

## Budget Overview

### Honorable Mayor and City Council of the City of Salinas:

I am pleased to present the Fiscal Year (FY) 2025-26 Proposed Operating Budget. This proposed budget represents the commitments made by Council to provide the highest level of services while reflecting the need to manage spending carefully and prepare for a range of economic conditions. The City's total budget is \$284,993,377. The City's General Fund budget of \$185,287,905 further invests in high-quality services for the community and advances City Council priorities.

### Reflecting on Key Milestones

Salinas has made significant strides in continuing to invest in community needs such as public safety, pedestrian safety, traffic congestion, playground/park improvements, pavement improvements, libraries, and regional stormwater supply improvements. Enhanced customer service and professional development has also been prioritized. Ongoing projects include additional Citywide roads and sidewalk improvements and the construction of the Hebborn facility. City Council also approved a conveyance agreement between the Big Sur Land Trust and the City of Salinas to transfer approximately 73 acres identified as the Carr Lake Park Project/Ensen Park for the purpose of public park use and management. This coming year, a renewed focus will be placed on economic development; staff will progress with major sanitary sewer infrastructure investments, increase the amount of road and sidewalk repairs, move forward the Chinatown revitalization, Alisal Vibrancy Plan/Marketplace and Vision Salinas, complete Fire Station 1 renovations, enhance City services, and prioritize Citywide broadband initiatives and technology upgrades.

### Preparing for the Salinas of Tomorrow

The proposed budget balances continued positive momentum against unknowns that could impact the City's fiscal health such as economic uncertainty, tariffs, inflation, supply chain interruptions and Federal spending reductions, requiring that the City strategically prepare to adapt as needed.

Through past challenges such as the pandemic, stagflation, economic uncertainty, and weather-related events, the City and community have adjusted and focused on advancing priorities and addressing changing community needs. This budget preserves valued services including but not limited to economic development, public safety, community services, community development, libraries and parks. Generational investments in wastewater infrastructure, Citywide broadband initiatives, and preparing for future growth continue as key initiatives.

The FY 2025-26 Proposed Budget reflects budget balancing strategies and the use of one-time funds. Through this budget process, the City will need to reconcile service levels to actual revenues. We expect to continue facing deficits with our current Financial Forecast ranging from \$1.8 million in FY 2026-27 to \$45.5 million in FY 2030-31 without Measure G. To put it in perspective, if Measure G is not extended that would equate to a reduction

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of approximately 37.8%. Should Measure G be renewed, the projected deficit in FY 2030-31 is \$5.7 million should other revenue sources not increase or expenditures not be realigned and/or adjusted.

A conservative approach to ongoing costs is needed to ensure that current one-time surpluses are managed in a way that will not exacerbate future deficits and allow flexibility to revisit how the City provides services, as needed. With this approach in mind, the budget limits ongoing spending, sets aside reserves, fully funds anticipated legal liabilities, and maintains proactive investment in long-term liabilities. Moreover, the City maintains its vacancy rate at 5% to align with historical vacancies. Staff will closely monitor expenditures throughout the year and bring recommendations to Council, as appropriate, and develop contingency plans as needed in preparation for FY 2026-27.

Additionally, the City will need to start planning for the potential extension of Measure G either later in the year or in the coming year as there will be two opportunities for the City to prepare for the potential renewal – one in 2026 and another in 2028. A feasibility study will need to be coordinated to help evaluate voters' interest regarding the measure. It will be critical to identify what Measure G has accomplished and what it will continue to accomplish. Alternatively, should there not be support to renew the measure, staff will need to start developing a plan for the loss of revenue which will likely include a reduction in personnel. This includes reviewing City services, programs, and staffing. Thoughtful planning and preparation will need to be prioritized in the near-term.

Another major contributing factor in preparing for the Salinas of tomorrow is recognizing the development in the future growth area and the Amazon facility that is currently under construction. The Amazon facility is expected to be completed in the fall of 2026 and could start generating revenue as early as FY 2026-27. A conservative revenue forecast for the fulfillment center is included in the financial forecast that was published in the FY 2024-25 Mid-Year review. It is more difficult to project revenue for future development until construction begins, therefore the financial forecast did not reflect revenue growth for future developments. We will continue to monitor and adjust our financial forecast to reflect any new activity in the FY 2025-26 Mid-Year Report.

Although there is much to look forward to in the near-term, it is important to manage spending carefully and prepare for a range of economic conditions.

