

CITY OF BRAWLEY

FY2026/27 Proposed Budget

General Fund -Budget Study Session 1

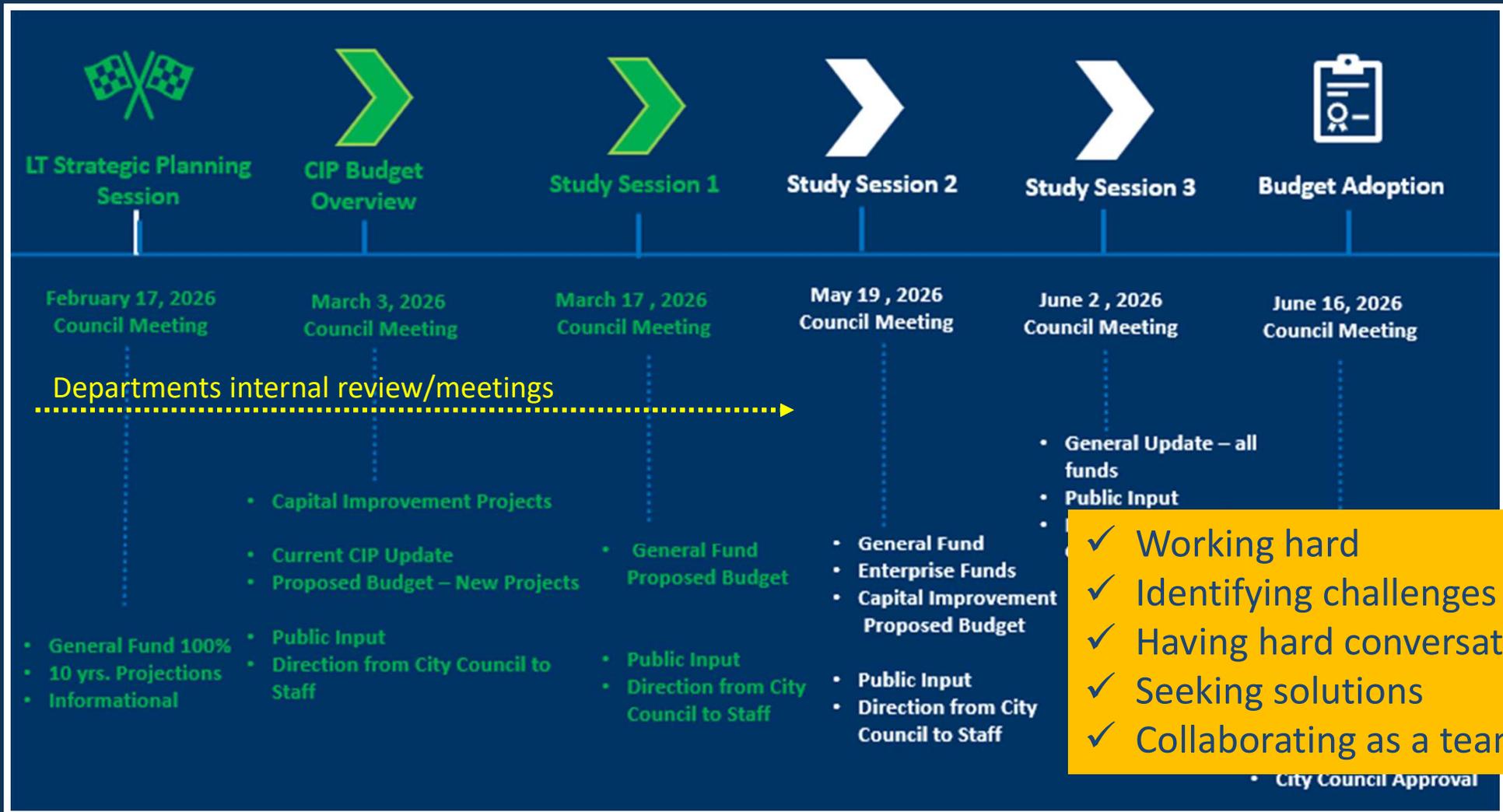


General Fund – Budget Study Session 1 | Workshop Agenda

- Overview of the FY2026/27 Budget Process
- General Fund Fiscal Overview
- Proposed Revenues and Expenditures
- Key Cost Drivers and Reserve Position
- Closing the Gap: Fiscal Considerations
- Preliminary Department Requests (high-level)
- Council Direction Requested
- Next Steps



