

FY 26 BUDGET WORKSHOP



June 10, 2025

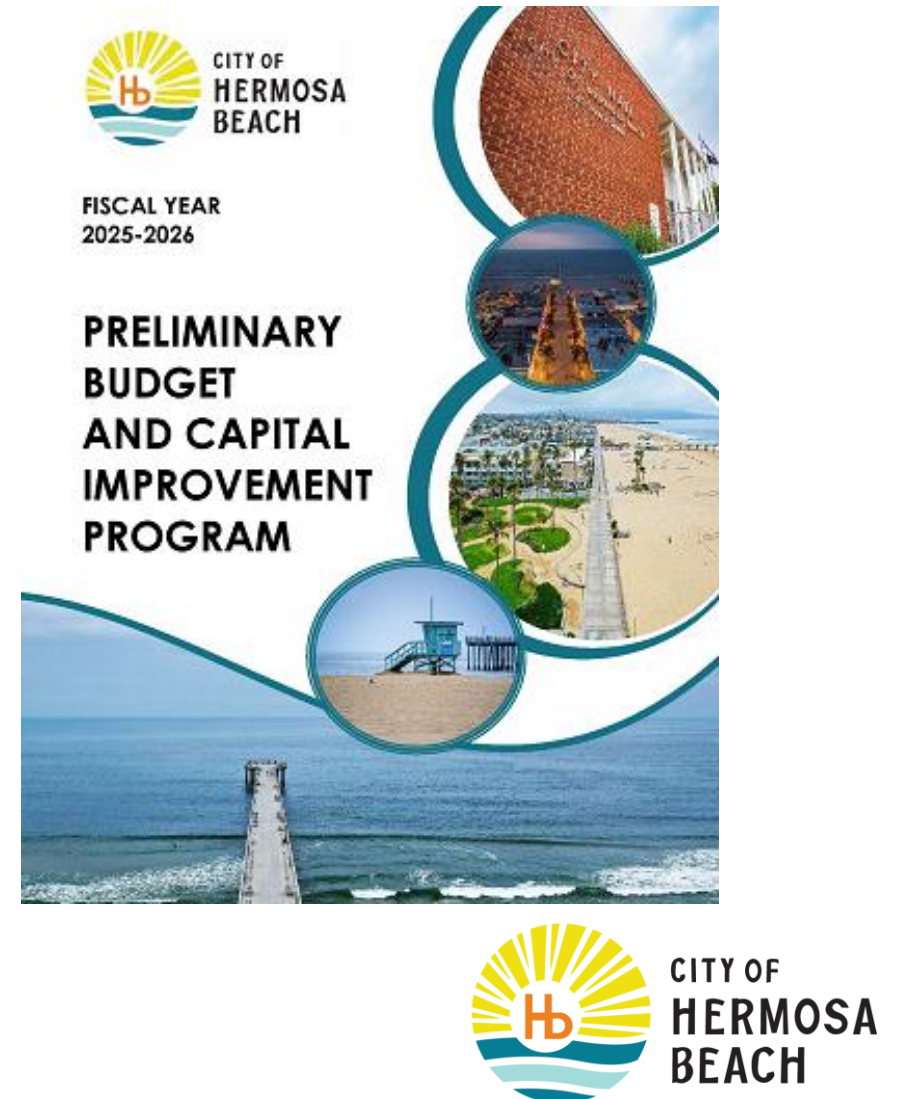
Agenda

- FY 26 Proposed Budget
 - ✓ Summary
 - ✓ Highlights
- Fiscal Outlook
- Next Steps