### City Council Priorities

The proposed budget advances the City Council's priorities and objectives by investing in key actionable and time bound efforts that deliver community services, look toward the future by addressing critical needs in the areas of customer service, infrastructure, and community health and safety. In May of this year, the City Council finalized the following priorities: Economic Development, Housing, Infrastructure, City Services, Public Safety, and Youth and Seniors. The continuation and development of many objectives provides the foundation for the budget strategies contained in the FY 2025-26 Proposed Budget. Continued emphasis remains for the City's quality of life through maintaining parks, traffic

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calming/traffic safety for all users, thoughtfully planning street and sidewalk repairs, prudent fiscal management, and planning for the future.

### Budget Process & Community Outreach

The FY 2025-26 budget process began in December upon the release of an online budget survey and continued through the spring with a community budget meeting and “pop-ups” where staff engaged residents in discussions about the budget and City services. Additionally, through regularly held public meetings, the community has provided public comment relating to the budget.

### Fiscal and Economic Updates

#### *Fiscal Outlook*

This proposed Budget continues to reflect investment in long-term service delivery and capital improvement while mitigating risk, through conservative fiscal strategies such as a prudent Budget Stabilization fund. Providing stability for the community and City organization remains a priority as we navigate financial forecasting in this environment.

Staff remain cautious and recommends limited new investments. To help mitigate risks, this budget incorporates the development of a Budget Stabilization fund with a target of \$1.0 million. This fund is a prudent measure to maintain the City’s fiscal stability in case unforeseen events reduce revenue or create obligations that significantly impact the current-year budget. Examples of such events include significant infrastructure repairs, a downturn in the economy, or actions taken by another governmental agency that reduce revenues and/or increase expenses for the City.

In recent years, Council has proactively increased reserves from 8% to 12% of the General Fund and invested in a 115 Trust to provide bridge funding for community services in subsequent years. The FY 2025-26 budget relies on \$3.2 million estimated Fund Balance from the General Fund as a one-time resource to address future deficits projected in the Financial Forecast and to potentially address short-term Council priorities

Also, the FY 2025-26 proposed budget includes the City Council's direction for prioritization of enhancing City services, public safety, and infrastructure specifically, the repair of roads and sidewalks, which aligns with the voter approved Measure G. The use of one-time funding and reserves supports near-term funding priorities, and preparation of contingency plans will enable adaptation in anticipation of an extended economic recovery.

#### *Economic Outlook*

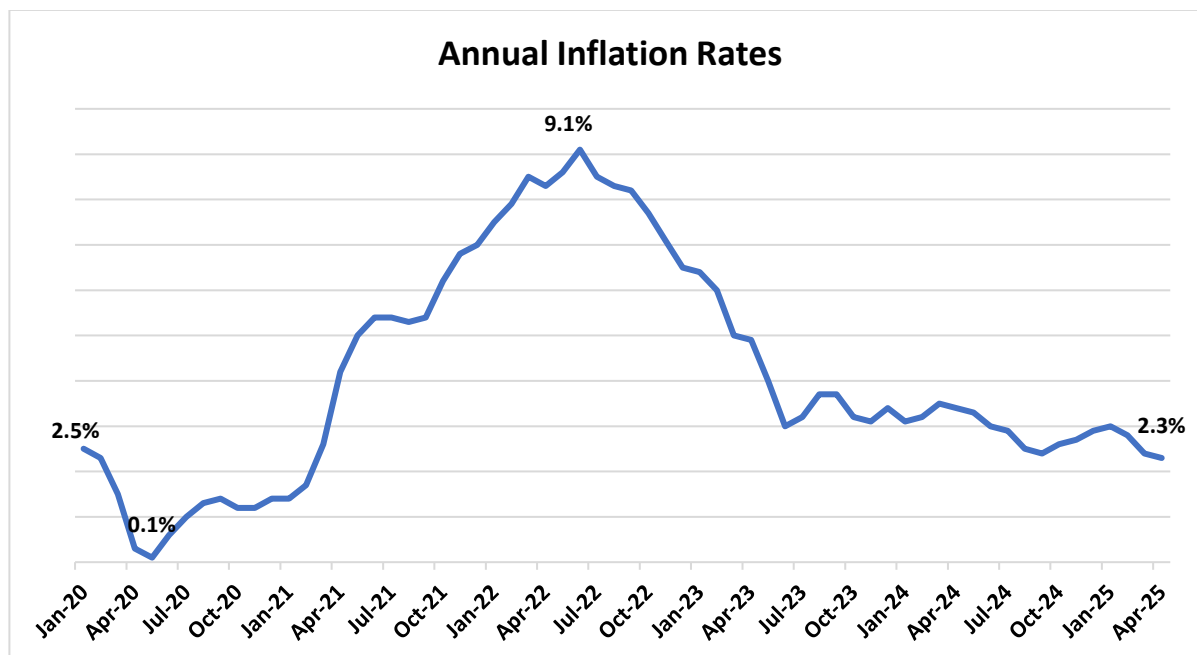
Until recently, the national economy had been performing well and had been on a strong trajectory. The labor market was strong, with unemployment near all-time lows and Gross Domestic Product (GDP), a key measure of a country’s economic output and growth, had been running above its long-term trend. In addition, the various stock exchanges and stock market indices (NYSE, Nasdaq, S&P 500) were setting records on a regular basis. Over the past few months, a government shutdown has been averted; significant tariffs on most

