City of Rolling Hills

INCORPORATED JANUARY 24, 1957

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

Finance/Budget/Audit Committee

Tuesday, May 5, 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 May 5, 2026

RECOMMENDATION: Approve.

5. Discussion Items

5.A. Fiscal Year 2026-27 Recommended Budget

RECOMMENDATION: Receive and file a presentation from staff regarding the recommended General Fund expenditure budget for fiscal year 2026-27 and update revenue estimates.

6. Matters From Staff

7. Adjournment

Next regular meeting: To be determined at 6:00 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: 5/5/2026

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 May 5, 2026

Background:
None.

Discussion:
None.

Fiscal Impact:
None.

Recommendation:
Approve.

Attachments:
1. CL_AGN_260505_FBA_AffidavitofPosting

Administrative Report

4.A., **File #** 2026-114 **Meeting Date**: 5/5/2026

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	May 5, 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: May 1, 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: 5/5/2026

To: Finance/Budget/Audit Committee

From: Robert Samario, Finance Operations Lead Consultant

Thru: Karina Bañales, City Manager

Subject: Fiscal Year 2026-27 Recommended Budget

Background:

The City of Rolling Hills is in the midst of developing the fiscal year 2026-27 budget that takes effect on July 1, 2026. At this point in the development, staff has worked on providing the Finance/Budget/Audit (FBA) Committee with its recommended expenditure budget at a line-item level. To that end, staff has spent the last several weeks analyzing transactions this fiscal year through March 31, 2026, and evaluating the needs for next fiscal year to ensure the recommended expenditure budget is sound and defensible.

Thus, the primary purpose of this item is to present to the FBA Committee staff's recommended line-item expenditure budget. In addition, staff is providing updated revenue estimates and overall balancing. Staff will be seeking feedback from the Committee and will forward that feedback and any recommendations to the full City Council.

A detailed discussion of all elements is provided as Attachment A to this report.

Discussion:

In March 2026, staff presented to the FBA Committee and City Council a report on the preliminary balancing of the General Fund that included preliminary revenue projections for next fiscal year and a "status quo" (i.e., baseline) expenditure budget. The status quo budget takes the current fiscal year amended budget and adjusts it for known and non-discretionary increases, including increases to salary and benefits, increases to the contract with the L.A. County Sheriff for public safety services, and increases to costs for the planning and building services provided by L.A. County Department of Public Works.

Staff's recommended budget for fiscal year 2026-27 adds a total of $80,460 to the baseline budget presented last month. The recommended budget includes both increases and decreases at the line-item level. In many cases, the adjustments are purely based on the costs incurred this fiscal year and an understanding of the projected costs for the next fiscal year. In other cases, the increases are more discretionary in that they are not tied to ongoing and usual operations, but rather based on the needs of the City. Please refer to Attachment D for all General Fund recommended expenditures by department and line-item.

Staff also updated its revenue estimates, as needed, from those provided to the Committee last month, using revenues received through March 31, 2026. This resulted in a small increase in estimated revenues in the amount of $19,300. Please refer to Attachment C for a detailed listing of General Fund revenues.

Based on staff's recommended budget and the updated revenue estimates, the General Fund is still balanced, with estimated revenues exceeding expenditures by $33,480. Please refer to Attachment A.

Note that the revenue estimates will continue to be monitored and adjusted if needed. However, staff does not expect the revenue estimates will change materially from the current estimates.

Fiscal Impact:
None

Recommendation:
Receive and file a presentation from staff regarding the recommended General Fund expenditure budget for fiscal year 2026-27 and update revenue estimates.