General Fund | FY2026/27 Budget Process



- ✓ Working hard
- ✓ Identifying challenges
- ✓ Having hard conversations
- ✓ Seeking solutions
- ✓ Collaborating as a team



General Fund Fiscal Overview | Proposed Budget

	Actuals FY2024/25	Current Budget FY2025/26*	Proposed Budget FY2026/27
Total Revenues	\$ 26,764,124	\$ 29,562,308	\$ 28,281,235
Total Expenses	\$ 24,122,319	\$ 30,850,066	\$ 28,946,204
Budget Surplus/(Deficit)	\$ 2,641,805	\$ (1,287,758)	\$ (664,969)
 General Fund FTE's	124.25	131.40	130.40

 FY2026/27 Proposed Budget reflects a structural imbalance driven by rising costs and declining one-time revenues.



General Fund Revenues | Proposed Budget

Revenue Category	2024/25 Actuals	2025/26 Current Revenue *	2026/27 Proposed Budget	YOY Change	YOY %
Taxes	15,372,221	18,208,500	18,554,505	346,005	2%
License & Permits	256,533	331,100	332,400	1,300	0%
Grants	1,310,936	1,668,460	764,114	(904,346)	-54%
Fees & Charges	6,744,258	6,379,296	6,548,954	169,658	3%
Fines & Assesments	9,237	17,000	19,000	2,000	12%
Interest/Misc./Reim.	1,543,741	1,366,075	429,800	(936,275)	-69%
Transfers In	1,527,198	1,591,877	1,632,462	40,585	3%
Total General Fund Revenue	\$26,764,124	\$29,562,308	\$28,281,235	\$(1,281,073)	-4%

- The FY2025/26 Current Budget includes estimated Pool Insurance settlement funds.
- Proposed Revenues reflect moderate growth assumptions.
- The City's Sales Tax (Bradley-Burns) is estimated to decrease by 4% (or \$ 135,113 less)
- Measure J is expected to remain flat or slightly below current year receipts, contributing \$3.7M to the GF.
- Includes only active and recurring grant revenue.
- Incorporated all known updates from the State, County, and other local agencies.
- Proposed Revenues include estimates for newly implemented City Fee Schedule.



Revenue trends reflect declines in grants and one-time funding sources.



Expenses Overview | Key Assumptions

Elements included in Proposed Budget

Personnel Changes
Full-Time FTE's
130.4 FTE

Liability and Workers
Compensation
Insurance (Estimate)

Merit Increases
(Eligible Employees)

Utilities
(Price Increase CPUC
Est. 2%- 7%)

Pension and Medical
Plans Price Increases

Inflationary Impact
Supplies & Services

Professional and
Technical Services
(Multi-year
Contracts)

Long-Term Liabilities
(POB, UAL, Current
Financed Leases)

Elements NOT included in Proposed Budget

Addition of FTE's
(Full-time & Part-
time, new positions)

New Vehicle Leases
(EFM 60 Mo. Lease)

Unnegotiated Salary
Contracts or
Reclassifications (as
of 02/28/26)

CIP Projects/Req.
(Equipment, facilities
improvements)

Cost of Living
(COLA, 2021 MOU
Expires June 2026)

 Many of these cost increases are driven by external factors outside of the City's direct control.