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trading partners have been implemented, rescinded, delayed, and lowered in some instances; and multiple federal agencies and staff positions have been eliminated or drastically reduced.

As a result, the nation is currently facing significant challenges and uncertainties. Persistent inflation above the Federal Reserve's 2% target, and potential compounding effects as it relates to tariffs, remains a dominant concern, with consumer prices remaining elevated amid continued supply chain disruptions and elevated geopolitical tensions. While inflation has come down a great deal over the past two and a half years, the Federal Reserve's target rate of 2.0% has not been reached and currently sits at 2.3%. If inflation continues to be slow to return to the target rate of 2.0%, the Federal Reserve may maintain higher interest rates, which would negatively impact business and consumer spending, further hampering economic activity. A result of high inflation is the erosion of purchasing power by consumers and businesses, which makes it more difficult for consumers and businesses to make financial decisions. The Federal Reserve's vigilant stance on monetary policy underscores the urgency of addressing inflationary pressures while striving to maintain economic stability.

As shown in the chart below, annual inflation hit a peak of 9.1% in June 2022 and declined to 2.3% in April 2025. Inflation has been relatively stable for nearly the last 24 months.



Source: U.S. Bureau of Labor Statistics

Economic uncertainty will continue to persist until there's greater clarity in fiscal policy and the financial markets. As discussed previously, GDP is a way to measure a country's economic output and growth and is comprised of consumer spending, business investments, government spending, and net exports (exports minus imports). Even if only one of the components of GDP decrease while the others remain unchanged, the national economy will experience slower growth.

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Uncertainty can lead to slower economic growth as businesses and consumers delay spending and investment, including:

- When consumers are uncertain about their future income or job security, they may be less likely to make large purchases or take on new or additional debt. As a result, consumer spending decreases, which has a negative impact on GDP.
- Uncertainty can cause businesses to pause making long-term financial decisions, such as hiring, investing in capital items, or expanding operations. As a result, a reduction in business spending occurs, which has a negative impact on GDP.

Additionally, as government spending decreases the potential for a contraction in economic activity increases, potentially lowering GDP, and increasing unemployment both nationally and locally.

### Federal Funding

Another economic concern, and one that directly impacts the City and funding for public services, is the potential reduction or elimination of federal awards and grants to local agencies. The federal administration initially instituted a freeze on federal grant funds to recipients. Even though the freeze was paused, there is potential for future freezing of federal funding that could negatively impact the City's finances. At the close of Fiscal Year 2023-24, the City had \$1.5 million in grants awarded and not yet reimbursed/received. This includes \$897,906 from the CDBG Improvement Program, \$143,355 from the Emergency Shelter Program, \$21,639 from the Assistance to Firefighters Grant, \$160,448 from the HOME Investment Program, \$236,888 from the US Department of Justice, and \$52,000 from the Federal Aviation Administration. Currently, the City has a \$3.9 million outstanding FEMA claim for repairs at the Industrial Wastewater Treatment Facility.

On May 2, 2025, the Administration released its FY26 "skinny" Budget. The budget reflects the Trump Administration's priorities to dramatically reduce non-defense discretionary spending, increase military and border security funding, and eliminate programs deemed ideologically driven or misaligned with "America First" principles.

