

CITY COUNCIL
Alma Hernandez, Mayor
Jenalee Dawson, Mayor Pro Tem
Amit Pal, Councilmember
Parise Shepherd, Councilmember
Princess Washington, Councilmember



CITY COUNCIL MEETING

A G E N D A
SPECIAL MEETING OF THE SUISUN CITY COUNCIL,
SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,
AND HOUSING AUTHORITY
THURSDAY, JUNE 4, 2026
5:00 PM

Suisun City Council Chambers - 701 Civic Center Boulevard - Suisun City, California

*CITY COUNCIL MEETINGS ARE HELD IN-PERSON
PUBLIC PARTICIPATION IS ALSO AVAILABLE VIA ZOOM*

*ZOOM MEETING INFORMATION:
WEBSITE: <https://zoom.us/join>
MEETING ID: 881 1081 3896
CALL IN PHONE NUMBER: (707) 438-1720*

*REMOTE PUBLIC COMMENT IS AVAILABLE FOR THE CITY COUNCIL MEETING BY EMAILING
CLERK@SUISUN.COM (PRIOR TO 4 PM), VIA WEBSITE, OR ZOOM CALL IN PHONE NUMBER (707) 438-1720*

*(If attending the meeting via phone press *9 to raise your hand and *6 to unmute/mute for public comment.)*

(Next Ord. No. -827)
(Next City Council Res. No. 2026-67)
(Next Suisun City Council Acting as Successor Agency Res. No. SA2026-05)
(Next Housing Authority Res. No. HA2026-06)

CALL TO ORDER

Mayor Hernandez

ROLL CALL

Council/Board Members

PLEDGE OF ALLEGIANCE

INVOCATION

APPROVAL OF REORDERING OF AGENDA

CONFLICT OF INTEREST NOTIFICATION

(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)

REPORTS (Informational Items Only.)

1. City Manager Update - (Prebula: Bprebula@suisun.com).
2. City Attorney Report - (Enright).

PRESENTATIONS/APPOINTMENTS NONE

(Presentations, Awards, Proclamations, Appointments)

PUBLIC COMMENT

(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)

COUNCIL COMMENTS

(Comments are limited to no more than 3 minutes)

CONSENT CALENDAR NONE

Consent calendar items requiring little or no discussions may be acted upon with one motion.

PUBLIC HEARING NONE

GENERAL BUSINESS

3. Discussion and Direction on Fiscal Year 2026/27 Budget - (Prebula: bprebula@suisun.com)

COUNCIL UPDATES

INFORMATIONAL REPORTS: (Non-Discussion Items)

ADJOURNMENT

Public Access To Agenda Documents

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The city may charge photocopying charges for

requested copies of such documents. To the extent feasible, the agenda packet is available for online public viewing on the City's website: <https://www.suisun.com/Government/City-Council/Agendas>

The City Council/Agency/Authority hopes to conclude its public business by 10:00 p.m. No new items will be taken up after 10:00 p.m., unless so moved by a majority of the City Council, and any items remaining will be agendaized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.

Accommodations

If you require an accommodation to participate in this meeting, please contact the City Clerk at (707) 421-7302 or clerk@suisun.com. The City's reasonable accommodation policy is available for review on the City's website at www.suisun.com/government/city-council/, you may request an electronic copy or have a copy mailed to you. Please note that for accommodations that are not readily available, you must make your request as soon as you can prior to the time of the meeting.

Decorum

All participants are expected to conduct themselves with mutual respect. Conduct that disrupts meetings will be addressed in accordance with Section 54957.95 of the Government Code.

Ordinances

Ordinances are city laws contained in the Suisun City Municipal Code. Enacting a new city law or changing an existing one is a two-step process. Government Code 36934 provides, except when, after reading the title, further reading is waived by regular motion adopted by majority vote all ordinances shall be read in full either at the time of introduction or passage; provided, however, that a reading of the title or ordinance shall not be required if the title is included on the published agenda and a copy of the full ordinance is made available to the public online and in print at the meeting prior to the introduction or passage.

Certification Of Posting

Agendas for regular and special meetings are posted in accordance with the Brown Act at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including:

- Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA;
- Joe Nelson Center, 611 Village Drive, Suisun City, CA;
- Harbor Master Office, 800 Kellogg Street, Suisun City, CA.

I, Ashley Nash, Management Analyst for the City of Suisun City, declare under penalty of perjury that the above agenda was posted and available for review, in compliance with the Brown Act.

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RECOMMENDATION

Discussion and Direction on the FY 2026/27 Budget.

FISCAL IMPACT

The proposed FY 2026/27 General Fund Budget reflects total revenues of approximately \$30.4 million and total expenditures of approximately \$32.2 million, resulting in a planned use of fund balance reserves in the amount of \$1,800,000. This planned drawdown is consistent with and anticipated by the multi-year Resilience Plan adopted by City Council in June 2024. Projected fund balance at fiscal year 2026/27 end is approximately \$6.0 million, which meets the City's minimum reserve policy threshold. The budget reflects \$2.85 million in departmental reductions across personnel, services and supplies, and contracted services, achieved without elimination of core services or sworn public safety positions.

STRATEGIC PLAN ALIGNMENT

This budget and the multi-year fiscal strategy it advances align directly with the following City Council strategic priorities:

- **Ensure Fiscal Sustainability:** The proposed budget is the product of a deliberate, multi-year plan to achieve long-term fiscal independence through a managed bridge period. It reflects every measure of responsible stewardship including maximum feasible expenditure reductions while preserving the organizational and service capacity required for recovery.
- **Foster Economic Growth and Diversification:** The budget maintains the institutional capacity necessary to advance the Suisun City Expansion Exploration, the 17-project infill pipeline, and active economic development conversations with industrial and commercial prospects. Cutting organizational capacity at this moment would directly jeopardize these revenue-generating investments.
- **Provide Good Governance:** The budget is accompanied by strengthened internal financial controls including formal pay period salary and overtime review, engagement of Beauchaine Consulting Group for an independent financial assessment, and City Manager's Office assumption of direct budget leadership during the Finance Department transition.

EXECUTIVE SUMMARY

Suisun City is at a defining inflection point. After more than 50 years of structural revenue stagnation, the City is executing a deliberate, Council-adopted strategy to achieve long-term fiscal independence. This is not a budget crisis. This is a budget plan, and the plan is working. The proposed FY 2026/27 General Fund Budget represents the third year of a five-year resilience bridge strategy started by City Council in June 2024. The use of \$1.8 million in fund balance reserves this fiscal year is not a departure from that plan. It is the plan, executing exactly as designed, in the exact year it was anticipated.

Three pillars of the resilience plan are all active simultaneously: Measure S passed at a 72 percent supermajority; 17 infill development projects are at various stages of active advancement; and Development Agreement negotiations with California Forever for the Suisun

City Expansion Exploration are proceeding with an EIR coming out in late summer/fall. The decision on the next multi-year framework is now projected until FY 2027/28, informed by the expansion decision, the 34-acre site sale, and infill project completion milestones. Staff believes accelerating the decision check in to one year earlier, FY 27/28 mid year instead of end of FY 28/29 as originally outlined in 2024, makes the most sense due to the large decisions planned for the next 6 to 12 months.

The alternative to this plan, cutting services to avoid using planned reserves, is not fiscal responsibility. It is managed decline. It is a choice that forecloses recovery by dismantling the organizational, service, and economic development capacity that recovery requires. Suisun City has already learned this lesson once. This Council adopted the resilience strategy in 2024 precisely to avoid repeating it.