Attachments:
1. Attachment A - CL_AGN_260505_FBA_Recommended_Budget_Detailed_Discussion
2. Attachment B - CL_AGN_260505_FBA_FY26-27_General_Fund_Budget_Summary
3. Attachment C - CL_AGN_260505_FBA_FY26-27_GF_Revenue_Estimates
4. Attachment D - CL_AGN_260505_FBA_FY26-27_Recommended_Expenditures
5. CL_AGN_260505_FBA_Presentation

CITY OF ROLLING HILLS
Recommended Budget
Fiscal Year 2026-27

Overview

The City of Rolling Hills is in the midst of developing its budget that takes effect on July 1, 2026. At this point in the development, staff has worked on providing the Finance/Budget/Audit (FBA) Committee with its recommended expenditure budget at a line-item level. To that end, staff have spent the last several weeks analyzing transactions this fiscal year through March 31, 2026, and evaluating the needs for next fiscal year to ensure the recommended expenditure budget is sound and defensible.

In March 2026, staff presented to the FBA Committee and City Council with a preliminary balancing that included preliminary revenue projections for the next fiscal year and a "status quo" (i.e.., baseline) expenditure budget. The status quo budget takes the current year amended budget and adjusts it for known and non-discretionary increases, including increases to salary and benefits, increases to the contract with the L.A. County Sheriff for public safety services, and increases to costs for the planning and building services provided by the L.A. County Department of Public Works.

Staff's recommended budget adds a total of $80,460 to the baseline budget. Table 1 below provides a summary of the recommended budget by department compared to both the current year adopted budget and the baseline (status quo) budget for fiscal year 2026-27.

Department	FY 2025-26 Amended Budget	FY 2026-27 Status Quo Budget	FY 2026-27 Recomm'd Budget	Increase (Decrease)
City Administrator	$ 875,874	$ 900,205	$ 907,892	$ 7,687
Finance	160,000	160,000	159,100	(900)
Planning & Development	894,681	923,224	951,824	28,600
Public Safety	339,324	351,045	351,045	(0)
Non-Departmental	149,600	149,600	115,260	(34,340)
City Properties	200,540	200,540	279,953	79,413
Total Operations	**$ 2,620,019**	**$ 2,684,614**	**$ 2,765,074**	**$ 80,460**

The fiscal year 2026-27 recommended budget includes both increases and decreases at the line-item level. In many cases, the adjustments are purely based on costs incurred this fiscal year and an understanding of projected costs for next fiscal year. In other cases, the increases are technically discretionary in that they are not tied to ongoing and usual operations, but rather based on the needs of the City. A discussion of the key adjustments is provided below by department.

15 - Planning & Development Department

In total, the recommended budget for Planning & Development has been increased by $28,600. Of this total, $20,000 relates to building/planning services provided by Willdan. We have seen an increase in applicants choosing the expedited services Willdan provides versus the service provided by the County's Department of Public Works. We anticipate a corresponding increase in revenues generated from the expedited services.

The other notable increase is for legal services related to planning and development. The recommended budget of $15,000 is $5,000 higher than the current year budget based on costs through December 31, 2025. This increase reflects the City Attorney's assistance in filling the gap during the period in which the City did not have a Planning Manager that would bring their expertise in supporting planning-related matters and maintaining continuity of operations. With the new Planning Manager in place, staff expects costs for legal services will return to normal levels.

65 - Non-Departmental

As shown in the table below, the Non-Departmental budget includes costs that are not directly tied to a department. The recommended budget is essentially unchanged from the current year budget with the exception of account 917- Emergency Preparedness. The recommended budget has been reduced by $36,500 relative to the current year budget based on costs over the last several years. Staff have hesitated lowering it in prior years as a precautionary measure, but reducing it now is appropriate.

		FY 2025-26		FY 2026-27	
Department/Object Account		**Adopted Budget**	**Amended Budget**	**Status Quo**	**Proposed Budget**
65 - NON-DEPARTMENTAL					
895	Insurance & Bond Expense	55,000	55,000	55,000	57,160
901	South Bay Comm. Organization	17,600	17,600	17,600	17,600
915	Community Recognition	8,000	8,000	8,000	8,000
917	Emergency Preparedness	69,000	69,000	69,000	32,500
	Total Non-Departmental	**149,600**	**149,600**	**149,600**	**115,260**

75 – City Properties

City Properties account for costs associated with operating the City's facilities and related infrastructure, including technology-related systems. In total, the recommended budget calls for an increase of $97,413. This stems from increases in several line-items as highlighted in the table below. Each of these is discussed below as well.

