



CALIFORNIA

Budget in Brief

Fiscal Year 2026-27

July 1, 2026 – June 30, 2027

A Reader-Friendly Guide to Your City's Adopted Budget

Welcome

Every year, the Coachella City Council adopts a budget that funds the services residents rely on — from police and fire protection to parks, water, streets, and recreation programs. This Budget in Brief distills the City's full 200+ page budget book into a short, plain-language summary: where the money comes from, where it goes, what's changing this year, and how the City is keeping its finances healthy.

\$227.7M

All-Funds Adopted Revenue

\$250.3M

All-Funds Adopted Spending

44,384

Residents Served

Coachella at a Glance

The City of Coachella, incorporated in 1946, sits in the eastern Coachella Valley in Riverside County. In addition to general City government, Coachella oversees the Coachella Water Authority and the Coachella Sanitary District, and works with the Coachella Fire Protection District and the Riverside County Sheriff's Department to deliver public safety services.

Five Goals Guide Every Budget Decision

- 1

Public Safety

Safe residents, every day.
- 2

Economic Development

Jobs, business, and opportunity.
- 3

Financial Stabilization

A structurally sound City government built to last.
- 4

Employee Development

A skilled, supported workforce delivering City services.
- 5

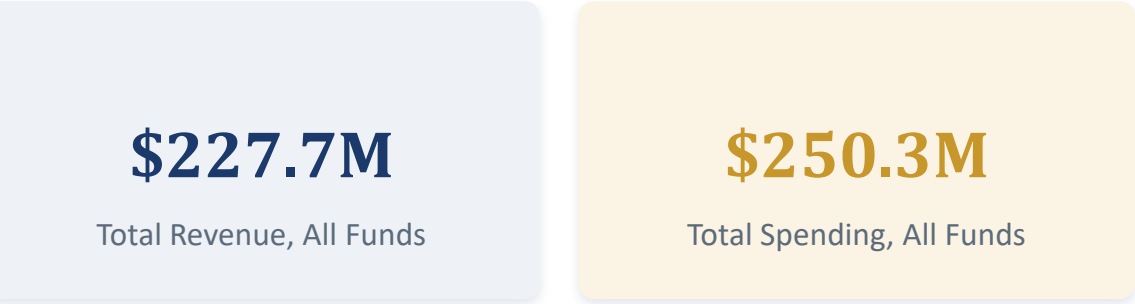
Quality of Life Enhancements

Recreation, community, and a better everyday Coachella.

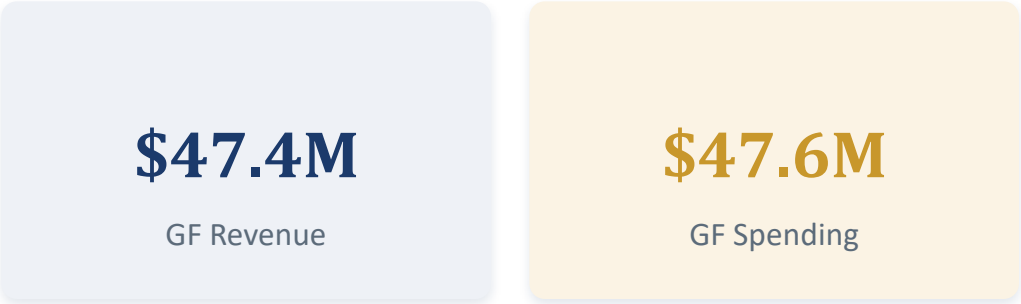
Budget at a Glance

The City's budget covers 19 separate funds — the General Fund that pays for police, streets, parks, and City administration, plus special revenue funds, the Water Authority, the Sanitary District, debt service, and capital project funds.

All Funds Combined



General Fund — Main Operating Budget



Is the budget balanced? Yes. The City defines a balanced budget as appropriations that do not exceed available resources for each fund. On an operating basis — setting aside a one-time \$534,026 transfer to fund capital projects — the General Fund is running a modest surplus for FY 2026-27, continuing several years of careful fiscal management.

