

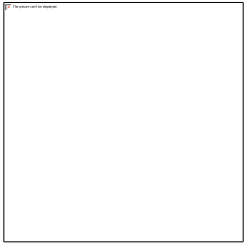


City of Huntington Beach FY 2026/27 Proposed Budget Summary Preview

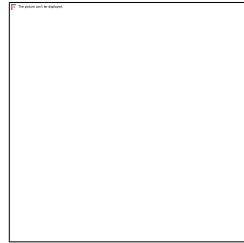
Presentation Overview

- **Introduction**
- **FY 2026/27 Proposed Budget All Funds Summary**
- **FY 2026/27 Proposed Budget General Fund Summary**
- **Budget Deficit**
- **FY 2026/27 Proposed Budget General Fund Balancing Strategy**
- **FY 2026/27 Proposed Budget Next Steps**

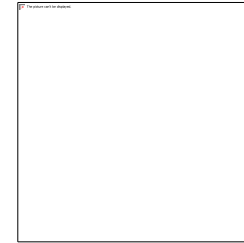
Introduction



Finance Budget Team



Budget Process



Items Included

FY 2026/27 Proposed Budget Book

FY 2026/27 Capital Projects Book



FY 2026/27 Proposed Budget All Funds Summary

Category	Amount
 Resources	
 On-Going Revenue	\$487,867,962
 One-Time Revenue	6,000,000
 Transfers-In	56,995,777
 Fund Balance	39,120,569
Total Resources	\$589,984,308
 Expenditures	
 Personnel	\$239,675,246
 Operating	177,443,653
 Capital	76,046,464
 Principal/Interest	33,823,168
 Transfers-Out	62,995,777
Total Expenditures	\$589,984,308

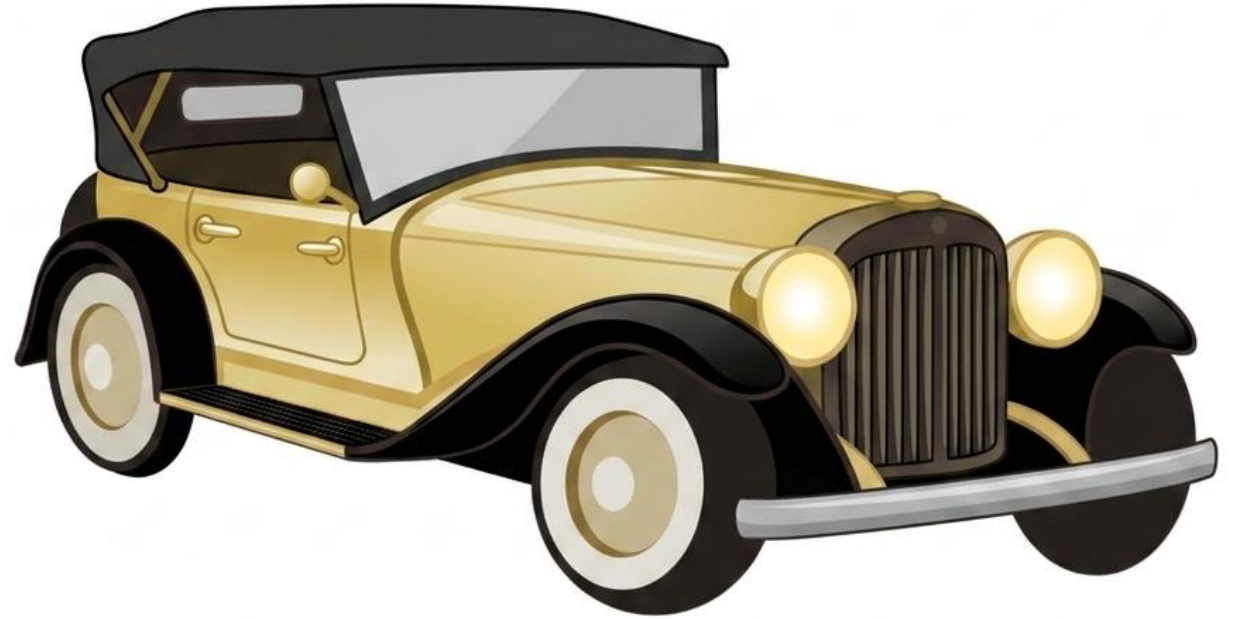
FY 2026/27 Proposed Budget General Fund Summary

