

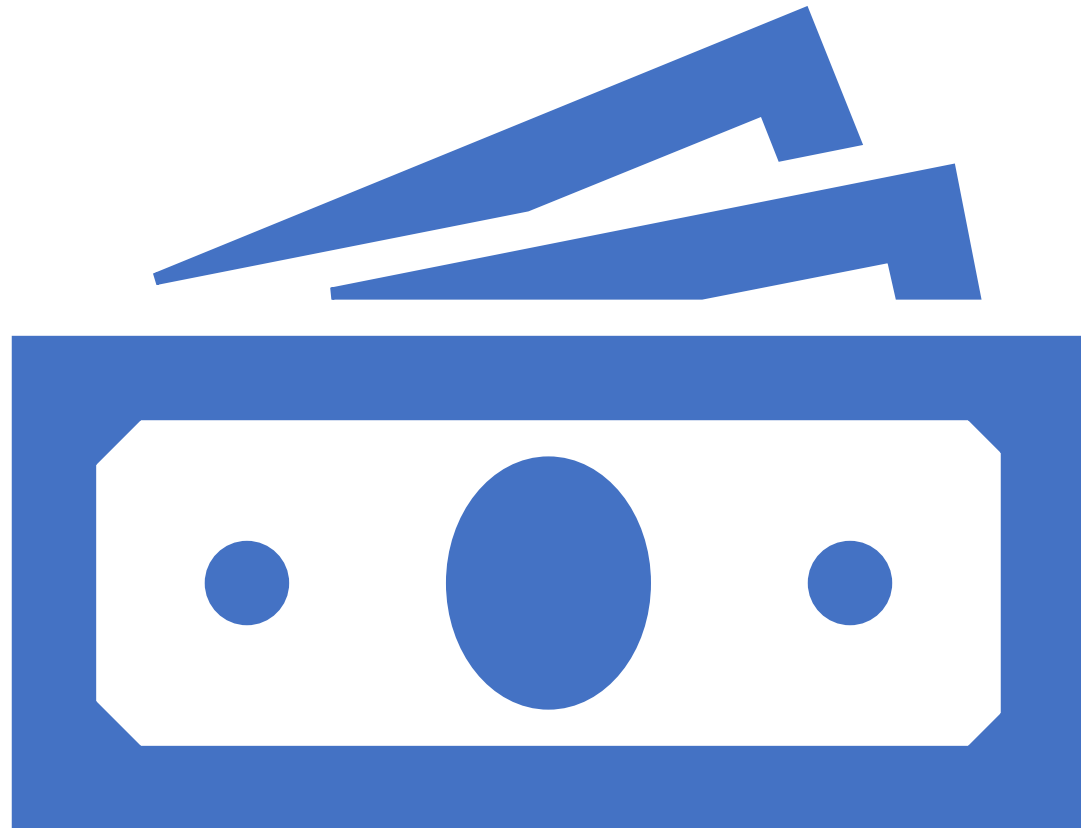
Town of Portola Valley

Mid-Year Budget Update

February 11, 2026

Overview

- Beginning GF Reserve
- FY 24-25 Results
- FY 25-26 6 Months Results
- Y2Y Comp Analysis
- MY Budget Overview
- Fiscal Forecast



FY 25-26
Budget

Beginning Fund Balance

FY 24-25 Preliminary Results

FY 25-26 6-month Results

Y2Y Comparative Analysis

Mid-Year Budget Overview

Fiscal Forecast

Beginning Fund Balance

Estimated Proposed - \$2.2M

Audits, Corrections, Reclassifications

- Reclassification of Sheriff expenses
- Corrections of payroll journal entries

Increased \$705K

General Fund Reserve Calculation	
Beginning Fund Balance - FY 2020-21	\$ 5,465,067
Audited Results - FY 2020-21	(391,627)
Estimated Results - FY 2022-23	(1,265,936)
Estimated Results - FY 2023-24	(975,125)
Estimated Results - FY 2024-25	79,535
Cumulative Change in Estimated Fund Balance	(2,553,153)
Revised Estimated Beginning Fund Balance FY 2025-26	\$ 2,911,914
Estimated Beginning Fund Balance at Adoption	\$ 2,207,099
Change	\$ 704,815

