

AGENDA
SPECIAL MEETING OF THE CITY COUNCIL
FINANCE SUBCOMMITTEE

Agoura Hills City Hall - City Manager's Conference Room
30001 Ladyface Court, Agoura Hills, California 91301
Monday, October 13, 2025
4:00 PM

Please silence all cell phones and other electronic devices during the meeting.

NOTE: *The Subcommittee and City staff will be participating in this meeting in-person in the City Manager's Conference Room. Members of the public have the opportunity to participate in-person in the conference room. For public participation on items listed on this Agenda, refer to "Public Comments" below.*

PUBLIC PARTICIPATION (PUBLIC COMMENT)

Option A: To provide public comments in-person at the meeting

Members of the public have an opportunity to attend the meeting in-person and speak or submit a written comment on any item listed on this Agenda. Public testimony is limited to three (3) minutes per speaker; a speaker's time may not be transferred to another speaker. Written public comments submitted at the meeting are not read aloud by staff.

To request to speak in-person at the meeting. *The Subcommittee will open the floor for public comment and any in-person attendee who raises their hand will have the opportunity to speak. Public testimony is limited to three (3) minutes per speaker; a speaker's time may no be transferred to another speaker.*

Option B: To submit written public comments by e-mail (prior to the meeting)

Members of the public have an opportunity to submit email correspondence on any item listed on the Agenda by sending an email to: comments@agourahillscity.gov. All public correspondence received by 3:00 p.m. on the meeting date will be provided to the Subcommittee prior to the meeting. Public comments are not read into the record. Any public comments received after 3:00 p.m. on the meeting day will not be considered as part of the Subcommittee's deliberations or entered into the official record, but will be provided to the Subcommittee the next day.

CALL TO ORDER

ROLL CALL

Mayor Penny Sylvester
Councilmember Chris Anstead

APPROVAL OF AGENDA

PUBLIC COMMENTS

(This section is reserved for persons wishing to address items not listed on the Agenda that are under the subject matter jurisdiction of the City Council. Please refer to "Public Participation" above for full details on how to speak or submit written public comments under this category.)

DISCUSSION ITEMS

1. Adopt Amendments to the City of Agoura Hills Fiscal Year 2024-25 Budget

SUBCOMMITTEE OR STAFF COMMENTS

ADJOURNMENT

Date Posted: October 9, 2025



REPORT TO FINANCE SUBCOMMITTEE

DATE: OCTOBER 13, 2025
TO: HONORABLE MEMBERS OF THE FINANCE SUBCOMMITTEE
FROM: NATHAN HAMBURGER, CITY MANAGER
BY: DIEGO IBANEZ, DIRECTOR OF FINANCE
LEAH PALMER, FINANCE MANAGER
SUBJECT: ADOPT AMENDMENTS TO THE CITY OF AGOURA HILLS FISCAL YEAR 2024-25 BUDGET

Finance Staff is presenting the City of Agoura Hills Finance Subcommittee the year-end financial balance for the fiscal year 2024-25.

Unaudited Net Operational General Fund revenues for the FY 2024-25 include adjustments for recognizing updated revenue in License and Services for building permits of \$75,000, Building Check Plan of \$220,000 in Building, and \$35,000 in Building Plan Check Fee; this year end also has a one-time transfer in Journal Entry regarding the Successor Agency for \$2.5M to account for an accounting adjustment; this is a non-cash transaction:

General Fund Revenues	Amended Budget	Unaudited Actual
Total Revenues	\$20,903,645	\$22,871,439

Fiscal Year 2024-25 amended the General Fund budget for expenditures and transfers is shown as follows:

	Amended Budget	Unaudited Actuals
General Fund Expenditures		
Total Expenditures & Transfers	\$20,796,801	\$20,836,873
Net Income (Deficit)	\$106,843	\$2,034,566

In Fiscal Year 2024–25, the City of Agoura Hills, faced fiscal challenges that reflected not just local issues, but broader national and global economic uncertainties. While the City’s budget was planned with a focus on city-specific revenues and expenditures, these sources remained deeply vulnerable to macroeconomic conditions. Shifts in interest rates, inflation trends, labor market disruptions, and sector-specific downturns affected consumer behavior, business activity, and tax collections during the fiscal year.

