>TOTAL</b>	<b>769,660</b>	<b>646,868</b>	<b>322,809</b>	<b>49.9%</b>	<b>1,251,500</b>	<b>57,868</b>	<b>(90,000)</b>	<b>1,219,368</b>	<b>443,467</b>	<b>36.4%</b>	<b>1,216,800</b>
<b>NON-DEPARTMENTAL</b>											
COMMUNITY SUPPORT	385,398	472,548	287,159	60.8%	482,600	-	-	482,600	287,475	59.6%	479,700
TV STUDIO	89,375	120,488	16,373	13.6%	124,950	-	-	124,950	19,261	15.4%	125,570
CITY MEMBERSHIPS	101,741	105,164	101,308	96.3%	112,310	-	-	112,310	105,798	94.2%	109,750
CITY HALL - GENERAL	156,326	170,691	100,817	59.1%	188,050	-	-	188,050	83,671	44.5%	193,310
<b>TOTAL</b>	<b>732,840</b>	<b>868,891</b>	<b>505,657</b>	<b>58.2%</b>	<b>907,910</b>	<b>-</b>	<b>-</b>	<b>907,910</b>	<b>496,205</b>	<b>54.7%</b>	<b>908,330</b>
<b>TOTAL GENERAL FUND BEFORE EQUIPMENT REPLACEMENT</b>	<b>15,650,291</b>	<b>16,956,709</b>	<b>8,161,563</b>	<b>48.1%</b>	<b>18,299,730</b>	<b>67,655</b>	<b>(38,000)</b>	<b>18,329,385</b>	<b>8,565,644</b>	<b>46.7%</b>	<b>18,339,450</b>
EQUIPMENT REPLACEMENT	270,159	118,909	60,953	51.3%	112,240	-	15,000	127,240	38,272	30.1%	112,240
<b>TOTAL GENERAL FUND INCLUDING EQUIPMENT REPLACEMENT</b>	<b>15,920,450</b>	<b>17,075,618</b>	<b>8,222,516</b>	<b>48.2%</b>	<b>18,411,970</b>	<b>67,655</b>	<b>(23,000)</b>	<b>18,456,625</b>	<b>8,603,916</b>	<b>46.6%</b>	<b>18,451,690</b>

April 7, 2026

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March 3, 2026

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**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
EXPENDITURE SUMMARIES**

DEPARTMENT	ACTUAL EXP FINAL FY 2023-24	ACTUAL EXP FINAL FY 2024-25	ACTUAL EXP MID-YEAR FY 2024-25	% EXPENSED MID-YEAR FY 2024-25	CURRENT ADOPTED BUDGET FY 2025-26	ENC & APPROP FY 2024-25	MID-YEAR BUDGET REQUEST FY 2024-25	PROPOSED AMENDED BUDGET FY 2024-25	ACTUAL EXP MIDYEAR FY 2024-25	% EXP MIDYEAR FY 2024-25	PROJECTED EXP FY 2024-25
<b>MEASURE Q FUND</b>	<b>1,174,333</b>	<b>6,885,074</b>	<b>490,157</b>	<b>7.1%</b>	<b>12,892,215</b>	<b>1,352,130</b>	<b>-</b>	<b>14,244,345</b>	<b>852,553</b>	<b>6.0%</b>	<b>14,244,345</b>
<b>ROAD MAINTENANCE REHAB ACCOUNT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
<b>GAS TAX FUND</b>											
STREET MAINTENANCE	269,233	277,835	151,983	54.7%	518,280	12,900	(35,000)	496,180	228,935	46.1%	495,270
STREET LIGHTS/SIGNS	174,857	152,887	52,538	34.4%	204,630	-	-	204,630	65,906	32.2%	203,420
STREET LANDSCAPING	314,882	277,867	126,681	45.6%	308,450	-	16,550	325,000	87,614	27.0%	325,000
<b>TOTAL GAX TAX FUND</b>	<b>758,972</b>	<b>708,589</b>	<b>331,202</b>	<b>46.7%</b>	<b>1,031,360</b>	<b>12,900</b>	<b>(18,450)</b>	<b>1,025,810</b>	<b>382,455</b>	<b>37.3%</b>	<b>1,023,690</b>
<b>OPEN SPACE FUND</b>											
POWERHOUSE OPERATIONS	426,569	481,065	199,801	41.5%	518,870	-	(20,000)	498,870	248,380	49.8%	497,960
BEACH MAINTENANCE	334,473	380,586	152,942	40.2%	481,570	-	20,000	501,570	230,992	46.1%	498,880
PARK MAINTENANCE	434,342	451,888	195,166	43.2%	515,790	-	27,000	542,790	154,738	28.5%	542,480
<b>TOTAL OPEN SPACE FUND</b>	<b>1,195,384</b>	<b>1,313,539</b>	<b>547,909</b>	<b>41.7%</b>	<b>1,516,230</b>	<b>-</b>	<b>27,000</b>	<b>1,543,230</b>	<b>634,110</b>	<b>41.1%</b>	<b>1,539,320</b>
<b>SUPPLEMENTAL LAW ENFORCEMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
<b>REGIONAL COMMUNICATION FUND</b>	<b>44,521</b>	<b>45,168</b>	<b>-</b>	<b>0.0%</b>	<b>61,250</b>	<b>-</b>	<b>-</b>	<b>61,250</b>	<b>-</b>	<b>0.0%</b>	<b>61,250</b>
<b>GRANTS FUND</b>	<b>68,491</b>	<b>81,066</b>	<b>12,695</b>	<b>15.7%</b>	<b>61,500</b>	<b>-</b>	<b>-</b>	<b>61,500</b>	<b>20,830</b>	<b>33.9%</b>	<b>61,500</b>
<b>HOUSING FUND</b>	<b>45,684</b>	<b>57,328</b>	<b>57,234</b>	<b>99.8%</b>	<b>61,660</b>	<b>-</b>	<b>-</b>	<b>61,660</b>	<b>61,657</b>	<b>100.0%</b>	<b>61,660</b>
<b>AB 939</b>	<b>64,849</b>	<b>72,574</b>	<b>29,403</b>	<b>40.5%</b>	<b>95,480</b>	<b>12,330</b>	<b>-</b>	<b>107,810</b>	<b>21,142</b>	<b>19.6%</b>	<b>107,810</b>
<b>PEG FEE FUND</b>	<b>10,736</b>	<b>31,813</b>	<b>3,837</b>	<b>12.1%</b>	<b>11,900</b>	<b>-</b>	<b>63,540</b>	<b>75,440</b>	<b>5,166</b>	<b>6.8%</b>	<b>75,440</b>
<b>TOTAL GENERAL O&amp;M FUNDS</b>	<b>19,283,420</b>	<b>26,270,769</b>	<b>9,694,953</b>	<b>36.9%</b>	<b>34,143,565</b>	<b>1,445,015</b>	<b>49,090</b>	<b>35,637,670</b>	<b>10,581,829</b>	<b>29.7%</b>	<b>35,626,705</b>
<b>CAPITAL IMPROVEMENT FUNDS</b>											
OPEN SPACE CIP	146,197	206,364	106,267	51.5%	50,000	1,705,995	-	1,755,995	8,121	0.5%	174,145
GENERAL FUND CIP	2,230,198	2,458,116	817,743	33.3%	4,707,750	2,452,040	(1,750,000)	5,409,790	305,291	5.6%	7,159,790
DEBT SERVICE-CITY HALL	902,860	901,391	689,595	76.5%	899,880	-	-	899,880	695,276	77.3%	899,880
TRANSNET II CIP	228,756	191,159	-	0.0%	131,000	518,000	-	649,000	-	0.0%	649,000
RTCIP FUND	-	-	-	0.0%	36,000	-	-	36,000	-	0.0%	36,000
<b>TOTAL CAPITAL IMPROVEMENT FUNDS</b>	<b>3,508,011</b>	<b>3,757,030</b>	<b>1,613,605</b>	<b>42.9%</b>	<b>5,824,630</b>	<b>4,676,035</b>	<b>(1,750,000)</b>	<b>8,750,665</b>	<b>1,008,688</b>	<b>11.5%</b>	<b>8,918,815</b>
<b>SPECIAL PROJECT FUND</b>	<b>430,060</b>	<b>191,058</b>	<b>102,043</b>	<b>53.4%</b>	<b>2,093,000</b>	<b>1,122,910</b>	<b>-</b>	<b>3,215,910</b>	<b>324,556</b>	<b>10.1%</b>	<b>3,215,910</b>
<b>TOTAL GENERAL GOVERNMENTAL FUNDS</b>	<b>23,221,491</b>	<b>30,218,857</b>	<b>11,410,601</b>	<b>37.8%</b>	<b>42,061,195</b>	<b>7,243,960</b>	<b>(1,700,910)</b>	<b>47,604,245</b>	<b>11,915,073</b>	<b>25.0%</b>	<b>47,761,430</b>

