CITY OF CHULA VISTA

Fiscal Year 2026-2027 Proposed Budget Overview

Presented

May 4, 2026

Agenda



BUDGET PROCESS OVERVIEW



GENERAL FUND OVERVIEW



OTHER FUNDS OVERVIEW



CAPITAL IMPROVEMENT PROJECTS OVERVIEW

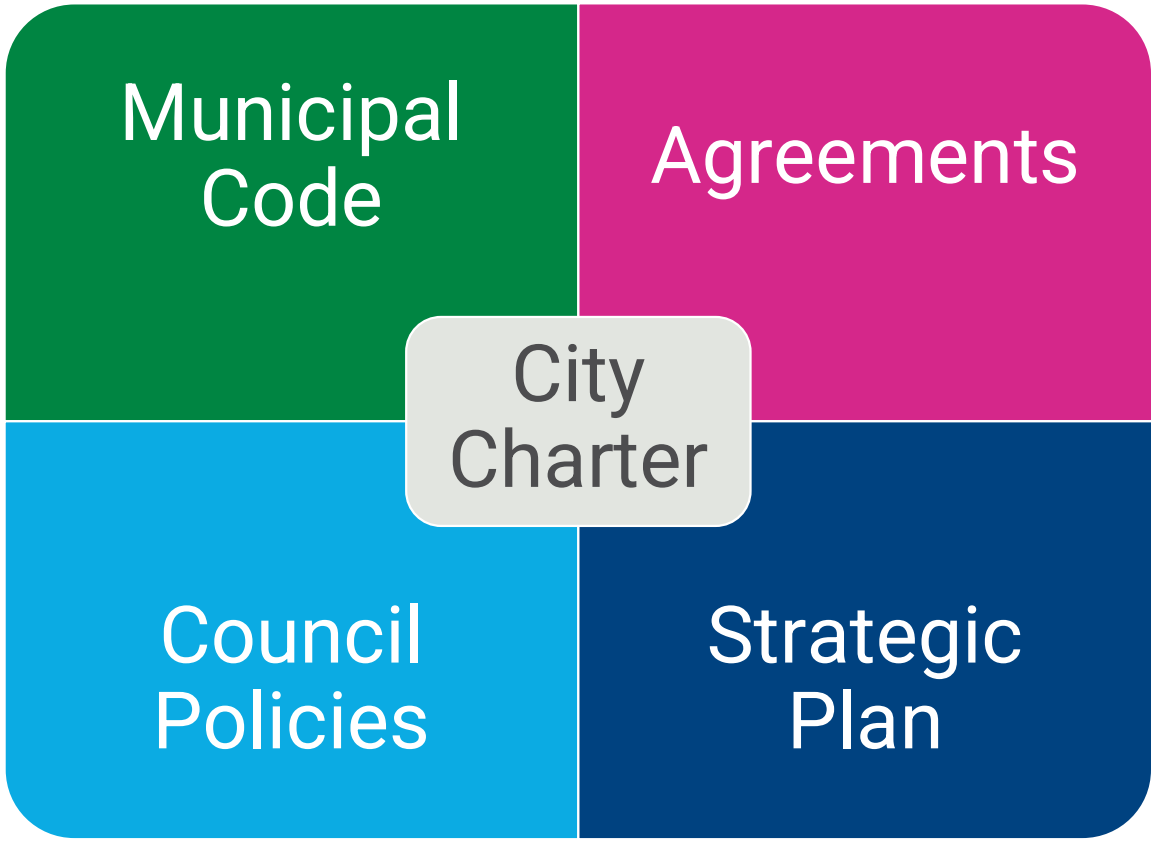


BUDGET PROCESS NEXT STEPS

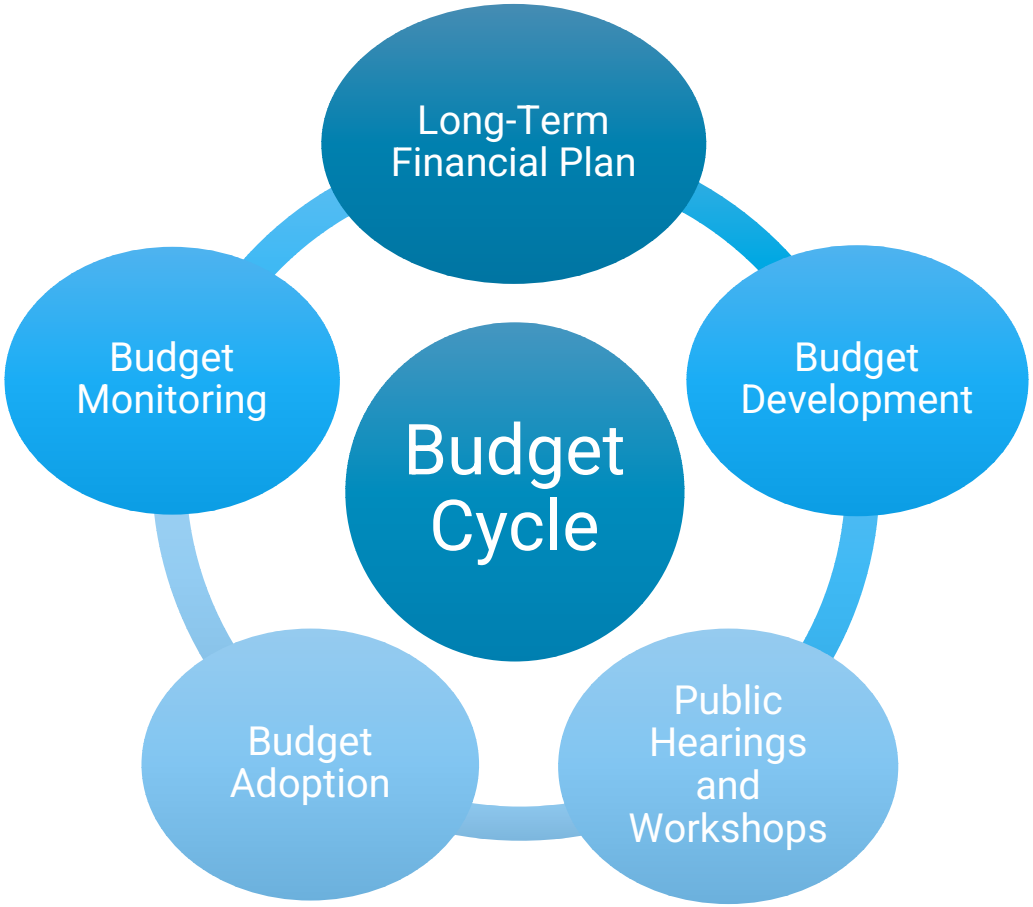
Why is the City budget important?

- Spending Plan
- Strategic Document
- Financial Monitoring Tool
- Accountability and Transparency