Like other Administration Budget requests, this request is merely the beginning of the process and Congress will ultimately determine funding levels for non-defense discretionary programs. With the support of the City's federal lobbyist, staff will continue to monitor any potential changes to these programs and other potential impacts coming out of Washington.

### State of California

On January 10, 2025, Governor Newsom's administration presented its proposed state budget to the California Legislature. The Governor's proposed budget for California for Fiscal Year 2025-26 remains largely balanced, with some small differences in revenue and spending estimates compared to earlier projections. The budget includes a mix of short-term savings and new spending proposals, but results in a decline of \$3.8 billion in the balance of

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the Special Fund for Economic Uncertainties, from a projected balance at June 30, 2025 of \$8.3 billion to \$4.5 billion at June 30, 2026. While the revenue estimates are reasonable, there are concerns about their sustainability, particularly due to a reliance on personal income tax largely driven by stock market performance rather than broader economic improvements.

The state's revenue projections reflect an economic outlook that expects moderate growth to continue in the near term, however, the Governor cautions that federal policies on tariffs, international trade, and immigration would increase inflationary pressure on the economy, which would dampen economic growth and reduce state revenues. In addition, federal cuts to programs, particularly health care, would threaten the well-being of millions of Californians and would significantly reduce federal funding that flows to California.

The Legislative Analyst's Office (LAO) points out several reasons for the fiscal challenges currently facing the state:

- Revenues have not caught up to expenditures.
- Expenditure growth exceeds estimated revenue growth; an issue the City of Salinas is also facing.
- The budget is currently balanced, but only because the Legislature took significant actions last year – nearly all of which involved one-time uses of funds.

The Governor has shown interest in changing the state's reserve policies, which would ultimately provide higher reserve levels being available when responding to downturns or other emergencies, which ultimately would have a positive impact on the state's fiscal strength. The LAO cautions that the initial steps taken by the Governor are reasonable, but additional changes are warranted.

On May 14, 2025, the Governor released the May Revision. The May Revision provides an update of revenues, expenditures, and reserve estimates based upon the latest economic forecast and changes in statistical data and now projects a shortfall of \$12 billion. This includes a projected \$11 billion loss in revenue as a result of international tariffs, which are projected to slow the economy and weaken state revenues in Fiscal Year 2025-26.

Personal income tax represents 61.3% of all General Fund revenues of the state, and just 1.0% of California's total tax returns were responsible for nearly 39% of all the personal income tax paid by residents. This small share of Californians earns a significant proportion of their income from stock-based compensation and capital gains, which make their income, and the tax revenue it generates, significantly more volatile and subject to swings in the financial markets.

As the administration plans for possible future state budget deficits coming to fruition, City Finance staff will be monitoring the state's financial condition and potential impacts on local revenues. It is expected that the state could have fewer tools available in the future to address these shortfalls, resulting in more pressure on the Legislature to look for creative ways to generate revenue or reduce expenditure, which could impact local government budgets.

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In addition to the potential short-term issues facing the state budget, long-term structural downside risks to the state economy and budget continue, including climate change and more frequent extreme weather events, such as wildfires, drought, and floods, the challenges of an aging population, declining migration inflows, ongoing stock market volatility, high housing and living costs, and potentially worsening income inequality.

