City of Angels Budget

Fiscal Year 2026-2027

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Reader’s Guide

The Fiscal Year 2026-2027 Budget Book is designed to serve as a policy document, financial plan, operations guide, and communication tool for elected officials, staff, residents, businesses, and other stakeholders. This guide provides a brief overview of each section to help readers quickly locate information and better understand the City's financial plan and service priorities.

The City of Angels is submitting the FY 2026-27 Budget for consideration under the Government Finance Officers Association Distinguished Budget Presentation Award Program.

Introduction

Contains the Budget Message from the City Administrator, highlighting the City's financial condition, economic outlook, key budget assumptions, and major initiatives for the fiscal year.

Basis of Budgeting

Explains the budgeting principles, accounting basis, balanced budget requirements, and policies used in preparing and administering the City's budget.

Budgeting Process

Describes the annual budget development process, including departmental participation, budget review procedures, forecasting practices, and budget adoption requirements.

Financial Policies

Outlines the City's financial management policies and guiding principles that promote long-term fiscal sustainability, flexibility, accountability, and responsible stewardship of public resources.

Community Profile

Provides demographic, economic, housing, and population information that helps explain the community characteristics and service needs that influence budget decisions.

Organizational Structure

Presents the City's organizational chart and governance structure, illustrating reporting relationships and departmental responsibilities.

History of the City

Offers a brief overview of the City's history, heritage, and development, providing context for the community served by the budget.

Executive Summary

Summarizes major budget highlights, key revenue and expenditure trends, significant financial issues, and important initiatives included in the adopted budget.

Strategic Plan

Describes the City's mission, vision, strategic goals, and priorities, and demonstrates how budget resources are aligned with those objectives.

Budget Timeline

Illustrates the annual budget calendar and key milestones involved in budget preparation, review, adoption, and implementation.

Priorities and Issues

Identifies the major opportunities, challenges, and policy issues affecting the City and explains how the budget addresses those concerns.

Personnel Changes

Highlights staffing changes, organizational adjustments, workforce planning efforts, and personnel-related budget impacts for the fiscal year.

Fund Structure and Financial Overview

Provides an overview of the City's fund structure, including General Fund, Special Revenue Funds, Enterprise Funds, Debt Service Funds, and Fiduciary Funds, along with their purposes and financial relationships.

Department Summaries

Presents citywide departmental financial information and summarizes budget allocations among City departments.

Departmental Budgets

Provides detailed information for each department, including services provided, organizational responsibilities, strategic plan alignment, budget highlights, revenues, expenditures, staffing, and operational goals.

Funding Sources Overview

Explains the City's major revenue sources and funding mechanisms used to support municipal services and capital investments.

Capital Improvement Plan

Details planned capital projects, infrastructure investments, funding sources, project priorities, and long-term facility and equipment needs.

Multi-Year Financial Plan

Provides long-range financial projections and discusses future opportunities, challenges, and sustainability considerations.

Debt Services Overview and Debt by Type

Summarizes outstanding debt obligations, debt repayment schedules, and long-term liabilities, including enterprise-related debt.

Glossary

Defines financial, accounting, budgeting, and governmental terms used throughout the document to assist readers unfamiliar with municipal finance terminology.

June 16, 2026

Honorable Mayor and City Council Members,

I am pleased to present the City of Angels Budget Book for Fiscal Year 2026–2027, covering the period from July 1, 2026, through June 30, 2027. This budget reflects our continued commitment to responsible fiscal stewardship, operational efficiency, and delivering high-quality public services to our community. The proposed budget is balanced and positions the City to maintain service levels while preparing for future needs.

The City of Angels serves as a regional center for commerce, tourism, and public services within Calaveras County while maintaining its unique historic character and small-town identity. The City remains focused on balancing community expectations, infrastructure needs, economic development opportunities, and public safety priorities within a constrained revenue environment.

This year's budget was developed using moderately conservative revenue assumptions. Revenues driven by consumer activity, including sales tax, Measure A revenues, and transient occupancy tax, are projected to decline modestly by approximately 2 to 3 percent, partially offset by continued growth in property tax revenues. However, fiscal risk remains weighted to the downside. A cooling economy, sustained inflation affecting discretionary spending, or a significant emergency event such as wildfire could quickly impact revenues, while growth in property tax remains constrained by Proposition 13 and existing revenue-sharing arrangements. Staff will continue to monitor fiscal conditions and present a mid-year budget review in December to provide the City Council an opportunity to reassess conditions and provide additional direction as appropriate.

While opportunities to generate new revenue remain limited, managing cost escalation continues to be a primary focus. The City has retained an exceptional workforce despite compensation levels that have not consistently kept pace with surrounding jurisdictions, and the cost of maintaining aging infrastructure and equipment continues to increase.

The FY 2026-2027 Budget advances the City Council's strategic priorities by investing in public safety, infrastructure maintenance, organizational sustainability, economic vitality, and operational efficiency. Resource allocations throughout this document are intended to support both current service needs and the long-term goals established by the City Council. To address these long-term obligations, this budget proposes establishment of a Capital Equipment Fund to support the planned replacement of more than $5 million in equipment over the coming decade. This initiative is intended to complement the City’s previously adopted Capital Infrastructure Program and strengthen our long-term financial sustainability.

During FY 2025–2026, the City completed implementation of a new financial management system, continued modernization of budgeting and reporting tools, advanced water and wastewater planning initiatives, maintained Measure A fire protection services, and strengthened regional partnerships. Building on these accomplishments, we will continue pursuing strategic growth opportunities, seeking external funding, and leveraging technology and partnerships to improve efficiency and service delivery.

At the same time, there are meaningful opportunities ahead. We will continue pursuing strategic growth initiatives, seeking external funding opportunities, and leveraging technology to improve efficiency and service delivery. We are also advancing partnerships with neighboring agencies that we expect will create both operational efficiencies and improved public service outcomes.

I remain excited about the future of the City of Angels. While challenges remain, I continue to be impressed by the professionalism, dedication, and problem-solving mindset demonstrated daily by City staff. Their commitment positions the City well to meet both current needs and future opportunities.

Respectfully submitted,

Michael R. Hodson, City Administrator

Basis of Budgeting
Budget Administration Policy

Balanced Budget Requirement
The City of Angels is committed to maintaining a structurally balanced budget and sound financial management practices.

Budget Adoption
The City Council shall adopt an annual balanced budget prior to the beginning of each fiscal year. The budget is typically adopted no later than June 30 preceding the fiscal year for which it is prepared.

Balanced Budget Definition
A balanced budget is one in which recurring operating revenues and available resources are sufficient to fund recurring operating expenditures, including debt service obligations, without reliance on short-term borrowing.

Use of Fund Balance
The City shall fund ongoing operating expenditures with ongoing revenues whenever practicable. Fund balance, reserves, and one-time revenues should be used primarily for capital improvements, infrastructure investments, emergency expenditures, or other non-recurring purposes.

Budget Amendments
The City Council may amend the adopted budget during the fiscal year as necessary to address unforeseen circumstances, changes in revenue projections, grant awards, emergencies, or other operational needs.

Budget Monitoring
The City shall monitor revenues and expenditures throughout the fiscal year and provide periodic financial reports to the City Council. A mid-year budget review will be conducted to evaluate fiscal performance, update revenue and expenditure projections, and recommend budget adjustments as necessary.

Fiscal Sustainability
The City shall avoid budgetary practices that defer current costs to future periods, shift recurring expenditures to one-time funding sources, or otherwise compromise long-term financial stability.

General Fund Reserves
The City has adopted a General Fund Reserve Policy intended to promote financial stability, maintain adequate cash flow, mitigate revenue fluctuations, and address unforeseen emergencies. The City periodically evaluates reserve levels and financial policies to support long-term fiscal sustainability. During FY 2026-27, staff anticipates reviewing existing reserve policies and making recommendations to ensure reserve targets remain practical, achievable, and aligned with the City's current financial condition.

Budget Assumptions

- The FY 2026-2027 Budget was developed using conservative revenue and expenditure assumptions intended to maintain fiscal stability while accounting for economic uncertainty and inflationary pressures.

Revenue Assumptions

- Property tax revenues are projected to increase by approximately 2.5 percent based on assessed valuation growth and historical trends.
- Sales tax revenues are projected to decline by approximately 2.0 percent due to anticipated moderation in consumer spending and regional economic conditions.
- Measure A revenues are projected to decline by approximately 2.0 percent, reflecting similar economic assumptions affecting taxable sales activity.
- Transient Occupancy Tax (TOT) revenues are projected to decline by approximately 2.0 percent based on current tourism and lodging market trends.
- Franchise fees, Motor Vehicle License Fees, Gas Tax revenues, and RMRA revenues are projected to increase modestly by approximately 1.0 percent.

Personnel Cost Assumptions

- Salary and wage projections include approved labor agreements, step increases, and anticipated staffing adjustments.
- Employee benefit costs were projected based on current benefit plans and anticipated enrollment levels.
- Retirement costs were budgeted using the latest available California Public Employees' Retirement System (CalPERS) employer contribution rates and actuarial assumptions.

Inflation Assumptions

- Operating expenditures were reviewed individually and adjusted where necessary to account for anticipated inflationary impacts on supplies, services, utilities, fuel, maintenance, and contractual services.
- Inflationary pressures continue to affect operating costs, and the City has incorporated reasonable cost increases based on current market conditions and available information.

Financial Planning

- The City utilized conservative forecasting practices in developing the FY 2026-2027 Budget. Revenue projections were developed using historical trends, economic indicators, and current fiscal conditions, while expenditure projections reflect anticipated service levels, contractual obligations, and operational priorities.

Budget Development Process

The City of Angels utilizes an annual budget process designed to support long-term financial sustainability, effective program management, and the achievement of City Council priorities. The budget serves as the City's primary financial planning tool and allocates resources based on community needs, organizational goals, and available revenues.

The budget development process emphasizes long-range planning by reinforcing sound fiscal management practices, establishing realistic timelines for achieving organizational objectives, maintaining stable operations, and promoting responsible spending patterns. As part of the annual process, existing programs, services, revenues, and expenditures are evaluated to identify opportunities for efficiencies, cost reductions, and improved service delivery.

The City strives to maintain a structurally balanced budget by supporting current operating expenditures, including debt service obligations, with current revenues whenever practicable. Budgetary and accounting practices that shift current costs to future periods or rely on one-time funding sources for ongoing operations are avoided whenever possible.

Revenue and expenditure forecasts are prepared and evaluated as part of a multi-year financial planning process. Financial projections are updated annually and used to identify future opportunities, challenges, and potential fiscal impacts. Progress toward major organizational goals is monitored throughout the year and reported to the City Council as appropriate.

The City Council reviews the proposed budget and may amend appropriations as necessary to address changing circumstances, operational needs, grant opportunities, or revised revenue projections. Unspent and unencumbered appropriations generally lapse at the end of the fiscal year, while encumbered appropriations may be carried forward through a budget amendment approved by the City Council.

Long-Range Planning
↓
Revenue Forecasting
↓
Department Requests
↓
Budget Review
↓
City Council Review
↓
Budget Adoption
↓
Budget Monitoring

City Financial Policies

The City of Angels is committed to maintaining sound financial management practices that support fiscal sustainability, operational stability, and responsible stewardship of public resources. The City's financial policies provide a framework for budget development, financial decision-making, and long-term planning.

Balanced Budgeting

The City strives to maintain a structurally balanced budget by funding ongoing operating expenditures with recurring revenues whenever practicable.

Financial Stability and Reserves

The City maintains reserve funds and financial safeguards to provide stability during economic fluctuations, address unforeseen emergencies, support cash flow needs, and fund long-term capital and equipment replacement requirements.

Long-Range Financial Planning

The City utilizes multi-year revenue and expenditure forecasting to identify future opportunities, challenges, and financial risks. Long-range planning supports informed decision-making, fiscal sustainability, and the continued delivery of essential municipal services.

Capital Planning

The City plans for infrastructure, facility, vehicle, and equipment needs through its Capital Improvement Program and Capital Equipment & Vehicle Replacement Fund. These planning efforts help reduce the impact of significant one-time expenditures on operating budgets and promote the long-term preservation of public assets.

Fiscal Accountability

The City monitors revenues and expenditures throughout the fiscal year and conducts periodic budget reviews to ensure resources remain aligned with City Council priorities, adopted financial policies, and organizational objectives.

