RESOLUTION NO. 2026-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE CITY OF FULLERTON'S ANNUAL OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2026-27 AND APPROPRIATING THE FUNDS NECESSARY TO MEET THE EXPENDITURES SET FORTH THEREIN

WHEREAS, the City Manager of the City of Fullerton, in conformity with Section 2.09.150 of the Fullerton Municipal Code, has submitted to the Fullerton City Council (City Council) a Proposed Operating and Capital Budget for all City Funds, including the General Fund, Water and Sewer Enterprise Funds, All Other Funds, and the Capital Improvement Program (CIP) in the total amount of $283,428,526 for Fiscal Year (FY) 2026-27; and

WHEREAS, the General Fund is the City's chief operating fund that provides traditional municipal services to the community, such as, for example, public safety, public works, community and economic development, and parks and recreation and library programming; and

WHEREAS, the City's policy is to maintain a minimum General Fund balance of not below 10% of annual General Fund expenditures and to strive to achieve a 17% reserve level (approximately two months of expenditures); and

WHEREAS, the Proposed General Fund Operating Budget, excluding transfers out, totals $142,241,183 for FY 2026-27 and the City is projected to meet its 10% minimum reserves goal for FY 2026-27; and

WHEREAS, the City Council held a Budget Study Session on July 14, 2026 to receive an initial review of the Proposed General Fund Budget for FY 2026-27 and planned capital projects budget in the Proposed Capital Improvement Program for FY 2026-27, to provide input and direction on the Proposed Budget; and

WHEREAS, at the Budget Study Session, City Council received a presentation and provided input and direction to Staff on the Proposed Budget; and

WHEREAS, Staff held two Budget Community meetings to gather community and resident input on the Proposed Budget and recommended service levels; and

WHEREAS, the City Council has considered the Proposed Budget, as modified to incorporate additional City Council direction and amendatory language provided at the Study Session and subsequent meetings, and held a public hearing on July 21, 2026, in connection with the formal budget adoption for FY 2026-27; and

WHEREAS, such public hearing was duly noticed, held at a regular City Council meeting, and included public input from its residents, the business community and other interested parties; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FULLERTON AS FOLLOWS:

Section 1. **Citywide Budget.** The FY 2026-27 Annual Operating and Capital Budget (the "FY 2026-27 Budget") attached hereto as Exhibit A and incorporated herein by reference, is hereby approved, and the funds necessary to fund the expenditures set forth therein are hereby appropriated. The FY 2026-27 Budget includes the covers all City Funds, including the General Fund, the Water and Sewer Enterprise Funds, All Other Funds, and the Capital Improvement

Program. The FY 2026-27 Budget includes expenditures in the amount of $283,428,526, supported by $283,428,526 in Citywide revenues and available fund balances.

Section 2. **General Fund.** The Operating Budget for the City of Fullerton's General Fund for FY 2026-27 (the "General Fund Operating Budget"), as set forth in the approved FY 2026-27 Budget includes $142,241,183 in operating expenditures and $5,017,131 in transfers out for a total General Fund Budget of $147,258,314; and will be balanced with $143,885,227 in operating revenues, $3,373,087 of transfers in and no planned use of available reserves.

a. *Budget Reductions and Unfunded Positions* – The General Fund Operating Budget includes certain budget reductions and unfunded positions, which are described in Exhibit B to this Resolution, which is attached hereto and incorporated herein by reference. The listed budget reductions and unfunded positions do not increase the general fund budget above what was presented at the July 2026 budget meetings.

b. *City Manager Personnel Authority* – Where a position in a department is listed in Exhibit B as an unfunded position, and a different position in that same department becomes vacant, the City Manager, or designee, is authorized to make a budget amendment to fund and fill the unfunded position so long as (i) the newly vacant position is switched to unfunded status and (ii) the City Manager identifies a source of funds (increased revenues or savings) to fund the difference in personnel cost (if any) between the two positions.

c. *Use of $1 Million of Internal Services Fund Reserves and $300,000 of Savings from the Group Insurance Fund* – Exhibit C to this Resolution, which is attached hereto and incorporated herein by reference, identifies $1 Million in Internal Services Funds Reserves that can be used for general fund purposes and proposes that this $1 Million be used to reinstate or restore specific services and unfunded position (specifically 5 full-time equivalent (FTE) positions, Library nonregular positions and hours, and police overtime levels to align with historical spending).

