



City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: October 6, 2026 - Continued from September 15, 2026 City Council Meeting

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To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: Receipt of Budget at a Glance Format and Authorize Staff to Post Such Document on the City Website

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RECOMMENDATIONS:

Staff recommends that the City Council receive the FY 2026-27 Budget at a Glance and authorize staff to publish the document on the City’s official website. The summary is intended to make the adopted budget easier for residents, businesses, and other interested parties to understand.

PROCESS OF AGENDA ITEM:

- Presentation by staff
- Council questions and discussion
- Public comment
- Council deliberation and action

EXECUTIVE SUMMARY:

The FY 2026-27 Budget at a Glance provides a concise, four-page (2 pages back to back printing) summary of the City’s adopted budget. It highlights the City Council’s six goals and priorities, the citywide budget, the General Fund, Measure U, authorized staffing, the Capital Improvement Program, and the Water and Wastewater Enterprise Funds. The document supplements the full adopted budget and is intended to improve public access to key financial information.

BACKGROUND:

The Sebastopol City Council adopted six goals and priorities on April 14, 2026. The FY 2026-27 adopted budget supports these priorities while maintaining essential City services and planning for the community’s long-term needs:

1. Community Vitality
2. Public safety
3. Infrastructure
4. High Performance Organization
5. Long Term Financial Sustainability
6. Economic Development

The Budget at a Glance connects the City’s financial plan to these priorities and presents key information in a format that is easier to review than the full budget document.

DISCUSSION:

The City first developed the Budget at a Glance during the FY 2025-26 budget cycle to provide a short, public-facing companion to the full adopted budget. The framework is now updated annually so readers can quickly identify the City’s major revenue sources, spending areas, fund balances, staffing, and capital investments.

The FY 2026-27 edition has been expanded to four pages. It includes additional information on Measure U, authorized staffing, the Capital Improvement Program, top capital projects, and separate summaries for the Water and Wastewater Funds.

The Budget at a Glance is a supplemental summary and does not replace the full adopted budget. The full budget remains the City's detailed financial plan and source for complete fund, department, program, and capital project information.

STAFF ANALYSIS:

The FY 2026-27 citywide adopted budget includes approximately \$31.061 million in revenue and \$31.065 million in expenditures. The projected citywide beginning balance is approximately \$18.003 million, with an ending balance of approximately \$17.999 million.

The General Fund includes approximately \$15.622 million in revenue and \$16.473 million in expenditures, with planned use of fund balance of approximately \$850,583. The projected ending unassigned General Fund balance is approximately \$4.388 million, or 26.6% of expenditures. This is above the City's 15% policy minimum and 20% long-term goal.

The summary also identifies approximately \$1.58 million in FY 2026-27 Measure U revenue, 58 authorized full-time equivalent positions, and approximately \$10.2 million in planned Capital Improvement Program funding.

The Water Fund includes approximately \$4.032 million in revenue, \$4.543 million in expenditures, and a projected ending balance of \$1.847 million. The Wastewater Fund includes approximately \$7.042 million in revenue, \$6.419 million in expenditures, and a projected ending balance of \$2.748 million. The document explains that utility revenues support operations, maintenance, capital improvements, debt obligations, reserves, and future system needs.

The four-page format uses plain language, summary figures, and visual comparisons to help readers understand the adopted budget at a high level. Figures are rounded for presentation, so minor differences may occur when compared with detailed schedules in the full adopted budget.

BUDGET COMMITTEE REVIEW

This item was reviewed by the Budget Committee on September 9, 2026.

The item was reviewed by the Budget Committee on September 28, 2026. The Committee supported the FY 2026-27 Budget at a Glance to move forward as presented for City Council consideration on October 6, 2026.

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

This agenda item represents the City Council's goals/priorities as follows:

Goal 5 – Long Term Financial Sustainability

Action Plan 4 - Publish Reports on Budget Illustrating Budget (Budget at a Glance)

A "Budget at a Glance" provides a concise overview of the financial plan. It highlights key financial metrics and summaries, making it easier for the public to understand the budget's main components without delving into detailed documents.