General Fund Expenses by Department | Proposed Budget

Department	2024/25 Actuals	2025/26 Current Budget*	2026/27 Proposed Budget	% of Total Expenses	YOY Change
Administration	743,901	1,328,125	1,276,040	4%	-4%
Finance/Utility Billing	1,666,214	1,720,650	1,775,965	6%	3%
Personnel/Risk Management	449,674	647,796	615,079	2%	-5%
Information Tech.	1,082,331	1,064,387	1,134,311	4%	7%
Non-Departmental	1,638,326	1,910,788	1,825,093	6%	-4%
Police	8,572,561	9,264,962	9,975,792	34%	8%
Graffiti Abatement	73,575	82,089	83,139	0%	1%
Code Enforcement	97,100	112,013	111,413	0%	-1%
Animal Control	324,282	254,139	264,899	1%	4%
Fire	4,738,711	5,230,431	5,483,440	19%	5%
Community Development Services	1,113,780	1,252,677	1,380,445	5%	10%
Engineering	886,101	1,350,280	1,507,263	5%	12%
Parks & Rec (Inc. Senior Center)	2,204,626	5,423,216	2,950,021	10%	-46%
Library	531,139	1,208,513	563,303	2%	-53%
Total General Fund Expenses	24,122,321	30,850,066	28,946,204	100%	-6%

➔ Public Safety accounts for over 50% of General Fund expenditures.



General Fund Expenses | Key Cost Drivers

Expense Type	2024/25 Actuals	2025/26 Current Budget*	2026/27 Proposed Budget	YOY %
Temporary Salaries	339,414	442,645	601,940	36%
Health Insurance	1,140,776	1,287,503	1,610,744	25%
Worker's Compensation	660,821	740,694	893,335	21%
UAL -Pension	956,618	1,298,459	1,514,195	17%
Liability Insurance	924,742	1,013,259	1,320,533	30%
Repair & Maintenance	666,176	518,363	662,958	28%
Utilities	288,326	299,702	420,125	40%



- Worker's Compensation and Liability Insurance estimates reflect a 30% increase based on updated projections from CJPIA.
- Pension (UAL) increases are driven by prior investment performance and updates to actuarial assumptions.
- Increases in temporary salaries and utilities are primarily driven by the reopening of the pool (~ \$500k)



General Fund Reserves | Proposed Budget

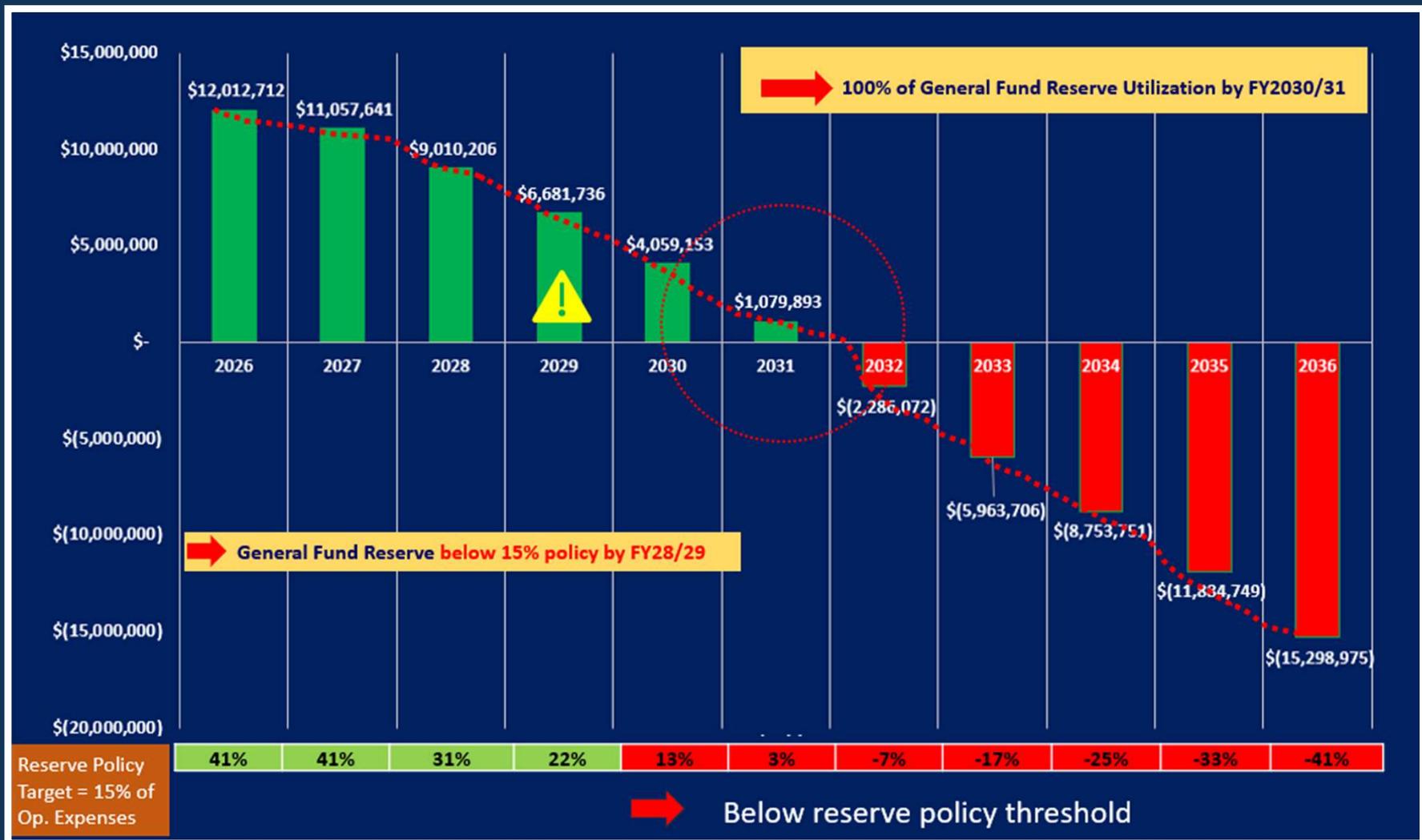
Fund Balance Category	Estimated at 06/30/2026	Anticipated Surplus/Shortfall	Estimated at 06/30/2027
Non-spendable (prepaids)	50,000		50,000
Committed to Operational Carryovers	505,558		505,558
Committed to Capital Replacement Reserves	900,000		900,000
Public Safety Personnel Reserve	400,000		400,000
Unassigned	9,719,635	(664,969)	9,054,666
TOTAL FUND BALANCES	\$11,575,193	\$ (664,969)	\$10,910,224