The Core Argument in Plain Terms

This is a revenue problem, not an expense problem. Suisun City operates on approximately \$30 to \$33 million in General Fund revenue. Benicia, a city of comparable size and service obligations, operates on \$50 to \$60 million. We are running on roughly 60 percent of a peer city's budget. No amount of cutting changes that math. Only growth changes it.

PART I: REGIONAL CONTEXT | A SOLANO COUNTY FISCAL EMERGENCY

Before presenting the City's own budget numbers, it is essential to place Suisun City's fiscal position within its accurate regional context. What Suisun City is experiencing is not the result of poor management or excessive spending. It is the local manifestation of a structural fiscal crisis that is affecting every city in Solano County and the County government itself.

A. The Scale of the Regional Problem

A rigorous analysis of recent budget histories across Solano County jurisdictions reveals a pattern of recurring structural deficits, compressed service levels, deferred capital investment, and revenue bases that are insufficient for the cost of delivering even reduced public services. The aggregate picture is stark:

Jurisdiction	Estimated Structural Deficit
Vallejo	~\$30 million
Fairfield	Over \$10 million
Vacaville	Over \$10 million
Benicia	TBD (Valero cliff)
Dixon	TBD
Rio Vista	TBD
Solano County	\$20 to \$30 million+
Suisun City	~\$1.8M bridge (FY 26/27)

The combined regional operating deficit approaches \$80 million to \$100 million annually across Solano County jurisdictions. When deferred capital needs for roads, parks, and public facilities are added, the regional need approaches \$200 million per year, every year, simply to bring services to a functional and dignified standard.

B. The Structural Drivers Are Not Unique to Suisun City

The fiscal pressures facing Suisun City reflect state and national trends in municipal finance. Revenue compression at the local level is structural, not cyclical. State and federal funding has chronically failed to keep pace with the actual cost of services delivered at the local level. Personnel costs, including public safety compensation, retirement obligations under CalPERS, and health benefit costs, continue to outpace general revenue growth across all California municipalities. Compounding these pressures in FY 2026/27 are the federal budget reductions included in H.R. 1 and the Governor's May Revision, which create further headwinds for county and city budgets throughout California. Although we do not receive significant Federal funding, the impact on revenue sharing agreements related to various expansion discussion will impact those discussions with the County.

The Critical Distinction

Every city in Solano County is managing a structural fiscal gap. The question is not whether to manage it. The question is whether to manage it with a plan that creates the conditions for recovery, or to manage it with cuts that foreclose recovery. Suisun City made its choice in June 2024. The FY 2026/27 budget is that choice executing.

PART II: SUISUN CITY CONTEXT | 50 YEARS OF STAGNATION AND A PATH FORWARD

A. The Baseline: What Stagnation Looks Like

Suisun City has not achieved meaningful employment center growth in more than 50 years. The Highway 80 corridor, which has driven commercial and industrial development for virtually every comparable city in the region, has remained underdeveloped relative to Suisun City's access and potential. The dissolution of redevelopment in 2012 stripped the City of its primary tool for catalyzing economic development, eliminating the mechanism by which distressed or underdeveloped properties were transformed into revenue-generating assets. Residents leave Suisun City daily to work, shop, and access services in neighboring communities, generating sales tax and economic activity that does not return to the City's general fund.

The result is a General Fund revenue base of approximately \$30 to \$33 million annually. Benicia, a city of comparable population and comparable service obligations, operates on \$50 to \$60 million. Suisun City delivers public safety, parks and recreation, public works, community development, and administrative services on approximately 60 percent of what a peer city spends. This is not a testament to efficiency. It is a testament to structural underfunding that has accumulated over decades.

B. The 2024 Resilience Plan: A Deliberate Bridge

In June 2024, City Council and staff reached a shared and explicit understanding: reaching long-term fiscal health requires a managed bridge, not reactive cuts. Council adopted a multi-year resilience strategy built on three pillars and a defined timeline:

- Pillar 1: A voter-approved sales tax measure to provide an immediate and sustained revenue increment for public safety and general fund operations.
- Pillar 2: A 17-project infill development pipeline to accelerate property tax and fee revenue within current city limits and generate one-time capital from land sales.

- Pillar 3: A city expansion decision, specifically the Suisun City Expansion Exploration and the two Buzz Oates expansion projects, as the path to multigenerational fiscal independence.

The bridge period was explicitly anticipated to run through approximately FY 2028/29, with planned and bounded use of reserves during the period. Using reserves was never the endpoint. It was the bridge. The plan specified that reserve deployment would be conditioned on a clear strategy, defined off-ramps, and specific financial events that would trigger the next multi-year framework.

C. The Plan Is Executing on All Fronts

As for this budget cycle, every pillar of the June 2024 resilience plan is active and advancing on schedule:

Status	Milestone	Significance
ACHIEVED	Measure S: 72% voter approval	Supermajority approval demonstrates extraordinary community confidence; provides sustained revenue for public safety operations
ACTIVE	17 infill projects advancing	Lotz Way and Almond Gardens under active construction; Lionext through Good Neighbor process; 34-acre site marketing in late Summer 2026, remaining 10 projects in various planning stages.
ACTIVE	DA negotiations with California Forever	Development Agreement negotiations started, one of the most important documents, with the EIR in the entire process.
ACTIVE	Buzz Oates annexations (~1,000 acres)	West and east side annexations; one approved, revenue sharing agreement pending; provide near-term fiscal runway
UNDERWAY	Finance Department transition	Beauchaine Consulting Group engaged; CM direct budget leadership; Finance Director recruitment initiated

PART III: THE MANAGED DECLINE TRAP | WHY CUTS DO NOT SOLVE A REVENUE PROBLEM

There is a persistent and politically tempting argument that responsible fiscal management requires cutting services whenever revenues fall short of expenditures. This argument confuses the symptom with the disease. Suisun City's fiscal gap is a revenue problem, not an expense problem. The two are not equivalent, and they do not respond to the same solutions.

A. The Mathematics of Managed Decline

When a city responds to a structural revenue deficit by cutting services, it initiates a self-reinforcing cycle with a predictable trajectory. Staff retention collapses because high performers, who have the most options, leave first. They leave because there is no organizational vision, no resources to do the work well, and no credible story about a positive future. Recruitment becomes impossible for the same reasons. The positions that are vacated either remain open, further degrading services, or are filled by candidates who could not secure employment elsewhere. Service quality falls. Residents and businesses with options leave. The tax base contracts. The deficit deepens. The next round of cuts is larger.

This is not speculation. It is the documented trajectory of municipal fiscal failure across California. The specific details differ; the structural logic is identical. A patient with a serious systemic illness who takes half the prescribed course of treatment may feel temporarily better, well enough to believe the crisis has passed. But the underlying condition has not been resolved. It has been given time to adapt, entrench, and return, often more resistant, often more severe.

B. The Organizational Capacity Argument

Recovery from structural revenue deficiency requires active organizational capacity. The Suisun City Expansion Exploration requires sustained staff engagement with a complex Development Agreement negotiation. The 17-project infill pipeline requires active project management, permit processing, and developer engagement. Economic development conversations with industrial and commercial prospects require a credible city that presents well and responds promptly. These are not passive activities. They require people, resources, and organizational credibility.

A city that has cut to the bone cannot manage the very projects it needs to survive. The false economy of cutting staff and services to avoid using planned reserves ultimately costs more than the reserves saved, because it forecloses the revenue-generating activities on which recovery depends.