This agenda item represents the City Council General Plan Consistency (if applicable): Not Applicable

FISCAL IMPACT:

There's no fiscal impact in accepting this budget at a glance format.

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 the scheduled meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

Following publication of the agenda, the City received public comments regarding the format and presentation of the Budget at a Glance document. Staff reviewed the comments and made several revisions intended to improve the presentation of enterprise fund information and identify funding sources for selected capital projects.

The Budget at a Glance document and its purpose is to provide a high-level overview of the City's finances. More detailed information regarding fund activity, capital projects, funding sources, and budget assumptions is available in the adopted budget and Capital Improvement Program documents. No changes were made to the underlying adopted budget; the revisions are limited to the presentation and summarization of information contained in the Budget at a Glance.

RESTATED RECOMMENDATION:

Staff recommends that the City Council receive the FY 2026-27 Budget at a Glance and authorize staff to publish the document on the City's official website. The summary is intended to make the adopted budget easier for residents, businesses, and other interested parties to understand.

CITY COUNCIL OPTIONS:

Acceptance of the Budget at a Glance format and Authorize Staff to post the document on the City's website.

ATTACHMENTS:

Budget at a Glance Report

APPROVALS:

Department Head Approval: Approval Date: 8/31/2026

CEQA Determination (Planning): Approval Date: N/A

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has 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: 8/31/2026

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

Account Code (if applicable) _____

City Attorney Approval Approval Date: 9/9/26

City Manager Approval: Approval Date: 9/9/26



BUDGET AT A GLANCE

Annual Budget FY 2026-27

Agenda Item Number 9

CITY COUNCIL GOALS & PRIORITIES

The FY 2026-27 budget supports the six goals adopted by the City Council on April 14, 2026.

1

GOAL 1
Community Vitality

2

GOAL 2
Public Safety

3

GOAL 3
Infrastructure

4

GOAL 4
High Performance Organization

5

GOAL 5
Long Term Financial Sustainability

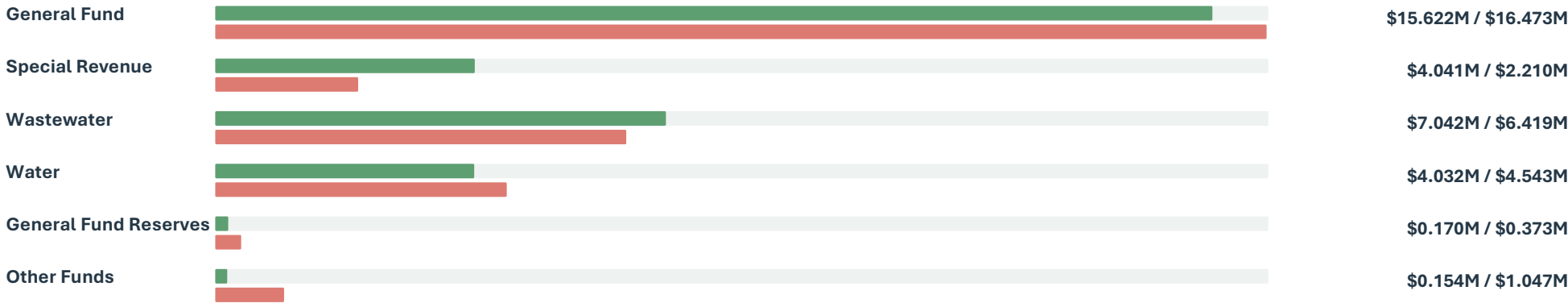
6

GOAL 6
Economic Development

CITYWIDE ADOPTED BUDGET

TOTAL REVENUE \$31.061M	TOTAL EXPENDITURES \$31.065M	BEGINNING BALANCE \$18.003M	ENDING BALANCE \$17.999M
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Revenue and expenditures by fund (\$ millions)



Agenda Item Number 9



BUDGET AT A GLANCE

Annual Budget FY 2026-27

Agenda Item Number **GENERAL FUND**

GENERAL FUND SNAPSHOT

REVENUE

\$15.622M

EXPENDITURES

\$16.473M

USE OF FUND BALANCE

(\$850,583) *

ENDING FUND BALANCE

\$4.388M

* The deficit includes \$510,000 in deferred pavement projects carried forward to this fiscal year.