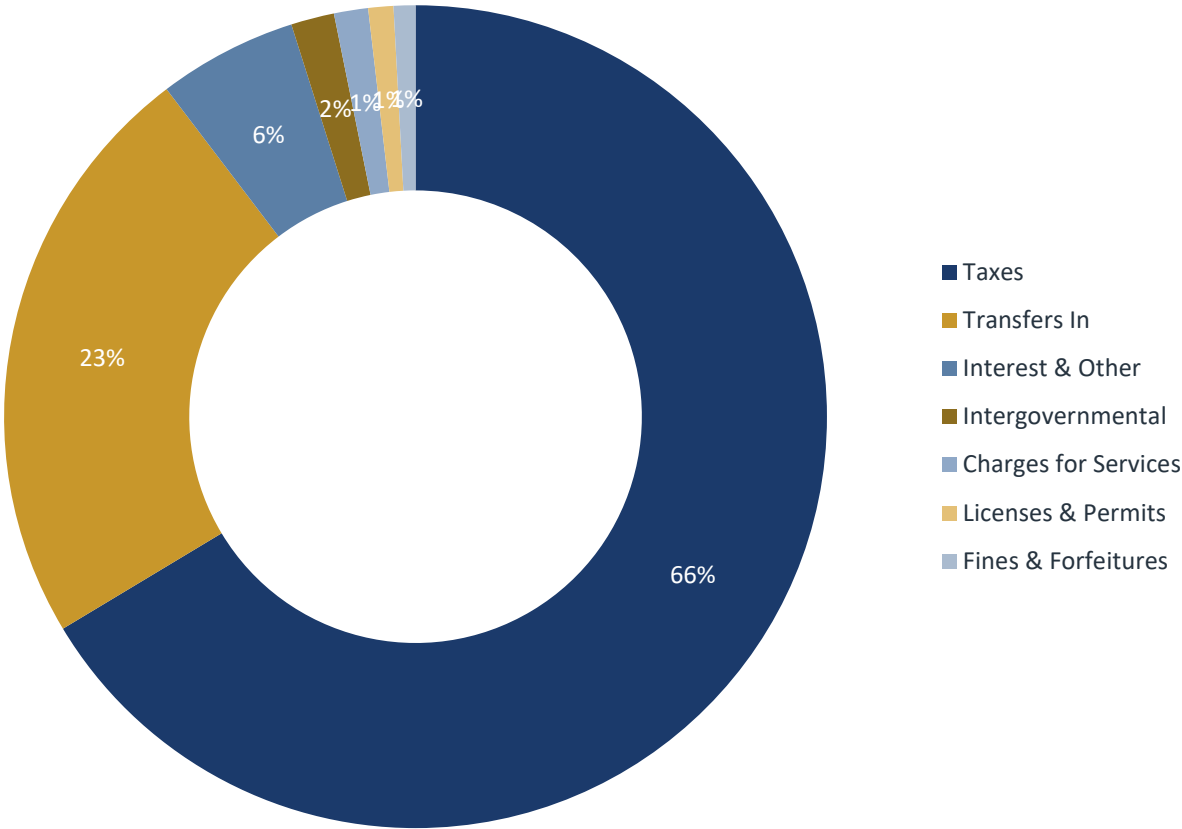
Where the Money Comes From

The General Fund draws two-thirds of its revenue from taxes: property tax, the local share of sales tax, Measure U (the City's voter-approved 1% transactions and use tax), utility users tax, franchise fees, and cannabis taxes.