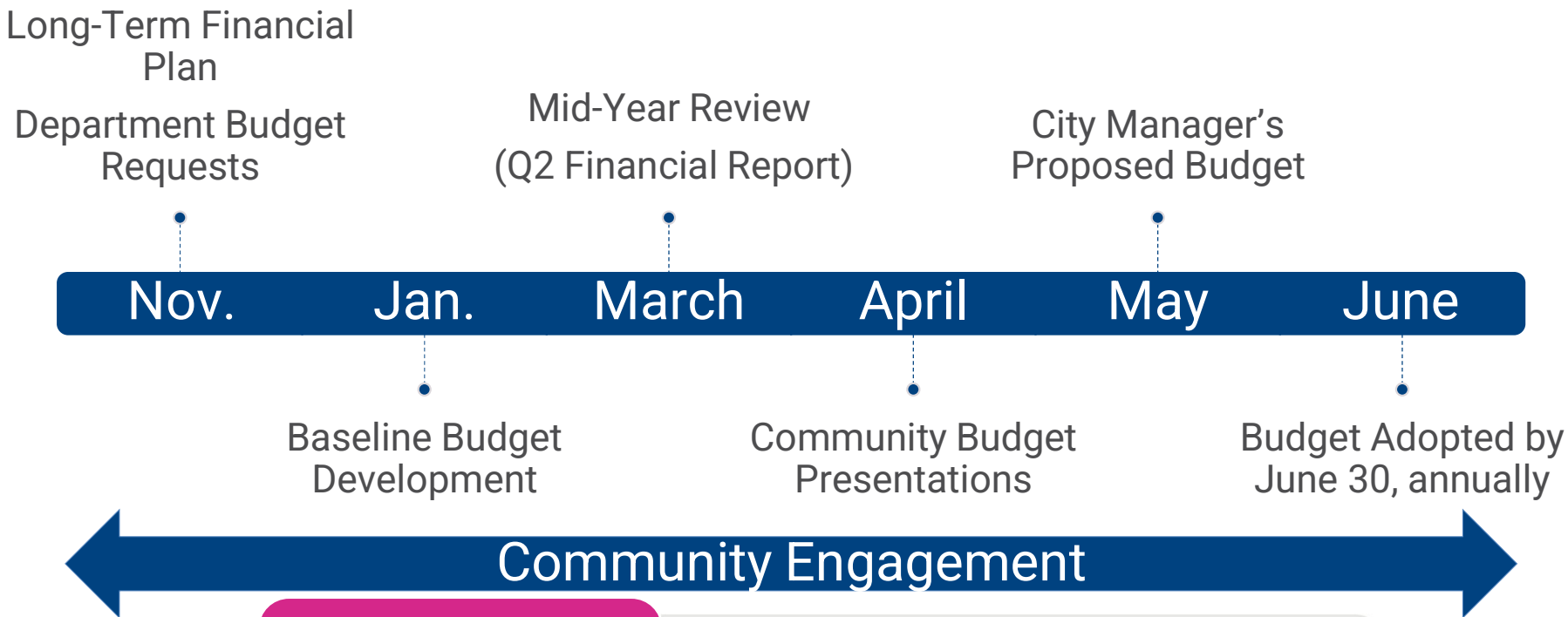
Guiding Documents



Annual Budget Cycle



Budget Development Timeline



Community Engagement

- Newsletter, Social Media, Budget Survey, Council Meetings, Community Budget Presentations

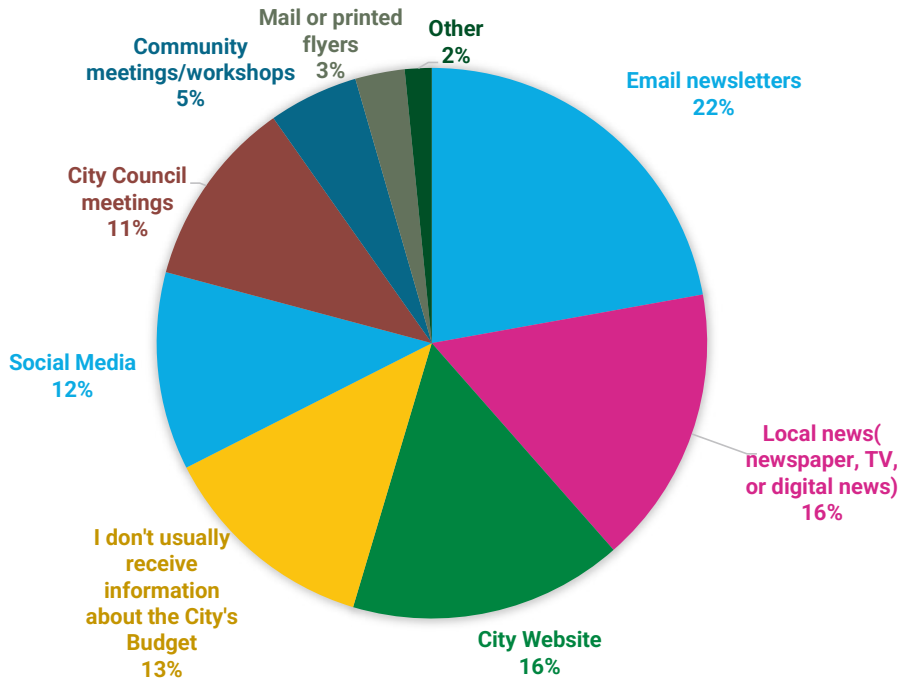
Budget Development Survey

- Survey open: 2/16/26 - 3/12/26
- Survey Views: 529
- Participants: 303
  - 79% were residents of Chula Vista
- 13 Questions

