

Budget Hearing

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

Financial Services Department
June 2, 2026



Overview

- General Fund Summary
- Decision Package Highlights
- Budget Response Reports
- Budget Calendar
- Recommendations

GF Summary with Recommendations

Estimated Beginning Fund Balance	\$1,385,358
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Operating Budget

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

Decision Packages (net)

Recommended Decision Packages Ongoing	2,162,633
Recommended Decision Packages 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)

Estimated Year-End General Fund Balance with Recommendations	\$0
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Decision Packages

Total 32 Decision Packages, 21 directly impacting the General Fund

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

Decision Package Highlights

- DP #2 Parking Meter Fee Increase
 - \$2.25/ hour reflecting Council direction during FY 2025–26 Budget
 - Applies citywide
 - Estimated \$340,000 GF, \$46,000 Tidelands, \$223,000 Uplands
- DP #3 Special Event Street Use Fee
 - Assigns a per mile cost for exclusive use of public right of way
 - Consistent with similar special events fees in other cities
 - Estimated \$96,000 GF
- DP #5 Community Development Fee Increases
 - Based on fee study presented to Council on March 17, 2026
 - Offsets existing costs not recovered under current structure
 - Estimated \$1.1 million GF

Decision Package Highlights

- DP #20 Police Technology, Equipment, Training
 - Funds Drone as a First Responder (DFR) Program and required training
 - Ongoing \$95,000; one-time \$25,000 GF
- DP #24 Fire coaching and wellness service
 - Continues successful specialized coaching to support firefighter health and strengthen ability to serve the community
 - One-time \$12,800 GF, offset by prior year donation
- DP #28 Contract Building Plan Review
 - Continues successful program to pace of building plan check review
 - Based on estimated development activity
 - Estimated \$0.7 million GF net increase

Decision Package Highlights

- DP #30 Waterfront/ Community Services Director Reorganization
 - Streamlines waterfront activity management and oversight
 - Estimated ongoing \$125,000 GF savings
- DP #32 Flexible Hiring Freeze
 - One-time measure to manage costs
 - Anticipates selective hiring
 - Approximately 5% across funds with full-time staffing
 - One-time savings \$2.9 million GF, \$0.8 million other funds

Budget Response Reports

- 46 Budget Response Reports
- 18 included for this discussion
- Remainder targeted for June 9, 2026

Budget Calendar

City Council

- June 9 – CIP Focus
- June 16 – Budget & CIP Adoption, Fees, Gann Limit

Other Meetings

- June 11 – Budget and Finance Commission

Recommended Actions

1. Open Public Hearing
2. Conduct Operating Budget Q&A
3. Take Public Comment
4. Direct staff regarding any additional Budget Response Reports
5. Continue Public Hearing to June 9, 2026