Finance Staff monitors budget changes on a monthly, quarterly, and mid-year level, and strives to keep the budget within City Council approved expenditure guidelines. The City's expenditures for Fiscal Year 2024-25 continued to grow, but with careful planning and review, staff managed to keep expenditures within budgeted parameters. During Mid-Year review of FY 2024-25, if Departments needed additional funds, they reviewed their department for possible budget adjustments in their departmental budget to continue to maintain operations.

Staff has highlighted some of the Fiscal Year's activities below and a justification of request for adjustments.

Taxes and Assessments

During this fiscal year, several macro events affected the City's revenue sources. Economic policies like high interest rates, imposed by the Federal Reserve, to combat inflation reduced consumer and business spending, particularly on big-ticket items that generate local sales tax. Persistent inflation weakened household purchasing power, early conversations in the 1st Quarter of 2025 related to global tariffs also impacted consumer behavior, with people unsure when to buy items because of the implementation of tariffs. This affected seasonal spending related to back-to-school and holiday trends.

Sales Taxes and some assessments were lower than expected due to shifting consumer behavior. Many consumers were more conscious of spending as nationwide gas prices increased, food prices soared, and inflation affected disposable income. Sales tax was down 11% from forecast and the City had several business closures during Fiscal Year 2024-25.

Property Taxes remained flat at a 2% increase from previous years due to high interest rates and uncertain economic environment. The County Assessor did recognize the increase property values in the City of Agoura Hills, but with limited homes being sold it was difficult to calculate new property valuations and increase tax collection.

TOT/Short-Term Rental showed a huge increase, but this revenue stream is more unpredictable than the others and could have been affected by displaced residents of the Palisades Fire at the beginning of the calendar year.

Business License

Staff adjusted Business Licensing by \$75,000 to recognize activity from that department, building plan checks were also adjusted, as well as the business technician fee; these revenue streams were updated to keep an accurate check of the progress of a development project in the City.

Investment Income

The City continued to receive more than the forecasted amount of Investment Income due to high interest rates in the City's investment portfolio. The City received 117% more than anticipated and staff is aware of a possible decrease due to recent interest rate cuts by the federal reserve.

Recognized Obligation Payment Schedule (ROPS)

This fiscal year, Finance Staff had to make a one-time internal accounting adjustment to its Recognized Obligation Payment Schedule (ROPS); the ROPS is a required report that former Redevelopment Agencies (RDAs) in California must submit each year to the state (via their local Successor Agency). It lists debts and obligations (like loans or bonds) that still need to be paid after the RDA was dissolved.

The City filed its Last and Final ROPS and it was approved by the California Department of Finance. Some of the benefits of submitting a Last and Final ROPS are: no longer having to submit a yearly ROPS to the County Oversight Board, ability to finalize and pay off debts, inclusion of any City administrative costs, and it allows the City to standardize all payments on a fixed 4% interest rate.

Finance Staff initiated a Journal Entry to restate the ROPS balance as of 06/30/2025 at the 4% interest rate. Staff spoke with Chavon and Associates, the City's current auditor to explain the entry. The Journal Entry that was approved and posted to the General Ledger; is listed as Exhibit "A" and attached to this staff report.

There is no new money in this Journal Entry, the City and the Successor Agency are just updating the ledger to reflect the current ROPS schedule in term of what the City receives and what is expected to be paid out.

As we move into the mid-year review of the 2025-26 budget cycle, staff will review and continue to take a more conservative approach to financial planning and update the financial assumptions for the current Fiscal Year.

The recommended Budget is balanced and in compliance with the Balanced Budget Policy. This means operating revenues cover operating expenditures, including debt service, and the ending fund balance is compliant with the minimum Policy level as defined by City Council resolution.

The City utilizes a departmental budget process, breaking out various functions of operations to allow for a transparent budget for the community to see and understand. Various departments within the General Fund exceeded budgeted appropriations, as explained in Exhibit 'B'. These costs were offset by savings in other departments. The major departmental increases are summarized below, and adjustments this year are requested at the personnel and operations level.