C. What Suisun City Has Already Cut

It is important for Council to understand that staff is not presenting this budget as a baseline that has not been tested. Significant reductions have already been made. The FY 2026/27 budget reflects the following reductions absorbed without increasing the reserve drawdown beyond \$1.8 million:

- \$500,000 in COLA increases absorbed within existing budget authority
- \$600,000 to \$700,000 in contracted merit increases absorbed without augmentation
- \$200,000 in one-time FLSA compliance payments absorbed
- \$225,000 in reduced beautification and citywide maintenance programs
- \$200,000 in suspension of employee training and culture programs not legally mandated
- \$300,000 in deferred facility improvements
- \$450,000 in reduced contracted services across departments
- \$175,000 in services and supplies reductions citywide
- \$1,500,000 in managed vacancy factor savings

There is nothing left to cut in the General Fund without producing drastic, visible, and reputation-damaging service level reductions. The reductions already made are already producing service impacts that staff has documented in detail and presents to Council in this report.

C. The Absolute Cost Floor: We Are Already There

Staff wants to be direct with Council about something that budget documents rarely state plainly: Suisun City has reached the structural floor of its cost structure. This is not rhetoric. It is an operational assessment based on an exhaustive review of every spending category, every position, every contract, and every program in the General Fund. There is no meaningful additional reduction available that does not directly and immediately degrade core service delivery.

To be precise: the City is not approaching the floor. It is at the floor. And depending on how one accounts for the service capacity that has already been quietly eroded through deferred maintenance, unfilled vacancies, and suspended programs, an honest assessment would place us below it. We are operating at negative organizational slack. Every unplanned demand, every staff vacancy, every equipment failure, and every external policy change now requires displacing something else. There is no buffer. There is no contingency. There is no reserve of organizational capacity to absorb disruption.

The Cost Floor in Plain Terms

Suisun City operates at approximately 60 percent of the General Fund budget of a comparable peer city. We have reduced that 60 percent as far as it will go. The gap between what we spend and what peer cities spend is not waste, redundancy, or inefficiency to be optimized away. It is the structural revenue deficit made visible in the form of absent services, deferred capital, and constrained organizational capacity. You cannot cut your way to the revenue base of a city that spends 40 percent more than you do.

D. Every Available Optimization Has Been Deployed

Council should have a clear accounting of what has already been done. The FY 2026/27 budget is not the starting point of a cost-reduction effort. It is the endpoint of one. The following is an honest inventory of the optimization levers that have been fully pulled:

Optimization Lever	Status
Artificial Intelligence and Technology	FULLY DEPLOYED. The City has maximized deployment of AI-enabled tools and automation across every function where it can add service capacity without additional cost. This is not a pilot or a plan. It is operational. There is no further AI or technology lever available within current budget authority that has not already been activated.
Organizational Restructuring	FULLY DEPLOYED. Development Services, the City Manager's Office, and Human Resources have been restructured. Functions have been consolidated, reporting lines rationalized, and spans of control adjusted to eliminate redundancy. There is no remaining restructuring that would produce material savings without eliminating a function the City is legally or operationally required to perform.
Program and Service Pauses	FULLY DEPLOYED. Every non-essential program, initiative, and activity that could be paused has been paused. What remains in the budget is what remains because it cannot legally, safely, or operationally be suspended.
Employee Training and Culture Investment	FULLY ELIMINATED. All employee training and organizational culture programming that is not legally mandated or essential to basic operational function has been suspended. This includes professional development, team-building, leadership development, and morale-focused programming. The City is investing nothing beyond the legal minimum in its workforce development. This is a cost with compounding consequences that staff flags explicitly.
Contracted Services	MAXIMALLY REDUCED. All contracted services have been reviewed and reduced to the minimum necessary for legal compliance and basic operational function. Contracts for communications support, facilities review, and general service support have been eliminated or reduced to skeletal levels.
Bells, Whistles, and Amenities	NONE EXIST. There are no discretionary expenditures, no premium service levels, no organizational amenities that have not already been eliminated. The budget contains no line items that a reasonable observer would characterize as optional, excessive, or aspirational.
Vacancy Management	MAXIMUM FEASIBLE UTILIZATION. The vacancy factor is being managed to produce \$1.5 million in savings. Every open position is being evaluated against the

	service impact of holding it. The City is operating with fewer people than its workload requires, and staff and residents are absorbing that impact daily.
Capital and Facility Investment	DEFERRED TO HEALTH AND SAFETY THRESHOLD. No facility improvement or capital investment is being made unless it is a health or safety necessity. The City is not investing in its physical infrastructure. Deferred maintenance is accumulating.

The point of this inventory is not to invite Council to find something that has been missed. It is to establish, with clarity and accountability, that the optimization work is done. What remains is a revenue problem. Revenue problems require revenue solutions. The resilience plan provides those solutions. The FY 2026/27 budget is what responsibly bridges the gap while those solutions execute.

A Direct Statement on Fiscal Reality

If Council directs staff to identify further cuts beyond those already made, staff will comply. But Council should understand what that direction produces: it produces the elimination of core services, the loss of the organizational capacity required to execute the resilience plan, and an acceleration of the managed decline trajectory that this Council explicitly rejected in June 2024. Staff is not aware of a responsible path to fiscal health that runs through further reducing a cost structure that is already operating at 60 percent of peer city levels. The path runs through revenue.

PART IV: FY 2026/27 GENERAL FUND BUDGET | REVENUES, EXPENDITURES, AND FUND BALANCE

A. Budget Summary

Budget Category	FY 2025/26 Budget	FY 2026/27 Proposed
Total General Fund Revenue	\$32.8M (incl. \$2.8M transfers/asset sales)	\$30.4M
Total General Fund Expenditures	\$32.8M	\$32.2M
Planned Use of Fund Balance	\$0 (offset by asset sales)	\$(1,800,000)
Estimated Ending Fund Balance	~\$7.8M	~\$6.0M (at policy floor)

The budget meets the City's minimum fund balance reserve policy. The projected ending fund balance of approximately \$6.0 million is subject to finalization upon completion of the FY 2025/26 audit. Staff will return to Council with a mid-year update should material variances emerge.

B. Revenue Overview

FY 2026/27 revenues are projected at \$30.4 million. Key revenue trends are as follows:

Revenue Category	Trend	Notes
Property Tax	+3%	Consistent with countywide assessment increases; reflects statewide property value trends
Bradley Burns Sales Tax	Flat	Reflects current commercial environment within city limits; limited commercial base

Measure S Sales Tax	Down ~3%	Slight decline driven by slower vehicle sales; remains material contribution to public safety operations
Transient Occupancy Tax	Flat	Stable; growth dependent on expanded hospitality development
Excise Tax	Flat	Consistent with prior year performance
Fees and Licenses	Flat	Fee Study underway; results expected Fall 2026; potential revenue uplift in FY 2026/27 pending outcomes

The flat revenue picture further underscores the diagnosis: this is a structural revenue capacity problem. The City is not experiencing a cyclical revenue dip that will self-correct. Absent the transformational growth events anticipated in the resilience plan, the revenue line will remain structurally insufficient for the cost of government.

C. Expenditure Overview

Total General Fund expenditures are projected at \$32.2 million, reflecting a net reduction from the prior year's \$32.8 million. This reduction was achieved through departmental discipline, vacancy management, and the reductions described in detail in Part III above. No new full-time equivalent positions are proposed. Capital expenditures are limited to maintaining current service delivery infrastructure.

