City of Rolling Hills INCORPORATED JANUARY 24, 1957

2 PORTUGUESE BEND ROAD, ROLLING HILLS, CA 90274 | (310) 377-1521

Finance/Budget/Audit Committee

Monday, March 9, 2026, 6:00 PM

Special Meeting
City of Rolling Hills

AGENDA

1. Call to Order

2. Roll Call

3. Public Comment on Non-Agenda Items

This is the appropriate time for members of the public to make comments regarding items not listed on this agenda. Pursuant to the Brown Act, no action will take place on any items not on the agenda.

4. Consent Calendar

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Mayor or any Councilmember may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion. The Mayor will call on anyone wishing to address the City Council on any Consent Calendar item on the agenda, which has not been pulled by Councilmembers for discussion.

4.A. Approve Affidavit of Posting for the Special Finance/Budget/Audit Committee Meeting of March 9, 2026

RECOMMENDATION: Approve.

5. Discussion Items

5.A. Fiscal Year 2026-27 Preliminary Projections and Balancing

RECOMMENDATION: Receive and file a report regarding preliminary fiscal year 2026-27 revenue projections and balancing; and provide any feedback and recommendations for staff to forward to the entire City Council.

6. Matters From Staff

7. Adjournment

Next regular meeting: Monday, April 27, 2026 at 7:00 p.m. in the City Council Chamber, Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, California, 90274.

Notice:

Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for your review of this agenda and attendance at this meeting.

City of Rolling Hills INCORPORATED JANUARY 24, 1957
2 PORTUGUESE BEND ROAD, ROLLING HILLS, CA 90274 | (310) 377-1521

Item: 4.A.
Meeting Date: 3/9/2026

To:	Finance/Budget/Audit Committee
From:	Christian Horvath, Assistant to the City Manager / City Clerk
Thru:	Karina Bañales, City Manager
Subject:	Approve Affidavit of Posting for the Special Finance/Budget/Audit Committee Meeting of March 9, 2026

Background:
None.

Discussion:
None.

Fiscal Impact:
None.

Recommendation:
Approve.

Attachments:
1. CL_AGN_260309_FBA_AffidavitofPosting

Administrative Report

4.A., **File #** 2026-65 **Meeting Date**: 3/9/2026

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §§
CITY OF ROLLING HILLS)

AFFIDAVIT OF POSTING

In compliance with the Brown Act, the following materials have been posted at the locations below.

Legislative Body	Finance/Budget/Audit Committee
Posting Type	Special Meeting Agenda
Posting Location	2 Portuguese Bend Road, Rolling Hills, CA 90274 City Hall Window City Website: https://www.rolling-hills.org/government/agendas_meetings.php https://rollinghillsca.portal.civicclerk.com/
Meeting Date & Time	MARCH 9, 2026 6:00pm

As City Clerk of the City of Rolling Hills, I declare under penalty of perjury, the document noted above was posted at the date displayed below.

Christian Horvath, City Clerk

Date: March 6, 2026

City of Rolling Hills INCORPORATED JANUARY 24, 1957

2 PORTUGUESE BEND ROAD, ROLLING HILLS, CA 90274 | (310) 377-1521

Item: 5.A.
Meeting Date: 3/9/2026

To: Finance/Budget/Audit Committee

From: Robert Samario, Finance Operations Lead Consultant

Thru: Karina Bañales, City Manager

Subject: Fiscal Year 2026-27 Preliminary Projections and Balancing

Background:
Over the next several months, staff will be working with the Finance, Budget, and Audit Committee and City Council to develop the fiscal year 2026-27 budget, which is scheduled for adoption in June 2026. One of the first steps in the budget process is to determine, based on preliminary revenue estimates and baseline (status quo) expenditures, whether the General Fund is expected to be either balanced, realize a surplus, or whether cuts and or other measures may be needed to address a projected deficit. While this exercise uses very preliminary estimates, it is nonetheless useful to establish an order of magnitude understanding of the financial picture for the upcoming fiscal year.