In order to keep the Finance Subcommittee informed of transactions throughout the fiscal year, Finance staff is highlighting some of the expenses that took place over the fiscal year. Some of the budget variance from budget to actuals can be attributed to increased costs, timing of projects, or reclassification of salaries from Special Funds to the General Fund. This section highlights the budget variance of some of the departments covered under the General Fund and will make for better budget planning during the Mid-Cycle 2026-27 process. All of these expenses are included in the overall year-end expenses listed above.

City Clerk

The budget adjustment for the City Clerk is a reduction in Contract Services due to postponing of an internal scanning project. The request is a reduction of \$48,709.

Automated Services

The reduction in Automated Services of \$35,868 is due to project timing issues related to an IT upgrade.

City Attorney

The budget adjustment for the City Attorney Budget is an additional request of \$270,858 due to unanticipated litigation costs.

Finance

Staff is requesting an increase of \$99,127 in overall salaries and contract services for the Department. Some of the salaries dedicated to projects in Special Funds did not happen due to timing of projects.

Public Facilities

Staff is requesting an increase in the Public Facilities department due to the rising costs of utilities and park maintenance. The request is an increase of \$94,826 dollars.

Emergency Incident

During the Fiscal Year there was an unexpected special supply expense related to the department that was not budgeted, this adjustment request of \$14,037 seeks to make an appropriation in this account.

Community Development

The department also had a reduction of \$253,881 of Full time Salaries and Contract Services due to the timing of a development project.

Building and Safety

The Building and Safety Department has a reduction of \$91,028 in contract services.

Recreation

Staff is requesting a reduction of \$89,076 in Part-Time Salaries in various program salaries.

Reyes Adobe

There is a \$30,000 budget reduction in the Reyes Adobe Other Improvements budget line item.

Recreation Center

The recommended adjustment to the Recreation Budget is due to salary increase and increases to Utilities and Maintenance/Building Grounds. The request is \$66,518. The recreation Center also has a decrease of \$33,701.

Parks Maintenance

The Parks Maintenance budget needs an additional \$92,504 for expenses related to grounds maintenance and an increase in utility expenses. This department also has reduction of \$35,762 in Special Supplies.

Public Works

The Personnel budget on the Public Works Department needs an adjustment of \$298,647 for salaries due to the timing of projects in the Department. _

Special Funds

Staff has also reviewed budget adjustments for the FY 2024-25 Budget adjustments for the City's Special Funds. The Special Funds have been adjusted for salary, work performed and other expenditures. Some of these funds might be in a deficit, but it is due to project timing or pending reimbursements. Staff has provided the proposed changes to the Special Funds in Exhibit C.

FISCAL IMPACT

The City has a Balanced Budget Policy, which states that the General Fund operating revenues must fully cover operating expenditures, including debt service. Under this Policy it is allowable for total expenditures to exceed revenues in a given year; however, in this situation beginning fund balance can only be used to fund capital improvement planned projects, or other "one-time", nonrecurring expenditures. Furthermore, the fund balance must meet the minimum Policy levels of 40%, as defined by the City Council.

As highlighted at the beginning of the report, the City has an unaudited actual net income of . The surplus is a non-cash recording of an advance to the Successor Agency due to a journal entry.

There are big macro events still taking place such as, world-wide unrest, determination of interest rate cuts, mixed messages of inflation and unemployment that can influence future project plans and the mid-cycle budget process.

Staff does recommend the following transfers:

Transfers

011 Capital Projects Fund	(\$96,000)
015 To Recreation Center Capital Project	(\$104,000)
030 CAL PERS SET ASIDE FUND	(\$95,850)
305 Agoura Hills Improvement Authority Bond	(\$1,271,613)
<u>620 Housing Successor Agency</u>	<u>(\$178,010)</u>
Total Transfers of	(\$1,745,473)

Staff recommends no additional transfers at this time.