\$47.4M

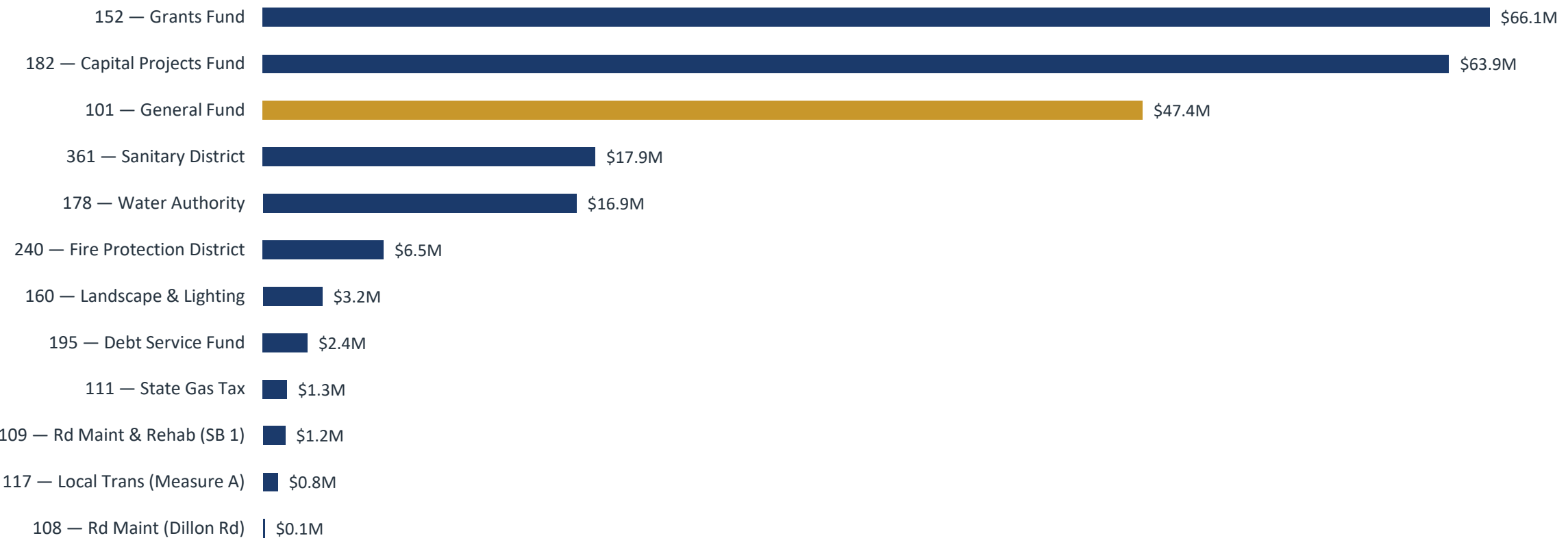
Total General Fund Revenue, FY 2026-27

General Fund Revenue by Source — FY 2026-27



How the Rest of the City's Money Is Raised

Beyond the General Fund, the City's other 18 funds are supported mainly by grants, water and sewer rates, gas tax and transportation dollars, development impact fees, and special assessments — each legally restricted to a specific purpose. The Grants Fund and Capital Projects Fund are unusually large this year because of major federal infrastructure grants moving through the City's books.



