

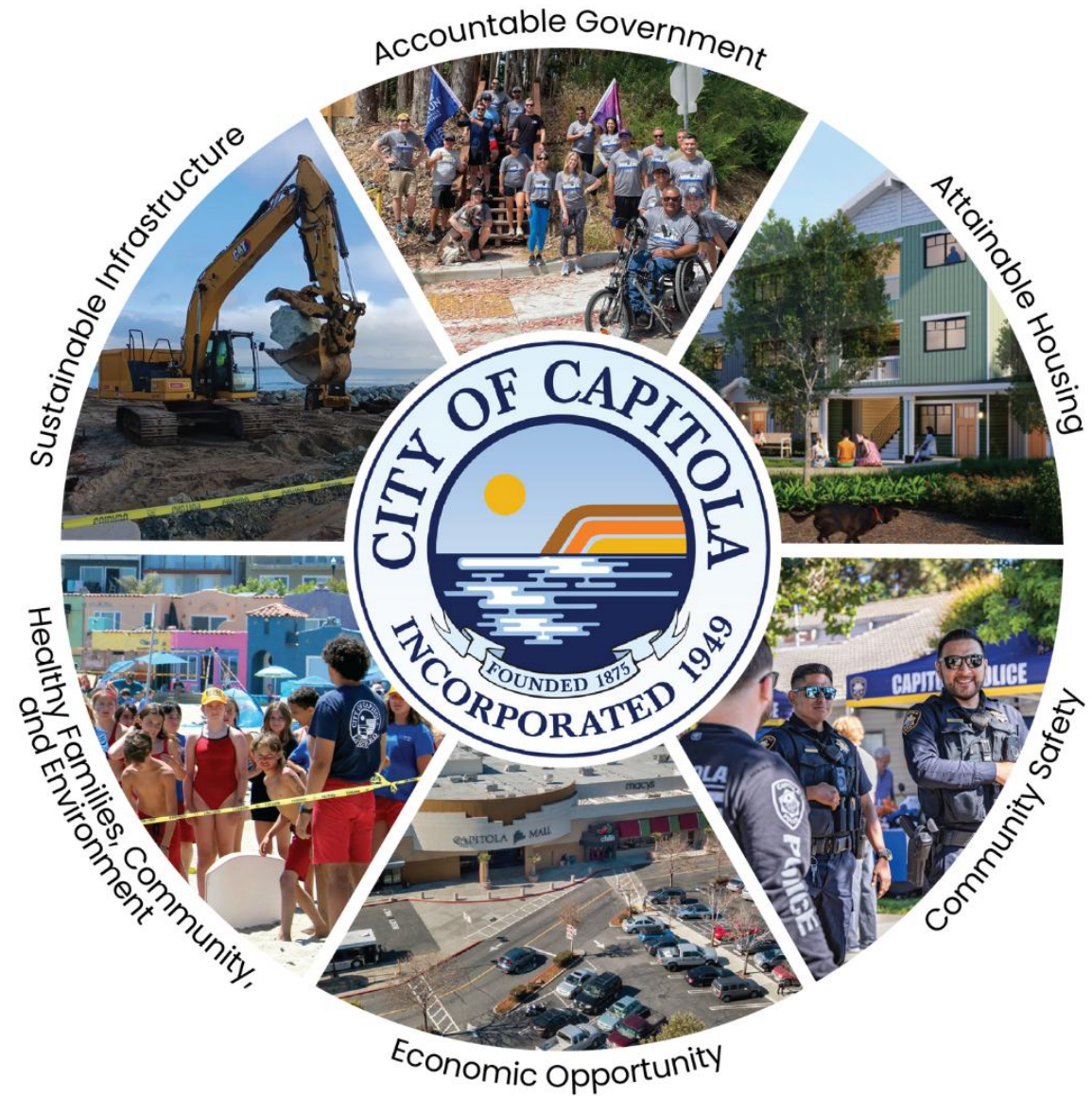


FY 2026-27 Budget Goals & Priorities

MARCH 26, 2026

Strategic Plan & Priorities

Departments considered Priorities when preparing FY 2026-27 Budget and Goals



PREVIOUSLY IDENTIFIED CIP

- Stockton Bridge Rehabilitation
- Community Center Complex projects
- Cliff Drive Resiliency
- Park at Rispin Mansion: landscaping & additional elements
- 41st Avenue Pavement Rehabilitation & Multimodal Improvements
- Pavement Management
- Esplanade Park Design
- Grand Avenue Pathway design
- Bay Avenue Corridor Improvements

PREVIOUSLY IDENTIFIED PLANNING/PROGRAMS

- Five-Year CIP
- Capitola Wharf Master Plan
- Climate Action Plan Update
- Active Transportation Plan
- 41st/Clares Corridor Plan