RECOMMENDATION

Staff respectfully recommends the Finance Subcommittee approve:

1. The proposed transfers from the General Fund listed in this staff report
2. The proposed journal entry related to the Successor Agency Shown in Exhibit 'A' affecting Revenues.
3. The proposed amendments to the General Fund Fiscal Year 2024-25 Budget for the amounts shown in Exhibit 'B'.
4. The proposed amendments to the Special Funds Fiscal Year 2024-25 Budget for the amounts shown in Exhibit 'C'.

Attachments

[Exhibit A - Successor Agency Journal Entry.pdf](#)

[Exhibit B - Budget Adjustments.pdf](#)

[Exhibit C - Budget Adjustments Special Funds.pdf](#)

City of Agoura Hills
Fiscal Year 2024-25 Budget Amendments
Exhibit "A"

06/30/25 ,Restated Balance @ 4%:

Principal Outstanding:	\$ 11,405,550	
Interest Outstanding:	\$ 16,141,057	(ROPS 23-24B covers Jan-Jun 2024)
Net Amount due as restated - 6/30/24:	<u>\$ 27,546,607</u>	

Journal Entry to Correct FY 2024-25 Ending Balance in ACFR (Page 57) - Post as of June 30, 2025

Note: there is no amount that is "uncollectible" with the restatement of interest rate @ 4%, which balances to the Last and Final ROPS schedule.

General Fund:

<i>DR: Advances to Successor Agency</i>	\$ 2,558,038	
<i>CR: Prior Period Adjustment</i>		\$ 2,558,038

Successor Agency Fund:

<i>DR: Prior Period Adjustment</i>	\$ 2,558,038	
<i>CR: Advance from City of AH</i>		\$ 2,558,038

Entry to Post activity from FY 2024-25 - Post as of June 30, 2025.

General Fund:

<i>DR: Cash</i>	\$ 469,430	
<i>CR: Advances to Successor Agency</i>		\$ 469,430

Successor Agency Fund:

<i>DR: Advance from City of AH</i>	\$ 469,430	
<i>CR: Cash</i>		\$ 469,430

**City of Agoura Hills
Fiscal Year 2024-25 Budget Amendments
Exhibit "B"**

		Current Budget	Proposed Budget	Proposed Adjustment Increase/(Decrease)	Subtotal Adjustment
General Fund					
Expenses to Be Increased					
City Attorney - 4140					
Professional Services	010-4140-551000	\$410,500	\$450,933	\$40,433	
Contract Services	010-4140-552000	\$50,000	\$230,425	\$180,425	
				Total Adjustment	\$220,858
				City Attorney to be Increased	\$220,858
Finance - 4150					
Regular Salaries	010-4150-510100	\$353,668	\$430,095	\$76,427	
Retirement	010-4150-510700	\$37,997	\$49,922	\$11,925	
Professional Services	010-4150-551000	\$79,000	\$89,775	\$10,775	
				Total Adjustment	99,127
				Finance To be Increased	99,127
Public Facilities - 4180					
Utilities	010-4180-542800	\$135,000	\$203,119	\$68,119	
Maintenance of Buildings/Grounds	010-4180-543400	\$60,800	\$87,507	\$26,707	
				Total Adjustment	94,826
				Public Facilities to be Increased	94,826
Emergency Incident - 4219					
Special Supplies	010-4219-542400	\$0	\$14,037	\$14,037	
				Total Adjustment	\$14,037
				Emergency Incident to be Increased	\$14,037
Community Development- 4305					
Part Time Salaries	010-4305-510200	\$0	\$69,365	\$69,365	
Group Health Insurance	010-4305-510800	\$158,203	\$179,205	\$21,002	
Group Dental Insurance	010-4305-510900	\$7,585	\$9,713	\$2,128	
				Total Adjustment	\$92,495
				Community Development Increase	\$92,495
Recreation - 4420					
Part-time Salaries	010-4420-510200	\$2,000	\$4,871	\$2,871	
Retirement	010-4420-510700	\$0	\$175	\$175	
				Total Adjustment	\$3,046
				Recreation Increase	\$3,046
Recreation Center - 4426					
Part time Salaries	010-4426-510200	105,944	119,627	13,683	
Utilities	010-4426-542800	80,000	94,840	14,840	
Maintenance Building/Grounds	010-4426-543000	187,000	224,995	37,995	
				Total Adjustment	66,518
				Recreation Center Increase	66,518
Parks Maintenance - 4450					
Water	010-4450-542801	\$70,000	\$111,147	\$41,147	
Maintenance Buildings/Grounds	010-4450-543000	\$50,000	\$69,458	\$19,458	
Contract Services	010-4450-552000	\$369,000	\$396,664	\$27,664	
Tree Maintenance in Parks	010-4450-552095	\$25,000	\$29,235	\$4,235	
				Total Adjustment	\$92,504
				Parks Maintenance Increase	\$92,504

