

# **City of Del Rey Oaks**

**City Hall  
650 Canyon Del Rey Blvd  
Del Rey Oaks, CA 93940**



## **Action Minutes**

**Tuesday, May 19, 2026**

**6:00 PM**

**City Council – Regular Meeting**

**Del Rey Oaks City Council**

**Scott Donaldson – Mayor  
Mike Burger – Vice Mayor  
John Uy – Councilmember  
Kim Shirley – Councilmember  
Jeremy Hallock – Councilmember**

**6:00 PM – Called to Order:**

The meeting was called to order by Mayor Donaldson

**Roll Call:** Present: Mayor Donaldson, Vice Mayor Burger, Councilmember Shirley, Councilmember Hallock and Councilmember Uy

Absent: None

Also Present: City Manager Guertin, City Attorney Lorca, City Clerk Minami, Deputy City Clerk Batra

**Pledge of Allegiance:**

Led by Mayor Donaldson

**Public Comment:**

**Gary Kreeger:** Wants to piggyback on neighboring cities and have a vacancy tax in DRO and fight Marina Coast Water for more water, like Seaside is trying to do.

**Megan, from PG&E:** Introduces herself and says she will make herself available to anyone who has questions.

**Ann Auburn:** Asks why the street sweeper just cleans the middle of the streets and not the sides.

**PROCLAMATIONS:**

**Mayor Donaldson** reads the following proclamations:

Celebrating National Public Works Week May 17-24, 2026  
Celebrating Professional Municipal Clerks Week May 3-9, 2026  
Celebrating the 10th Anniversary of Palenke Arts

**Councilmember Uy** reads the following proclamation:

Celebrating National Pride Month June 2026

**CONSENT AGENDA:**

**A. MINUTES: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

1. April 28, 2026 City Council Meeting Minutes

**B. MONTHLY REPORTS: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

1. Fire Department Response Report, April 2026
2. Police Activity Report, April 2026
3. Financial Reports, April 2026

**C. MISCELLANEOUS: (CEQA: as to all, not a project per Guidelines Article 20, Section 15378)**

1. Consider the adoption of the modified Military Equipment Use Policy and the First Reading of Ordinance #324, consistent with the requirements of AB 481
2. Adopt Resolution 2026-08 Approving the FY 2026-27 SB1 Funded Project List
3. Consider Adoption of Resolution 2026-09 approving the Transportation Agency for Monterey County (TAMC) Master State & Federal Funding Agreement and authorize the City Manager to execute the agreement
4. Consider Approval of the Pavement Management Program Update 2025 Reimbursement Agreement with the Transportation Agency of Monterey County (TAMC) and to authorize the City Manager to execute the Agreement of behalf of the City Council
5. Change order from Coastal Paving

**PUBLIC COMMENT:**

None

A motion was made by **Councilmember Hallock**, seconded by **Councilmember Uy**, to approve the Consent Agenda as presented.

**Motion passed unanimously 5-0**

**OLD BUSINESS: None**

**NEW BUSINESS:**

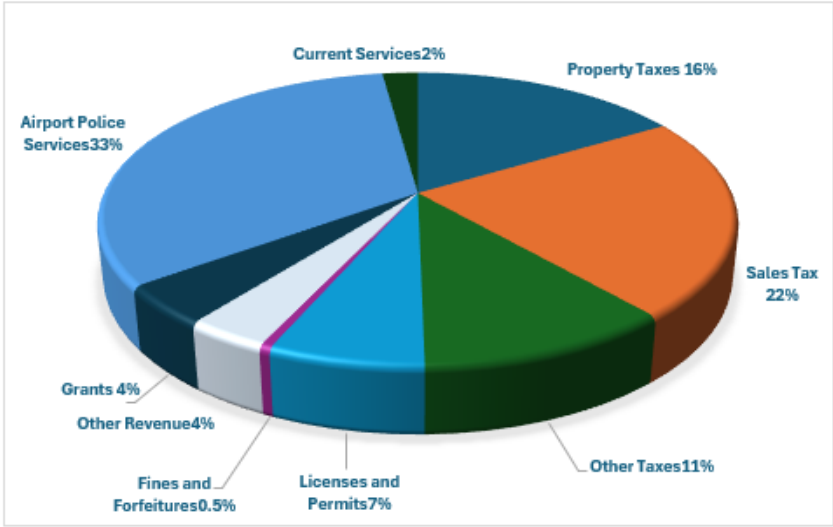
**Consider Overview of Recommended FY 2026-27 Budget**

**City Manager Guertin:** Still fine-tuning, and there will be a special meeting in early June to review one more time. Introduces Elizabeth "Beth" Mariano of RGS to present the budget documents.

