

City of Atwater  
Fiscal Year 2027  
Proposed Budget




# FY 27 Proposed Budget




## Agenda:

 Budget Purpose, Process & Timeline

 Notables of the Proposed Budget

 FY 27 – General Fund Overview

 FY 27 – Major Funds Overview



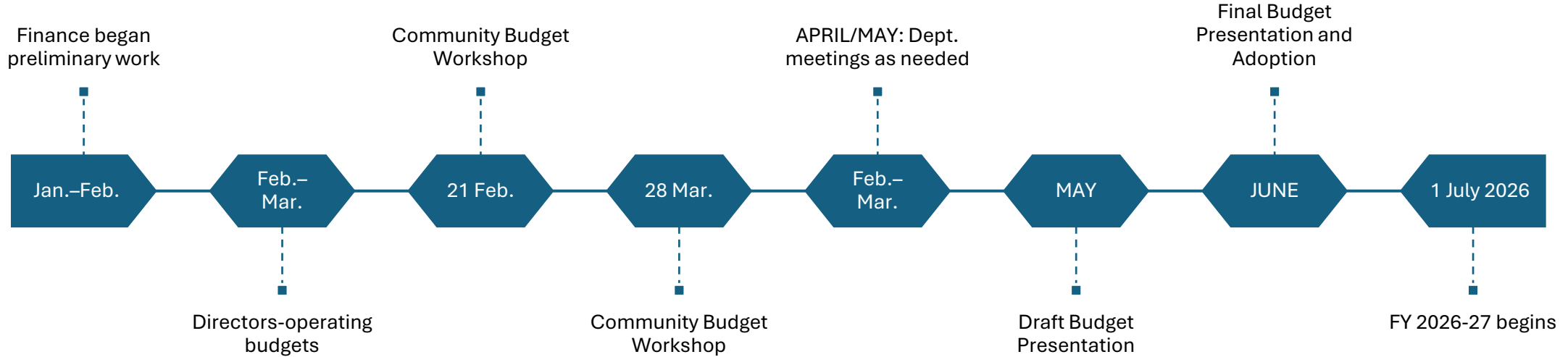
## Purpose of Municipal Budgets:

- Serve as a spending plan for the fiscal year
  - (July 1 –June 30 each year)
- Serve as a communication tool
  - Planned projects
  - Operations
  - Policy

# FY 27 Proposed Budget



## FY 27 Budget Process & Timeline



# FY 27 Proposed Budget



## Notables of the FY 27 Proposed Budget:

Included:

COLA for POA

PD and Fire: PD signage/FD replacement  
equipment

‘Status-Quo’ service levels – ability to maintain  
existing service and staffing levels

Decrease in CalFIRE contract amount

# FY 27 Proposed Budget



## Budget Total

Total - All Funds	
Revenues/Transfers-In	\$ 68,139,268
Expenses/Transfers-Out	\$ 74,624,297

# FY 27 Proposed Budget



General Fund:

FY 26/27 PROPOSED BUDGET		
		Projected Fund Balance
Revenue /	Expenditures /	6/30/2027
Transfers IN	Transfers OUT	
\$ 21,431,693	\$ 21,331,790	\$ 17,985,851
	25% Reserve	\$ (5,332,947)
	Unassigned FB	\$ <b>12,652,904</b>
		\$ <b>17,985,851</b>



## General Fund Reserve

- Resolution No. 3068-19 requires 10% of the fiscal year operating expenses for General Fund be marked for 'Reserves'
- The FY 27 Proposed Budget meets this requirement: \$2.13 M
- The FY 27 Proposed Budget meets the COA 2026-2030 Strategic Plan goal of 25% reserves: \$5.3 M

# FY 27 Proposed Budget



## General Fund:

FY 27 General Fund Overview		
Revenues/Transfers In		
	\$ 21,431,693.00	
Expenditures/Transfers Out		
	\$ 21,331,790.00	
Difference:	\$ 99,903.00	
PD-Sign	\$ 16,000.00	
Fire Dept Equipment	\$ 16,500.00	
Sum Total One Time Expenses	\$ 32,500.00	
Difference	<u>\$ 132,403.00</u>	

# FY 27 Proposed Budget



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General Fund Revenues:

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Property Tax

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Sales Tax

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Cannabis Tax

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Other Charges for Services/Fees

