City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: September 15, 2026

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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:
If the item remains on the Consent Calendar, no presentation is required, and the item will be approved as part of the Consent Calendar. If the item is removed from the Consent Calendar, it will be heard as a regular agenda item and will proceed as follows:

- 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:

- Community Vitality
- Public safety
- Infrastructure
- High Performance Organization
- Long Term Financial Sustainability
- 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.

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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 is scheduled for review by the Budget Committee on September 9, 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.

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As of the writing of this agenda item report, the City has not received any public comment. However, if staff receive public comment from interested parties following the publication and distribution of this agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting.

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: __________

City Manager Approval: Approval Date: __________

BUDGET AT A GLANCE

Annual Budget FY 2026-27

CITY COUNCIL GOALS & PRIORITIES

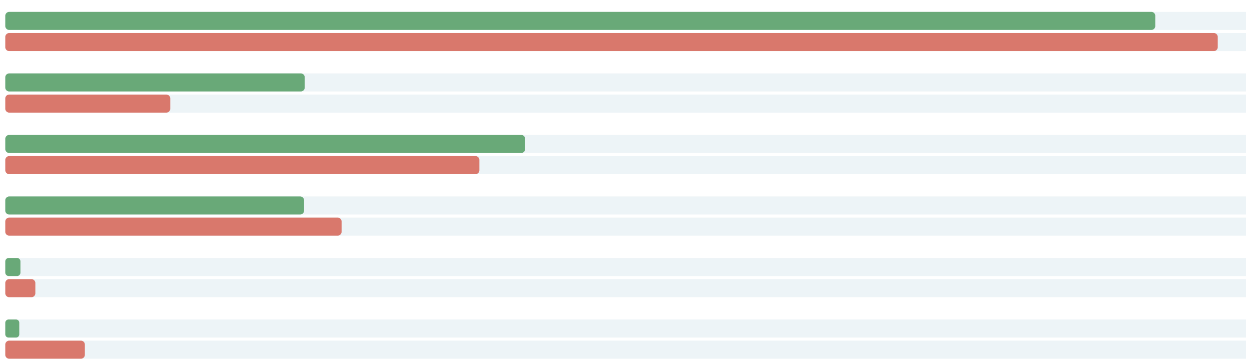
The FY 2026-27 budget supports the six goals adopted by the City Council on April 14, 2026

- 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	TOTAL EXPENDITURES	BEGINNING BALANCE	ENDING BALANCE
$31.061M	$31.065M	$18.003M	$17.999M

Revenue and expenditures by fund ($ millions)



General Fund	$15.622M / $16.473M
Special Revenue	$4.041M / $2.210M
Wastewater	$7.042M / $6.419M
Water	$4.032M / $4.543M
General Fund Reserves	$0.170M / $0.373M
Other Funds	$0.154M / $1.047M

BUDGET AT A GLANCE

Annual Budget FY 2026-27

GENERAL FUND SNAPSHOT

REVENUE	EXPENDITURES	PLANNED USE OF FUND BALANCE	ENDING FUND BALANCE
$15.622M	$16.473M	($850,583)	$4.388M

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	ENDING UNASSIGNED FUND BALANCE	PROJECTED RESERVE LEVEL
$5.238M	$4.388M	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 REVENUE

$1.58M

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
- Well #4 Project
- Community Center Flood Mitigation
- Pedestrian/Bicycle Safety Improvements
- Wastewater System Improvements
- Parks 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

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.

WATER FUND

REVENUE	EXPENDITURES	ENDING BALANCE
$4.032M	**$4.543M**	**$1.847M**

Operations	$1.85M
Capital Projects	$0.79M
Debt/Other	$1.90M

WASTEWATER FUND

REVENUE	EXPENDITURES	ENDING BALANCE
$7.042M	**$6.419M**	**$2.748M**

Operations	$3.28M
Capital Projects	$1.25M
Debt/Other	$1.89M

WHAT UTILITY REVENUES SUPPORT

Daily operations — Treatment, pumping, billing, and system monitoring

Maintenance — Preventive and corrective maintenance of utility assets

Capital improvements — Replacement and upgrade of water and wastewater infrastructure

Long-term needs — Debt payments, reserves, and future system investments

Full adopted budget: cityofsebastopol.gov/resource_library/city-budgets/