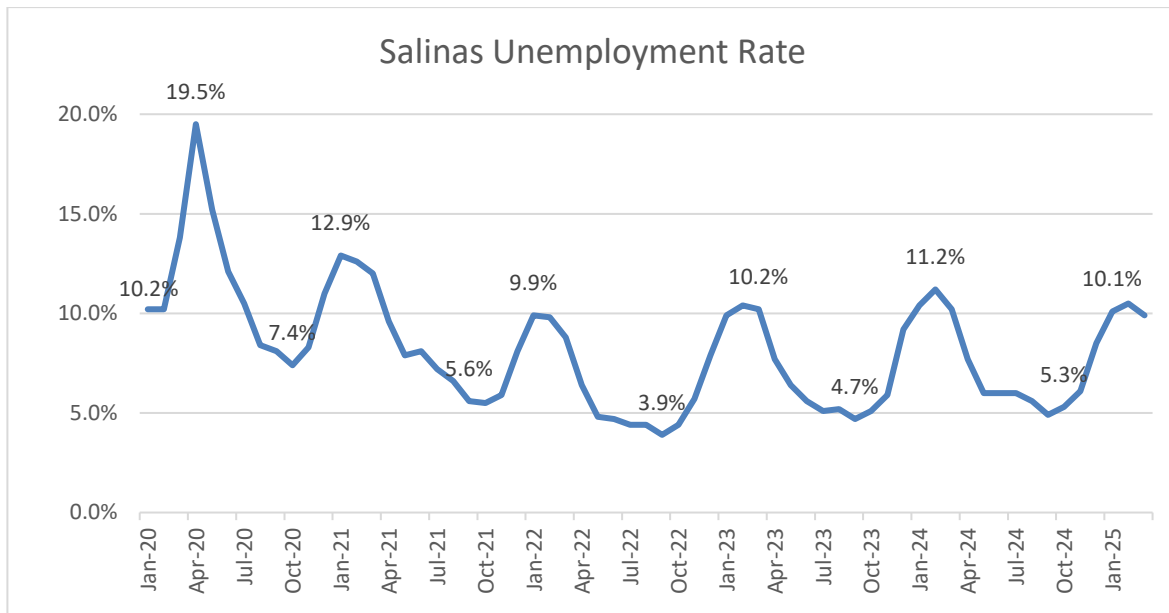
### Local

The local economy is showing signs of slowing. While the City's major revenues have generally remained consistent and have benefited from inflation as well as the increase in interest rates, there is slow or minimal growth in the City's major revenue sources. Local economic indicators continue to project stable revenues, but slower-paced growth is anticipated in the future. Uncertainty with inflation, interest rates, national and state economic policies, and geopolitical conflicts all contribute to the projected slower-paced growth.

The labor market and the resulting unemployment rate appear to have normalized or become steady and conditions have improved. The unemployment rate surged in early 2020 when the pandemic first took hold, resulting in an economic shutdown. Since that time, the unemployment rate has returned to its cyclical norms although not fully recovered.

Fewer employees working in the City not only impacts the local sales tax revenue generated but also negatively impacts the City's business license tax revenue, as some industries' tax is based on the "headcount" of employees, or the number of people employed by each business.

The chart below reflects Salinas' labor force seasonality of the agriculture industry through the first month of 2025.



Source: Bureau of Labor Statistics



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According to HdL Coren & Cone, the average home price (as of January 1, 2025) in Salinas is \$671,339, down 6.7% from a year ago.

The above statistic demonstrates a softening of the housing market in Salinas. While the City benefits financially from revenues gained through sales taxes and property taxes, recent inflationary pressures increase the costs for goods and services purchased by the City.

### Budget Development

The FY 2025-26 General Fund Budget programs total revenues including transfers in of \$184,531,960 and expenditures including transfers out of \$185,287,905. The difference between the total revenues and expenditures are the allocation to maintain the 12% General Fund Contingency Reserve, approved by City Council, in addition to other reserve allocations. The Budget does not include new programs; however, it does augment existing service with increased staffing levels, specifically in Community Development and Public Safety. This budget also provides for limited, continued strategic investments toward important maintenance of the City's streets and sidewalks, and unhoused management as Federal grant funding allows, and other necessary infrastructure improvements to protect our community's health and safety.

As shown below, the proposed FY 2025-26 Budget is \$284,993,377 of which the General Fund, Measure E, and Measure G total \$184,287,905 and the Other Funds amount to \$71,354,175, excluding transfer out to the Capital Improvement Program (CIP), which include special revenue funds, internal services, enterprise operations, assessment & maintenance districts, grants, agencies, and debt service. Lastly, the FY 2025-26 Capital Improvement Program budget is programmed at \$29,351,297. Note, however, that CIP work continues on projects at various stages of completion in both the American Rescue Plan Act (ARPA), as well as carryover projects from prior years. Since the funding for those projects has already been appropriated, it is not included in this year's budget requests.

FY 2025-26 Proposed Budget – All Funds			
Operating Budget	FY 2024-25 Adopted	FY 2025-26 Proposed	% Change
General Funds	\$ 172,971,278	\$ 184,287,905	7%
Other Funds	68,547,674	71,354,175	4%
Total Operating Budget	241,518,952	255,642,080	6%
Capital Budget	18,234,000	29,351,297	61%
Total City Budget	\$ 259,752,952	\$ 284,993,377	10%

As with most municipalities, local services are provided directly by Salinas employees, as they work to serve residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the budget. The delivery of City services is highly dependent on recruiting and retaining talent, which comprises 68.5% of budgeted General Fund expenditures for FY 2025-26.



