

**CITY OF TEMECULA/TEMECULA COMMUNITY SERVICES DISTRICT/SARDA
AGENDA REPORT**

TO: City Council/Board of Directors

FROM: Aaron Adams, City Manager/General Manager/Executive Director

DATE: May 27, 2025

SUBJECT: Approve Fiscal Years 2026-30 Capital Improvement Program (CIP) and Adopt Fiscal Year 2025-26 CIP and Annual Operating Budgets for the City of Temecula, the Temecula Community Services District (TCSD) and the Successor Agency to the Redevelopment Agency (SARDA)

PREPARED BY: Jennifer Hennessy, Finance Director/Treasurer

RECOMMENDATION: That the City Council/Board of Directors adopt the following resolutions entitled:

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2026-30 AND ADOPTING THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2025-26

RESOLUTION NO. CSD 2025-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA COMMUNITY SERVICES DISTRICT OF THE CITY OF TEMECULA ADOPTING THE FISCAL YEAR 2025-26 PRELIMINARY ANNUAL OPERATING BUDGET AND ESTABLISHING CONTROLS ON CHANGES IN APPROPRIATIONS

RESOLUTION NO. SARDA 2025-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEMECULA REDEVELOPMENT AGENCY APPROVING THE CAPITAL IMPROVEMENT PROGRAM FISCAL YEARS 2026-30, ADOPTING THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2025-26, ADOPTING THE

FISCAL YEAR 2025-26 ANNUAL OPERATING BUDGET AND
ESTABLISHING CONTROLS ON CHANGES IN
APPROPRIATIONS

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA ADOPTING THE FISCAL YEAR 2025-26
ANNUAL OPERATING BUDGET, ESTABLISHING
CONTROLS ON CHANGES IN APPROPRIATIONS,
ESTABLISHING CONTRACT AUTHORITY OF CITY
MANAGER, ESTABLISHING LAWSUIT SETTLEMENT
AUTHORITY OF CITY MANAGER

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA REVISING THE SCHEDULE OF AUTHORIZED
POSITIONS AND SALARY SCHEDULE

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA ESTABLISHING THE APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2025-26

DISCUSSION: At its May 22, 2025 Budget Workshop, the City Council was presented the Proposed Fiscal Years 2026-30 Capital Improvement Program and 2025-26 CIP and Annual Operating Budgets for the City, Temecula Community Services District (TCSD), and the Successor Agency to the Temecula Redevelopment Agency (SARDA).

The attached Transmittal Letter summarizes the highlights of the Fiscal Year 2025-26 Proposed Annual Operating Budget and Fiscal Years 2026-30 Capital Improvement Program documents.

The list of adjustments noted below were discussed at the Council Workshop, and will be incorporated into the Final Annual Budget and CIP:

- Care Solace Contract: \$45,000 added to the TCSD Operations budget for a 6-month contract, with an option to extend the contract if desired.
- Fire Mitigation Management: \$250,000 added to the Fire Department budget, via a transfer from Measure S, for vegetation mitigation.
- Acceleration of Pension Liability Paydown: \$10,000,000 in additional discretionary payments to CalPERS from the following sources:
 - o \$5,000,000 via a transfer of funds from Fund 006-Fire Facility Acquisition Fund, to

- be paid back to Fund 006 with the savings generated from the acceleration of the debt paydown within 5-years
 - \$2,000,000 in available General Fund Balance
 - \$2,000,000 from the City's PARS Pension Trust
 - \$1,000,000 via a transfer of uncommitted funds from Fund 110-Community Reinvestment Program Fund
- La Paz Road Roundabout Reconstruction CIP (New Project): \$3,000,000 added to the Capital Improvement Program, from Measure S Funding
 - Including the reallocation of \$1,000,000 from the Pavement Rehabilitation Program Citywide project

Additionally, the following list of administrative corrections will also be reflected in the Final Budget:

- Emergency Management: \$6,000 appropriation for Narcan training for staff and the community
- Information Technology/Support Services: Reallocate \$100,055 in Project Salaries from Fund 320 – Information Technology to Fund 330 – Support Services due to a reassignment of duties.
- Various Revenue reductions across several Funds - (\$193,109) due to a programming error in the City's budget software system that mistakenly duplicated several line items, plus any resulting impacts to the Internal Service Fund Allocations.
- Various Expenditure reductions across several Fund/Departments - (\$96,596) due to a programming error in the City's budget software system that mistakenly duplicated several line items, plus any resulting impacts to the Internal Service Fund Allocations.

FISCAL IMPACT: The specific fiscal impacts are noted in the Fiscal Years 2026-30 Capital Improvement Program and Fiscal Year 2025-26 Annual Operating Budget documents.

ATTACHMENTS:

1. Transmittal Letter
2. Resolution - Approving the CIP for Fiscal Years 2026-30 and Adopting the CIP Budget for Fiscal Year 2025-26
3. Resolution - Adopting the Fiscal Year 2025-26 TCSD Preliminary Annual Operating Budget
4. Resolution – Approving the SARDA CIP Fiscal Years 2026-30 and Adopting the CIP Budget for Fiscal Year 2025-26, and Adopting the Fiscal Year 2025-26 Annual Operating Budget
5. Resolution - Adopting the Fiscal Year 2025-26 Annual Operating Budget
6. Resolution - Schedule of Authorized Positions with attachments
7. Resolution - Appropriations Limit for Fiscal Year 2025-26 with attachment