FY 24-25 Preliminary Results

- Balanced Budget
- Revenues - \$7.96M +6.4%
- Expenses - \$7.88M +5.4%
- \$80K Surplus

Category	Budget	Actuals	\$	%
Property Taxes	4,231,055	4,313,015	81,960	101.94%
Sales & Use Tax	350,000	344,247	(5,753)	98.36%
Utility Users Tax	945,000	1,244,927	299,927	131.74%
Business License Tax	125,000	133,188	8,188	106.55%
Franchise Fees	405,000	414,711	9,711	102.40%
Fines & Forfeitures	2,000	3,478	1,478	173.89%
Licenses & Permits	292,900	210,363	(82,537)	71.82%
Intergovernmental	5,500	13,779	8,279	250.53%
Charges for Services	835,200	895,378	60,178	107.21%
Use of Money & Property	284,530	348,264	63,734	122.40%
Miscellaneous	3,600	38,962	35,362	1082.28%
Transfers In	-	-	-	0.00%
Total	7,479,785	7,960,312	480,527	106.42%

Category	Budget	Actuals	\$	%
Salaries	2,208,513	2,272,139	63,626	102.88%
Benefits	801,193	790,120	(11,073)	98.62%
Services	755,091	939,992	184,901	124.49%
Maintenance	335,600	475,736	140,136	141.76%
Contract	2,474,650	2,422,018	(52,632)	97.87%
Consultants	716,000	947,734	231,734	132.37%
Development	55,047	33,037	(22,010)	60.02%
Transfers Out	133,691	-	(133,691)	0.00%
Total	7,479,785	7,880,777	400,992	105.36%

Surplus / (Deficit)	-	79,536		
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FY 25-26

6-Month Results

- Adopted \$215K Deficit
- Revenues - \$3.57M 45%
- Expenses - \$3.64M 45%
- \$70K Deficit

Category	Budget	Actuals	\$	%
Property Taxes	4,355,875	2,096,776	(2,259,099)	48.14%
Sales & Use Tax	325,000	124,116	(200,884)	38.19%
Utility Users Tax	1,173,000	499,952	(673,048)	42.62%
Business License Tax	115,000	49,648	(65,352)	43.17%
Franchise Fees	424,000	81,165	(342,835)	19.14%
Fines & Forfeitures	2,500	9,026	6,526	361.05%
Licenses & Permits	322,500	155,904	(166,596)	48.34%
Intergovernmental	7,500	-	(7,500)	0.00%
Charges for Services	885,200	379,506	(505,694)	42.87%
Use of Money & Property	337,000	170,993	(166,007)	50.74%
Miscellaneous	5,200	3,050	(2,150)	58.66%
Transfers In	-	-	-	0.00%
Total	7,952,775	3,570,136	(4,382,639)	44.89%

Category	Budget	Actuals	\$	%
Salaries	2,316,850	1,167,619	(1,149,231)	50.40%
Benefits	981,978	406,983	(574,995)	41.45%
Services	799,777	457,033	(342,744)	57.15%
Maintenance	353,500	136,111	(217,389)	38.50%
Contract	2,740,054	1,174,476	(1,565,578)	42.86%
Consultants	772,000	268,432	(503,568)	34.77%
Development	63,700	29,387	(34,313)	46.13%
Transfers Out	140,000	-	(140,000)	0.00%
Total	8,167,859	3,640,042	(4,527,817)	44.57%

Surplus / (Deficit)	(215,084)	(69,906)		
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Y2Y Comparative Analysis

- Revenues - +62K +1.8%
 - VLF Shortfall -\$218K
 - Licenses & Permits
- Expenses - -235K -6.1%
 - Consultants -19.14%
- Vacant Positions
 - Senior Planner
 - Development Review Tech
 - Services provided through consultants
- Accrued Expenses
 - Sheriff - \$959K