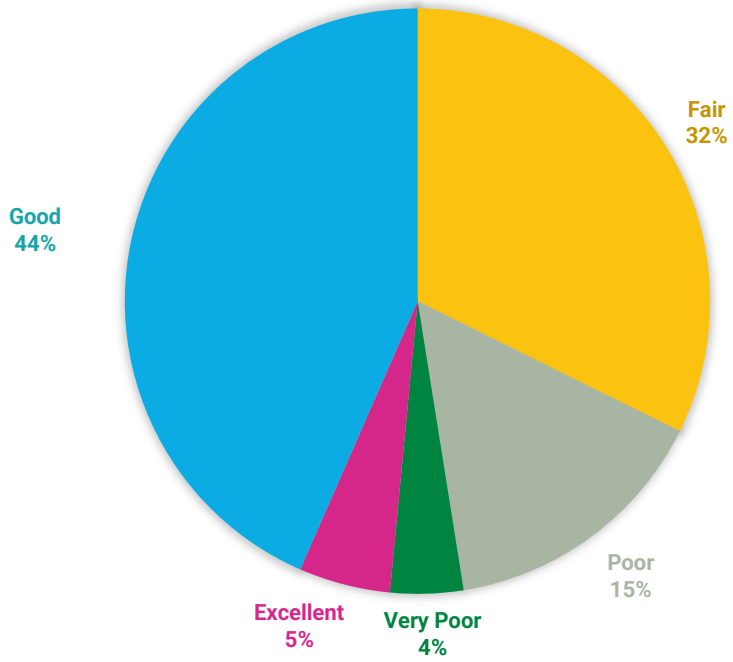


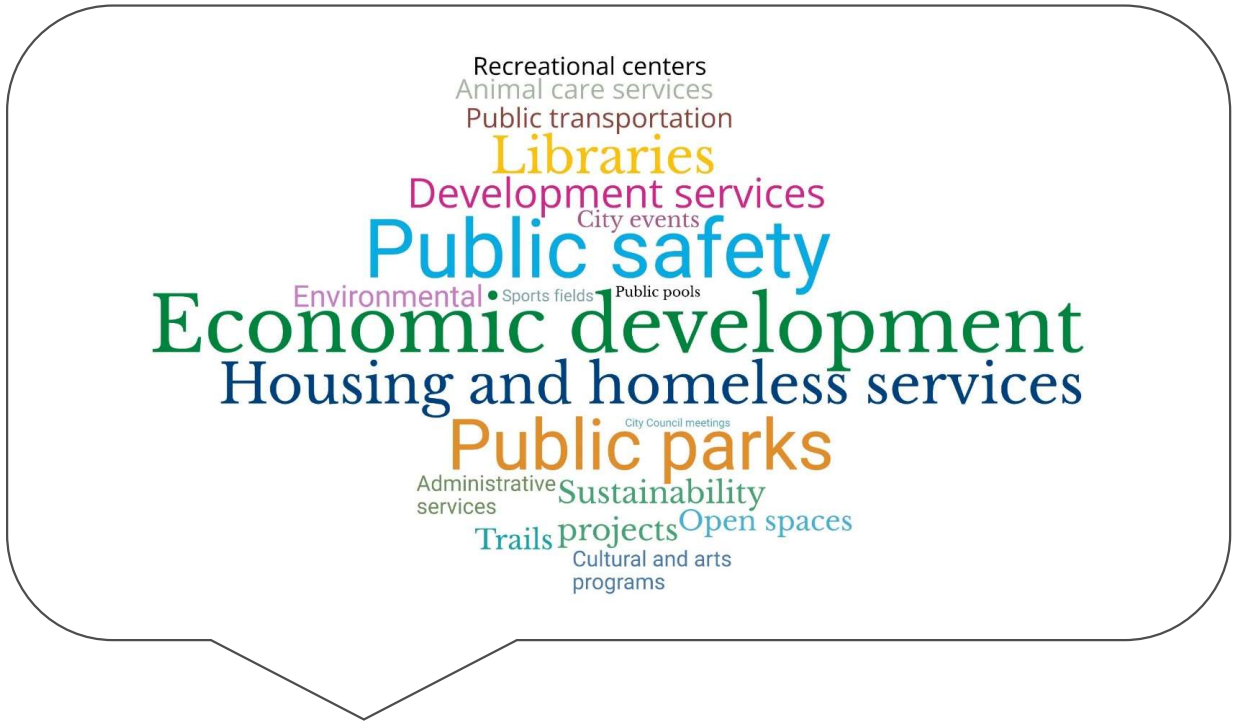
Feedback on the Budget Process

Budget Communications



Overall rating of City's Budget Process



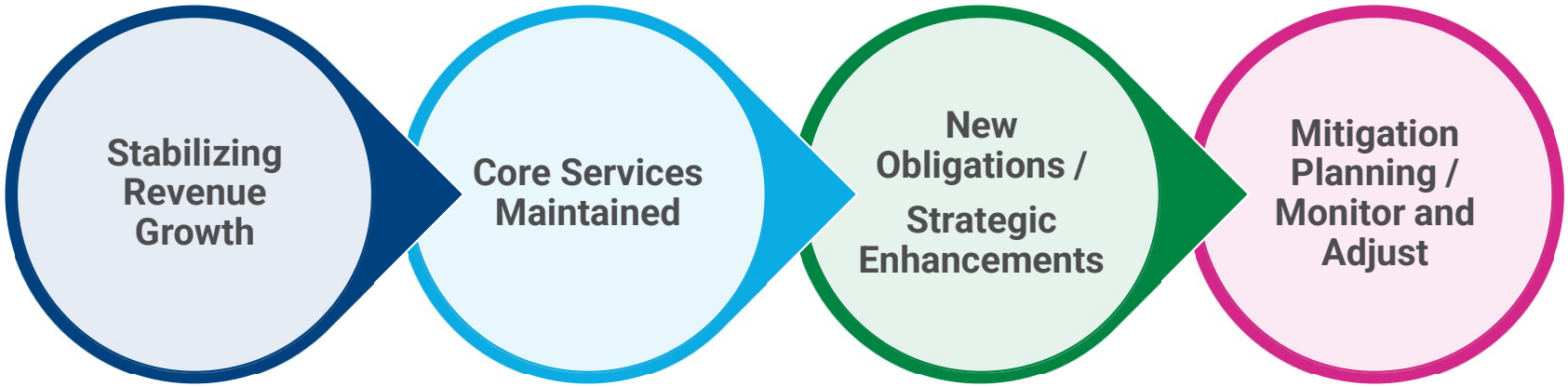


Service Priorities

Participants were asked to rank City services in order of importance.

Results showed public safety was a top priority, followed by economic development and public parks

Fiscal Year 2026-2027 Highlights



General Fund Revenues & Expenditures
(in millions)

Category	FY 2026 Adopted	FY 2027 Proposed	Change
Revenues	$ 305.6	$ 318.1	$ 12.5
Expenditures	305.6	318.1	12.5
Surplus/(Deficit)	**$ -**	**$ -**	**$ -**

11

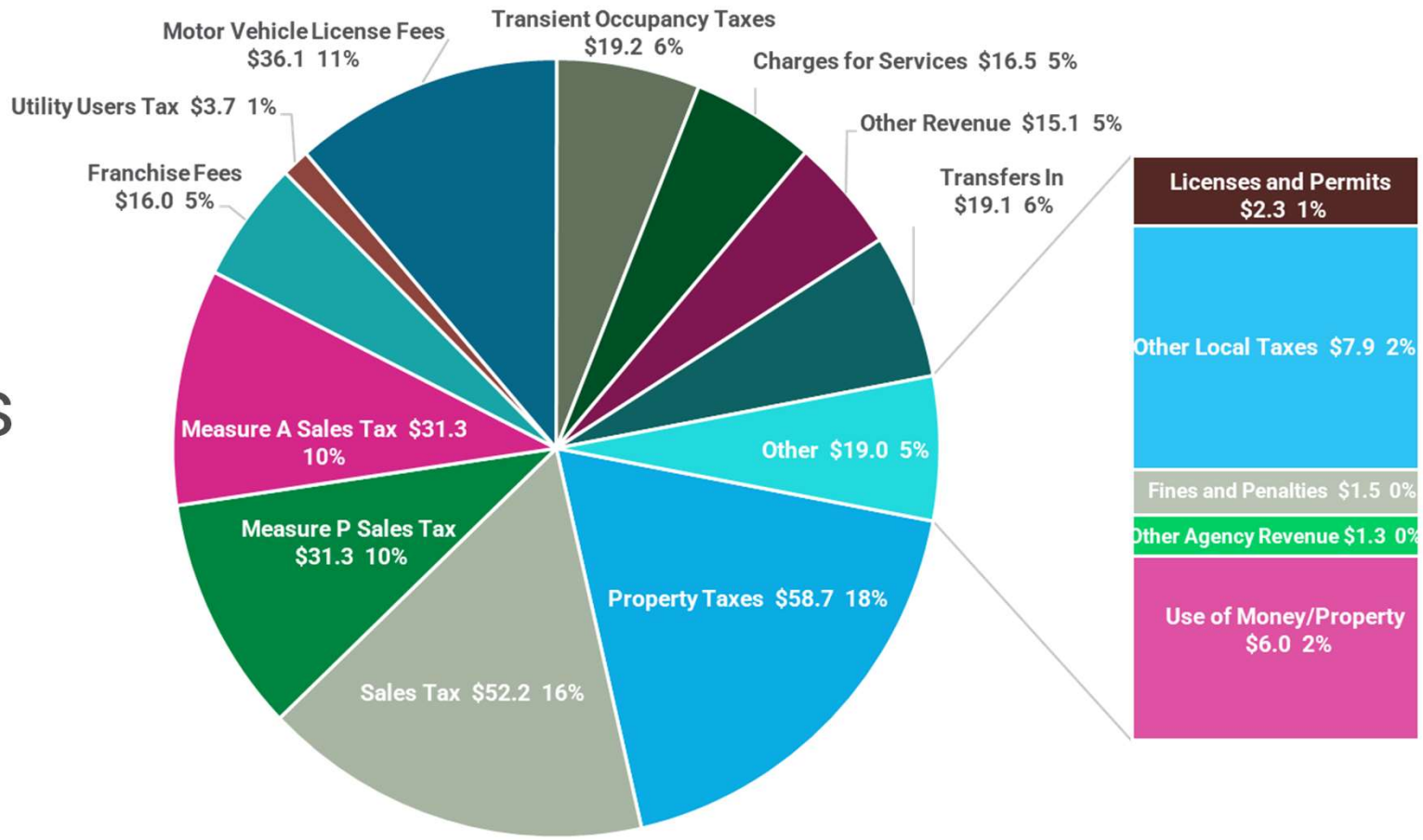
General Fund Revenues
(in millions)

Category	FY2026 Adopted	FY2027 Proposed	Change
Major Revenues			
Property Taxes	$ 58.4	$ 58.7	$ 0.2
Sales Tax	51.2	52.2	0.9
Measure P Sales Tax	30.8	31.3	0.4
Measure A Sales Tax	30.8	31.3	0.4
Franchise Fees	15.4	16	0.6
Utility Users Tax	3.7	3.7	0.1
Property Tax in lieu of VLF	33.8	36.1	2.3
Transient Occupancy Taxes	21.7	19.2	(2.6)
Major Revenues Total	**$ 246.0**	**$ 248.4**	**$ 2.4**
Other Revenues	59.6	69.8	10.2
General Fund Revenues Total	**$ 305.60**	**$ 318.10**	**$ 12.50**

Figures presented are preliminary and subject to change

12

General Fund Revenues
(in millions)



13

General Fund Revenues

Property Tax in lieu of VLF $2.3M (6.4%)	• Increase based on projected growth of properties Assessed Valuations in the City ($2.3M)
Transient Occupancy Taxes (TOT) $(2.6)M (-11.7%)	• Decrease of Bayfront Hotel TOT ($0.7M, No Fiscal Impact) • Decrease of other hotels TOT and short-term rental ($1.9M)
Other Revenues $10.2M (17.1%)	• Increase to Other Revenues for reimbursement ($2.9M) • Increase to Charges for Services ($2.9M) • Increase to Transfers In ($4.1M)

General Fund Expenditures

(in millions)