Personnel costs represent the largest expenditure category and have been managed through formal pay period monitoring, vacancy management, and adherence to adopted personnel cost budgets. The FY 2026/27 budget absorbed \$500,000 in COLA increases and \$600,000 to \$700,000 in merit increases within existing appropriations. To ensure rigorous ongoing oversight, the City Manager's Office is implementing a formal bi-weekly pay period salary and overtime review with departmental sign-off, replacing the informal monitoring that was previously in place.

D. Planned Use of Fund Balance

The \$1,800,000 planned use of fund balance in FY 2026/27 is the product of a deliberate, multi-year planning process, not a response to an unanticipated shortfall. It is important for Council to understand the distinction between these two circumstances:

NOT This (Reactive Reserve Use)	THIS (Planned Bridge Reserve Use)
Using reserves with no plan or exit strategy	Planned, bounded drawdown within defined bridge window
Indefinite reliance with no defined end point	Defined off-ramps tied to specific financial events
Avoiding difficult decisions that need to be made	Maintaining service levels required for recovery to succeed
No mid-cycle review or accountability mechanism	Formal mid-cycle FY 2027/28 review built into the framework

PART V: SERVICE LEVEL IMPACTS | THE COST OF THE BRIDGE

Transparency requires Council to understand precisely what service level changes are built into this budget. These are not hypothetical impacts. They are operational realities that staff, department heads, and service recipients will experience beginning July 1, 2026. They are also reversible as revenue conditions improve. They are not reversible if they produce the organizational degradation associated with managed decline.

Department / Program	Service Level Change and Operational Impact
Public Works	Non-emergency requests delayed from days to weeks. Deferred maintenance compounds annually, creating future cost escalation. Health and safety emergencies remain prioritized.
Parks & Recreation	Current scheduled programming sustained; no bandwidth for new programming, ad hoc events, or pilot initiatives. Community requests for new activities cannot be accommodated this fiscal year.
City Manager's Office	Zero contingency capacity for mid-year programmatic needs. Any unplanned service requirement displaces an existing priority. No flexible funding for emerging operational needs.
Unhoused Services	Programs maintained at current levels only. Any enhancement or expansion is contingent on grant identification and award. Response to changing conditions will lag behind need.
Visit Suisun City	VisitSuisunCity.com will be established and operational; active marketing requires grant funding before full activation. Promotional value of the platform cannot be fully realized this fiscal year.
Information Technology	Baseline operations maintained only. No capacity for strategic improvements to internal service delivery. Unforeseen technical issues (outages, security events) risk citywide operational disruption.
Human Resources	Mandated safety programming covered. No wellness program this fiscal year. Major policy updates improving workforce retention and compliance are deferred.
Fire & Police	Foundational service levels maintained. No supplemental budget for major investigations or complex cases. Material incidents requiring additional resources will require Council return for supplemental appropriation.
Community Development	Plan review moved largely in-house to reduce cost. Tradeoff is longer permit and project review timelines. Developer-funded expedited review remains available as an optional pathway.
Finance / City Manager	Budget Officer position deferred pending Beauchaine Consulting analysis. City Manager assumes this function, which will pause or slow concurrent strategic initiatives. Finance Director recruitment underway.
Technology / AI	Existing AI-enabled tools and programs maintained. No capacity to add new applications, expand current usage, or pilot additional automation during FY 2026/27.

These Are the Costs of the Bridge, Not the Costs of Failure

Every item in the table above represents a service impact that is the result of a responsible, bounded fiscal bridge. These same impacts, left unaddressed by successful execution of the resilience plan, would become permanent and compounding features of a managed decline trajectory. The difference between these two trajectories is not the service impact today. It is whether the revenue conditions to reverse them are created.

PART VI: MULTI-YEAR OUTLOOK | THE PATH TO THE DECISION POINT

A. Revised Timeline: Moving the Decision Point Forward

Based on the timing of key financial events anticipated since the adoption of the June 2024 resilience plan, staff recommends advancing the formal multi-year plan reset from the end of FY 2028/29 to the mid-cycle point of FY 2027/28. This adjustment reflects the accelerated timeline of the expansion decision and the 34-acre site marketing, both of which will produce material information substantially earlier than originally projected.

Fiscal Year	Reserve Use Projection	Strategic Context
FY 2026/27 (NOW)	\$(1,800,000)	Within original bridge window. All three resilience pillars active. Finance management strengthened.
FY 2027/28	\$(1.5M to \$2.0M)	Continued bridge. Mid-cycle review triggered by known financial event outcomes. Next multi-year framework established from evidence base.
Mid-Cycle FY 2027/28	DECISION POINT	Council reviews actual outcomes from: expansion decision, 34-acre sale proceeds, infill project revenues. Next multi-year plan built from real data.
FY 2028/29 and Beyond	TBD	Determined by mid-cycle decision point outcomes. If expansion proceeds, fiscal trajectory transforms materially.

B. The Three Decision Triggers

Three financial events, each with material fiscal impact, will be substantially clearer by the FY 2027/28 mid-cycle review. These are not aspirational milestones. They are active, scheduled activities with defined timelines.

- **Trigger 1: Expansion Decisions.** The City Council's direction on the Suisun City Expansion Exploration and the two Buzz Oates annexations will be known or substantially advanced. This decision, whether the expansion proceeds, is modified, or is declined, creates a defined financial scenario that drives the next multi-year fiscal model. A positive expansion decision could transform Suisun City's fiscal trajectory from incremental improvement to multigenerational fiscal independence.
- **Trigger 2: 34-Acre Site Sale.** The marketing of the 34-acre site, launching late Summer 2026, will produce a one-time capital event with long-term tax base implications. Sale terms and proceeds will be a material factor in the FY 2027/28 decision point analysis.
- **Trigger 3: Infill Project Milestones.** Completion of construction-phase infill projects through FY 2027/28 will generate property tax increment, permit fee revenue, and in some cases direct sale proceeds. Cumulative infill revenue will be quantified and incorporated into the mid-cycle model.

PART VII: STRENGTHENING FINANCIAL MANAGEMENT

This budget is accompanied by a comprehensive set of financial management improvements that address structural weaknesses identified over the past year. These improvements are not cosmetic. They represent a fundamental upgrade in the rigor, transparency, and oversight with which the City manages its fiscal operations.

A. Beauchaine Consulting Group Engagement

The City Manager's Office has engaged Beauchaine Consulting Group to conduct an initial review of the City's finances and financial approach. This review examines not only the General Fund but all funds, the fund structure, the chart of accounts, and internal procedures. While the annual audit addresses certain aspects of financial operations, a comprehensive fund-by-fund analysis of this nature is not a standard component of the audit process. The timing is right for a dedicated, independent assessment. Initial findings will identify where additional analytical focus, if any, is warranted and will inform the Finance Director recruitment process.

B. City Manager Direct Budget Leadership

To ensure the highest level of analytical rigor and organizational alignment, the City Manager's Office is assuming direct leadership of the budget development process and financial structure analysis. This does not replace Finance Department core functions. It adds an analytical layer above them and ensures that the budget and multi-year fiscal strategy remain directly connected to the City's strategic priorities and the Council's direction. This approach has produced the FY 2026/27 budget presented tonight and will govern the mid-cycle review process until a new Finance Director is selected.