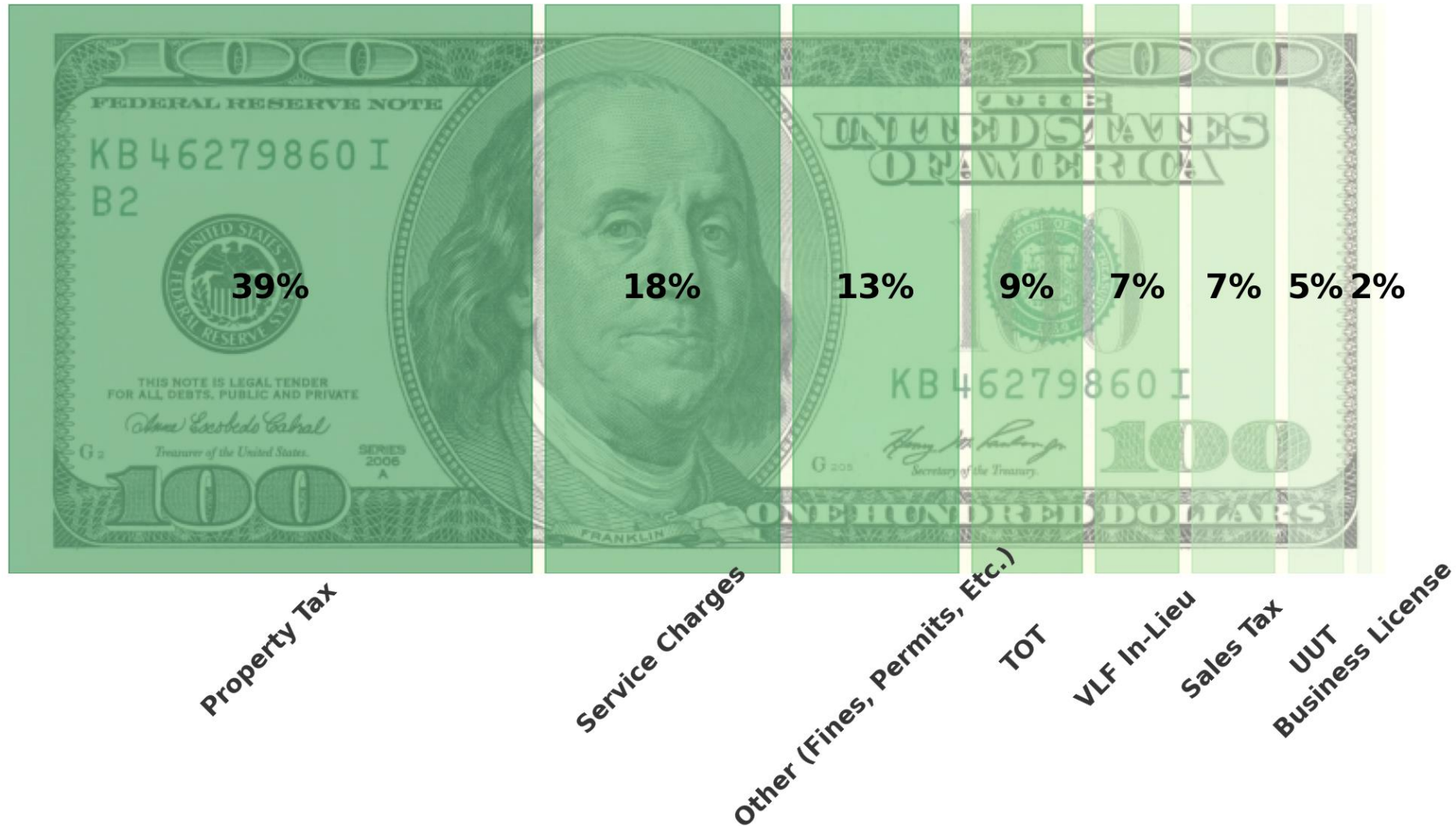


FY 26 Budget Summary

- Stable Revenue
- Balanced Budget
- Continued CIP investment
- Maintaining Healthy Reserves
- Improving Revenue Collection
- Focus on Efficiency Efforts



