CITY OF BELMONT
BELMONT FIRE PROTECTION DISTRICT

www.belmont.gov

BELMONT FIRE PROTECTION DISTRICT AGENDA
Tuesday, February 24, 2026
7:00 PM
City Council Chambers
City Hall, One Twin Pines Lane, Belmont, California

MEETING ATTENDANCE:

Council meetings, unless otherwise noted, are broadcast live to Belmont residents on

1. Comcast Cable Channel 27
2. Streamed live via the City's website at Belmont.gov
3. ZOOM https://belmont-gov.zoom.us/ **Meeting ID: 95745673035**
4. Attend the meeting in the Council Chambers, Belmont City Hall 2nd floor

PUBLIC COMMENT:
Public in the Council Chamber present the Clerk a request to speak slip found at the table at the rear of the chamber.
If participating virtually use the Raise Hand feature to request to speak.
For dial- in comments, call *67 1-(669) 900-6833 (your phone number will appear on the live broadcast if *67 is not dialed prior to the phone number) enter **Meeting ID: 95745673035**, and press *9 to request to speak

All public comments are subject to a **3-minute time limit** unless otherwise determined by the Chair.

To submit a written public comment:

E-mail cclerk@belmont.gov before the Council discusses the item, noting the agenda topic or number in the subject line. Comments received up to three hours before the meeting will be distributed to the Council and included in the record but not read aloud during the meeting..

The Mayor has the authority to rule any speaker out of order, including speakers during the Public Comment period; If the subject raised is not within the subject matter jurisdiction of the City Council, during a public hearing or a general business item if the speaker is not presenting testimony or evidence relevant to the matter or if the speaker becomes disruptive to the proceedings and conduct of the meeting.

The Mayor also has the authority to order any person who willfully interrupts the meeting to be removed. All persons are expected to always conduct themselves with civility and courtesy. All persons

giving comments shall speak directly to the Council and address issues, not individuals. Personal attacks, cursing and outbursts from the audience in support or opposition to a speaker are not tolerated to foster an environment where everyone feels welcome to speak.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. REPORT FROM CLOSED SESSION

4. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

This portion of the meeting is reserved for persons wishing to address the Body on any Fire matter not on the agenda. The period for public comment at this point in the agenda is limited to 15 minutes, with a maximum of 3 minutes per speaker. Speakers who requested but did not receive an opportunity to speak during this comment period will be given an opportunity to address the Body later in the meeting. State law prohibits the Body from acting on non-agenda items.

5. DIRECTOR ANNOUNCEMENTS

6. CONSENT BUSINESS

Consent business items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion on these items unless a member or staff request specific items to be removed for separate action. The City Attorney will read the title of ordinances to be adopted.

A. **Approval of Minutes**

Recommendation: Consider modifications and approve minutes.

Attachment(s):

November 25, 2025

7. PUBLIC HEARINGS

8. GENERAL BUSINESS

General Business items are considered separately, typically in the order listed. The chair will call for public comment on each item when the body considers the item.

A. **Report on Mid-Year Financial Results as of December 31, 2025**

Recommendation: Adopt resolution Belmont FireProtection District (BFPD) fiscal year (FY) 2025-26 budget. Provide feedback on key findings and priorities to guide the development of the FY 2026-27 budget.

Attachment(s):

Staff Report
Resolution
Presentation

9. MATTERS OF INTEREST/CLARIFICATION

Items in this category are for discussion and direction to staff only. However, Board may take final action on an item if there is no need for additional staff analysis.

10. ADJOURNMENT

MEETING MINUTES BELMONT OF THE FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING
City Council Chambers, City Hall, One Twin Pines Lane, Belmont, California Teleconference Location (Mayor Mates) Caffe Bene, 1555 Sepulveda, Blvd., Torrance CA 90501

This meeting is concurrent with the City Council Meeting

TUESDAY, NOVEMBER 25, 2025

1. **CALL TO ORDER: 7:00 PM**
   ROLL CALL
   DIRECTORS PRESENT: Jordan, McCune, Pang-Maganaris, Latimerlo, Mates
   DIRECTORS ABSENT: None

2. **PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**
   None

3. **DIRECTOR ANNOUNCEMENTS**
   None

4. **CONSENT BUSINESS**
   A. Minutes February 11, 2025 June 10, 2025 October 28, 2025

ACTION: On a motion made by Director Latimerlo and seconded by Vice Chair Pang-Maganaris the consent business was approved by roll call vote (5-0).

5. **PUBLIC HEARINGS**
   A. Local Amendments to 2025 California Building Standards Codes
   Chief Building Official Francescone provided an overview of the proposed amendments.

   Director discussion ensued.

   Mayor Mates opened the public hearing.

   No member of the public came forward to speak.

   Mayor Mates closed the public hearing and noted that the Council wilk take one action as Councilmembers and BFPD Directors to adopt the accompanying resolution and ordinance.

   City Attorney Rennie read the titles of the ordinances for adoption.

ACTION: On a motion made Vice Chair Pang-Maganaris and seconded by Director McCune **Resolution 2025-75** making express findings that modifications to the 2025 California Building, Plumbing, Residential and Wildland-Urban Interface Codes are reasonably necessary due to local conditions; and, as the City Council, adopt **Ordinance 2025-1191** adopting the 2025 California Building, Plumbing, Mechanical, Electrical, Residential and Wildland-Urban Interface Codes by reference with local amendments, designating fire hazard severity zones, amending City Code administrative and enforcement provisions, and ratifying Fire Code amendments by San Mateo Consolidated Fire Department applicable in the city; and, as the Board of Directors for the Belmont Fire Protection District, adopt an **Ordinance 2025-02** ratifying the 2025 Fire Code and Wildland-Urban Interface Code amendments by San Mateo Consolidated Fire Department applicable in the District's unincorporated areas and designating fire hazard severity zones were approved by roll call vote (5-0).

6. **GENERAL BUSINESS**
   None

7. **MATTERS OF INTEREST/CLARIFICATION**

8. **ADJOURNMENT** at 10:46 pm

Submitted by,
Jozi Plut, District Secretary

DRAFT

STAFF REPORT

Meeting Date:	February 24, 2026
Agency:	City of Belmont
Staff Contact:	Grace Castaneda, Finance Director, gcastaneda@belmont.gov Joanne Yung, Budget Manager, jyung@belmont.gov
Agenda Title:	Report on Mid-Year Financial Results as of December 31, 2025
Agenda Action:	Resolution

Recommendation

Adopt resolutions to amend the City of Belmont and Belmont Fire Protection District (BFPD) fiscal year (FY) 2025-26 budget, and adopt a resolution updating the Belmont Investment Policy. Provide feedback on key findings and priorities to guide the development of the FY 2026-27 budget.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

The City prepares a mid-year review annually, analyzing the budget at the six-month mark. The review covers the period from July through December and serves to:

- Assess current financial results relative to budget expectations,
- Identify potential corrective actions, and
- Provide the City Council with information to guide budget planning for the remainder of the fiscal year.

This year's review provides an overview of Belmont's fiscal status, including revenues, expenditures, development activity, and community engagement.

Summary

- The budget continues to reflect the ongoing takeaway of key revenue source resulting from actions taken by the State of California. The State's failure to distribute funds to San Mateo County and its cities poses an ongoing financial risk to essential local services and long-term fiscal stability. As a result, Belmont will experience reduced fiscal flexibility in supporting core services and capital priorities, contributing to ongoing budgetary pressures that parallel those faced by many local governments throughout the region.
- Property tax in-lieu of Vehicle License Fee (VLF) continues to be underfunded by the State, with recent actions further reducing this critical revenue source. For the first time, the State reimbursed only two-thirds of the VLF shortfall from FY 2023-24 in the current FY 2025-26, compared to full reimbursement in prior years. In January 2026, the Governor released the proposed FY 2026-27 state budget, which again does not provide any funding for the outstanding VLF backfill obligations for FY 2024-25 and FY 2025-26.

