

*“We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history.”*



**City Manager's Report**

**June 10, 2025 City Council Meeting**

**Prepared by: Dave Warren, Assistant City Manager/Director of Finance**

**Item #: 11.1**

**Subject:** Public hearing for the proposed Fiscal Year 2025/2026 Operating and Capital Improvement Program Budget proposals.

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**Recommendation:**

Hold a public hearing for the proposed Fiscal Year 2025/2026 Operating and Capital Improvement Program Budget Proposals, provide any additional input to staff in developing the budget, and direct staff to bring back the Fiscal Year 2025/2026 Operating and Capital Improvement Program Budget for adoption at the June 24, 2025, City Council Meeting.

**Purpose:**

To hold a Public Hearing for the proposed Fiscal Year 2025/2026 Operating and Capital Improvement Program (CIP) Budgets and receive further input from the Public and the Council.

**Strategic Plan Strategies:**

Identify financial risks and opportunities. Meet financial commitments and reporting requirements.

**Background:**

Over the past six months, the City's Budget Team, which is comprised of the City Manager, all Department Heads, and the Assistant Finance Director, has collectively developed both the Operating Budget and the CIP Budget in a manner that aligns with the City Council's established fiscal policies, Strategic Plan, and maintains essential program delivery to the greatest extent possible. As part of the budget development process, the City Council held a special Budget Workshop on April 30, 2025, and staff presented departmental requests for Alternative Services Levels (changes to ongoing programs), capital outlay (equipment), CIP projects, and conference, training, and travel and received input from the City Council and the Public. A second special Budget Workshop was held on May 20, 2025, and staff presented the draft Operating and CIP budgets for Fiscal Year 2025/2026 and received input from the City Council and the Public. The Measures H/L Sales Tax Committee met on both April 14, 2025 and June 2, 2025 to discuss the proposed street, sewer system, and water system projects that should be funded and constructed over the next year or more.

**Discussion:**

Staff will present the proposed Fiscal Year 2025/2026 Operating and CIP Budgets, with the revisions that were discussed at the last Budget Workshop, and receive further input from the Public and the Council. Staff plans on returning to the Council on June 24th for budget adoption. Attached is a PowerPoint Presentation outlining the budget proposals.

**Options:**

1. Direct staff to bring back the proposed Fiscal Year 2025/2026 Operating and CIP Budget as presented for adoption at the June 24, 2025, City Council Meeting.
2. Direct staff to make adjustments to the draft Fiscal Year 2025/2026 Operating and/or CIP Budget and bring them back for adoption at the June 24, 2025, City Council Meeting.
3. Direct staff to take other actions.

**Environmental:**

Tonight's action is not directly applicable.

**Cost:**

There is no cost associated with tonight's action.

**Budget Impact:**

If approved on June 24, 2025, the Proposed Operating Budget and CIP Budget would become the City's official spending plans for Fiscal Year 2025/2026. Both Budgets are living documents that can be revised at any time by the City Council.



M. Cleve Morris, City Manager



Dave Warren, Assistant City  
Manager/Director of Finance

**Attachments:**

- A. Proposed Fiscal Year 2025/2026 Budget Presentation