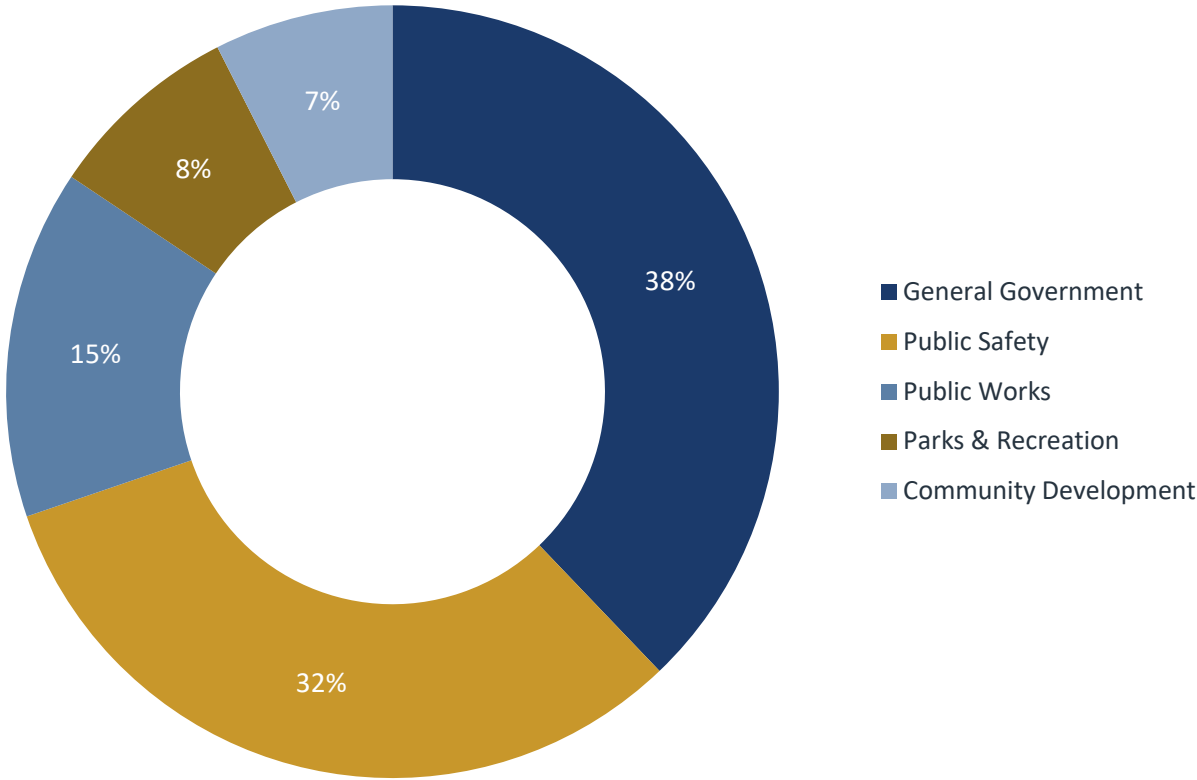
Where the Money Goes

General Fund spending is grouped into five functional areas. General Government — which includes citywide transfers to the Debt Service Fund, the Fire Protection District, and the Capital Projects Fund, in addition to City administration — is the largest category, followed closely by Public Safety, which funds the City's contract with the Riverside County Sheriff's Department, animal control, and emergency management.

\$47.6M

Total General Fund Spending, FY 2026-27

General Fund Expenditures by Function — FY 2026-27



What's New This Year

A few changes set the FY 2026-27 budget apart, some carried through from the City Manager's original recommended budget and some added by the Council during spring 2026 budget study sessions:

1

A New Community Services Division

A newly created division, led by a new Community Services Manager position, now oversees the City's recreation programs and Senior Center.

2

Two More Motor Officers on Patrol

Two new patrol motorcycles; one officer reassigned to motor duty, one new officer position added.

3

A Fairer Split of Shared Costs

A restructured Cost Allocation Plan now recovers about \$4.7 million from the Water Authority and Sanitary District for shared administrative support.

4

A Closer Look at Public Works Requests

The Council reduced several requested Public Works increases that were not fully justified during budget study sessions.