		FY 2025-26		FY 2026-27	
Department/Object Account		Adopted Budget	Amended Budget	Status Quo	Proposed Budget
75 - CITY PROPERTIES					
892	IT Services	72,000	72,000	72,000	83,983
893	Granicus Services	6,600	6,600	6,600	6,600
894	Computer Hardware Fund	5,000	5,000	5,000	5,000
925	Utilities	65,000	65,000	65,000	67,370
930	Repairs & Maintenance	21,200	21,200	21,200	30,000
932	Area Landscaping	13,740	13,740	13,740	15,000
946	Buildings & Equipment	15,000	15,000	15,000	70,000
947	Non-Building Improvements	2,000	2,000	2,000	2,000
	Total City Properties	**200,540**	**200,540**	**200,540**	**279,953**

- ***892 - IT Services*** – This account tracks our costs for IT services provided by Forum IT firewall services. The increase to Forum IT services of almost $7,000 is based on the average monthly costs from prior fiscal. In addition, the firewall license fee of $4,483 is a 3-year license that is coming up for renewal next fiscal year.

- ***930 - Repairs & Maintenance*** – The recommended budget includes an additional $8,800 in funding to cover as-needed repairs. The baseline budget covers pest control costs of $2,154, janitorial services of $11,960 for twice per week cleaning, and $4,000 for campus tree trimming.

- ***946 - Building & Equipment*** – This line-item has been increased by $57,000 to cover needed capital improvements to City Hall, including Council Chambers. Some examples include a podium for public comment, new collapsible tables/chairs for the public, new chairs for City Council and staff, and finalization of audio/visual upgrades. In addition, $40,000 has been earmarked for other upgrades to the Council Chambers to enable it to serve as an Emergency Operations Center.

Updated Revenues

When staff presented the preliminary revenue estimates last month, the projections were based on revenues through December 31, 20255. Although staff will continue to monitor revenues through May, staff have re-examined its revenue estimated based on revenues collected through March 31, 2026.

The table below provides a detailed listing of all General Fund revenues, including the preliminary estimates presented to the FAB on March 9, 2026 and the updated estimates.

		Fiscal Year 2025-26			FY 2026-27	
		Adopted Budget	Actuals 03/31/26	YE Projections	Prelimiary Estimates	Updated Projections
401	Property Taxes	$ 1,501,494	$ 918,014	$1,523,159	1,568,854	$ 1,568,854
405	Sales Taxes	15,000	6,207	8,276	10,000	10,000
410	Property Transfer Tax	62,400	45,118	60,157	60,000	60,000
420	Motor Vehicle In Lieu	290,265	148,179	296,358	298,000	298,000
440	Building & Other Permits	450,000	-	496,000	500,000	500,000
441	C&D Permits	10,000	3,300	4,400	8,000	5,000
450	Variance, Planning & Zoning	30,000	16,275	21,700	26,000	25,000
455	Animal Control Fees	300	205	273	300	300
460	Franchise Fees	13,000	6,090	8,300	10,000	8,300
480	Fines & Traffic Violations	4,000	3,838	5,117	5,000	5,000
482	Cost Recovery - Public.	3,000	2,000	2,800	3,000	3,000
600	RHCA Lease Revenue	69,000	51,750	69,000	69,000	69,000
650	Public Safety Aug Fund	1,800	824	1,099	1,100	1,100
670	Interest on Investments	160,000	116,677	155,569	150,000	155,000
671	PARS Earnings	44,000	52,223	69,631	45,000	65,000
675	Miscellaneous Revenue	1,000	120,452	121,000	1,000	1,000
699	Transfers In - Refuse Fund	24,000	18,000	24,000	24,000	24,000
	TOTALS	**$ 2,679,259**	**$ 1,509,152**	**$2,866,840**	**$ 2,779,254**	**$ 2,798,554**

As can be seen in the table above, the overall revenue estimates for next fiscal year increased nominally by less than $20,000. The line-items that changed are highlighted. In general, the changes were due to revised estimates for the current year based on revenues collected through March 31, 2026 vs December 31, 2025.