Category	FY 25	FY 26	\$	%
Property Taxes	2,167,327	2,096,776	(70,551)	-3.26%
Sales & Use Tax	100,868	124,116	23,249	23.05%
Utility Users Tax	492,298	499,952	7,654	1.55%
Business License Tax	41,206	49,648	8,442	20.49%
Franchise Fees	66,925	81,165	14,240	21.28%
Fines & Forfeitures	790	9,026	8,236	1042.29%
Licenses & Permits	80,644	155,904	75,260	93.32%
Intergovernmental	-	-	-	0.00%
Charges for Services	409,744	379,506	(30,238)	-7.38%
Use of Money & Property	143,214	170,993	27,778	19.40%
Miscellaneous	4,962	3,051	(1,911)	-38.52%
Transfers In	-	-	-	0.00%
Total	3,507,978	3,570,136	62,158	1.77%

Category	FY 25	FY 26	\$	%
Salaries	1,298,598	1,167,619	(130,978)	-10.09%
Benefits	391,605	406,983	15,378	3.93%
Services	505,209	457,033	(48,176)	-9.54%
Maintenance	161,788	136,111	(25,677)	-15.87%
Contract	1,163,440	1,174,476	11,036	0.95%
Consultants	331,967	268,432	(63,534)	-19.14%
Development	22,897	29,387	6,490	28.35%
Transfers Out	-	-	-	0.00%
Total	3,875,503	3,640,042	(235,461)	-6.08%

Surplus / (Deficit)	(367,525)	(69,906)		
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Mid-Year Budget Overview

- GF Deficit - -\$215K
- Post Adoption
 - Sheriff contract reduced – (\$172K)
 - VLF Shortfall lawsuit
 - Revenue Enhancement
 - Campaign, materials
 - Town Attorney
 - Open Space
 - Housing Element
 - Revenue Enhancement
 - Valley Oak Trail Bridges
 - Building & Planning
 - Implement Permitting/GIS
 - Staffing vacancies/consultants
 - Safety Element

Fund	Beginning Balance	Estimated Revenues	FY 2025-26		Ending Balance
			Estimated Expenditures	Transfers In/(Out)	
General Purpose Funds					
101 - Unassigned	\$ 1,106,643	\$ 7,952,775	\$ 8,027,859	\$ 75,084	\$ 1,106,643
Assigned					
UAL	249,214	-	-	-	249,214
Equipment Replacement	34,960	-	-	-	34,960
Capital Replacement/Emergency	489,447	-	-	-	489,447
Legal Contingency	34,960	-	-	-	34,960
OPEB Liability	291,875	-	-	(215,084)	76,791
Sub-total	\$ 2,207,099	\$ 7,952,775	\$ 8,027,859	\$ (140,000)	\$ 1,992,015
Restricted Funds					
201 - Grants	\$ 401,995	\$ 254,973	\$ 234,973	\$ -	\$ 421,995
202 - Public Safety Sales Tax	61,381	17,100	16,500	-	61,981
203 - Public Safety/COPS	470,548	166,600	155,000	-	482,148
204 - Open Space	9,118,958	819,000	15,000	-	9,922,958
205 - Library Fund	124,851	78,000	78,000	-	124,851
206 - Gas Tax/RMRA	445,158	267,814	364,767	140,000	488,205
208 - Frog Pond Open Space	28,903	1,300	-	-	30,203
211 - Measure A	1,397,512	421,630	421,130	-	1,398,012
212 - Measure M	106,408	78,000	75,000	-	109,408
213 - Measure W	785,912	204,745	150,000	-	840,657
221 - Park In-lieu	45,454	1,200	30,000	-	16,654
222 - Inclusionary In-lieu	4,849,927	135,000	115,000	-	4,869,927
225 - ARPA	165,534	-	100,000	-	65,534
401 - Capital Projects	691,120	-	302,366	-	388,754
701 - Applicant Deposits	112,430	475,000	475,000	-	112,430
Sub-total	\$ 18,806,091	\$ 2,920,362	\$ 2,532,736	\$ 140,000	\$ 19,333,717
Fiduciary Funds					
501 - Crescent Road Maintenance District	\$ 205,202	\$ 23,756	\$ -	\$ -	\$ -
502 - Portola Valley Ranch Road Maintenance District	40,556	2,295	-	-	-
504 - Wayside II Road Maintenance District	161,573	46,596	-	-	-
505 - Woodside Highlands Road Maintenance District	375,126	69,997	50,097	-	-
Sub-total	\$ 782,457	\$ 142,644	\$ 50,097	\$ -	\$ -
Grand Total	\$ 21,795,647	\$ 11,015,781	\$ 10,610,692	\$ -	\$ 21,325,732

