



# Administrative Report

---

L.1., File # 26-0589

Meeting Date: 6/16/2026

---

**To:** MAYOR AND CITY COUNCIL  
**From:** STEPHANIE MEYER, FINANCE DIRECTOR

## **TITLE**

CONTINUED PUBLIC HEARING TO CONSIDER THE FISCAL YEAR 2026-27 PROPOSED BUDGET, 2027-2031 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM, AND ASSOCIATED BUDGET RESPONSE REPORTS

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2606-043, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2026-27

- a. Reconvene the Public Hearing, take testimony;
- b. Close the Public Hearing;
- c. Receive and file Budget Response Reports;
- d. Adopt by title only Resolution No. CC-2606-043, incorporating the adjustments identified in BRR #1 and the final City Council motion; and
- e. Direct staff to take actions necessary to implement the fee and rate changes approved as part of the Adopted Budget.

## **EXECUTIVE SUMMARY**

On May 14, 2026, City staff published the FY 2026-27 Proposed Budget and the 2027-2031 Five Year Capital Improvement Program. On May 19, 2026, the City Manager introduced the Proposed Budget, provided the City Council the opportunity to request additional Budget Response Reports (BRRs), and identified June 2, 2026 as the date of the first Public Hearing to discuss the Budget. On June 2, 2026, the City Council focused on the proposed operating budget, received reports from Department Heads, asked questions of staff, took public comment, and continued the Public Hearing to June 9, 2026. The June 9 discussion focused on the City's 2027-2031 Five Year Capital Improvement Program. The June 16 hearing is focused on the City Council's consideration of Budget Adoption.

The City Charter requires the City Council to adopt the annual budget by June 30, 2026. A resolution for City Council adoption of the FY 2026-27 Budget, which includes the annual appropriations for operations and capital projects is attached for City Council's consideration.

Staff also recommends the City Council approve Budget Response Report #1 as part of the final budget motion to incorporate identified corrections to the proposed budget document.

Finally, staff recommends the City Council direct staff to take actions necessary to implement revenue related changes included with the Adopted Budget. These include updating fee rates and posting revised fees for the changes approved by Council as part of the Budget and the subsequent fee hearing and returning to City Council with an ordinance setting the revised parking meter rates and any additional changes to Police Department citation fees.

### **BACKGROUND**

The Budget establishes the resources to support the City's work program for the following fiscal year. It is designed to align with the City Council's Strategic Plan and adopted Financial Principles. The Budget emphasizes core services that are essential to the City's mission.

The City Manager's Budget Message describes the Budget development process, the projected financial outlook for the coming fiscal year, and a summary of the Budget's proposed revenues and expenditures. It also presents recommended Decision Packages, which are additions or reductions to the base budget that are not contractually obligated or the result of annual personnel allocation updates, and details their financial impact.

The Financial Summaries section provides an overview of all City funds, including estimated beginning and ending fund balance, with proposed changes, and a detailed schedule of interfund transfers. The attached Revenue and Expenditure summaries provide further details for each of these sections, including multi-year views.

The Department Sections of the Budget identify each Department's mission, staffing level, annual expenses, core services, and future year goals.

The proposed General Fund Budget is summarized in the table below.

<b>FY 2026-27 General Fund Summary</b>	
<b>Estimated Beginning Fund Balance</b>	<b>\$1,385,358</b>
<b>Operating Budget</b>	
Proposed Revenues and Transfers In	125,358,157
Proposed Expenditures and Transfers Out	(127,929,960)
	<b>(2,571,803)</b>
<b>Decision Packages (net)</b>	
Ongoing	2,162,633
One-time	(421,300)
	<b>1,741,333</b>
Structural Operating Budget Excess/(Deficit)	<b>(830,470)</b>
<b>Additional Payments &amp; Sources of Funds</b>	
Vacancies	2,941,535
Unfunded Accrued Liability	(3,496,423)
Additional Payments Excess/(Deficit)	<b>(554,888)</b>
<b>Est Year-End General Fund Balance with Recommendations</b>	
	<b>\$ 0</b>

The Proposed CIP identifies a plan to fund existing and new projects aimed at addressing health and safety issues, legislative mandates, and Mayor and City Council strategic priorities. The City leverages available grant and restricted funding to the greatest extent possible to maximize resources in support of capital projects. Although the CIP uses a five-year planning period, only the first year of that period is appropriated in the annual budget adoption process. The proposed FY 2026-27 CIP proposes \$130.3 million of new appropriations (of which \$92.9 million is associated with Measure FP for new Police Department and Fire Department facilities) split between 32 previously approved projects and 10 new projects. The proposed FY 2026-27 CIP also includes \$69.1 million of carryover funding for 79 previously approved projects. Together, this brings the total FY 2026-27 CIP list to 89 projects, with an overall budget of approximately \$199.4M

This report also includes a table of contents listing the BRRs requested to date. There are 49 total BRRs, of which 18 were presented on June 2, 2026, with an additional 22 and two revisions (BRR #9 and BRR #49) shared as Blue Folder items for the June 9 meeting. This report includes the final nine BRRs, including BRR #1, which reflects the adjustments to the Proposed Budget and CIP made following the initial presentation. The published Budget Response Reports are available for review at [www.redondo.org/budget](http://www.redondo.org/budget) <<http://www.redondo.org/budget>> <<http://www.redondo.org/budget>>.

Any final changes to the Proposed Budget should be identified in the adopted budget motion. Following approval of the budget motion, staff will update the attached budget Resolution to reflect the changes made by the City Council and send all final documents to the Mayor for signature to formally adopt the City’s FY 2026-27 Budget.

**COORDINATION**

All City Departments participated in the development of the FY 2026-27 Proposed Budget and 2027-2031 Five-Year CIP. Multiple City Commissions provided input during the preparation of the proposed Budget. The Planning Commission reviewed and approved the 2027-2031 Five-Year Capital Improvement Program for General Plan conformity on May 21, 2026. The Budget and Finance Commission reviewed the budget document on May 26, 2026 and on June 11, 2026, at which they prepared recommendations for the City Council. Staff shared these recommendations with the City Council following the meeting and included the information as supplemental material with the BRRs included with this report. Commission feedback is included in BRR #47.

**FISCAL IMPACT**

The Proposed FY 2026-27 Budget is balanced as proposed and has been developed to guide all City operations. The FY 2027-2031 CIP is a planning document, with only the first year appropriated as part of the FY 2026-27 Budget.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Reso - FY 2026-27 Budget Adoption Resolution
- FY 2026-27 Proposed Estimated Revenue, Spending, and Fund Balance Changes
- FY 2026-27 Budget Response Reports - June 16, 2026