- The Local 1% Sales Tax revenues are slightly higher than the adopted FY 2025-26 budget as the auto-transportation industry continues to show strong performance. The revised estimates are consistent with long-term projections over the next few years.
- The development pipeline has experienced a slowdown, with several large-scale market rate projects opting to delay or reassess their timelines in response to current market conditions, including elevated interest rates despite recent reductions, rising construction costs, and elevated commercial vacancies rates.
- Updates to the Citywide Master Fee Schedule, as well as the Development Impact and In-Lieu Fees Studies, are currently underway. These initiatives are important to maintain appropriate cost recovery for city services and to ensure fees remain aligned with the actual cost of providing those services.
- The City must continue taking action to ensure long-term financial sustainability and maintain local control over revenue sources, mitigating ongoing uncertainty and potential pressure on Belmont's ability to fund essential services, including public safety, parks and recreation, public works, and other core community programs.

Community Engagement

In the most recent Your Voice, Your Belmont community survey (2025), approximately 500 residents participated and identified the following top City service priorities:

- Maintaining storm drains and reducing flooding, debris and pollution in City streets
- Fixing potholes and repairing streets and sidewalks
- Maintaining 911 emergency response times
- Keeping public areas healthy, safe, and clean
- Supporting multi-generational activities for youths, teens, adults, and seniors, including sports, arts and crafts, fitness, and health and wellness programs
- Providing residents with an evacuation center in the event of wildfire, earthquakes, or other natural disasters.

The City is committed to aligning its budget and policies with the community's priorities and looks forward to ongoing engagement with residents and businesses throughout the City's budget process. By working together, we will ensure that our investments and spending reflect the needs and priorities identified by the community.

Analysis

The City conducts an annual mid-year review to analyze the budget at its six-month point. This review examines financial results from July through December and identifies corrective actions needed if actual results differ from expectations. This year's mid-year review provides key insights into the City's financial position and includes the components outlined below.

Mid-Year Budget

The mid-year budget presentation summarizes year-to-date financial results, major revenue trends, fund balance forecasts, and an overview of financial challenges facing the City.

Summary Overview

- **The General Fund** ended December 31, 2025, with an unaudited balance of $36.4 million, excluding estimated fund transfers of $5.7 million, which will be recorded at fiscal year-end. By comparison, the General Fund balance was $33.6 million on December 31, 2024, excluding fund transfers. The increase primarily reflects the unbudgeted two-thirds VLF shortfall reimbursement received, as well as the City containing expenditures below budget.
- **General Fund revenues** were $15.2 million through December, the six-month midpoint, representing 46% of the total current fiscal year budget. The decrease compared to budget at the midpoint mark is primarily due to the timing of business license tax receipts. All businesses' licensing periods (i.e., the "tax period") have transitioned to January 1 to December 31 and the majority of the revenue collection are expected around January during the license renewal process.
- **General Fund expenditures** at mid-year totaled $13.2 million, representing 38% of the total fiscal year budget. This amount does not yet include estimated fund transfers of $5.7 million (approximately 16% of total budget) which are anticipated at the fiscal year-end. These figures reflect the City's continued fiscal prudence in managing expenditures. At the same time, it is important to recognize that the costs of delivering essential City services and maintaining the quality of life residents rely on continue to rise.

Major Revenue Source Trends

- **Property Tax revenue is higher than budget estimates.** The City's property tax revenue is estimated to be $1.2 million higher than budget, primarily due to the two-thirds reimbursement received for the VLF shortfall resulting from FY 2023-24. Belmont Fire Protection District's property tax revenues are overall in line with budget.
- **Property Tax in-lieu of VLF (VLF) continues to be underfunded by the State,** creating ongoing uncertainty for Belmont's finances. While the City received $1.15 million this fiscal year for the FY 2023-24 shortfall, the total amount due was $1.7 million, meaning the reimbursement covered only two-thirds of the shortfall. This partial payment does not fully restore Belmont's VLF funding. In addition, the State budget continues to exclude reimbursement for VLF shortfalls from FY 2024-25 and the current FY 2025-26. The FY 2024-25 shortfall is approximately $1.8 million, over 40% of Belmont's Local 1% Sales Tax revenue, a key General Fund source, and the FY 2025-26 shortfall is projected at $2.1 million. This increasing uncertainty regarding VLF reimbursements heightens the risk of long-term State takeaways, potentially affecting essential services such as public safety, streets, parks and storm facility maintenance.
- **Hotel Room Tax revenue is trending lower than budget target**. By the midway mark of this fiscal year, Hotel Room Tax (i.e., Transient Occupancy Tax, or TOT) revenue collected was lower than prior year. This major revenue source is the most sensitive to economic conditions, and Belmont hotels mainly serve business travelers. Two out of the ten hotels in Belmont are currently closed (with one potentially slated for development to a larger hotel), thus impacting total room stock and revenue collection in the meantime. Year-end estimates are projected to be $240K lower than budget. Collections in this revenue source will be monitored closely, and projections will be adjusted accordingly.

- **Total Sales Tax revenue is slightly up**. The Local 1% Sales Tax revenue is estimated to be approximately $150K higher than budget, primarily due to the auto-transportation industry showing stronger performance due to higher prices and surged spending prior to the September 2025 expiration of federal electric vehicle tax credits. Measures I/A/W and Public Safety sales tax are overall in line with budget. With the Federal Reserve considering additional rate changes in early 2026, and as tariff and trade talks ease, inflationary pressures will continue to shape spending behavior. Long-term projections indicate muted economic growth over the next several years.
- **The new Business License Tax structure is in its first years of implementation.** After 49 years under the previous tax structure, Belmont voters approved a revised business license tax program effective January 2025. The new structure moves away from a flat tax based primarily on employee counts, and instead establishes rates based on gross receipts from business activity within the City, creating a more equitable approach. It also simplifies the rate categories from 43 to 4, and all businesses' licensing periods have transitioned to calendar year (January 1 to December 31). During these first years of implementation, staff is reviewing tax calculations, particularly with larger businesses, to ensure accuracy. As a result, revenue collection may span multiple tax periods, causing some fluctuations. For now, budget estimates for this revenue source in the current fiscal year remain unchanged, but the fiscal impact will be reassessed as more data becomes available the FY 2026-27 budget development process.

Development Update

- The development pipeline continues to experience a slowdown due to elevated interest rates (despite recent cuts), rising construction costs, and high commercial vacancies, affecting both commercial and residential sectors.
- On the commercial side, two large-scale projects,1301 Shoreway and 425 Harbor, remain in the entitlement phase. 1301 Shoreway is expected to be entitled in February 2026, and 425 Harbor in 2027 following the Harbor Industrial Area annexation. Construction for these projects is unlikely to begin for at least five years, depending on market conditions.
- In the residential sector, limited market-rate housing projects are currently advancing toward construction, with most recently entitled projects not yet moving forward. The majority of the remaining development pipeline consists of 100% affordable housing projects, several of which are under construction or anticipated to begin later this fiscal year. While these developments are essential to meeting the City's housing obligations, they are exempt from property tax and therefore do not generate revenue to offset the ongoing costs of providing essential City services.
- Overall, the combination of exempt developments and rising service and infrastructure costs places continued pressure on the City's General Fund.
- Despite the slow-down in large-scale projects, smaller-scale residential development—home remodels, new homes, and accessory dwelling units remains steady, showing that Belmont residents continue to invest in their properties.

Financial Reports and Budget Adjustments

The mid-year review analyzes actual results compared to the prior fiscal year while addressing any significant past or anticipated variances this fiscal year. To assist in this analysis, staff generates a detailed

Statement of Revenues and Expenditures Budget Variance Report (Attachment B). This report compares budget amounts vs. actual results by major revenue source and expenditure division.

- Routine adjustments to budget *revenues* include variances associated with the timing of the receipt of certain General Fund revenues and variances associated with the timing of the receipt for fees related to development projects.
- Routine adjustments to budget *expenditures* reflect operational and staffing needs for departments and timing of capital improvement project expenditures.