Updated Balancing

The table below summarizes the updated revenue estimates and staff's recommended expenditure budget. On March 9, 2026, staff's preliminary balances resulted in an operating surplus of $96,640. The updated estimates reduce the operating surplus to $33,480.

	FY 2025-26		FY 2026-27	
	Amended Budget	Preliminary Year-End Estimates	Preliminary Estimates	Recomm'd Budget
Operating Revenues	$ 2,679,259	$ 2,956,377	$ 2,779,254	$ 2,798,554
Operating Expenditures	2,620,019	2,620,019	2,684,614	2,765,074
Operating Surplus	**$ 59,240**	**$ 336,358**	**$ 94,640**	**$ 33,480**

It is important to keep in mind that staff will continue to monitor revenues and make any necessary adjustments. However, staff do not expect the estimates to change materially.

CITY OF ROLLINGS HILLS
Fiscal Year 2026-27 Recommended Budget
General Fund

	FY 2025-26		FY 2026-27	
	Amended Budget	Preliminary Year-End Estimates	Preliminary Estimates	Recomm'd Budget
Operating Revenues	$ 2,679,259	$ 2,956,377	$ 2,779,254	$ 2,798,554
Operating Expenditures	2,620,019	2,620,019	2,684,614	2,765,074
Operating Surplus	**$ 59,240**	**$ 336,358**	**$ 94,640**	**$ 33,480**

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

		Fiscal Year 2025-26			FY 2026-27	
		Adopted Budget	Actuals 03/31/26	YE Projections	Prelimiary Estimates	Updated Projections
401	Property Taxes	$ 1,501,494	$ 918,014	$ 1,523,159	1,568,854	$ 1,568,854
405	Sales Taxes	15,000	6,207	8,276	10,000	10,000
410	Property Transfer Tax	62,400	45,118	60,157	60,000	60,000
420	Motor Vehicle In Lieu	290,265	148,179	296,358	298,000	298,000
440	Building & Other Permits	450,000	-	496,000	500,000	500,000
441	C&D Permits	10,000	3,300	4,400	8,000	5,000
450	Variance, Planning & Zoning	30,000	16,275	21,700	26,000	25,000
455	Animal Control Fees	300	205	273	300	300
460	Franchise Fees	13,000	6,090	8,300	10,000	8,300
480	Fines & Traffic Violations	4,000	3,838	5,117	5,000	5,000
482	Cost Recovery - Public.	3,000	2,000	2,800	3,000	3,000
600	RHCA Lease Revenue	69,000	51,750	69,000	69,000	69,000
650	Public Safety Aug Fund	1,800	824	1,099	1,100	1,100
670	Interest on Investments	160,000	116,677	155,569	150,000	155,000
671	PARS Earnings	44,000	52,223	69,631	45,000	65,000
675	Miscellaneous Revenue	1,000	120,452	121,000	1,000	1,000
699	Transfers In - Refuse Fund	24,000	18,000	24,000	24,000	24,000
	TOTALS	**$ 2,679,259**	**$ 1,509,152**	**$ 2,866,840**	**$ 2,779,254**	**$ 2,798,554**