Discussion:
Please refer to Attachment A for a detailed discussion. Attachments B through D include revenue and expenditure schedules containing current fiscal year projections and preliminary projections for fiscal year 2026-27. A brief summary is provided below.

Revenues
Revenues are projected to increase by approximately $100,000 next fiscal year. Most of the increase is attributable to property taxes, which is based on an assumed 3% growth from the current projected year-end total. Building revenues are also projected at $500,000 versus the current year's adopted budget of $450,000. This is based on revenues received through December 31, 2025, and projections for the entire fiscal year.

All other revenues for next fiscal year are essentially projected as the same level as the current fiscal year.

Expenditiures
At this stage, the goal is to develop a baseline budget before staff proposes any discretionary budget recommendations to determine the initial balancing. As such, fiscal year 2026-27 estimated expenditures are essentially the same as the current year, with the exception of three items.

The first relates to personnel costs. There have been a few staff changes that have been reflected in next year's baseline costs, such as the addition of a Code Compliance Officer/Planning Technician position that replaced a part-time clerical position. Prior to the recent change, code enforcement work was performed by private contractors and, thus, the baseline budget for next fiscal year eliminates the budget of $62,000 in the current year's budget for contracted code enforcement.

The second adjustment is for contracted law enforcement services provided by the L.A. County Sheriff. Staff has added an assumed 3.5% CPI adjustment to next year's estimate given the increases imposed by the County virtually every year.

Lastly, staff has increased the budget for the cost of contracted planning and building services provided by the County of Los Angeles. This is to better align the budget with projected revenues and to provide some cushion to the budget given the contract with the County expires this fiscal year and the City will need to find a new contractor starting July 1, 2026 that may result in higher costs.

Preliminary Balancing
Based on the preliminary revenue estimates and the baseline expenditure budget for next fiscal year, it appears the General Fund budget may provide a small operating surplus of close to $100,000.

Fiscal Impact:
None

Recommendation:
Receive and file a report regarding preliminary fiscal year 2026-27 revenue projections and balancing; and provide any feedback and recommendations for staff to forward to the entire City Council.

Attachments:
1. Attachment A - CL_AGN_260309_FBA_FY2026-27_PreliminaryEstimates
2. Attachment B - CL_AGN_260309_FBA_BudgetSummary
3. Attachment C - CL_AGN_260309_FBA_GeneralFundRevenues
4. Attachment D - CL_AGN_260309_FBA_GeneralFundExpenditures
5. CL_AGN_260309_FBA_PPT_Presentation

CITY OF ROLLING HILLS
Fiscal Year 2026-27 Preliminary Projections and Balancing
General Fund

BACKGROUND

Over the next several months, staff will be working with the Finance, Audit, and Budget Committee and City Council to develop the fiscal year 2026-27 budget, which is scheduled for adoption in June 2026. One of the first steps in the budget process is to determine, based on preliminary revenue estimates and baseline (status quo) expenditures, whether the General Fund is expected to be either balanced, realize a surplus, or whether cuts and or other measures may be needed to address a projected deficit. While this exercise uses very preliminary estimates, it is nonetheless useful to establish an order of magnitude understanding of the financial picture for the upcoming fiscal year.

REVENUES

The table below shows each General Fund revenue account along with the adopt budget estimate, revenues through December 31, 2025, the preliminary fiscal year-end estimate, and the preliminary fiscal year 2026-27 projection. An analysis of the key revenues is provided below.

