



AGENDA

Special Meeting

City Council Chamber - 1243 National City
Boulevard, National City, CA

Ron Morrison, Mayor
Luz Molina, Vice-Mayor - District 1
Jose Rodriguez, Councilmember - District 2
Ditas Yamane, Councilmember - District 3
Marcus Bush, Councilmember - District 4

Stephen Manganiello, Acting City Manager
Heidi Skinner, Interim City Attorney
Shelley Chapel, MMC, City Clerk

The City Council also sits as the City of National City Community Development Commission, Housing Authority, Joint Powers Financing Authority, and Successor Agency to the Community Development Commission as the National City Redevelopment Agency

Thank you for participating in local government and the City of National City Council Meetings.

Meetings: Regular City Council Meetings are held on the first and third Tuesday of the month at 6:00 p.m. Special Closed Session Meetings and Workshops may be same day, the start time is based on needs. Check Special Agendas for times.

Location: Regular City Council Meetings are held in the Council Chamber located at City Hall, 1243 National City Boulevard, National City, CA 91950, the meetings are open to the public.

Agendas and Material: [Agendas and Agenda Packet](#) for items listed are available on the City website, and distributed to the City Council no less than 72 hours before the City Council Meeting. Sign up for [E-Notifications](#) to receive alerts when items are posted.

Public Participation: Encouraged in a number of ways as described below. Members of the public may attend the City Council Meeting in person, watch the City Council Meeting via [live](#) web stream, or participate remotely via [Zoom](#). [Recording of Meetings](#) are archived and available for viewing on the City's website.

To listen to the live stream in Spanish, you must register for Zoom prior to the meeting for access.

All Zoom registration must be completed **two (2)** hours prior to the City Council Meeting for access.

Public Comment: Persons wishing to address the City Council on matters not on the agenda may do so under Public Comments. Those wishing to speak on items on the agenda may do so when the item is being considered. Please submit a Speaker's Slip to the City Clerk before the meeting or immediately following the announcement of the item. All comments will be limited up to three (3) minutes. The Presiding Officer shall have the authority to reduce the time allotted to accommodate for a large number of speakers. *(City Council Policy 104)*

All written comment must be submitted no later than **four (4)** hours prior to the start of the meeting to allow time for distribution to the City Council.

EFFECTIVE JANUARY 1, 2023

All Contributions to Candidates and Current Elected Officials are required to self-report a Declaration of Campaign Contribution to a Councilmember of more than \$250 within the past year (effective Jan 1, 2023). This report may be included on the Public Comment Speaker Slip to be completed prior to the City Council Meeting.

Spanish Interpretation Services: Spanish Interpretation Services are available; please contact the City Clerk before the start of the meeting for assistance. clerk@nationalcityca.gov

American Disabilities Act Title II: In compliance with the American Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Title II. Any person with a disability who requires a modification or accommodation to participate in a meeting should direct such request to the City Clerk's Office (619) 336-4228 at least 24 hours in advance of the meeting.



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Gracias por participar en las reuniones del gobierno local y del Consejo de la Ciudad de National City.

Reuniones: Las reuniones regulares del Consejo Municipal se llevan a cabo el primer y tercer martes del mes a las 6:00 p.m. La reunión especial de sesión privada y los talleres pueden ser el mismo día, la hora de inicio se basa en las necesidades. Consulte las agendas especiales para conocer los horarios.

Ubicación: Las reuniones regulares del Concejo Municipal se llevan a cabo en la Cámara del Consejo ubicada en el Ayuntamiento, 1243 National City Boulevard, National City, CA 91950, las reuniones están abiertas al público.

Agendas y Material: Las Agendas y el Paquete de Agenda para los temas enumerados están disponibles en el sitio web de la Ciudad y se distribuyen al Concejo Municipal no menos de 72 horas antes de la Reunión del Concejo Municipal. Regístrese para recibir notificaciones electrónicas cuando se publiquen artículos.

Participación pública: Se fomenta de varias maneras como se describe a continuación. Los miembros del público pueden asistir a la Reunión del Concejo Municipal en persona, ver la Reunión del Concejo Municipal a través de la transmisión web en vivo o participar de forma remota a través de Zoom. Las grabaciones de las reuniones están archivadas y disponibles para su visualización en el sitio web de la Ciudad.

Para escuchar la transmisión en Español, registration por Zoom es requerido antes del comienzo de la sesión.

Todo registro para la transmisión por Zoom debe completarse **dos (2)** horas antes de la Reunión del Concejo Municipal.