C. Formal Pay Period Salary and Overtime Review

Beginning in FY 2026/27, the City Manager's Office will institute a formal pay period review of salary and overtime across all departments. Department heads and the City Manager will provide formal sign-off each pay period. This protocol replaces an informal monitoring practice and provides an early warning system for budget variances before they become year-end surprises. Earlier detection of overtime trends, vacancy savings, and unanticipated staffing changes allows management to take corrective action within the fiscal year. Council will receive summary-level updates through standard budget reporting.

D. Measure S Allocation Strategy Development

Council has identified the goal of developing a long-term pathway for allocating a portion of Measure S revenue to infrastructure needs, including roads, as fiscal conditions allow. The City Manager's Office is developing this strategy. The transition will not occur in FY 2026/27 or FY 2027/28, as the bridge period requires continued operational support. Any reallocation must be modeled carefully to ensure it does not create service impacts at critical infrastructure. A strategy proposal will be presented to Council toward the end of calendar year 2026.

PART VIII: BACKGROUND AND PRIOR COUNCIL ACTIONS

The following prior Council actions are directly relevant to and form the foundation of the FY 2026/27 budget as presented:

- June 2024: City Council and staff reached a shared understanding that a deliberate multi-year resilience bridge strategy was necessary to achieve long-term fiscal independence.
- November 2024: Measure S approved by Suisun City voters at a 72 percent supermajority, exceeding the two-thirds threshold required for a special tax. The measure provides ongoing revenue dedicated primarily to public safety operations.
- June 2025: FY 2025/26 General Fund Budget adopted reflecting the second year of the bridge strategy, with reserves fully offset by planned asset sales and transfers.

- Ongoing 2025 through 2026: Development Agreement negotiation framework established with California Forever; EIR release, and decision on expansion in late 2026/early 2027. Infill project pipeline advanced. Buzz Oates annexations progressed.

CONCLUSION | WHY THIS IS THE RIGHT BUDGET

Approving this budget means continuing the plan. A plan that is working, that was developed collaboratively with Council, and that positions Suisun City to make the transformational decisions ahead from a position of organizational strength and service credibility rather than institutional exhaustion.

- 1** The plan was made for exactly this moment. The 2024 resilience plan explicitly anticipated a bridge period including planned reserve use. FY 2026/27 is squarely within that window. This is not a deviation from the plan. This is the plan.
- 2** Every pillar of the plan is executing. Measure S passed at 72 percent. Construction is underway. Expansion negotiations are advancing. The infill pipeline is moving. No pillar has failed or stalled.
- 3** Every alternative is worse. Cutting services to avoid planned reserve use does not solve a revenue problem. It makes recovery harder, then impossible. The cities that optimized cautiously within existing constraints are the ones now managing managed decline. Suisun City made a different choice in 2024.
- 4** The next decision point is defined and approaching. The mid-cycle FY 2027/28 review, informed by the expansion decision, the 34-acre sale, and infill project milestones, will allow the next multi-year plan to be built on real outcomes rather than projections.
- 5** Financial management is being fundamentally strengthened. The Beauchaine review, pay period oversight, and direct City Manager budget leadership represent a meaningful upgrade in fiscal governance that will serve the City well through the bridge period until a new Finance Director is hired and onboarded.

CITY OF SUISUN CITY

FY 2026/27 BUDGET STUDY SESSION

A Planned Bridge to Fiscal Independence

June 2026

TONIGHT'S AGENDA

OVERVIEW

1

A Region Under Pressure

Solano County and Bay Area fiscal landscape

2

The Suisun City Plan

Revisiting our 2024 resilience strategy

3

The Plan is Working

Tax measure, infill, and expansion milestones

4

FY 2026/27 Budget Summary

Revenue, expenditures, and planned use of reserves

5

Managing Managed Decline

Why service cuts guarantee failure

6

The Path Forward

FY 27/28 outlook and key decision triggers

7

Finance Department Transition

Strengthening our financial management

8

Questions & Direction

Council input and next steps

A REGION UNDER PRESSURE

Solano County & Bay Area Fiscal Crisis | Section 1

SOLANO COUNTY: A REGION-WIDE FISCAL CRISIS

REGIONAL CONTEXT

Every jurisdiction in Solano County faces structural operating deficits. This is not a Suisun City problem — it is a regional emergency.

\$30 million	Vallejo	TBD	Dixon
Over \$10 million	Fairfield	TBD	Rio Vista
Over \$10 million	Vacaville	\$20-30M+	Solano County

COMBINED REGIONAL OPERATING DEFICIT: APPROACHING \$80 MILLION to \$100 MILLION | Current service levels are already compressed, yet still require more revenue to sustain

THIS IS NOT UNIQUE — BUT OUR RESPONSE MUST BE

REGIONAL CONTEXT

The cost of delivering even compressed public services now exceeds available revenues in nearly every Bay Area community. No amount of budget-cutting eliminates a revenue problem..... it only accelerates decline.

Revenue Compression

State and federal funding has not kept pace with the cost of services delivered at the local level. This gap is structural, not cyclical.

Personnel Costs Rising

Public safety, benefits, and pension obligations continue to outpace general revenue growth across all California municipalities.

Federal & State Headwinds

H.R.1 federal reductions and the Governor's May Revision create compounding pressure on county and city budgets alike.

Bridging Is the Responsible Answer

Cities that slash services to avoid reserves do not solve fiscal problems — they make themselves unable to attract the investment and talent needed to recover.

SUISUN CITY'S PLAN

50 Years of No Growth — And a Path Forward | Section 2

50 YEARS

NO MEANINGFUL EMPLOYMENT CENTER GROWTH

- No HWY 80 corridor growth
- Redevelopment stripped in 2012
- Residents leave daily for jobs & services
- Revenue base insufficient for current needs

The Reality

Suisun City operates on approximately \$30M-\$33M in General Fund revenue. Benicia, a comparable city, operates on \$50-60M. We run on roughly 60% of a peer city's budget.

Not an Expense Problem

This is a revenue problem. Our costs are not excessive — our revenue base is structurally insufficient after 50 years of stagnation.

The Bridge We Need

Council recognized in 2024 that reaching long-term fiscal independence requires a deliberate multi-year plan — not reactive cuts.

INFILL IS UNDERWAY — THE PLAN IS MOVING

INFILL PROGRESS

17 infill projects are at various stages. These are not plans — they are active, visible investments transforming Suisun City right now.