		Fiscal Year 2025-26			
		Adopted Budget	Actuals Thru 12/31/25	YE Projections	FY 2026-27 Projections
401	Property Taxes	$ 1,501,494	$ 696,684	$ 1,523,159	$ 1,568,854
405	Sales Taxes	15,000	3,779	10,000	10,000
410	Property Transfer Tax	62,400	30,675	60,000	60,000
420	Motor Vehicle In Lieu	290,265	-	296,358	298,000
440	Building & Other Permits	450,000	334,888	600,000	500,000
441	C&D Permits	10,000	3,300	7,920	8,000
450	Variance, Planning & Zoning	30,000	10,850	26,040	26,000
455	Animal Control Fees	300	115	300	300
460	Franchise Fees	13,000	3,465	10,000	10,000
480	Fines & Traffic Violations	4,000	2,713	5,500	5,000
482	Cost Recovery - Publications	3,000	1,500	3,000	3,000
600	RHCA Lease Revenue	69,000	28,746	69,000	69,000
650	Public Safety Aug Fund	1,800	518	1,100	1,100
670	Interest on Investments	160,000	77,767	150,000	150,000
671	PARS Earnings	44,000	33,879	50,000	45,000
675	Miscellaneous Revenue	1,000	116,327	120,000	1,000
699	Transfers In - Refuse Fund	24,000	12,000	24,000	24,000
	TOTALS	**$ 2,679,259**	**$ 1,357,206**	**$ 2,956,377**	**$ 2,779,254**

Property Taxes. At mid-year, property tax revenues totaled $696,684. This is $31,522 above the seasonally adjusted budget of $665,162. Note that the adopted budget reflects only a 1.3% growth from fiscal year 2024-25 final revenues.

Historically, property taxes have grown between 4-6%; however, with a reduction in property sales as a result of the September 2024 land movements, which likely contributed to the more moderate growth in fiscal year 2024-25 of 3.3% growth, staff is using a 3% growth rate for fiscal year 2025-26 and fiscal year 2026-27 as a preliminary estimated growth rate. However, given the recent activity thus far with Real Property Transfer Taxes as discussed below, sales of property may be normalizing, thus creating some potential for a stronger growth next fiscal year than suggested by the 3% assumed growth rate.

Real Property Transfer Tax (RPTT). RPTT, also referred as a documentary tax, is assessed when a property is sold. The tax is $1.10 per thousand dollars in sales value. Revenues collected by County are shared 50-50 with the city where the property is located so that cities effectively receive $0.55 per thousand dollars of sales value. Revenues are driven, first, by the number of properties sold and, second, the sales price.

Real Property Transfer Taxes

Fiscal Year	Total Revenues	
2021	$ 132,888	Actual
2022	80,719	Actual
2023	49,160	Actual
2024	63,040	Actual
2025	43,833	Actual
2026	62,400	Budget
2026	60,000	Projected
2027	60,000	Projected

The accompanying table to the right presents a five-year history of RPTT revenues for the City of Rolling Hills starting with fiscal year 2021. After a slight increase in fiscal year 2023-24 to $63,040 compared to $49,160 in fiscal year 2022-23, revenues fell back to an historic low of $43,833 last fiscal year, which appears to be the result of the land movement of September 2024 in the Palos Verdes Peninsula. As shown in the accompanying table to the left, the City of Rolling Hills received $23,503 in RPTT in the first three months of the fiscal year 2024-25. However, only $19,308 was received after the land movement for the rest of the fiscal year. Fortunately, it appears sales activity has picked up during the first part of the current fiscal year with payments for July – December 2025 totaling $35,242. Staff has projected $60,000 for both the current fiscal year and next fiscal year on a very preliminary basis.

Real Property Transfer Taxes

July 2024 - Sept 2024	$ 23,503
Oct 2024 - June 2025	19,308
July 2025 - Dec 2025	35,242

Building and Other Permits. Revenues from this category are the General Fund's second-largest revenue, with current fiscal year budgeted revenues of $450,000. The revenues are generated through two independent contractors providing building and planning services, one with the Los Angeles County Public Works Department (LACPWD) and the other with a private engineering and consulting firm, The Willdan Group.

	Building Revenues
FY 2022-23	$ 640,184
FY 2023-24	537,787
FY 2024-25	354,300
FY 2025-26 Thru Nov 2025	273,846
FY 2025-26 Year-End Proj	600,000
FY 2026-27 Projected	500,000

Last fiscal year we saw a dramatic decline in revenues collected by LACPWD on behalf of the City of Rolling Hills, going from $398,898 in fiscal year 2023-24 to $242,422 in fiscal year 2024-25. Including revenues collected by Willdan, total revenues were $354,300 in fiscal year 2024-25 as shown in the accompanying schedule.