RESERVE TARGET CALCULATION - (15% of Expenses)			
FY 2026/27 Expenses at Budget Adoption	15% Target	Estimated at 6-30-2027	Surplus/(Shortfall)
\$ 28,946,204	\$ 4,341,931	\$ 9,054,666	\$ 4,712,736

While reserves remain above policy targets, ongoing deficits will reduce available fund balance over time.



General Fund | Financial Outlook (Reminder)





General Fund | Closing the Gap

- Estimated deficit: **(\$664,969)**
- Represents approximately 2 - 3 % of the General Fund expenditures

The gap is manageable and may be addressed through a combination of:

- Targeted expenditure adjustments
- Operational efficiencies
- Revenue enhancements



General Fund | Potential Budget Pressures –Department Requests

The following reflects preliminary requests not included in the proposed budget:

- Personnel Requests

New positions, reclassifications across departments

Estimated Fiscal Impact : ~ \$ 80,502 - \$ 106,000

- Operational Requests

Vehicle replacements, equipment maintenance, program enhancements

Contract increases and service expansions

Estimated Fiscal Impact: ~\$ 120,230 - \$ 130,000

- Capital Improvement Requests (CIP)

Facility improvements and infrastructure needs, equipment replacement

Estimated Fiscal Impact: ~\$ 300,000 - \$ 2.2M



All requests will be evaluated and prioritized based on available funding and Council direction.



Council Direction Requested



- Provide guidance on addressing the projected deficit.
- Confirm priorities related to service levels.
- Provide input on revenue and expenditure strategies.
- Identify additional considerations for budget refinement.



Staff will incorporate Council feedback into the proposed budget



Next Steps – FY2026/27 Budget

- Continue to evaluate funding sources
- Continue to refine cost estimates
- Incorporate any changes from tonight's discussion
- Next Budget Study Sessions :

May 19, 2026- Budget Study Session 2 - General Fund & Enterprise, CIP

June 2, 2026- Budget Study Session 3- Updates all funds

June 16, 2026- City-wide Budget & CIP Adoption



THANK YOU!

For more information on the FY2026/27 Budget :



www.brawley-ca.gov



Finance@brawley-ca.gov

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