FY 26 General Fund Revenue



FY 26 General Fund Expense



Public Safety

Public Works

Mgmt/Support

Comm Dev

Parks/Recreation
Legislative



FY 26 Budget Highlights



\$33.9m in CIP Projects



\$100k Earmark for Citywide Beautification



\$75k for 14th St Beach Restroom Maintenance and Rehab



Maintaining 20% General Fund Reserve

Fiscal Outlook-Headwinds



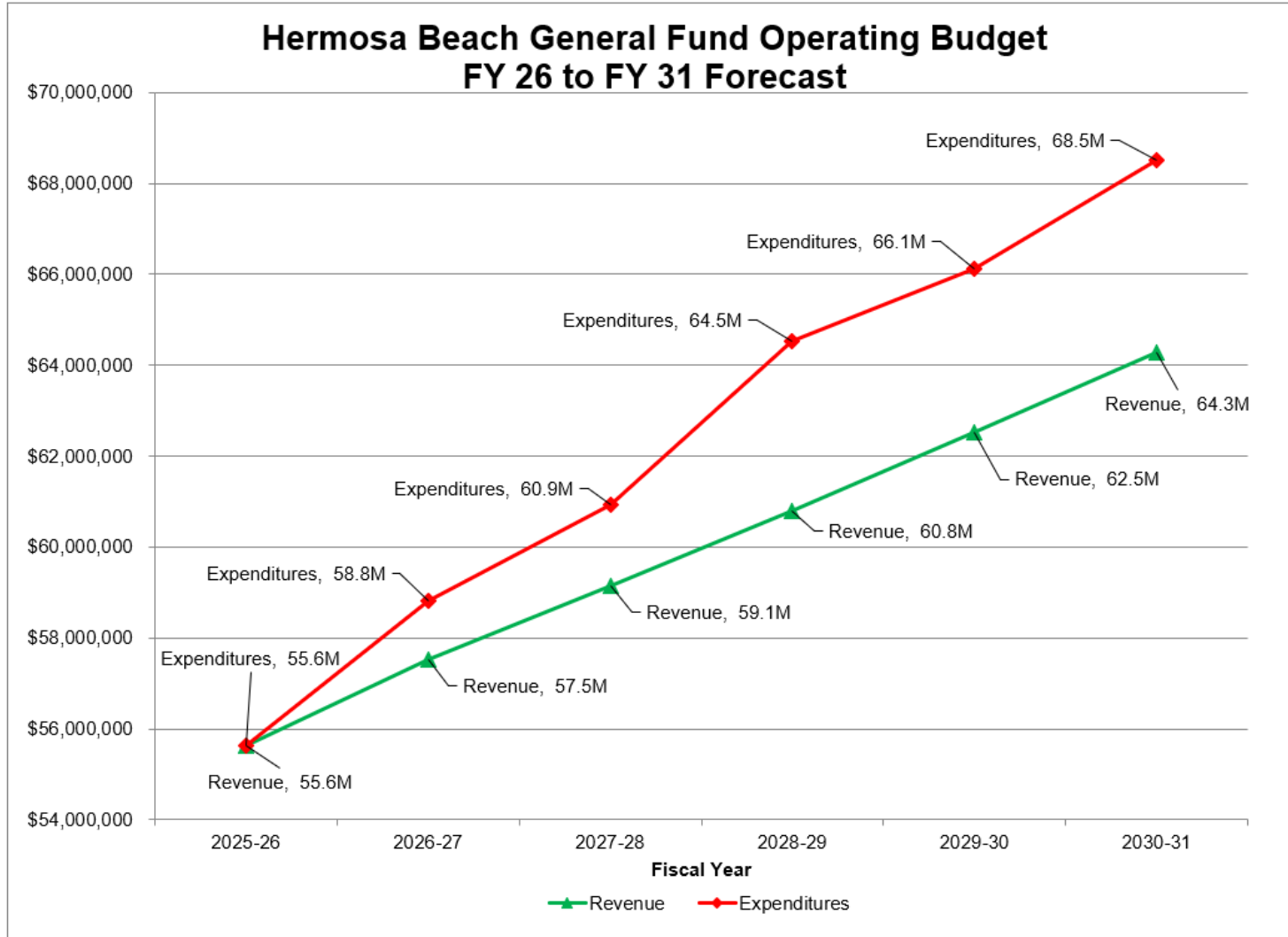
- Looming Deficits
 - LA County Contracts (Fire, Lifeguard, Beach Maintenance) expire in 2027 and 2028
 - Inflation
- Potential Economic Downturn
- ~\$160m Unfunded CIP Needs
- CalPERS Performance and Pension Liabilities
- Insurance Fund-Rising Cost of Premiums, Claims/Litigation

Fiscal Outlook-Tailwinds



- Council Fiscal Restraint
- Maintaining Healthy Balances and Reserves
 - 20% General Fund Reserve (GFOA recommends 16%)
 - Insurance Fund Balance >\$3m
 - OPEB 150% funded
- Continued CIP investment
- Continued Focus on Efficiencies

Five-Year Forecast



Next Steps

- 6/24 - Budget Workshop/Adoption
- Post-Budget Adoption:
 - ✓ Reconvene Finance Sub-Committee
 - ✓ Discuss Revenue Opportunities
 - Fees and Charges
 - Parking Citations
 - Meter Rates
 - Stormwater and Lighting District Subsidies
 - Other



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