Comentario Público: Las personas que deseen dirigirse al Concejo Municipal sobre asuntos que no están en la agenda pueden hacerlo bajo Comentarios públicos. Quienes deseen hacer uso de la palabra sobre los temas del programa podrán hacerlo cuando se esté examinando el tema. Por favor, envíe una solicitud del orador al Secretario de la Ciudad antes de la reunión o inmediatamente después del anuncio del artículo. Todos los comentarios estarán limitados a tres (3) minutos. El Presidente tendrá la autoridad para reducir el tiempo asignado para dar cabida a un gran número de oradores. (Política del Concejo Municipal 104)

Si desea enviar comentarios por escrito, envíe un correo electrónico a la Oficina del Secretario de la Ciudad al menos 1 hora antes de la Reunión del Consejo Municipal para dar tiempo a la distribución al Consejo Municipal.

Todos comentarios deben estar sometidos a más tardar **cuatro (4)** horas antes del comienzo de la sesión.

A PARTIR DEL 1 DE ENERO DE 2023

Todas las contribuciones a los candidatos y funcionarios electos actuales deben autoinformar una Declaración de contribución de campaña a un concejal de más de \$ 250 en el último año (a partir del 1 de enero de 2023). Este informe puede incluirse en el Recibo del orador de comentarios públicos que se completará antes de la reunión del Concejo Municipal

Servicios de interpretación en español: Los servicios de interpretación en español están disponibles, comuníquese con el Secretario de la Ciudad antes del inicio de la reunión para obtener ayuda.

Título II de la Ley de Discapacidades Americanas: En cumplimiento con la Ley de Discapacidades Americanas de 1990, las personas con discapacidad pueden solicitar una agenda en formatos alternativos apropiados según lo requerido por el Título II. Cualquier persona con una discapacidad que requiera un modificación o adaptación para participar en una reunión debe dirigir dicha solicitud a la Oficina del Secretario de la Ciudad (619) 336-4228 al menos 24 horas antes de la reunión.

State of California)
)ss.
County of San Diego)

AFFIDAVIT OF POSTING

I, Shelley Chapel, MMC, City Clerk of the City of National City, hereby declare under penalty of perjury that this notice of a Special Meeting – Budget Workshop was called by the City Council of the City of National City was posted and provided on Thursday, April 30, 2026, at 6:00 p.m. Said meeting to be held Monday, May 4, 2026, at 12:00 p.m. in the City Hall, City Council Chambers, 1243 National City Blvd., in the City of National City, California. Said notice was posted on the Bulletin Boards in front of City Hall and the Library.

Shelley Chapel

Shelley Chapel, MMC, City Clerk



AGENDA

City Council Workshop

Monday, May 4, 2026, 12:00 p.m.
City Council Chamber - 1243 National City Boulevard
National City, CA

Pages

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT (Public Comment will be Restricted to Agenda Items Only)
5. STAFF REPORT
 - 5.1 Fiscal Year 2026-2027 Budget Workshop No. 1
6. ADJOURNMENT

Recommendation:
Review, Receive Presentation, and Provide Staff Direction.

2



AGENDA REPORT

Department: Finance
Prepared by: Paul Valadez, Budget Manager
Meeting Date: Monday, May 4, 2026
Approved by: Stephen Manganiello, Acting City Manager

SUBJECT:

Fiscal Year 2026-2027 Budget Workshop No. 1

RECOMMENDATION:

Review, Receive Presentation, and Provide Staff Direction.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The Fiscal Year 2026-2027 preliminary budget will be presented at Workshop No. 1 as an introduction, offering the City Council and the public a high-level view of the City's financial position as it enters Fiscal Year 2027.

FINANCIAL STATEMENT:

Not Applicable at this time.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA, and is therefore, not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – PowerPoint Presentation – Preliminary FY2027 Budget Workshop