Operational Needs

Revenue Enhancement

- Campaign Education
- Campaign Materials
- Legal Review

Building & Planning

- Permitting Software
- GIS Upgrade
- Town Geologist
- Staff Vacancies

Housing Element

- Consultants
- Legal Review

Open Space

- Appraisal Services
- Legal Review

Mid-Year Budget Overview

- General Fund - 101
 - Revenues
 - No change
 - Expenses - \$48K increase
 - Sheriff's Contract -\$172K
 - Town Manager +\$54K
 - Revenue Enhancement
 - Town Attorney +\$50K
 - Revenue Enhancement
 - Building & Planning +\$112K
 - Permitting Software
 - GIS upgrades
 - Staff Vacancies
 - Safety Element
 - Town Geologist
 - Risk Management
 - SIR

Schedule of Changes in Appropriation - General Fund			
	Revenue	Expense	Variance
Adopted Budget	7,952,775	8,167,861	(215,086)
Changes in Appropriation			
115 - Town Committees	-	1,300	(1,300)
120 - Town Manager	-	53,887	(53,887)
125 - Town Attorney	-	50,000	(50,000)
130 - Town Clerk	-	(22,639)	22,639
140 - Finance	-	8,988	(8,988)
210 - Police Services	-	(171,735)	171,735
310 - Planning Division	-	32,366	(32,366)
320 - Building Division	-	75,998	(75,998)
330 - Code Enforcement	-	3,939	(3,939)
410 - Community Hall	-	1,041	(1,041)
420 - Field Rentals	-	700	(700)
510 - Public Works	-	12,518	(12,518)
610 - Non-Departmental	-	71,573	(71,573)
610 - Transfers	-	(70,000)	70,000
Total Changes in Appropriation	-	47,936	(47,936)
Mid-Year Budget	7,952,775	8,215,797	(263,022)

Mid-Year Budget Overview

Category	Prelim	Proposed	\$	%
Property Taxes	4,355,875	4,355,875	-	0.00%
Sales & Use Tax	325,000	325,000	-	0.00%
Utility Users Tax	1,173,000	1,173,000	-	0.00%
Business License Tax	115,000	115,000	-	0.00%
Franchise Fees	424,000	424,000	-	0.00%
Fines & Forfeitures	2,500	2,500	-	0.00%
Licenses & Permits	322,500	322,500	-	0.00%
Intergovernmental	7,500	7,500	-	0.00%
Charges for Services	885,200	885,200	-	0.00%
Use of Money & Property	337,000	337,000	-	0.00%
Miscellaneous	5,200	5,200	-	0.00%
Transfers In	-	-	-	0.00%
Total	7,952,775	7,952,775	-	0.00%

Category	Prelim	Proposed	\$	%
Salaries	2,316,850	2,322,020	5,170	0.22%
Benefits	981,978	972,906	(9,072)	-0.92%
Services	854,777	1,047,837	193,060	22.59%
Maintenance	228,500	228,500	-	0.00%
Contract	2,740,054	2,560,832	(179,222)	-6.54%
Consultants	842,000	940,000	98,000	11.64%
Development	63,700	73,700	10,000	15.70%
Transfers Out	140,000	70,000	(70,000)	-50.00%
Total	8,167,859	8,215,795	47,936	0.59%
Surplus / (Deficit)	(215,084)	(263,020)		

- General Fund - 101
 - Revenues
 - No change
 - Expenses - \$48K increase
 - Sheriff's Contract -\$172K
 - Town Manager +\$54K
 - Revenue Enhancement
 - Town Attorney +\$50K
 - Revenue Enhancement
 - Building & Planning +\$112K
 - Permitting Software
 - GIS upgrades
 - Staff Vacancies
 - Safety Element
 - Town Geologist
 - Risk Management
 - SIR