5

Updated Revenue Projections

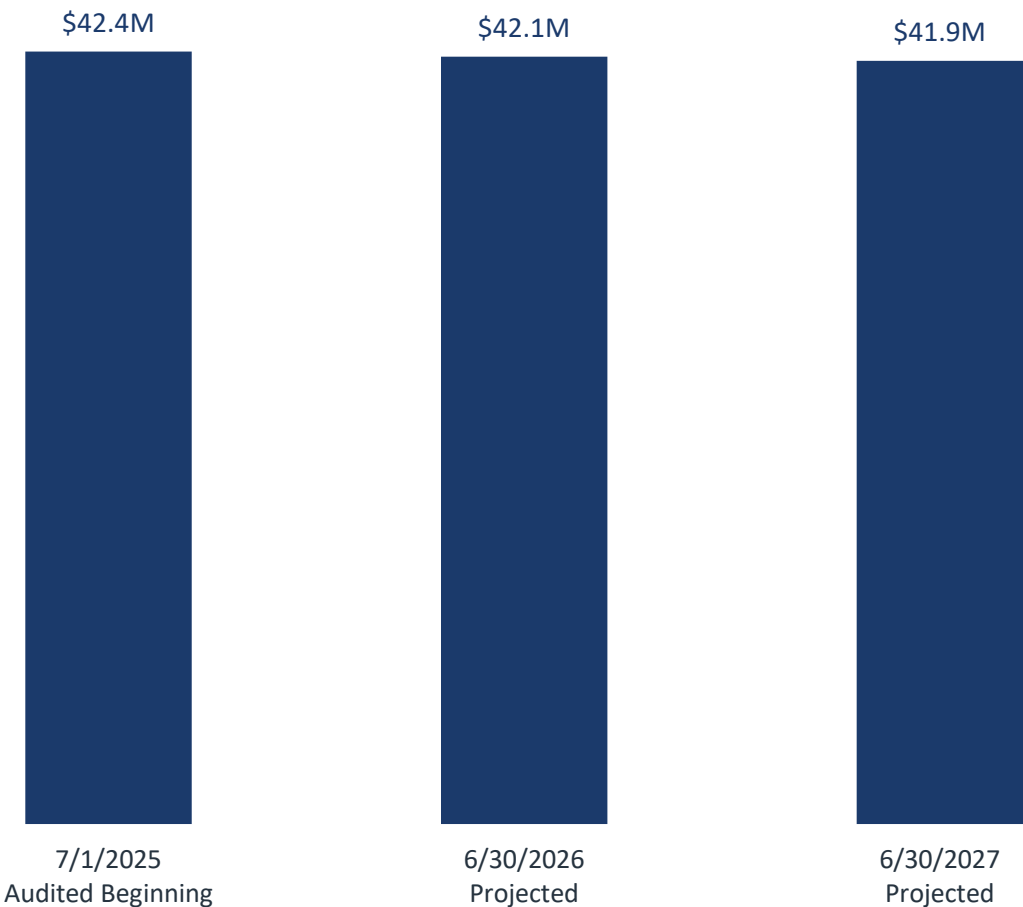
Certain General Fund tax revenue estimates were increased from the originally proposed budget based on more current projections.

Keeping Coachella Financially Healthy

The City Council's financial policies keep the General Fund's savings — called “unassigned fund balance” — at 35% of budgeted expenditures, well above the 25% floor recommended by the Government Finance Officers Association. That reserve gives the City a cushion against economic downturns and unexpected costs without sudden service cuts.