Community Profile

Understanding the demographic makeup of the City of Angels is essential to shaping policies, allocating resources, and delivering services that meet the needs of our residents. As the only incorporated city in Calaveras County, Angels Camp serves as a regional hub for commerce, tourism, and public services.

The City's population reflects a blend of long-time residents, working families, retirees, visitors, and seasonal residents. These diverse population characteristics influence service demands, infrastructure needs, public safety priorities, economic development initiatives, and long-term community planning efforts.

The following demographic information provides an overview of the City's population, housing characteristics, age distribution, income levels, and other key indicators that inform planning and budgeting decisions. Data is primarily sourced from the U.S. Census Bureau and the California Department of Finance and helps ensure that City policies, programs, and resource allocations remain responsive to the community we serve.

Population

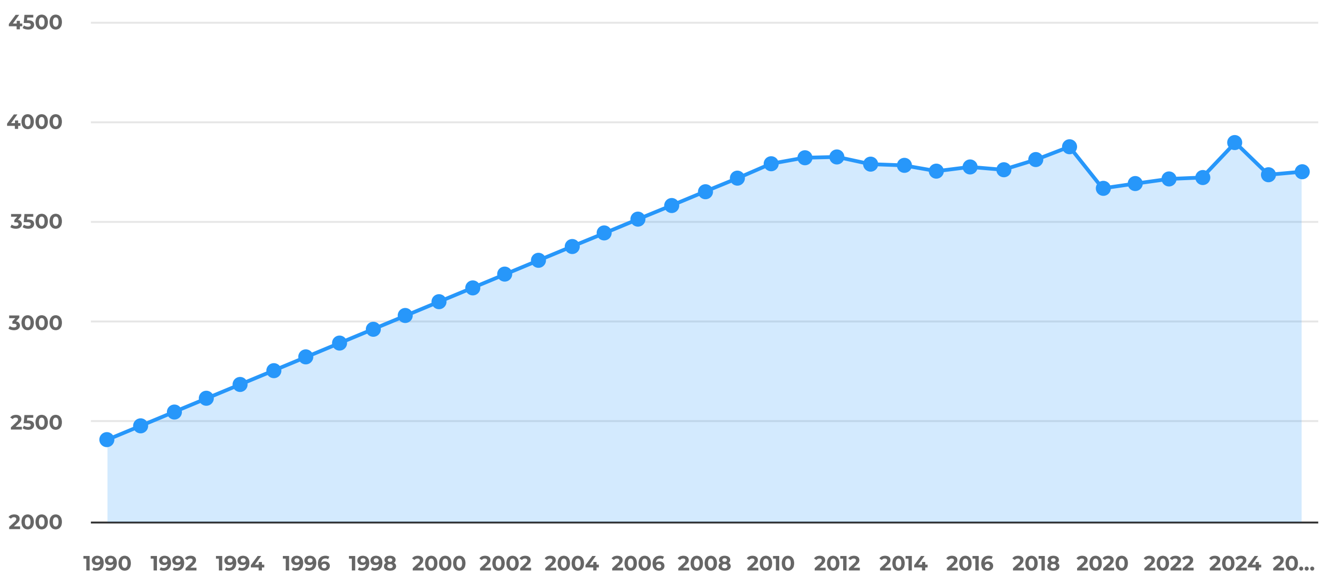
TOTAL POPULATION

3,750

0.40%
vs. 2025

GROWTH RANK

2 out of **506** Municipalities in California



** Data Source: Client entered data for year 2026*

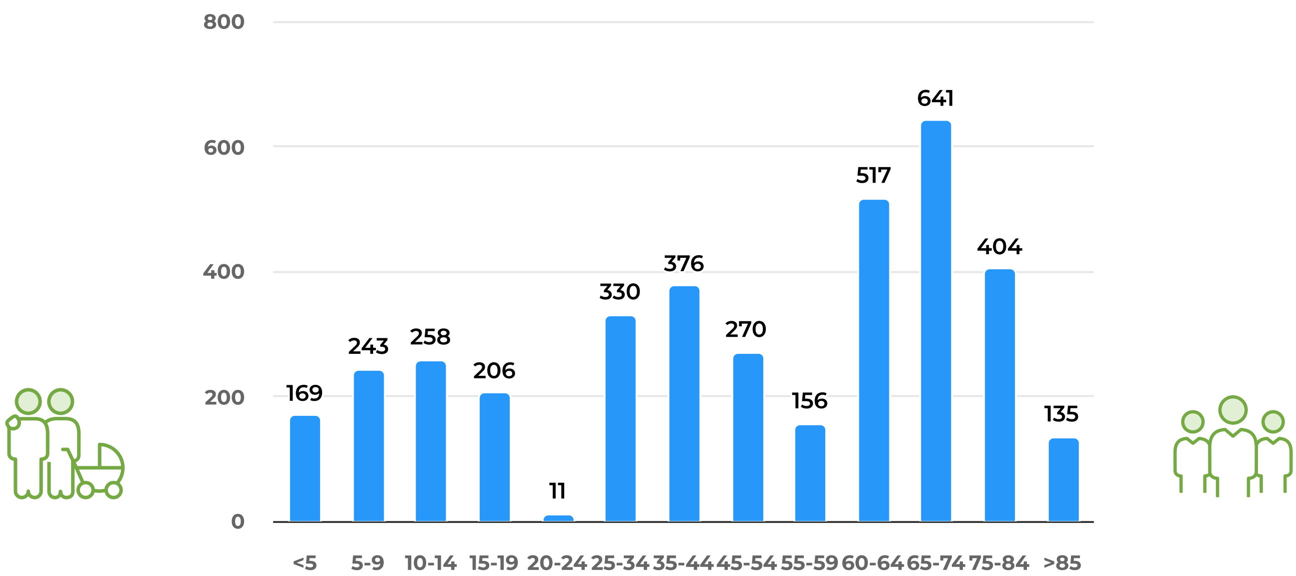
DAYTIME POPULATION

3,478

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

** Data Source: Angels, CA 2026*

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

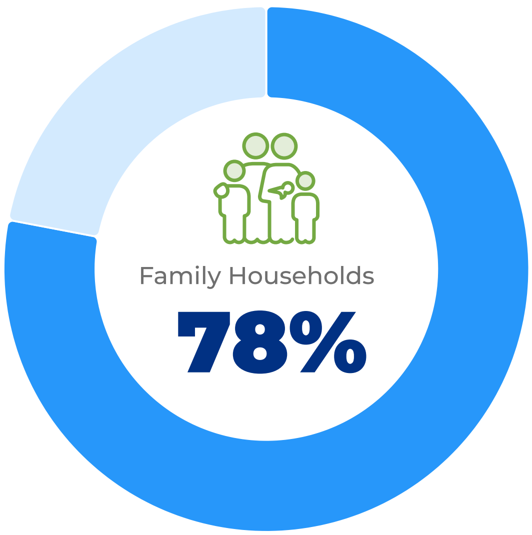
** Data Source: American Community Survey 5-year estimates*

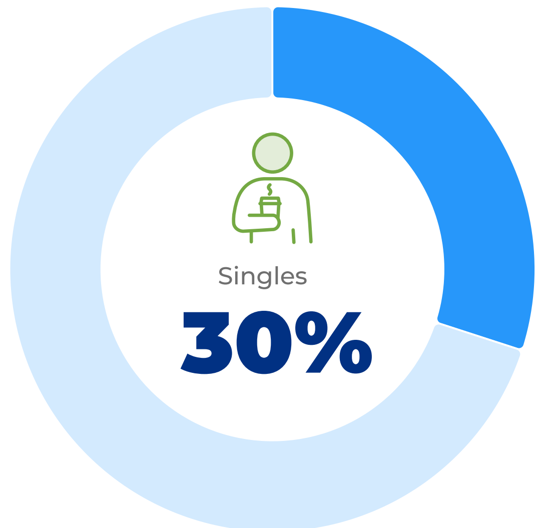
Household

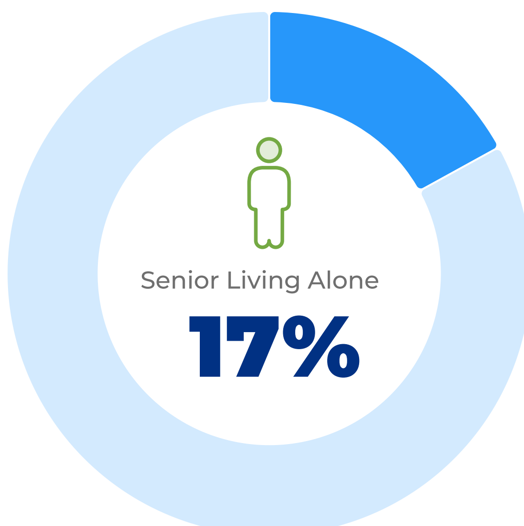
TOTAL HOUSEHOLDS

2,187

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.







** Data Source: Angels, CA 2026*

Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.