**CITY OF DEL MAR  
FISCAL YEAR 2025-2026  
MID-YEAR FINANCIAL REPORT  
EXPENDITURE SUMMARIES**

DEPARTMENT	ACTUAL EXP FINAL FY 2023-24	ACTUAL EXP FINAL FY 2024-25	ACTUAL EXP MID-YEAR FY 2024-25	% EXPENSED MID-YEAR FY 2024-25	CURRENT ADOPTED BUDGET FY 2025-26	ENC & APPROP FY 2024-25	MID-YEAR BUDGET REQUEST FY 2024-25	PROPOSED AMENDED BUDGET FY 2024-25	ACTUAL EXP MIDYEAR FY 2024-25	% EXP MIDYEAR FY 2024-25	PROJECTED EXP FY 2024-25
<b>WORKERS' COMPENSATION FUND</b>	261,612	289,382	237,279	82.0%	322,750	-	-	322,750	236,257	73.2%	341,730
<b>WATER FUND</b>											
GENERAL ADMINISTRATION	2,051,373	2,184,901	867,612	39.7%	2,550,360	18,000	295,000	2,863,360	732,079	25.6%	2,863,310
RISK MANAGEMENT	162,220	219,864	200,403	91.1%	266,750	-	-	266,750	235,544	88.3%	242,000
RAW WATER SUPPLY	1,717,992	1,939,778	922,902	47.6%	1,997,150	-	-	1,997,150	1,052,358	52.7%	2,100,000
TREATMENT/DELIVERY	374,796	355,734	150,427	42.3%	474,930	-	-	474,930	172,025	36.2%	444,000
<b>TOTAL WATER FUND O&amp;M</b>	<b>4,306,381</b>	<b>4,700,277</b>	<b>2,141,344</b>	<b>45.6%</b>	<b>5,289,190</b>	<b>18,000</b>	<b>295,000</b>	<b>5,602,190</b>	<b>2,192,006</b>	<b>39.1%</b>	<b>5,649,310</b>
WATER CAP IMPROVEMENT	-	-	16,665	100.0%	312,000	724,455	-	1,036,455	-	0.0%	1,036,455
<b>TOTAL WATER FUND</b>	<b>4,306,381</b>	<b>4,700,277</b>	<b>2,158,009</b>	<b>45.9%</b>	<b>5,601,190</b>	<b>742,455</b>	<b>295,000</b>	<b>6,638,645</b>	<b>2,192,006</b>	<b>33.0%</b>	<b>6,685,765</b>
<b>CLEAN WATER FUND</b>											
PLANNING	78,255	92,943	46,496	50.0%	82,300	-	-	82,300	43,833	53.3%	81,680
CODE ENFORCEMENT	39,025	34,562	25,625	74.1%	36,600	-	-	36,600	20,232	55.3%	37,450
CLEAN WATER MANAGEMENT	307,573	273,178	103,177	37.8%	343,750	-	-	343,750	152,163	44.3%	327,020
PUBLIC WORKS	287,993	310,951	159,493	51.3%	585,850	8,400	-	594,250	137,940	23.2%	559,200
<b>TOTAL CLEAN WATER O &amp; M</b>	<b>712,846</b>	<b>711,634</b>	<b>334,791</b>	<b>47.0%</b>	<b>1,048,500</b>	<b>8,400</b>	<b>-</b>	<b>1,056,900</b>	<b>354,168</b>	<b>33.5%</b>	<b>1,005,350</b>
CLEAN WATER CAP IMPROVEMENT	-	44,227	10,746	24.3%	634,790	311,624	-	946,414	4,195	0.4%	946,414
<b>TOTAL CLEAN WATER FUND</b>	<b>712,846</b>	<b>755,861</b>	<b>345,537</b>	<b>45.7%</b>	<b>1,683,290</b>	<b>320,024</b>	<b>-</b>	<b>2,003,314</b>	<b>358,363</b>	<b>17.9%</b>	<b>1,951,764</b>
<b>WASTEWATER FUND</b>											
RISK MANAGEMENT	162,220	219,864	200,403	91.1%	275,750	-	(24,750)	251,000	235,544	93.8%	251,000
WASTEWATER TRANSPORTATION	57,498	181,634	59,404	32.7%	146,730	-	-	146,730	74,605	50.8%	146,000
WASTEWATER TREATMENT	927,290	1,141,611	463,246	40.6%	1,254,790	-	-	1,254,790	921,677	73.5%	1,255,000
DEBT SERVICE	563,446	562,673	545,735	97.0%	568,300	-	-	568,300	547,069	96.3%	568,300
WASTEWATER PROGRAM	2,550,377	2,567,858	938,029	36.5%	3,161,070	10,000	105,000	3,276,070	758,531	23.2%	3,276,230
<b>TOTAL WASTEWATER FUND O&amp;M</b>	<b>4,260,831</b>	<b>4,673,640</b>	<b>2,206,817</b>	<b>47.2%</b>	<b>5,406,640</b>	<b>10,000</b>	<b>80,250</b>	<b>5,496,890</b>	<b>2,537,426</b>	<b>46.2%</b>	<b>5,496,530</b>
WASTEWATER CAPITAL IMPROVEMENT	(501,927)	-	5,887	100.0%	250,000	755,080	-	1,005,080	16,090	1.6%	1,005,080
<b>TOTAL WASTEWATER FUND</b>	<b>3,758,904</b>	<b>4,673,640</b>	<b>2,212,704</b>	<b>47.3%</b>	<b>5,656,640</b>	<b>765,080</b>	<b>80,250</b>	<b>6,501,970</b>	<b>2,553,516</b>	<b>39.3%</b>	<b>6,501,610</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>8,778,131</b>	<b>10,129,778</b>	<b>4,716,250</b>	<b>46.6%</b>	<b>12,941,120</b>	<b>1,827,559</b>	<b>375,250</b>	<b>15,143,929</b>	<b>5,103,885</b>	<b>33.7%</b>	<b>15,139,139</b>
<b>TOTAL EXPENDITURES</b>	<b>32,261,234</b>	<b>40,638,017</b>	<b>16,364,130</b>	<b>40.3%</b>	<b>55,325,065</b>	<b>9,071,519</b>	<b>(1,325,660)</b>	<b>63,070,924</b>	<b>17,255,215</b>	<b>27.4%</b>	<b>63,242,299</b>

**City of Del Mar  
Cash Flow Report  
General Fund  
Fiscal Year 2025-26**

	<b>Adopted FY 2026 (6/16/25) (A)</b>	<b>Mid-Year Proposed FY 2026 (2/18/26) (B)</b>	<b>Difference (C=B-A)</b>
<b>Total Revenue</b>	23,394,220	24,330,400	936,180
<b>Total Expenditures</b>	18,372,370	18,456,625	84,255
<b>Transfers</b>			
RMRA Reimb	(107,000)	(328,777)	(221,777)
Gas Tax	911,800	886,270	(25,530)
Open Space	886,030	921,838	35,808
SLESF	(160,000)	(201,941)	(41,941)
Regional Comm	2,072	2,072	-
Clean Water (non-CIP)	416,000	299,151	(116,849)
PEG Fee Reimb	(30,000)	29,973	59,973
Total Transfers	1,918,902	1,608,586	(310,316)
<b>City Hall Debt</b>	899,880	899,880	-
<b>Cash Flow (before CIP &amp; SP)</b>	<b>\$ 2,203,068</b>	<b>\$ 3,365,309</b>	<b>\$ 1,162,241</b>
<b>Transfer to CIP/Reserves</b>			
Open Space CIP	50,000	34,918	(15,082)
General Fund CIP	3,318,630	1,503,244	(1,815,386)
CIP Reserve Transfer	-	850,000	850,000
Clean Water CIP	390,000	330,889	(59,111)
Total CIP	3,758,630	2,719,051	(1,039,579)
<b>Transfer to Special Projects</b>	298,000	513,158	215,158
<b>Cash Flow (after CIP &amp; SP)</b>	<b>\$ (1,853,562)</b>	<b>\$ 133,100</b>	<b>\$ 1,986,662</b>
<b>Reserves</b>			
Contingency Reserves	4,341,582	5,324,903	983,321
Self-Insurance	300,000	377,216	77,216
Housing Reserve	1,900,000	2,325,000	425,000
Pension Reserves	5,200,000	5,842,684	642,684
Leave Liability	100,000	100,000	-
Equipment Replacement	545,102	669,092	123,990
	12,386,684	14,638,895	2,252,211
<b>Other Reserves</b>			
Capital Reserve	2,250,000	4,000,000	1,750,000

**City of Del Mar**  
**Summary of Continuing Appropriations**  
**Fiscal Year 2024-25**

Project Name	Department	Account Number	Amounts	
<b>CAPITAL PROJECTS</b>				
<u>General Fund CIP</u>				
Pavement Rehabilitation	PW	40.7000.7009	\$ 752,842	
CDM Bridge over San Dieguito	PW	40.7000.7011	1,309,220	*
Jimmy Durante Blvd Bluff Repairs	PW	40.7000.7026	184,025	
Hoska Ave Alley Assessment	PW	40.7000.7047	45,137	
San Dieguito Dr Development	PW	40.7000.7048	816	
Small Area Pavement Repairs	PW	40.7000.7056	60,000	
Citywide Bridge Repairs	PW	40.7000.7057	<u>100,000</u>	
Total Fund			\$	2,452,040
<u>Open Space CIP</u>				
Powerhouse Trellis	PW	21.7000.7005	\$ 4,360	
Riverpath Del Mar	PW	21.7000.7007	1,393,635	*
29th St Seawall & Beach Access	PW	21.7000.7008	162,000	
Major Arterial Median Improvements	PW	21.7000.7027	115,000	
Powerhouse Repairs & Improvements	PW	21.7000.7055	<u>31,000</u>	
Total Fund			\$	1,705,995
<u>TransNet CIP</u>				
Pavement Rehabilitation	PW	44.7000.7009	<u>\$ 518,000</u>	*
Total Fund			\$	518,000
<u>Clean Water Fund</u>				
Oceanview Drainage/Penny Lane	PW	55.7000.7032	45,086	
Storm Drain Improvements	PW	55.7000.7045	<u>266,538</u>	
Total Fund			\$	311,624
<b>SPECIAL PROJECTS</b>				
<u>Special Projects</u>				
Housing Element - 6th Cycle	PL	49.8000.8004	\$ 43,391	
SCOUP Sand Replenishment	PL	49.8000.8008	30,218	
Fairgrounds Affordable Housing	PL	49.8000.8013	685,276	*
General Plan Updates	PL	49.8000.8018	48,500	
Affordable Housing Incentives	PL	49.8000.8020	81,000	
Affordable Housing City-owned	PL	49.8000.8023	10,000	
ADU Facilitation Measures	PL	49.8000.8026	37,724	
Fair Housing Amendments	PL	49.8000.8027	5,000	*
6th Cycle Zoning Programs	PL	49.8000.8028	17,127	
TSVS Updates	PL	49.8000.8030	25,000	
Public Tree Policy Update	PL	49.8000.8031	52,000	
Shoreline/Living Levee	PL	49.8000.8032	13,624	*
Implement Solar Access App	PL	49.8000.8033	5,000	
Civic Center Outdoor Lighting	CM	49.8000.8034	20,000	
ERP System Implementation	FI	49.8000.8036	<u>49,050</u>	
Total Fund			\$	1,122,910

**City of Del Mar  
Summary of Continuing Appropriations  
Fiscal Year 2024-25**

Project Name	Department	Account Number	Amounts	
<b>MEASURE Q CAPITAL PROJECTS</b>				
<u>Measure Q Fund</u>				
Undergrounding Project - General	PW	02.7000.7001	\$ 67,001	
Pavement Rehabilitation	PW	02.7000.7009	91,000	
Utility Specialist (PO58-00795)	PW	02.7000.7202	230,990	
UUD 1A-Stratford Ct South	PW	02.7000.7202	690,854	
Utility Specialist (PO58-00730)	PW	02.7000.7204	<u>272,285</u>	
Total Fund				\$ 1,352,130
<b>ENTERPRISE FUNDS CAPITAL PROJECTS</b>				
<u>Water Fund</u>				
Infrastructure Improvements	PW	51.7000.7017	395,670	
Valve Replacements	PW	51.7000.7037	88,785	
Citywide Pressure Upgrades	PW	51.7000.7054	<u>240,000</u>	
				\$ 724,455
<u>Wastewater Fund</u>				
Infrastructure Improvements	PW	57.7000.7024	<u>755,080</u>	
				\$ 755,080
Total Continuing Appropriations				<u><u>\$ 8,942,234</u></u>

\* Offset with Federal, State, or Local grants in the amount of \$3,924,755.