The following are notable FY 2025-26 budget adjustments:

- As a Member Agency of Silicon Valley Clean Water (SVCW), the City is responsible for 9.45% of SVCW's Capital Improvement Program (CIP) funding requirements. Of the $98 million in planned CIP expenditures over the next three years, $65.6 million is supported by existing debt and reserves. The remaining $32.4 million will be funded by Member Agencies, with Belmont's proportional share totaling approximately $3.1 million.

  The proposed budget adjustment would authorize the use of the City's 2019 Sewer Revenue Bond proceeds to fund this contribution, as these proceeds are an eligible source for improvements to the overall sewer system, including collection and treatment facilities. Utilizing bond proceeds at this time preserves financial flexibility within the Sewer Fund while the City continues to evaluate the potential financial impacts associated with SVCW's anticipated capital needs over the next five to ten years.

- Adjustments to existing CIP project budgets in the Capital Improvement Project Fund to update funding sources as summarized under Capital Improvement Program in Exhibit A – COB Proposed Budget Amendments by Fund. Some notable adjustments include:

CIP Project No.	CIP Project Name	FY 2025-26 Budget Adjustments
3233	Salson Trail Culvert Replacement Project	Request to increase budget appropriation of $35K from Measure I Fund and $35K from the Belmont Fire Protection District Fund for additional design and biologist permitting services.
7095	Transportation Master Plan	Request to increase budget appropriation of $673K funded by Sustainable Transportation Planning Grant from Caltrans.
8124	Library Boiler	Request to increase budget appropriation of $16K from the Library Maintenance and Operation Fund to

		cover the replacement of the boiler and additional contingency costs.
6060	Hillcrest Sinkhole Emergency Repair Project (new project)	Create a new Project No. 6060 named "Hillcrest Sinkhole Emergency Repair Project" with a budget appropriation transfer of $150K in Storm Drainage Fund from Project No. 6001 "Storm Drainage Rehabilitation". This new project helps provide emergency repairs for 4 sinkholes related to the defective storm pipe.
6061	Redwood Shores Sea Level Rise Protection Plan (new project)	Create a new Project No. 6061 named "Redwood Shores Sea Level Rise Protection Plan" with a budget appropriation transfer of $250K in Measure I Fund from Project No. 3117 "2025 Pavement Rehabilitation Project". This new project addresses sea level rise around Island Park in Belmont.
7077	Sanitary and Storm Sewer Infrastructure Repair Project (new project)	Create a new Project No. 7077 named "Sanitary and Storm Sewer Infrastructure Repair Project" which provides urgent repairs for sewer and storm pipes. Request budget appropriation transfers of $180K in Sewer Collections Fund from Project No. 7073 "Basin Rehabilitation Projects" and $20K in Storm Drainage Fund from Project No. 6001 "Storm Drainage Rehabilitation".

Annual Investment Policy Update

California Government Code Section 53646(a)(2) requires local governments to annually review and consider changes to their Investment Policy at a public meeting. Belmont has maintained such a policy for nearly forty years, as it provides a critical framework for ensuring that public funds are invested in accordance with State law.

Although City Council's approval is not required by statute, the City, consistent with best practice, annually reviews and accepts its Investment Policy to provide transparency and disclosure. Council's acceptance affirms the fiduciary responsibility of the Finance Director/City Treasurer to safeguard public assets and manage public funds prudently and responsibly.

Historically, the City has invested solely in the Local Agency Investment Fund (LAIF), an investment pool managed by the State Treasurer's Office. However, the current economic environment with higher interest rates has resulted in the City of Belmont approaching LAIF's maximum allowable investment limit of $75 million. Continued reliance on LAIF under current conditions highlights the need to diversify into other eligible, safe, and liquid investment vehicles. To address this issue and enhance the City's flexibility in managing public funds, this annual update to the Investment Policy specifies the scope of allowable investments consistent with California Government Code Sections 16429.1, 53600-53609 and 53630-53686 which govern the allowable investments into which a local government agency can enter.

Staff did a review and comparison of investment portfolios across neighboring jurisdictions, which has been included as Attachment D. The survey shows investment tools utilized by each jurisdiction and reflects that a majority of jurisdictions diversify in multiple tools, not just in LAIF. Most of these jurisdictions have portions of their portfolios externally managed through investment firms, while others also invest into other pools such as Local Government Investment Pools (LGIPs), a joint powers authority investment pool that offers very similar characteristics to LAIF but with more flexibility because they have no minimum or maximum investment requirements. All of these options are allowable investments consistent with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. With Belmont approaching LAIF's maximum allowable investment limit, staff recommends that the City diversify first into LGIPs that can be internally managed with self-service daily deposits and/or withdrawals similar to LAIF.

Most of the proposed amendments consist of clarifying and cleanup revisions to the existing policy. In addition, several new provisions are included to address portfolio diversification and allowable investment types, consistent with California Government Code sections 16429.1 and 53600 et seq.

The following summarizes all proposed amendments. A redline version of the Investment Policy reflecting these changes is provided as Attachment E.

Investment Policy Section	**Summary of Proposed Amendment(s)**
Prudent Investor Standard	Update the prudent investor standard definition consistent with Cal. Gov. Code § 53600.3.
Investment Objectives	Clarify the existing investment objections to continue to prioritize safety, liquidity, and return on investment.
Delegation of Authority	Add reference to the Belmont Municipal Code duties of the Finance Director (Chapter 2, Article III), and to include authorized and registered external investment managers and advisors.
Conflict of Interest	Specify the ethics and conflict of interest verbiage to include City officials, staff members, as well as external consultants, and to require economic interest reporting consistent with State law.

Diversification (NEW)	Add a Diversification section to avoid risk associated with single instrument investment, while ensuring the investment portfolio remains flexible allowing the City to respond to the current economy, securities markets, and anticipated cash flow needs, while requiring authorized investments in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686.
Authorized Investments (NEW)	Add an Authorized Investments section which states that the City shall make investments and deposits in accordance with Cal. Gov. Code § 16429.1, 53600 et seq. and in compliance with the Local Agency Investment Guidelines published by the State Treasurer's Office.

Proposed Actions

Staff recommends that Council adopt the following resolutions:

1. Resolution amending the City of Belmont FY 2025-26 budget as proposed in Exhibit A.
2. Resolution amending the Belmont Fire Protection District FY 2025-26 budget as proposed in Exhibit A.
3. Resolution amending the Belmont Investment Policy as proposed in Exhibit A.

These mid-year resolutions are considered annually as part of the budget management process.

Next Steps

1. **Council Feedback:** Input on this mid-year report will guide development of the FY 2026-27 Proposed Budget.
2. **Resident Engagement:** Staff will continue outreach to confirm service priorities and incorporate them into budget planning.
3. **Ongoing Monitoring:** Staff will continue monitoring revenues, expenditures, State actions, and development activity to inform future financial decisions.

As preparation begins for the FY 2026-27 budget, several external and structural challenges will require careful evaluation and strategic planning:

- National political and economic uncertainty that may affect revenue stability and market conditions.
- Uncertainty in State funding and revenue allocations.
- Deferred capital maintenance needs, particularly related to aging facilities and storm and drainage infrastructure.
- Increasing regulatory compliance costs.
- Ongoing implementation requirements associated with State housing laws.

Despite these challenges, the City continues to be fiscally responsible and invest in our community through essential programs, services, and infrastructure improvements.

These considerations will be evaluated alongside community priorities and long-term financial sustainability goals as the proposed FY 2026-27 budget is developed.

Alternatives

1. Take no action.

Attachments

A. Resolutions
   1. City of Belmont Mid-Year Resolution with Exhibit A Summarizing Proposed Budget Amendments by Fund
   2. Belmont Fire Protection District Mid-Year Resolution with Exhibit A Summarizing Proposed Budget Amendments by Fund
   3. Belmont Investment Policy Resolution with Exhibit A Belmont Investment Policy

B. Statement of Revenues and Expenditures Budget Variance Report
C. Mid-Year Budget Presentation
D. Survey of Neighboring City Investment Portfolios
E. Belmont Investment Policy (Redline)

Fiscal Impact

☐ No Fiscal Impact

☒ Funding Source Confirmed: The resolutions attached to this report itemize the fiscal impacts by fund.

