

# Budget Overview

## Proposed FY 2026-27 Budget and 2027-2031 Five-Year CIP

Financial Services Department  
May 19, 2026



# Overview

- Budget Themes
- General Fund Summaries
- Capital
- Budget Calendar
- Recommendations

# Budget Themes

## **Immediate Impact**

- Revenue/ Fee updates
- Near-term cost management
- Limited priority program changes

## **Looking Forward**

- Revenue modernization
- Longer term cost management
  - Insurance
  - CalPERS

# GF Summary with Recommendations

<b>Estimated Beginning Fund Balance</b>	<b>\$1,385,358</b>
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## **Operating Budget**

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Proposed Revenues & Transfers In	125,358,157
Proposed Expenditures & Transfers Out	(127,929,960)
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	<b>(2,571,803)</b>

## **Decision Packages (net)**

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Recommended Decision Packages Ongoing	2,162,633
Recommended Decision Packages One-Time	(421,300)
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	<b>1,741,333</b>
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Structural Operating Budget Excess/(Deficit)	<b>(830,470)</b>

## **Additional Payments & Sources of Funds**

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Vacancies	2,941,535
Unfunded Accrued Liability	(3,496,423)
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Additional Payments Excess/(Deficit)	<b>(554,888)</b>

<b>Estimated Year-End General Fund Balance with Recommendations</b>	<b>\$0</b>
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# General Fund Revenues

Revenue Type	Proposed FY 2026-27	Increase / (Decrease) over Midyear FY 2025-26	
		\$	%
Property Tax	39,787,247	1,164,706	3%
Sales and Use Tax	11,200,000	200,000	2%
Transient Occupancy Tax	8,213,000	(353,274)	(4%)
Property Tax in Lieu of LVF	11,005,773	392,270	4%
Utility Users Tax	9,468,938	435,312	5%
Property Transfer Tax	2,678,731	-	0%
Other Taxes	4,098,930	(67,190)	(2%)
<b>Total Tax Revenue</b>	<b>\$86,452,619</b>	<b>\$1,771,824</b>	<b>2%</b>
Non-Tax Revenue	42,437,217	339,321	1%
Transfers In	681,229	(6,721,899)	(91%)
<b>Total General Fund Revenue</b>	<b>\$129,571,065</b>	<b>(\$4,610,754)</b>	<b>(3%)</b>

# General Fund Expenditures

Expenditure Type	Proposed FY 2026-27	Increase / (Decrease) over Midyear FY 2025-26	
		\$	%
Personnel	69,849,856	1,583,077	2%
Maintenance & Operations	12,932,148	(1,951,259)	(13%)
Internal Services	35,056,395	(9)	0%
Capital Outlay	40,000	(164,037)	(80%)
<b>Subtotal Expenditures</b>	<b>117,878,399</b>	<b>(2,115,305)</b>	<b>(2%)</b>
Transfers Out	12,523,137	(5,114,205)	(29%)
<b>Structural Expenditures &amp; Transfers Out</b>	<b>130,401,535</b>	<b>(5,646,434)</b>	<b>(4%)</b>
Vacancies (One-Time)	(2,941,535)	-	-
Unfunded Accrued Liability (UAL)	3,496,423	(106,513)	(3%)
<b>Total General Fund Expenditure</b>	<b>130,956,423</b>	<b>(8,694,482)</b>	<b>(6%)</b>

# Decision Packages

- Total 32 Decision Packages, 21 directly impacting the General Fund
- Proposed Fee updates/Vacancies generate net benefit
- Operational changes to support organizational goals
  - CS/WED Director Merge
  - Community Services Analyst
  - Special Event Fees
- Essential Services Funded
  - Police Technology and training
  - Crossing Guards

<b>Proposed Decision Packages</b>	<b>Net Amount</b>
Proposed Decision Packages Ongoing (net)	2,162,633
Proposed Decision Packages One-Time (net, excluding Vacancies)	(421,300)
Proposed Vacancies	2,941,535
<b>Net General Fund Impact</b>	<b>\$4,682,868</b>

# Capital Projects Summary

Type	Amount (\$ millions)
<b>FY 2026-27</b>	
New	130.3
Carryover	69.1
<b>Total</b>	<b>\$199.4</b>
<b>Total # of Projects</b>	<b>89</b>

<b>FY 2025-26 Projections</b>	
Amount Spent	\$16.5

<b>Project Progress</b>	
Completed	28
Designed/ Awarded	25

FY 2026-27  
Capital Projects by Category



# Budget Calendar

## City Council

- **May 19** – Budget & CIP Introduction
- **June 2** – Operations Focus
- **June 9** – CIP Focus
- **June 16** – Budget & CIP Adoption

## Other Meetings

- Planning Commission (May 21)
- Budget and Finance Commission (May 26, June 11)

# Recommended Actions

1. Receive and File the Proposed Operating Budget and Five-year Capital Improvement Program Documents
2. Direct staff regarding any additional Budget Response Reports
3. Set June 2, 2026 as the Date to Conduct a Public Hearing on the FY 2026–27 Operating Budget and 2027–2031 Five-Year Capital Improvement Program