Project:	Location:	Current Status:	Description:
Awanta Multifamily	400 Main St.	Permit review	20-unit, two-story apartment project adjacent to the marina.
Lotz Residences	Civic Center Blvd. & Lotz Way	Approved; construction drawings	16 single-family units with ADU above garages.
Suisun City Dental	603 Lotz Way	Under Construction	4,446 sf dental office plus 2,220 sf shell tenant space for future restaurant.
Almond Garden Apartments	707-815 Almond St	Under Construction	97-unit, three-story affordable apartment project.
McCoy Creek Mixed-Use	1220 & 1240 McCoy Creek Way	Construction drawings under review	31 apartments with 1,645 sf of non-residential space.
Olive Tree Ranch	Humphrey Dr. / Olive Ave. area	Application submitted / in process	74 single-family residential units on approximately 10 acres.
Lionext Parcels	Downtown near marina	Application received	39 multi-family units with 5,106 sf of office/retail/restaurant space and 26 parking spaces.
Parcel 13	West of Civic Center, South of Driftwood	Pre-application expected	Proposed multi-family project of approximately 120 units.
Senior Center Site Sale & Redevelopment	318 Merganser Dr.	Awaiting permit submittal	Proposed interior remodel for senior living units.
Dutch Bros.	North of Hwy 12 & east of Sunset Center	Building permit ready for issuance	1,025 sf drive-through coffee business.
Quick Quack	East of Sunset Ave. & north of Hwy 12	In process	3,626 sf carwash use.
Cannabissary	South of Railroad Ave. & E/W of Humphrey Dr.	Tentative City Council review Fall 2026	Retail cannabis dispensary; presentation lists 2,494 sf.
Highway 12 Logistics Center	South of Hwy 12 at Pennsylvania Ave.	Entitled; LAFCO submittal forthcoming	1.28 million sf of warehousing/logistics on 63.7 acres.
Suisun Logistics Center	East of Walters Rd. & south of Petersen Rd.	Planning review	2.1 million sf of warehousing/logistics on 120 acres.
34-Acre Site	NW corner Hwy 12 & Marina Blvd.	Beginning SLA process	Future use to be determined for Housing Authority site.
California Forever Infill Parcels	Main St. and Solano Ave. parcels	Purchase and Sale Agreement In Process	Future redevelopment use to be determined.
Caltrans Lot Swap	S of Hwy 12 between Main St. & Civic Center Blvd.	Application not yet submitted	Future use to be determined.

Three-Pronged Resiliency Plan



YEARS, NOT DECADES: THE LIMIT OF INFILL ALONE

STRATEGIC CONTEXT

Infill development provides vital fiscal breathing room ... **BUT** it is not a permanent solution within our current city limits.

Infill Buys Years

The 17 infill projects and associated land sales create several years of additional fiscal runway. This is meaningful and necessary.

Built-In Boundary

Long-term thriving requires revenue capacity that does not exist within current city limits. The math is unavoidable without new territory or new taxes.

The Expansion Decisions

The Suisun City Expansion Exploration is the path to multigenerational fiscal independence. Infill buys the time needed to make that decision wisely.

This includes the Suisun Expansion Plan as well as the two Buzz Oates projects, around 1,000 acres in total, on the west and east side of the city.

Council adopted a resilience bridge strategy in June 2024 — a multi-year plan to reach long-term fiscal independence through deliberate, sequenced decisions.

THE RESILIENCE PLAN

A Deliberate Bridge — Not a Default | Section 3

REVISITING THE JUNE 2024 RESILIENCE PLAN

THE PLAN

In June 2024, Council and staff reached a shared understanding: reaching long-term fiscal health requires a managed bridge — not unplanned cuts.

The Bridge Concept

The plan anticipated a 5-year bridge period through FY 2028/29, during which carefully planned use of reserves would maintain service levels while key revenue-generating decisions matured.

Use of Reserves: Deliberate

Using reserves was never the endpoint..... it was the bridge. The plan called for reserves to be deployed only with a clear strategy and defined off-ramps tied to specific financial events.

Three Pillars of the Bridge

The plan rested on three pillars: (1) a tax measure, (2) 17 infill development projects, and (3) the potential for city expansion. All three remain active.

The Timeline Holds

FY 2026/27 remains fully within the bridge window established in 2024. Using reserves this year is consistent with and expected by the 5 year approach. .

THE PLAN IS WORKING — EVERY PILLAR IS ACTIVE

PROGRESS

Since June 2024, every component of the resilience plan has advanced on schedule. The plan is not aspirational — it is executing.

72%
Voter Approval

Measure S — demonstrating community belief in the plan

17
Infill Projects

At various stages from construction to negotiation

23,873
Acres Explored

Suisun City Expansion and Buzz Oates

- ✓ Measure S passed at 72% — a supermajority reflecting community trust
- ✓ Lotz Way and Almond Gardens in active construction
- ✓ Lionext properties advancing through Good Neighbor process
- ✓ 34-acre site advertising for sale in late Summer 2026
- ✓ California Forever Development Agreement negotiation underway through August 2026
- ✓ Downtown property transactions moving forward

THE ALTERNATIVE TO THE PLAN

Why Managed Decline Guarantees Failure | Section 4

MANAGED DECLINE: A ROAD WITH ONE DESTINATION

Cutting services to avoid using reserves is not fiscal responsibility it is the systematic dismantling of the city's ability to recover. Suisun City has already tried this approach and it failed.

Staff Retention Collapses

Reduced compensation, fewer resources, and no organizational vision cause high performers to leave first. The people cities can least afford to lose go first.

Recruitment Becomes Impossible

Quality candidates do not come to shrinking organizations with no trajectory. Vacancies go unfilled or are filled by candidates who couldn't get hired elsewhere.

Vision Disappears

Economic development conversations require a credible story about the future. A city visibly cutting services cannot attract the employers or developers needed to generate recovery revenue.

Services Degrade Further

Fewer staff with more demands produces lower quality services, which drives residents and businesses away — shrinking the tax base further in a self-reinforcing cycle.

Transition Becomes Impossible

Infill development, expansion, and recovery efforts require institutional capacity. A city that has cut to the bone cannot manage the very projects it needs to survive.

USING RESERVES IN FY 2026/27: THE RESPONSIBLE CHOICE

RESERVES RATIONALE

The \$1.8M planned use of reserves in FY 2026/27 is not a departure from the resilience plan, it is the plan, executing exactly as designed.

NOT THIS:

- Using reserves with no plan
- Indefinite reliance on reserves
- Avoiding hard decisions
- No off-ramp or decision triggers

THIS:

- Planned, bounded bridge use
- Defined off-ramps tied to outcomes
- Service levels maintained for recovery
- Mid-cycle review built into the plan

FY 2026/27 BUDGET

Revenue, Expenditures & the Planned Bridge | Section 5

FY 2026/27 GENERAL FUND BUDGET SUMMARY

BUDGET SUMMARY

Category	FY 2025/26 Budget	FY 2026/27 Proposed
Total General Fund Revenue	<i>\$30M with (\$2.8M added from transfers and sales of assets; \$32.8M)</i>	<i>\$30.4M</i>
Total General Fund Expenditures	<i>\$32.8M</i>	<i>\$32.2M</i>
Planned Use of Fund Balance	\$0 due to asset sales	\$(1,800,000)
Estimated Ending Fund Balance (FY 25/26 close out and audit will determine final Fund Balance figures)	<i>\$7.8 M</i>	<i>\$6M (policy level)</i>

FY 2026/27 REVENUE OVERVIEW

BUDGET DETAIL

<u>Major Category</u>	<u>Increase/Decrease</u>
Property Tax-	3% Increase
Bradley Burns Sales Tax	Flat
Measure S Sales Tax	Down 3% (lower car sales)
Transient Occupancy Tax	Flat
Excise Tax	Flat
Fees/Licenses	Flat
Awaiting Fee Study Completion (Fall)	

Measure S revenue reflects first full year of voter-approved funding –trending flat to slightly down due to car sales slowing

Property tax growth consistent with countywide assessment increases around 3%

Sales tax reflects current commercial environment within city limits- trending flat

Overall expenses went down in FY 26/27 Budget Development due to the dramatic reductions made by staff.

Staff absorbed the following:

- **\$500K in COLA increases**
- **\$600-\$700K in contracted merit increases**
- **\$200K in one time funding to address FLSA payments**

Personnel costs represent the largest expenditure category — addressed through formal pay period monitoring

No new FTEs proposed in FY 2026/27; focus on operational efficiency

Capital expenditures limited to maintaining current service delivery infrastructure; and non-General Fund projects.