Mid-Year Budget Overview

- Open Space - 204
 - Revenues
 - No Change
 - Expenses +\$10K
 - Survey
 - Legal Review

Category	Prelim	Proposed	\$	%
Utility Users Tax	489,000	489,000	-	0.00%
Use of Money & Property	330,000	330,000	-	0.00%
Total	819,000	819,000	-	0.00%

Category	Prelim	Proposed	\$	%
Services	15,000	25,000	10,000	66.67%
Total	15,000	25,000	10,000	66.67%

Mid-Year Budget Overview

- Inclusion In-lieu - 222
 - Revenues +\$111K
 - Use of Reserves
 - Expenses +\$111K
 - Consultants
 - Urban Planners
 - Good City
 - Human Investment Project (HIP)
 - HEART JPA
 - Legal Review

Category	Prelim	Proposed	\$	%
Use of Money & Property	135,000	230,000	95,000	70.37%
Appropriated Fund Balance	-	15,900	15,900	0.00%
Total	135,000	245,900	110,900	82.15%

Category	Prelim	Proposed	\$	%
Services	115,000	245,900	130,900	53.23%
Total	115,000	245,900	130,900	113.83%

Capital Improvement Plan

Storm Drain Assessment

- Initial quotes exceed budget will defer to FY 26-27

Valley Oak Trail Bridges

- Scope revision will require survey and legal review
- Rellocated from Storm Drain Assessment Project

Court Resurfacing

- Scope revision may require park in-lieu funds or donations through PV Fund

Ford Field Bathroom

- Feasibility Study to determine cost funded by Capital Project fund appropriation

Mid-Year Budget Overview

- Grants - 201
 - Revenues -\$71K
 - Valley Oak Trail Bridges
 - Expenses -\$71K
 - Valley Oak Trail Bridges
 - Scope increase
 - Survey requirement
 - GF CIP Fund

Category	Prelim	Proposed	\$	%
Capital Grants	234,973	164,000	(70,973)	-30.20%
Total	234,973	164,000	(70,973)	-30.20%
Category	Prelim	Proposed	\$	%
Valley Oak Trail Bridges	70,973	-	(70,973)	-100.00%
Energy Efficiency Upgrades - TH	64,000	64,000	-	0.00%
IT Upgrades - SH	100,000	100,000	-	0.00%
Town Courts Resurfacing	-	-	-	0.00%
Ford Field Bathroom Study	-	-	-	0.00%
Total	234,973	164,000	(70,973)	-30.20%

Mid-Year Budget Overview

- Park In-lieu - 221
 - Revenues +\$5K
 - Use of Reserves
 - Expenses
 - Council Direction
 - Ford Field Bathroom - \$50K
 - Feasibility Study
 - Town Courts Resurfacing - \$35K

Category	Prelim	Proposed	\$	%
Appropriated Fund Balance	30,000	35,000	5,000	16.67%
Total	30,000	35,000	5,000	16.67%

Category	Prelim	Proposed	\$	%
Town Courts Resurfacing	30,000	-	(30,000)	-100.00%
Ford Field Bathroom Study	-	-	-	0.00%
Total	30,000	-	(30,000)	-100.00%

Mid-Year Budget Overview

- GF Capital Projects - 401
 - Revenues
 - No Change
 - Expenses
 - Storm Drain Assessment
 - Deferred – quotes exceeded budget
 - Valley Oak Trail Bridges
 - Survey
 - Legal Review
 - Council Direction
 - Ford Field Bathroom - \$50K
 - Feasibility Study
 - Town Courts Resurfacing - \$35K

Category	Prelim	Proposed	\$	%
Appropriated Fund Balance	252,366	252,366	-	0.00%
Total	252,366	252,366	-	0.00%
Category	Prelim	Proposed	\$	%
Street Resurfacing	156,903	156,903	-	0.00%
Storm Drain Assessment	50,000	-	(50,000)	-100.00%
Storm Drain Repairs	20,000	20,000	-	0.00%
Valley Oak Trail Bridges	-	50,000	50,000	0.00%
Trail Rehabilitation	25,463	25,463	-	0.00%
Town Courts Resurfacing	-	-	-	0.00%
Ford Field Bathroom Study	-	-	-	0.00%
Total	252,366	252,366	-	0.00%