**City of Del Mar  
Summary of Encumbrances  
Fiscal Year 2024-25**

Project Name	Department	Account Number	Amounts	
<u>General Fund</u>				
Carahsoft Tech (PO52-00116)	IT	01.5320.3200	\$ 4,787	
Colin Leibold (PO54-00054)	CM	01.5200.3200	5,000	
Major Facility Repairs	PW	01.5854.3200	47,168	
Portillo Concrete (PO58-00860)	PW	01.5841.3200	10,700	
Total Fund			\$	67,655
<u>AB939 Reimbursement Fund</u>				
Solana Center for Env (PO52-00107)	CM	26.5225.3200	\$ 12,330	
Total Fund			\$	12,330
<u>Gas Tax Fund</u>				
Portillo Concrete (PO58-00860)	PW	20.5845.3200	\$ 8,400	
Portillo Concrete (PO58-00860)	PW	20.5845.2300	4,500	
			\$	12,900
<u>Water Fund</u>				
Portillo Concrete (PO58-00860)	PW	51.5840.3200	\$ 18,000	
			\$	18,000
<u>Clean Water Fund</u>				
Portillo Concrete (PO58-00860)	PW	55.5840.3200	\$ 8,400	
			\$	8,400
<u>Wastewater Fund</u>				
Portillo Concrete (PO58-00860)	PW	57.5840.3200	\$ 10,000	
			\$	10,000
Total Encumbrances			\$	129,285



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Honorable Mayor and Members of City Council  
 City of Del Mar, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Mar (the "City") as of and for the year ended June 30, 2025, and have issued our report thereon dated January 26, 2026. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 5, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence under the American Institute of Certified Public Accountants ("AICPA") independence standards, contained in the Code of Professional Conduct.

We identified self-review threats to independence as a result of non-attest services provided. Those non-attest services included the preparation of the financial statements and recording journal entries detected during the audit process.

To mitigate the risk, management has compared the draft financial statements and footnotes to the underlying accounting records to verify accuracy and has reviewed a disclosure checklist to ensure footnotes are complete and accurate.

Additionally, we utilize a quality control reviewer to perform a second review of journal entries and the financial statements. We believe these safeguards are sufficient to reduce the independence threats to an acceptable level.

### **Significant Risks Identified**

We have identified the following significant risks:

- Implementation of the new Compensated Absences accounting standard, Governmental Accounting Standards Board (GASB) Statement No. 101. As a result, we received the City's records of compensated absences, tested the calculations of the records, and ensured the City's footnote disclosures are accurate and complete in accordance with the new standard.
- Compliance with Federal Grant Requirements. We performed a Single Audit over major programs to test for compliance with federal grant requirements.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies. The City changed the accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, Compensated Absences, and risk disclosures related to government vulnerabilities due to concentrations and constraints by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 102, Certain Risk Disclosures, in the fiscal year ended June 30, 2025. Accordingly, the cumulative effect of the accounting changes related to GASB 101 as of the beginning of the year have been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the transactions related to net pension liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts used by the actuaries and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

- Management's estimate of revenue and expense accruals related to federal grant programs. We evaluated the key factors and assumptions used to develop the amounts recorded as accruals and determined that they are reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements were:

- The disclosure of pension obligations in note 9 of the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no unusual transactions noted as a result of our audit procedures.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City's's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management in the letter dated January 26, 2026.

## **Management’s Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City’s auditors.

## **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City’s annual report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California  
January 26, 2026



## **INDEPENDENT ACCOUNTANT'S REPORT**

The Honorable Mayor and City Council  
 City of Del Mar, California

We have performed the procedures enumerated below on the City of Del Mar, California (City) appropriations limit worksheets for compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution for the year ended June 30, 2021. The City is responsible for compliance with Section 1.5 of Article XIII B of the California Constitution.

The City has agreed to and acknowledged that these procedures are appropriate to meet the intended purpose of evaluating compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution and the League of California Cities publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines* for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the mathematical computations reflected in the City's worksheets.

Results: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and agreed it to worksheets prepared by the City and to information provided by the State Department of Finance.

Results: No exceptions were noted as a result of our procedures.

4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Results: No exceptions were noted as a result of our procedures.

The Honorable Mayor and City Council  
City of Del Mar, California  
Page Two

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the worksheets referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIIIB Appropriations Limitation Uniform Guidelines*.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Management of the City of Del Mar, California and is not intended to be, and should not be, used by anyone other than the specified party.

Irvine, California  
January 26, 2026

**CITY OF DEL MAR  
FISCAL YEAR 2024-2025  
FINAL FINANCIAL REPORT  
RESERVE SUMMARY**

		<b>BEGINNING BALANCE JUL 1, 2024 ACTUAL</b>	<b>REVENUES FY 2025</b>	<b>O &amp; M EXPENDITURES FY 2025</b>	<b>CIP EXPENDITURES FY 2025</b>	<b>TRANSFERS IN FY 2025</b>	<b>(OUT) FY 2025</b>	<b>ENDING BALANCE JUN 30, 2025 ACTUAL</b>
<b>GENERAL FUND</b>								
CONTINGENCY	<b>34.80%</b>	6,849,772	23,607,037	(16,498,892)	-	1,217,230	\$ (8,671,240)	6,503,908
RESTRICTED:								
SELF-INSURANCE		415,632	353,910	(359,326)	-	-	-	410,216
DESIGNATED:								
ENCUMBRANCES		-	-	-	-	67,655	-	67,655
COASTAL PARKING REVENUE		-	81,900	(81,900)	-	-	-	-
SIDEWALK CAFÉ		-	5,300	(5,300)	-	-	-	-
HOUSING RESERVE		1,600,000	-	-	-	300,000	(250,000)	1,650,000
PENSION RESERVE		4,421,894	207,080	(11,290)	-	360,000	-	4,977,684
LEAVE LIABILITY		100,000	-	-	-	-	-	100,000
EQUIPMENT REPLACEMENT		815,241	-	(118,909)	-	100,000	-	796,332
TOTAL GENERAL FUND		14,202,539	24,255,227	(17,075,617)	-	2,044,885	(8,921,240)	14,505,794
<b>MEASURE Q</b>								
ENCUMBRANCES		9,957,775	3,958,543	-	(6,466,344)	-	-	7,449,974
TOTAL MEASURE Q FUND		418,730	-	-	(418,730)	-	-	-
		10,376,505	3,958,543	-	(6,885,074)	-	-	7,449,974
<b>ROAD MAINTENANCE REHABILITATION ACCT</b>								
		107,385	114,392	-	-	-	-	221,777
<b>GAS TAX FUND</b>								
		-	115,990	(708,589)	-	612,579	-	19,980
<b>OPEN SPACE FUND</b>								
		-	660,927	(1,313,539)	-	652,612	-	-
DESIGNATED								
ENCUMBRANCES		241,725	-	-	(206,364)	267,043	-	302,404
CAPITAL IMPROVEMENT PROJECTS		-	-	-	-	-	-	-
OPEN SPACE ACQUISITION		86,388	-	-	-	-	-	86,388
TREE RESERVE		41,017	-	-	-	-	-	41,017
TOTAL OPEN SPACE FUND		369,130	660,927	(1,313,539)	(206,364)	919,655	-	429,809
<b>SUPPLEMENTAL LAW ENFORCEMENT FUND</b>								
		-	199,879	-	-	-	(199,467)	411
<b>REGIONAL COMMUNICATIONS FUND</b>								
		15,531	45,165	(45,168)	-	-	-	15,529
<b>GRANTS FUND</b>								
		155,774	85,067	(81,066)	-	-	-	159,775

April 7, 2026

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**CITY OF DEL MAR  
FISCAL YEAR 2024-2025  
FINAL FINANCIAL REPORT  
RESERVE SUMMARY**

	<b>BEGINNING BALANCE JUL 1, 2024 ACTUAL</b>	<b>REVENUES FY 2025</b>	<b>O &amp; M EXPENDITURES FY 2025</b>	<b>CIP EXPENDITURES FY 2025</b>	<b>TRANSFERS IN FY 2025</b>	<b>TRANSFERS (OUT) FY 2025</b>	<b>ENDING BALANCE JUN 30, 2025 ACTUAL</b>
<b>HOUSING FUND</b>	48,745	222,137	(57,328)	-	-	(55,550)	158,004
<b>AB 939 FUND</b>	572,060	179,710	(72,574)	-	-	-	679,196
<b>PEG FEE FUND</b>	13,241	36,839	(31,813)	-	-	(10,000)	8,267
<b>CAPITAL IMPROVEMENT FUND</b>	47,793	396,683	-	(1,582,556)	1,138,080	-	-
ENCUMBRANCES	875,560	-	-	(875,560)	1,166,296	-	1,166,296
RESERVE FOR CAPITAL	650,000	-	-	-	2,500,000	-	3,150,000
DEBT SERVICE	-	-	(901,391)	-	901,391	-	-
TOTAL CAPITAL IMPROVEMENT FUND	1,573,353	396,683	(901,391)	(2,458,116)	5,705,767	-	4,316,296
<b>SPECIAL PROJECT FUND</b>	798,574	177,814	-	(191,058)	-	(331,478)	453,852
<b>TRANSNET FUND</b>	3,365	191,281	(191,159)	-	-	-	3,487
<b>RTCIP</b>	36,605	1,525	-	-	-	-	38,130
<b>WORKERS' COMPENSATION FUND</b>	396,611	395,606	(289,382)	-	-	-	502,835
<b>WATER FUND</b>							
NET POSITION	1,836,306	5,002,105	(4,789,493)	-	121,498	(370,735)	1,799,681
RESTRICTED:							
CONTRIBUTED CAPITAL	4,028,272	-	-	-	-	-	4,028,272
DESIGNATED							
ENCUMBRANCES	121,498	-	-	-	-	(121,498)	-
SELF-INSURANCE	50,000	-	-	-	-	-	50,000
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
CAPTIAL REPLACEMENT	470,000	-	-	-	-	-	470,000
NET PENSION LIABILITY	(1,976,172)	-	14,053	-	-	-	(1,962,119)
PENSION RESERVE	1,000,000	-	-	-	-	-	1,000,000
OPERATING RESERVE	500,000	-	-	-	-	-	500,000
EQUIPMENT REPLACEMENT	200,000	-	-	-	-	-	200,000
UTILITY PLANT IN SERVICE	7,347,968	-	75,162	-	-	-	7,423,130
TOTAL WATER FUND	13,777,872	5,002,105	(4,700,278)	-	121,498	(492,233)	13,708,964

