



Administrative Report

L.2., File # 26-0587

Meeting Date: 6/2/2026

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

TITLE

PUBLIC HEARING TO CONSIDER THE FISCAL YEAR 2026-27 PROPOSED BUDGET AND 2027-2031 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

PROCEDURES:

1. Open the Public Hearing;
2. Discuss the Proposed Budget (with a Focus on Operations);
3. Take testimony;
4. Receive and file Budget Response Reports; and,
5. Continue the Public Hearing to June 9, 2026

EXECUTIVE SUMMARY

On May 14, 2026, City staff published/delivered the FY 2026-27 Proposed Budget and the 2027-2031 Five-Year Capital Improvement Program (CIP). On May 19, 2026, the City Manager introduced the Proposed Budget, provided 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.

BACKGROUND

The Proposed Budget establishes the resources to support the City's work program for the following fiscal year. The Budget is designed to be consistent 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 - 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 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 CIP identifies the capital investment recommended to meet the City’s policy goals and ensure good stewardship of the community’s existing infrastructure. The CIP identifies the projects, their estimated costs, and the financing methods proposed to implement the City’s capital investment goals while supporting the maintenance of new and existing infrastructure.

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

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

BRRs offer detailed information on significant budget issues that are of interest to the City Council that the proposed budget document does not specifically address.

This report includes a table of contents listing the BRRs requested through the date of this meeting and are currently in development. There are 46 BRRs, of which 18 are included with this report. The BRRs are available at www.redondo.org/budget and as an attachment to this report. Staff will present BRRs with each budget meeting, and will update the publicly available list following the posting of agenda materials for the June 2, June 9, and (if necessary) June 16, 2026 public hearings.

COORDINATION

All City Departments participated in the development of the FY 2026-27 City Manager’s Proposed Budget and Five-Year CIP. Multiple City Commissions provided input during the preparation of the proposed Budget. The Budget and Finance Commission reviewed and discussed the documents on May 26, 2026, and is scheduled to meet again on June 11, 2026, prior to budget adoption, to provide feedback to the City Council.

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 of the five-year plan appropriated as part of the FY 2026-28 Budget.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- FY 2026-27 Budget Response Table of Contents and Reports for June 2, 2026