WHERE THE MONEY COMES FROM

Sales Taxes		\$6.139M
Property Tax		\$3.863M
Licenses & Permits		\$1.144M
Utility Users Tax		\$0.975M
Franchise Fees		\$0.593M
Other Revenue		\$2.908M

WHERE THE MONEY GOES

Police		\$6.115M
Public Works		\$2.714M
Administrative Services		\$1.529M
Fire Services		\$1.293M
Transfers Out		\$1.123M
Other Departments		\$3.699M

FUND BALANCE & RESERVES

BEGINNING UNASSIGNED FUND BALANCE

\$5.238M

ENDING UNASSIGNED FUND BALANCE

\$4.388M

PROJECTED RESERVE LEVEL

26.6%

Policy minimum: 15% | Long-term goal: 20%



BUDGET AT A GLANCE

Annual Budget FY 2026-27

MEASURE U AT A GLANCE

FY 2026-27 PROJECTED REVENUE

\$1.53M

TERM

12 Years

Measure U supports general City services and infrastructure through the annual budget process.

AUTHORIZED STAFFING

TOTAL AUTHORIZED STAFFING

58 FTE

Full-time equivalent positions support public safety, public works, utilities, planning, building, finance, and administration.

CAPITAL IMPROVEMENT PROGRAM

FY 2026-27 CIP

Approx. \$10.2M

The Capital Improvement Program provides funding for streets, utility systems, public facilities, parks, and safety improvements.

TOP CAPITAL PROJECTS

Pavement Rehabilitation Program

Pedestrian/Bicycle Safety Improvements

Parks Improvements

Calder Creek Project

Well #4 Project

Wastewater System Improvements

Capital projects may span more than one fiscal year; the adopted budget identifies the funding planned for FY 2026-27.



BUDGET AT A GLANCE

Annual Budget FY 2026-27

Agenda Item **WATER + WASTEWATER**

ENTERPRISE FUNDS

Water and wastewater activities are accounted for separately from the General Fund. Utility revenues pay for operation, maintenance, capital projects, debt obligations, and future system needs.

Revenue \$4.032M | Expenditures \$4.543M | Ending balance \$1.847M

WHERE WATER REVENUE COMES FROM

Total revenue: \$4.032M

Water service revenue		\$3.110M
Transfers in		\$0.792M
Connection fees		\$0.130M

WHERE WATER MONEY GOES

Total expenditures: \$4.543M

Capital projects		\$1.425M
Services, supplies & utilities		\$0.889M
Cost Allocation Plan		\$0.790M
Salaries & benefits		\$0.681M
Transfers out		\$0.376M
Debt service & insurance		\$0.382M

WASTEWATER FUND Revenue \$7.042M | Expenditures \$6.419M | Ending balance \$2.748M

WHERE WASTEWATER REVENUE COMES FROM

Total revenue: \$7.042M

Wastewater service revenue		\$5.681M
Transfers in		\$0.865M
Connection fees		\$0.497M

WHERE WASTEWATER MONEY GOES

Total expenditures: \$6.419M

Subregional treatment		\$2.159M
Capital projects		\$1.357M
Transfers out		\$0.865M
Cost Allocation Plan		\$0.837M
Salaries & benefits		\$0.589M
Services, supplies & other		\$0.410M
Debt service & insurance		\$0.203M

Full adopted budget: cityofsebastopol.gov/resource_library/city_budgets/

Agenda Item Number 9