Reductions in all departments in all categories. There is nothing left to cut without drastic service level reduction.

The stabilization of total expenses reiterates this is an ongoing Revenue Problem not an Expense Problem.

SERVICE LEVEL CHANGES & REDUCTIONS

SERVICE IMPACTS

Service / Program	Fiscal Impact	Service Impact
Suspend all employee training and culture programs that are not legally mandated.	\$200K	Stops the process on employee development and culture change that has seen a positive impact over the last two years.
Reduction in Beautification Projects Citywide; forced to only do a limit number of projects.	\$225K	The ability to be fluid and react to needed changes and improvements from a beautification standpoint will slow; will use volunteers as appropriate but cannot fill this gap.
Facility Improvements	\$300K	The General Fund cannot support these costs. We will look to other funding sources as they come up but we will most likely hold out until something health or safety related is broken and in need of repair.
Managed Vacancy Factor	\$1.5M (\$2M in current vacancies)	We cannot control what positions are open when we need to hold them vacant, but we will manage this process to create the savings needed. The operational impact depends on the positions as the year progresses.

SERVICE LEVEL CHANGES & REDUCTIONS

SERVICE IMPACTS

Service / Program	Fiscal Impact	Service Impact
Reductions in contracted services citywide	\$450K	Elimination of contracts around communication, reductions to use of consultants for building review, and general service support contracts in all areas. Net result, slower work from all departments.
Service and Supplies	\$175K	All nonessential service and supply needs for anything that is not a mandatory need for basic service.

WE HAVE MAXIMIZED EFFICIENCY

There Is No More Room on the Expense Side

60%

of comparable city
General Fund revenue

Suisun City operates on ~\$30M.
Benicia, a peer city, runs on \$50M+.(FACTORS IN
Valero Closure)

AI — FULLY DEPLOYED

Every viable AI tool currently available is in use. Expanding AI capability requires new budget investment. We are at the ceiling of what current deployment can deliver.

RESTRUCTURES — EXHAUSTED

Organizational realignment and cross-utilization of staff has been maximized. Employees are already covering multiple roles. No further restructuring is possible without service collapse.

NON-ESSENTIAL PROGRAMS — PAUSED

Training, culture programs, beautification, facility improvements, and discretionary initiatives have all been suspended. Only legally mandated and operationally critical activities remain.

FLEET — RUN TO REPLACEMENT

Vehicle replacement has been deferred to the maximum responsible limit. The fleet is being operated until units physically require replacement. No further savings are available here.

CONTRACTED SERVICES — CUT

\$450K in contracts eliminated citywide. Communications, facilities review, and general support contracts are gone. Remaining contracts are operationally non-negotiable.

VACANCIES — MANAGED LEAN

\$1.5M in vacancy factor savings built into the budget. Positions are held open strategically. Any further vacancy management risks leaving critical functions unstaffed.

WHAT A REDUCED BUDGET MEANS: SERVICE IMPACTS (1 OF 2)

SERVICE IMPACTS

Public Works	Non-emergency calls delayed from days to weeks	Response to calls that are not an immediate health and safety issue will be delayed. What residents have historically seen addressed within days will now take weeks. Deferred maintenance compounds over time.
Parks & Recreation	No capacity for ad hoc or new programming	Staff can sustain current scheduled programming only. No bandwidth exists to add ad hoc events, respond to community requests for new activities, or pilot new offerings during the fiscal year.
City Manager's Office	No contingency funding for dynamic service needs	Zero contingency capacity for mid-year programmatic or service changes. Any unplanned need must displace an existing priority; there is no flexible funding to respond to emerging community or operational needs.
Unhoused Services	Enhancements dependent entirely on grant funding	Programs for unhoused residents are maintained at current levels only. Any enhancement or expansion requires identifying and securing grant funding first — meaning response to changing conditions will lag behind need.
Visit Suisun City	Site operational; promotion requires grant funding	VisitSuisunCity.com will be established and functional, but the marketing investment needed to drive its full value — paid promotion, content, outreach — must wait on grant funding before it can be fully activated.

WHAT A REDUCED BUDGET MEANS: SERVICE IMPACTS (2 OF 2)

SERVICE IMPACTS

Information Technology	No bandwidth for strategic changes or unforeseen issues	IT is staffed for baseline operations only. Strategic improvements to internal service delivery cannot be undertaken, and any unforeseen technical issue — a system outage, a security concern — risks slowing operational service delivery city-wide.
Human Resources	Basic safety program only — no wellness, no major policy work	HR budget covers mandated employee safety programming. No wellness program this fiscal year. Major policy updates or fixes that would improve workforce retention and compliance are deferred.
Fire & Police	Basic operations only — major cases require Council return	Both departments operate at foundational service levels with no additional budget for major investigations — fire cause investigations, complex criminal cases. If a major incident occurs, staff will return to Council for supplemental appropriation.
Community Development	Review moved in-house — permit and project timelines elongated	Much of the plan review function has been brought in-house to reduce cost. The tradeoff is longer processing timelines for permits and project reviews. Developer-funded review remains an available pathway to compress timelines.
Finance / City Manager	Budget Officer hire deferred; CM absorbs duty, pausing other initiatives	The Budget Officer position will not be filled until the Beauchaine Consulting Group analysis is complete. In the interim, the City Manager absorbs this function — which will necessarily pause or slow other strategic initiatives.
Technology / AI	No expansion of AI programs beyond current deployment	The city will maintain existing AI-enabled tools and programs but has no budget capacity to add new applications, expand current AI usage, or pilot additional automation during FY 2026/27.

These are the costs of not bridging. They compound annually and make recovery progressively harder.

THE PATH FORWARD

Multi-Year Outlook & Decision Triggers | Section 6

A SLIGHTLY ADJUSTED PATH: FY 2026/27 THROUGH FY 2027/28

MULTI-YEAR PLAN

Based on the timing of key financial events, staff recommends moving up the strategy refinement to FY 27/28 mid cycle instead of ending FY 28/29 as planned in 2024.

FY 2026/27	FY 2027/28	MID-CYCLE 2027/28
\$(1,800,000) Planned Use of Reserves	\$(1.5M–\$2M) Planned Use of Reserves	DECISION POINT Multi-Year Plan Reset
Within original bridge window. Maintains service delivery and organizational capacity. Consistent with 2024 Council direction.	Planned reserve use continues and then: a formal mid-cycle review evaluates known financial events before determining FY 2028/29 forward.	Council reviews actual outcomes from: expansion decision, 34-acre sale, infill project revenues. Next multi-year plan established from this evidence base.

KEY FINANCIAL EVENTS THAT SHAPE THE DECISION POINT

DECISION TRIGGERS

Three financial events each with material impact will be known or substantially clearer by the FY 2027/28 mid-cycle review. Together, they will define the next chapter.

1

TRIGGER

Expansion Decisions

The City Council's direction on the Suisun City Expansion Plan and the two Buzz Oates Annexations (one of which is approved but needs revenue sharing agreement) will be known. Whether approved, modified, or declined this decision creates a defined financial scenario that drives the next multi-year model.

TIMING

Expected: 2027/2028

2

TRIGGER

34-Acre Site Sale

The marketing of the 34-acre site anticipated to launch late Summer 2026 will produce a one-time revenue event with long-term tax base implications. Sale terms and timing will be factored into the decision point.