**Preliminary General Fund Budget
Fiscal Year 2026/2027**

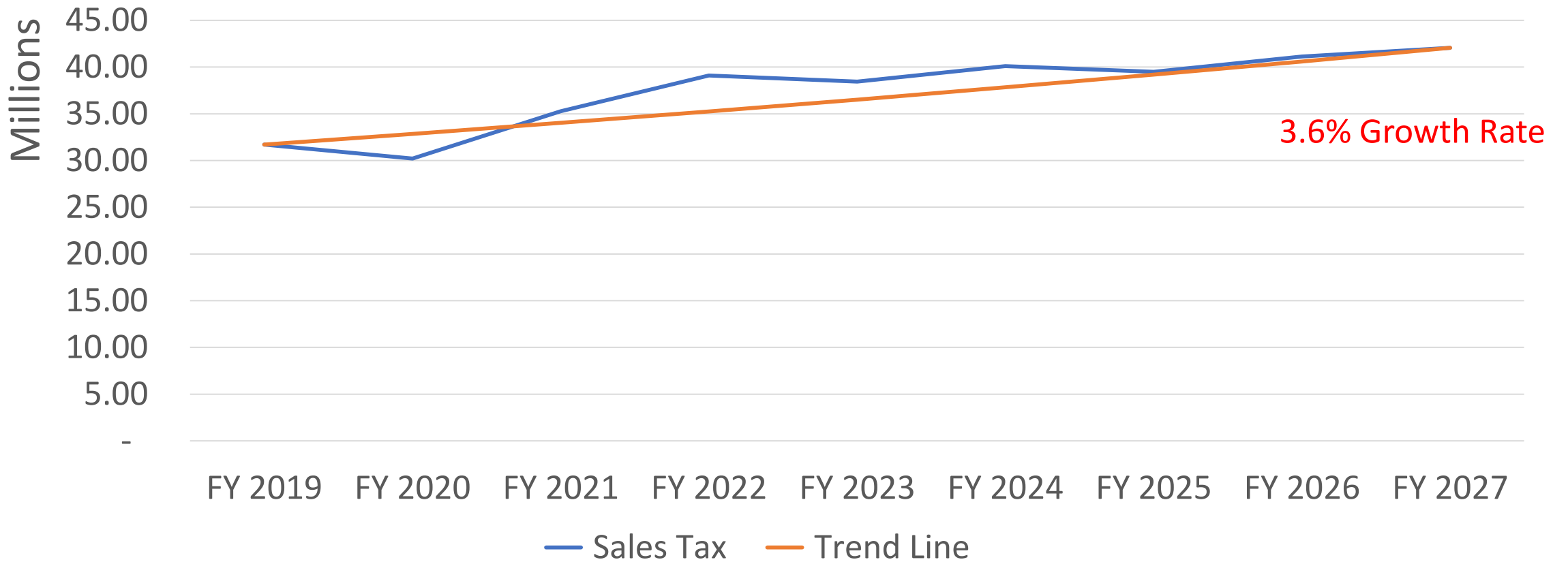
May 4, 2026



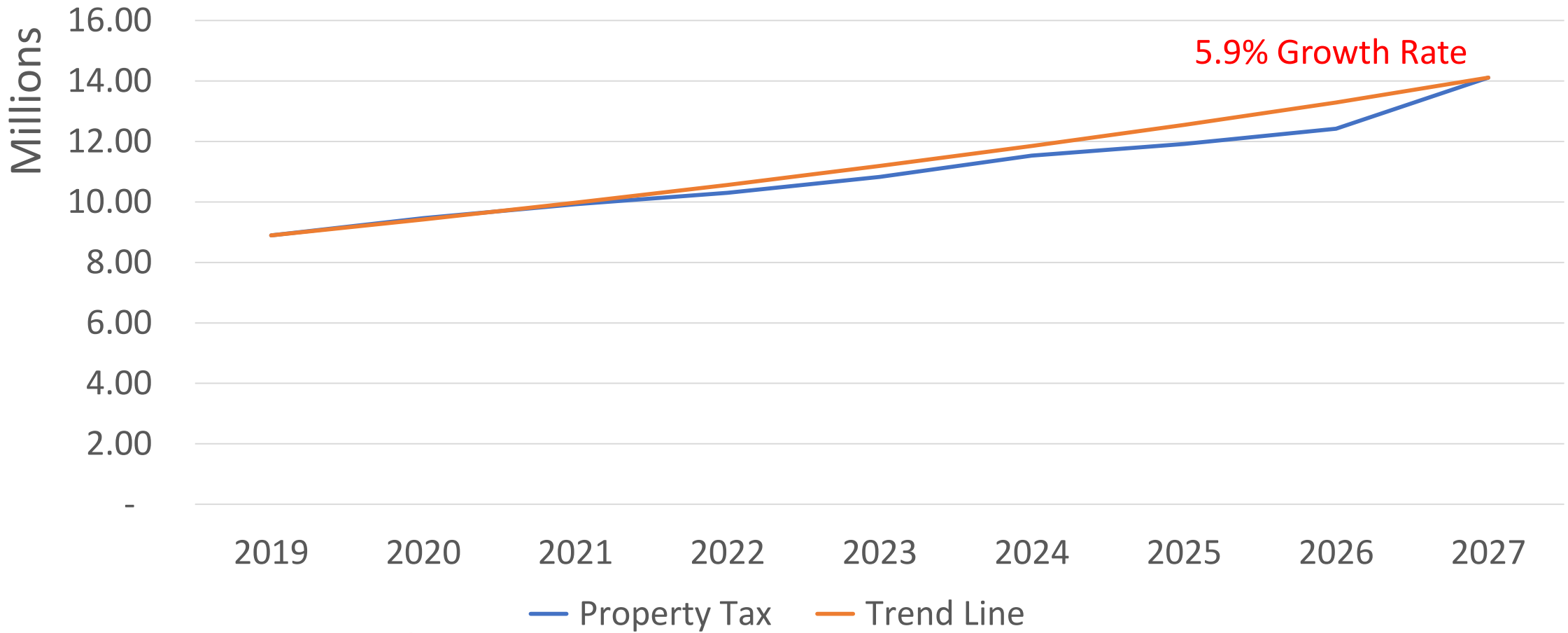
Budget Highlights

- 382.0 FTE permanent/benefited positions (276.0 General Fund)
 - Includes annualized cost of 3.0 FTE added mid-year FY26
- \$1.9 Million GF increase for the CalPERS Unfunded Actuarial Liability
- \$1.4 Million GF increase in General Liability Insurance Premiums
- \$1.0 Million transfer to CIP Fund
- Budget reflects annualized COLA/equity increases given in FY26, as well as scheduled FY27 increases

Sales Tax Revenues



Property Tax Revenues



General Fund Revenues

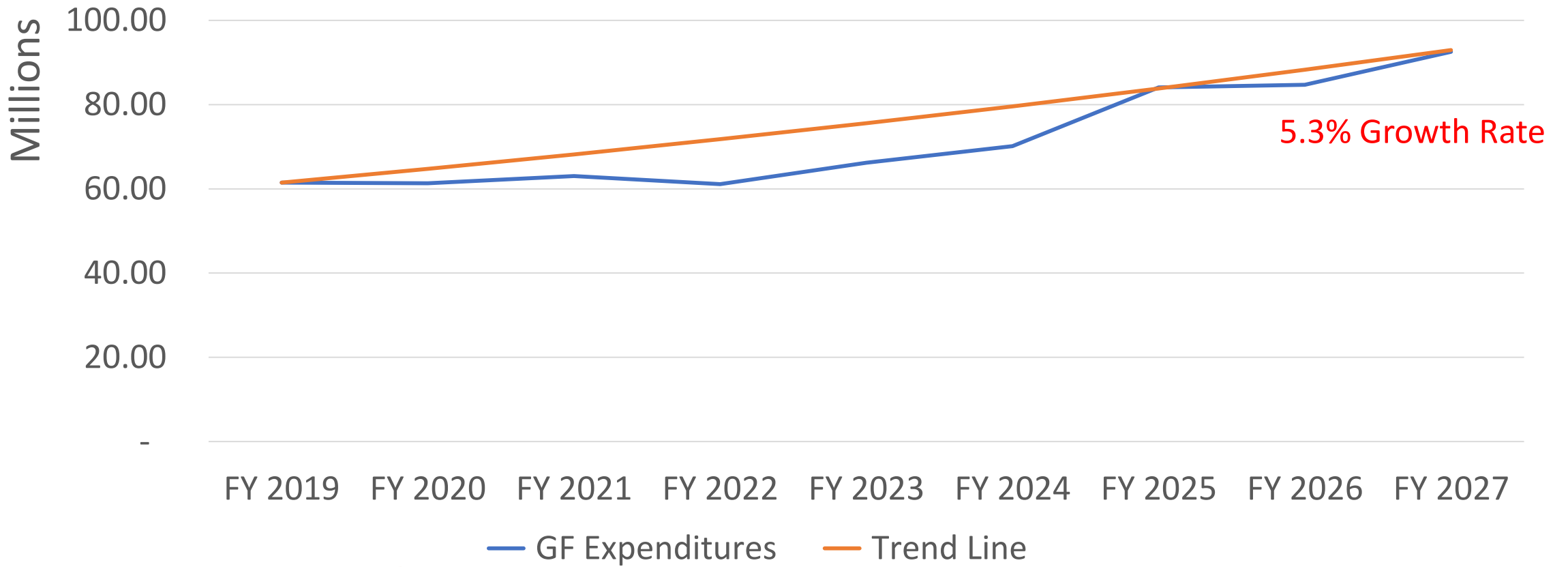
Preliminary FY 2027 Budget

	FY 2026 Adopted Budget	FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget
Sales & Use Tax	24,261,000	24,723,000	462,000	1.9%
District Transaction Tax	16,868,000	18,125,000	1,257,000	7.5%
Property Tax	5,082,384	4,946,900	(135,484)	(2.7%)
Property Tax Allocated	(2,296,946)	(2,243,150)	53,796	(2.3%)
Property Tax in Lieu of VLF	9,837,550	9,896,000	58,450	0.6%
Other Revenues	19,946,009	20,914,153	968,144	4.9%
Transfers-in	5,500	5,500	-	0%
Total	73,703,497	76,367,403	2,663,906	3.6%

Other Revenues (\$20.9)

- \$4.1 Million Successor Agency Residual Balance Distribution
- \$3.2 Million Franchise Fees
- \$2.0 Million Transient Lodging Tax
- \$1.5 Million Investment Earnings
- \$1.4 Million Port Authority Reimbursement
- \$900,000 Land Rental Income
- \$730,000 Overtime Reimbursements
- \$408,000 School District Contract Reimb
- \$400,000 Cannabis Revenue (does not include sales tax)
- \$226,000 Las Palmas Golf Course Rental Income
- \$6.0 Million Total Other Revenues