CITY OF ROLLING HILLS
FY 2026-27 Recommended Expenditures
GENERAL FUND

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
01 - CITY ADMINISTRATOR					
702	Salaries -Full Time	$ 453,862	$ 453,862	$ 475,798	$ 475,798
705	Temporary Salaries	7,000	7,000	7,000	7,000
710	Retirement CalPERS-Employer	37,204	37,204	38,626	38,626
712	CalPERS Unfunded Liability	-	-	-	-
715	Workers Compensation Insurance	9,100	9,100	9,100	9,100
716	Group Insurance	92,036	92,036	84,603	84,603
717	Retiree Medical	40,000	40,000	42,000	42,000
718	Employer Payroll Taxes	35,309	35,309	37,326	37,326
719	Deferred Compensation	4,141	4,141	8,530	8,530
720	Auto Allowance	3,600	3,600	3,600	3,600
721	Phone Allowance	2,400	2,400	2,400	2,400
740	Office Supplies	8,000	8,000	8,000	8,000
745	Equipment Leasing Costs	10,000	10,000	10,000	10,000
750	Dues & Subscriptions	14,822	14,822	14,822	15,614
755	Conference Expense	1,500	1,500	1,500	2,750

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
757	Meetings Expense	2,100	2,100	2,100	2,600
759	Training & Education	4,000	4,000	4,000	4,150
761	Auto Mileage	700	700	700	800
765	Postage	18,500	18,500	18,500	19,345
775	City Council Expense	7,500	7,500	7,500	7,500
776	Miscellaneous Expenses	1,500	1,500	1,500	1,500
780	Comm./Newsletters & Outreach	3,500	3,500	3,500	3,500
785	Codification	3,000	3,000	3,000	3,000
790	Advertising	2,000	2,000	2,000	2,000
795	Other Gen Admin Expense	3,300	3,300	3,300	3,700
801	City Attorney	90,000	90,000	90,000	90,000
802	Legal Expense - Other	3,000	3,000	3,000	3,000
804	Legal Expense -CPUC	-	-	-	-
820	Website	3,900	3,900	3,900	7,250
890	Consulting Fees	10,000	10,000	10,000	10,000
891	Records Management	3,900	3,900	3,900	4,200
	Total City Administrator	**875,874**	**875,874**	**900,205**	**907,892**

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
05 - Finance					
750	Dues & Subscriptions	4,500	4,500	4,500	4,500
810	Annual Audit	35,000	35,000	35,000	32,550
890	Consulting Fees	120,500	120,500	120,500	122,050
	Total Finance	**160,000**	**160,000**	**160,000**	**159,100**
15- PLANNING & DEVELOPMENT					
702	Salaries	232,520	232,520	284,472	284,472
703	Salaries - Part-Time	26,889	26,889	-	-
705	Temporary Salaries	-	-	-	-
710	Retirement CalPERS-Employer	19,234	19,234	23,094	23,094
715	Workers Comp. Insurance	3,900	3,900	3,900	3,900
716	Group Insurance	42,977	42,977	58,377	58,377
718	Employer Payroll Taxes	20,000	20,000	21,781	21,781
719	Deferred Comp	4,681	4,681	-	-
720	Auto Allowance	1,200	1,200	1,200	1,200
721	Phone Allowance	600	600	600	600
750	Dues & Subscription	15,000	15,000	15,000	15,000
755	Conference Expense	3,000	3,000	3,000	3,000

	Department/Object Account	FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
759	Training & Education	1,000	1,000	1,000	1,000
XXX	Code Compliance Phone	-	-	-	600
761	Auto Mileage	300	300	300	300
776	Miscellaneous Expenses	2,000	2,000	2,000	2,000
790	Publication/Advertising/Noticing	10,000	10,000	10,000	10,000
802	Legal Expenses-Other	10,000	10,000	10,000	15,000
872	Property Development-Legal Exp	37,000	37,000	37,000	40,000
875	Willdan Building	45,000	45,000	45,000	65,000
878	Build Inspect. LA County	250,000	250,000	300,000	300,000
881	Storm Water Management	88,000	88,000	88,000	88,000
884	Special Project Study & Consult.	5,000	5,000	5,000	5,000
886	Code Enforcement	62,880	62,880	-	-
890	Consulting Fees (Onward)	7,500	7,500	7,500	7,500
928	Traffic Engineering	6,000	6,000	6,000	6,000
	Total Planning & Development	**894,681**	**894,681**	**923,224**	**951,824**
25 - Public Safety					
830	Law Enforcement	320,424	320,424	332,145	332,145
831	Traffic Enforcement	-	-	-	-

