



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA HACN Regular Special

Meeting Date: May 26, 2026

Title: **BUDGET WORKSHOP:** Presentation and discussion of the City Manager’s Proposed Budgets for the City of Needles, Needles Public Utility Authority (NPUA), Housing Authority of the City of Needles (HACN), Cemetery, Sanitation, Golf Course, Internal Service Funds, Transit Funds, Grant Funds, and the Successor Agency to the Needles Redevelopment Agency for Fiscal Year 2026-27.

Background: The City Manager, Director of Finance and Administrative Services, and Department Managers have prepared the proposed Fiscal Year 2026-27 budgets in accordance with the City Charter. The proposed budgets were reviewed by the City Council Budget Committee on May 18, 2026.

The proposed budget provides funding for municipal operations, infrastructure maintenance, capital improvements, and essential public services.

The proposed budget includes the planned use of available fund balance for one-time capital investments while maintaining projected General Fund reserves of approximately **\$4.1 million**, representing **33.2% of annual operating expenditures**. Included in the budget are approximately **\$2.5 million in street improvement projects** and other capital investments intended to maintain public infrastructure, enhance service levels, improve operational efficiency, and support community beautification efforts.

The proposed utility budgets continue funding for the operation and maintenance of the City’s water, wastewater, electric, sanitation, and related utility systems while supporting ongoing infrastructure replacement and long-term capital planning. Utility operations are projected to maintain positive operating positions while continuing investment in critical infrastructure improvements.

The proposed budget review schedule is as follows:

- **May 26, 2026** – City Council Budget Workshop
- **May 27, 2026** – Housing Authority Budget Review
- **June 2, 2026** – Needles Public Utility Authority Budget Review
- **June 3, 2026** – Planning Commission Budget Review
- **June 9, 2026** – First Public Hearing
- **June 15, 2026** – Parks and Recreation Commission Budget Review
- **June 23, 2026** – Second Public Hearing and Budget Adoption

Pursuant to Section 1105 of the City Charter, the Fiscal Year 2026-27 budget must be adopted on or before June 30, 2026.

Fiscal Impact: See attached budget documents and supporting schedules.

Recommended Action: Receive the presentation regarding the proposed Fiscal Year 2026-27 budgets, provide direction as appropriate, and direct staff to proceed with the public hearing and budget adoption process.

Submitted By: Mark C. DeMay, Director of Finance and Administrative Services

City Manager Approval Patrick J. Martinez Date: 5/21/2026

Other Department Approval (when required): _____ Date: _____