Source:	**Purpose:**	**Public Outreach:**
Staff	Discretionary Action	Posting of Agenda

RESOLUTION NO. 2026 –

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BELMONT FIRE PROTECTION DISTRICT AMENDING THE FISCAL YEAR 2025-26 BUDGET BY APPROVING REVISIONS TO REVENUE AND AUTHORIZING SUPPLEMENTAL APPROPRIATIONS

WHEREAS, the Belmont Fire Protection District (BFPD) fiscal year (FY) 2025-26 budget includes adopted revenue and appropriations; and,

WHEREAS, based on data collected in the first six months of FY 2025-26, year-end estimates are developed and compared to the adopted budget; and,

WHEREAS, the Board of Directors finds that it is necessary to amend the FY 2025-26 revenue budget, appropriations budget, and the estimated fund balance, as identified in Exhibit A; and,

NOW, THEREFORE, the Board of Directors of the Belmont Fire Protection District resolves as follows:

SECTION 1. The FY 2025-26 budget is hereby amended as reflected in Exhibit A.

SECTION 2. The summary effect on funds is shown in the table below.

Summary Combined Effect on Funds					
Fund	Description	Revenues Increase/ (Decrease)	Expenditures Increase/ (Decrease)	Transfer In/(Out)	Net Change on Fund Balance Increase/ (Decrease)
223	Belmont Fire Protection District	124,842	150,000	(35,000)	(60,158)

* * *

ADOPTED February 24, 2026 by the Board of Directors of the Belmont Fire Protection District by the following vote:

Ayes:

Noes:

Absent:

Abstain:

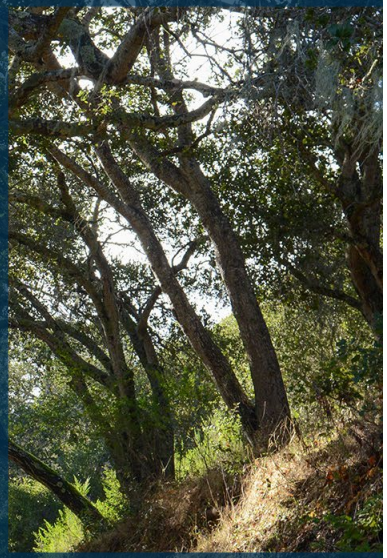
ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

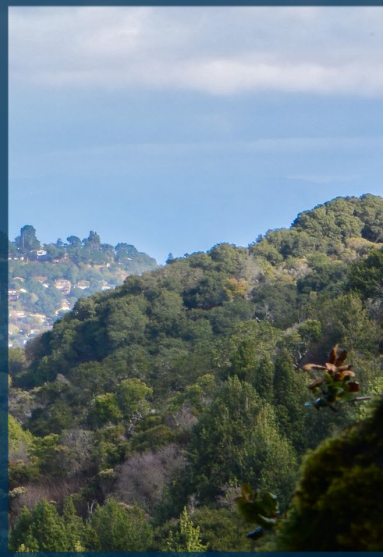
City Attorney



CITY OF BELMONT

FISCAL YEAR 2025-26 BUDGET MID-YEAR REVIEW

City Council Meeting
February 24, 2026

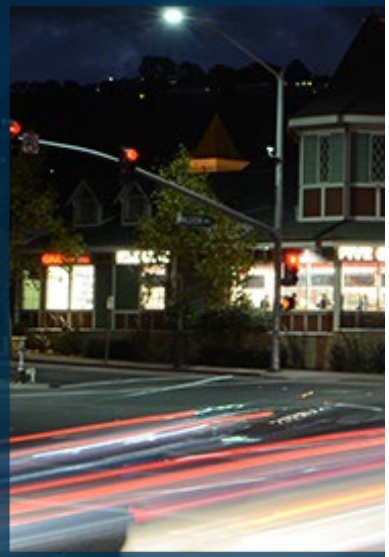


- EXECUTIVE SUMMARY
- FINANCIAL RESULTS
- FISCAL SUSTAINABILITY
- FINANCIAL OUTLOOK
- RECOMMENDATION

EXECUTIVE SUMMARY



- State takeaway of key revenue source
- Slowdown in pipeline development
- Need to maintain City services and infrastructure
- Council resolutions requested



FINANCIAL RESULTS

GENERAL FUND OVERVIEW



Fund Balance

As of Dec. 31, the balance is up $2.8M from last fiscal year

Revenues

Year-end estimates are 4% over budget, mainly due to $1.2M VLF reimbursement

Local Economy

Leading indicators mixed

Expenditures

Year-end estimates are contained within budget, mainly due to vacancy/turnover savings

GENERAL FUND EXPENDITURES
IN MILLIONS



	FY 2025-26 Adjusted Budget	Expenditures as of Dec. 31	% of Budget
Personnel	$20.3	$9.3	46%
Services & Supplies	$3.7	$1.5	42%
Admin & Other	$4.9	$2.4	50%

Major Est. Transfers

- Recreation $1.8M
- Development Services/General Plan Maintenance $1.7M
- Street Maintenance $1.3M
- Storm Drainage $0.8M

FINANCIAL RESULTS BY FUND

IN MILLIONS



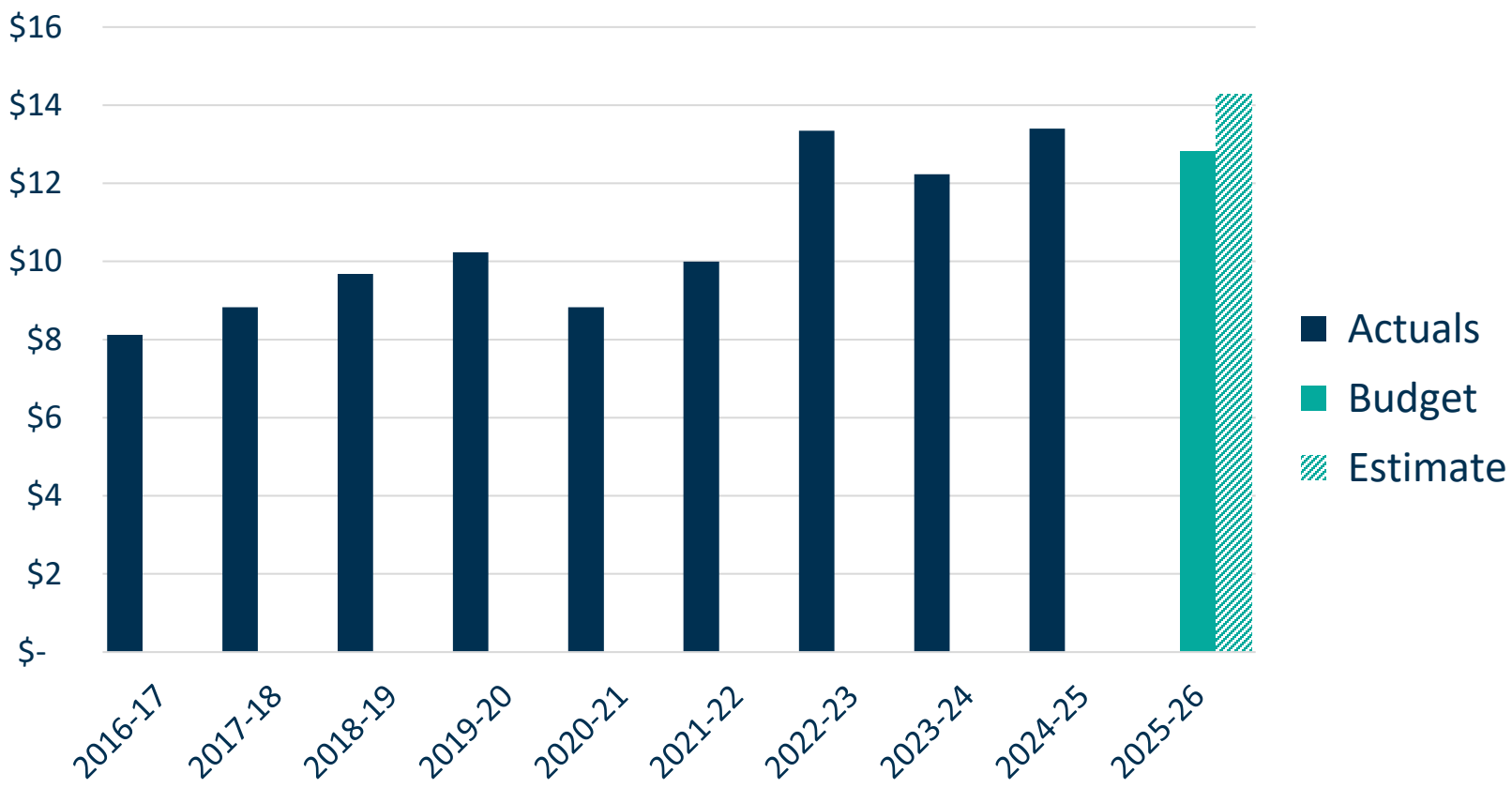
	Fund	Revenues	Expenditures	Ending Balance (Dec. 31)
General Fund (Excludes Measure I)	101	$15.2	$16.1*	$33.6*
Belmont Fire Protection District	223	10.2	11.6	30.1
Development Services	210	3.5	3.1	3.2
General Plan Maintenance	212	0.3	0.7	0.5
Recreation	205	0.9	2.1	(0.6)
Street Maintenance	231	0.5	1.4	1.1
Storm Drain	525	0.5	1.0	0.4