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
833	Other Law Enforcement Exp	2,400	2,400	2,400	2,400
837	Wild Life Mgmt & Pest Control	10,000	10,000	10,000	10,000
838	Animal Control Expense	6,500	6,500	6,500	6,500
	Total Public Safety	**339,324**	**339,324**	**351,045**	**351,045**
65 - NON-DEPARTMENTAL					
895	Insurance & Bond Expense	55,000	55,000	55,000	57,160
901	South Bay Comm. Organization	17,600	17,600	17,600	17,600
915	Community Recognition	8,000	8,000	8,000	8,000
917	Emergency Preparedness	69,000	69,000	69,000	32,500
	Total Non-Departmental	**149,600**	**149,600**	**149,600**	**115,260**
75 - CITY PROPERTIES					
892	IT Services	72,000	72,000	72,000	83,983
893	Granicus Services	6,600	6,600	6,600	6,600
894	Computer Hardware Fund	5,000	5,000	5,000	5,000
925	Utilities	65,000	65,000	65,000	67,370
930	Repairs & Maintenance	21,200	21,200	21,200	30,000
932	Area Landscaping	13,740	13,740	13,740	15,000

Department/Object Account		FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
946	Buildings & Equipment	15,000	15,000	15,000	70,000
947	Non-Building Improvements	2,000	2,000	2,000	2,000
	Total City Properties	**200,540**	**200,540**	**200,540**	**279,953**
	TOTAL OPERATING EXPENDITURES	**$ 2,620,019**	**$ 2,620,019**	**$ 2,684,614**	**$ 2,765,074**

CITY OF ROLLING HILLS

UPDATED REVENUE PROJECTIONS AND

RECOMMENDED EXPENDITURES

FISCAL YEAR 2026-27

Background

- Last month we presented to the FBA Committee and Council preliminary revenue estimates and overall balancing estimates
- Revenues were based on revenues received through 12/31/2025
- Adjustments to arrive at “Baseline” expenditures were discussed
  - Increases to salaries and benefits
  - Increase to contract with LA County Sheriff
  - Increase to contract with LA County Department of PW

Purpose of Report

- To briefly provide updated revenue projections for FY 2026/27 based on revenues through 3/31/2026
- To present recommended General Fund expenditures for FY 2026-27
  - Highlighting changes to the baseline (status quo) budget

UPDATED REVENUES

FY 2026/27 Updated Revenue Projections

	Fiscal Year 2025-26			FY 2026-27	
	Adopted Budget	Actuals 03/31/26	YE Projections	Prelimiary Estimates	Updated Projections
Property Taxes	$ 1,501,494	$ 918,014	$1,523,159	1,568,854	$ 1,568,854
Sales Taxes	15,000	6,207	8,276	10,000	10,000
Property Transfer Tax	62,400	45,118	60,157	60,000	60,000
Motor Vehicle In Lieu	290,265	148,179	296,358	298,000	298,000
Bldg & Other Permits	450,000	322,253	496,000	500,000	500,000
C&D Permits	10,000	3,300	4,400	8,000	5,000
Planning & Zoning	30,000	16,275	21,700	26,000	25,000
Animal Control Fees	300	205	273	300	300
Franchise Fees	13,000	6,090	8,300	10,000	8,300
Fines & Traffic Viol.	4,000	3,838	5,117	5,000	5,000
Cost Recovery - Public.	3,000	2,000	2,800	3,000	3,000
RHCA Lease Revenue	69,000	51,750	69,000	69,000	69,000
Public Safety Aug Fund	1,800	824	1,099	1,100	1,100
Interest Earnings	160,000	116,677	155,569	150,000	155,000
PARS Earnings	44,000	52,223	69,631	45,000	65,000
Misc. Revenue	1,000	120,452	121,000	1,000	1,000
Transfers In - Refuse	24,000	18,000	24,000	24,000	24,000
TOTALS	**$ 2,679,259**	**$ 1,831,405**	**$2,866,840**	**$ 2,779,254**	**$ 2,798,554**