In the current fiscal year 2025-26, revenues collected through November 2025 (5 months) by LACPWD totaled $154,062 and revenues collected by Willdan totaled $119,785, for a total of $273,846. For now, it appears revenues from LACPWD may have normalized somewhat. Assuming the current trends continue, we could end the year with total revenues of roughly $600,000. However, given the uncertainty with building revenues and their general volatility, the preliminary estimate for fiscal year 2026-27 is set at $500,000.

STATUS QUO EXPENDITURES

The development of fiscal year 2026-27 status quo expenditures starts with the current amended budget. From there, we add known changes, usually cost increases, to the budget for next year. In total, status quo costs are expected to increase nominally by a total of $65,691 as shown in the table below. The major adjustments included in the status quo budget are discussed below.

Department	FY 2025-26 Amended Budget	FY 2026-27 Status Quo Budget	Increase (Decrease)
City Administrator	$ 875,874	$ 900,205	$ 24,331
Finance	160,000	160,000	-
Planning & Development	894,681	923,224	28,543
Public Safety	339,324	352,141	12,817
Non-Departmental	149,600	149,600	-
City Properties	200,540	200,540	-
Total Operations	**$ 2,620,019**	**$ 2,685,710**	**$ 65,691**

<u>CPI Increase to Contract with L.A. County Sheriff</u>

Each year, the Los Angeles County Sheriff increases it contracted costs by a CPI factor. While other adjustments may be made by the County, staff has factored in 3.5% increase to the budgeted costs, which adds $12,817 to the Public Safety Budget.

<u>Increase to Contracted Building Services</u>

The budget for the contracted services provided by LA County has remained at $250,000 for the last five years, despite the fact that costs fluctuate generally in tandem with revenues. However, staff adjusted the budgeted costs for fiscal year 2026-27 by $50,000 to $300,000 to more precisely align with projected revenues of $500,000.

<u>Changes to Personnel Costs</u>

In total, salaries and benefits will increase by a total of $65,734 (from $1,023,673 to $1,089,407). This is a net increase from adjustments that result in both increases and decrease to costs at the line-item level. Specifically, the net increase in costs stems from (1) an estimated 3.5% CPI increase to salaries pursuant to the M.O.U. between the City and employees and (2) changes to staffing.

	City Administration		Planning		Totals	
	FY 25-26	FY 26-27	FY 25-26	FY 26-27	FY 25-26	FY 26-27
Salaries	$ 453,862	$ 475,798	$ 232,520	$ 284,472	$ 686,382	$ 760,270
Part-Time Salaries	-	-	26,889	-	26,889	-
Temporary Salaries	7,000	7,000	-	-	7,000	7,000
Retirement - CalPERS	37,204	38,626	19,234	23,094	56,438	61,720
Group Insurance	92,036	84,603	42,997	58,377	135,033	142,980
Retiree Medical	40,000	42,000	-	-	40,000	42,000
Employer Payroll Taxes	35,309	37,326	20,000	21,781	55,309	59,107
Deferred Comp	4,141	8,530	4,681	-	8,822	8,530
Auto Allowance	3,600	3,600	1,200	1,200	4,800	4,800
Phone Allowance	2,400	2,400	600	600	3,000	3,000
	$ 675,552	$ 699,883	$ 348,121	$ 389,524	$ 1,023,673	$ 1,089,407

1. ***CPI Increase*** – Pursuant to the MOU between the City and employees, staff receive a cost-of-living adjustment to their base salary based on the increase in the CPI. This resulted in an increase to the budget by approximately $25,000.