April 7, 2026

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**CITY OF DEL MAR  
FISCAL YEAR 2024-2025  
FINAL FINANCIAL REPORT  
RESERVE SUMMARY**

	<b>BEGINNING BALANCE JUL 1, 2024 ACTUAL</b>	<b>REVENUES FY 2025</b>	<b>O &amp; M EXPENDITURES FY 2025</b>	<b>CIP EXPENDITURES FY 2025</b>	<b>TRANSFERS IN FY 2025</b>	<b>(OUT) FY 2025</b>	<b>ENDING BALANCE JUN 30, 2025 ACTUAL</b>
<b>CLEANWATER FUND</b>							
NET POSITION	63,698	625,753	(711,634)	-	392,919	-	370,735
DESIGNATED							
UTILITY PLANT IN SERVICE	446,876		-	89,375	-		536,251
ENCUMBRANCES	66,186		-	(133,602)	583,400	(370,735)	145,249
CAPITAL REPLACEMENT RESERVE	-			-	-		-
TOTAL CLEAN WATER FUND	576,760	625,753	(711,634)	(44,227)	976,319	(370,735)	1,052,235
<b>WASTEWATER FUND</b>							
NET POSITION	713,858	4,460,570	(3,608,697)	-	374,960	-	1,940,691
RESTRICTED							
IBANK RESERVE	228,828	-	-	-	-	-	228,828
CONTRIBUTED CAPITAL	650,814	-	-	-	-	-	650,814
LOAN RESERVE-STATE REVOLVING	332,979	-	-	-	-	-	332,979
DESIGNATED							
ENCUMBRANCES	374,960	-	-	-	-	(374,960)	-
SELF-INSURANCE	50,000	-	-	-	-	-	50,000
CAPITAL REPLACEMENT	500,000	-	-	-	-	-	500,000
NET PENSION LIABILITY	(1,986,628)	-	24,509	-	-	-	(1,962,119)
PENSION RESERVE	900,000	-	-	-	-	-	900,000
OPERATING RESERVE	408,000	-	-	-	-	-	408,000
EQUIPMENT REPLACEMENT	300,000	-	-	-	-	-	300,000
UTILITY PLANT IN SERVICE	8,548,709	-	(653,615)	-	-	-	7,895,094
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
TOTAL WASTEWATER FUND	11,221,520	4,460,570	(4,237,803)	-	374,960	(374,960)	11,444,288
<b>TOTAL ENTERPRISE FUNDS</b>	<b>25,576,152</b>	<b>10,088,429</b>	<b>(9,649,715)</b>	<b>(44,227)</b>	<b>1,472,777</b>	<b>(1,237,928)</b>	<b>26,205,487</b>
<b>TOTAL - ALL FUNDS</b>	<b>54,245,570</b>	<b>41,125,212</b>	<b>(30,417,340)</b>	<b>(9,784,840)</b>	<b>10,755,663</b>	<b>(10,755,663)</b>	<b>55,168,603</b>

**CITY OF DEL MAR  
FISCAL YEAR 2024-2025  
FINAL FINANCIAL REPORT  
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FINAL FY 2022-23	ACTUAL REVENUE FINAL FY 2023-24	ADOPTED BUDGET (6/17/24) FY 2024-25	MID-YEAR AMENDED BUDGET FY 2024-25	ACTUAL REVENUE FINAL FY 2024-25	% RECV'D FY 2024-25	PROJECTED REVENUE FY 2024-25
<b>GENERAL FUND</b>							
<b>TAXES</b>							
PROPERTY TAX	7,241,627	7,651,288	8,032,500	8,032,500	8,088,157	100.7%	8,070,000
VLF IN LIEU OF PROPERTY TAX	759,841	807,116	821,800	821,800	858,932	104.5%	830,000
SALES AND USE TAX	2,306,262	2,196,466	2,300,000	2,300,000	2,297,404	99.9%	2,200,000
TRANSIENT OCCUPANCY TAX	3,816,392	3,799,038	3,820,000	4,000,000	4,084,758	102.1%	4,000,000
BUSINESS LICENSE TAX	276,466	362,769	430,000	350,000	360,364	103.0%	330,000
FRANCHISE TAX	442,409	446,816	350,000	430,000	422,411	98.2%	430,000
REAL PROPERTY TRANSFER TAX	134,893	178,484	140,000	140,000	171,806	122.7%	145,000
<b>TOTAL</b>	<b>14,977,890</b>	<b>15,441,977</b>	<b>15,894,300</b>	<b>16,074,300</b>	<b>16,283,832</b>	<b>101.3%</b>	<b>16,005,000</b>
<b>LICENSES &amp; PERMITS</b>							
LICENSES & PERMITS	2,335	3,485	500	500	4,615	923.0%	750
JUNIOR LIFEGUARD	96,990	90,310	95,000	95,000	92,770	97.7%	95,000
PARKING PERMITS	30,060	27,387	25,000	25,000	34,995	140.0%	30,000
<b>TOTAL</b>	<b>129,385</b>	<b>121,182</b>	<b>120,500</b>	<b>120,500</b>	<b>132,380</b>	<b>109.9%</b>	<b>125,750</b>
<b>FINES &amp; FORFEITURES</b>							
MOVING VIOLATIONS/VEHICLE CODE FINES	58,170	69,284	55,000	55,000	66,761	121.4%	65,000
PARKING VIOLATIONS	1,368,108	1,395,851	1,250,000	1,350,000	1,538,560	114.0%	1,450,000
PENALTIES	5,712	25,267	12,000	12,000	22,788	189.9%	12,000
ADMINISTRATIVE CITATIONS	88,167	55,152	45,000	45,000	41,590	92.4%	45,000
RED LIGHT ENFORCEMENT	73,937	94,156	65,000	65,000	86,561	133.2%	80,000
<b>TOTAL</b>	<b>1,594,094</b>	<b>1,639,710</b>	<b>1,427,000</b>	<b>1,527,000</b>	<b>1,756,261</b>	<b>115.0%</b>	<b>1,652,000</b>
<b>REVENUE FROM USE OF ASSETS</b>							
INTEREST EARNINGS	199,381	925,444	400,000	400,000	892,952	223.2%	400,000
RENTAL INCOME	230,372	240,743	200,000	200,000	256,210	128.1%	240,000
LEASE INCOME/LOSS	-	-	-	-	174,205	100.0%	-
PARKING METER INCOME	1,268,930	1,433,473	1,400,000	1,700,000	1,734,993	102.1%	1,650,000
SIDEWALK CAFÉ USER FEE	1,469	12,371	3,000	3,000	7,980	266.0%	3,000
<b>TOTAL</b>	<b>1,700,152</b>	<b>2,612,031</b>	<b>2,003,000</b>	<b>2,303,000</b>	<b>3,066,340</b>	<b>133.1%</b>	<b>2,293,000</b>
<b>REVENUE FROM OTHER AGENCIES</b>							
MOTOR VEHICLE LICENSE FEE	4,040	4,868	4,000	4,000	6,229	155.7%	4,800
PUBLIC SAFETY AUGMENTATION FUND	107,147	107,890	100,000	100,000	109,006	109.0%	100,000
HOMEOWNER EXEMPT	35,835	34,592	35,000	35,000	34,652	99.0%	30,000
STATE MANDATED COST REIMB	-	128	1,500	1,500	-	0.0%	1,500
FEDERAL/STATE/LOCAL GRANTS	5,000	24,406	162,200	162,200	5,000	3.1%	162,200
CORONAVIRUS RELIEF FUNDS	870,883	-	162,310	162,310	-	0.0%	162,310
OFF-TRACK PARIMUTUEL	9,009	7,465	8,000	8,000	5,726	71.6%	6,500
SOLID WASTE	10,996	12,620	11,000	11,000	12,932	117.6%	12,900
<b>TOTAL</b>	<b>1,042,910</b>	<b>191,969</b>	<b>484,010</b>	<b>484,010</b>	<b>173,546</b>	<b>35.9%</b>	<b>480,210</b>
<b>CHARGES - PLANNING SERVICES</b>							
PLANNING SERVICES	625,509	502,183	520,000	520,000	552,483	106.2%	525,000
ENGINEERING SERVICES	181,888	171,259	200,000	200,000	124,232	62.1%	160,000
BUILDING SERVICES	606,602	612,862	500,000	500,000	474,017	94.8%	540,000
<b>TOTAL</b>	<b>1,413,999</b>	<b>1,286,304</b>	<b>1,220,000</b>	<b>1,220,000</b>	<b>1,150,732</b>	<b>94.3%</b>	<b>1,225,000</b>