HOUSEHOLD INCOME

Above $200,000

3% N/A

Median income

$72,004 N/A

Below $25,000

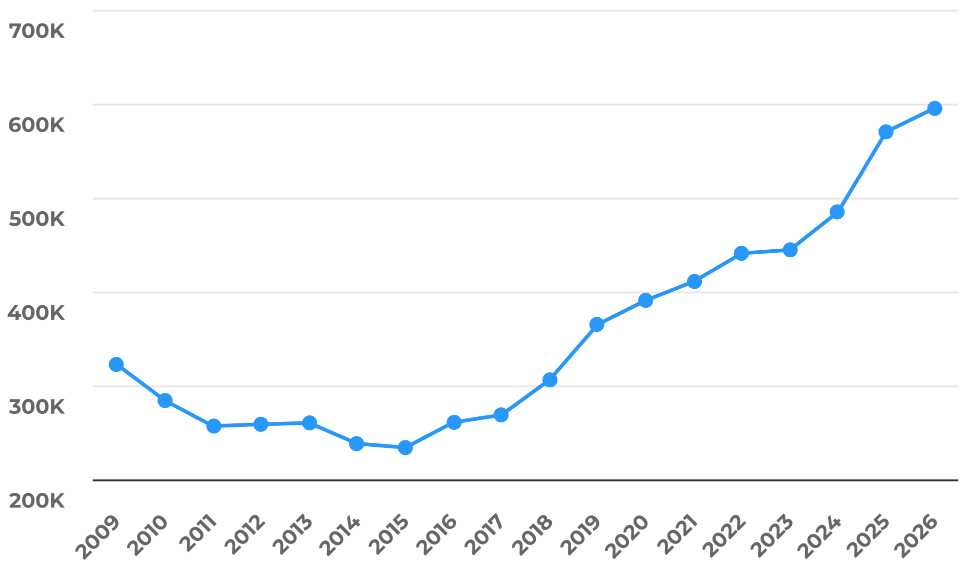
19% N/A

** Data Source: Angels, CA 2026*

Housing

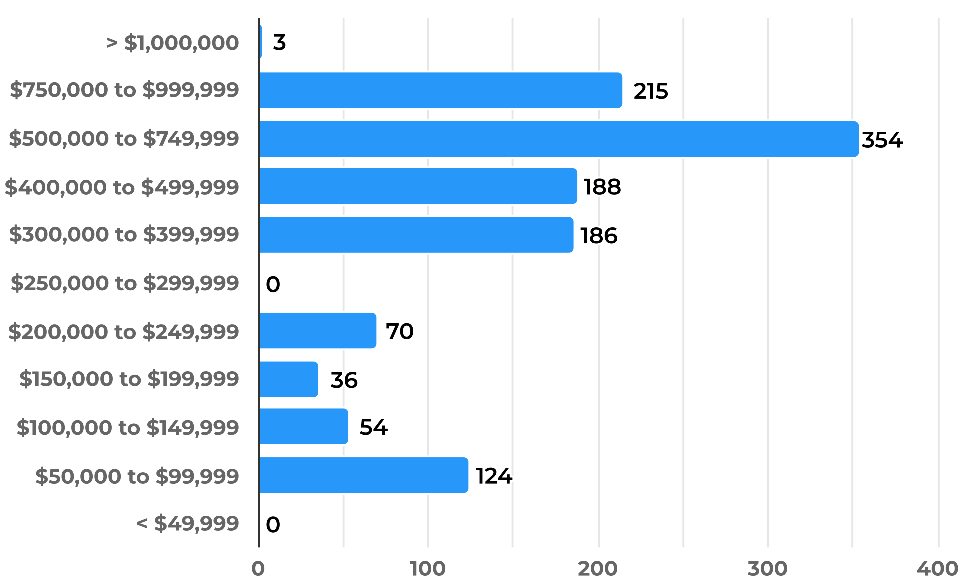
2026 MEDIAN HOME VALUE

$595,000



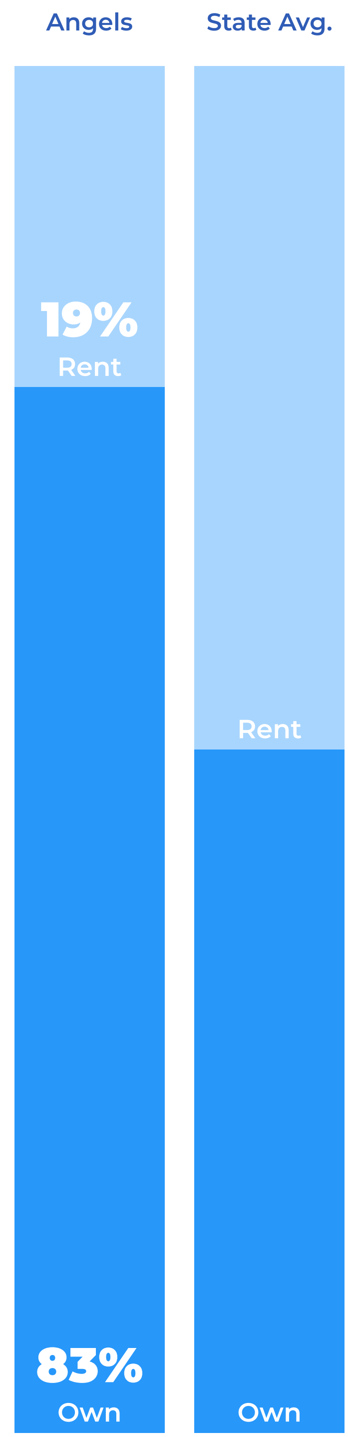
** Data Source: Angels, CA 2026*

HOME VALUE DISTRIBUTION



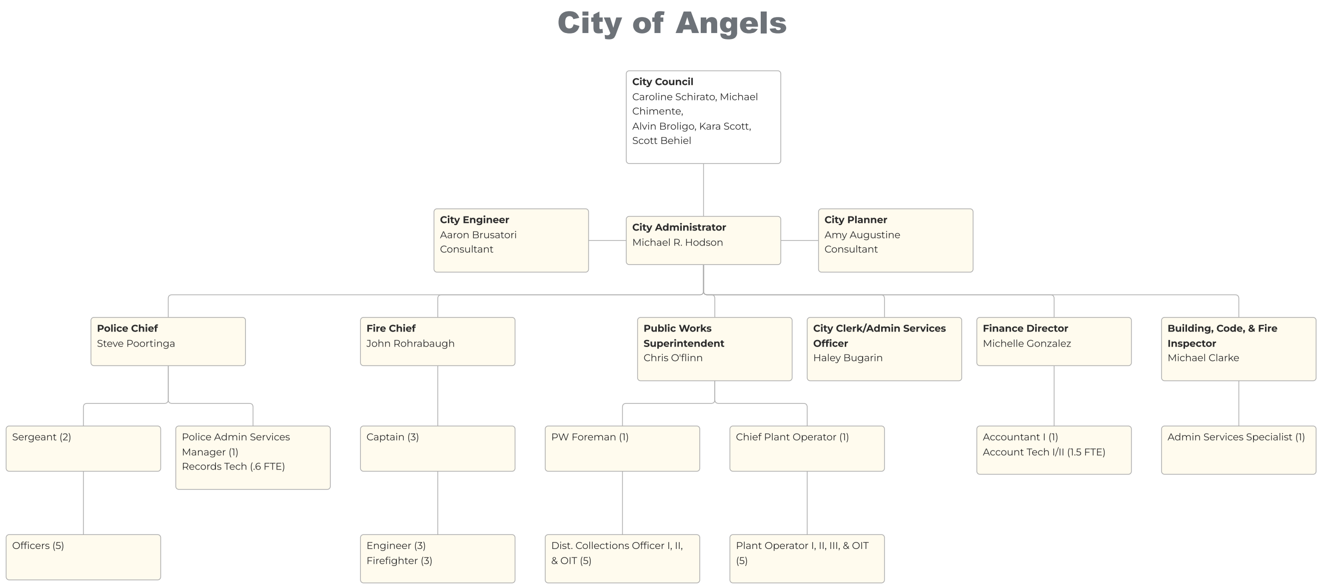
** Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME OWNERS VS RENTERS



** Data Source: Angels, CA 2026*

Organizational Chart



History of the City

The City of Angels traces its origins to the California Gold Rush. In 1848, Henry Pinkney Angell of Rhode Island established a trading post along a tributary of the Stanislaus River, exchanging supplies and provisions for gold. As news of gold discoveries spread, the settlement quickly grew, attracting hundreds of miners and becoming one of the region's earliest mining communities.

As placer gold deposits declined, the local economy transitioned to hard-rock quartz mining. Significant discoveries and technological advancements in the late nineteenth century fueled continued growth and attracted a diverse population of settlers, entrepreneurs, and investors. Despite devastating fires in the mid-1850s, the community rebuilt and prospered, establishing itself as an important center of commerce and mining activity within Calaveras County.

The arrival of the Sierra Railway in 1902 improved transportation and access to the region, supporting economic development and tourism. While mining activity fluctuated throughout the twentieth century, the community continued to evolve while preserving its rich historical character.

Angels Camp gained international recognition through its association with Mark Twain and his famous short story, *The Celebrated Jumping Frog of Calaveras County*. In 1928, the Calaveras Jumping Frog Jubilee was established and remains one of California's most recognized annual events, attracting visitors from around the world.

Today, Angels Camp is the only incorporated city in Calaveras County and serves as a regional center for commerce, tourism, and public services. The City continues to celebrate its Gold Rush heritage while supporting a vibrant community, diverse local businesses, and a strong quality of life for residents and visitors alike.

Historic Downtown Angels Camp

Downtown Angels Camp

Executive Summary

The Fiscal Year 2026-2027 Budget reflects the City of Angels' continued commitment to fiscal responsibility, service delivery, and long-term sustainability. The budget maintains core municipal services while investing in infrastructure, equipment replacement, technology improvements, and strategic planning initiatives that support the City's future needs.

Key Budget Highlights

Balanced Budget

The City has adopted a balanced budget that aligns expenditures with available resources and avoids reliance on short-term borrowing. Conservative revenue forecasting and prudent expenditure management continue to support the City's financial stability.

General Fund Stability

Property tax revenues are projected to increase modestly, while sales tax, Measure A revenues, and transient occupancy tax revenues are forecasted to decline slightly due to anticipated economic conditions. The City continues to utilize conservative budgeting practices to maintain a structurally balanced General Fund and preserve financial flexibility.

Capital Equipment Fund

The FY 2026-2027 budget includes the establishment of a Capital Equipment Fund to support the planned replacement of vehicles and equipment over the coming decade. This initiative strengthens the City's long-term financial planning efforts and reduces the impact of significant replacement costs on future operating budgets.

Infrastructure and Capital Improvements

The City continues to invest in critical infrastructure through its Capital Improvement Program. Recent accomplishments include completion of the Vallecito Sewer Line Replacement Project, implementation of the Advanced Metering Infrastructure (AMI) Project, and replacement of key pressure-reducing valves within the water distribution system. The City will also continue evaluating long-term water supply reliability through research and planning efforts related to potential secondary water source alternatives.

Technology and Operational Improvements

The City successfully implemented several components of its new financial management system, including electronic purchase orders, payroll processing, electronic timesheets, and utility billing. Additional enhancements planned for FY 2026-2027 include grants and contract management, electronic leave requests, and workflow automation tools designed to improve efficiency, transparency, and customer service.

Public Safety and Workforce Development

The City remains committed to maintaining high-quality public safety services while addressing ongoing recruitment and retention challenges. Investments in personnel, training, technology, and employee development continue to support organizational stability and service delivery across departments.

Trends and Outlook

Revenue Trends

Revenue projections reflect a cautious outlook, with modest growth in property tax revenues offset by slight declines in economically sensitive revenues such as sales tax and transient occupancy tax. The City will continue monitoring economic conditions and pursuing grant funding opportunities to support infrastructure and operational needs.

Expenditure Pressures

Rising personnel costs, retirement contributions, utility expenses, infrastructure maintenance needs, and inflationary pressures continue to affect operating costs. The City remains focused on controlling expenditures while maintaining service levels and investing in critical assets.

Long-Term Planning

The FY 2026-2027 Budget supports the City's commitment to long-range financial planning, infrastructure investment, reserve management, and operational efficiency. Budget decisions continue to be guided by the City's strategic priorities, ensuring resources are aligned with community needs and organizational goals.

Major Budget Goals and Accomplishments

Goal	Status
Complete Water Rate Study	FY 26-27
Pavement Management Plan	FY 26-27
Increase Fire Training Capacity	FY 26-27
Update General Plan Elements	FY 26-27

Strategic Plan

The City of Angels Strategic Plan for 2026/2027 is a five-year roadmap that outlines goals and objectives to guide the community and municipal staff. The plan is centered around a Vision and Mission:

Vision
Dedicated to preserving our rich history and providing a safe and thriving community that is devoted to families, businesses, and visitors.

Mission
To provide municipal services, infrastructure, and a high quality of life through trusted leadership, accountability, and efficiency for the benefit of our community.

Key Strategic Goals
1. Historic Preservation: Protect and promote local history.
2. Community Safety: Enhance public safety services and foster community-police partnerships.
3. Economic Development: Support and attract businesses and visitors.
4. Infrastructure Improvement: Maintain and upgrade critical infrastructure sustainably.
5. Quality of Life: Expand recreational and cultural opportunities, improve public spaces.
6. Government Efficiency and Transparency: Streamline processes and enhance transparency.

Budget Narratives
The budget will align with these goals, ensuring resource allocation supports the city's strategic priorities.

In essence, the plan aims to create a vibrant, safe, and historically preserved community with high living standards and efficient governance.

Strategic Goal	Budget Action
Public Safety	Measure A funding
Infrastructure	Water/Wastewater CIP
Economic Development	Frog Bucks
Government Efficiency	New ERP system

Budget Timeline

The City of Angels begins its annual budget process in April. The Finance Director initiates the process by preparing revenue and expenditure projections for the upcoming fiscal year. These projections are entered into the City's budgeting software, and the budget is opened for input from department heads and key personnel.

The Finance Director meets individually with each department to review budget requests, operational needs, and priorities. Departmental requests are then reviewed with the City Administrator to refine the draft budget and ensure alignment with available resources and City Council priorities.

Once a working draft is complete, the City Administrator and Finance Director meet individually with City Council Members to provide an overview of the proposed budget and gather feedback. The Finance Director then finalizes the budget book and provides department heads with any necessary revisions or updates.

The proposed budget is presented at a regular City Council meeting, where department heads discuss their budgets and highlight key priorities, accomplishments, operational challenges, and funding needs. Following these presentations, the City Council considers a resolution adopting the budget for the upcoming fiscal year.

Budget Calendar

Month	Activity
April	• Finance Director prepares revenue and expenditure projections for the upcoming fiscal year. • Budget data is entered into the budgeting software. • Budget is opened to department heads and key personnel for input.
April – May	• Finance Director meets individually with department heads to review requests. • Finance Director and City Administrator review departmental budgets.
Early June	• City Administrator and Finance Director meet individually with City Council Members to provide an overview of the draft budget and gather feedback. • Finance Director finalizes the Budget Book. • Department heads receive final updates and summaries.
Late June	• Department heads present their budgets, sharing strengths and challenges. • Final Budget Book is presented at a regular City Council meeting. • City Council formally adopts the Fiscal Year 2025–2026 Budget.