2. ***Changes to Staffing*** – In the current fiscal year, the part-time Bookkeeper/Administrative Clerk position was eliminated and replaced by a full-time Code Compliance Officer/Planning Technician. Code enforcement was previously contracted out with a corresponding budget of $62,000. This change resulted in a net decrease in budgeted costs of approximately $10,000. Another change was the creation of a Planning Manager position to underfill the vacant Planning Director position. Although the budgeted salary remains at the Planning Director level in order to achieve salaries savings this year and potentially next fiscal year, there are some savings in the budgeted benefit costs.

PRELIMINARY BALANCING

The table below provides an overall summary of revenues and expenditures, including the current year adopted budget and year-end projections, and the preliminary estimates for fiscal year 2026-27.

	Amended Budget	Actuals at 12/31/2025	Preliminary Year-End Estimates	FY 2026-27 Preliminary Estimates
Operating Revenues	$ 2,679,259	$ 1,357,206	$ 2,956,377	$ 2,779,254
Operating Expenditures	2,620,019	1,266,640	2,620,019	2,685,710
Operating Surplus (Deficit)	**$ 59,240**	**$ 90,565**	**$ 336,358**	**$ 93,544**

Based on very preliminary revenue estimates and baseline expenditures, it appears the General Fund will not be facing a deficit next fiscal year and reflects a budget surplus of approximately $93,000. This is consistent with the message over the last few years that the General Fund is structurally balanced, meaning ongoing revenues are adequate to cover ongoing costs. The only downside is that the City does not generate enough revenues to also fund needed capital improvement projects, requiring the use of reserves to fund them as needed.

NEXT STEPS

Over the next few months, City staff will carefully go through all of the line-item expenditure accounts to more precisely determine what the expected costs for next fiscal year may be and develop recommended adjustments to the budget based on that analysis. In addition, staff will continue to monitor revenues and then finalize the revenue estimates for next fiscal year by May.

CITY OF ROLLINGS HILLS
Fiscal Year 2026-27 Preliminary Balancing
General Fund

	Amended Budget	Actuals at 12/31/2025	Preliminary Year-End Estimates	FY 2026-27 Preliminary Estimates
Operating Revenues	$ 2,679,259	$ 1,357,206	$ 2,956,377	$ 2,779,254
Operating Expenditures	2,620,019	1,266,640	2,620,019	2,685,710
Operating Surplus (Deficit)	**59,240**	**90,565**	**336,358**	**93,544**
Capital Transfers	(1,180,515)	-	-	-
Surplus (Deficit) - Total	**$ (1,121,275)**	**$ 90,565**	**$ 336,358**	**$ 93,544**

CITY OF ROLLING HILLS
Fiscal Year 2026-27 Preliminary Projections
GENERAL FUND REVENUES

		Fiscal Year 2025-26			
		Adopted Budget	**Actuals Thru 12/31/25**	**YE Projections**	**FY 2026-27 Projections**
401	Property Taxes	$ 1,501,494	$ 696,684	$ 1,523,159	$ 1,568,854
405	Sales Taxes	15,000	3,779	10,000	10,000
410	Property Transfer Tax	62,400	30,675	60,000	60,000
420	Motor Vehicle In Lieu	290,265	-	296,358	298,000
440	Building & Other Permits	450,000	334,888	600,000	500,000
441	C&D Permits	10,000	3,300	7,920	8,000
450	Variance, Planning & Zoning	30,000	10,850	26,040	26,000
455	Animal Control Fees	300	115	300	300
460	Franchise Fees	13,000	3,465	10,000	10,000
480	Fines & Traffic Violations	4,000	2,713	5,500	5,000
482	Cost Recovery - Publications	3,000	1,500	3,000	3,000
600	RHCA Lease Revenue	69,000	28,746	69,000	69,000
650	Public Safety Aug Fund	1,800	518	1,100	1,100
670	Interest on Investments	160,000	77,767	150,000	150,000
671	PARS Earnings	44,000	33,879	50,000	45,000
675	Miscellaneous Revenue	1,000	116,327	120,000	1,000
699	Transfers In - Refuse Fund	24,000	12,000	24,000	24,000
	TOTALS	**$ 2,679,259**	**$ 1,357,206**	**$ 2,956,377**	**$ 2,779,254**