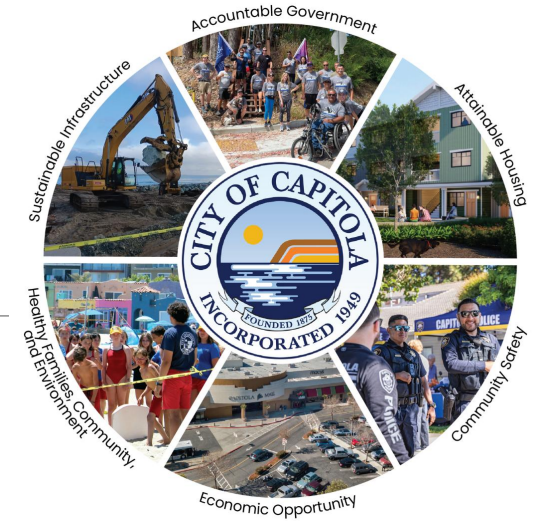
City Manager FY 2026-27 Goals

Accountable Government

- City Council election: three seats
- Employee contract negotiations

Healthy Families, Communities, and Environment

- Beach Lifeguard Services Organizational Study



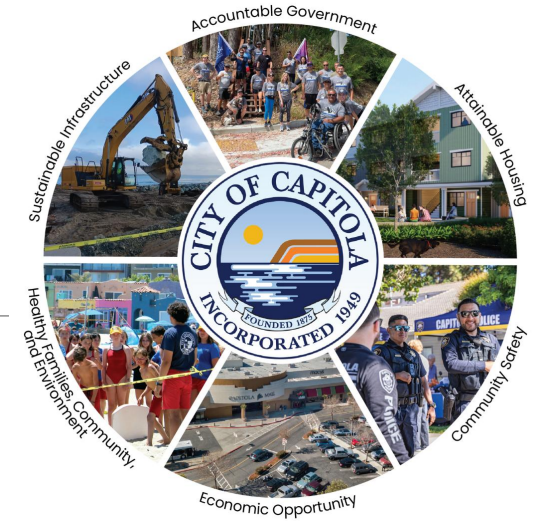
Administrative Services FY 2026-27 Goals

Accountable Government

- Improve fiscal transparency
- Transition to paperless HR Division

Economic Opportunity

- Return TOT administration to internal staff



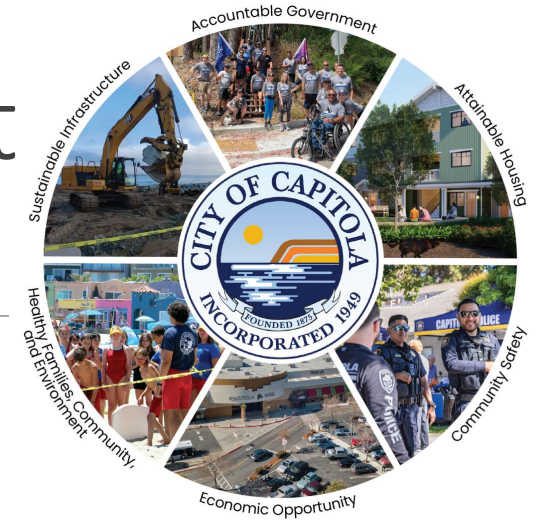
Police Department FY 2026-27 Goals

Community Safety

- Anti Human Trafficking Ordinance
- Countywide records management system rollout
- Continued funding for: Drone Program, RING, Body Worn cameras



