

STAFF REPORT



FINANCIAL SERVICES

DATE: June 2, 2026

TO: Justin Hess, City Manager

FROM: Jennifer Becker, Financial Services Director 
By: Leana Mkrtchyan, Assistant Financial Services Director

SUBJECT: Adoption of Resolutions Adopting the Fiscal Year 2026-27 Annual Budget, Citywide Fee Schedule, and Appropriations Limit

RECOMMENDATION

1. Provide further direction as necessary regarding the budget follow-up requests.
2. Adopt A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR THE FISCAL YEAR 2026-2027 AND MAKING APPROPRIATIONS FOR AMOUNTS BUDGETED.
3. Adopt A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK DETERMINING AND ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2026-2027.
4. Adopt A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR THE FISCAL YEAR 2026-2027.
5. Adopt A RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR THE FISCAL YEAR 2026-2027.
6. Adopt A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE FISCAL YEAR 2026-2027 CITYWIDE FEE SCHEDULE.

BACKGROUND

The Fiscal Year 2026-27 Proposed Budget documents were distributed on April 30, 2026, for the City Council's review and made available to the public at the City Clerk's Office, the Financial Services Department, and on the City's website. The Budget was reviewed during two City Council Meetings that were held on May 5, and May 19, 2026, during which staff presented a detailed overview of the Proposed Citywide FY 2026-27 Budget and Fee Schedule, along with the General Fund Five-Year Financial Forecast and the citywide Capital Improvement Program (CIP). The purpose of these budget presentations was to provide the City Council the opportunity to review each department and fund's budget, ask questions, review new budget requests, and make modifications to the budget and fee schedule.

DISCUSSION

FY 2026-27 Citywide Budget

The following chart provides a Citywide snapshot of proposed resources and appropriations for FY 2026-27. The total appropriations for the FY 2026-27 Proposed Budget of approximately \$1 billion are roughly \$600,000 less than the Adopted FY 2025-26 Budget.

FUND/FUND GROUP	PROPOSED RESOURCES	PROPOSED APPROPRIATIONS *
General Fund	\$ 272,194,764	\$ 282,127,444
Special Revenue Funds (incl. Cap Projects Fund)	93,296,149	75,141,302
Internal Services Funds	68,178,471	120,802,367
Water Reclamation & Sewer	23,842,632	28,199,961
Water and Electric (BWP)	349,012,231	456,626,546
Refuse Collection and Disposal	28,105,321	30,101,967
Successor Agency	1,799,905	2,443,085
Housing Authority	16,816,710	17,510,635
Parking Authority	2,329,126	1,715,837
TOTAL ALL FUNDS	\$ 855,575,309	\$ 1,014,669,144

**Proposed Appropriations are funded by FY 2026-27 total citywide revenues as well as the use of available fund balances.*

Council Follow-up Items

During the City Council Meeting on May 19, 2026, the City Council reviewed 11 discussion papers and follow-up items related to the budget. At that time, the following items were approved by the City Council for incorporation into the Proposed Budget:

- 1) Community Events and Program Grant - \$50,000 (Recurring)
- 2) Enhanced Renter Relocation Program for Qualified Households (Measure A) - \$330,000 (One-Time)
- 3) Proposed Increase to Community Arts Grant Funding - \$15,000 (One-Time)

4) Consideration of a One-Time Budget Appropriation of \$50,000 for an Immigration Emergency Assistance Fund - \$50,000 (One-Time)

The City Council also requested additional information related to the following items to be reviewed at the Budget Public Hearing. These items are included in this report as Attachment 9.

- 1) Cost Estimate for Citywide Wage Survey
- 2) Information on the Burbank Police Department Budget Line Item: Equipment Rental/Automated License Plate Reader

General Fund Financial Status

Based on the forecasted FY 2026-27 revenue and proposed recurring appropriations, including the discussion papers approved by the City Council for incorporation into the budget on May 19, 2026, staff is projecting a recurring deficit of approximately \$2.7 million in FY 2026-27 (see Attachment 6). Factoring in the anticipated ending balance from FY 2025-26, contributions to reserves, and proposed one-time appropriations, staff is expecting an available balance of \$27.9 million in the General Fund at the end of FY 2026-27.