General Fund Expenditures



General Fund Expenditures Preliminary FY 2027 Budget

<u>By Departments:</u>	FY 2026 Adopted Budget	FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget
Police	33,304,639	36,523,067	3,218,428	10%
Fire	14,910,730	16,995,090	2,084,360	14%
Engineering & Public Works	4,296,262	4,722,628	426,365	10%
Community Development	3,862,834	4,243,374	380,540	10%
Community Services	3,033,251	3,321,130	287,878	9%
Mayor/City Council	1,073,064	1,073,374	310	0%
Administration	9,038,369	9,651,507	613,137	6.8%
Non-Departmental	13,454,134	15,983,890	2,529,756	19%
Total	82,973,283	92,514,058	9,540,775	11.5%

City Attorney
City Clerk
City Manager

Finance
HR

Non-Department Expenditures

- \$4.7 Million Transfer for 2021 POB Bond Payment*
- \$4.6 Million Transfers Out to Subsidized Funds (Library, Parks, Nutrition)
- \$4.4 Million UAL Payment
- \$1.0 Million Transfer to CIP Fund
- \$460,000 Transfer for Retiree Health
- \$390,000 Debt Service Payment (Energy Bonds)
- \$310,000 General Operating Expenses
- \$15.9 Million Total Non-department Expenditures