**Includes 50% of budgeted operating transfers anticipated at year-end*

PROPERTY TAX REVENUE

IN MILLIONS

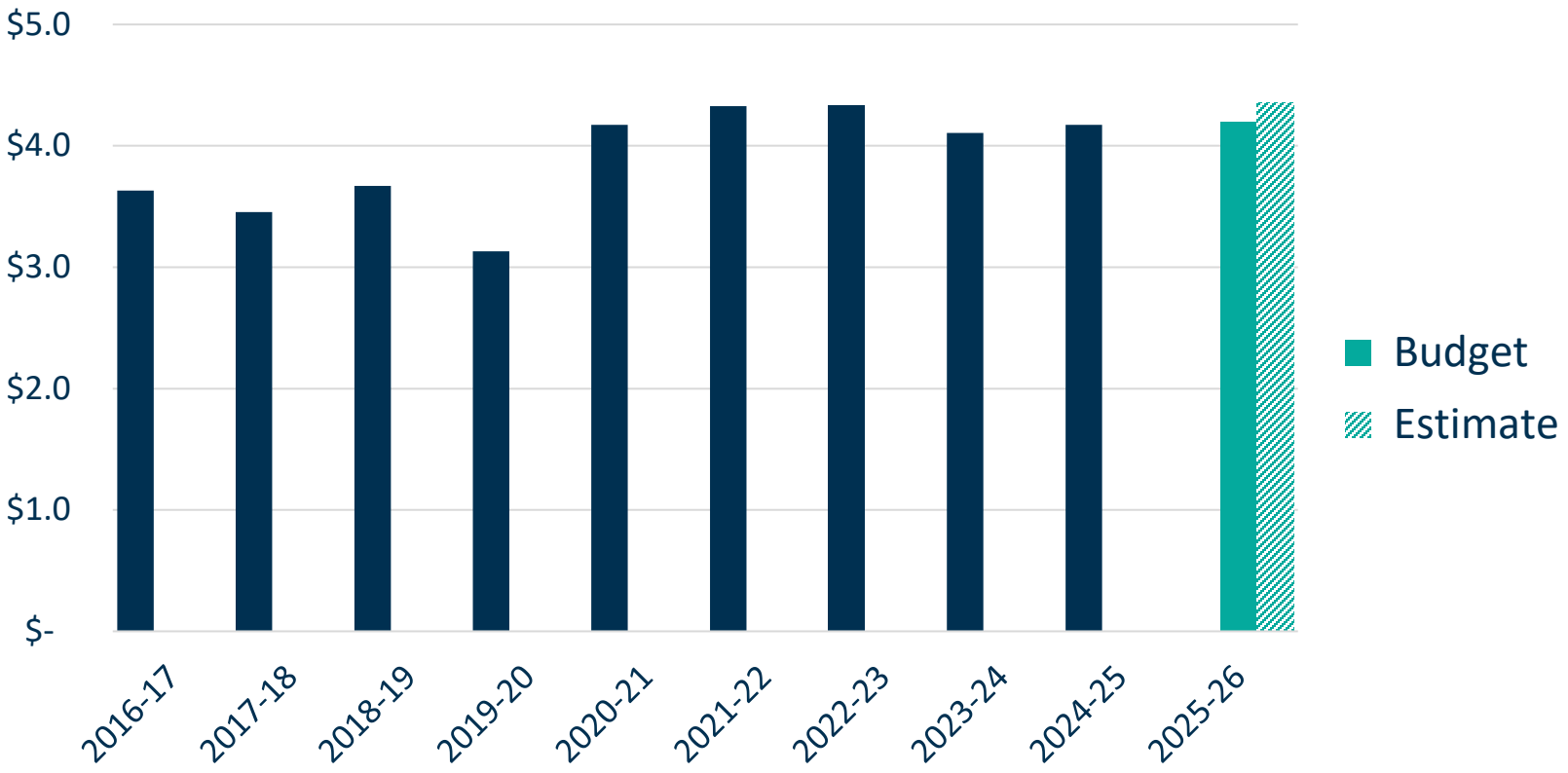




SALES TAX REVENUE (1% BRADLEY BURNS)*

IN MILLIONS



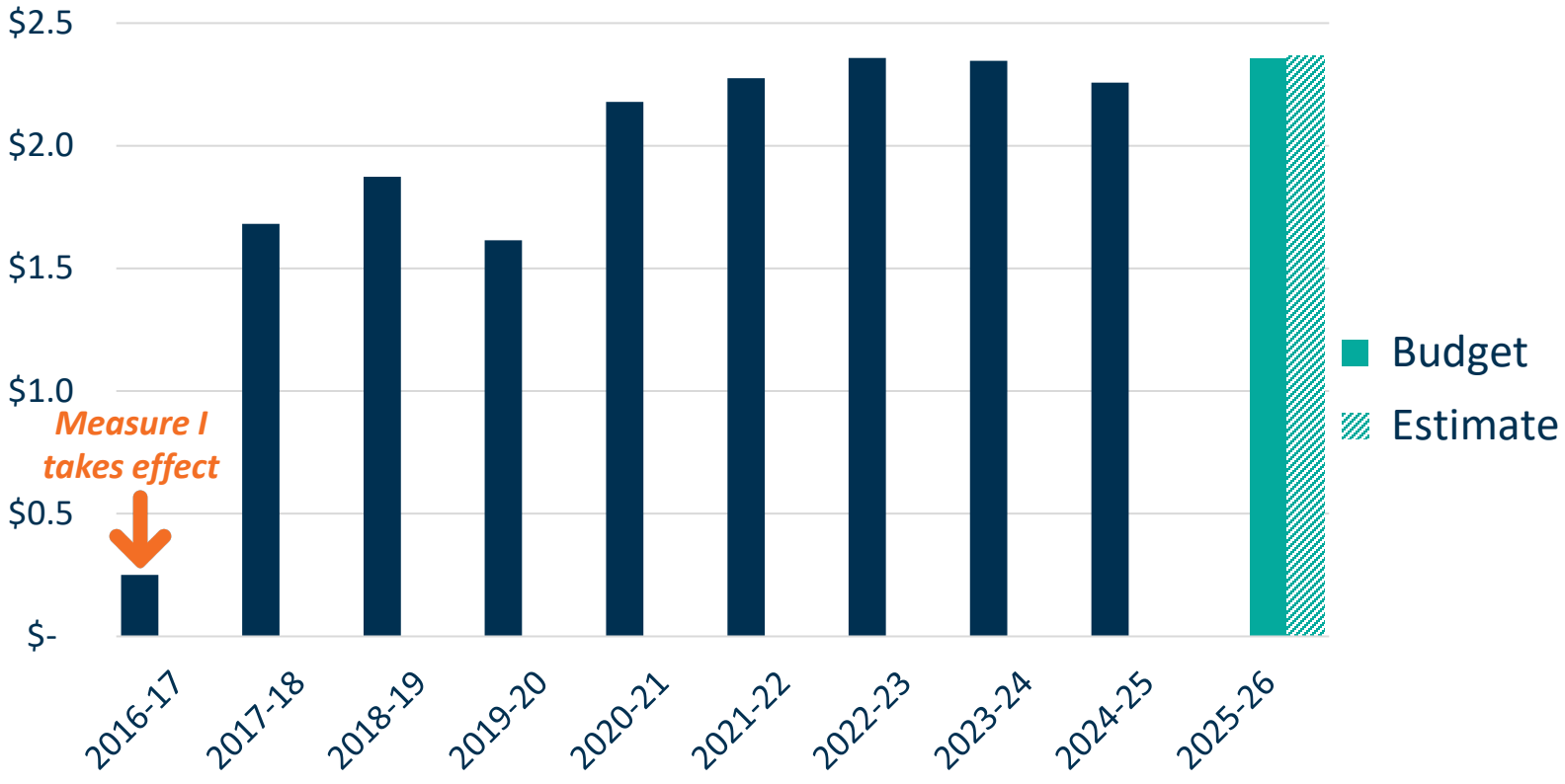


**Excludes Measure I (½-Cent) Tax*

SALES TAX REVENUE (MEASURE I)

IN MILLIONS

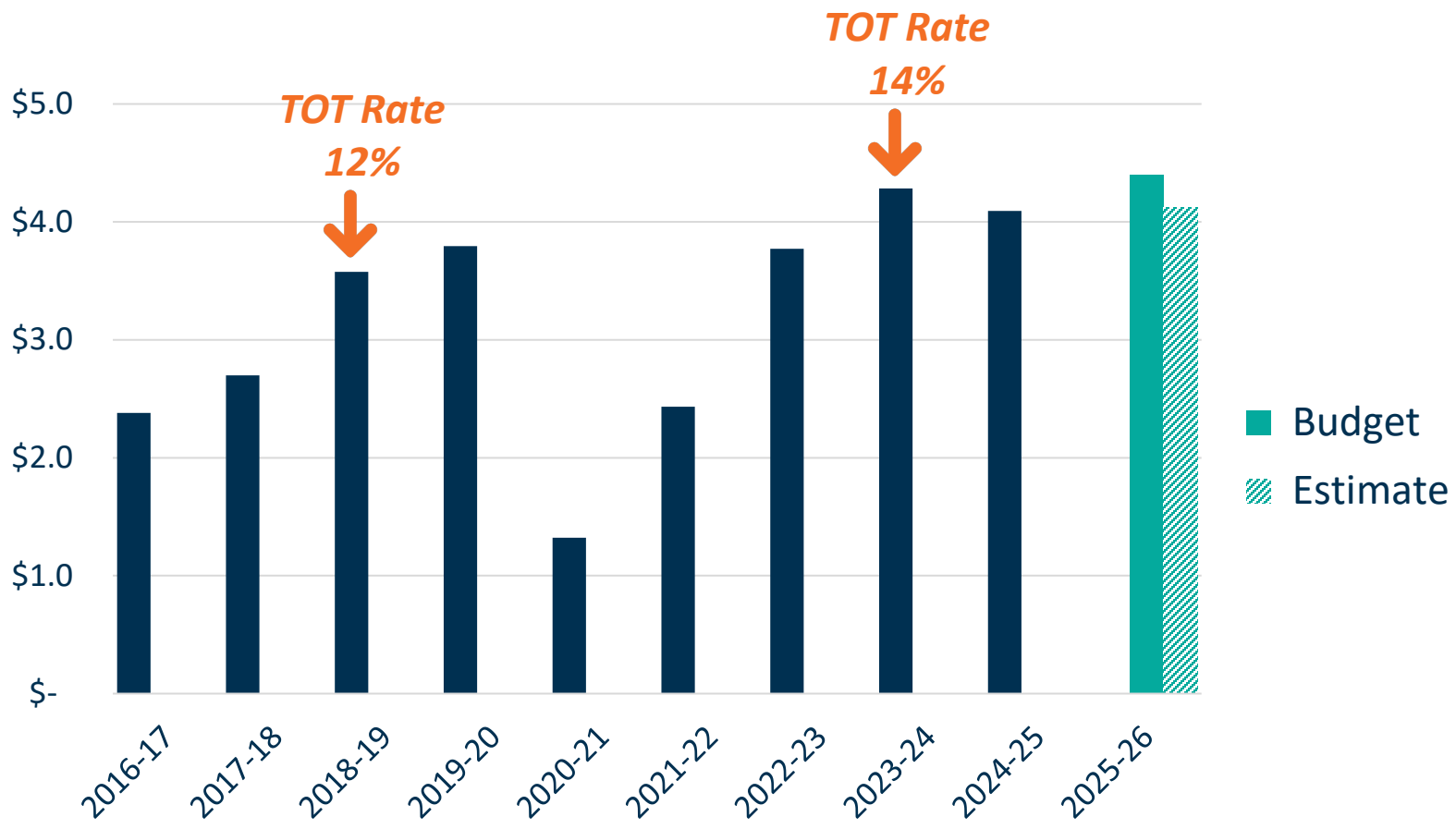