Community & Economic Development FY 2026-27 Goals



Attainable Housing

- Housing Element Implementation: Down payment assistance program, update nexus study for rental housing

Economic Opportunity

- Development impact fees - 41st Avenue
- Review Outdoor Dining program
- Continue working with Mall, Village hotel owners and other economic development opportunities
- Ordinance updates: Community Benefits, ADUs, Bicycle Parking, Hotel Incentives

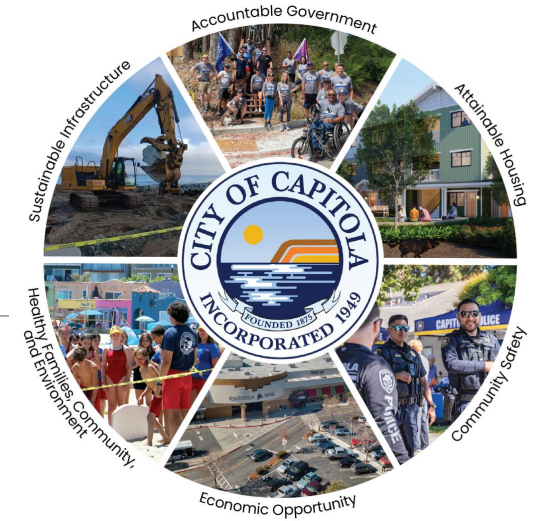
Community Services & Recreation FY 2026-27 Goals

Accountable Government

- Update Community Center rental package

Healthy Families, Community, & Environment

- Explore and develop new opportunities related to renovated facilities



Department Goals/Projects with New Fiscal Needs

General Fund

- Development impact fees
- Police technology
- Beach Lifeguard Services Organizational Study
- Elections
- Employee negotiations
- Fiscal transparency
- HR software

Special Revenue Fund

- Rental housing nexus study
- Police technology

Department Goals/Projects with New Fiscal Needs

General Fund

- Development impact fees
- Police technology
- Beach Lifeguard Services Organizational Study
- Election
- Employee negotiations
- Fiscal transparency
- HR software

Special Revenue Fund

- Rental housing nexus study
- Police technology



Budget Considerations

Current Fiscal Year General Fund

- Structurally balanced with mid-year budget amendment

Estimated June 30, 2026, General Fund Balance

- \$300,000 below budget target of \$500,000

Reserve Fund Balances

- Contingency: \$2.5 million
 - \$441,000 below target
- Emergency: \$1.6 million
 - \$326,000 below target

Budget Considerations

Potential One Time Revenue Increases – Not Budgeted

- Storm damages still under FEMA/Cal OES review
- Storm damage insurance claims
- Surplus land sale
- Building permit fees
- Repayment of delinquent TOT

Consider at midyear review if revenue is realized

Recommended Council Action

- Identify goals and related key projects for Fiscal Year 2026-27
- Proposed fiscal goal for FY 2026-27, splitting unallocated GF:
 - 50% to City's cash fund balance
 - 50% to projects

Budget Review Process

Draft Budget Published

- Friday, April 17

Initial FAC Budget Review

- Tuesday, May 5

City Council Budget Hearings
(special City Council meetings)

- Wednesday, May 6: Overview & questions
- Thursday, May 21: CIP, follow-up from May 7
- *June 3 & 18: If needed*

City Council Budget Adoption
(latest)

- Thursday, June 25