Category	Amount
 Resources	
 On-Going Revenue	\$305,054,612
 One-Time Revenue	\$6,000,000
 Transfers-In	\$612,840
 Fund Balance	\$15,626,267
Total Resources	\$327,293,719
 Expenditures	
 Personnel	\$210,665,040
 Operating	\$61,298,122
 Principal/Interest	\$3,201,950
 Transfers-Out	\$52,128,607
Total Expenditures	\$327,293,719

Budget Deficit – The Situation

Budget Conditions

- One-way road, cannot stop
- Narrow road, outside pressures



Budget Deficit – The Warning Ahead

Looking Forward

- Bridge ahead, plan forward



Budget Deficit – Early Warning Signs

Early Indicators

- Yellow lights signal caution



Budget Deficit – When Action Is Required

Escalation

- Red lights require aggressive action



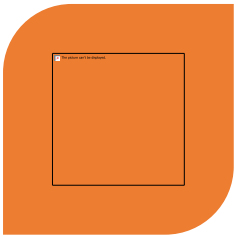


Budget Deficit – Navigation

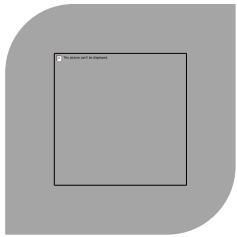
Navigation

- Steer early, stay in control
- Decisions shape the path
- Monitor bridge progress
- Stay aligned with plan

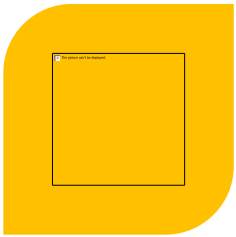
Budget Deficit – City of Huntington Beach



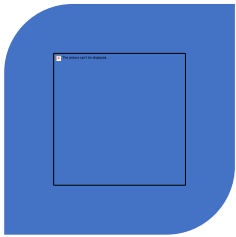
EARLY ACTION ON
FISCAL SIGNALS



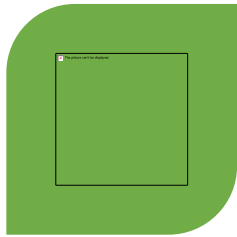
ADDRESSED
PRESSURES EARLY



CONTROLLED
ONGOING COSTS



MAINTAINED
FINANCIAL
STABILITY



LEADING AMONG
PEER CITIES

FY 2026/27 Proposed Budget General Fund Balancing Strategy

Staffing and Compensation

- Reduced and Unfunded Vacant Positions: **\$5.5M**
- Account for Memorandum of Understanding (MOU) Adjustments
- Removed **\$7.2M** Budgeted Attrition
- CalPERS Pension Increased: **\$8.8M**

Operations

- Added **3%** inflation to operating costs
- Added necessary supplemental requests
 - Register of Voters Costs for Elections
 - Additional safety expenses
 - Required contract price increases

Transfers / Funding Adjustments

- General Liability transfer reduction: **\$3M**
- Retiree Supplement transfer reduction: **\$6.5M**
 - This was done in FY 2025/26 and FY 2026/27

Equipment / Infrastructure

- Equipment Replacement increase: **\$1M**
 - Reduced expenses by \$2.5M
 - FY 25/26 underfunded by \$3.5M
 - Fully funded this year
- Infrastructure Fund increase: **\$1M**

Budget Deficit

- Use of fund balance to offset **\$15.6M** deficit

FY 2026/27 Proposed Budget Next Steps



Release all documents associated with
the FY 2026/27 Budget
May 5th



Finance Commission Meeting
May 13th



Study Session
May 19th



Adopt Budget
June 2nd

Questions?