**Beth Mariano:** Shares screen and the following presentation:

	FY 2026	FY 2027		
	Current	Proposed	Increase/	Percent
	Budget	Budget	(Decrease)	Change
<b>FY 2027 Proposed Budget</b>				
<b>GENERAL FUND SUMMARY</b>				
Total Estimated Revenue	5,093,050.00	5,421,420.00	328,370.00	6.1%
Total Operating Budget	5,430,015.00	5,518,730.00	88,715.00	1.6%
Excess (Deficit) of Revenue Over Expenditures	(336,965.00)	(97,310.00)	239,655.00	
Transfers Out-CIP	(430,446.00)	(78,000.00)	(78,000.00)	
Transfers Out-REAP	(13,885.00)	-	-	
<b>Net General Fund Surplus (Deficit)</b>	<b>(781,296.00)</b>	<b>(175,310.00)</b>	<b>161,655.00</b>	

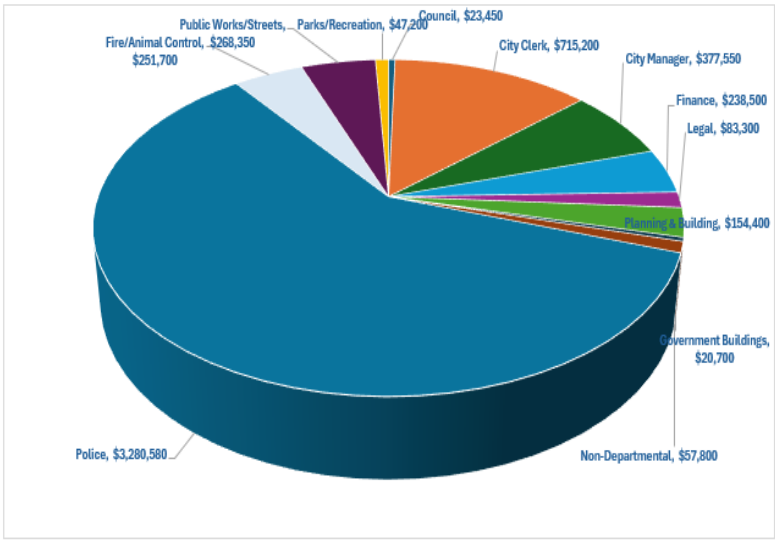
The chart shows the percentage allocation of the City's revenue



Revenue:

Airport Police Services	\$ 1,784,798	32.9%	
Sales Tax	1,206,835	22.3%	
Property Taxes	887,437	16.4%	<b>71.6%</b>
Other Taxes	600,600	11.1%	
Licenses and Permits	367,350	6.8%	
Grants	238,600	4.4%	
Other Revenue	194,200	3.6%	
Current Services	115,500	2.1%	
Fines and Forfeitures	26,100	0.5%	
<b>Total Estimated Revenue</b>	<b>\$ 5,421,420</b>	<b>100%</b>	

The chart shows the General Fund expenditures by department



Expenditures:

Police	\$ 3,280,580	59.4%
City Clerk	715,200	13.0%
City Manager	377,550	6.8%
Public Works/Street	268,350	4.9%
Finance	238,500	4.3%
Fire/Animal Control	251,700	4.6%
Planning & Building Reg	154,400	2.8%
Legal	83,300	1.5%
Non-Departmental	57,800	1.0%
Parks/Recreation	47,200	0.9%
Council	23,450	0.4%
Government Buildings	20,700	0.4%
<b>Total Appropriations</b>	<b>\$ 5,518,730</b>	<b>100%</b>

**FY 2027 Estimated Fund Balance**

	Audited Fund Balance 6/30/2025	Estimated Fund Balance 6/30/2026	Estimated Revenue FY 26-27	Interfund Transfers FY 26-27	Appropriations FY 26-27	Surplus (Deficit) FY 26-27	Est. Fund Bal. 6/30/2027
100 General Fund							
Available							
Unassigned-Economic Uncertainties	1,652,182	1,652,182					1,652,182
Unappropriated	2,039,478	1,258,182					1,082,872
Available Fund Balance	<u>3,691,660</u>	<u>2,910,364</u>	<u>5,421,420</u>	<u>(78,000)</u>	<u>(5,518,730)</u>	<u>(175,310)</u>	<u>2,735,054</u>