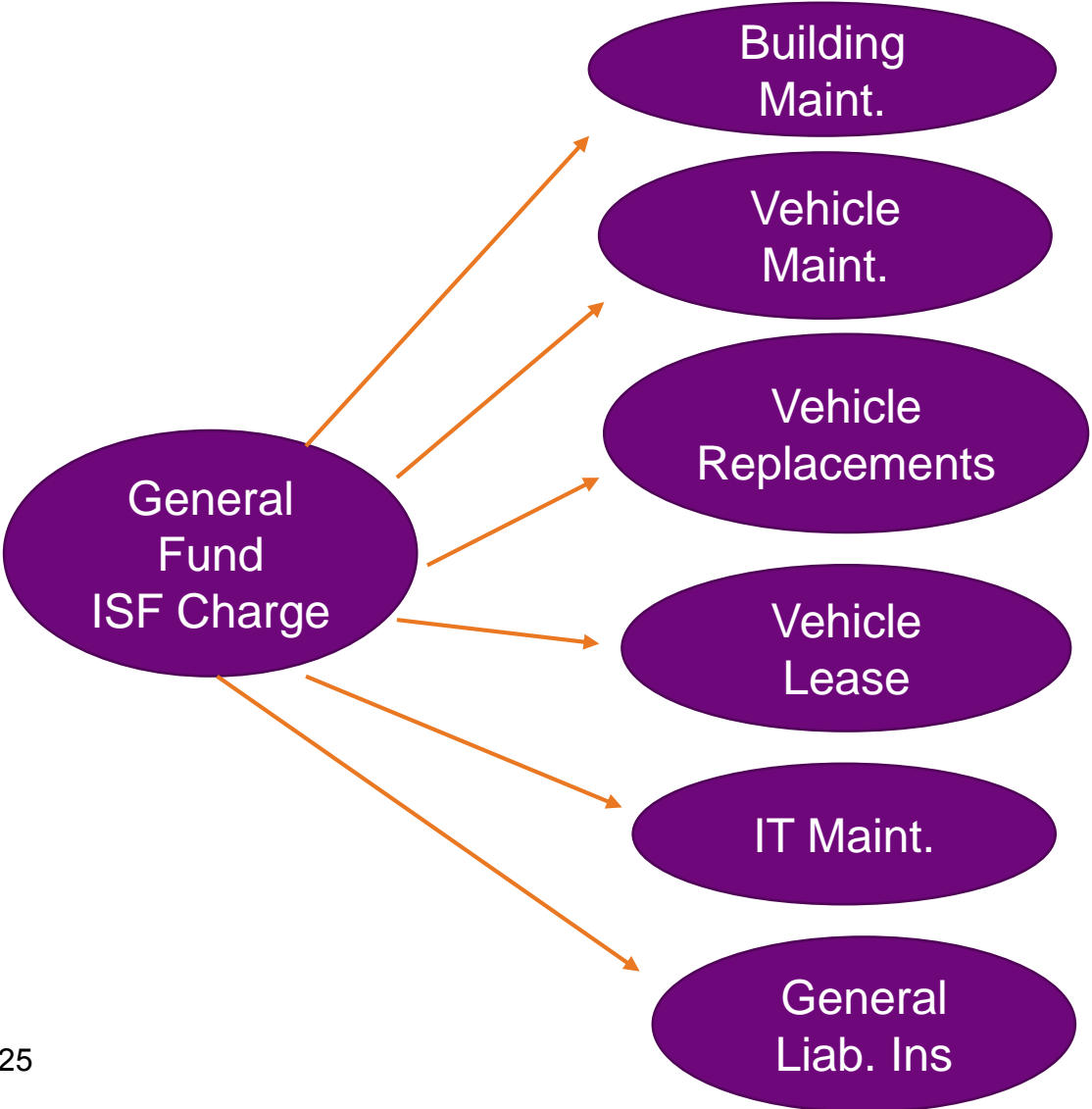
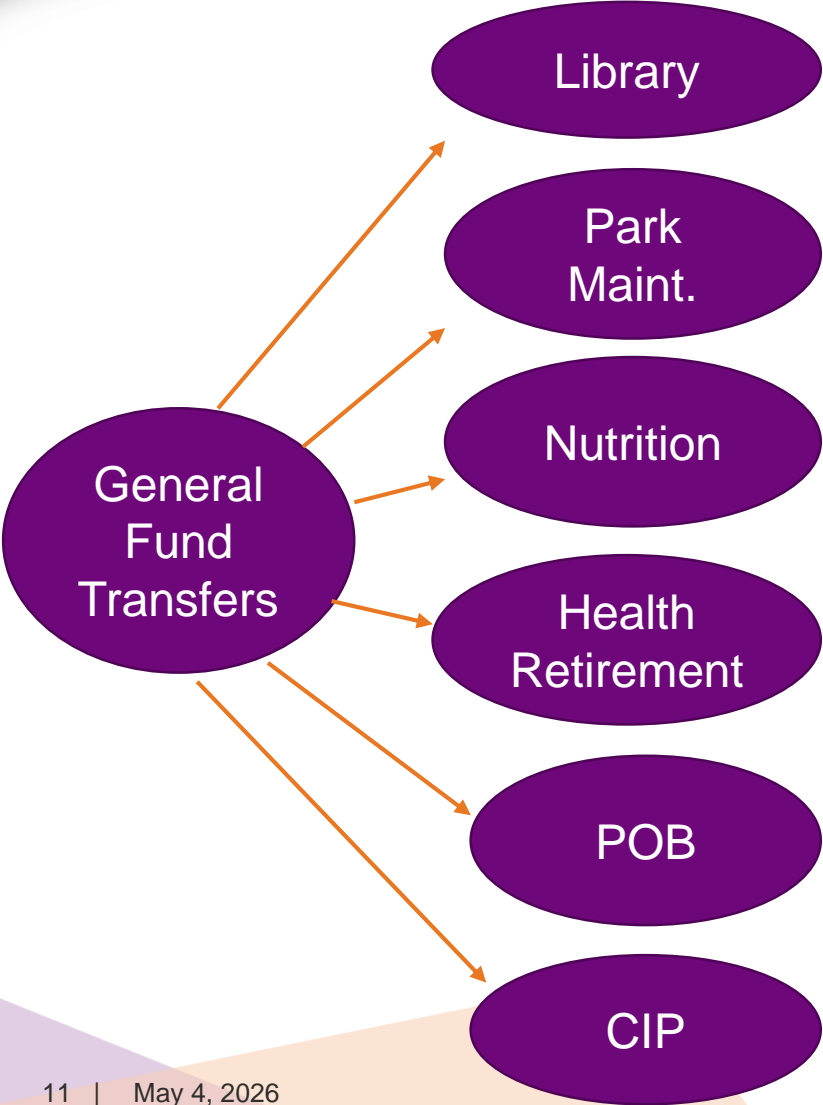
* Previously Part of Labor Costs
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Transfers to Other Funds

- \$4.7 Million Transfer for 2021 POB Bond Payment*
- \$2.5 Million Transfer to Library Fund
- \$1.4 Million Transfer to Park Maintenance Fund
- \$1.0 Million Transfer to Capital Improvement Fund
- \$675,000 Transfer to Nutrition Fund
- \$460,000 Transfer for Retiree Health Benefits Fund
- \$18,369 Transfer to Mile of Cars LMD
- \$10.8 Million Total Transfers

* Previously Part of Labor Costs
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Transfers and ISF Charges



General Liability & Workers Comp Ins Funds

	<u>FY 2026 Adopted</u>	<u>FY 2027 Prelim</u>	<u>Difference</u>
General Liability Ins Premiums	2,662,300	3,994,400	1,332,100
Workers Comp Ins Premium	377,000	412,000	35,000
Claims (W/C & Gen Liab.)	4,248,000	4,700,000	452,000
Labor	127,965	138,235	10,270
Operating Expenses	175,450	175,850	400
Total	7,590,715	9,420,485	1,829,770