CITY OF ROLLING HILLS
FY 2026-27 Status Quo Budget
GENERAL FUND

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2025-26 Actuals at 12/31/25	FY 2026-27 Status Quo
01 - CITY ADMINISTRATOR					
702	Salaries -Full Time	$ 453,862	$ 453,862	$ 220,486	$ 475,798
705	Temporary Salaries	7,000	7,000	-	7,000
710	Retirement CalPERS-Employer	37,204	37,204	15,612	38,626
712	CalPERS Unfunded Liability	-	-	54,086	-
715	Workers Compensation Insurance	9,100	9,100	8,296	9,100
716	Group Insurance	92,036	92,036	50,787	84,603
717	Retiree Medical	40,000	40,000	21,643	42,000
718	Employer Payroll Taxes	35,309	35,309	16,025	37,326
719	Deferred Compensation	4,141	4,141	2,124	8,530
720	Auto Allowance	3,600	3,600	1,800	3,600
721	Phone Allowance	2,400	2,400	1,200	2,400
740	Office Supplies	8,000	8,000	2,318	8,000
745	Equipment Leasing Costs	10,000	10,000	3,032	10,000
750	Dues & Subscriptions	14,822	14,822	13,695	14,822
755	Conference Expense	1,500	1,500	1,143	1,500
757	Meetings Expense	2,100	2,100	312	2,100
759	Training & Education	4,000	4,000	-	4,000
761	Auto Mileage	700	700	515	700
765	Postage	18,500	18,500	5,562	18,500
775	City Council Expense	7,500	7,500	1,524	7,500
776	Miscellaneous Expenses	1,500	1,500	269	1,500
780	Comm./Newsletters & Outreach	3,500	3,500	-	3,500
785	Codification	3,000	3,000	1,817	3,000
790	Advertising	2,000	2,000	-	2,000
795	Other Gen Admin Expense	3,300	3,300	1,422	3,300
801	City Attorney	90,000	90,000	27,840	90,000
802	Legal Expense - Other	3,000	3,000	-	3,000
804	Legal Expense -CPUC	-	-	35,074	-
820	Website	3,900	3,900	-	3,900
890	Consulting Fees	10,000	10,000	289	10,000
891	Records Management	3,900	3,900	3,622	3,900
	Total City Administrator	**875,874**	**875,874**	**490,493**	**900,205**

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2025-26 Actuals at 12/31/25	FY 2026-27 Status Quo
05 - Finance					
750	Dues & Subscriptions	4,500	4,500	1,888	4,500
810	Annual Audit	35,000	35,000	-	35,000
890	Consulting Fees	120,500	120,500	43,106	120,500
	Total Finance	**160,000**	**160,000**	**44,994**	**160,000**
15- PLANNING & DEVELOPMENT					
702	Salaries	232,520	232,520	41,099	284,472
703	Salaries - Part-Time	26,889	26,889	-	-
705	Temporary Salaries	-	-	101,214	-
710	Retirement CalPERS-Employer	19,234	19,234	3,156	23,094
715	Workers Comp. Insurance	3,900	3,900	3,556	3,900
716	Group Insurance	42,977	42,977	17,280	58,377
718	Employer Payroll Taxes	20,000	20,000	3,076	21,781
719	Deferred Comp	4,681	4,681	-	-
720	Auto Allowance	1,200	1,200	-	1,200
721	Phone Allowance	600	600	-	600
750	Dues & Subscription	15,000	15,000	9,930	15,000
755	Conference Expense	3,000	3,000	-	3,000
759	Training & Education	1,000	1,000	-	1,000
761	Auto Mileage	300	300	30	300
776	Miscellaneous Expenses	2,000	2,000	-	2,000
790	Publication/Advertising/Noticing	10,000	10,000	6,795	10,000
802	Legal Expenses-Other	10,000	10,000	7,958	10,000
872	Property Development-Legal Exp	37,000	37,000	21,869	37,000
875	Willdan Building	45,000	45,000	30,700	45,000
878	Build Inspect. LA County	250,000	250,000	107,280	300,000
881	Storm Water Management	88,000	88,000	60,756	88,000
884	Special Project Study & Consult.	5,000	5,000	-	5,000
886	Code Enforcement	62,880	62,880	11,970	-
890	Consulting Fees (Onward)	7,500	7,500	-	7,500
928	Traffic Engineering	6,000	6,000	2,450	6,000
	Total Planning & Development	**894,681**	**894,681**	**429,118**	**923,224**