General Fund Balance Trend



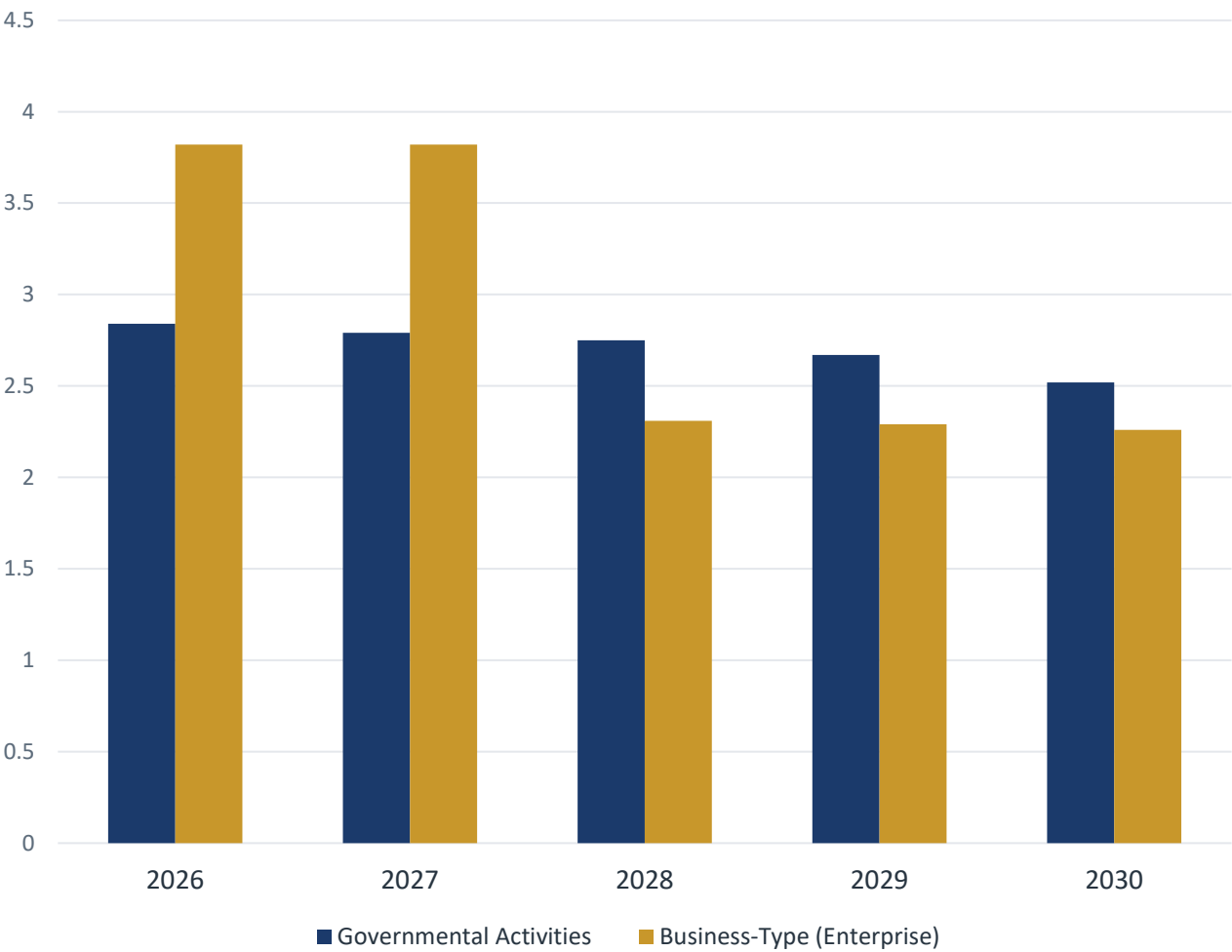
Managing Debt Responsibly

The City carries no general obligation bonded debt — the type that pledges the City's general taxing power and counts against California's legal debt limit. All City debt is secured either by a specific revenue source (like water and sewer rates) or by lease or pension obligation bonds. The City has used none of its \$116.4 million legal debt capacity.

Credit Ratings (S&P Global)

- AA-** Pension Obligation & Gas Tax Bonds
- A+** Lease Revenue & Water Bonds
- BBB-** Sanitary District Wastewater Bonds

Annual Debt Service, FY 2026-2030 (\$M)



Investing in Our Community

Beyond day-to-day operations, the City is investing \$63.9 million in FY 2026-27 through its Capital Projects Fund — funded by a mix of federal and state grants, development impact fees, and utility revenue — to build and repair the infrastructure Coachella residents use every day.

\$63.9M

FY 2026-27 Capital Investment

1

Streets

Road resurfacing, intersections, and traffic safety

2

Water

Well and treatment infrastructure for a growing city

3

Sanitary / Wastewater

Sewer main and treatment plant improvements

4

Parks

New and renovated park facilities and amenities

5

Facilities

Improvements to City buildings and public facilities

6

Landscape & Lighting

Streetlight and district landscaping upgrades

Get Involved

The City's budget is a public process from start to finish. Each year, City staff prepares a recommended budget, the City Council holds study sessions to review priorities, and the public is invited to weigh in before the Council formally adopts the budget — this year, on June 24, 2026.

Ways to Stay Involved

- Attend a City Council budget study session or public hearing
- Review the full budget book and Capital Improvement Plan
- Contact the Finance Department with budget questions
- Follow Council agendas for budget amendments during the year

Contact the Finance Department

City of Coachella Finance Department
53990 Enterprise Way
Coachella, CA 92236
(760) 398-3502

Want to Learn More?

This Budget in Brief is a companion to — not a replacement for — the City's full FY 2026-27 Adopted Annual Budget, which includes complete financial statements, department-level detail, financial policies, full debt disclosures, a community statistical profile, and a glossary of budget terms.

The full budget book is available from the City of Coachella Finance Department and at coachella.org.