HOTEL ROOM TAX REVENUE

IN MILLIONS

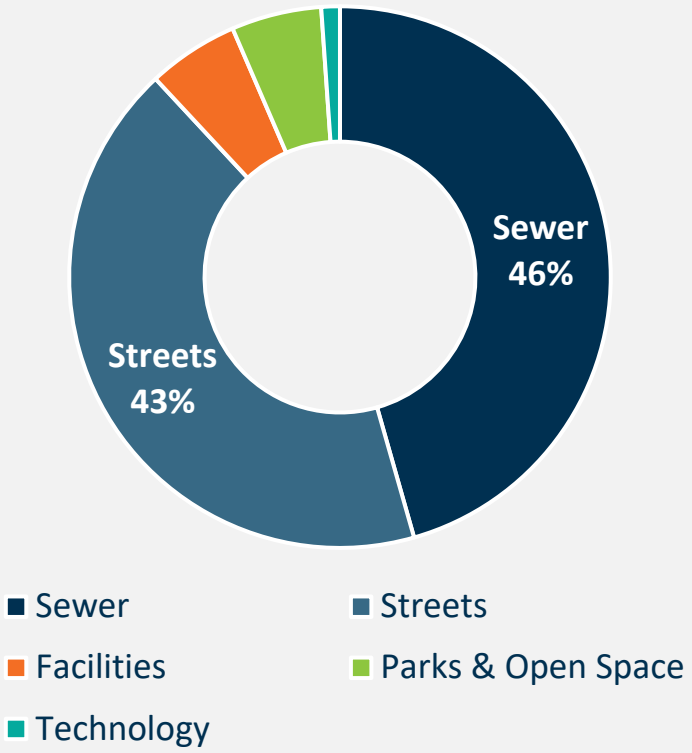




CAPITAL IMPROVEMENT PLAN (CIP) UPATE



FY 2025-26 Budgeted CIPs

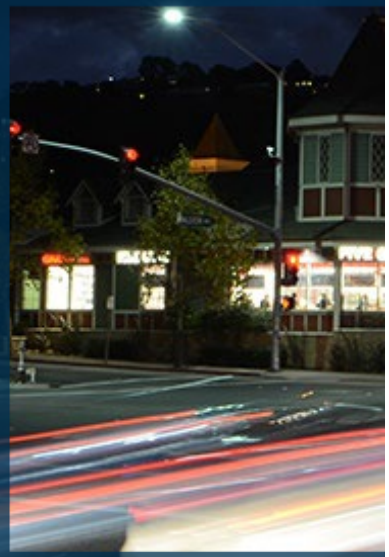


CIP Projects Completed

- Ralston Avenue Adaptive Signal Control Technology System Project
- Library Interior Painting and Flooring
- Belmont Creek Restoration Project