Public Works - 4505

Salaries	010-4505-510100	\$163,564	\$323,310	\$159,746	
Retirement	010-4505-510700	\$25,996	\$134,373	\$108,377	
Group Health Insurance	010-4505-510800	\$38,999	\$69,523	\$30,524	
Group Dental Insurance	010-4505-510900	\$2,408	\$4,208	\$1,800	
Group Life Insurance	010-4505-511000	\$302	\$770	\$468	
Group Disability Insurance	010-4505-511100	\$1,830	\$3,633	\$1,803	
Medicare Taxes	010-4505-511200	\$2,416	\$4,926	\$2,510	
				Total Adjustment	\$305,229
				Public Works Adjustment	\$305,229

		Current Budget	Proposed Budget	Proposed Adjustment Increase/(Decrease)	Subtotal Adjustment
General Fund Expenses to Be Decreased					
City Clerk - 4125					
Contract Services	010-4125-552000	\$104,000	\$55,291	(\$48,709)	
				Total Adjustment	(\$48,709)
				City Clerk Amount to be Decreased	(\$48,709)
Automated Services - 4195					
Contract Services	010-4195-55200	\$443,667	\$407,799	(\$35,868)	
				Total Adjustment	(\$35,868)
				Automated Services to be Decreased	(\$35,868)
Community Development - 4305					
Salaries	010-4305-510100	\$938,048	\$794,030	(\$144,018)	
Contract Services	010-4305-552000	\$191,260	\$81,397	(\$109,863)	
				Total Adjustment	(\$253,881)
				Community Development to be Decreased	(\$253,881)
Building and Safety - 4309					
Contract Services	010-4390-5520	\$775,000	\$683,972	(\$91,028)	
				Total Adjustment	(\$91,028)
				Building and Safety to be Decreased	(\$91,028)
Recreation - 4420					
Part - Time Salaries	010-4420-5102A0	\$45,900	\$7,940	(\$37,960)	
Part - Time Salaries	010-4420-5102B0	\$3,600	\$173	(\$3,427)	
Part - Time Salaries	010-4420-5102C0	\$18,300	\$15,435	(\$2,865)	
Part - Time Salaries	010-4420-5102D0	\$19,100	\$13,636	(\$5,464)	
Part-time Salaries - Teens	010-4420-5102G0	\$3,850	\$3,103	(\$747)	
Part - Time Salaries	010-4420-5102H0	\$6,750	\$4,734	(\$2,016)	
Part - Time Salaries	010-4420-5102I0	\$11,300	\$11,092	(\$208)	
Medicare Taxes	010-4420-511200	\$2,800	\$894	(\$1,906)	
Contract Services - Classes	010-4420-5520C0	\$79,600	\$45,117	(\$34,483)	
				Total Adjustment	(\$89,076)
				Recreation to be Decreased	(\$89,076)
Reyes Adobe - 4425					
Other Improvements	010-4425-56820	\$30,000	\$0	(\$30,000)	
				Total Adjustment	(\$30,000)
				Reyes Adobe to be Decreased	(\$30,000)
Recreation Center - 4426					
Communications	010-4426-542700	\$10,000	\$1,036	(\$8,964)	
Water	010-4426-542801	\$28,000	\$16,561	(\$11,439)	