**CITY OF DEL MAR  
FISCAL YEAR 2024-2025  
FINAL FINANCIAL REPORT  
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FINAL FY 2022-23	ACTUAL REVENUE FINAL FY 2023-24	ADOPTED BUDGET (6/17/24) FY 2024-25	MID-YEAR AMENDED BUDGET FY 2024-25	ACTUAL REVENUE FINAL FY 2024-25	% RECV'D FY 2024-25	PROJECTED REVENUE FY 2024-25
<b>OTHER REVENUE SOURCES</b>							
PARKING IN-LIEU FEE	-	13,764	1,500	1,500	10,372	691.5%	2,700
SALE OF PROPERTY	-	-	-	-	-	0.0%	-
ADMINISTRATIVE CHARGE	910,344	937,650	990,000	990,000	965,790	97.6%	990,000
CONTRIBUTIONS	3,660	-	-	-	48,384	0.0%	-
ADMINISTRATIVE CHARGE-MEASURE Q	59,875	90,528	150,000	150,000	152,731	101.8%	150,000
WC/STD REIMBURSEMENTS	22,665	-	-	-	11,888	100.0%	-
INSURANCE CLAIM REIMBURSEMENT	3,807	-	-	-	353,910	0.0%	-
EXPENDITURE REIMBURSEMENT	3,811	148,006	5,000	35,000	53,613	153.2%	35,000
MISCELLANEOUS	137,182	73,594	25,000	100,620	95,449	94.9%	100,620
<b>TOTAL</b>	<b>1,141,344</b>	<b>1,263,542</b>	<b>1,171,500</b>	<b>1,277,120</b>	<b>1,692,137</b>	<b>132.5%</b>	<b>1,278,320</b>
<b>TOTAL GENERAL FUND</b>	<b>21,999,774</b>	<b>22,556,715</b>	<b>22,320,310</b>	<b>23,005,930</b>	<b>24,255,227</b>	<b>105.4%</b>	<b>23,059,280</b>
<b>MEASURE Q FUND</b>	<b>3,401,946</b>	<b>3,780,939</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,958,543</b>	<b>113.1%</b>	<b>3,490,000</b>
<b>ROAD MAINTENANCE REHAB ACCOUNT</b>	<b>90,384</b>	<b>107,381</b>	<b>100,860</b>	<b>100,860</b>	<b>114,392</b>	<b>113.4%</b>	<b>99,760</b>
<b>GAS TAX FUND</b>	<b>105,890</b>	<b>114,641</b>	<b>114,770</b>	<b>114,770</b>	<b>115,990</b>	<b>101.1%</b>	<b>117,400</b>
<b>OPEN SPACE FUND</b>							
TAXES	34,115	18,144	12,000	12,000	5,374	44.8%	8,000
LICENSE & PERMITS	390,339	403,365	440,000	440,000	423,758	96.3%	435,000
RENTAL INCOME	-	-	-	221,670	221,676	-	235,000
FEDERAL/STATE GRANTS	-	215,672	-	680,000	-	0.0%	-
OFF-TRACK PARIMUTUEL	4,334	4,976	5,000	5,000	3,817	76.3%	4,000
CONTRIBUTIONS	102,856	34,000	137,000	941,673	-	0.0%	1,621,673
MISCELLANEOUS	8,021	8,952	264,530	42,860	6,302	14.7%	42,860
<b>TOTAL OPEN SPACE FUND</b>	<b>539,665</b>	<b>685,109</b>	<b>858,530</b>	<b>2,343,203</b>	<b>660,927</b>	<b>28.2%</b>	<b>2,346,533</b>
<b>SUPPLEMENTAL LAW FUND</b>	<b>166,847</b>	<b>192,923</b>	<b>160,000</b>	<b>194,000</b>	<b>199,879</b>	<b>103.0%</b>	<b>194,000</b>
<b>REGIONAL COMMUNICATION</b>	<b>43,990</b>	<b>46,159</b>	<b>45,000</b>	<b>45,000</b>	<b>45,165</b>	<b>100.4%</b>	<b>46,000</b>
<b>GRANTS FUND</b>	<b>71,515</b>	<b>87,833</b>	<b>60,000</b>	<b>66,352</b>	<b>85,067</b>	<b>128.2%</b>	<b>70,000</b>
<b>HOUSING FUND</b>	<b>2,546</b>	<b>42,364</b>	<b>30,000</b>	<b>162,850</b>	<b>222,137</b>	<b>136.4%</b>	<b>162,850</b>
<b>AB 939</b>	<b>159,145</b>	<b>251,345</b>	<b>154,000</b>	<b>154,000</b>	<b>179,710</b>	<b>116.7%</b>	<b>154,000</b>
<b>PEG FEE FUND</b>	<b>43,647</b>	<b>40,405</b>	<b>46,000</b>	<b>46,000</b>	<b>36,839</b>	<b>80.1%</b>	<b>40,000</b>
<b>CAPITAL IMPROVEMENT FUND</b>							
FEDERAL/STATE/LOCAL GRANTS	684,949	208,899	1,411,950	2,835,764	396,683	14.0%	2,672,450
MISCELLANEOUS	63,564	202,872	-	-	-	0.0%	-
<b>TOTAL CAPITAL IMPROVEMENT FUND</b>	<b>748,513</b>	<b>411,771</b>	<b>1,411,950</b>	<b>2,835,764</b>	<b>396,683</b>	<b>14.0%</b>	<b>2,672,450</b>
<b>TRANSNET FUND</b>	<b>133,698</b>	<b>228,931</b>	<b>147,000</b>	<b>578,000</b>	<b>191,281</b>	<b>33.1%</b>	<b>578,000</b>
<b>RTCIP FUND</b>	<b>23,784</b>	<b>4,977</b>	<b>-</b>	<b>-</b>	<b>1,525</b>	<b>100.0%</b>	<b>400</b>
<b>SPECIAL PROJECTS FUND</b>	<b>225,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,814</b>	<b>0.0%</b>	<b>-</b>
<b>TOTAL GENERAL GOVERNMENTAL FUNDS</b>	<b>27,756,344</b>	<b>28,551,493</b>	<b>28,948,420</b>	<b>33,146,729</b>	<b>30,641,178</b>	<b>92.4%</b>	<b>33,030,673</b>
<b>WORKERS' COMPENSATION FUND</b>	<b>290,088</b>	<b>349,499</b>	<b>290,000</b>	<b>290,000</b>	<b>395,606</b>	<b>136.4%</b>	<b>290,000</b>

**CITY OF DEL MAR  
FISCAL YEAR 2024-2025  
FINAL FINANCIAL REPORT  
REVENUE SUMMARIES**

<b>SOURCE OF FUNDS</b>	<b>ACTUAL REVENUE FINAL FY 2022-23</b>	<b>ACTUAL REVENUE FINAL FY 2023-24</b>	<b>ADOPTED BUDGET (6/17/24) FY 2024-25</b>	<b>MID-YEAR AMENDED BUDGET FY 2024-25</b>	<b>ACTUAL REVENUE FINAL FY 2024-25</b>	<b>% RECV'D FY 2024-25</b>	<b>PROJECTED REVENUE FY 2024-25</b>
<b>WATER UTILITY FUND</b>							
WATER SALES	2,250,941	2,365,627	2,375,000	2,575,000	2,760,874	107.2%	2,600,000
READY TO SERVE CHARGE	1,860,332	1,954,206	1,950,000	1,950,000	2,021,281	103.7%	1,960,000
OTHER CONNECTION FEES	57,667	68,356	54,000	54,000	56,558	104.7%	35,000
MISCELLANEOUS	101,824	200,549	90,000	90,000	163,392	181.5%	74,000
<b>TOTAL OPERATING REVENUE</b>	<b>4,270,764</b>	<b>4,588,738</b>	<b>4,469,000</b>	<b>4,669,000</b>	<b>5,002,105</b>	<b>107.1%</b>	<b>4,669,000</b>
<b>CLEAN WATER PROGRAM</b>							
SERVICE CHARGE	623,696	657,722	630,000	630,000	617,884	98.1%	595,000
MISCELLANEOUS	5,266	10,973	5,000	5,000	7,869	157.4%	41,200
<b>TOTAL CLEAN WATER PROGRAM</b>	<b>628,962</b>	<b>668,695</b>	<b>635,000</b>	<b>635,000</b>	<b>625,753</b>	<b>98.5%</b>	<b>636,200</b>
<b>WASTEWATER FUND</b>							
SERVICE CHARGES	1,860,666	1,954,106	1,940,000	2,000,000	2,178,563	108.9%	2,000,000
USAGE CHARGES	1,923,924	1,950,126	2,000,000	2,000,000	2,026,033	101.3%	2,000,000
OTHER SEWER FEES	67,657	83,766	75,000	75,000	83,766	111.7%	47,700
MISCELLANEOUS	56,127	188,378	77,000	77,000	172,208	223.6%	48,000
<b>TOTAL WASTEWATER FUND</b>	<b>3,908,374</b>	<b>4,176,376</b>	<b>4,092,000</b>	<b>4,152,000</b>	<b>4,460,570</b>	<b>107.4%</b>	<b>4,095,700</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>8,808,100</b>	<b>9,433,809</b>	<b>9,196,000</b>	<b>9,456,000</b>	<b>10,088,429</b>	<b>106.7%</b>	<b>9,400,900</b>
<b>TOTAL ALL FUNDS</b>	<b>36,854,533</b>	<b>38,334,801</b>	<b>38,434,420</b>	<b>42,892,729</b>	<b>41,125,212</b>	<b>95.9%</b>	<b>42,721,573</b>