Priorities and Issues

The Fiscal Year 2026-2027 Budget reflects the City of Angels' continued focus on maintaining essential services, supporting employees, investing in critical infrastructure, and exercising fiscal prudence in the face of economic uncertainty. The City has developed this budget using moderately conservative revenue assumptions, recognizing that economically sensitive revenues such as sales tax, Measure A revenues, and transient occupancy tax are projected to decline modestly while property tax revenues are expected to increase slightly.

Maintaining a Balanced Budget

The City remains committed to adopting a balanced budget that aligns expenditures with available resources and avoids reliance on short-term borrowing.

Supporting Essential Services

The budget prioritizes core municipal services, including public safety, public works, administration, planning, and utility operations, while maintaining a careful approach to new spending.

Investing in City Staff

Recruitment, retention, training, and employee development remain important priorities as the City works to maintain service levels and support long-term organizational stability.

Advancing Infrastructure and Capital Planning

The budget supports ongoing infrastructure planning, capital improvement efforts, and establishment of the Capital Equipment Fund to address long-term vehicle and equipment replacement needs.

Improving Operational Efficiency

The City continues to invest in technology, workflow improvements, and financial systems modernization to streamline operations, strengthen accountability, and improve service delivery.

Revenue Uncertainty

The City will continue monitoring economic conditions, tourism activity, consumer spending, and other revenue trends. A mid-year budget review will provide an opportunity to reassess projections and recommend adjustments if needed.

Cost Escalation

Personnel costs, utilities, insurance, equipment, materials, and infrastructure maintenance continue to place pressure on operating budgets. The City will continue to evaluate expenditures carefully and prioritize spending based on available resources.

Infrastructure and Equipment Needs

Aging infrastructure, facilities, vehicles, and equipment continue to require long-term planning and investment. While the budget makes progress toward addressing these needs, some projects and replacement costs may need to be phased over multiple years.

Summary

Overall, the FY 2026-2027 Budget preserves essential services, supports the City's workforce, advances capital and equipment planning, and maintains flexibility to respond to changing economic conditions. The budget reflects the City's commitment to responsible financial stewardship while balancing immediate operational needs with long-term community priorities.

Workforce and Organizational Updates

The FY 2026-2027 Budget reflects a stable workforce and the City's continued commitment to maintaining staffing levels necessary to provide high-quality municipal services. While no major personnel additions are proposed during the fiscal year, several departments have achieved significant progress in recruitment, retention, and succession planning efforts.

Within Administration and Finance, the City welcomed a new City Administrator in March 2026 and a new Administrative Services Officer in April 2026. These additions strengthen the City's leadership team and administrative capacity while supporting ongoing efforts related to financial management, organizational development, technology improvements, and strategic planning.

The Police Department recently promoted a member of the organization to Police Chief, demonstrating the City's commitment to professional development and succession planning. As a result of this promotion, the department is actively recruiting for one Police Sergeant position and one Police Officer position. Upon completion of these recruitments, the department will be fully staffed with five Police Officers and two Sergeants, strengthening supervisory capacity and supporting long-term organizational stability.

The Fire Department is currently operating with three-person engine staffing consisting of a Captain, Engineer, and Firefighter on all responses. This staffing model enhances operational effectiveness, improves firefighter safety, and supports the department's ability to provide reliable emergency services to the community.

The Public Works Department and Water and Wastewater Operations are fully staffed and remain focused on maintaining critical infrastructure and utility services. Stable staffing levels support operational efficiency and allow the City to continue addressing maintenance, capital improvement, and regulatory compliance needs.

Overall, the City's staffing levels reflect a continued focus on employee retention, succession planning, operational stability, and effective service delivery. Maintaining a qualified and dedicated workforce remains a key component of the City's long-term organizational success.

Long-Range Operating Plan

The City of Angels remains committed to long-term financial sustainability through strategic planning, infrastructure investment, reserve management, and responsible budgeting practices.

Key long-range priorities include:

- Maintaining structurally balanced budgets supported by recurring revenues.
- Preserving and strengthening General Fund reserves and other designated reserve funds.
- Implementing the Capital Improvement Program to address infrastructure needs and reduce deferred maintenance.
- Supporting the newly established Capital Equipment Fund to provide for the planned replacement of vehicles and equipment.
- Evaluating and developing long-term water supply solutions, including potential secondary water source alternatives.
- Continuing investment in technology modernization to improve operational efficiency and service delivery.
- Supporting workforce development, succession planning, and employee retention efforts.
- Pursuing grant funding and strategic partnerships to leverage local resources and support community priorities.
- Maintaining and updating multi-year financial forecasts to identify future opportunities and challenges.

Short-Term Organization Factors

Several factors influenced development of the FY 2026-2027 Budget.

- Revenue growth is expected to remain modest, with property tax revenues increasing slightly while economically sensitive revenues such as sales tax, Measure A revenues, and transient occupancy tax revenues are projected to decline modestly.
- Inflation continues to affect the cost of supplies, services, utilities, insurance, and infrastructure maintenance.
- Recruitment and retention remain important priorities as the City works to maintain service levels and support organizational stability.
- Continued investment in technology and process improvements is necessary to improve efficiency, enhance customer service, and support transparency.
- Aging infrastructure and equipment require ongoing maintenance and strategic capital investment to ensure reliable service delivery.
- Regulatory requirements affecting public safety, utilities, labor relations, and environmental compliance continue to place demands on City resources.

General Fund

The General Fund is the City's primary operating fund and serves as the principal source of funding for many municipal services provided to the community. The fund accounts for revenues that are not legally restricted to specific purposes, including property taxes, sales taxes, transient occupancy taxes, franchise fees, licenses and permits, and other general governmental revenues.

The General Fund supports the delivery of essential public services and provides funding for the majority of City operations. Key functions supported by the General Fund include public safety, administration, community development, public works, parks and facilities maintenance, and other general governmental services.

Departments and functions supported by the General Fund include:

- City Council
- City Attorney
- Engineering
- Administration
- Finance
- Community Services
- Building, Code Enforcement, and Planning
- Fire
- Police
- Public Works

The FY 2026-2027 General Fund budget reflects the City's commitment to maintaining essential services, supporting public safety, investing in employees and infrastructure, and preserving long-term financial sustainability through responsible fiscal management.

Special Revenue Fund

Special Revenue Funds account for revenues that are legally restricted, committed, or designated for specific purposes. These funds are used to support a variety of programs, services, and capital projects throughout the City and help ensure that restricted revenues are expended in accordance with applicable laws, regulations, grant requirements, and City policies.

The City of Angels' Special Revenue Funds include dedicated funding sources such as gas taxes, road maintenance revenues, grants, public safety funding, special districts, designated Transient Occupancy Tax (TOT) revenues, and other restricted fees and assessments.

Many Special Revenue Funds support activities performed by General Fund departments. Expenditures are initially recorded within the appropriate department and are subsequently allocated or reimbursed from the applicable Special Revenue Fund when the expenditure is determined to be eligible and consistent with the fund's intended purpose.

The use of Special Revenue Funds allows the City to maximize available resources, improve financial transparency, and ensure that restricted revenues are utilized for the programs and services for which they were intended.

Debt Service

The City of Angels maintains dedicated Debt Service Funds to account for the repayment of long-term debt associated with its Water and Wastewater utility systems. These funds ensure that principal and interest payments are properly budgeted, tracked, and paid in accordance with bond covenants, loan agreements, and other financing obligations.

Debt service expenditures are funded primarily through enterprise revenues generated by water and wastewater operations. By maintaining separate debt service funds, the City promotes financial transparency, ensures compliance with financing requirements, and provides a clear accounting of resources dedicated to debt repayment.

The City is committed to managing its debt responsibly and utilizing long-term financing only when appropriate to support critical infrastructure investments. Through prudent debt management practices, the City meets its financial obligations while maintaining the flexibility necessary to address ongoing operational, capital, and infrastructure needs.

Fiduciary Fund

Fiduciary Funds are used to account for resources that the City of Angels holds and administers on behalf of other organizations or governmental entities. Because these resources do not belong to the City, they are not available to support City operations or programs and are accounted for separately to ensure transparency and compliance with applicable legal and financial requirements.

The City currently administers fiduciary funds for the following entities:

- **Local Agency Formation Commission (LAFCO) of Calaveras County**, which is responsible for overseeing jurisdictional boundary changes, annexations, and the formation or reorganization of local governmental agencies within the county.
- **Union Water Purveyors Association (UWPA)**, which was classified as a fiduciary fund beginning with the FY 2023-2024 Annual Comprehensive Financial Report based on the recommendation of the City's independent auditors. This classification more accurately reflects the nature of the City's custodial role in managing these resources.

The City serves as a steward of these funds and is responsible for ensuring that resources are managed, accounted for, and expended in accordance with the purposes and requirements established by each organization. The use of fiduciary funds promotes accountability, transparency, and proper financial management of resources held for the benefit of others.

Enterprise Fund

The City of Angels operates its Water and Wastewater utilities as Enterprise Funds. Enterprise Funds are used to account for services that are financed primarily through user fees and charges rather than taxes. Maintaining separate accounting for these operations promotes financial transparency, supports sound utility management practices, and ensures that revenues generated by utility customers are used to support utility operations and infrastructure.

Water and wastewater revenues fund the operation, maintenance, repair, and replacement of utility infrastructure, as well as regulatory compliance, debt service obligations, capital improvements, and long-term system planning. The City periodically evaluates utility rates to ensure revenues remain sufficient to support operating costs, maintain infrastructure, and fund future capital needs.

Recent investments in utility infrastructure include completion of the Vallecito Sewer Line Replacement Project, implementation of the Advanced Metering Infrastructure (AMI) Project, and replacement of key pressure-reducing valves within the water distribution system. The City is also evaluating long-term water supply reliability, including the potential development of a secondary water source to improve system resiliency and support future community needs.

Through responsible financial management, long-range planning, and periodic rate reviews, the City strives to maintain reliable, sustainable, and financially self-supporting utility operations for the benefit of current and future customers.

Capital Expansion & Replacement

The FY 2026-2027 Budget prioritizes implementation of the Water and Wastewater Capital Improvement Plan (CIP) as identified in the City's recently completed utility rate studies. The CIP serves as a long-range planning tool that identifies critical infrastructure needs, system improvements, regulatory requirements, and asset replacement projects necessary to maintain reliable utility services.

Planned capital investments are designed to preserve and improve the City's water distribution and wastewater collection systems while reducing the risk of service interruptions, regulatory compliance issues, and costly emergency repairs. Recent accomplishments include completion of the Vallecito Sewer Line Replacement Project, implementation of the Advanced Metering Infrastructure (AMI) Project, and replacement of key pressure-reducing valves within the water system.

The City will continue evaluating and prioritizing future infrastructure investments, including potential secondary water source alternatives, to improve system resiliency and support long-term utility sustainability. Capital projects will be implemented as funding becomes available and will remain aligned with the priorities established through the rate studies and long-range utility planning efforts.