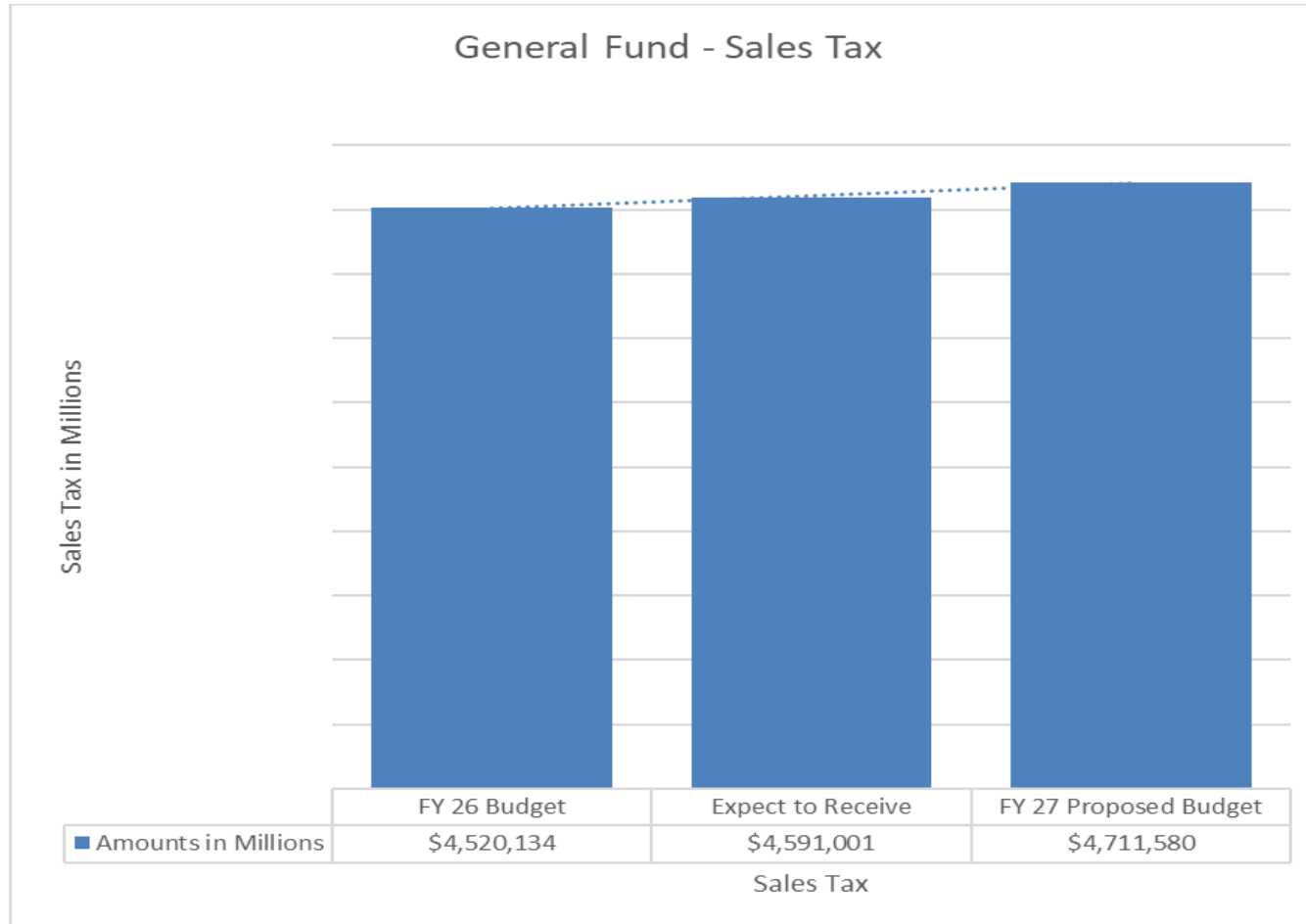
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Transfers-In (from other funds)