Internal Service Fund Charge Cost to the General Fund

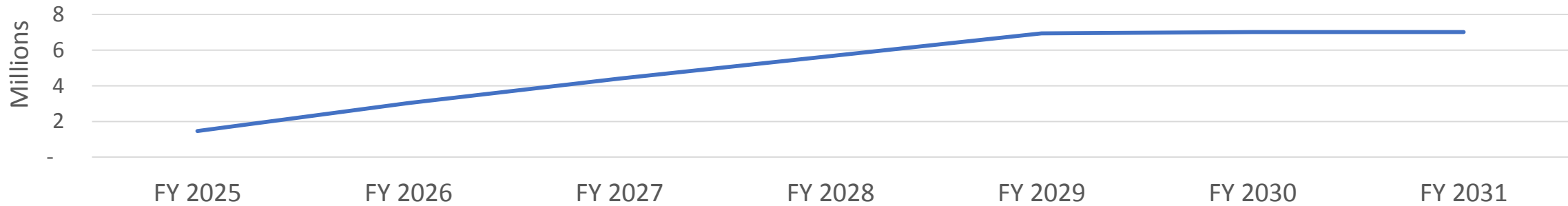
	<u>FY 2026 Adopted</u>	<u>FY 2027 Prelim</u>	<u>Difference</u>
Building Maintenance Charge	3,269,006	3,703,528	434,522
Vehicle Maintenance Charge	1,113,781	1,282,402	168,621
Vehicle Replacement Charge	827,870	1,589,863	761,993
Vehicle Lease Charge	430,500	509,780	79,280
IT Maintenance Charge	2,472,042	2,937,720	465,678
General Liability Charge	3,456,377	4,881,088	1,424,711
Total	11,569,576	14,904,381	3,334,805

Transfers to Other Funds

	<u>FY 2026</u>	<u>FY 2027</u>	<u>Difference</u>
Library	2,225,474	2,544,398	318,924
Park Maintenance	1,028,759	1,415,916	387,157
Nutrition Fund	503,396	674,832	171,436
Retirement Fund	400,000	460,000	60,000
Mile of Cars LMD	18,369	18,369	-0
Subtotal	4,175,998	5,113,515	937,517
POB	4,817,793	4,722,723	(95,070)
CIP/Transfer	1,000,000	1,000,000	-
Total	9,993,791	10,836,238	842,447

CalPERS UAL Projections

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Safety	907,678	1,824,693	2,982,531	3,633,000	4,269,000	4,313,000	4,313,000
Misc	549,456	1,205,212	2,137,829	2,522,000	2,665,000	2,691,000	2,691,000
Total UAL	1,457,134	3,029,905	5,120,360	6,155,000	6,934,000	7,004,000	7,004,000



General Fund Revenues and Expenditures - Adopted vs Actuals

Category	FY2021 Adopted	FY2021 Actual	FY2022 Adopted	FY2022 Actual	FY2023 Adopted	FY2023 Actual	FY2024 Adopted	FY2024 Actual
Sales & Use Tax	\$ 17,281,000	\$ 22,139,734	20,397,106	23,849,255	23,905,000	22,979,943	24,394,000	23,833,880
District Transactions & Use Tax	\$ 11,293,000	\$ 13,118,582	12,654,000	15,246,516	14,951,000	15,470,285	15,004,000	16,261,936
Property Tax	\$ 2,436,700	\$ 2,290,019	2,372,998	2,407,624	2,497,353	2,565,499	2,598,287	2,685,138
Property Tax in Lieu of VLF	\$ 7,400,000	\$ 7,634,768	7,741,006	7,895,180	8,223,000	8,265,143	8,599,000	8,850,464
Other Revenues	\$ 13,662,228	\$ 20,235,374	13,588,107	15,339,601	14,997,724	20,288,931	17,156,742	22,122,793
Transfers In	\$ 5,500	\$ 5,500	5,500	2,065,500	2,005,500	2,005,500	2,005,500	2,005,500
Total Revenues	\$ 52,078,428	\$ 65,423,977	56,758,717	66,803,677	66,579,577	71,575,301	69,757,529	75,759,711

