

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
Tuesday, February 10, 2026
3:00 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 2:00 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 2:00 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 Jeremy Wolf
Councilmember Penny Sylvester

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. MIDYEAR BUDGET UPDATE AND RECOMMENDATIONS TO AMEND THE MID-YEAR FISCAL YEAR 2025-26 BUDGET

Staff respectfully recommends that the Finance Subcommittee review and approve the recommendations to amend the Fiscal Year 2025-26 Budget.

SUBCOMMITTEE OR STAFF COMMENTS

ADJOURNMENT

Date Posted: February 5, 2026



REPORT TO FINANCE SUBCOMMITTEE

DATE: FEBRUARY 10, 2026

TO: HONORABLE MEMBERS OF THE FINANCE SUBCOMMITTEE

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: DIEGO IBANEZ, DIRECTOR OF FINANCE

SUBJECT: MIDYEAR BUDGET UPDATE AND RECOMMENDATIONS TO AMEND THE MID-YEAR FISCAL YEAR 2025-26 BUDGET

The annual mid-year budget review is an essential process in maintaining financial stability and transparency. The mid-year review process provides the Finance Subcommittee with an opportunity to review the City's General and Special Funds, discuss the actual activity of the 2025-26 Fiscal Year, and assist with the development of the Fiscal Year 2026-27 Mid-Cycle budget process.

The budget remains an evolving planning document that is amended throughout the year. Amendments are necessary to recognize changes to revenue streams, the regulatory environment, and the broader economic outlook. These factors are balanced against policy decisions made by the City Council, shifting needs of the City's departments to meet community requests, and unforeseen items that arise after the budget is adopted.

The General Fund

The City continues to exercise fiscal prudence by projecting conservative revenue growth, anticipating flat sales tax, and moderate increases in property taxes. At the same time, inflationary pressures and anticipated price increases resulting from potential tariff changes are expected to drive up costs of capital projects, equipment, and essential services.

Despite these financial pressures, the City is maintaining its service quality by employing a "Sustainable and Resilient Effort Budget"; a sustainable and resilient effort budget is a strategic financial planning framework that allocates resources not only for immediate operational needs but also to ensure long-term, regenerative growth (sustainability) and the capacity to absorb shocks or adapt to disturbances (resilience); over the years, the Agoura Hills City Council has contributed significantly to the development of a welcoming, cohesive, and civically engaged community, while also being aware and prepared for unforeseen natural disasters.

Since budget adoption in 2025, both the U.S. and California economies have experienced slowing growth and elevated uncertainty, driven by geopolitical tensions, tariff pressures, and broader global economic headwinds. California experienced job losses in several sectors in early 2025 and has maintained an unemployment rate above the national average, reflecting a cautious regional labor market.

For Agoura Hills, this broader slowdown has likely tempered job creation and consumer spending locally, as many residents participate in the wider labor markets of Los Angeles County and Ventura County. Retail and hospitality sectors, important for the city's small business base, can be especially sensitive to reduced consumer confidence and slower regional growth.

The local economy of the City of Agoura Hills has been affected by impacts on the business community and changes in consumer behavior. Consumers have adjusted their spending activities to reflect various changes such as food price increases as more consumers are opting for budget friendly choices or dining at home. Service station consumption was also down due to high gas pricing and consumers choosing to focus on purchasing urgent necessities and not travel. The General Fund is affected by these consumer adjustments and requires some slight adjustments in projections, which is reflected in the recommendations provided in this report.

Revenues

The total adopted General Fund revenues for the Fiscal Year 2025-26 were \$20,861,987. Staff has reviewed receipts through mid-year, assessed the most current economic reporting and forecasts through June 2026, and met with various contracted revenue consultants. They all affirmed that the City of Agoura Hills' most recent quarterly sales tax data suggests a period of flat and/or inline revenues and a decrease in the adopted "Sales and Use Tax line" revenue item by (\$273,600), due to consumer behavior.

To make up for this decrease, City staff has identified line item 010-0000-3230 Building Permits as a revenue stream that will assist to make up for this short fall. Due to the new fee schedule and recognition of deferred revenue, staff recommends adjusting this line item by \$283,257. This would assist with keeping the budget balanced and providing staff with all the financial resources that they will need to complete operations for the remaining time under Fiscal Year 2025-26.

Further revenue analysis revealed that line item 010-0000-3410, Planning Fees is one that will be monitored closely, due to the timing of anticipated applications. It should also be noted that due to a one-time revenue recognition of the General Plan Recovery and the Agoura Village Recovery fees, staff is comfortable with the bottom line amount remaining as budgeted.

The recommendation is to make two adjustments to adopted revenues; the first is to reduce the Sales and Use Tax revenue line as suggested by HdL, the City's Revenue Consultant, by \$273,600 and updating the new forecast to \$4,344,309 from \$4,617,909. The second recommended adjustment is to increase the Building Permits revenue line from \$500,000 to \$783,257 as most the collected revenue already exceeds the estimated budget amount, and the Department anticipates receiving additional revenue before the end of the year. This adjustment would leave an approximate surplus of \$9,657.

Expenditures

As Finance staff began the Mid-Year 2025-26 budget process, all City departments were asked to provide any budget adjustments that would be needed to ensure proper programming and the accomplishment of this Fiscal Year's City Council goals.