# FY 27 Proposed Budget



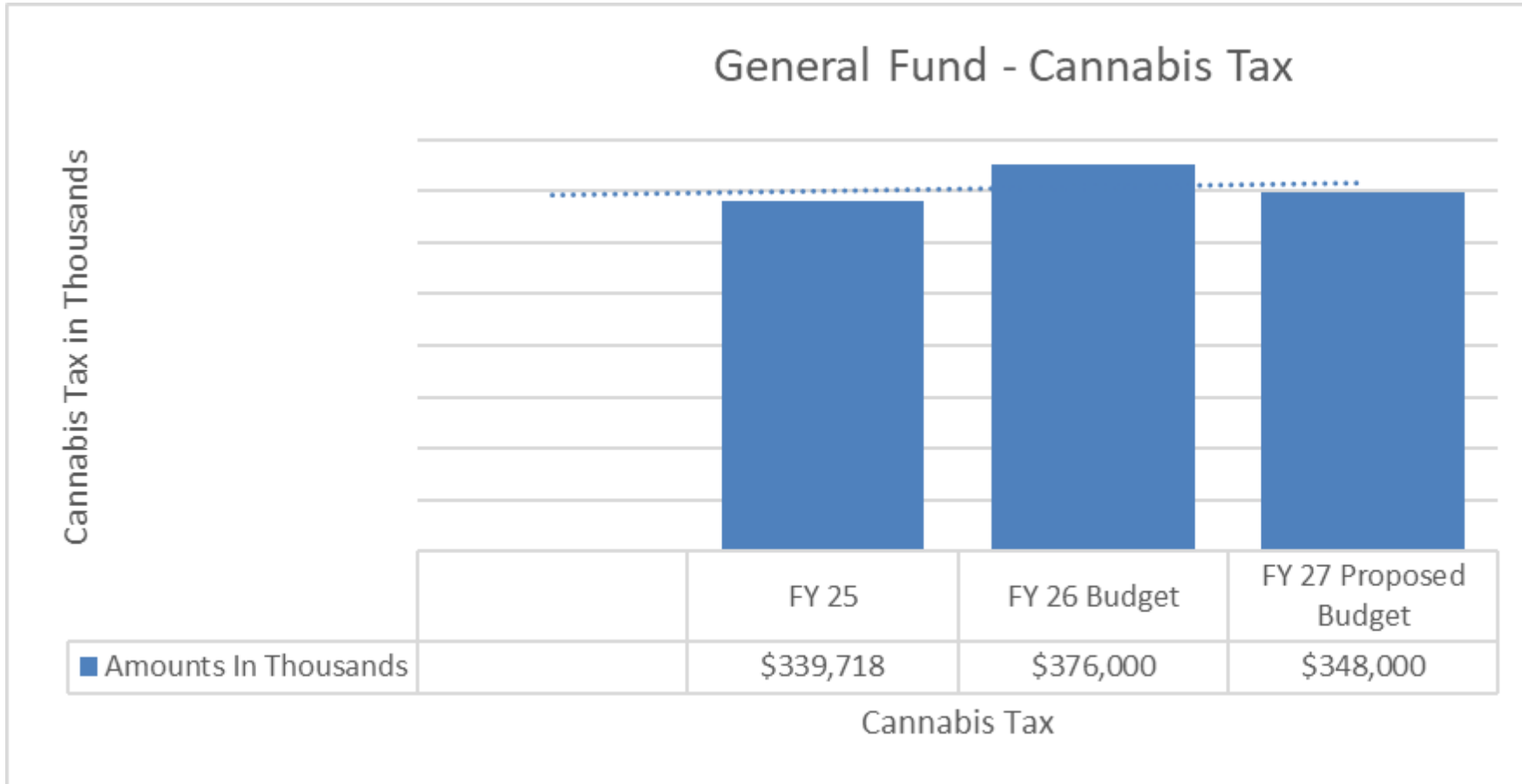
General Fund Sales Tax Estimate:  
~Approximately 2.6% Increase



# FY 27 Proposed Budget



## General Fund Cannabis Tax Estimate:



# FY 27 Proposed Budget



FY 27 General  
Fund  
Expenditures:

General  
Administration &  
Government

Finance

Human  
Resources

Public Safety:  
Police, Fire, Code

Parks and  
Recreation

Community  
Development

Storm Water  
(added new  
department 5053)

Transfers-Out

# FY 27 Proposed Budget



## FY 27 General Fund Expenditures-Notables:

- Budgeted transfers to Fund 5050 (CFD), Maintenance Districts, Gas Tax – to offset any deficits at year-end
- POA COLA
- Contribution to Section 115 Combo Trust
  - Pension Stabilization \$100k
  - OPEB \$100k

# FY 27 Proposed Budget



FY 27 General Fund Expenditures-CAL FIRE Agreement:

CAL FIRE Contract Amount			
FY 23/24	FY 24/25	FY 25/26	FY 26/27
<u>\$ 5,498,880</u>	<u>\$ 5,773,824</u>	<u>\$ 6,062,515</u>	<u>\$ 5,907,823</u>
5 % Increase Each Fiscal Year			~2.56% Decrease