Category	FY 2026 Adopted	FY 2027 Proposed	Change
Personnel Services			
Personnel Services	$ 128.5	$ 138.3	$ 9.8
Salary Savings	(3.6)	(5.2)	(1.6)
Retirement Benefits	21.0	22.6	1.6
Health Insurance	15.9	16.6	0.7
Personnel Services Total	**$ 161.8**	**$ 172.3**	**$ 10.5**
Supplies and Services	28.6	32.9	4.3
Other Expenses	2.7	2.9	0.2
Internal Service	4.6	4.8	0.2
Capital	0.2	0.2	-
Utilities	7.7	9.1	1.4
Transfers Out	100.0	96.0	(4.0)
Total General Fund Budget	**$ 305.6**	**$ 318.1**	**$ 12.5**

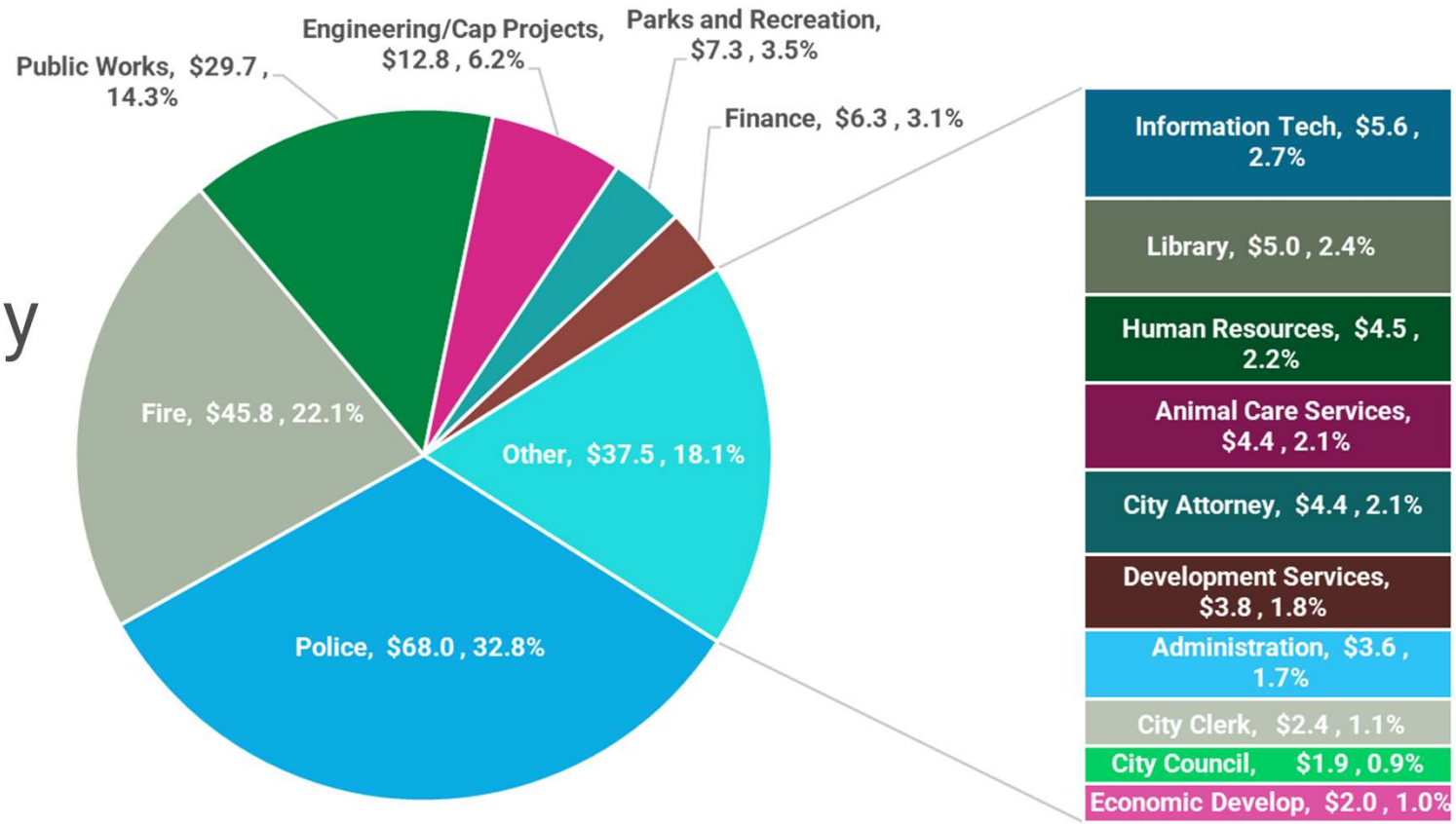
15

General Fund Expenditures

Personnel $10.5M (6.5%)	• Labor costs tied to MOU agreements and increase overtime costs ($8.2M), Pension cost increases ($1.5M) • Health Insurance cost increases ($0.7M)
Supplies & Services $4.3M (15%)	• Contracted Services increase for various contracts ($3.1M) • Increase to insurance premiums ($0.7M) • Increase to software related costs ($0.4M)
Utilities $1.4M (18.4%)	• Rising gas, electric, and water costs ($1.4M)
Transfers $(4.0)M (-4%)	• Increase Measure A Sales Tax and Measure P Sales Tax transfers ($0.8M) • Increase to Other Funds transfers ($2.0M) • Decrease of Debt Service transfers ($6.3M)

General Fund Expenditures By Department (Transfers removed)

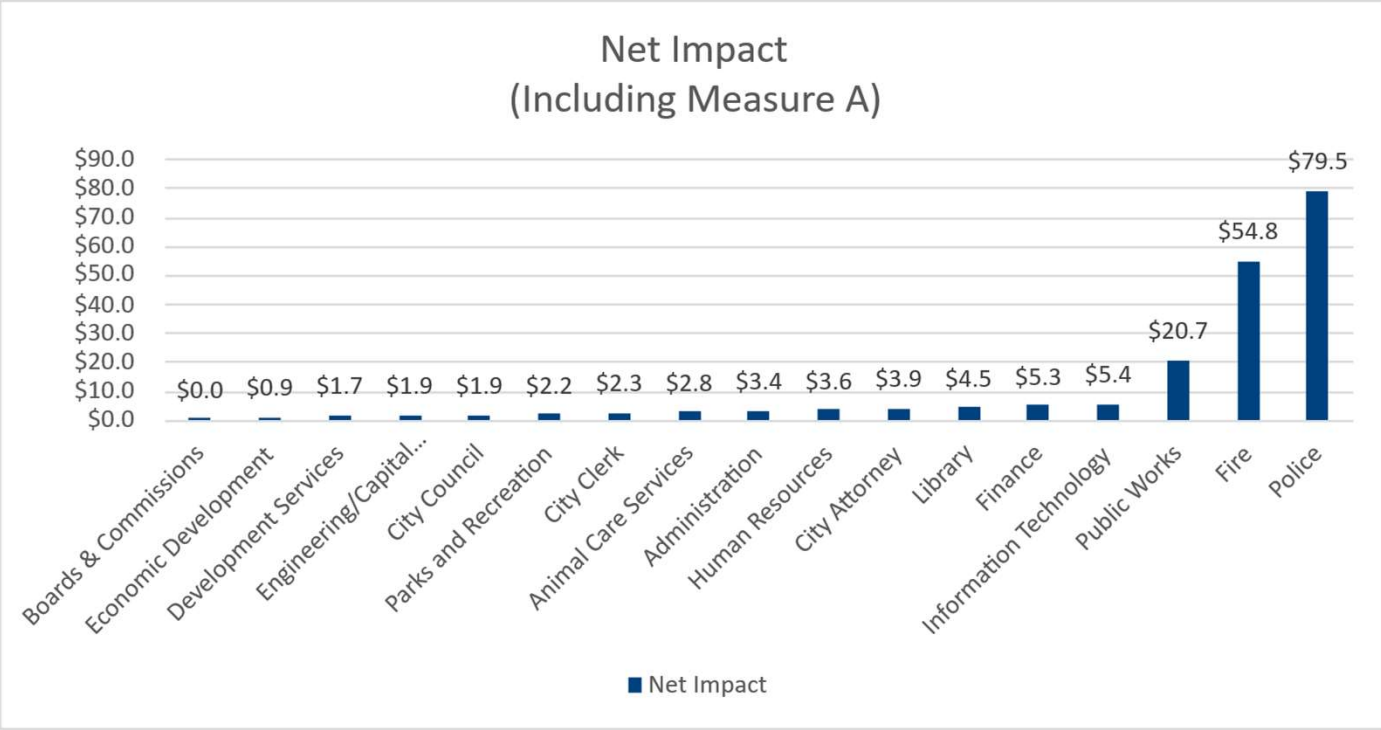
(in millions)



