

## **MAY 27, 2026 – CITY COUNCIL STUDY SESSION MEETING**

### **CALL TO ORDER:**

Mayor Cajulis called the meeting to order at 5:30 p.m.

### **ROLL CALL:**

PRESENT: COUNCILMEMBERS: M/Cajulis, MPT/Wu, C/Freedman, C/Law, C/Tragarz

ABSENT: COUNCILMEMBERS: None

Also present: City Manager Weiner; Assistant City Attorney Mann; Public Works Director Barcelo, Finance Director Merkel; Community Services Director Bumia; Community Development Director Vasquez; Finance Manager Meza; Senior Management Analyst Munoz; Assistant City Clerk Markel, City Clerk De Dios, and Administrative Services Specialist Cortez.

### **DISCUSSION ITEM:**

#### **1. FY 2026/2027 Proposed Budget**

Review and discuss the proposed FY 2026/2027 Budget and provide feedback to staff prior to final consideration at a future City Council meeting.

FD/Merkel provided a staff report and outline of the proposed FY 2026/2027 budget. He stated that Staff is budgeting \$20,924,250 in revenue and \$20,718,705 in expenditures, resulting in a surplus of \$205,545.00. He provided further details about the revenues, including taxes, exchanges, fees, interest rates. FD/Merkel proceeded to present details on expenditures, including staffing, contract rates, and the 2026 election.

In response to an inquiry from M/Cajulis regarding funding from the Walnut Housing Authority, FD/Merkel stated that a source of reoccurring source of revenue would need to be identified, aside from one-time development agreement fees.

In response to an inquiry from MPT/Wu regarding JPIA, FD/Merkel confirmed that the membership fees to JPIA did increase.

In response to an inquiry from MPT/Wu regarding water rates for the LOSMD, FD/Merkel confirmed that there was an increase. PWD/Barcelo further confirmed that utility increases would affect the LOSMD and stated that the City did respond to the utility companies including Walnut Valley Water District and Suburban Water Company.

FD/Merkel provided an overview of the Capital Improvement Program.

In response to an inquiry from C/Freedman, DPW/Barcelo stated that the budget included a \$1 million grant match that the City received.

Discussion ensued regarding the equestrian elements in the City parks and the Senior Center.

In response to an inquiry from MPT/Wu regarding rehab projects, DPW/Barcelo provided information on project timelines for FY 26/27 and FY 27/28.

Discussion ensued regarding Public Works slurry projects and renovations to the Senior and Teen Centers.

In response to an inquiry from MPT/Wu regarding CIP funding, PWD/Barcelo stated that some of these funds are restricted and must be spent within a certain amount of time. She further stated that the only general funds for CIP would be the post and rail fence replacement project.

FD/Merkel announced that the operating budget would be brought back for Council approval on June 10, 2026. He further stated that the Capital Improvement Program would be brought back on June 24, 2026, as it would need to be approved by the Planning Commission first.

C/Freedman inquired if her colleagues would be interested in raising the conferences and meetings budget for Council.

Discussion ensued amongst the City Council and staff in regard to the possibility of raising the budgeted amount for City Council conferences.

After discussion, FP/Merkel stated that Council has provided the direction to change the individual Council Conference budget amounts from \$5,000 to \$7,500 and this item will be included in the final budget brought for consideration on June 10, 2026.

Council thanked Staff for all their work on the budget.

### **ORAL COMMUNICATIONS:**

CM/Weiner stated that Finance is working with two fewer Staff members than usual while working on the budget. He further stated that the Finance Director is also very conservative with the numbers.

FD/Merkel stated that last year Staff had conservatively estimated a surplus of a few \$100,000, however the City ended up with a record surplus of over \$5 million.

CM/Weiner further stated that the City is doing very well – crime is down, projects are progressing, and the surplus is robust. He further thanked the Council for their support.

M/Cajulis thanked CM/Weiner for his leadership and the City Attorney for guidance.

There was no other person wishing to speak.

**ADJOURNMENT:** There being no further business, the meeting adjourned at 6:32 p.m.

**PASSED AND APPROVED on the 10<sup>th</sup> day of June 2026.**

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Ritchie Cajulis, Mayor

ATTEST:

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Teresa De Dios, City Clerk

PREPARED BY:

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Jackie Cortez, Admin Services Specialist