# FY 27 Proposed Budget



## GENERAL FUND BUDGET TO ACTUALS

	23/24		24/25			25/26		26/27
	Proposed	Final	Proposed	Final	Actual	Proposed	Mid-Year	Proposed
<b>R</b>	\$ 19,405,850	\$ 19,589,850	\$ 19,266,172	\$ 20,444,876	\$ 20,610,938	\$ 20,649,606	\$ 21,395,605	\$ 21,431,693
<b>E</b>	\$ 22,321,410	\$ 22,588,824	\$ 20,544,595	\$ 20,698,334	\$ 17,952,509	\$ 21,869,088	\$ 23,488,450	\$ 21,331,790
<b>D</b>	<u>\$ (2,915,560)</u>	<u>\$ (2,998,974)</u>	<u>\$ (1,278,423)</u>	<u>\$ (253,458)</u>	<u>\$ 2,658,429</u> <i>one time</i>	<u>\$ (1,219,482)</u>	<u>\$ (2,092,845)</u>	\$ 99,903
						\$ 809,000	\$ 2,204,279	\$ 32,500
						<u>\$ (410,482)</u>	\$ 111,434	\$ 132,403

R = Revenue, E = Expense, D = Difference

Proposed = budget presented and adopted in June for July 1 implementation

Final = amount @ YE with amendments throughout year

Actual = actual audited amounts



# FY 27 Proposed Budget



## LAIF Interest History

<u>LAIF Interest</u>	<u>Quarterly Apportionment Rates</u>					<u>GF Interest</u>
Fiscal Year	SEP	DEC	MAR	JUN	AVG	Earnings (all)
2019-20	2.45	2.29	2.03	1.47	2.06	\$ 31,151
2020-21	0.84	0.63	0.44	0.33	0.56	\$ 20,501
2021-22	0.24	0.23	0.32	0.75	0.39	\$ 23,985
2022-23	1.35	2.07	2.74	3.15	2.33	\$ 206,808
2023-24	3.59	4.00	4.30	4.55	4.11	\$ 457,932
2024-25	4.71	4.62	4.48	4.40	4.55	\$ 538,634
2025-26*	4.34	4.20	3.98		4.17	\$ 320,521

*\*unaudited*

Source:

Atwater: Springbrook General Ledger Account 0001-0000-6001

LAIF: Quarterly Apportionment Rates <https://www.treasurer.ca.gov/pmia-laif/historical/quarterly.asp>

# FY 27 Proposed Budget



## Public Safety Transactions & Use Tax Fund – “Measure B” Fund 0004:

FY 26/27 PROPOSED BUDGET		
		Projected Fund Balance
Revenue /	Expenditures /	6/30/2027
Transfers IN	Transfers OUT	
\$ 5,724,293	\$ 5,909,438	\$ 3,200,620