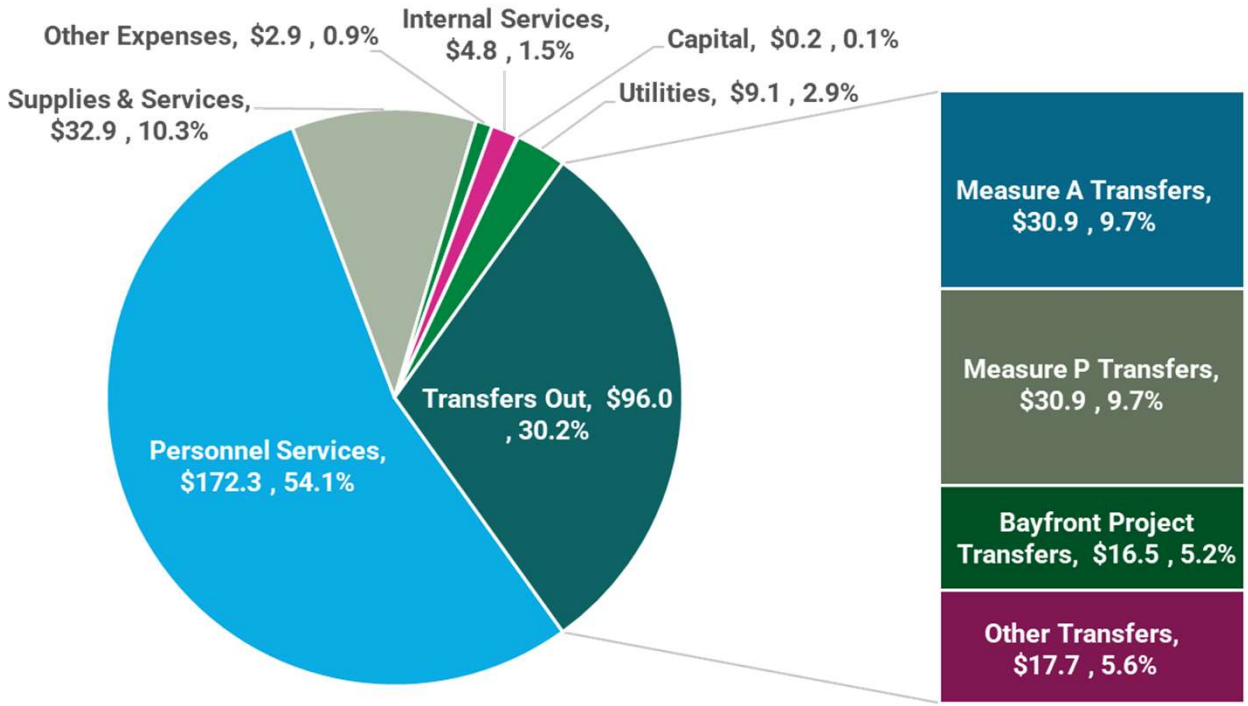
17

General Fund Net Impact By Department (with Measure A) (Transfers removed)

(in millions)



General Fund Expenditures
(in millions)



General Fund Highlights

Supporting Community Services and Economic Development

- Animal Services hourly staffing
- Continuing the CV Community Shuttle past pilot program and Bayfront Shuttle program
- Opening of Millenia Building
- Completion of Economic Development Strategic Plan
- Continued University District Planning Efforts







General Fund Highlights

Supporting

Public Safety

Fire

- Fire Academy funding to maintain staffing levels
- Bayfront Fire Station full-year of 1.0 truck and 1.0 engine company

Police

- Evidence and vehicle storage facility lease





General Fund Highlights

Expanding Community Amenities

- Millenia Building operations & maintenance (opening Fall 2026)
- Additional Special Events funding: HarborFest, Starlight Parade, 4th Fest, CV Art Fest







CHULA VISTA HarborFest

Other Funds









Other Funds Expenditures by Fund Category
(in millions)

Fund Category	FY 2026 Adopted	FY 2027 Proposed	Change
Capital Funds	$ 3.1	$ 1.5	$ (1.6)
Debt Funds	33.9	33.9	0.0
Development Funds	11.3	13.1	1.8
Enterprise Funds	40.8	41.3	0.5
Gas Tax Fund	15.6	17.1	1.5
Grant Funds	13.5	11.0	(2.5)
Internal Service Funds	16.2	16.8	0.6
Measure A Sales Tax Fund	33.7	37.6	3.9
Measure P Sales Tax Fund	17.0	15.7	(1.3)
Open Space Funds	31.7	32.2	0.6
Other Funds	34.4	42.0	7.6
Pension/Debt Reserve	0.2	12.4	12.3
Sewer Funds	52.3	61.7	9.4
Successor Agency Funds	8.1	6.6	(1.4)
Other Funds Total	**$ 311.6**	**$ 342.9**	**$ 31.3**

Figures presented are preliminary and subject to change

Other Funds Highlights

Measure P Sales Tax

- Ballfield improvements (Max, Santa Venetia, Menzel); Lauderbach - Remodel; and various facility/infrastructure improvements.





Other Funds

- Millenia Library Building (Fall 2026 opening)
- Developer Contributions Funds – Ballfields, MacKenzie Creek Pickleball, Greg Rogers, Patty Davis Park



Other Funds Highlights

Measure A Sales Tax

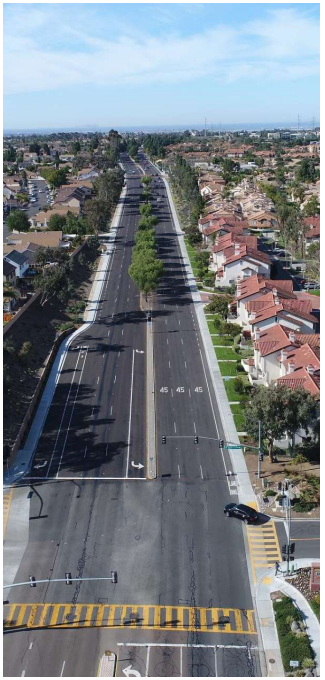
- Additional Fire Academy costs and Police Dept drone contract costs
- Fuels Crew funding (supplemented by grants)



Sewer Funds

- Increase costs for sewage treatment fees, equipment purchases, and CIP Projects.

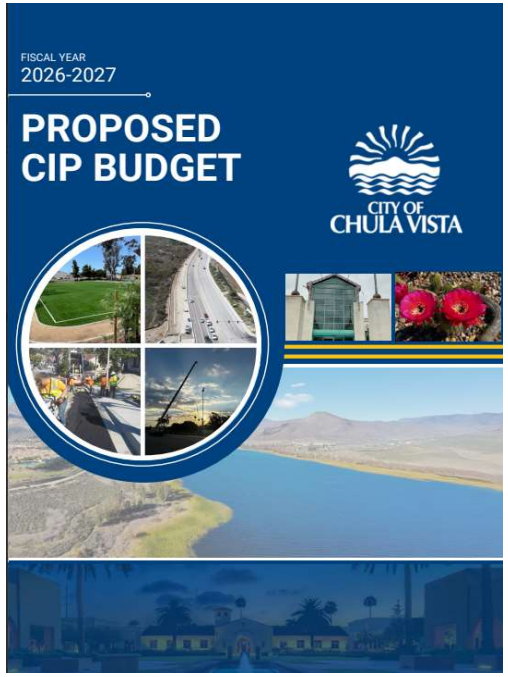




CITY OF CHULA VISTA

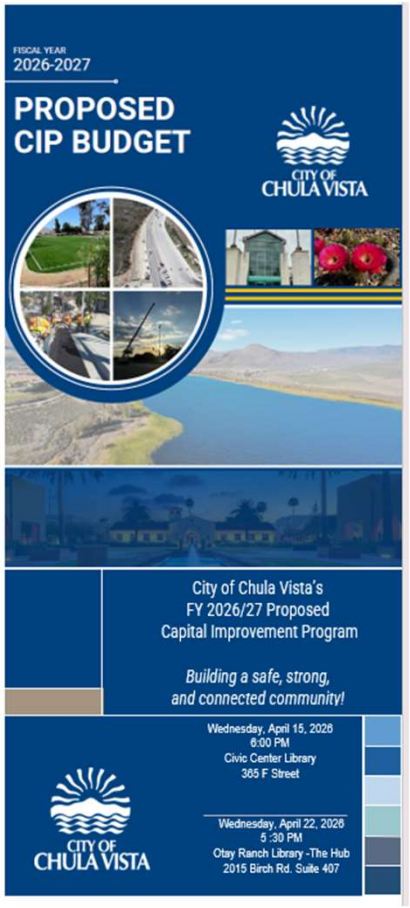
Fiscal Year 2027 Capital Improvement Program Summary

Department of Engineering & Capital Projects





Capital Improvement Program
FY 2027 Proposed CIP



Ways You Can Follow Along:

Key Presentation Points: Look for the color-coded key icons in the Proposed CIP *Budget* pamphlet. Each section matches a corresponding slide
—just follow the colors!