Fund Balance Policy

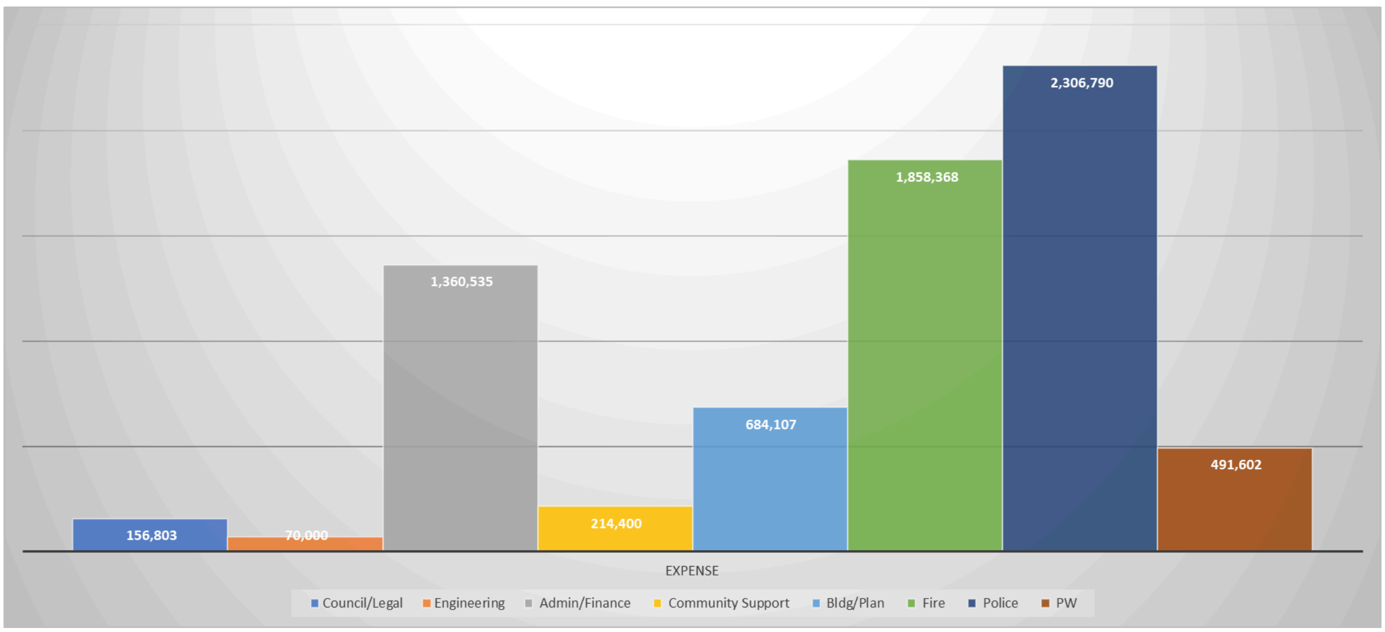
The City has adopted a General Fund Reserve Policy that identifies a target unassigned fund balance equal to a minimum of 25 percent of annual operating expenditures. This reserve target is intended to promote financial stability, provide resources for unforeseen emergencies, mitigate revenue fluctuations, and support long-term fiscal sustainability.

The City reviews reserve levels as part of its ongoing financial planning process and evaluates opportunities to strengthen reserves while balancing operational and capital investment needs.

Departments Summary

General Fund Expenditures by Department

City of Angels							
Budget FY 2026-2027							
General Fund	Council/Legal/ Eng	Admin/Fin/Com Supp	Bldg/Plan	Fire	Police	PW	
Revenue	0	5,109,089	455,700	930,700	211,075	436,040	
Expense	226,803	1,574,934	684,107	1,858,368	2,306,790	491,602	
GF Contribution	(226,803)	3,534,155	(228,407)	(927,668)	(2,095,715)	(55,562)	0



Administration & Finance

Administration Department Overview

The Administration Department provides executive leadership and organizational oversight for the City of Angels. Under the direction of the City Administrator, the department is responsible for implementing City Council policies and priorities, coordinating strategic initiatives, overseeing departmental operations, fostering intergovernmental partnerships, pursuing external funding opportunities, and promoting effective and efficient municipal services.

The Administration Department serves as a central resource for long-range planning, economic development, organizational management, and special projects that support the City's mission and strategic goals. Through collaboration with City departments, regional agencies, community organizations, and elected officials, Administration works to ensure the City remains responsive to community needs while maintaining fiscal responsibility and operational excellence.

FY 2025-2026 Accomplishments

During FY 2025-2026, the Administration Department continued to strengthen regional partnerships and advance initiatives that support the City's long-term sustainability. Staff coordinated strategic planning efforts, pursued grant funding opportunities, supported implementation of the City's new financial management system, advanced capital planning initiatives, and worked collaboratively with neighboring agencies to improve service delivery and operational efficiency.

The department also continued to support City Council priorities through policy development, project oversight, and coordination of initiatives designed to enhance public services, infrastructure planning, and organizational effectiveness.

FY 2026-2027 Goals

- Continue implementation of City Council strategic priorities.
- Pursue grant funding and other external revenue opportunities.
- Strengthen regional partnerships and collaborative service opportunities.
- Support long-range capital planning and infrastructure investment.
- Enhance organizational efficiency through technology and process improvements.
- Evaluate and update financial and administrative policies to support long-term fiscal sustainability.
- Advance economic development initiatives that support the City's financial health and quality of life.

Summary

The Administration Department plays a critical role in guiding the City's strategic direction and ensuring organizational resources are aligned with community priorities. Through leadership, collaboration, and long-range planning, the department supports the delivery of high-quality municipal services while positioning the City for future success.

Finance Department Overview

The Finance Department serves as a cornerstone of the City of Angels' operations, providing essential financial and administrative services that support all City departments. Core responsibilities include human resources, payroll administration, accounts payable, accounts receivable, accounting, treasury management, utility billing, budget preparation, and financial reporting.

The department also administers the City's Non-Departmental budget, which accounts for discretionary General Fund revenues, including property taxes, sales tax, transient occupancy tax (TOT), franchise fees, and other unrestricted revenue sources. Through sound financial management, strategic planning, and operational support, the Finance Department helps ensure the City's long-term fiscal sustainability and efficient delivery of municipal services.

Financial Systems Modernization

The Finance Department continues to improve operational efficiency and strengthen financial management through the implementation of a modern financial management system that supports the City's commitment to accountability, transparency, and excellent customer service.

FY 2025-2026 Accomplishments

During FY 2025-2026, the City successfully implemented several core modules of its new financial management system, including electronic purchase orders, electronic time sheets, payroll processing, and utility billing. These improvements streamlined administrative processes, reduced reliance on manual paper-based systems, strengthened internal controls, and improved access to financial information across departments.

FY 2026-2027 Goals

During FY 2026-2027, the City will continue expanding the system's capabilities through the implementation of grants and contract management, electronic leave requests, and additional workflow automation tools. These enhancements will further improve efficiency, strengthen record management, support compliance efforts, and provide staff with tools that enhance productivity and service delivery.

Summary

The continued implementation of the City's financial management system represents a significant investment in operational efficiency and organizational effectiveness. By leveraging technology to automate processes and improve access to information, the City is enhancing internal operations while providing a stronger foundation for long-term financial management and customer service.

Strategic Plan Alignment

The Administration/Finance Department’s goals and initiatives support numerous objectives within the City’s Strategic Plan, including:

- **A1–A8:** Enhancing governance, operational efficiency, financial transparency, and community trust.
- **B1, B4:** Promoting long-term financial stability and optimizing the allocation of limited resources.
- **C1, C3–C7:** Improving internal processes, delivering timely and accurate services, and maintaining a professional, supportive workplace environment.

Administration & Finance

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Property Tax	1,030,000	1,055,750	25,750
Sales Tax	2,239,563	2,194,772	(44,791)
Transient Occupancy Tax	750,000	735,000	(15,000)
Motor Vehicle License/Document Tax	367,135	386,350	19,215
Franchise Fees	261,532	264,147	2,615
Charges for Services	8,600	10,000	1,400

Property Rental	30,170	30,170	-
Interest Earnings	258,500	218,500	(40,000)
Total Revenue	**4,945,500**	**4,894,689**	**(50,811)**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	971,065	986,705	15,639
Operations (Utilities, Supplies, Maintenance)	56,531	69,118	12,587
Professional Services	174,372	161,416	(12,956)
Equipment & Software	52,277	52,796	519
Insurance	438,369	490,500	52,131
Capital Outlay	-	-	-
O&M Cost Allocation	(350,000)	(400,000)	(50,000)
Total	**1,342,614**	**1,360,534**	**17,920**

Building and Planning

The Building and Planning budget for FY 2025–26 continues to support the City of Angels' essential functions related to development review, building inspections, code compliance, and long-range planning. The department remains focused on maintaining safety, promoting sustainable growth, and supporting strategic development throughout the city.

Staff and Contracted Services

- **Full-Time Employees (2):** Provides day-to-day administration and customer service, serving as a key liaison between the public, contractors, and City Hall. City has budgeted for 1 FTE Building, Fire & Code Inspector saving money on consulting charges.
- **Contracted Planning Director:** Oversees city planning activities and coordinates long-range planning efforts in alignment with state mandates and community goals.
- **Engineering Costs for Applicants:** Funds engineering review and support for development projects to ensure proper infrastructure design and integration.

Funding and Fee Structure

- **Building Fees:** Continue to be structured to fully recover the costs associated with plan checks, inspections, and permit administration.
- **Planning Fees:** Typically recover only a portion of planning-related expenses. The difference is covered by the General Fund, a common practice among similar-sized jurisdictions.
- **General Fund Contribution:** The City continues to use General Fund support to cover planning efforts, including some costs that were prepaid in FY 2024–25 and carried over as equity (cash reserves).

Key Projects and Priorities in FY 2025–26

- **Habitat for Humanity:** Continued support for affordable housing developments that address local housing needs.
- **Utica Hotel Renovation:** Ongoing coordination with developers and historic preservation efforts to restore this downtown landmark.
- **Annexation Planning:** Technical and administrative support for long-range planning and future growth areas, including potential annexations.
- **Foundry Lane:** Continue support and engineering services.

Summary

The FY 2025–26 Building and Planning budget reflects the City's dedication to high-quality development services, responsible planning, and community engagement. With a mix of in-house staff and professional consultants, the department ensures responsiveness and regulatory compliance, while positioning the city for thoughtful, long-term growth.

Strategic Plan Alignment

The Building and Planning budget supports several City of Angels strategic goals:

- **A1–A4, A6, A8:** Improve governance, operational efficiency, regulatory compliance, and sustainable planning.
- **B1–B5:** Ensure strong financial management, optimize service delivery, and support public safety and resilience.
- **C2, C3, C7:** Promote community involvement, enhance infrastructure, and recognize contributions to city development.

Building & Planning

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Permits/Fees	288,000	405,700	117,700
Intergovernmental Revenue	66,580	50,000	(16,580)
Total Revenue	**354,580**	**455,700**	**101,120**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	317,284	332,279	14,995
Operations (Utilities, Supplies, Maintenance)	65,313	66,903	1,590
Professional Services	241,500	253,000	11,500
Equipment & Software	29,720	28,225	(1,495)
Capital Outlay	-	3,700	3,700
Total	**653,817**	**684,107**	**30,290**

City Council and Legal

City Council Budget Overview

The FY 2026-2027 City Council budget reflects the City's ongoing commitment to transparent governance, fiscal responsibility, and public engagement. The budget provides resources necessary to support the legislative and policy-making functions of the City Council while ensuring continued accessibility and participation opportunities for residents.

The overall budget reflects a modest decrease from the prior fiscal year, primarily due to the absence of election-related expenditures and associated legal notice requirements. At the same time, the City continues to invest in technology and communication tools that enhance operational efficiency and improve public access to Council meetings and information.

Key Budget Highlights

- No election-related expenditures are budgeted for FY 2026-2027, resulting in an overall reduction in costs.
- Continued investment in technology and information technology services supports efficient Council operations and public access to information.
- Funding remains in place for videography and remote meeting capabilities to encourage transparency and public participation.
- Resources are provided to support effective governance, policy development, and community engagement.

FY 2026-2027 Goals

- Promote transparent and accessible local government.
- Support meaningful public participation in the decision-making process.
- Utilize technology to improve communication and access to public information.
- Maintain prudent stewardship of public resources while supporting City Council priorities.

Strategic Plan Alignment:

- **A1, A3, A8** – Supports efficient governance, transparency, and employee engagement.
- **C6, C7** – Recognizes employee contributions and fosters community bonds.

City Attorney Budget Overview

The City Attorney budget for FY 2026-2027 reflects the City's commitment to obtaining high-quality legal services while maintaining prudent fiscal management. Legal services support the City Council, City Administrator, and all City departments by providing advice on municipal operations, regulatory compliance, labor and employment matters, contract review, risk management, land use issues, and other legal matters affecting City operations.

The City continues to emphasize cost-effective legal service delivery through careful management of attorney resources and efficient utilization of legal expertise. In-person attendance is generally reserved for key meetings and matters requiring direct legal counsel, helping to control costs while ensuring timely and effective legal support.

The City also strives to maximize efficiency by maintaining institutional knowledge and utilizing previously developed legal opinions and guidance when appropriate, reducing duplication of effort and unnecessary legal expenses.

Cost Allocation

Legal service costs are allocated across City departments through the City's cost allocation plan, ensuring that expenses are distributed equitably among the programs and services that benefit from legal support. This approach promotes accurate budgeting and cost recovery, particularly within enterprise operations such as water and wastewater services.