   Exhibit C to this Resolution also proposes utilizing $300,000 of employees and retirees' health premium savings from the Group Insurance Fund to maintain funding for the City's Operation Clean Streets initiative and community preservation efforts.

   Exhibit C is hereby approved as an amendment to the FY 2026-27 Budget.

Section 3. **Capital Projects Budget.** The Capital Improvement Program Budget for FY 2026-27, as set forth in the approved FY 2026-27 Budget, is $28,983,342.

Section 4. **Vehicle Replacement Fund Vehicles' List.** The Citywide Operating Budget for FY 2026-27 includes the City's annual Vehicle Replacement Program and hereby authorizes the City Manager, or designee, to purchase all vehicles on FY 2026-27 Vehicle Replacement List attached hereto as Exhibit D and incorporated herein by reference, utilizing appropriate purchasing procedures and methods (i.e., open market, formal bidding) pursuant to the City's procurement policies and codes. Where formal bid procedures are not possible due to availability and sourcing challenges, Staff shall utilize cooperative purchasing and/or informal bid procedures (i.e., obtain 3 written quotes).

Section 5. The Citywide Budget adopted for FY 2026-27 shall be considered amended upon the close of FY 2025-26 to carry forward and re-appropriate any outstanding encumbrances on open purchase orders, and/or existing agreements or contracts that have not exceeded adopted budget levels.

Section 6. The Citywide Budget adopted for FY 2026-27 shall be considered amended upon the close of FY 2025-26 to carry forward and re-appropriate funds for any awarded grants that have not been initiated and/or fully expended, and any reimbursable grant revenues that have not been received.

Section 7. The Capital Improvement Program Budget adopted for FY 2026-27 shall be considered amended upon the close of FY 2025-26 to carry forward and re-appropriate funds for all previously approved capital improvement projects that have not been initiated and/or not completed.

Section 8. This Resolution shall become effective upon adoption, and the authorizations approved in this Resolution cover the period beginning July 1, 2026 and ending on June 30, 2027. This Resolution supersedes the Continuing Spending Resolution adopted by the City Council on June 16, 2026 as its Resolution No. 2026-030.

Section 9. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED BY THE FULLERTON CITY COUNCIL ON AUGUST 18, 2026.

____
Fred Jung, Mayor

ATTEST:

____
Lucinda Williams, City Clerk

APPROVAL AS TO FORM:

____
Richard D. Jones, City Attorney

EXHIBIT A

FY 2025-27 PROPOSED BUDGET BOOK DOCUMENT

To Be Included and Attached with Final Resolution Recorded and Filed.