Sewer Treatment

- Ongoing contributions to SVCW for RESCU program



FISCAL SUSTAINABILITY

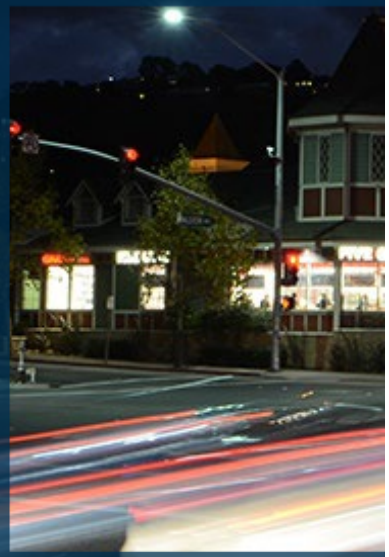
STATE TAKEAWAY



- **Property tax in lieu of VLF continues to be underfunded, with the State refusing to meet its payment obligations**
  - ***Only 2/3*** of the FY 2023-24 shortfall was reimbursed

- **Future revenue shortfalls are projected**
  - FY 2024-25: ~$1.8M shortfall
    (40% of Belmont's Local 1% Sales Tax revenue)
  - FY 2025-26: ~$2.1M shortfall
  - FY 2026-27 and beyond: ~$2.5M-$6M shortfall annually

- **City Manager group continues to work in conjunction with the County**

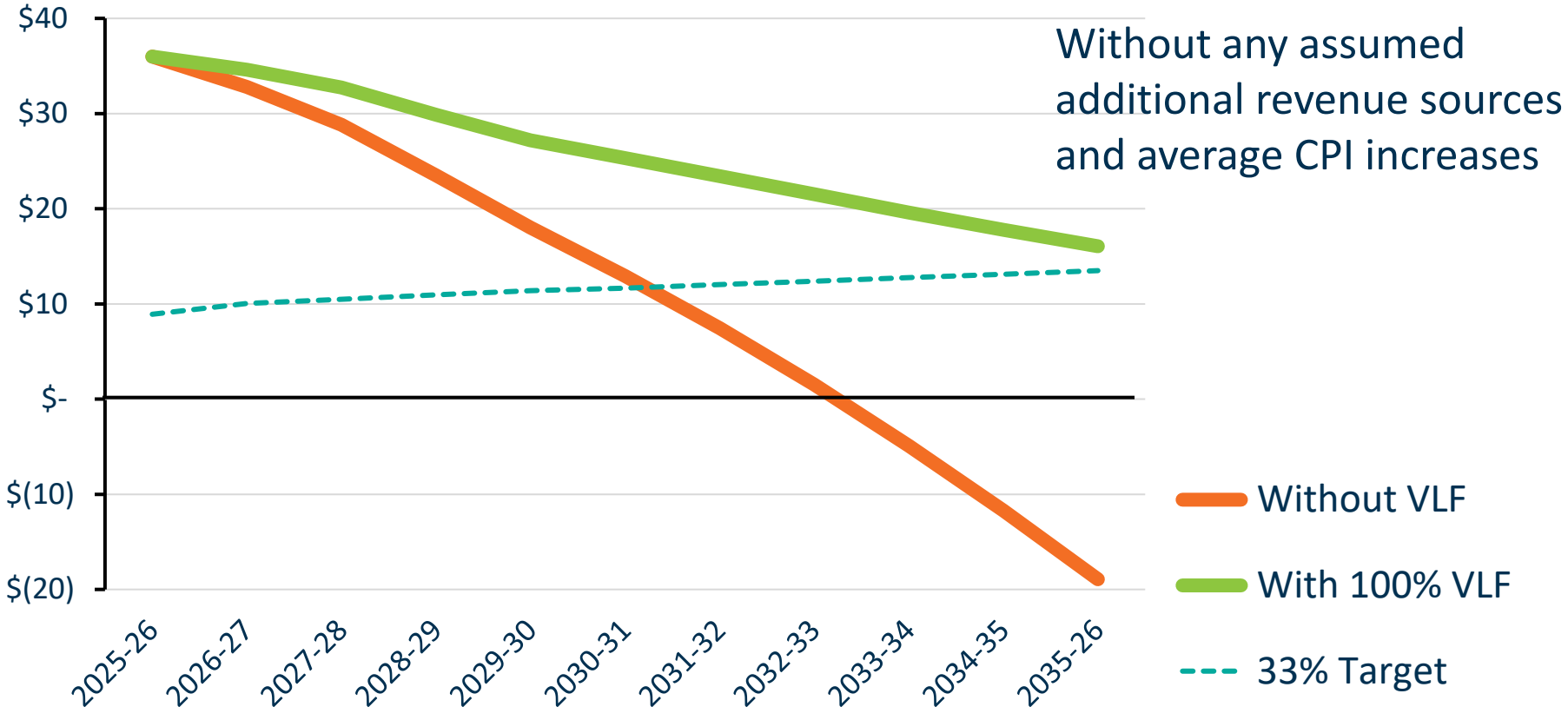


FINANCIAL OUTLOOK

PROJECTED GENERAL FUND BALANCE (VLF SCENARIOS)