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Required payments to the state's pension system, CalPERS, have consistently been one of the major cost drivers for most Cities over the past decade with persistent increases in pension costs, year over year. The City's pension plans over the past several decades, like all other CalPERS participants, have experienced changes in actuarial assumptions, demographic changes, and volatile investment returns which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic conditions is the creation of unfunded pension liability and Other Post - Employment Benefits (OPEB) obligations for the City.

### Proposed Budget Overview

The FY 2025-26 Proposed Budget of \$285.0 million reflects an increase of 9.7% (\$25.2 million) compared to the FY 2024-25 Adopted Budget of \$259.8 million, driven by a 6.5% increase in General Fund operating expense, a 4.1% increase in Other Funds operating expenses, a 61.0% in the City's Capital Improvement Program while offset by a 7.8% increase in projected revenues. This increase in capital spending is due to the continued investment in the City's infrastructure specifically in Safe Routes to Schools Improvements, Street Preventative Maintenance, and Sidewalk Improvements. Funding for the Capital Budget of \$29.4 million supplements \$117.1 million in carryover from FY 2024-25 to FY 2025-26 to continue work on ongoing projects. This budget recommends additional staffing to support City Council priorities to increase the quality of services across the City, expand programs such as Permit Services to increase its effectiveness and restructure the Airport and Economic Development Divisions to advance programming needs while preparing for future growth.

### Operating Budget Recommendation Highlights

In FY 2025-26, staffing levels increased by 10.5 FTE compared to FY 2024-25 for a total authorized staffing of 660.5 FTE. The FY 2025-26 budget includes Permit Services enhancements, increases capacity for multiple departments, and realigns priorities while balancing financial stability. Budget highlights are reflected below.

Police: 1.0 FTE Management Analyst position is included to increase capacity within the areas of financial reporting, grant management, purchasing, policy, procedural analysis, and internal administrative support; 2.0 FTE limited-term positions the Community Outreach Assistant and Administrative Analyst I whose focus is community support, engagement, and youth programs are included as permanent positions. In addition, reflected is an increase in operational costs for overtime.

Fire: 1.0 FTE Deputy Fire Marshal to support the Monterey County Hazardous Response Team and other programs. This addition is expected to be offset with revenue resulting from inspections, fireworks enforcement program citations, and increased HazMat mutual aid reimbursement. Increase in operational costs for paramedic training which includes tuition, internship fees, and overtime.

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Community Development: 1.0 FTE Business Navigator enhances customer service efforts for small business; 1.0 FTE Associate Planner, 1.0 FTE Permit Services Technician, 1.0 FTE Plan Checker I, 1.0 FTE Permit Center Clerk, and 0.5 FTE Senior Planner increases capacity for Permit/Planning services; increases capacity for Code Enforcement; increases capacity for downtown streets team. All of these budget actions support Council priorities.

Library & Community Services: Add resources to support increased janitorial service for the new facility while the new Hebbbron Family Center is under construction; provides capacity for contractual services and increased costs to support the conveyance of Ensen Community Park; adds additional resources to refresh the aging library collection; adds funding to upgrade outdated electrical panels at the Community Center located in the Sherwood Facility.

Public Works: 1.0 FTE Urban Forestry Crew Supervisor to provide support and maintenance of City landscape and trees; increases funding in the Facilities Maintenance Division; provides funding for GIS updates and software licensing.

Administration & Strategic Support: 0.5 FTE Office Technician to increase administrative capacity at the City Airport. Additional highlights include the development of a sewer rate assistance program and funding for adopted labor agreements while planning accordingly for current/forthcoming labor negotiations; maintaining the City's General Fund reserve levels to prepare for unanticipated needs; investing in staff by providing professional development and customer service trainings; and planning for potential resource shortfalls in support of enterprise programs and services.

The budget further reflects the pathway to add a Personnel & Training position for addition to the Police Department workforce. A key component to the review process is balancing priorities with budget capacity. The position is a priority, and staff will work with the department to bring it back to the Council for approval in the coming months.