QR Code: Find the Presentation QR Code, and all QR codes from this presentation located on the back of the Proposed CIP pamphlet.

Capital Improvement Program
FY 2027 CIP Funding

	Funding Description	Approved Uses
Gas Tax	**Highway User's Tax** Gas tax revenues for roadway projects and maintenance **Road Maintenance and Rehab Account (RMRA/SB-1)** Funded by gas tax with focus on repairing and preserving state roads and bridges	**Roadway Maintenance** • Streets • Signals • Signs • Guardrails • Drainage • Traffic control devices • Lighting • Non-motorized traffic facilities • Sidewalks • Transportation-related projects **RMRA must be used for road maintenance and critical safety**
TransNet	**Voter approved, ½ cent sales tax measure for Transportation Projects in San Diego County** Administered by SANDAG Compliance oversight by TransNet Independent Taxpayer Oversight Committee (ITOC)	**Congestion Relief (Minimum 70%)** • Construct new or expanded facilities • Major roadway rehab • Traffic signal coordination • Traffic improvements • Maintenance (Maximum 30%) • Pothole repairs • Crack sealing• Resurfacing • Striping • Signage • Bridge maintenance • Routine inspections
Storm Drain Fund	**Storm Drain Fee Revenue** Funded by monthly service fees charged to property owners Dedicated exclusively to stormwater-related purposes in compliance with the Federal Clean Water Act and local NPDES permit requirements.	**Storm Drain System** • Clean inspect, and maintain storm drain inlets, underground systems, channels, and ditches • Activities for compliance with National Pollutant Discharge Elimination System (NPDES) Permit • Activities required for Clean Water Act compliance • Storm Drain and BMP Inspection and compliance programs

Capital Improvement Program
FY 2027 CIP Funding

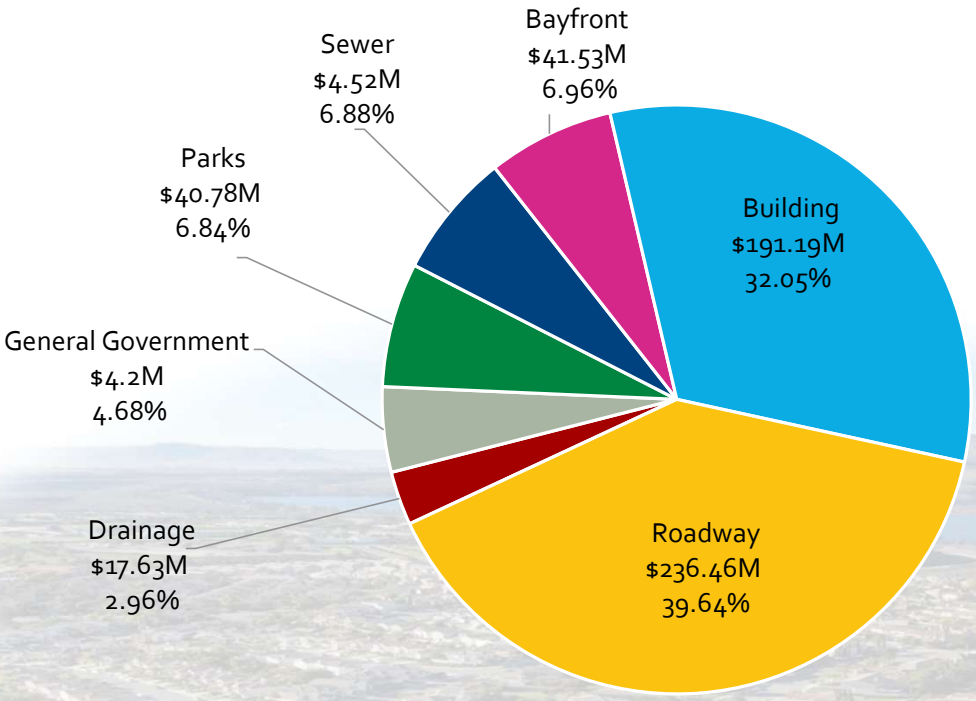
	Funding Description	Approved Uses
Highway Safety Improvement Program (HSIP)	**Federal Grant Program** - Focused on reducing traffic fatalities and serious injuries - Competitive, data-driven safety program - Administered by FHWA and Caltrans	**Highway Safety Improvements** Program targets safety improvements at high-risk locations using prove measures like signals, signage, striping, and pedestrian enhancements to reduce crashes and serious injuries.
Measure P	**Voter approved, 10-year, ½ cent sales tax increase to fund high priority infrastructure needs** Collection began in 2017; Voter-approved renewal Nov 2024 Measure P funding will continue through 2037 Compliance oversight by Citizens' Oversight Committee	**Expenditure Plan Priorities** •Pave/repair streets, • Upgrade aging public safety facilities & equipment • Replace storm drains • Repair older libraries, senior center, recreation centers • Improve traffic signal system
Sewer Enterprise Funds	**Funded by monthly service fees, permit and system connection fees, and sewer development impact fees** Sub Funds: • Sewer Income Fund • Trunk Sewer Capital Reserve • Sewer Service Revenue Fund • Sewer DIFs	**Citywide Sewer Facilities Replacement/Rehabilitation** • Pipe /manhole rehabilitation • Pipeline upsize• Sewer Access Road rehabilitation• Pump/Lift station upgrades • Sewer structure improvements • Maintenance/expansion of conveyance system • Sewer related street repairs

Capital Improvement Program
FY 2027 CIP Funding

	Funding Description	Approved Uses
Transportation DIF Fund	**Transportation Development Impact Fees (DIF)** Collected to ensure the City's transportation network can sustain traffic generated from new development Divided into 3 areas - Eastern, Western, Bayfront	**Transportation Facilities** •Construction of new roads • Widen or improve existing roads • Installation of traffic signals • Traffic signal coordination • Freeway interchange improvements • Enhance transportation infrastructure
Parking Meter Fund	**Revenue collected from city-managed parking meters and public parking facilities (Downtown Parking District)** Funds deposited into restricted special fund and used exclusively to support parking operations, maintenance, and related infrastructure within the district.	**Annual operating and maintenance / Improvement of City assets located within Downtown Parking District** •Parking meter installation •Acquisition and improvement of parking facilities • Traffic control devices and signals • Street and curb marking • Parking enforcement and regulation
Active Transportation Grant	**Active Transportation Program (ATP) Grant** State grant funding provided through California's Active Transportation Program (ATP) to support projects that improve walking, biking, and safe routes to schools.	**Eligible uses:** • Improvements for walking and biking, • Safe routes to schools • Pedestrian and bicycle infrastructure • Safety enhancements • Connectivity improvements • Related planning, design, and construction activities.
Developer Park Contributions	**Revenue collected from developers to build, expand, or upgrade park infrastructure** Funds ensure communities have adequate parks and recreational amenities to support quality of life as the city grows.	**Eligible uses:** Funds support citywide park and recreation investments including: • Acquisition of parks • Development of parks • Acquisition of recreational facilities • Development of recreational facilities