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2025-26 Actuals at 12/31/25	FY 2026-27 Status Quo
25 - Public Safety					
830	Law Enforcement	320,424	320,424	133,510	333,241
831	Traffic Enforcement	-	-	682	-
833	Other Law Enforcement Exp	2,400	2,400	709	2,400
837	Wild Life Mgmt & Pest Control	10,000	10,000	342	10,000
838	Animal Control Expense	6,500	6,500	2,779	6,500
	Total Public Safety	**339,324**	**339,324**	**138,021**	**352,141**
65 - NON-DEPARTMENTAL					
895	Insurance & Bond Expense	55,000	55,000	45,287	55,000
901	South Bay Comm. Organization	17,600	17,600	-	17,600
915	Community Recognition	8,000	8,000	3,463	8,000
917	Emergency Preparedness	69,000	69,000	13,569	69,000
	Total Non-Departmental	**149,600**	**149,600**	**62,320**	**149,600**
75 - CITY PROPERTIES					
892	IT Services	72,000	72,000	39,565	72,000
893	Granicus Services	6,600	6,600	6,570	6,600
894	Computer Hardware Fund	5,000	5,000	4,183	5,000
925	Utilities	65,000	65,000	34,307	65,000
930	Repairs & Maintenance	21,200	21,200	9,497	21,200
932	Area Landscaping	13,740	13,740	7,572	13,740
946	Buildings & Equipment	15,000	15,000	-	15,000
947	Non-Building Improvements	2,000	2,000	-	2,000
	Total City Properties	**200,540**	**200,540**	**101,694**	**200,540**
	TOTAL OPERATING EXPENDITURES	**$ 2,620,019**	**$ 2,620,019**	**$ 1,266,640**	**$ 2,685,710**

CITY OF ROLLING HILLS

PRELIMINARY PROJECTIONS AND BALANCING

FISCAL YEAR 2026-27

Purpose of Report

- To provide preliminary revenue projections for FY 2026/27
  - Projections based on revenues through 12/31/25 and projections for FY 2025/26
  - Revenues will continue to be monitored through the next few months and will be refined further
- To provide a preliminary glimpse of the balancing of revenues and expenditures
  - Do we have a projected deficit or surplus?

GENERAL FUND REVENUES

	Adopted Budget	Actuals 12/31/25	YE Projections	FY 2026-27 Projections
Property Taxes	$ 1,501,494	$ 696,684	$ 1,523,159	$ 1,568,854
Sales Taxes	15,000	3,779	10,000	10,000
Property Transfer Tax	62,400	30,675	60,000	60,000
Motor Vehicle In Lieu	290,265	-	296,358	298,000
Building & Other Permits	450,000	334,888	600,000	500,000
C&D Permits	10,000	3,300	7,920	8,000
Variance, Planning & Zoning	30,000	10,850	26,040	26,000
Animal Control Fees	300	115	300	300
Franchise Fees	13,000	3,465	10,000	10,000
Fines & Traffic Violations	4,000	2,713	5,500	5,000
Cost Recovery - Publications	3,000	1,500	3,000	3,000
RHCA Lease Revenue	69,000	28,746	69,000	69,000
Public Safety Aug Fund	1,800	518	1,100	1,100
Interest on Investments	160,000	77,767	150,000	150,000
PARS Earnings	44,000	33,879	50,000	45,000
Miscellaneous Revenue	1,000	116,327	120,000	1,000
Transfers In - Refuse Fund	24,000	12,000	24,000	24,000
TOTALS	**$ 2,679,259**	**$ 1,357,206**	**$ 2,956,377**	**$ 2,779,254**

