



Administrative Report

L.3., File # 25-0759

Meeting Date: 6/3/2025

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

TITLE

PUBLIC HEARING TO CONSIDER THE FISCAL YEAR 2025-26 PROPOSED BUDGET AND 2025-30 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

PROCEDURES:

- a. Open the Public Hearing;
- b. Receive and file Budget Response Reports;
- c. Take testimony; and,
- d. Continue the Public Hearing to June 10, 2024

EXECUTIVE SUMMARY

On May 16, 2025, City staff published the FY 2025-26 Proposed Budget and the 2025-2030 Five-Year Capital Improvement Program (CIP). On May 20, 2025, the City Manager introduced the proposed budget, provided Council the opportunity to request additional Budget Response Reports (BRRs), and identified June 3, 2025 as the date of the first public hearing to discuss these items.

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 Budget includes a section of Fund Summaries that highlights the status of key fund balances and presents more detailed summaries (mini-financials) to describe important fund activities and business unit proformas.

The Department Sections of the Budget identify each Department's mission, staffing level, annual maintenance and operations expenses, core services, key projects and assignments, and customer service work measures.

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 2025-26 General Fund Summary	
Estimated Beginning Fund Balance	\$2,612,555
Core Operating Budget	
Proposed Core Revenues and Transfers In	123,450,395
Proposed Core Expenditures and Transfers Out	(123,449,820)
Core Operating Budget Excess/(Deficit)	\$575
Additional Payments & Sources of Funds	
Unfunded Accrued Liability (UAL) Payment	(4,263,037)
Use of the CalPERS Pension Reserve Fund	3,500,000
Up-front Measure FP Costs (estimated)	(422,800)
Use of Future Bond Proceeds / Interest	422,800
Increased Contribution to the Economic Contingency Reserve	(423,014)
Additional Payments Excess/(Deficit)	(\$1,186,051)
General Fund Balance before Decision Packages	\$1,427,079
Recommended Decision Packages - Ongoing	
Recommended Revenues	1,169,128
Recommended Expenditures	(830,806)
Ongoing Decision Packages Excess/(Deficit)	338,322
Recommended Decision Packages - One-Time	
Recommended Revenues	45,000
Recommended Expenditures	(1,767,495)
One-Time Decision Packages Excess/(Deficit)	(1,722,495)
Total FY 2025-26 Proposed Decision Packages Excess/(Deficit)	(\$1,384,173)
Total Estimated Year-End General Fund Balance after Recommendations	\$42,906

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 BRRs requested through the date of this meeting and currently in development. There are 58 BRRs, of which 30 are presented with this report. The Budget Response Reports 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 3, June 10, and June 17, 2025 hearings.

COORDINATION

All City Departments participated in the development of the FY 2025-26 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 is scheduled to review the Budget on June 12, 2025 and provide feedback to the City Council. Additionally, the Planning Commission will review the Five-Year Capital Improvement Program for General Plan conformity prior to June 17, 2025.

FISCAL IMPACT

The Proposed FY 2025-26 Budget is balanced as proposed and has been developed to guide all City operations. The FY 2025-2030 CIP is a planning document, with only the first year of the five-year plan appropriated as part of the FY 2025-26 Budget.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- FY 2025-26 Budget Response Table of Contents and Reports for June 3, 2025