Other Improvements	010-4426-568200	\$80,000	\$66,702	(\$13,298)	
				Total Adjustment	(\$33,701)
				Recreation Center to be Decreased	(\$33,701)
Parks Maintenance - 4450					
Special Supplies	010-4450-542400	\$50,000	\$14,238	-\$35,762	
				Total Adjustment	(\$35,762)
				Parks maintenance to be Decreased	(\$35,762)

**City of Agoura Hills
Recommended Adjustments
Fiscal Year 2024/25
Exhibit "C"**

		Current Budget	Proposed Budget	Proposed Adjustment Inc/(Dec)	Subtotal Adjustment Inc/(Dec)
Adjustments to Park Improvements					
Revenues - Capital Project Fund					
011-0000-334547	Morrison Park Improvements		243,153	243,153	<u>243,153</u>
Expenditures - Capital Project Fund					
011-4620-610500	Morrison Park Improvements	40,000.00	283,153	243,153	<u>243,153</u>
Adjustments to Storm Water Capital Project Fund					
Expenditures - Storm Drain Diversion					
016-4610-632300	Storm Drain Diversion	970,610.00	360	(970,250)	<u>(970,250)</u>
Adjustments to Road Rehab Fund					
Expenditures - Street Improvements					
022-4640-630500	Annual Overlay	400,000.00	127,766	272,234	<u>272,234</u>
Adjustments to Traffic Improvement					
Revenues - CDBG Fund					
110-0000-391000	Miscellaneous Revenue	-	261,353	261,353	<u>261,353</u>
Adjustments to CDBG Fund					
Revenues - CDBG Fund					
250-0000-334000	CDBG	109,650	241,113	131,463	<u>131,463</u>
Expenditures - CDBG Fund					
250-4610-600700	Accessibility Improvements	100,000	231,310	131,310	<u>131,310</u>
Adjustments to Miscellaneous Grants Fund					
Revenues - Miscellaneous Grants Fund					
260-0000-334531	Art in Public Places	25,000	-	(25,000)	
260-0000-334532	Roadside Bridge	-	206,100	206,100	
260-0000-334541	IRWMP Storm Drain Diversion	1,195,135.00	-	(1,195,135)	
260-0000-334544	Bike Master Plan	500,000.00	181,862	(318,138)	
					<u>(1,332,172)</u>
Expenditures - Miscellaneous Grants Fund					
260-4440-568500	Art	25,000	-	(25,000)	
260-4505-630500	Bike Path Project	400,000	181,862	(218,138)	
260-4525-552043	Driver Drain Improvements	60,000	-	(60,000)	
260-4610-632300	Storm Drain Diversion	1,195,135	-	(1,195,135)	
					<u>(1,498,273)</u>
Adjustments to Improvement Authority Bond Fund					
Revenues - Improvement Authority Bond Fund					
305-0000-371000	Interest earnings	-	318,283	318,283	<u>318,283</u>

City of Agoura Hills
Recommended Adjustments
Fiscal Year 2024/25
Exhibit "C"

Current Budget	Proposed Budget	Proposed Adjustment Inc/(Dec)	Subtotal Adjustment Inc/(Dec)

**City of Agoura Hills
Recommended Adjustments
Fiscal Year 2024/25
Exhibit "C"**

		Current Budget	Proposed Budget	Proposed Adjustment Inc/(Dec)	Subtotal Adjustment Inc/(Dec)
Expenditures - Improvement Authority Bond Fund					
305-4900-700000	Transfer Out	-	5,805,677	5,805,677	<u>5,805,677</u>
Adjustments to Proposition A Fund					
Expenditures - Proposition A Fund					
060-4440-510100	Regular Salaries	91,167	70,000	(21,167)	
060-4530-552080	Dial A Ride	498,000	370,000	(128,000)	<u>(149,167)</u>
Adjustments to Proposition C Fund					
Expenditures - Proposition C Fund					
061-4505-510100	Regular Salaries	30,377	45,000	14,623	
061-4510-552013	Signal maintenance	115,000	60,000	(55,000)	<u>(40,377)</u>
Adjustments to Measure R Fund (Local Return)					
Expenditures - Measure R Fund					
063-4640-631000	Sidewalk Repairs	50,000	-	(50,000)	<u>(50,000)</u>