**CITY OF DEL MAR  
FISCAL YEAR 2024-25  
FINAL FINANCIAL REPORT  
EXPENDITURE SUMMARIES**

DEPARTMENT	ACTUAL EXP FINAL FY 2022-23	ACTUAL EXP FINAL FY 2023-24	ADOPTED BUDGET (6/17/24) FY 2024-25	FINAL AMENDED BUDGET FY 2024-25	ACTUAL EXP FINAL FY 2024-25	% EXPENSED FY 2024-25	PROJECTED EXP FY 2024-25
<b>GENERAL FUND</b>							
<b>GENERAL GOVERNMENT</b>							
CITY COUNCIL	23,400	41,603	35,280	35,280	48,113	136.4%	39,870
LEGAL SERVICES	625,181	700,194	506,000	606,000	634,897	104.8%	600,000
CITY MANAGER	714,344	878,774	922,090	922,090	1,002,306	108.7%	920,095
HUMAN RESOURCES	226,829	258,453	249,590	249,590	283,609	113.6%	274,860
CITY CLERK	337,212	361,529	364,740	364,740	432,525	118.6%	448,500
INFORMATION SYSTEMS	504,087	548,153	544,960	544,960	471,783	86.6%	561,200
FINANCE SERVICES	736,709	764,865	809,760	810,410	801,530	98.9%	814,690
RISK MANAGEMENT	280,408	368,636	481,350	481,350	804,507	167.1%	428,000
PLANNING SERVICES	1,196,048	1,508,816	1,876,690	1,877,340	1,744,868	92.9%	1,830,700
CODE ENFORCEMENT	148,242	161,031	149,550	149,550	145,465	97.3%	170,390
BUILDING SERVICES	485,477	476,118	403,500	403,500	389,145	96.4%	403,500
<b>TOTAL</b>	<b>5,277,937</b>	<b>6,068,172</b>	<b>6,343,510</b>	<b>6,444,810</b>	<b>6,758,747</b>	<b>104.9%</b>	<b>6,491,805</b>
<b>PUBLIC SAFETY</b>							
LAW ENFORCEMENT	2,687,591	2,747,809	2,962,340	2,962,340	2,837,524	95.8%	2,848,940
LIFEGUARD SERVICES	1,393,458	1,516,815	1,547,960	1,573,957	1,664,222	105.7%	1,626,080
PARKING ENFORCEMENT	1,084,591	1,046,838	1,189,520	1,189,520	1,181,768	99.3%	1,221,730
FIRE PROTECTION	2,442,988	2,741,927	2,894,330	3,032,062	2,970,463	98.0%	3,024,020
HAZARDOUS WASTE MANAGEMENT	17,632	20,077	22,960	22,960	21,907	95.4%	22,910
SOLID WASTE	3,508	3,001	5,000	5,000	3,345	66.9%	4,000
EMERGENCY PREPAREDNESS	2,884	3,152	5,750	5,750	2,973	51.7%	5,580
<b>TOTAL</b>	<b>7,632,652</b>	<b>8,079,619</b>	<b>8,627,860</b>	<b>8,791,589</b>	<b>8,682,202</b>	<b>98.8%</b>	<b>8,753,260</b>
<b>PUBLIC WORKS</b>							
ENGINEERING SERVICES	137,256	284,858	263,750	263,750	170,231	64.5%	250,000
STORM DRAIN FACILITIES	154,487	199,913	205,750	206,125	221,939	107.7%	249,300
<b>TOTAL</b>	<b>528,985</b>	<b>769,660</b>	<b>828,780</b>	<b>829,613</b>	<b>646,868</b>	<b>78.0%</b>	<b>827,390</b>
<b>NON-DEPARTMENTAL</b>							
COMMUNITY SUPPORT	415,129	385,398	427,510	427,510	472,548	110.5%	442,200
TV STUDIO	97,575	89,375	119,420	119,420	120,488	100.9%	124,200
CITY MEMBERSHIPS	93,740	101,741	109,890	109,890	105,164	95.7%	105,170
CITY HALL - GENERAL	157,091	156,326	185,750	185,750	170,691	91.9%	185,000
<b>TOTAL</b>	<b>763,535</b>	<b>732,840</b>	<b>842,570</b>	<b>842,570</b>	<b>868,891</b>	<b>103.1%</b>	<b>856,570</b>
<b>TOTAL GENERAL FUND BEFORE EQUIPMENT REPLACEMENT</b>	<b>14,203,109</b>	<b>15,650,291</b>	<b>16,642,720</b>	<b>16,908,582</b>	<b>16,956,708</b>	<b>100.3%</b>	<b>16,929,025</b>
EQUIPMENT REPLACEMENT	987,427	270,159	182,240	257,899	118,909	46.1%	257,900
<b>TOTAL GENERAL FUND INCLUDING EQUIPMENT REPLACEMENT</b>	<b>15,190,536</b>	<b>15,920,450</b>	<b>16,824,960</b>	<b>17,166,481</b>	<b>17,075,617</b>	<b>99.5%</b>	<b>17,186,925</b>
<b>MEASURE Q FUND</b>	<b>1,325,555</b>	<b>1,174,333</b>	<b>6,720,500</b>	<b>15,216,225</b>	<b>6,885,074</b>	<b>45.2%</b>	<b>9,752,400</b>
<b>ROAD MAINTENANCE REHAB ACCOUNT</b>	-	-	-	-	-	0%	-

**CITY OF DEL MAR  
FISCAL YEAR 2024-25  
FINAL FINANCIAL REPORT  
EXPENDITURE SUMMARIES**

DEPARTMENT	ACTUAL EXP FINAL FY 2022-23	ACTUAL EXP FINAL FY 2023-24	ADOPTED BUDGET (6/17/24) FY 2024-25	FINAL AMENDED BUDGET FY 2024-25	ACTUAL EXP FINAL FY 2024-25	% EXPENSED FY 2024-25	PROJECTED EXP FY 2024-25
<b>GAS TAX FUND</b>							
STREET MAINTENANCE	276,033	269,233	382,420	398,170	277,835	69.8%	318,505
STREET LIGHTS/SIGNS	161,080	174,857	198,850	199,390	152,887	76.7%	178,640
STREET LANDSCAPING	272,320	314,882	306,180	306,554	277,867	90.6%	285,780
<b>TOTAL GAX TAX FUND</b>	<b>709,434</b>	<b>758,972</b>	<b>887,450</b>	<b>904,114</b>	<b>708,589</b>	<b>78.4%</b>	<b>782,925</b>
<b>OPEN SPACE FUND</b>							
POWERHOUSE OPERATIONS	379,591	426,569	485,030	489,199	481,065	98.3%	472,600
BEACH MAINTENANCE	363,402	334,473	451,620	452,370	380,586	84.1%	406,450
PARK MAINTENANCE	309,117	434,342	493,710	494,460	451,888	91.4%	498,080
<b>TOTAL OPEN SPACE FUND</b>	<b>1,052,109</b>	<b>1,195,384</b>	<b>1,430,360</b>	<b>1,436,029</b>	<b>1,313,539</b>	<b>91.5%</b>	<b>1,377,130</b>
<b>SUPPLEMENTAL LAW ENFORCEMENT</b>	-	-	-	-	-	0%	-
<b>REGIONAL COMMUNICATION FUND</b>	40,960	44,521	61,250	61,250	45,168	73.7%	61,250
<b>GRANTS FUND</b>	69,752	68,491	61,170	73,373	81,066	110.5%	67,520
<b>HOUSING FUND</b>	101,143	45,684	40,000	57,240	57,328	100.2%	57,240
<b>AB 939</b>	35,989	64,849	118,890	118,890	72,574	61.0%	119,530
<b>PEG FEE FUND</b>	18,510	10,736	31,200	31,200	31,813	102.0%	43,530
<b>TOTAL GENERAL O&amp;M FUNDS</b>	<b>18,543,989</b>	<b>19,283,420</b>	<b>26,175,780</b>	<b>35,064,802</b>	<b>26,270,767</b>	<b>74.9%</b>	<b>29,448,450</b>
<b>CAPITAL IMPROVEMENT FUNDS</b>							
OPEN SPACE CIP	584,768	146,197	81,000	1,922,398	206,364	10.7%	1,741,398
GENERAL FUND CIP	909,191	2,230,198	2,339,450	4,971,925	2,458,116	49.4%	4,971,925
DEBT SERVICE-CITY HALL	904,283	902,860	904,290	904,290	901,391	99.7%	904,290
TRANSNET II CIP	133,264	228,756	147,000	578,000	191,159	33.1%	578,000
RTCIP FUND	-	-	-	-	-	0.0%	-
<b>TOTAL CAPITAL IMPROVEMENT FUNDS</b>	<b>2,531,506</b>	<b>3,508,011</b>	<b>3,471,740</b>	<b>8,376,613</b>	<b>3,757,030</b>	<b>44.9%</b>	<b>8,195,613</b>
<b>SPECIAL PROJECT FUND</b>	452,662	430,060	669,460	1,538,274	191,058	12.4%	1,488,274
<b>TOTAL GENERAL GOVERNMENTAL FUNDS</b>	<b>21,528,157</b>	<b>23,221,491</b>	<b>30,316,980</b>	<b>44,979,689</b>	<b>30,218,855</b>	<b>67.2%</b>	<b>39,132,337</b>
<b>WORKERS' COMPENSATION FUND</b>	380,724	261,612	304,000	304,000	289,382	95.2%	304,000
<b>WATER FUND</b>							
GENERAL ADMINISTRATION	1,653,945	2,051,373	2,157,790	2,188,122	2,184,901	99.9%	2,178,010
RISK MANAGEMENT	132,948	162,220	187,540	187,540	219,864	117.2%	202,900
RAW WATER SUPPLY	1,677,581	1,717,992	1,902,040	2,102,040	1,939,778	92.3%	2,100,000
TREATMENT/DELIVERY	441,012	374,796	461,090	461,090	355,734	77.2%	450,000
<b>TOTAL WATER FUND O&amp;M</b>	<b>3,905,486</b>	<b>4,306,381</b>	<b>4,708,460</b>	<b>4,938,792</b>	<b>4,700,278</b>	<b>95.2%</b>	<b>4,930,910</b>
WATER CAP IMPROVEMENT	1,367	-	622,000	741,217	-	0.0%	741,210
<b>TOTAL WATER FUND</b>	<b>3,906,853</b>	<b>4,306,381</b>	<b>5,330,460</b>	<b>5,680,009</b>	<b>4,700,278</b>	<b>82.8%</b>	<b>5,672,120</b>