## Capital Projects

The City has an ongoing Capital Improvement Program (CIP) that provides investments to improve infrastructure related to the City's streets & sidewalks, traffic calming, parks, and building facilities. Primary funding for these investments comes from development impact fees; State gas taxes; County transportation funds; grants from federal, State, and regional sources; as well as from ongoing and one-time transfers from the General Fund. Some projects that were recently completed include the East Market Street Cycle Track, Bardin and Alisal Safe Routes to School, Cesar Chavez Soccer Field, Industrial Waste Treatment Facility Sediment Removal, Street Sweeping Signage Installation, and the 2024 Pavement Improvements (Riker St, Abbott & S Sanborn, Towt St, Mae St, Garner Ave, Independence Blvd, Pacheco St, Tampico Ave, N 1<sup>st</sup> St, Old Stage Rd, S Hebbbron Ave, Circle Dr, Rainer Dr, Iverson St, W Acacia St).

Based on the previously approved Capital Budget, work is underway on several multi-year projects and programs which include streets and sidewalks repairs, a new Community Center in District 5; the re-opening of Hebbbron Recreation Center with improvements; replacement

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of old restrooms in City parks; replacing outdated HVAC (heating, ventilation, and air conditioning) systems at City buildings; Fire Station 1 improvements; and installing electric vehicle charging infrastructure. Also, an Open Space which includes Ensen park was accepted by the City for maintenance and operations.

Looking ahead, the City's proposed six-year CIP (FY 2025/26 - FY 2030/31) includes projects and programs valued at \$129.6 million. The highlights of the proposed CIP are as follows.

### Capital Maintenance

Preservation and maintenance of existing City assets is a primary focus of the CIP. The highest level of funding in Capital Maintenance is allocated to ongoing annual projects to repave City streets, repair sidewalks, curbs and gutters in the worst condition, traffic calming, Boronda Road congestion relief, Abbot Street repairs, and build ADA curb ramps.

In summary, as per Council direction, the CIP budget reflects additional funding for capital improvement projects in streets and road, including an:

- Increase of \$2,000,000 for a total of \$11,345,000 to focus on specific streets and sidewalk projects
- Increase to the traffic calming budget by \$300,000 for a total of \$500,000
- Increase to the Boronda Road Congestion Relief budget by \$2,000,000 for a total of \$2,900,000
- Adds \$4,000,000 to the Abbott Street Project



### FY 2025-26 Budget Balancing Strategies

For FY 2025-26, the Proposed Operating Budget was balanced utilizing several budget balancing strategies. Existing resources were programmed by either maintaining current structures or realigning operations to remain effective. In some cases, this work coincided with some department restructuring efforts. The Proposed Budget includes increases in costs, as vendor, supply, and other expenses rose beyond FY 2024-25 levels.

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The second strategy was to maintain a 5% salary savings factor that represents approximately \$5.1 million in anticipated savings. This strategy simply accounts for the expected salary savings upfront. However, if vacancy savings do not materialize, staff will come back to Council for adjustments. It is important to emphasize that ongoing recruitment efforts continue as per the normal process for all vacant positions.

The third strategy is reallocating previously available appropriated resources in projects or programs that are not moving forward or are no longer identified as a priority.

The FY 2025-26 Proposed Budget endeavors to maintain essential public services while controlling operational costs in light of the Financial Forecast, which predicts operating shortfalls in subsequent fiscal years. Providing current service levels to the community in future fiscal years will require a strong performance of the City's economically sensitive revenues and/or revenue enhancements.

### In Closing

With significant uncertainties ahead, the FY 2025-26 Proposed Budget provides the Council and the community a sense of fiscal discipline and precaution as we look towards 2026. This budget invests in community needs and prioritizes enhancing City services that the residents expect through balanced conservative fiscal strategies. This budget makes progress towards addressing Council's 2025 Priorities and priority objectives. It focuses on maintaining services and financial stability. Concurrently, it reflects proactively planning reserves, enhancing City services and developing contingency plans.

### Acknowledgements

I would like to thank the City Council for its leadership and our Executive Leadership Team who worked on the recommendations and materials to respond to the City Council and community priorities. The Salinas community should be proud of your leadership and commitment to service.

A Citywide budget requires countless hours of teamwork, collaboration, and patience to produce. I would like to offer special thanks to the Finance Budget Team: Selina Andrews, Abe Pedroza, Yesenia Nunez, and Nick Luciano. This team's dedication, expertise, and willingness to continue to adapt to evolving circumstances is a testament to their commitment to this organization and to the community.

In conclusion, I look forward to presenting the recommended budget and the conversations with the Council and community.

Sincerely,

*René Mendez*

René Mendez, City Manager