IN MILLIONS

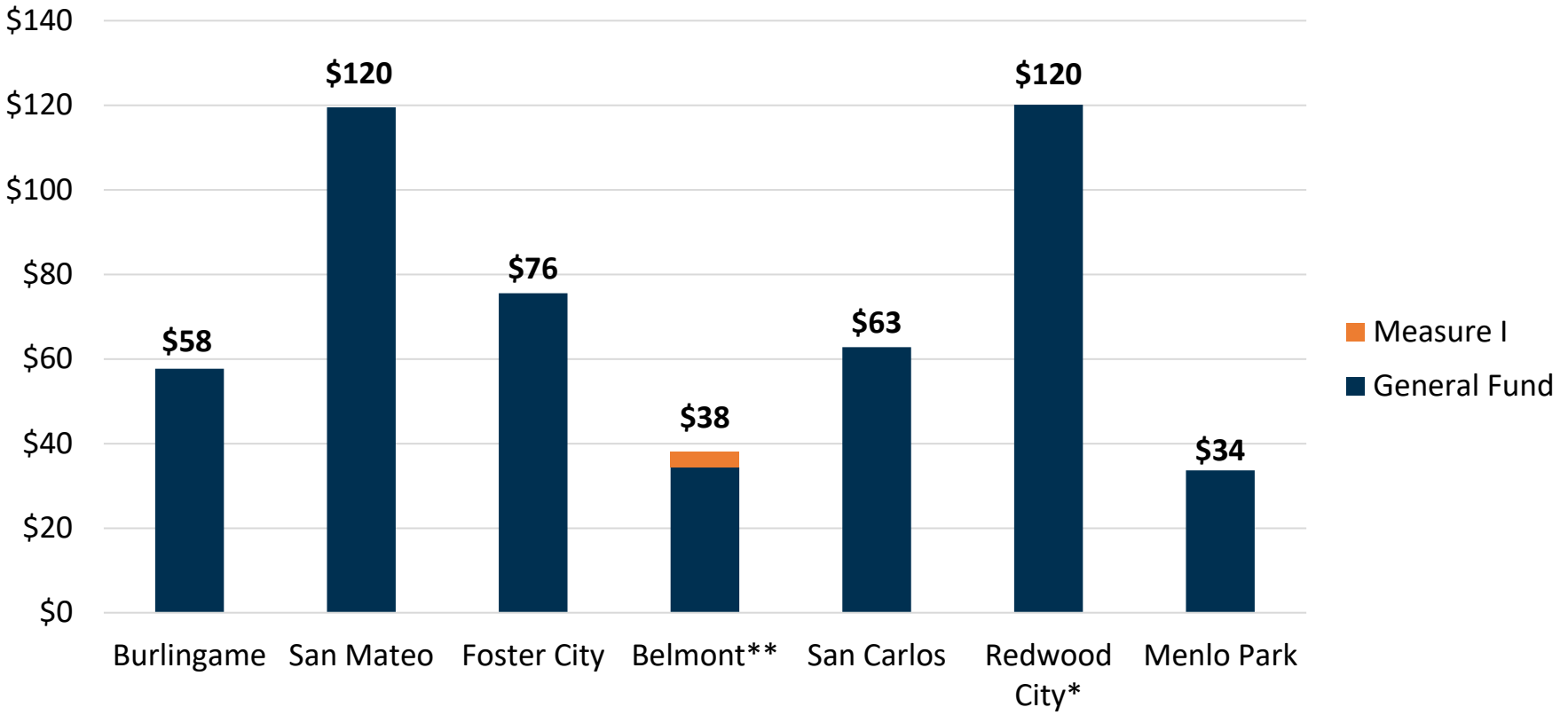




GENERAL FUND BALANCE COMPARISON

IN MILLIONS



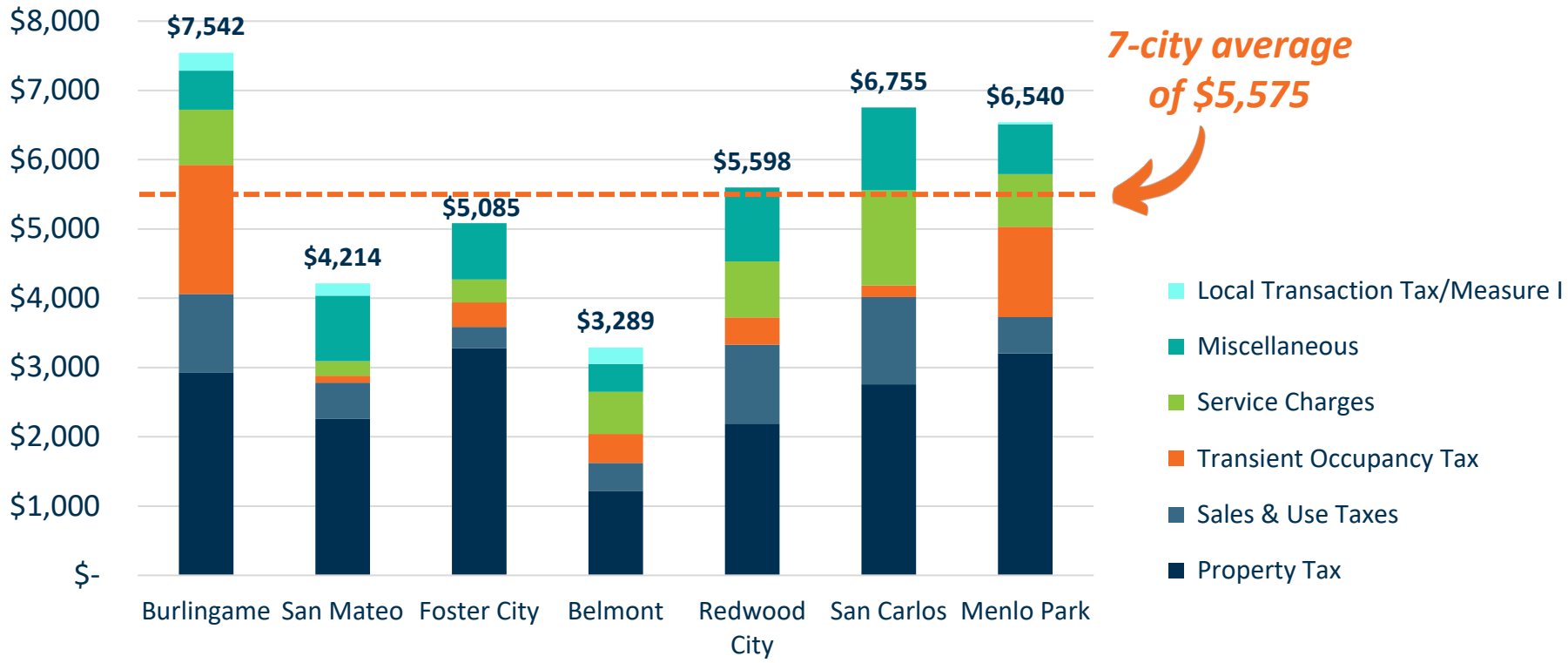


*June 30, 2025 data is not currently available, the amounts shown are as of June 30, 2024.

**Belmont's General Fund balance as of June 30, 2025 was $34M; Measure I Fund balance was $3.6M.

GENERAL FUND REVENUE PER HOUSEHOLD COMPARISON





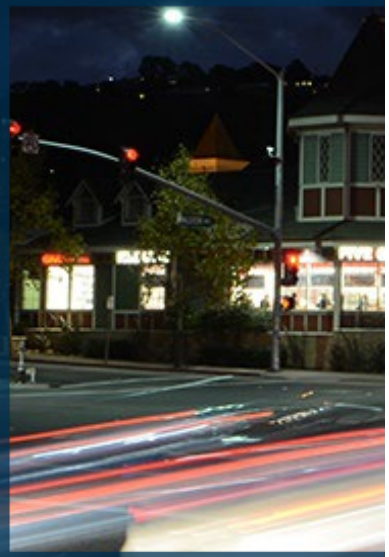
*"Miscellaneous" includes Licensing Fees, Real Estate Transfer Tax, Licenses and Permits, Intergovernmental Sources, Fines and Forfeitures, Interest and Rent Income, and other.

Belmont's General Fund balance excludes Measure I funding. Measure I revenue is shown in the chart for comparison purpose.

INVESTMENT POLICY UPDATE



- Reviewed annually by City Council
- Proposed clean up verbiage consistent with CA Government Code 53600 et seq.
- Reference to investment tools allowed pursuant to California Government Code Sections 53600 et seq.



NEXT STEPS AND RECOMMENDATION

NEXT STEPS
Key Challenges Ahead

ECONOMIC & REVENUE UNCERTAINTY

- NATIONAL POLITICAL AND ECONOMIC UNCERTAINTY
- REVENUE STABILITY RISKS
- STATE FUNDING UNCERTAINTY

DEFERRED CAPITAL NEEDS

- AGING PUBLIC FACILITIES
- STORM & DRAINAGE INFRASTRUCTURE
- BALANCING CAPITAL AND OPERATING COSTS

REGULATORY & HOUSING PRESSURES

- RISING COMPLIANCE COSTS
- STATE HOUSING LAW IMPLEMENTATION
- LONG-TERM FISCAL IMPACTS

Despite these challenges, the City continues to be fiscally responsible and invest in our community through essential programs, services, and infrastructure improvements.

NEXT STEPS



Continue ***community engagement*** to identify service priorities

Efforts underway to update citywide and development fees to ensure proper ***cost recovery***

Continued focus on ***Financial Sustainability Strategic Focus Area***

RESOLUTIONS



- **Revisions to capital improvement budgets**
  - Reflects updated project estimates/timelines
  - Transfers revenues to CIP Project expenditure funds
- **Address actions previously approved by Council; variances based on year-to-date estimates**
- **Amend the FY 2025-26 Budgets:**
  - The City of Belmont
  - Belmont Fire Protection District