**CITY OF DEL MAR  
FISCAL YEAR 2024-25  
FINAL FINANCIAL REPORT  
EXPENDITURE SUMMARIES**

DEPARTMENT	ACTUAL EXP FINAL FY 2022-23	ACTUAL EXP FINAL FY 2023-24	ADOPTED BUDGET (6/17/24) FY 2024-25	FINAL AMENDED BUDGET FY 2024-25	ACTUAL EXP FINAL FY 2024-25	% EXPENSED FY 2024-25	PROJECTED EXP FY 2024-25
<b>CLEAN WATER FUND</b>							
PLANNING	66,315	78,255	71,460	91,460	92,943	101.6%	90,630
CODE ENFORCEMENT	37,415	39,025	39,560	39,560	34,562	87.4%	42,390
CLEAN WATER MANAGEMENT	281,209	307,573	344,030	344,030	273,178	79.4%	341,500
PUBLIC WORKS	275,141	287,993	330,420	351,744	310,951	88.4%	350,590
<b>TOTAL CLEAN WATER O &amp; M</b>	<b>660,080</b>	<b>712,846</b>	<b>785,470</b>	<b>826,794</b>	<b>711,634</b>	<b>86.1%</b>	<b>825,110</b>
CLEAN WATER CAP IMPROVEMENT	3,462	-	365,000	482,322	44,227	9.2%	416,500
<b>TOTAL CLEAN WATER FUND</b>	<b>663,542</b>	<b>712,846</b>	<b>1,150,470</b>	<b>1,309,116</b>	<b>755,861</b>	<b>57.7%</b>	<b>1,241,610</b>
<b>WASTEWATER FUND</b>							
RISK MANAGEMENT	131,867	162,220	196,540	196,540	219,864	111.9%	200,500
WASTEWATER TRANSPORTATION	102,276	57,498	139,740	139,740	181,634	130.0%	134,000
WASTEWATER TREATMENT	909,145	927,290	1,039,550	1,169,550	1,141,611	97.6%	1,167,000
DEBT SERVICE	150,176	563,446	568,850	568,850	562,673	98.9%	568,850
WASTEWATER PROGRAM	2,109,626	2,550,377	2,752,790	2,807,622	2,567,858	91.5%	2,804,070
<b>TOTAL WASTEWATER FUND O&amp;M</b>	<b>3,403,091</b>	<b>4,260,831</b>	<b>4,697,470</b>	<b>4,882,302</b>	<b>4,673,640</b>	<b>95.7%</b>	<b>4,874,420</b>
WASTEWATER CAPITAL IMPROVEMENT	-	(501,927)	425,000	797,679	-	0.0%	797,680
<b>TOTAL WASTEWATER FUND</b>	<b>3,403,091</b>	<b>3,758,904</b>	<b>5,122,470</b>	<b>5,679,981</b>	<b>4,673,640</b>	<b>82.3%</b>	<b>5,672,100</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>7,973,485</b>	<b>8,778,131</b>	<b>11,603,400</b>	<b>12,669,106</b>	<b>10,129,779</b>	<b>80.0%</b>	<b>12,585,830</b>
<b>TOTAL EXPENDITURES</b>	<b>29,882,366</b>	<b>32,261,234</b>	<b>42,224,380</b>	<b>57,952,795</b>	<b>40,638,016</b>	<b>70.1%</b>	<b>52,022,167</b>

**City of Del Mar  
Cash Flow Report  
General Fund  
Fiscal Year 2024-25**

	<b>Adopted FY 2025 (6/17/24) (A)</b>	<b>Mid-Year FY 2025 (4/7/25) (B)</b>	<b>Final Results FY 2025 (C)</b>	<b>Difference (D = C - B)</b>
<b>Total Revenue</b>	22,320,310	23,005,930	24,255,227	1,249,297
<b>Total Expenditures</b>	16,824,960	17,155,684	17,075,617	(80,067)
<b>Transfers</b>				
Gas Tax	772,680	787,745	612,579	(175,166)
Open Space	571,830	510,058	652,612	142,554
SLESF	(160,000)	(194,000)	(199,467)	(5,467)
Regional Comm	13,897	13,897	-	(13,897)
Housing Fund	-	-	(55,550)	(55,550)
Clean Water (non-CIP)	150,000	126,772	392,919	266,147
RMRA Reimb	(100,860)	(208,245)	-	208,245
PEG Fee Reimb	(20,000)	(10,000)	(10,000)	-
Total Transfers	<u>1,227,547</u>	<u>1,026,227</u>	<u>1,393,092</u>	<u>366,865</u>
<b>City Hall Debt</b>	904,290	904,290	901,391	(2,899)
<b>Cash Flow (before CIP &amp; SP)</b>	<b>\$ 3,363,513</b>	<b>\$ 3,919,729</b>	<b>\$ 4,885,127</b>	<b>\$ 965,398</b>
<b>Transfer to CIP</b>				
Open Space	81,000	81,000	267,043	186,043
General Fund	927,500	1,212,808	2,304,376	1,091,568
CIP Reserve Transfer	2,500,000	2,500,000	2,500,000	-
Clean Water	365,000	416,500	(158,070)	(574,570)
Total CIP	<u>3,873,500</u>	<u>4,210,308</u>	<u>4,913,349</u>	<u>703,041</u>
<b>Transfer to Special Projects</b>	669,460	739,700	(331,478)	(1,071,178)
<b>Cash Flow (after CIP &amp; SP)</b>	<b>\$ (1,179,447)</b>	<b>\$ (1,030,279)</b>	<b>\$ 303,256</b>	<b>\$ 1,333,535</b>
<b>Reserves</b>				
Contingency Reserves	4,837,122	5,683,024	6,571,563	888,539
Self-Insurance	300,000	300,000	410,216	110,216
Housing Reserve	1,650,000	1,650,000	1,650,000	-
Pension Reserve	4,760,000	4,781,894	4,977,684	195,790
Leave Liability	100,000	100,000	100,000	-
Equipment Replacement	678,460	657,342	796,332	138,990
	<u>12,325,582</u>	<u>13,172,260</u>	<u>14,505,794</u>	<u>1,333,534</u>
<b>Other Reserve Balance</b>				
Capital Reserve	3,150,000	3,150,000	3,150,000	-

**City of Del Mar**  
**Pension Funding History**  
 June 30, 2016 - June 30, 2025

Fiscal Year	Accrued Liability	Market Value of Assets	Pension Reserve	Unfunded Accrued Liability	Plan's Funded Ratio	Annual Pension Contribution	CALPERS Investment Earnings
June 30, 2016	\$43,061,758	\$31,547,017	\$ -	\$11,514,741	73.3%	\$843,723	0.6%
June 30, 2017	45,368,252	33,812,916	249,087	11,306,249	75.1%	927,010	11.2%
June 30, 2018	50,284,136	36,846,264	1,099,122	12,338,750	75.5%	995,243	8.6%
June 30, 2019	52,871,543	38,713,741	1,949,170	12,208,632	76.9%	1,221,744	6.7%
June 30, 2020	55,435,711	39,940,142	2,240,200	13,255,369	76.1%	1,410,817	4.7%
June 30, 2021	59,195,784	48,413,744	2,528,950	8,253,090	86.1%	1,517,070	21.3%
June 30, 2022	62,155,326	43,862,582	3,890,200	14,402,544	76.8%	1,697,869	-6.1%
June 30, 2023	65,021,732	45,439,148	4,997,500	14,585,084	77.6%	1,860,532	5.8%
June 30, 2024	67,090,804	47,813,311	6,321,894	12,955,599	80.7%	1,950,479	9.3%
June 30, 2025*	Not available	Not available	6,877,684	10,919,832	Not available	2,255,847	11.6%

\* CalPERS Actuarial report for June 30, 2025 is not available. The unfunded accrued liability amount is based on the estimates prepared for the June 30, 2025 Annual Comprehensive Financial Report.

# FISCAL YEAR 2024-25 FINAL FINANCIAL REPORT & FISCAL YEAR 2025-26 MID- YEAR FINANCIAL REPORT

February 18, 2026



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# FISCAL YEAR 2024-25 FINAL FINANCIAL RESULTS



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# FY 2024-25 Final Financial Results

## Summary of FY 2024-25 Annual Comprehensive Financial Report (ACFR) Results

### ***Audit Finding or Issues***

- Material weakness identified in internal control – *None*
- Significant Deficiency in internal control over financial reporting – *None*
- Instances of noncompliance reported - *None*
- Accounting transactions for which there was a lack of authoritative guidance – *None*
- Difficulties in performing the audit – *None*
- Uncorrected misstatements – *None*
- Material misstatements corrected by management – *None*
- Disagreements with management – *None*

# FY 2024-25 Final Financial Results

## Summary of General Fund Final FY 2024-25 Results

### **Revenues**

- Revenues came in \$1,249,297 higher than final budget

### **Expenditures**

- Operating Expenditures came in \$90,864 below final budget projections
- General Fund required transfers came in \$366,865 higher than anticipated
- Capital Project expenditures came in \$703,041 higher than planned

### **Reserves**

- Reserves came in roughly \$1,333,534 higher than final projections

# FY 2024-25 Final Financial Results

## General Fund Revenues

Revenue Source	Final Budget FY 2024-25	Final Results FY 2024-25	Difference	% of Budget
Property Tax	\$8,032,500	\$8,088,157	\$55,657	100.7%
TOT	4,000,000	4,084,758	84,758	102.1%
Sales Tax	2,300,000	2,297,404	(2,596)	99.9%
Parking Meters	1,700,000	1,734,993	34,993	102.1%
Parking Violations	1,350,000	1,538,560	188,560	114.0%
Planning Services	1,220,000	1,150,732	(69,268)	94.3%
Investment Earnings	400,000	892,952	492,952	223.2%
Other Revenues	4,003,430	4,467,971	464,241	111.6%
<b>Totals</b>	<b>\$23,005,930</b>	<b>\$24,255,227</b>	<b>\$1,249,297</b>	<b>105.4%</b>

# FY 2024-25 Final Financial Results

## General Fund Expenditures

Program	Final Budget FY 2024-25	Final Results FY 2024-25	Difference	% of Budget
General Government	\$6,444,810	\$6,758,747	(\$313,937)	104.9%
Public Safety	8,791,589	8,682,202	109,387	98.8%
Public Works	829,613	646,868	182,745	78.0%
Non-Departmental	842,570	868,891	(26,321)	103.1%
Equipment Replacement	257,899	118,909	138,990	46.1%
<b>Totals</b>	<b>\$17,166,481</b>	<b>\$17,075,617</b>	<b>\$90,864</b>	<b>99.5%</b>

# FY 2024-25 Final Financial Results

## Capital Improvements/Special Projects

Program	Final Budget FY 2024-25	Final Results FY 2024-25	Unspent (carry-over)	% of Budget
General CIP	\$4,971,925	\$2,458,116	\$2,513,809	49.4%
Open Space CIP	1,922,398	206,364	1,716,034	10.7%
TransNet CIP	578,000	191,159	386,841	33.1%
Clean Water CIP	482,322	44,227	438,095	9.2%
<b>Total CIP</b>	<b>\$7,954,645</b>	<b>\$2,899,866</b>	<b>\$5,054,779</b>	<b>36.5%</b>
Special Projects	1,538,274	191,058	1,347,216	12.4%
<b>Total</b>	<b>\$9,492,919</b>	<b>\$3,090,924</b>	<b>\$6,401,995</b>	<b>32.6%</b>