RECOMMENDED
GENERAL FUND EXPENDITURES

Proposed GF Expenditures by Department

Department	FY 2025-26 Amended Budget	Status Quo Adjustments	FY 2026-27 Status Quo Budget	FY 2026-27 Recomm'd Budget	Increase (Decrease)
City Administrator	$ 875,874	$ 24,331	$ 900,205	$ 907,892	$ 7,687
Finance	160,000	-	160,000	159,100	(900)
Planning & Development	894,681	28,543	923,224	951,824	28,600
Public Safety	339,324	11,721	351,045	351,045	(0)
Non-Departmental	149,600	-	149,600	115,260	(34,340)
City Properties	200,540	-	200,540	279,953	79,413
Total Operations	**$ 2,620,019**	**$ 64,595**	**$ 2,684,614**	**$ 2,765,074**	**$ 80,460**

Highlights of Adjustments Planning Department (15)

- Added $20,000 to budget for contract with Willdan for expedited services
- Added $5,000 for legal services related to planning/development
  - Due largely to lack of a Planning Manager that has expertise in planning related matters
  - Hope to see costs lower next fiscal year with the recent filling of PM position

Highlights of Adjustments Non-Departmental (65)

		FY 2025-26		FY 2026-27	
Department/Object Account		Adopted Budget	Amended Budget	Status Quo	Proposed Budget
65 - NON-DEPARTMENTAL					
895	Insurance & Bond Expense	55,000	55,000	55,000	57,160
901	South Bay Comm. Organization	17,600	17,600	17,600	17,600
915	Community Recognition	8,000	8,000	8,000	8,000
917	Emergency Preparedness	69,000	69,000	69,000	32,500
	Total Non-Departmental	**149,600**	**149,600**	**149,600**	**115,260**

Highlights of Adjustments
City Properties (75)

Department/Object Account		FY 2026-27 Status Quo	FY 2026-27 Proposed Budget
75 - CITY PROPERTIES			
892	IT Services	$ 72,000	$ 83,983
893	Granicus Services	6,600	6,600
894	Computer Hardware Fund	5,000	5,000
925	Utilities	65,000	67,370
930	Repairs & Maintenance	21,200	30,000
932	Area Landscaping	13,740	15,000
946	Buildings & Equipment	15,000	70,000
947	Non-Building Improvements	2,000	2,000
	Total City Properties	**200,540**	**279,953**

892 IT Services – Increase to Forum IT of ~$7,000 based on average costs in the prior year. Also included $4,483 for renewal of 3-year license for a firewall

930 R&M – Increased by $8,800 for as needed repairs.

946 Bldg & Equip – Added $57k for needed capital improvements to City, in particular Council Chambers. Includes $40k for upgrades to enable CC Chambers to serve as an EOC.

Updated Balancing

	FY 2025-26		FY 2026-27	
	Amended Budget	Preliminary Year-End Estimates	Preliminary Estimates	Recomm'd Budget
Operating Revenues	$ 2,679,259	$ 2,956,377	$ 2,779,254	$ 2,798,554
Operating Expenditures	2,620,019	2,620,019	2,684,614	2,765,074
Operating Surplus	**$ 59,240**	**$ 336,358**	**$ 94,640**	**$ 33,480**

Recommendation

- Provide staff feedback on updated revenues and proposed expenditures
  - FAB Committee recommendations will be provided to City Council on May 11 Council Budget Workshop

QUESTIONS/DISCUSSION