# FY 27 Proposed Budget



## Public Safety Transactions & Use Tax Fund – “Measure B” Fund 0004

### Revenues:

Transaction and Use Tax  
Interest Earnings

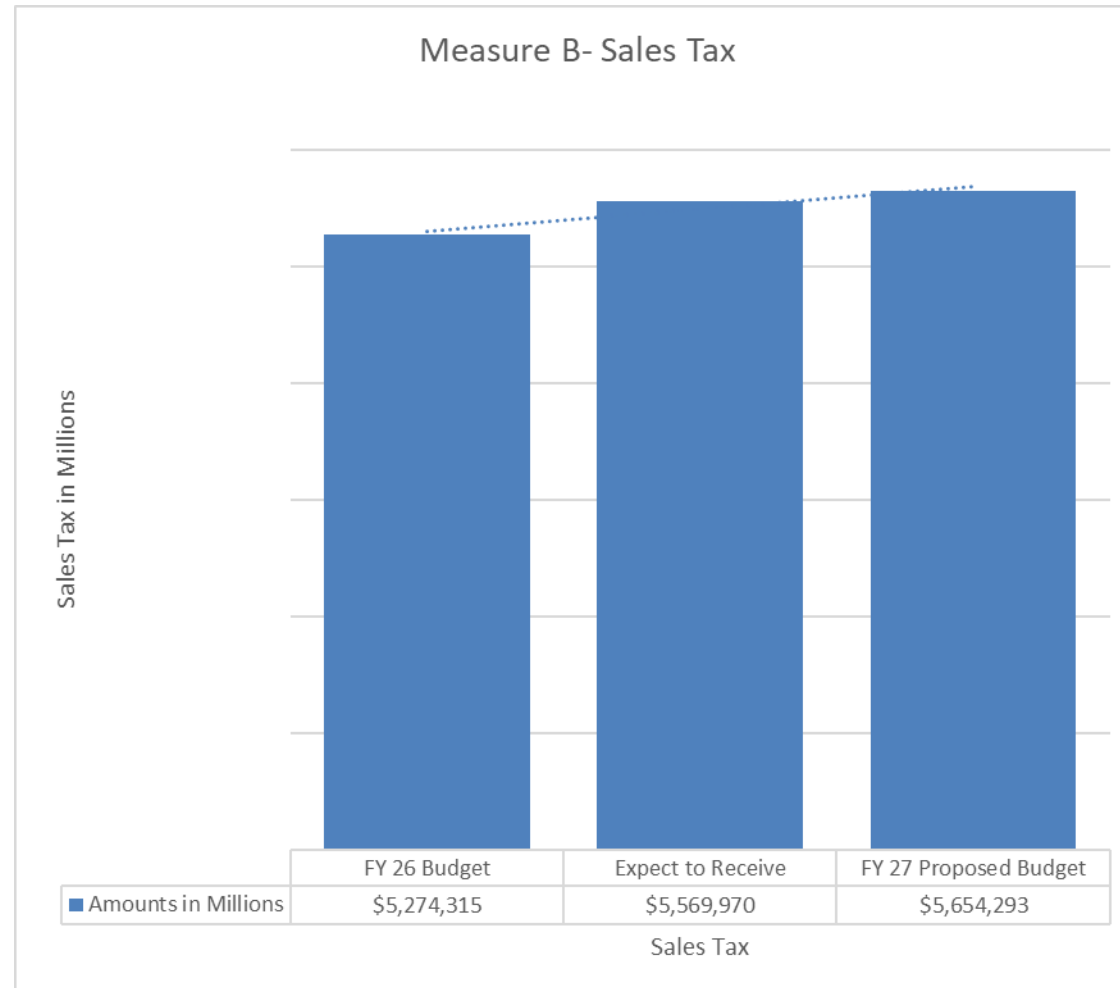
### Expenses:

Personnel  
Professional Services related to Public Safety  
Equipment  
CAL FIRE Contract (portion)

# FY 27 Proposed Budget



Public Safety Transactions & Use Tax Fund – “Measure B” Fund 0004  
Sales Tax: ~1.5% Increase



# FY 27 Proposed Budget



## Public Safety Transactions & Use Tax Fund – “Measure B” Fund 0004

FY 27 Fund 0004 "Measure B"		
Public Safety Transactions & Use Tax Fund		
Revenues/Transfers In		
	\$	5,724,293.00
Expenditures/Transfers Out		
	\$	5,909,438.00
Difference:	\$	(185,145.00)
Type I Outfitting	\$	227,000.00
Sum Total One-Time Expenses	\$	227,000.00
Difference	\$	<u>41,855.00</u>
Other items - quasi one-time	\$	83,000.00
	\$	<u>124,855.00</u>

# FY 27 Proposed Budget



## Enterprise Funds: Water, Sewer, Sanitation

<b>Fund 6000</b>		<b>Water Enterprise</b>	
Revenues:	\$		8,731,000
Expenses:	\$		6,502,948
<i>Difference</i>	\$		2,228,052
<b>Fund 6010</b>		<b>Sewer Enterprise</b>	
Revenues:	\$		12,696,685
Expenses:	\$		12,796,996
	\$		(100,311)
Canal Creek Proj. Cost	\$		300,000
<i>Difference</i>	\$		199,689
<b>Fund 6020</b>		<b>Sanitation Enterprise</b>	
Revenues:	\$		5,235,700
Expenses:	\$		5,092,746
<i>Difference</i>	\$		142,954

 Remember! Debt Service Coverage-Rate Study!

# FY 27 Proposed Budget



## Future Considerations:

- Prioritize use of discretionary General Fund balance
- Revisit General Fund Reserve policy (strategic plan item-amount and use)
- Other Financial Policies:
  - Pension funding policy (Section 115 Trust, CalPERS)
  - Litigation reserve policy

# FY 27 Proposed Budget



## Looking Ahead/Next Steps:

- Finalize numbers: Gas tax & SB1 RMRA amounts are included in Governor's May revise
- Changes provided through City Council or City Manager Direction
- Assessment revenue estimates (any changes since draft)
- Capital Improvement Plan (CIP)
- Final City Manager Recommended FY 27 Budget (includes the Capital Improvement Plan), along with the Appropriations Limit (aka "Gann Limit"), updated FY 27 Salary Schedule & Miscellaneous Fee Schedule presented in June 2026 for implementation July 1, 2026



## Conclusion