Category	FY2021 Adopted	FY2021 Actual	FY2022 Adopted	FY2022 Actual	FY2023 Adopted	FY2023 Actual	FY2024 Adopted	FY2024 Actual
Personnel Services	\$ 41,057,517	\$ 42,054,142	41,045,469	41,330,388	45,410,890	44,550,675	46,159,564	41,060,996
Maintenance & Operations	\$ 6,837,486	\$ 7,178,208	6,863,263	7,152,068	7,776,245	8,076,736	8,828,402	8,834,595
Capital Outlay	\$ 175,430	\$ 152,734	175,430	151,179	143,500	330,406	160,000	1,939,246
Capital Improvement Projects	\$ 800,000	\$ 3,560,732	2,750,000	1,994,645	1,900,000	2,396,265	3,150,000	549,489
Internal Service Charges and Reserves	\$ 7,824,869	\$ 7,717,869	7,726,142	7,610,451	8,506,822	8,381,822	9,506,304	9,493,733
Transfers Out	\$ 2,100,617	\$ 2,368,520	1,993,910	2,883,446	2,557,210	2,567,210	2,999,446	8,260,666
Total Expenditures	\$ 58,795,919	\$ 63,032,205	60,554,214	61,122,177	66,294,667	66,303,113	70,803,716	70,138,725

Gain/(Use) of Fund Balance	\$ (6,717,491)	\$ 2,391,772	(3,795,497)	5,681,500	284,910	5,272,187	(1,046,187)	5,620,986
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General Fund Vacancy Snapshot

<u>Title</u>	<u>Count</u>	<u>Est Annual Cost</u>
Administrative Technician	1.00	88,029
Animal Regulations Officer	1.00	85,715
Community Services Officer	2.00	155,079
Crime & Intelligence Analyst	1.00	107,142
Deputy City Manager	1.00	272,409
EMS Coordinator	1.00	159,280
Executive Assistant II	1.00	105,576
Fire Captain	1.00	163,711
Fire Inspector II	1.00	113,219
Firefighter	1.00	124,517
Human Resources Manager	1.00	171,205
Plan Checker	1.00	87,037
Police Corporal	3.00	589,148
Police Dispatcher	4.00	398,614
Police Officer	5.00	794,516
Police Sergeant	1.00	196,365
Property & Evidence Spec II	1.00	84,083
Recreation Center Supervisor	2.00	194,498
TOTAL	29.00	3,890,141

Reserve Balances

Reserves	6/30/2025 Est. Balance	6/30/2026 Est. Balance	Target	Policy Level
OPEB Trust Reserve	3,827,075	3,827,075	3,866,000	80% of OPEB Liability
Pension Trust Reserve	7,809,495	7,809,495	10,240,720	2 Years of UAL Payments (based on FY27 UAL)
Facility Maintenance Reserve	2,880,000	2,880,000	3,735,000*	4.5% of General Fund Operating Expenditures
Economic Contingency Reserve	12,800,000	11,800,000	16,600,000*	20% of General Fund Operating Expenditures
Unassigned Fund Balance	23,394,613	13,139,146	8,300,000*	10% of General Fund Operating Expenditures
Total	50,711,183	39,455,716	42,741,720	

*Based on FY26 \$83M adopted operating budget

General Fund Expenditures Preliminary FY 2027 Budget

	FY 2026 Adopted Budget	FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget
Personnel Services	54,165,445	61,373,602	7,208,158	13.3%
Maint & Operations	9,890,698	9,606,239	(284,459)	-2.9%
Capital Outlay	255,773	255,773	(0)	0%
Debt Services	554,377	418,913	(135,464)	-24.4%
Internal Svc Chgs	8,113,199	10,006,793	1,893,594	23.3%
Transfers Out	9,993,791	10,836,238	842,447	8.4%
Total	82,973,283	92,497,558	9,524,275	11.5%
Net Surplus/(Deficit)	(9,269,786)	(16,130,155)		

General Fund Expenditures Preliminary FY 2027 Budget

	FY 2026 Adopted Budget	FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget	FY 2026 Budget to FY 2027 Prelim Budget
Personnel Services	54,165,445	61,373,602	7,208,158	13.3%
Maint & Operations	9,890,698	9,606,239	(284,459)	-2.9%
Capital Outlay	255,773	255,773	(0)	0%
Debt Services	554,377	418,913	(135,464)	-24.4%
Internal Svc Chgs	8,113,199	10,006,793	1,893,594	23.3%
Transfers Out	9,993,791	10,836,238	842,447	8.4%
Total	82,973,283	92,497,558	9,524,275	11.5%
Net Surplus/(Deficit)	(9,269,786)	(16,130,155)		
Use of Unassigned Fund Balance	8,269,786			
Economic Contingency Reserve	1,000,000			

General Fund Unassigned Fund Balance

Projected Ending Unassigned Fund Balance FY 2025	\$ 23,394,613
Less Projected Deficit FY 2026	<u>(10,255,467)</u>
Projected Ending Unassigned Fund Balance FY 2026	13,139,146
Less Projected Deficit FY 2027	<u>(16,130,155)</u>
Projected Ending Unassigned Fund Balance FY 2027	<u>\$ (2,991,009)</u>

Next Steps

- Schedule Budget Workshop #2
 - Deficit Mitigation
 - Budget Reductions
 - Revenue Initiatives



Discussion and Questions