FY 2026-2027 Goals

- Continue providing timely and effective legal counsel to City departments and elected officials.
- Maintain cost-effective delivery of legal services.
- Support compliance with evolving federal, state, and local regulations.
- Assist with risk management, contract review, and policy development efforts.
- Ensure equitable allocation of legal service costs through the City's cost allocation methodology.

Strategic Plan Alignment:

- **A3, A8, C3, C5, C7** – Encourages transparency, optimizes operations, and enhances legal service efficiency.

City Council

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Stipends/Taxes	20,196	20,303	107
Operations (Utilities, Supplies, Maintenance)	8,420	16,500	8,080
Professional Services	12,075	14,000	1,925
Equipment & Software	4,154	6,000	1,846
Total	**44,845**	**56,802**	**11,957**

Legal

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Professional Services	200,000	150,000	(50,000)
O&M Cost Allocation	(100,000)	(50,000)	50,000
Total	**100,000**	**100,000**	**0**

Community Support

The Community Support Program provides funding for initiatives that promote tourism, economic activity, community engagement, and local cultural attractions within the City of Angels. Funding is derived primarily from Transient Occupancy Tax (TOT) revenues and is used to support programs and partnerships that enhance the visitor experience, encourage economic development, and strengthen community identity.

The FY 2026-2027 budget includes continued support for tourism promotion efforts through the Calaveras Visitors Bureau, local economic development initiatives, and programs designed to encourage residents and visitors to support local businesses. Funding is also provided for the Frog Bucks gift card program, operation of the Mark Twain Exhibit, and community recognition initiatives such as the Frog Hop of Fame.

These investments help promote Angels Camp as a regional destination while supporting local businesses, increasing visitor activity, and enhancing the quality of life for residents.

FY 2026-2027 Goals

- Promote tourism and visitor activity within the City.
- Support local businesses through targeted economic development programs.
- Enhance community engagement and civic pride.
- Preserve and promote the City's historical and cultural attractions.
- Leverage Transient Occupancy Tax revenues to support economic vitality and community benefit.

Strategic Plan Alignment

The Community Support Program advances several City strategic priorities by promoting economic vitality, supporting local businesses, enhancing community identity, and encouraging tourism-related activity. Investments funded through this program help strengthen the local economy, support cultural and historical assets, and improve the overall visitor and resident experience within the City of Angels.

Community Support

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Transient Occupancy Tax	165,000	161,700	(3,300)
Intergovernmental Revenue	28,000	52,700	24,700
Total Revenue	**193,000**	**214,400**	**21,400**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Frog Bucks Yiftee/HDL	52,000	52,500	500
Rent for Mark Twain Exhibit	-	8,400	8,400
Community Support/Museum	138,000	150,000	12,000
Frog Hop of Fame	3,000	3,500	500
Total	**193,000**	**214,400**	**21,400**

Engineering

City Engineering Budget Overview

The Engineering budget for FY 2026-2027 supports citywide infrastructure planning, capital project development, grant-related technical assistance, and engineering review services. Engineering support is essential to the City's ability to maintain public infrastructure, comply with regulatory requirements, pursue outside funding, and advance long-term capital improvement priorities.

Key services include technical support for roads and highways, water and wastewater capital projects, city-owned facilities, drainage, disaster recovery, and other infrastructure-related needs. Engineering services also support project scoping, cost estimates, plan review, construction oversight, and coordination with consultants, contractors, and regulatory agencies.

The FY 2026-2027 budget continues to align engineering costs with active projects and operational needs. Private development-related engineering costs and planning-related expenses are tracked separately to improve transparency, support accurate cost recovery, and ensure that expenses are assigned to the appropriate funding source or project.

FY 2026-2027 Goals

- Support implementation of the City's Capital Improvement Program.
- Provide engineering assistance for water, wastewater, roads, drainage, and facility projects.
- Assist with grant-funded projects and disaster recovery efforts.
- Improve project planning, cost estimating, and infrastructure documentation.
- Continue refining cost allocation and deposit tracking for development-related engineering services.
- Support long-range infrastructure planning and regulatory compliance.

Strategic Plan Alignment:

- **A2, A3, A5, A8** – Improves efficiency and planning capacity.
- **B1, B2, C3, C5** – Supports stable, transparent budgeting and operational improvements.

Engineering

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Professional Services	60,000	70,000	10,000
Total	**60,000**	**70,000**	**10,000**

Fire Department

The City of Angels Fire Department is structured to provide essential emergency response services through a combination of full-time and part-time personnel. The department responds to a diverse range of incidents, ensuring the safety and well-being of the community while continually

Personnel and Operational Cost Management

The Fire Chief, in coordination with the City Administrator, continues to evaluate staffing models and scheduling strategies to optimize emergency response coverage and service quality within the existing budget framework.

The Fire Department currently operates with 10 authorized full-time positions, including:

- 1 Fire Chief
- 3 Fire Captains
- 3 Fire Engineers
- 3 Firefighters

In addition, the department utilizes two part-time firefighter positions. These non-benefited positions provide operational flexibility by covering employee absences, training needs, and staffing during CAL FIRE strike team deployments. The part-time firefighters are limited to fewer than 1,000 hours annually and help minimize overtime costs while maintaining service levels.

Measure A – Local Fire Protection Sales Tax

Fiscal Year 2025-26 marked the first full year of Measure A funding. Revenue generated through Measure A has provided critical support for the City's fire protection services and has enabled the department to maintain 24-hour staffing with a three-person engine company on all shifts.

Measure A funding also supports the department's full-time staffing model, including a full-time Fire Chief and nine line personnel consisting of Fire Captains, Fire Engineers, and Firefighters. These resources have strengthened emergency response capabilities, improved staffing reliability, and enhanced service delivery to the community.

The City remains committed to providing annual reports on the use of Measure A funds, ensuring transparency, accountability, and compliance with the voter-approved purpose of the measure.

Operational Goals and Challenges

- **Maintain 24-Hour Staffing** – Continue providing reliable emergency response coverage through a three-person engine company on all shifts.
- **Enhanced Citywide Coverage** – Maintain dependable fire and EMS response throughout all areas of the City.
- **Interdepartmental Support** – Continue supporting Public Works and other City departments with event logistics, emergency planning, and safety training.
- **Maximize Measure A Resources** – Ensure Measure A revenues are strategically invested in staffing, training, equipment, and long-term department sustainability.
- **Workforce Sustainability** – Utilize part-time firefighter staffing to maintain operational readiness, reduce overtime costs, and provide coverage during employee absences and strike team assignments.striving to improve service delivery within budget constraints.

Future Service Enhancements

One of the Fire Chief's primary goals is to enhance the City's emergency medical services (EMS) capabilities. With the continued availability of Measure A funding and the potential for a cooperative agreement with the Altaville-Melones

Fire Protection District, implementation of a paramedic program may be feasible. Should discussions progress and agreements be reached, the Fire Chief will evaluate available service delivery options and present recommendations to the City Administrator. The goal is to improve patient care, reduce response times for advanced life support services, and strengthen regional emergency response partnerships.

Strategic Plan Alignment

The Fire Department budget supports several key goals from the City's Strategic Plan:

- **A1**: Enhance governance and operational efficiency
- **A3**: Promote transparency and community engagement
- **A8**: Foster a positive and supportive work environment
- **C5**: Improve community safety and emergency preparedness
- **C7**: Recognize and appreciate employee contributions and community efforts

Fire Department

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Measure A Tax	750,000	742,500	(7,500)
Transient Occupancy Tax	165,000	161,700	(3,300)
Prop 172	25,000	25,000	-
Special Services	2,850	1,500	(1,350)
Intergovernmental Revenue	155,047	-	(155,047)
Total Revenue	**1,097,897**	**930,700**	**(167,197)**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	1,541,480	1,596,639	55,159
Operations (Utilities, Supplies, Maintenance)	104,433	116,339	11,906
Professional Services	2,154	8,500	6,346
Equipment & Software	72,863	67,885	(4,978)
Capital Outlay	155,047	69,005	(86,042)
Total	**1,875,977**	**1,858,368**	**(17,609)**

Police Department

The Angels Camp Police Department is committed to protecting the community through professional law enforcement services, proactive community engagement, and responsible stewardship of public resources. The department continues to address challenges related to staffing and employee retention while investing in technology, training, and operational improvements that support long-term sustainability and effective service delivery.

Staffing and Recruitment

Recruitment and retention remain a priority for the department. The City Council, City Administrator, Police Chief, and department personnel have worked collaboratively to strengthen staffing levels and improve organizational stability. The recent adoption of a new Memorandum of Understanding with the Angels Camp Police Officers Association provides a framework for retaining experienced personnel and supporting future recruitment efforts. These efforts have produced positive results, including the addition of a full-time police officer during the fiscal year.

Operational Improvements

The department continues to modernize its operations through investments in technology, training, and digital systems that improve efficiency, accountability, and officer safety. Planned initiatives include enhancements to policy and records management systems, body-worn camera technology, evidence management platforms, and software tools that improve compliance with Public Records Act requirements. These investments support transparent, community-oriented policing while allowing personnel to devote more time to public safety responsibilities.

The department also remains committed to professional development through California POST-certified training and in-house instruction. Ongoing training opportunities help employees strengthen their technical, leadership, and decision-making skills while preparing the next generation of law enforcement professionals.

Revenue Enhancement and Community Service

The Police Department contributes to the City's financial sustainability through parking enforcement services provided as the County's designated parking enforcement agency. The department is also evaluating parking management strategies in high-demand areas, including downtown and school zones, to improve safety, traffic flow, accessibility, and operational efficiency.

FY 2026-2027 Goals

- Strengthen recruitment and retention efforts.
- Expand training and professional development opportunities.
- Implement technology improvements that enhance efficiency and accountability.
- Improve records management and Public Records Act compliance.
- Enhance community engagement and public safety services.
- Evaluate parking management strategies to improve safety and operational effectiveness.

Summary

The Angels Camp Police Department remains focused on providing professional, responsive, and community-oriented law enforcement services. Through strategic investments in personnel, technology, training, and operational improvements, the department is positioning itself for long-term stability while continuing to meet the evolving needs of the community.

Strategic Plan Alignment

The Police Department budget supports the following strategic priorities:

- **A1**: Enhance governance and operational efficiency
- **A3**: Promote transparency and community engagement
- **A7**: Improve infrastructure and service delivery
- **A8**: Foster a positive and supportive work environment
- **B1**: Ensure public safety and security
- **B4**: Develop sustainable financial policies and practices
- **B5**: Promote community and economic development
- **C6**: Support physical and mental health initiatives for staff
- **C7**: Recognize and appreciate employee contributions and community efforts

Police Department

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Enforcement/Fines	3,583	9,000	5,417
Contract Services	55,000	55,000	-
Prop 172	25,000	25,000	-
Special Services	5,000	5,000	-
Reimbursement	11,217	6,075	(5,142)
Intergovernmental Revenue	109,500	111,000	1,500
Total Revenue	**209,300**	**211,075**	**1,775**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	1,731,485	1,826,598	95,113
Operations (Utilities, Supplies, Maintenance)	270,093	322,963	52,870
Professional Services	12,000	13,000	1,000
Equipment & Software	124,624	105,133	(19,491)
Capital Outlay	90,000	39,096	(50,904)
Total	**2,228,202**	**2,306,790**	**78,588**

Public Works

The Public Works Department is responsible for the maintenance, repair, and improvement of the City's public infrastructure and facilities. Core responsibilities include maintenance of streets, sidewalks, parks, roadside vegetation, streetlights, drainage facilities, and City-owned buildings. The department plays a critical role in preserving public assets, promoting community safety, and supporting the efficient delivery of municipal services.

Infrastructure Maintenance and Operations

The FY 2026-2027 budget focuses on maintaining and improving critical infrastructure through proactive maintenance, strategic capital planning, and efficient use of available resources. The department continues to prioritize roadway preservation, facility maintenance, vegetation management, and public safety improvements while working to maximize the value of limited funding sources.

In alignment with the City's Pavement Management Program, the department will continue implementing preventive maintenance strategies designed to extend pavement life, improve roadway conditions, and reduce long-term repair costs. Available transportation funding sources, including RMRA and Gas Tax revenues, will be utilized to support pavement preservation, roadway repairs, striping improvements, and other transportation-related projects.