**GENERAL FUND SUMMARY:**

Expenditures By Department	FY 2025 Actual	FY 2026 Budget	FY 2027		
			Proposed Budget	Increase (Decrease)	Percent Change
110 Council	21,009.87	30,400.00	23,450.00	(6,950.00)	-22.9%
111 City Clerk	583,576.52	654,800.00	715,200.00	60,400.00	8.4%
120 City Manager	328,044.15	345,115.00	377,550.00	32,435.00	8.6%
130 Finance	377,516.83	290,000.00	238,500.00	(51,500.00)	-17.8%
150 Legal	51,881.19	89,300.00	83,300.00	(6,000.00)	-6.7%
160 Planning and Buildin	134,781.42	255,400.00	154,400.00	(101,000.00)	-39.5%
180 Government Buildin	11,893.78	20,200.00	20,700.00	500.00	2.4%
190 Non-Depratmental	101,934.32	56,800.00	57,800.00	1,000.00	1.7%
210 Police	2,570,155.12	3,074,800.00	3,280,580.00	205,780.00	6.3%
220 Fire/Animal Control	236,615.60	243,300.00	251,700.00	8,400.00	3.3%
311 Public Works/Street	232,520.80	258,050.00	268,350.00	10,300.00	3.8%
411 Parks/Recreation	40,354.79	111,850.00	47,200.00	(64,650.00)	-57.8%
<b>Total Operating Budget</b>	<b>4,690,284.39</b>	<b>5,430,015.00</b>	<b>5,518,730.00</b>	<b>88,715.00</b>	<b>1.6%</b>

Contributions to Non-Profit Organizations	FY 2024	FY 2025	FY 2026	FY 2027
Community Human Services -JPA Contribution	\$ 4,800.00	4,900.00	5,025.00	5,025.00
Central Coast- SBDC(Small Buss Dev Center)		2,500.00	2,500.00	2,500.00
Monterey Peninsula Chamber of Commerce	\$ 600.00	700.00	700.00	700.00
United Way	\$ 3,000.00	3,000.00	3,000.00	3,000.00
Casa De Noche	\$ 1,700.00	1,700.00	1,700.00	1,700.00
Shuman Hearthouse	\$ 1,700.00	1,700.00	1,700.00	1,700.00
<b>Total</b>	<b>\$11,800.00</b>	<b>14,500.00</b>	<b>14,625.00</b>	<b>14,625.00</b>
<b>FY 2027 Budget-Non Departmental 100-190-64551</b>				<b>\$ 15,000.00</b>

**City of Del Rey Oaks  
FY 2027 Funded Capital Improvement Projects**

Project Description	FY 2026-27	Funding Source
CIP 533 Vehicle Replacement-PD	45,000	GF Fund Balance
CIP 540 Server Repalcement	20,000	GF Fund Balance
CIP 543 PD Radio Replacement	10,000	GF Fund Balance
CIP 544 Technology Repalcement	3,000	GF Fund Balance
<b>Total</b>	<b>\$ 78,000</b>	

**This item is to be received by Council and no vote is required.**

**The following questions and comments were discussed:**

**City Manager Guertin:** Revenue streams are narrow. Hotel is the best option for revenue, but that is in the future. Staff is very mindful of the budget. Insurance liability and insurance are the biggest cost drivers, and it is out of our control. Rosita Road is the number one priority this year. Options will be brought to the Finance Committee and City Council for revenue generation ideas. The former garden center property is one idea, discussions in the future. Hopefully, to avoid service reductions in the city. Maybe to review the STR ordinance. Explains the delay in the new budgeting software and how long it takes bigger jurisdictions to get Clear-Gov up and running.

**Vice Mayor Burger:** Not a warm and fuzzy budget, but great leadership. Really wants to review the Short-Term Rental ordinance.

**Councilmember Uy:** Conservative budget and revenue projection. Staff are thoughtful of how things impact the budget. Team effort. No strategic planning in this budget, let's have a session without spending any money on a consultant. What is a sustainable source of income on the former ft ord property?

**City Manager Guertin:** Hotel is the best option and more sales tax sources. It will be 5-10 years before the city sees an increase in property taxes from homes built on that property. Economic reserve will be used to bridge the gap. We can facilitate a strategic planning session through a team effort.

**Councilmember Hallock:** Thanks all the staff and Budget Committee.

**Councilmember Shirley:** Thanks, everyone involved. Appreciates a conservative plan. Would like to see something in the former Garden Center parcel. Concerned that the strategic planning session was removed from the budget, it's an opportunity for residents to see what is accomplished. Glad it's still going to happen. Points out that the area for election costs is missing in the budget. Wants the reserve separated out, to make it easier to understand.

**Mayor Donaldson:** Reviews comments. Takes revenue to keep good staff. There are only a certain amount of cuts we can make without having an impact of services and the quality of life to residents. Hard to fill former Garden Center parcel because of FORTAG construction, a temporary use is important for a revenue source. Should look at the Short-term rental ordinance too, for future discussion. A proposal for an ENA with a new developer will be coming to council in the future for development down the road.

#### **PUBLIC COMMENTS:**

**Gary Kreeger:** Lots of smart folks in Del Rey Oaks to have a strategic planning session without spending a lot of money. Have it on a Saturday, more community involvement. Wants annual updates on items such as the South Boundary Road development and the former development lawsuit.

**The Council received the item, and no decision was made.**

**STAFF REPORTS: In the packet with the correspondence**

**NEXT MEETING DATE:**

**Tuesday, June 23, 2026 at 6:00 pm**

**ADJOURNMENT: 7:25PM**

**Attest:** \_\_\_\_\_

**Date:**-----