Finance staff is pleased to report that all departmental expenditures remained within the adopted budget. This outcome reflects disciplined financial management by staff in effectively navigating external economic and operational pressures throughout this fiscal period.

Staff reviewed operational expenditures for each City department and was able to recommend funds that could be re-appropriated to other of the City's operational obligations. By following this strategy, staff would be able to work within current adopted budget funds without adjusting revenues.

The one adjustment that staff is requesting is an internal budget transfer from the Community Development Department (010-4305-5520, Contract Services) to the Building and Safety Department, (010-4390-5520, Professional Services) line item.

The reason staff can recommend this transfer is because the initial appropriation included provisions for a large-scale development project and oak tree consultant fees. The development project is not anticipated to be submitted, and the Oak Tree Ordinance was successfully updated by Department staff. Building and Safety will need additional funds for their operations this year related to increase inspections.

The overall Fiscal Year 2025-26 budget expense re-appropriation request is \$73,500 and the table in Exhibit A – Expenditures – General Fund illustrates how that re-appropriation is being requested.

Other Funds

Staff is not requesting any adjustments to Prop C Funds, Measure R, Measure W, CDBG or any of the other City’s Funds at this point.

Other Requests

At the January 14, 2026, City Council Meeting, the City Council approved two transfers:

1. Morrison Park Project

Transfer From: 011-0000-2900 – Capital Project Fund Reserve, \$45,762

Transfer To: 011-4620-6105 – Morrison Park Project, \$45,762

2. Contractor Services RAY MAC Painting

Transfer From: 012-0000-2900 – Facilities Fund Reserve, \$25,000

Transfer To: 012-4180-5682 – Capital Outlay Fund, \$25,000

Staff is including these transfers (Exhibit B) in this Mid-Year report to make all the adjustments simultaneously for easier identification during the annual audit.

Balanced Budget

The City Council has a Balanced Budget Policy which states that the City’s operating budget in the General Fund is allowed to have total expenditures exceed revenues in a given year for “one-time”, non-recurring expenditures. Furthermore, ending fund balance must meet the minimum policy levels as defined by Council Resolution No. 05-1378.

General Fund	Current 2025/26	Recommended 2025/26	Difference
Revenues	\$20,861,987	\$20,871,644	\$9,657
Expenditures/Transfers	20,853,895	20,853,895	\$0.00
Operating Net Income/(Loss)	8,092	17,749	\$9,657

Staff will continue to monitor the City's Finances and the economic impacts throughout the State and Nation and present any additional items that may need to be addressed closer to the end of the Fiscal Year.

FISCAL IMPACT

With the recommended budget adjustments, the adopted Fiscal Year 2025-26 budget will have an additional surplus of \$9,657, bringing the overall surplus total to \$17,749.

RECOMMENDATION

Staff respectfully recommends that the Finance Subcommittee review and approve the recommendations to amend the Fiscal Year 2025-26 Budget.

Attachments

[Mid-Year 2025-26 Exhibit A.pdf](#)

[Mid-Year 2025-26 Exhibit B.pdf](#)

**City of Agoura Hills
Recommended Adjustments
Fiscal Year 2025/2026
Exhibit A**

General Fund Adjustments

		Adopted Budget	Proposed Increases/ (Decreases) Adjustment	Mid-Year Proposed Budget	Subtotal Adjustment
Revenue - General Fund					
General Fund Revenues					
010-0000-31100	Sales and Use Tax	\$ 4,617,909	\$ (273,600)	\$ 4,344,309	\$ (273,600)
010-0000-32300	Building Plan Check	\$ 500,000	\$ 283,257	\$ 783,257	\$ 283,257
Total Revenue Requests					\$ 9,657
Expenditures - General Fund					
Community Development					
010-4305-552000	Contract Services	\$ 243,464	\$ (73,500)	\$ 169,964	\$ (73,500)
Building and Safety					
010-4390-552000	Professional Services	\$ 480,000	\$ 73,500	\$ 553,500	\$ 73,500
Total Expenditure Requests					\$ -
Total Adjustment Surplus/(Deficit)					\$ 9,657

**City of Agoura Hills
Mid-Year Adjustments
Fiscal Year 2025/2026
Exhibit B**

Internal Departmental Transfers

		Adopted Budget	Proposed Increases/ (Decreases) Adjustment	Mid-Year Proposed Budget	Subtotal Adjustment
Transfer FROM					
Morrison Park Project					
011-0000-2900	Capital Project Fund Reserve	\$ -	\$ (45,762)	\$ (45,762)	\$ (45,762)
Contractor Services RAY MAC Painting					
012-0000-2900	Facilities Fund Reserve	\$ -	\$ (25,000)	\$ (25,000)	\$ (25,000)
Total Transfer FROM Requests					\$ (70,762)
Transfer TO					
Morrison Park Project					
011-4620-610500	Morrison Park Project	\$ 167,235	\$ 45,762	\$ 212,997	\$ 45,762
Capital Outlay Fund					
012-4180-5682	Capital Outlay Fund	\$ 400,000	\$ 25,000	\$ 425,000	\$ 25,000
Total Transfer TO Requests					\$ 70,762
Total Transfer Requests					\$ -