FY 2025-26 Revenues

Property Taxes

Fiscal Year	Revenues	Growth	
2021	$ 1,222,948	1.8%	
2022	1,323,001	8.2%	
2023	1,380,891	4.4%	
2024	1,432,117	5.0%	
2025	1,478,795	3.3%	
2026	1,501,494	1.5%	Budget
2026	1,523,159	3.0%	YE Projections
2027	1,568,854	3.0%	Projected

- 3 components to P/T growth
  - Annual CPI (2% max)
  - Supplemental assessments
  - Re-assessments from P/Y sales to MV
- Growth from re-assessments generally the largest component
- 3% projected for current and next fiscal year
- Will re-evaluate in April given revenues in RPTT through 12/31/2025

Real Property Transfer Tax
Presumed Impact of Land Movement

Real Property Transfer Taxes	
July 2024 - Sept 2024	$ 23,503
Oct 2024 - June 2025	19,308
July 2025 - Dec 2025	35,242

- Land movement occurred in September 2024
- RPTT revenues through September 2024 totaled $23,503
- Subsequent 9 months RPTT revenues totaled $19,308
- Revenues in 1st half of FY 2025-26 totaled $35,242

Real Property Transfer Tax

Real Property Transfer Taxes

Fiscal Year	Total Revenues	
2021	$ 132,888	Actual
2022	80,719	Actual
2023	49,160	Actual
2024	63,040	Actual
2025	43,833	Actual
2026	62,400	Budget
2026	60,000	Projected
2027	60,000	Projected

Building & Other Permit Revenue

	Building Revenues
FY 2022-23	$ 640,184
FY 2023-24	537,787
FY 2024-25	354,300
FY 2025-26 Thru Nov 2025	273,846
FY 2025-26 Year-End Proj	600,000
FY 2026-27 Projected	500,000

GENERAL FUND EXPENDITURES

General Fund Expenditures by Department

Department	FY 2025-26 Amended Budget	FY 2026-27 Status Quo Budget	Increase (Decrease)
City Administrator	$ 875,874	$ 900,205	$ 24,331
Finance	160,000	160,000	-
Planning & Development	894,681	923,224	28,543
Public Safety	339,324	352,141	12,817
Non-Departmental	149,600	149,600	-
City Properties	200,540	200,540	-
Total Operations	**$ 2,620,019**	**$ 2,685,710**	**$ 65,691**

Summary of Status Quo Adjustments

- Personnel Costs
  - 3.5% COLA per MOU (Estimate) - ~$25,000
  - Addition of full-time Code Compliance Officer/Planning Tech and elimination of part-time Bookkeeper/Admin Clerk – net savings of ~$10,000 (including elimination of $62,000 budget for contracted CE
- 3.5% estimated CPI increase to Sheriff contract - ~$13,000
- $50,000 increase to contracted building services

PRELIMINARY BALANCING

	Amended Budget	Actuals at 12/31/2025	Preliminary Year-End Estimates	FY 2026-27 Preliminary Estimates
Operating Revenues	$ 2,679,259	$ 1,357,206	$ 2,956,377	$ 2,779,254
Operating Expenditures	2,620,019	1,266,640	2,620,019	2,685,710
Operating Surplus (Deficit)	**$ 59,240**	**$ 90,565**	**$ 336,358**	**$ 93,544**

Next Steps

- March 23, 2026 - Council review of preliminary projections and balancing with FAB Committee recommendations
- March/April 2026
  - City staff develop proposed FY 26-27 expenditure budget
  - Public notice sent to all property owners for refuse rate increases
- April 27, 2026 - FBA Committee receives FY 26-27 staff-proposed GF line-item expenditures
- May 11, 2026 – Council budget workshop

QUESTIONS/DISCUSSION