Capital Improvement Program

Adhering to the City Council's adopted Infrastructure Maintenance, Repair, and Improvement Policy, the FY 2026-27 Proposed Budget continues to contribute half of the Measure P sales tax revenue to the Municipal Infrastructure Fund 534, in addition to the annual \$4.7 million General Fund maintenance of effort.

The FY 2026-27 Proposed CIP Budget continues the City's efforts towards addressing infrastructure needs, with just over \$49.5 million in proposed general city capital spending from 15 different funds and funding sources, alongside \$5.9 million in annual Fund 534 maintenance dollars. The proposed CIP projects were presented to the Infrastructure Oversight Board (IOB) for review at two public meetings on March 26 and April 23, 2026, the second of which the IOB formally approved the capital plan for inclusion in the Proposed Budget. A summary of all new and continuing CIP projects for FY 2026-27 is included in Attachment 8.

Gann Initiative Appropriation Limit

The City is required by State law to establish an appropriation limit each fiscal year. Only those revenues received from the proceeds of taxes are subject to this limit. This means that only certain revenues from funds such as the General Fund, the Gas Tax Fund, and various Transportation Funds are subject to the appropriation limit. All other funds that fall under the City Council's control (i.e., Enterprise Fund rates and General Fund user fees) are exempt from this limitation.

Utilizing the most current price and population data provided by the State of California,

the City's FY 2026-27 appropriation limit is estimated to be \$299,789,350. The actual amount of the appropriations contained in the budget that is subject to the limit is \$182,677,671. The difference between the City's appropriation limit and the amount proposed to be appropriated that is subject to the limit is \$117,111,671. As a result, the City, in accordance with State law, is well below its appropriations limit.

ENVIRONMENTAL REVIEW

This activity includes the FY 2026-27 Proposed Budget and has no potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment. As such, it is not a "project" subject to the requirements of the California Environmental Quality Act (CEQA) 14 Cal. Code Regs § 15378.

CONCLUSION

The adoption of the Budget sets forth the appropriations for the new fiscal year. For FY 2026-27, total General Fund appropriations of \$282 million against projected revenues and the use of fund balance will be stabilized. If adopted as is, the overall General Fund budget will be balanced as required by the City Charter. However, it should be noted that the projected recurring balance for FY 2026-27 is forecasted to remain a deficit in the second year and succeeding fiscal years of the five-year forecast as future projected expenses outpace projected revenues (see Attachment 7).

Burbank is heading into FY 2026-27 with a proposed budget that reflects the City Council's goals and priorities but still adheres to the City's values of fiscal responsibility. The City Council has consistently pursued sound fiscal policies and strategies like strengthening revenues, paying down pension liabilities, building up reserves, and utilizing one-time funds to make strategic investments to reduce future recurring expenses. In addition to the projected FY 2026-27 year-end General Fund Balance of nearly \$28 million, Burbank's formal reserves total approximately \$65.7 million and will increase to \$68.7 million with the adoption of this budget. These funds will allow Burbank to weather any potential unexpected events or fluctuations in the economy over the next several years. Staff will continue to monitor any economic conditions or legislative actions that may impact the City's financial position and provide regular updates to the City Council.

ATTACHMENTS

Attachment 1 – A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR THE FISCAL YEAR 2026-2027, AND MAKING APPROPRIATIONS FOR AMOUNTS BUDGETED

Attachment 2 – A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK DETERMINING AND ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2026-2027

- Attachment 3 – A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR THE FISCAL YEAR 2026-2027
- Attachment 4 – A RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR THE FISCAL YEAR 2026-2027
- Attachment 5 – A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE FY 2026-2027 CITYWIDE FEE SCHEDULE
- Attachment 6 – General Fund Projected Spendable Fund Balance FY 2026-27
- Attachment 7 – General Fund Financial Forecast FY 2026-27 through FY 2030-31
- Attachment 8 – Summary of CIP Projects by Category FY 2026-27
- Attachment 9 – Discussion Paper Follow-up Items
- Correspondences