Mid-Year Budget Overview

Changes in All Funds

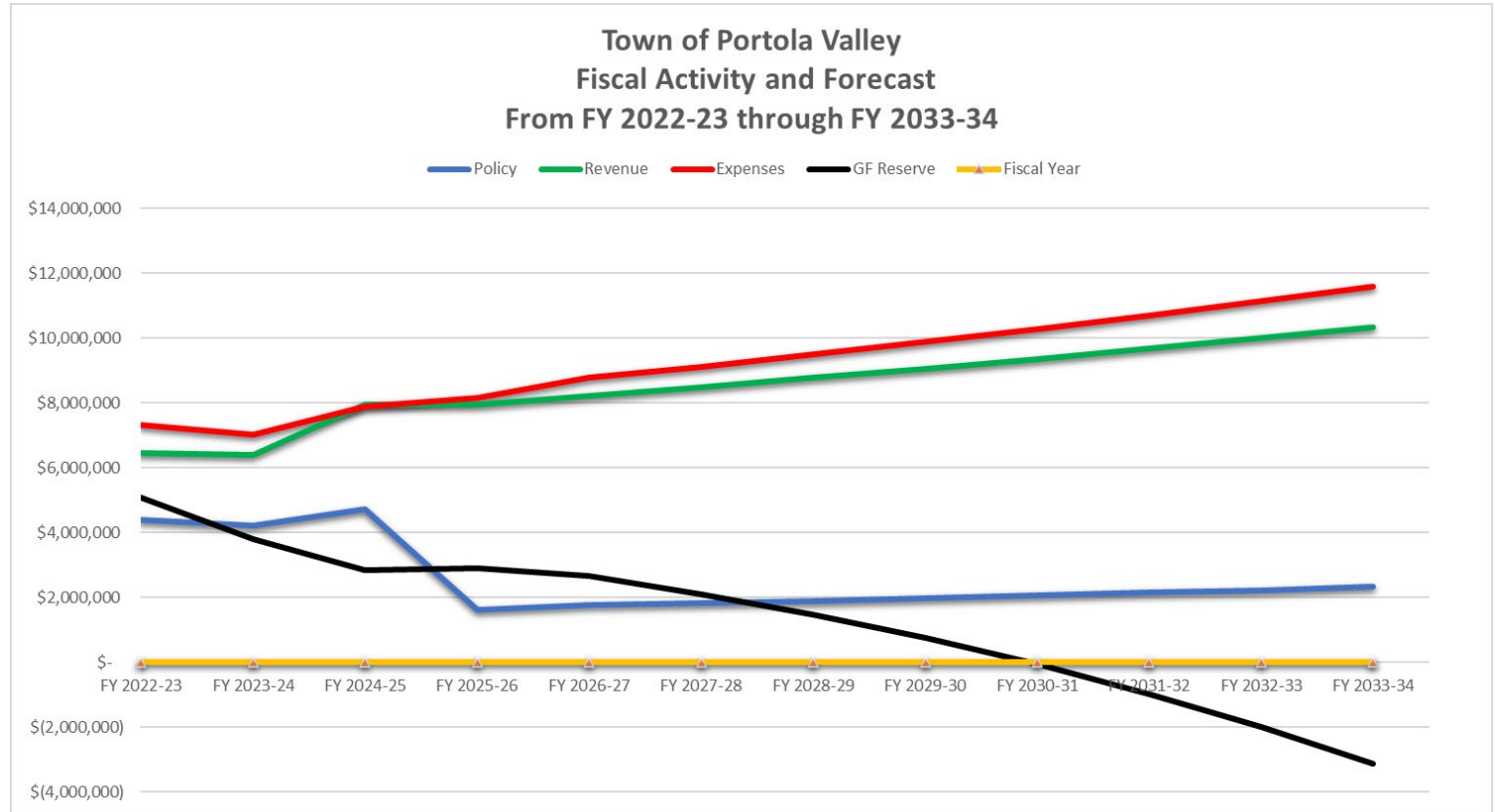
Schedule of Changes in Appropriation for Mid-Year			
	Revenues	Expenses	Variance
Adopted Budget	11,020,781	10,750,694	270,087
Changes in Appropriation			
101 - General Fund	-	47,934	(47,934)
201 - Grants	(70,973)	(70,973)	-
204 - Open Space	-	10,000	(10,000)
206 - Gas Tax	(70,000)	-	(70,000)
221 - Park In-lieu	-	5,000	(5,000)
222 - inclusion In-lieu	230,000	130,900	99,100
501-505 - RMD	30,656	123,203	(92,547)
701 - Customer Deposits	425,000	425,000	-
Total Changes in Appropriation	544,683	671,064	(126,381)
Mid-Year Budget	11,565,464	11,421,758	143,706