Capital Improvement Program
Overall CIP Budget: $596.5 Million

ONGOING PROJECTS BY ASSET TYPE

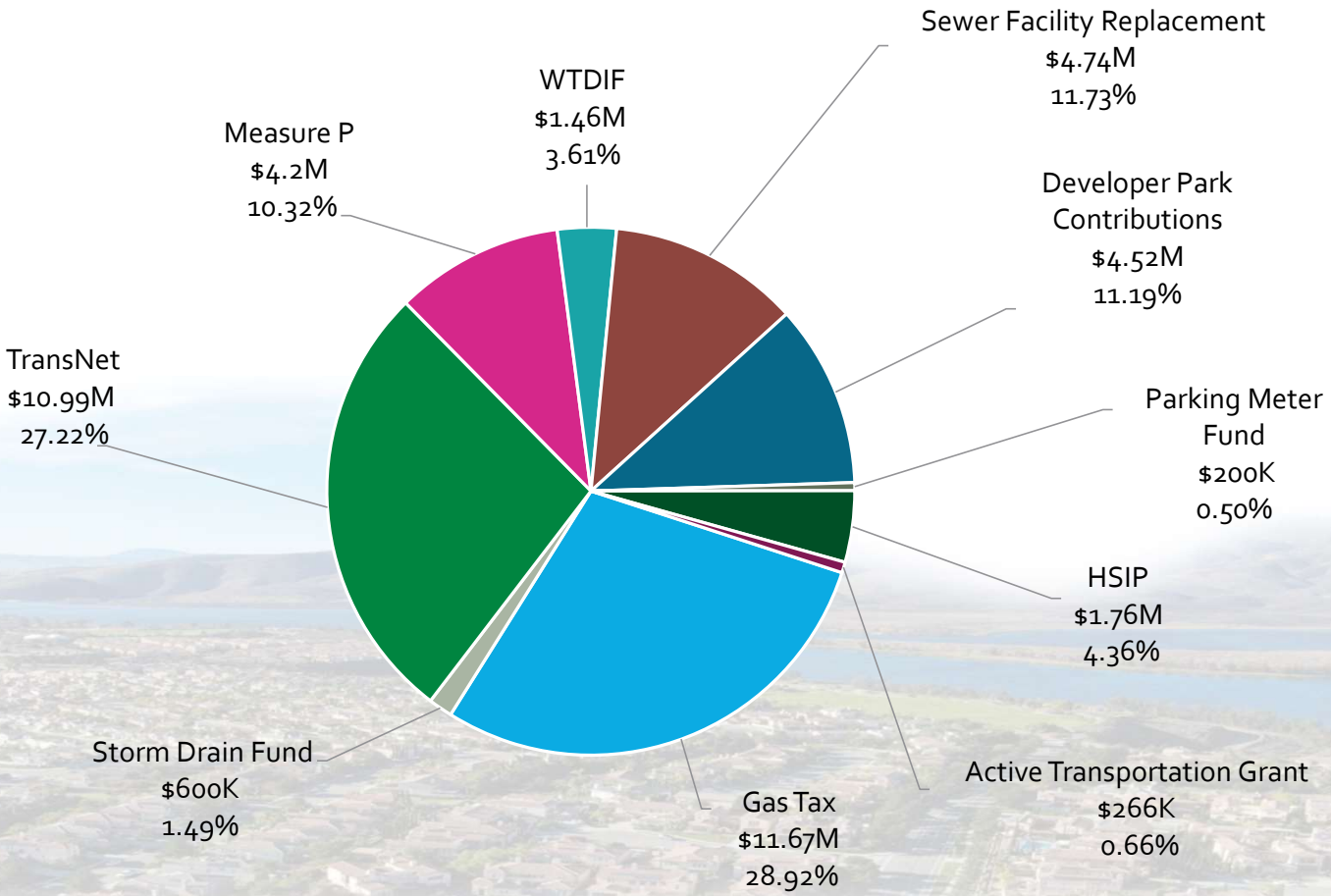


Construction Underway

Project Categories	Budget	%
Street Improvements	$70.4M	47.27%
Buildings	$34.9M	23.45%
Sewer	$16.8M	11.25%
Parks	$20.0M	13.40%
Pedestrian Improvements	$2.2M	1.46%
Drainage	$3.3M	2.18%
Traffic Signals and Street Lights	$1.5M	0.99%
Total Projects in Construction	**$149M**	**100%**

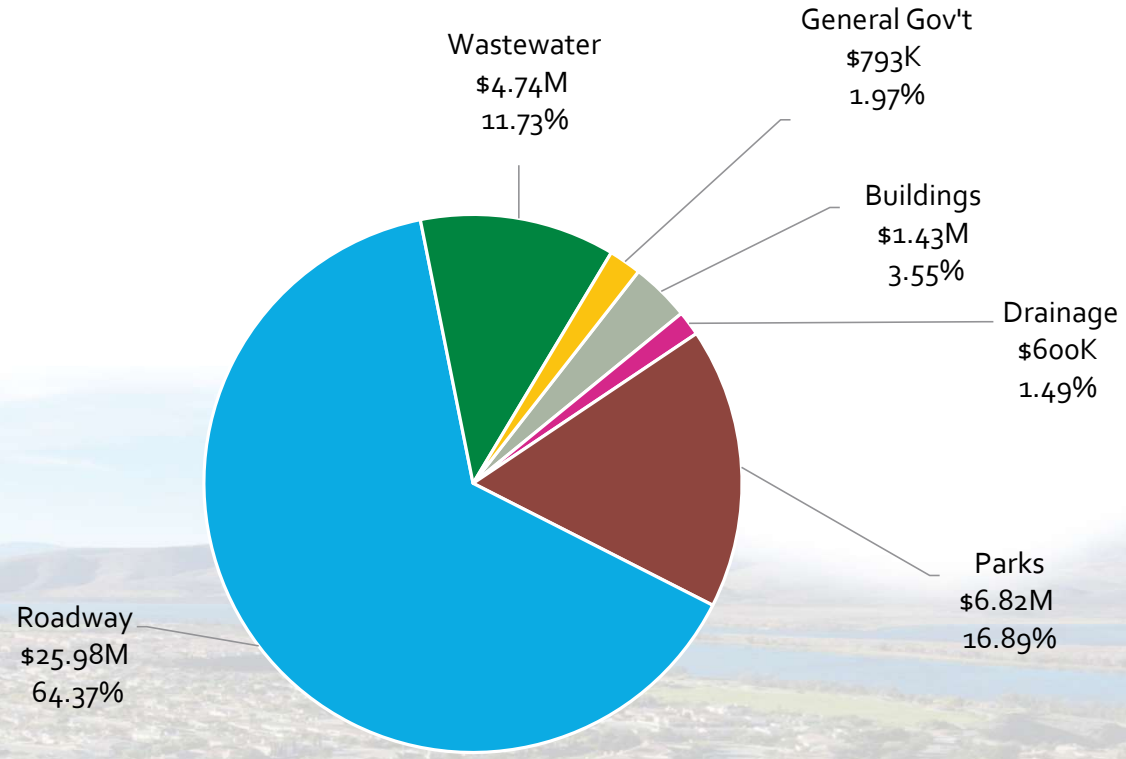
Capital Improvement Program
$40.4 Million

BY FUNDING SOURCE



Capital Improvement Program
$40.4 Million

BY ASSET TYPE



BUILDINGS

- **Building Maintenance and Upgrades**
  - Safety and ADA upgrades
  - Interior/exterior repairs
  - Building systems (HVAC, electrical, plumbing)
  - Access and security improvements
  - Roof replacement



FY2027 Proposed:

- $ 1.4 M (Measure P)

Building Projects

Spotlight

- **Library Renovation**
  - **Civic Library (GGV0271) | $10M**
  - **South Library (GGV0272) | $10M**
- State Grant Funding , Measure P
- Planning and Design

Measure P Expenditure Plan

PARK IMPROVEMENTS

- Sports Courts and Fields
  - Mackenzie Pickleball Courts
  - Max Field Renovations
  - Patty Davis Park

- Ballpark Lighting
  - Santa Venetia Park
  - Menzel Field
  - Greg Rogers Park







FY2027 Proposed:

- $6.8M Measure P / Developer Park Contributions

Park Projects

Spotlight

- **Eucalyptus Park Renovation (PRK0340)**
- Measure P, Grant, ARPA, Developer Park Contributions, CIP Fund
- $20M | Construction Phase