# FY 2024-25 Final Financial Results

## Measure Q Fund:

Measure Q Fund	Final Budget FY 2024-25	Final Results FY 2024-25	Difference/ Unspent	% of Budget
Revenue	\$3,500,000	\$3,958,543	\$458,543	113.1%
Expenditures	15,216,225	6,885,074	8,331,151	45.25%

# FY 2024-25 Final Financial Results

## General Fund Reserves:

Reserves	Budget Update FY 2024-25 (6/17/24)	Mid-Year Budget FY 2024-25 (4/7/25)	Final Results FY 2024-25 (1/26/26)
<b>Contingency %</b>	<b>25.69%</b>	<b>30.08%</b>	<b>34.80%</b>
Contingency \$	\$4,837,122	\$5,683,024	\$6,571,563
Pension Reserve	4,760,000	4,781,894	4,977,684
Housing Reserve	1,650,000	1,650,000	1,650,000
Self-Insurance	300,000	300,000	410,216
Leave Liability	100,000	100,000	100,000
Equipment Replacement	678,460	657,342	796,332
<b>Total</b>	<b>\$12,325,582</b>	<b>\$13,172,260</b>	<b>\$14,505,795</b>
Housing Reserve	3,150,000	3,150,000	3,150,000

# FY 2024-25 Final Financial Results

## Debt Management:

Debt	Purpose	Amount	Balance	Repayment Source
State Water Resources Control Board - Clean Water State Revolving Fund	21st Street Sewer Pump Station Replacement	\$5,000,000	\$2,425,114	Wastewater Fund
IBank Loan	San Elijo Joint Powers Authority Pipeline	3,535,354	2,130,240	Wastewater Fund
SANDAG's Debt Financing Program	ROW Improvements	3,000,000	2,370,000	TransNet Fund
IBank Loan	City Hall	16,161,000	13,073,771	General Fund
County of San Diego Finance Agreement	Regional Communication System Upgrade	435,436	49,130	General Fund
IBank Loan*	Undergrounding Program: X1A & 1B	5,000,000	5,000,000	General Fund
<b>Total</b>		<b>\$33,131,790</b>	<b>\$25,048,255</b>	

# Fiscal Year 2025-26 Mid-Year Financial Report



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# FY 2025-26 Mid-Year Financial Report

## Summary of General Fund Mid-Year Results & Recommended Actions

- Increase in revenue budget of \$936,180
- Decrease in expenditures budget of \$23,000
- Transfer of \$425,000 to both the Pension Reserve and Housing Reserve
- Transfer of \$850,000 to the Capital Reserve
- General Fund Contingency (GFC) Balance of \$5.32 million (25.17% GFC / 92 operating days)

# REVENUES



April 7, 2026

# FY 2025-26 Mid-Year Financial Report

## Property Tax: #1 City Revenue Source

- Represents 36% of total General Fund revenue budget
- 6-month receipts total \$4.74 million
- Property tax trending 6.0% higher than last year
- County of San Diego tax/revenue accountability report
- Year-end revenues projected to come in slightly over budget at \$8.46 million
- Revenue adjustment of \$61,000 recommended

# FY 2025-26 Mid-Year Financial Report

## Transient Occupancy Tax (TOT): #2 Highest City Revenue Source

- Represents 19% of total General Fund revenue budget
- First half (July-Dec 2024) collections trending 9.1% higher than same period last year
- Based on current data, staff is recommending increasing the revenues by \$175,000
- Staff is also recommending a decrease of \$65,000 for TOT associated with Short-Term Rentals based on updated timing of program implementation
- Net revenue adjustment of \$110,000

# FY 2025-26 Mid-Year Financial Report

## Sales Tax: #3 Highest City Revenue Source

- Represents 10% of total General Fund revenue budget
- 6-month receipts total \$970,389
- July - September receipts came in 4.5% higher than last year
- HdL, City's sales tax consultant, forecasts revenues to remain relatively flat
- Year-end revenues projected to come in as budgeted at \$2.30 million
- No revenue adjustment recommended

# FY 2025-26 Mid-Year Financial Report

## Summary of Recommended General Fund Revenue Adjustments

Account	Current Budget	Recommended Adjustments	Amended Budget
Property Tax	\$8,394,000	\$61,000	\$8,455,000
TOT	4,353,750	110,000	4,463,750
Sales Tax	2,300,000	-	2,300,000
Parking Violations	1,400,000	150,000	1,550,000
Parking Meters	1,535,000	165,000	1,700,000
Investment Earnings	400,000	390,000	790,000
Other Revenue	5,011,470	60,180	5,071,650
<b>Total</b>	<b>\$23,394,220</b>	<b>\$936,180</b>	<b>\$24,330,400</b>

# FY 2025-26 Mid-Year Financial Report

## Other Non-General Fund Revenue Adjustments:

- Staff recommends a net adjustment to other revenue of \$340,200 including:
- \$41,530 increase to the Supplemental Law Enforcement Fund
- \$70,860 increase for grants and other miscellaneous revenues
- \$57,190 reduction to the Workers' Compensation Fund
- \$200,000 to the Water Fund
- \$85,000 to the Wastewater Fund

# EXPENDITURES



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# FY 2025-26 Mid-Year Financial Report

## Encumbrances & Continuing Appropriations

- Encumbrances: Carry over of funds from FY 2024-25 for committed contracts not completed in the previous year
- Continuing Appropriations: Carry over of funds from FY 2024-25 for capital projects not completed by June 30, 2025
- Staff recommends total carry over expenditure adjustments of \$9.07 million partially offset by \$3.92 million in carry over revenues

# FY 2025-26 Mid-Year Financial Report

## Summary of Recommended General Fund Expenditure Adjustments

Program	Current Budget	Enc & Approp	Recommended Adjustments	Amended Budget
General Government	\$6,973,460	\$9,787	(\$32,000)	\$6,951,247
Public Safety	9,166,860	-	84,000	9,250,860
Public Works	1,251,500	57,868	(90,000)	1,219,368
Non-Departmental	907,910	-	-	907,910
Equipment Replacement	112,240	-	15,000	127,240
<b>Total</b>	<b>\$18,411,970</b>	<b>\$67,655</b>	<b>(\$23,000)</b>	<b>\$18,456,625</b>

# FY 2025-26 Mid-Year Financial Report

## Summary of Recommended Non-General Fund Expenditure Adjustments

Fund	Current Budget	Enc & Approp	Recommended Adjustments	Amended Budget
Gas Tax	\$1,031,360	\$12,900	(\$18,450)	\$1,025,810
Open Space	1,516,230	-	27,000	1,543,230
AB 939	95,480	12,330	-	107,810
PEG Fee	11,900	-	63,540	75,440
CIP	5,824,630	4,676,035	(1,750,000)	8,750,665
Special Project	2,093,000	1,122,910	-	3,215,910
Enterprise	12,941,120	1,827,559	375,250	15,143,929
<b>Total</b>	<b>\$23,513,720</b>	<b>\$7,651,734</b>	<b>(\$1,302,660)</b>	<b>\$29,862,794</b>

# RESERVES



April 7, 2026

# FY 2025-26 Mid-Year Financial Report

## Projected General Fund Reserves as of June 30, 2026

Account	FY 2025-26 Original Budget (6/16/25)	FY 2025-26 Budget Mid-Year (3/3/26)	Difference
<b>General Fund Contingency %</b>	<b>21.33%</b>	<b>25.17%</b>	<b>3.84%</b>
General Fund Contingency \$	\$4,341,582	\$5,324,903	\$983,321
Pension Reserve	5,200,000	5,842,684	642,684
Housing Reserve	1,900,000	2,325,000	425,000
Self-Insurance	300,000	377,216	77,216
Leave Liability	100,000	100,000	-
Equipment Replacement	545,102	669,092	123,990
<b>Total General Fund</b>	<b>\$12,386,684</b>	<b>\$14,638,895</b>	<b>\$2,252,211</b>
Capital Improvement Reserve	2,250,000	4,000,000	1,750,000



# FY 2025-26 Mid-Year Financial Report

## Pension Reserve:

- As of June 30, 2024, the City's pension assets totaled \$47.81 million
- As of June 30, 2025, City's Unfunded Accrued Pension Liability estimated at \$17.80 million
- Accounting for pension reserves, adjusted unfunded pension liability is estimated at \$10.92 million
- City Pension Reserve Policy would require \$1.10 million annual payment for six years to achieve 100% funded ratio by FY 2031-32 for Governmental Fund obligations

# MEASURE Q



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# FY 2025-26 Mid-Year Financial Report

## Measure Q Revenue:

- Similar results to sales tax for non-pooled receipts
- 6-month receipts total \$1.32 million
- HdL and staff project revenues to come in as budgeted at \$3.68 million
- Reduction of \$7.00 million in MQ revenue based on final Undergrounding Program loan amount

# FY 2025-26 Mid-Year Financial Report

## Measure Q Expenditures:

- Current budget is \$14.24 million which includes funding for:
  - Undergrounding Utility Districts 1A, X1A, 1B, 2, and 3
  - Measure Q portion of City's required Maintenance of Effort (MOE) paving costs
- Carryover funds from FY 2024-25 in the amount of \$1.35 million
- Additional carryover funds of \$6.89 million previously authorized by City Council in September 2025
- No additional adjustments recommended

# FY 2025-26 Mid-Year Financial Report

## Measure Q Reserves:

- Beginning balance updated to reflect FY 2024-25 final results which is \$7.45 million
- Current year projected Measure Q revenues of \$8.68 million
- Current expenditure budget of \$14.24 million
- Estimated Measure Q balance as of June 30, 2026, is estimated at \$1.88 million

# NEXT STEPS



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# FY 2024-25 Final Financial Results & FY 2025-26 Mid-Year Financial Report

## Next Steps:

1. Present the Fiscal Year 2026-27 Budget Update to the Finance Committee on May 20, 2025; and
2. Present the Fiscal Year 2026-27 Budget Update to the City Council on June 16, 2026, including feedback and recommendations provided by the Finance Committee.

QUESTIONS?