TIMING

Sale Launch: Late Summer 2027

3

TRIGGER

Infill Project Milestones

Completion timelines for construction-phase projects

TIMING

Ongoing through 2027/28

STRENGTHENING FINANCIAL MANAGEMENT

Finance Department Transition & Controls | Section 7

FINANCE DEPARTMENT: TRANSITION & STRENGTHENED OVERSIGHT

The work of the past year has highlighted opportunities to operate our financial management at the highest possible level. The following transitions are underway.

Beauchaine Consulting Group — First-Level Financial Review

The City Manager's Office has engaged Beauchaine Consulting Group to conduct an initial review of the city's finances and financial approach examining not only the General Fund but all funds, the fund structure, the chart of accounts, and internal procedures. While aspects of this review occur through the annual audit, a comprehensive fund-by-fund analysis of these categories is not standard practice, and the timing is right for a dedicated assessment. The initial review will identify where additional analytical focus, if any, is warranted.

Budget Process — City Manager's Office Leadership

To ensure the highest level of rigor and organizational alignment, the City Manager's Office will take on a more direct leadership role in the budget development process and financial structure analysis. This does not replace Finance Department functions — it strengthens the analytical layer above them.

NEW CONTROLS: FORMAL PAY PERIOD SALARY & OVERTIME REVIEW

INTERNAL CONTROLS

Personnel costs represent the city's largest expenditure category. To ensure accurate budget tracking and early identification of variances, we are formalizing an informal protocol.

What Is Changing

Individual departments have historically reviewed payroll on an informal basis. Going forward, the City Manager's Office will institute a formal pay period review of salary and overtime across all departments. This practice has proven effective in other agencies and provides an early warning system for budget variances before they become year-end surprises. Will require formal department head and CM sign off each pay period.

What This Achieves

Earlier detection of overtime trends, position vacancy savings, and unanticipated staff changes allows management to take corrective action within the fiscal year rather than after it closes. The result is tighter expenditure control without reducing service capacity.

Timeline

Implementation begins in FY 2026/27. Reporting formats will be developed in coordination with Finance and HR. Council will receive summary-level updates through standard budget reporting.

MEASURE S: BUILDING A LONG-TERM ALLOCATION STRATEGY

MEASURE S

Council has asked Finance to develop a plan for transitioning Measure S funding from operations toward capital and infrastructure needs, including roads. The City Manager's Office is taking ownership of this strategy.

Current Use

Measure S is currently supporting general fund operations (Public Safety).

Council's Direction

Council has identified the desire to develop a pathway for allocating a portion of Measure S to infrastructure needs such as roads as fiscal conditions allow.

What Is Not Happening in FY 26/27 or FY 27/28

This transition will not occur in either of the next two fiscal years. The bridge period requires continued operational support, and any reallocation must be modeled carefully before it can be implemented without service impact.

What Is Happening Now

The City Manager's Office is developing the long-term allocation strategy removed from the Finance Department workload to allow Finance to focus on core functions during the transition period. A strategy proposal will be brought to Council toward the end of calendar year 2026.

WHY THIS BUDGET IS THE RIGHT BUDGET

CLOSING

Approving this budget means continuing the plan. a plan that is working, that was developed with Council, and that positions Suisun City for the decisions ahead.

1

The plan was made for exactly this moment

The 2024 resilience plan anticipated a bridge period. FY 2026/27 is squarely within it. This is the plan, not a deviation from it.

2

The plan is executing on all fronts

Measure S passed at 72%. Construction is underway. Expansion negotiations are advancing. Every pillar is active.

3

Every alternative is worse

Cutting services now does not solve a revenue problem — it makes recovery harder or impossible. Managed decline is not fiscal responsibility.

4

The next decision point is defined

The mid-cycle FY 2027/28 review — informed by the expansion decision, the 34-acre sale, and infill milestones — will allow the next multi-year plan to be built on real outcomes.

5

Financial management is being strengthened with new leadership

Beauchaine Consulting Group, pay period reviews, and City Manager-led budget leadership. Recruitment for a new Finance Director is underway and will add to this core plan but in the meantime the CMO will have to take over this function which will impact other strategic areas as those initiatives will need to be paused.

SUMMARY

BUDGET OVERVIEW

FY 2026/27

*A Planned Bridge
to Fiscal Independence*

\$30.4M

General Fund Revenue

\$32.2M

Total Expenditures

\$1.8M

Planned Reserve Use

\$6.0M

Estimated Ending Fund Balance

FY 2026/27 Budget at a Glance

The FY 2026/27 budget executes the 2024 Resilience Plan exactly as designed. This is a revenue problem, not an expense problem.

Revenue Landscape

Property tax up 3%. Bradley Burns Sales tax flat and Measure S sales tax estimated to be down by 3%. No new revenue sources in FY 26/27. Fee study pending Fall 2026.

Expenditure Reductions

Staff absorbed \$1.3M+ in COLA and merit increases. No new FTEs. Training, beautification, facilities, and contracted services all cut. Nothing left to reduce without drastic service impact.

Reserve Use: By Design

The \$1.8M planned draw is within the original bridge window established by Council in June 2024. Reserves are the bridge, not a departure from the plan.

Multi-Year Plan, Decision Triggers & Why the Resilience Strategy Is Working

MULTI-YEAR PLAN



\$(1.8M) use of reserves

Within the original bridge window. Maintains service levels and organizational capacity.



\$(1.5M–\$2M) use of reserves

Reserve use continues, then a formal mid-cycle review evaluates key financial events.



Decision Point

Council has made expansion decision, 34-acre sale, and infill revenues to set the next multi-year plan.

KEY DECISION TRIGGERS

01

Council direction on Suisun City Expansion and Buzz Oates annexations expected in FY 26/27

02

Marketing launches late Summer 2026. One-time revenue with long-term tax base impact.

03

17 active projects at various stages. Completions ongoing through FY 2027/28.

WHY THE PLAN IS WORKING

72%

A supermajority vote — community trust in the plan is real and demonstrated.

17

From construction to negotiation — visible transformation underway right now.



DA negotiations with California Forever on schedule through August 2026.

Approving this budget means continuing a plan that is working — on every front.

Any Further Cuts End the Gameplan

WHAT WE HAVE ALREADY DONE

- ✓ Absorbed \$1.3M+ in mandatory COLA and merit costs with no budget increase
- ✓ Eliminated all non-essential contracts, training, and discretionary programs
- ✓ Deployed every available AI tool without additional investment
- ✓ Cross-utilized staff across departments to cover vacancies
- ✓ Deferred fleet replacement to the operational limit
- ✓ Managed \$1.5M in vacancy savings through strategic position holds
- ✓ Paused strategic initiatives to redirect City Manager capacity to finance

WHAT FURTHER CUTS WOULD ACTUALLY MEAN

Expansion negotiations stall

The DA process with California Forever requires dedicated staff capacity. Cut the team, lose the deal.

Infill projects slow or stop

17 active projects need active management. A hollowed-out organization cannot close these transactions.

Top performers leave first

High performers always have options. Signal of decline triggers exits that cannot be replaced at current comp.

Economic development goes dark

Prospects like Hadrian Industries require a credible, capable city. A city in visible decline does not attract investment.

Recovery becomes structurally impossible

The fiscal gap is a revenue problem. Cutting capacity eliminates the ability to generate the revenue needed to close it.

The only path to fiscal health runs through revenue growth — not deeper cuts to a team already operating at the edge.

QUESTIONS & COUNCIL DIRECTION

Staff is prepared to answer questions and seeks Council's direction