Mid-Year Budget Overview

Fund	Beginning Balance	Estimated Revenues	FY 2025-26		Transfers In/(Out)	Ending Balance
			Estimated Expenditures			
General Purpose Funds						
101 - Unassigned	\$ 1,106,643	\$ 7,952,775	\$ 8,145,795	\$ (70,000)	\$	843,623
Assigned						
UAL	249,214	-	-	-		249,214
Equipment Replacement	100,000	-	-	-		100,000
Capital Replacement/Emergency	1,000,000	-	-	-		1,000,000
Legal Contingency	100,000	-	-	-		100,000
OPEB Liability	356,057	-	-	-		356,057
Sub-total	\$ 2,911,914	\$ 7,952,775	\$ 8,145,795	\$ (70,000)	\$	2,648,894
Restricted Funds						
201 - Grants	\$ 401,995	\$ 164,000	\$ 164,000	\$ -	\$	401,995
202 - Public Safety Sales Tax	61,381	17,100	16,500	-		61,981
203 - Public Safety/COPS	470,548	166,600	155,000	-		482,148
204 - Open Space	9,118,958	819,000	35,000	-		9,902,958
205 - Library Fund	124,851	78,000	78,000	-		124,851
206 - Gas Tax/RMRA	445,158	267,814	364,767	70,000		418,205
208 - Frog Pond Open Space	28,903	1,300	-	-		30,203
211 - Measure A	1,397,512	421,630	421,130	-		1,398,012
212 - Measure M	106,408	78,000	75,000	-		109,408
213 - Measure W	785,912	204,745	150,000	-		840,657
221 - Park In-lieu	45,454	1,200	35,000	-		11,654
222 - Inclusionary In-lieu	4,849,927	230,000	245,900	-		4,834,027
225 - ARPA	100,000	-	100,000	-		-
401 - Capital Projects	691,120	-	302,366	-		388,754
701 - Applicant Deposits	-	900,000	900,000	-		-
Sub-total	\$ 18,628,127	\$ 3,349,389	\$ 3,042,663	\$ 70,000	\$	19,004,853
Fiduciary Funds						
501 - Crescent Road Maintenance District	\$ -	\$ 24,000	\$ 24,000	\$ -	\$	-
502 - Portola Valley Ranch Road Maintenance District	-	2,300	2,300	-		-
504 - Wayside II Road Maintenance District	-	47,000	47,000	-		-
505 - Woodside Highlands Road Maintenance District	-	100,000	100,000	-		-
Sub-total	\$ -	\$ 173,300	\$ 173,300	\$ -	\$	-
Grand Total	\$ 21,540,041	\$ 11,475,464	\$ 11,361,758	\$ -	\$	21,653,747

Mid-Year Budget Overview

Fiscal Forecast



FY 2026-27 Budget

Sheriff Contract

- Initial increase anticipated to be \$400 - \$500K with the expiration of credits
- Labor Negotiations

Personnel

- COLA?
- Benefits
 - PERS – 1%
 - UAL - \$30K
 - Medical – 9%

CIP

- Ongoing funding for Capital Improvement Projects

Revenue Enhancement

- Contingency planning should revenue measure not pass

Mid-Year Budget Update

1. Provide Direction

- Ford Field Bathroom
- Town Courts Resurfacing

2. Adopt Resolution

Questions