Safety and Workforce Development

Employee safety and operational readiness remain key priorities for the department. The City will continue investing in staff training, equipment, and safety programs designed to reduce risk, improve efficiency, and ensure employees are prepared to safely perform their duties. Ongoing training efforts support regulatory compliance, workplace safety, and effective service delivery.

FY 2026-2027 Goals

- Maintain and improve City streets, sidewalks, parks, and public facilities.
- Implement roadway preservation projects identified in the Pavement Management Program.
- Utilize transportation funding sources to maximize infrastructure improvements.
- Improve operational efficiency through strategic planning and asset management.
- Enhance employee safety through training and risk-reduction initiatives.
- Support long-range infrastructure planning and capital improvement efforts.

Summary

The Public Works Department remains committed to maintaining the City's infrastructure in a safe, efficient, and cost-effective manner. Through proactive maintenance, strategic investment, and responsible resource management, the department supports the quality of life enjoyed by residents while protecting the City's long-term infrastructure assets.

Strategic Plan Alignment
The Public Works Department budget supports the following strategic goals:

- **A1**: Enhance governance and operational efficiency
- **A2**: Foster a sustainable environment and efficient resource use
- **A3**: Promote transparency and community engagement
- **A7**: Improve infrastructure and service delivery
- **A8**: Foster a positive and supportive work environment
- **C1**: Ensure community safety and security
- **C4**: Develop sustainable financial policies and practices

- **C7**: Recognize and appreciate employee contributions and community efforts

Public Works Department

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Highway 49 Street Cleaning	4,622	4,622	-
Banner/Event Fees	668	2,000	1,332
Property Rental	3,913	14,530	10,617
Reimbursable	7,000	50,000	43,000
TOT - Roads	165,000	161,700	(3,300)
Intergovernmental Revenue	239,906	203,188	(36,718)
Total Revenue	**421,109**	**436,040**	**14,931**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	200,608	271,860	71,252
Operations (Utilities, Supplies, Maintenance)	148,218	101,941	(46,277)
Professional Services	44,500	46,500	2,000
Equipment & Software	27,855	33,000	5,145
Capital Outlay	-	38,301	38,301
Total	**421,181**	**491,602**	**70,421**

Enterprise - Water & Wastewater

The Enterprise Water and Wastewater Departments are responsible for providing reliable, safe, and cost-effective utility services to residents and businesses throughout the City of Angels. These operations maintain critical water distribution and wastewater collection infrastructure while ensuring compliance with regulatory requirements, protecting public health, and supporting long-term community growth.

FY 2025-2026 Accomplishments

During FY 2025-2026, the City completed several significant infrastructure projects that improved the reliability and efficiency of utility operations. Major accomplishments included completion of the Vallecito Sewer Line Replacement Project, implementation of the Advanced Metering Infrastructure (AMI) Project, and replacement of key pressure reducing valves within the water distribution system. These improvements enhance system performance, strengthen asset management capabilities, improve customer service, and support the long-term sustainability of utility operations.

These projects were completed through the collaborative efforts of utility staff, engineering consultants, contractors, and Public Works personnel, whose support continues to play an important role in maintaining and improving the City's utility infrastructure.

FY 2026-2027 Priorities

A key priority for FY 2026-2027 is the continued evaluation of long-term water supply reliability. The City will work with engineering consultants to research and evaluate potential secondary water source alternatives that could improve system resiliency, support future demand, and strengthen long-term water security.

The City will also continue to prioritize asset management, infrastructure maintenance, regulatory compliance, and capital improvement planning to ensure reliable service delivery and protect the community's investment in utility infrastructure.

FY 2026-2027 Goals

- Evaluate secondary water source opportunities to improve system reliability and resiliency.
- Maintain compliance with all applicable water and wastewater regulations.
- Continue implementing infrastructure improvements identified in the Capital Improvement Program.
- Improve asset management and long-term capital planning efforts.
- Enhance operational efficiency through technology and system improvements.
- Maintain high levels of customer service and system reliability.

Summary

The Enterprise Water and Wastewater Departments remain committed to providing safe, reliable, and sustainable utility services. Through strategic infrastructure investments, proactive planning, and continued collaboration between utility, engineering, and Public Works personnel, the City is positioning its water and wastewater systems to meet current needs while preparing for future challenges and opportunities.

Strategic Plan Alignment

The Wastewater Department budget supports the following City strategic goals:

- **A3**: Promote transparency and community engagement
- **A6**: Enhance environmental sustainability and resilience
- **A7**: Improve infrastructure and service delivery

- **A8**: Foster a positive and supportive work environment
- **B5**: Ensure effective management of financial resources
- **C1**: Ensure community safety and security
- **C4**: Develop sustainable financial policies and practices
- **C7**: Recognize and appreciate employee contributions and community efforts

Water

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Utility Fee	3,317,500	3,413,474	95,974
Interest Earnings	380,000	325,000	(55,000)
Total Revenue	**3,697,500**	**3,738,474**	**40,974**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	574,450	621,160	46,710
Operations (Utilities, Supplies, Maintenance)	178,937	215,477	36,540
Professional Services	147,950	112,200	(35,750)
Equipment & Software	35,090	26,339	(8,751)
Capital Outlay	126,000	46,944	(79,056)
O&M Cost Allocation	210,000	240,000	30,000
Transfer Out to Capital Projects	2,125,405	2,247,586	122,181
Total	**3,397,832**	**3,509,706**	**111,874**

UWPA

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Utility Fee	410,000	450,000	40,000
Interest Earnings	5,000	4,200	(800)
Total Revenue	**415,000**	**454,200**	**39,200**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Water Purchase Fee	407,000	447,500	40,500
Total	**407,000**	**447,500**	**40,500**

Wastewater

Revenue	FY 25-26 Budget	FY 26-27 Proposed	Change
Utility Fee	3,317,500	3,424,750	107,250
Property Rental	7,500	7,500	-
Interest Earnings	380,000	350,000	(30,000)
Total Revenue	**3,705,000**	**3,782,250**	**77,250**

Expense	FY 25-26 Budget	FY 26-27 Proposed	Change
Personnel (Salary, Taxes, Benefits, Retirement)	827,774	896,886	69,112
Operations (Utilities, Supplies, Maintenance)	722,458	672,604	(49,854)
Professional Services	147,950	144,500	(3,450)
Equipment & Software	35,090	68,683	33,593
Capital Outlay	126,000	46,944	(79,056)
O&M Cost Allocation	210,000	240,000	30,000
Transfer Out to Capital Projects	2,489,241	1,403,000	(1,086,241)
Total	**4,558,513**	**3,472,617**	**(1,085,896)**

Funding Source Overview

The City of Angels relies on a diverse mix of revenues to fund municipal operations, maintain public infrastructure, and provide essential services to residents, businesses, and visitors. Major revenue sources include property taxes, sales taxes, transient occupancy tax (TOT), franchise fees, service charges, utility revenues, grants, and state and federal funding programs.

Each revenue source plays an important role in supporting specific services and programs. General Fund revenues, such as property tax, sales tax, and transient occupancy tax, provide funding for core municipal services including public safety, administration, parks, and public works. Enterprise revenues generated through water and wastewater services support the operation, maintenance, and improvement of utility infrastructure. Grants and restricted revenues provide funding for capital projects, transportation improvements, public safety initiatives, and other targeted programs.

Maintaining a diversified revenue structure helps the City remain financially resilient and better positioned to respond to changing economic conditions, regulatory requirements, and community needs. The following section provides an overview of the City's primary revenue sources and their contribution to the programs and services delivered throughout the community.

Capital Improvement Plan

The Capital Improvement Plan (CIP) is the City of Angels' strategic roadmap for planning, funding, and implementing capital projects that support our community's long-term infrastructure needs. It reflects the City's commitment to responsible stewardship of public assets—such as roads, utilities, public buildings, and equipment—and ensures that future investments align with community priorities and regulatory requirements.

Capital projects typically involve substantial financial resources, long-term use, and the enhancement or replacement of physical assets. These investments are critical to maintaining and improving the quality of life for our residents, supporting economic development, and meeting future demands as the city grows.

Current and Future Planning

- **Water & Wastewater:** The City has adopted a comprehensive five-year Water and Wastewater Capital Improvement Plan (2024–2028). This plan addresses system upgrades, regulatory compliance, and operational resilience across both utilities. These projects are supported by a combination of rates, reserves, grant funding, and contributions.
- **Road and Pavement:** In 2024, the City conducted a pavement condition assessment, and we are currently developing a multi-year Road and Pavement Management CIP. This plan will prioritize road preservation and rehabilitation projects based on need, condition, and available funding. It is expected to be finalized and presented to the City Council in Fall 2025.

Purpose and Alignment

The CIP is designed to:

- Guide the timing and budgeting of infrastructure investments
- Ensure financial sustainability by matching funding sources with long-term needs
- Support regulatory compliance and environmental responsibility
- Align capital spending with the City's Strategic Plan goals

By maintaining a structured approach to capital planning, the City of Angels can ensure transparency, accountability, and long-term service delivery for the community we serve.

Capital Improvement Program Priorities

The City of Angels utilizes a Capital Improvement Program (CIP) to identify, prioritize, and fund infrastructure investments necessary to maintain public facilities, transportation systems, water and wastewater utilities, and other public assets. Capital projects are prioritized based on regulatory requirements, asset condition, public safety considerations, operational needs, and available funding.

FY 2026-2027 Capital Improvement Priorities

The City's primary capital priorities for FY 2026-2027 focus on infrastructure preservation, utility system reliability, and long-term planning.

Transportation and Public Infrastructure

- Continue implementation of Year 2 of the Pavement Management Program, focusing on preventative maintenance and roadway preservation strategies designed to extend pavement life and reduce future rehabilitation costs.

Wastewater System

- Complete design and construction of the Holeman Dam Subdrain Project to improve system reliability and protect critical wastewater infrastructure.
- Expand closed-circuit television (CCTV) inspection of sewer mains throughout the City to improve asset management, identify system deficiencies, and support future capital planning efforts.

Water System

- Advance planning and design efforts for the Backwash Handling Improvements Project at the Water Treatment Plant.
- Continue evaluation of potential secondary water source alternatives to improve water supply reliability and system resiliency.
- Update the Water and Wastewater Master Plans to ensure future infrastructure investments align with regulatory requirements, growth projections, and operational needs.
- Advance design and implementation of Water Distribution Pipeline Project WDP-2 and Water Transmission Main Project WTM-1 (Murphys Grade Road Transmission Main Upgrade).
- Continue planning efforts related to the WTP-2 Treated Water Transmission Main Replacement Project to improve long-term system reliability and operational flexibility.

Several projects identified in the Capital Improvement Program are currently underway or in various stages of planning, design, and construction. These investments support regulatory compliance, infrastructure reliability, asset preservation, and long-term utility sustainability.

Wastewater 2024 - 2028 Capital Projects

Capital Projects Overview

The City of Angels maintains a comprehensive Capital Improvement Plan (CIP) to guide investment in critical wastewater infrastructure and ensure the long-term reliability, sustainability, and regulatory compliance of the wastewater system. The CIP identifies major infrastructure improvements needed to maintain service levels, address aging assets, reduce operational risks, and support future community needs.

The City's wastewater capital program is funded through a combination of utility revenues, reserves, grants, developer contributions, and debt financing. This diversified funding strategy allows the City to balance available financial resources while advancing priority infrastructure projects and minimizing impacts to ratepayers.

During FY 2025-2026, the City advanced several significant wastewater infrastructure projects, including the Vallecito Road Sewer Replacement Project, a major component of the East Angels trunk sewer system identified in the City's Wastewater Master Plan and Capital Improvement Program. Construction activities continued throughout the fiscal year and represent an important investment in the long-term reliability of the City's wastewater collection system.

The recently completed wastewater rate study reaffirmed the importance of long-term capital planning and identified funding strategies necessary to support future infrastructure investments. The projects summarized in the following table represent the City's current wastewater capital priorities and will be implemented as funding becomes available and project schedules are refined.

Collectively, these projects support the City's commitment to responsible asset management, environmental stewardship, regulatory compliance, and the continued delivery of reliable wastewater services to the community.