Locate City Parks and Amenities

SEWER FACILITY REPLACEMENT

- Rehabilitation and Upsizing
- Access Road Rehabilitation
- Wastewater Infrastructure Planning Program
- Manhole Inspections
- Poggi Canyon Sewer Improvements



FY2027 Proposed:

- $4.7M (Sewer Facility Replacement Fund)

Major Projects
Wastewater

Spotlight

- **Sewer Access Rehab Project (SWR0294)**
- Sewer Facility Replacement
- $1M | Construction Phase

Wastewater Master Plan

Storm Drain Program Updates

- Assess long-term sustainability of the storm drain system
- Establish a citywide strategy for capital investment and maintenance
- Modernize the drainage master plan using current data and conditions
- Identify system gaps to prioritize future improvements







FY2027 Proposed:

- $ 600K (Storm Drain Fund)

Drainage

Spotlight

- **CMP Rehab (Outside Right-of-Way), Phase III (DRN0219)**
  Measure P | $2M Award in Progress

Drainage Master Plan

STREET PAVEMENT & REHAB

- Resurfacing
- Pavement Overlays
- Slurry Seals



FY2027 Proposed:

- $ 14.7M (Gas Tax , TransNet)

Roadway Projects
Pavement

Spotlight

- **Pavement Major Rehabilitation Program (STM0411,STM0404, STM0414)**
- Gas Tax/TransNet | $14.5M
- Bidding in Progress

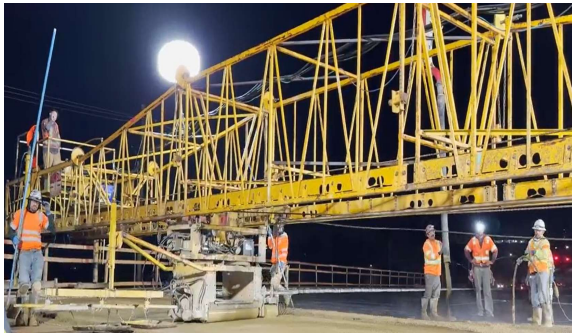
Pavement Management System

HERITAGE ROAD BRIDGE REPLACEMENT

- **Widen Heritage Road**
  - Main Street to Entertainment Circle
  - Heritage Road Bridge Replacement
  - 4 Lanes to 6 Lanes
  - Sidewalk
  - Bike Lanes
- **Widen Main Street**
  - Nirvana Avenue to Heritage Road
  - 6-Lane Major

Project Budget:

- $62M (TDIF, HBP Grant, CIP Fund)









Construction Began Dec 2024 | Anticipated Completion Summer 2027



Major Roadway Project

TRAFFIC IMPROVEMENTS

SIGNALS, BIKE AND PEDESTRIAN IMPROVEMENTS

- Signal Upgrades & Modifications
- Traffic Signal System Optimization Program
- Traffic Operations Investigation Program
- Pedestrian Curb Ramp Program
- Bikeway Gap & Connectivity Improvements

FY2027 Proposed:

- $ 10.6M (Gas Tax, TransNet, ATP Grant, Parking Meter Fund, Western TDIF)

Roadway Projects
Traffic Improvements





Spotlight

- **Telegraph Canyon Raised Median / Pedestrian Crosswalk at Castle Park(TRF0411, TRF0415)**
- Gas Tax/TransNet | $1.4M
- In Construction

Traffic Engineering Safety Plans

Sidewalk

- Sidewalk Panel Replacement Program
- Sidewalk Replacement Program
- Pedestrian Curb Ramp Program
- Bikeway Gap & Connectivity Improvements

FY2027 Proposed:

- $ 4.4M (Gas Tax, TransNet, ATP Grant Parking Meter Fund, Western TDIF)

Roadway Projects
Sidewalks



Spotlight

- Third Avenue ADA Parking Stalls (STL0480)

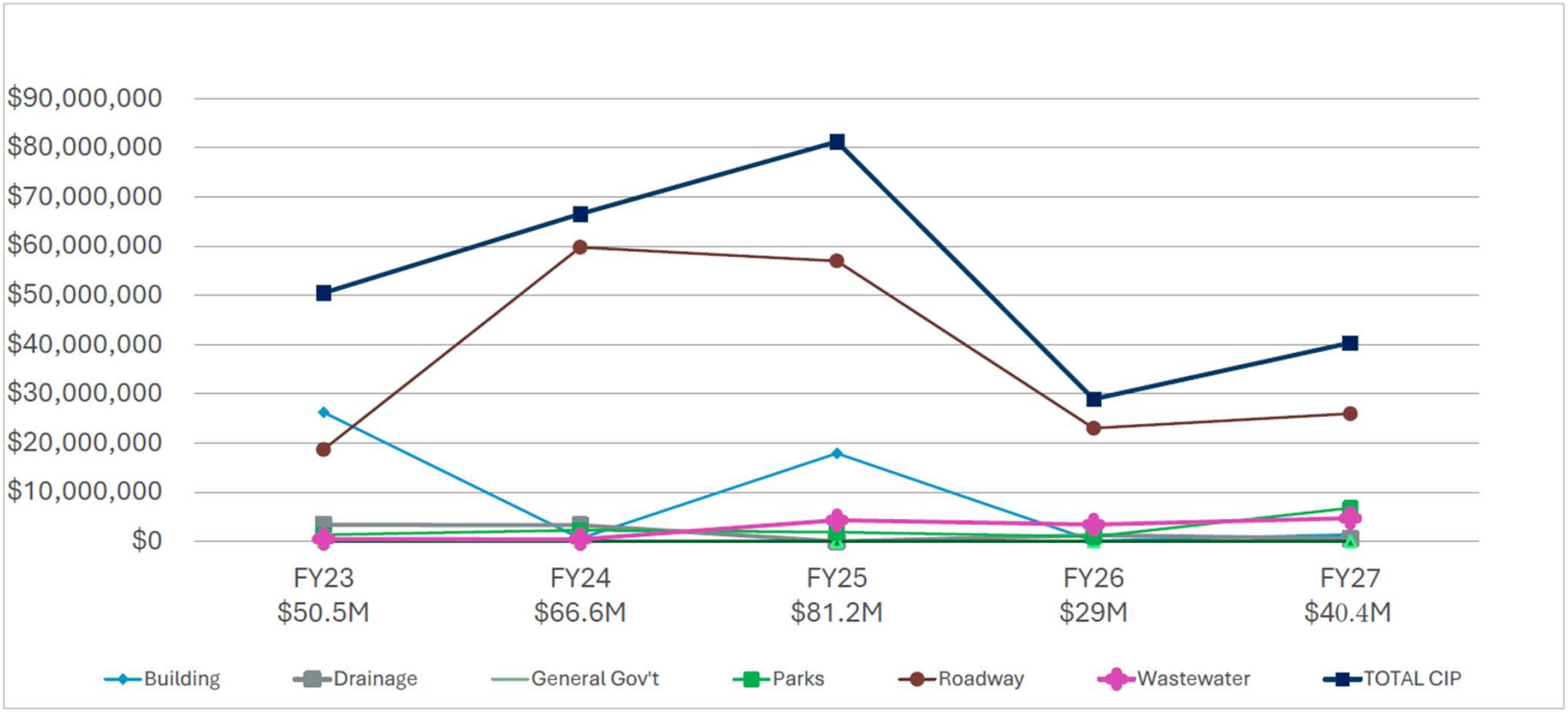
- TransNet, Parking Meter Fund | $1.1M
- FY27 CIP Proposal

Active Transportation Plan

Adopted CIP Budget Overview

FY23-FY26 Adopted; FY27 Proposed

HISTORICAL BUDGET BY ASSET TYPE



Next Steps

APRIL 15 & 22, MAY 4

Community Budget Presentations
Overview of FY 2026-27 Proposed Budget

MAY 5

Present City Manager's FY 2026-27 Proposed Budget and Capital Improvement Program Budget to the City Council

MAY 19

City Council public hearing and adoption of FY 2026-27 Proposed Budget and Capital Improvement Program Budget

Thank You

This presentation will be posted on the City's website.

Additional comments can be submitted on the City's website.

(www.chulavistaca.gov/Budget)