

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: February 3, 2026

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To: Honorable Mayor and City Councilmembers
From: Mary Gourley – Interim City Manager
 Ana Kwong – Administrative Services Director
Subject: Budget Meeting Schedule for Fiscal Year 2026-27 City Budget

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RECOMMENDATIONS:

That the City Council Accept the budget schedule for the fiscal year 2026-27.

EXECUTIVE SUMMARY:

The FY2026-27 Budget will focus on core services services and key infrastructure needs. The City's financial position will determine the services and projects included. The Budget Committee, which includes two City Council members, the City Manager, and the Administrative Services Director, reviews with support from the budget presented to the full council.

BACKGROUND:

The budget development schedule includes the formation of a Budget Committee, which is composed of two members of the City Council, the City Manager and the Administrative Services Director. This committee is responsible for conducting the majority of the technical and analytical work required to assemble a preliminary draft budget.

Working closely with City staff, the committee will review departmental requests, evaluate funding needs, and develop recommendations that align with City priorities and fiscal policies. Draft materials produced by the committee will ultimately be reviewed by full City Council for consideration.

To support this work, the Budget Committee will convene as often as necessary as listed in the calendar throughout the budget preparation cycle. These meetings will focus on examining department-level budgets, discussing operational and capital needs, and refining proposed allocations prior to presenting the draft document to the City Council.

DISCUSSION:

The committee's responsibilities include conducting a thorough review of the draft budget, engaging in collaborative discussions with City staff, and ensuring that every component of the proposed budget has been fully evaluated. While the committee will follow the schedule outlined in the proposed budget calendar, additional meetings will be convened as needed to review departmental funding requests and refine recommendations. The key purpose of this process is to develop a well-informed, carefully vetted budget recommendation for presentation to the full City Council for their consideration and approval.

In accordance with State law, all cities must adopt their operating budget for the upcoming fiscal year no later than June 30. If the budget is not formally adopted by this deadline, the City is required to pass a resolution authorizing the continued use of the prior year's budget for a period of up to—but not exceeding—60 days. If the City Council has not completed its review and approval of the budget during the first scheduled meeting in June, the second meeting provides an opportunity to finalize the budget and adopt it before the statutory deadline.

STAFF ANALYSIS:

Staff reviewed the proposed budget calendar with the Budget Committee at its meeting on January 12, 2026. After discussing the timeline, key milestones, and anticipated deliverables, the committee expressed support for the approach. Based on this review, the Budget Committee formally recommends adoption of the proposed calendar to guide the development of the upcoming fiscal year budget.

BUDGET COMMITTEE REVIEW

The Budget Committee has reviewed this item at its January 12, 2026 meeting.

CITY COUNCIL GOALS/PRIORITIES/AND OR GENERAL PLAN CONSISTENCY:

Goal 5 – Long Term Financial Sustainability

Achieving Greater Fiscal Resilience and Long Term Fiscal Sustainability

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

FISCAL IMPACT:

No funding impacting for this item.

RESTATED RECOMMENDATION:

That the City Council accept the budget schedule for the fiscal year 2026-27.

CITY COUNCIL OPTIONS:

1. That the City Council accept the budget schedule for the fiscal year 2026-27; or
2. Deny the acceptance of this schedule.

ATTACHMENTS:

FY2026-27 Budget Calendar

APPROVALS:

Department Head Approval: Approval Date: 1/5/2026

CEQA Determination (Planning): Approval Date: 1/5/2026

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines.

Administrative Services (Financial): Approval Date: 1/5/2026

Costs authorized in City Approved Budget: ☐ Yes ☒ No ☐ N/A

Account Code (f applicable) _____

City Attorney Approval Approval Date: 1/21/26

City Manager Approval Approval Date: 1/21/26

Fiscal Year 2026-27 Proposed Budget Calendar

Month	Day	Due Date	Task	Responsible Department
December	Tuesday	30	FY25-26 Estimated Year-End Projection Due	All
January	Monday	5	FY25-26 Estimated Year-End Actual in Budget System	Admin Services
January	Monday	12	Regular Monthly Budget Committee Meeting	All
January	Thursday	29	Receive Data Set Request from Consultant (Cost Allocation Plan Refresh)	Admin Services
February	Monday	2	FY26-27 Labor Allocation File Provided to Departments for Review and Update	Admin Services
February	Tuesday	3	City Council Meeting: Review mid-year budget and financial forecast overview Quarter 2 (Oct-December) Financial Updates for General Fund and Enterprise Fund	All
February	Monday	4	Budget Training Session for Department Heads	All Lead: Admin Services
February	Tuesday	9	Regular Monthly Budget Committee Meeting	All
March	Monday	2	Budget Committee Meeting #1 – starts 10:30 AM	All
March	Monday	9	Budget Committee Meeting #2 – starts 10:30 AM	All
March	Monday	30	Budget Committee Meeting #3 – starts 10:30 AM	All
April	Monday	6	Budget Committee Meeting #4 – starts 10:30 AM	All
April	Monday	20	Budget Committee Meeting #5 – starts 10:30 AM	All
May	Monday	11	Budget Committee Meeting #6 – starts 10:30 AM	All
May	Monday	18	Draft Budget Document to City Council	Admin Services
June	Tuesday	2	Public Hearing – Lighting Assessment District	Admin Services
June	Tuesday	2	Public Hearing – User Fee Schedule	Admin Services
June	Tuesday	2	Public Hearing – FY26-27 Budget	Admin Services
June	Tuesday	16	FY26-27 Budget Adoption	All