Project Designation	Project Title	Project Limits	Length (ft)	Diameter (in)	Construction Cost ($)	Total Project Cost ($)	Funding Source
Wastewater Treatment Plant (WWTP)							
WWTP-1	Emergency Storage Basin Improvements	Armoring of side slopes, re-routing of storm drain lines, spillway/outlet modifications	-	-	350,000	550,000	Debt
WWTP-2	Grit Removal System	Construction of grit removal system at plant headworks	-	-	450,000	700,000	UR
Wastewater Collection System (WWCS)							
WWCS-2	East Angels Trunk Sewer Rehabilitation Project	SSMH 19 – SSMH 43	3,500	12	1,225,000	1,910,000	G

Project Designation	Project Title	Project Limits	Length (ft)	Diameter (in)	Construction Cost ($)	Total Project Cost ($)	Funding Source
WWCS-3	Main Street Sewer Replacement Project	Main Street between Church Street and Vallecito Road	1,500	12	450,000	700,000	UR
WWCS-4	Murphys Grade Road Sewer Rehabilitation Project	SSMH 75 – SSMH 79-4	1,400	12	490,000	760,000	UR
WWCS-5	North Angels Sewer Replacement Project	SSMH 46 – SSMH 74	4,600	12	1,610,000	2,510,000	Dev
Wastewater Pump Station (WWPS)							
WWPS-1	Angel Oaks Pump Station Improvements Project	Emergency generator, pump replacement	-	-	360,000	560,000	Dev
Recently Completed Projects							
WWCS-1	Vallecito Road Sewer Rehabilitation Project	SSMH 36 – SSMH 43	1,600	12	640,000	990,000	UR

Total Costs
- Construction Cost: $5,575,000
- Total Project Cost: $8,680,000

Funding Sources Key
- UR: Utility Rates
- G: Grant
- Dev - Development Fees

Water 2024-2028 Capital Projects

Capital Projects Overview

The City of Angels maintains a comprehensive Capital Improvement Plan (CIP) to guide investment in critical water infrastructure and ensure the long-term reliability, sustainability, and regulatory compliance of the City's water system. The CIP identifies major infrastructure improvements needed to maintain water quality, improve system reliability, address aging assets, support future growth, and meet regulatory requirements.

The City's water capital program is funded through a combination of utility revenues, reserves, grants, developer contributions, and debt financing. This diversified funding strategy allows the City to advance priority infrastructure projects while maintaining financial sustainability and minimizing impacts to ratepayers.

During FY 2025-2026, the City advanced several significant infrastructure projects, including the Water Meter Replacement (AMI) Project and continued improvements to the water distribution system. The City also completed replacement of several critical pressure reducing valves designed to improve system reliability, operational efficiency, and water pressure management. These investments strengthen the City's ability to manage utility assets while improving service to customers.

A major focus of future capital planning will be maintaining and upgrading critical transmission and distribution infrastructure, improving treatment plant operations, and evaluating long-term water supply reliability. The City is currently working with engineering consultants to research and evaluate potential secondary water source alternatives to improve system resiliency, enhance drought preparedness, and support future community needs.

The recently completed water rate study reaffirmed the importance of long-term infrastructure investment and identified funding strategies necessary to support future capital improvements. The projects summarized in the following table represent the City's current water system capital priorities and will be implemented as funding becomes available and project schedules are refined.

Collectively, these projects support the City's commitment to responsible asset management, regulatory compliance, water system reliability, and the continued delivery of safe and dependable water service to residents and businesses.

Water Treatment Plant (WTP)

Project Designation	Project Title	Project Limits	Length (ft)	Diameter (in)	Construction Cost ($)	Total Project Cost ($)	Funding Source
WTP-1	Backwash Handling Improvements	Backwash recovery system, residual dewatering system	-	-	4,270,000	6,660,000	G
WTP-2	Treated Water Transmission Main Replacement	Water Treatment Plant to Murphys Grade Road	3,500	18	1,400,000	2,180,000	Debt

Water Treatment Mains (WTM)

Project Designation	Project Title	Project Limits	Length (ft)	Diameter (in)	Construction Cost ($)	Total Project Cost ($)	Funding Source
WTM-1	Murphys Grade Road Transmission Main Upgrade	Murphys Grade Road from WTP-2 project termination to Main Street	4,920	12	1,476,000	2,300,000	Debt
WTM-2	SR-49 Transmission Main Upgrade	SR-49 from Monte Verde Street to Murphys Grade Road and SR-49 from Clifton Lane to Cherokee Creek	2,000	12	650,000	1,015,000	Debt
WTM-3	Stockton Road/Foundry Lane Interconnect Project	Stockton Road from Angels Oak Drive to Main Street and Foundry Lane from SR-49 to Stockton Road	6,600	12	1,980,000	3,090,000	Dev

Water Distribution Pipelines (WDP)

Project Designation	Project Title	Project Limits	Length (ft)	Diameter (in)	Construction Cost ($)	Total Project Cost ($)	Funding Source
WDP-1	Mark Twain Road Water System Improvements	Mark Twain Road from Fairview Drive to Hardenbrook Street	1,750	10	438,000	680,000	UR
		Fairview Drive to Ratz Alley	1,900	8	380,000	590,000	UR
WDP-2	Hillcrest, Gold Cliff, McCauley Ranch Road Water System Improvements	Hillcrest Street from Gold Cliff Road to West Street	2,500	10	625,000	980,000	UR
		Gold Cliff Road from McCauley Ranch Road to Hillcrest Street					
		McCauley Ranch Road from Spyglass Circle to Gold Cliff Road					

Total Costs
- Construction Cost: $11,179,000
- Total Project Cost: $18,275,000

Funding Sources Key
- UR: Utility Rates
- G: Grant
- Dev - Development

Debt Management Overview

The City of Angels maintains a conservative approach to debt management, utilizing long-term financing only when necessary to support critical infrastructure investments while preserving financial stability. The City currently carries no General Fund debt obligations, and all outstanding debt is associated with Enterprise Fund operations.

Current Debt Profile

The City's outstanding debt consists primarily of State Revolving Fund (SRF) financing and other obligations associated with water and wastewater infrastructure improvements. These investments support regulatory compliance, environmental protection, system reliability, and the long-term sustainability of the City's utility operations.

Debt service payments are funded through enterprise revenues generated by utility customers and are incorporated into the City's utility rate structures. As a result, debt obligations do not place a burden on the General Fund or impact the City's ability to provide core municipal services.

Debt Management Practices

The City evaluates financing options on a project-by-project basis and seeks to balance infrastructure needs with long-term financial sustainability. Before issuing debt, the City considers available reserves, grant funding opportunities, development contributions, pay-as-you-go funding, and other financing alternatives.

The City strives to utilize debt strategically for major capital improvements that provide long-term community benefits and extend the useful life of critical infrastructure assets.

Future Financing Considerations

As identified in the Water and Wastewater Capital Improvement Programs, significant infrastructure investments may be required over the coming years. The City will continue pursuing grants, low-interest loans, and other external funding opportunities to minimize costs to ratepayers while maintaining reliable utility systems and addressing future infrastructure needs.

Through responsible debt management and long-range financial planning, the City seeks to maintain financial flexibility while supporting critical infrastructure improvements that benefit current and future residents.

Enterprise Debt Service Schedule

City of A

FY 2025-2026

Debt Service Sc

Year Ending June 30,	USDA - Pinnacle Wastewater Loan Construction of Waste Water Facility Original Loan 2004 Refinance 2017 Expiration 3/2032 Refinanced Amt $4,043,725 2.73%		State of CA Dept of Water Resources - State Revolving Fund Wastewater Sewer System Upgrade Original Loan 2011 Expiration 9/2030 Amount $3,372,800 ($3,086,400 Forgiven) Balance due $286,400 1.00%		**Total**	
	Principal	Interest	Principal	Interest	**Principal**	**Interest**
Beg Bal	**2,352,510**	-	**107,174**	-	**2,459,684**	**-**
2026	274,841	55,048	15,006	923	**289,847**	**55,971**
2027	282,295	47,494	15,156	773	**297,451**	**48,267**
2028	289,740	39,737	15,308	622	**305,048**	**40,358**
2029	297,176	31,776	15,461	468	**312,637**	**32,245**
2030-2032	941,079	45,502	31,387	472	**972,466**	**45,974**
Totals	**2,085,131**	**219,558**	**92,317**	**3,258**	**2,177,448**	**222,816**

Glossary

ACFR (Annual Comprehensive Financial Report)
The audited annual financial report of the City that presents financial statements, notes, and supplementary information.

AMI (Advanced Metering Infrastructure)
A system of smart water meters and communication technology used to automate meter reading and improve utility operations.

Appropriation
Authorization by the City Council to expend funds for specific purposes during a fiscal year.

Assessed Value
The value assigned to property for the purpose of calculating property taxes.

Balanced Budget
A budget in which projected revenues and available resources are sufficient to fund projected expenditures.

Budget
A financial plan that identifies anticipated revenues and expenditures for a specific fiscal period.

Budget Amendment
A City Council-approved adjustment to the adopted budget during the fiscal year.

CalPERS
The California Public Employees' Retirement System, which administers retirement benefits for eligible City employees.

Capital Asset
A long-term asset such as land, buildings, infrastructure, vehicles, or equipment with a useful life extending beyond one fiscal year.

Capital Equipment & Vehicle Replacement Fund
A fund established to provide resources for the planned replacement of City vehicles and equipment.

Capital Improvement Program (CIP)
A multi-year plan for the construction, replacement, or rehabilitation of major infrastructure and public assets.

Capital Project
A project involving the acquisition, construction, or improvement of a capital asset.

Cost Allocation Plan
A methodology used to distribute shared administrative and support service costs among City departments and funds.

Debt Service
Principal and interest payments associated with long-term debt obligations.

Enterprise Fund
A fund used to account for services financed primarily through user fees, such as water and wastewater operations.

Expenditure
The payment of funds for goods, services, salaries, capital projects, or other authorized purposes.

Fiscal Year (FY)
A twelve-month accounting period used for budgeting and financial reporting. The City's fiscal year runs from July 1 through June 30.

Fund
A separate accounting entity established to account for specific revenues, expenditures, assets, and liabilities.

Fund Balance
The difference between a fund's assets and liabilities, representing available financial resources.

GASB (Governmental Accounting Standards Board)
The organization responsible for establishing accounting and financial reporting standards for state and local governments.

General Fund
The City's primary operating fund used to account for most governmental activities and services.

General Fund Reserve
Financial resources maintained to address emergencies, revenue fluctuations, cash flow needs, and unforeseen expenditures.

Grant
Financial assistance received from federal, state, local, or private sources for specific purposes.

Infrastructure
Public assets such as roads, sidewalks, water systems, wastewater systems, drainage facilities, and public buildings.

Measure A
The voter-approved one-cent sales tax dedicated to supporting fire protection and emergency services.

Multi-Year Financial Forecast
A projection of revenues, expenditures, and financial conditions over multiple future fiscal years.

Operating Budget
The portion of the budget that funds the day-to-day operations of the City.

Operating Expenditure
A recurring cost necessary to provide municipal services, including salaries, supplies, utilities, and contracted services.

Pavement Management Program
A planning tool used to assess roadway conditions and prioritize maintenance and rehabilitation projects.

Property Tax
A tax levied on real property and allocated among local government agencies according to state law.

Recurring Revenue
Revenue that is expected to be received on an ongoing basis from year to year.

Reserve Fund
Resources set aside to address future obligations, emergencies, capital needs, or revenue fluctuations.

Revenue
Funds received by the City from taxes, fees, grants, service charges, and other sources.

RMRA (Road Maintenance and Rehabilitation Account)
State funding provided under Senate Bill 1 (SB 1) for eligible street and road maintenance projects.

Sales Tax
A tax imposed on the sale of goods, a portion of which is distributed to the City.

Special Revenue Fund
A fund used to account for revenues that are legally restricted or committed to specific purposes.

SRF (State Revolving Fund)
A low-interest loan program that assists local agencies in financing water and wastewater infrastructure improvements.

Strategic Plan
A document that establishes the City's long-term goals, priorities, and objectives.

TOT (Transient Occupancy Tax)
A tax imposed on guests staying in hotels, motels, and other lodging facilities within the City.

Wastewater Enterprise Fund
The fund used to account for wastewater utility operations, maintenance, capital improvements, and debt service.

Water Enterprise Fund
The fund used to account for water utility operations, maintenance, capital improvements, and debt service.