EXHIBIT B

FY 2026-27 GENERAL FUND PERSONNEL & OPERATING REDUCTIONS LIST

Attachment 6 - Proposed Budget Additions and Budget Reductions

FY 2026-27 - General Fund Personnel & Operating Reductions

	Unfunded Positions / Personnel Adjustments	FTE	Department	Reduction Amount
1	Deputy Director of Administrative Services [1]	1	Administrative Services	($119,801)
2	Director of Human Resources	1	Human Resources	($135,229)
	Underfill as Deputy Director of Human Resources	-1	Human Resources	$102,749
3	Administrative Assistant [1]	1	Human Resources	($44,125)
4	Miscellaneous - Salary adjustments & ISF reductions	0	Human Resources	($151,008)
5	Library Technology Assistant	1	Library	($94,797)
6	Code Enforcement Manager	1	Community & Economic Development	($175,528)
7	Associate Planner	1	Community & Economic Development	($152,929)
8	Economic Development Project Manager	1	Community & Economic Development	($185,700)
9	Senior Permit Technician	1	Community & Economic Development	($108,913)
10	Miscellaneous - Salary adjustments	0	Community & Economic Development	($8,839)
11	Parks Project Manager [1]	1	Parks & Recreation	($9,660)
12	Parks Project Specialist [1]	1	Parks & Recreation	($9,660)
13	Public Information Specialist	1	Parks & Recreation	($149,102)
14	Parks and Recreation Coordinator	1	Parks & Recreation	($113,544)
15	Parks and Recreation Supervisor	1	Parks & Recreation	($102,000)
16	Administrative Analyst I	1	Parks & Recreation	($142,623)
17	Re-allocation of General Fund Salaries to Water Fund and Brea Dam Fund	0	Parks & Recreation	($150,000)
18	Reduce Hunt Library Staffing and Programming	0	Parks & Recreation	($40,000)
19	Special Events Salary Redistribution	0	Parks & Recreation	($51,000)
20	Deputy Chief / Fire Marshal	1	Fire	($527,343)
21	Police Corporal	1	Police	($294,331)
22	Police Lieutenant	1	Police	($396,277)
23	Police Officers	4	Police	($932,854)
24	Police Records Clerk	1	Police	($106,690)
25	Police Services Representative	1	Police	($136,336)
26	Part-Time Support Services	0	Police	($322,460)
27	Civil Engineer	1	Public Works	($68,865)
28	Construction Inspector	1	Public Works	($77,894)
29	Engineering Aide III	1	Public Works	($31,901)
30	Ground Maintenance Lead Worker [2]	0	Public Works	($84,948)
31	Maintenance Worker [1/2]	0	Public Works	($8,944)
32	Senior Maintenance Worker [2]	1	Public Works	($153,536)
33	Street Leads Worker [2]	0	Public Works	($51,932)
34	Reduced ISF allocations for Building Maintenance Unfunded Vacancies	0	Public Works	($87,620)
	Total General Fund Savings and FTE Count	**26**		**($5,123,641)**

[1] *- General Fund portion only; some positions are funded across various City funds*

[2] *- Positions will be re-instated through the re-allocation from the General Fund to other City funds.*

Attachment 6 - Proposed Budget Additions and Budget Reductions

FY 2026-27 - General Fund Personnel & Operating Reductions

	Unfunded Programs / Services / Materials	Department	Reduction Amount
1	Discontinue on-site security services at City Hall	City Manager	($75,000)
2	Reduce Hunt Library Security	Library	($175,052)
3	Eliminate Library Book Collection budget for Adult and Teen sections - Foundation & Friends to Temporarily Subsidize	Library	($209,000)
4	Electronic Resources (for language learning, job assistance, and homework help)- Foundation & Friends to Temporarily Subsidize	Library	($30,000)
5	Reduce the Building division's Professional & Contractual services budget by 31%	Community & Economic Development	($139,500)
6	Reduce 4th of July event to Fireworks Only	Parks & Recreation	($175,000)
7	First Night Event	Parks & Recreation	($325,000)
8	Produce the Fullerton Brochure Electronic Version/Online only	Parks & Recreation	($86,000)
9	Reduce on-site Security Services at Fullerton Community Center	Parks & Recreation	($80,000)
10	Reduce Professional & Contractual budget for backup Plan Check	Fire	($92,000)
11	Eliminate Paramedic Subscription Mail & Pass on Credit Card merchant fees	Fire	($26,000)
12	Furniture replacement for EMS division	Fire	($21,000)
13	Reduce Graffiti Abatement Contract (GPC) to 1 Truck Unit from 2 Units	Public Works	($150,000)
14	General Fund Allocation to Facility Capital Repair ISF allocation - 1-Time	Public Works	($250,000)
15	Traffic Engineering Support Staff & Private Development for Non-Reimbursable Plan Check	Public Works	($30,000)
16	Office / Cubicle Furniture	Public Works	($10,000)
	Unfunded Programs / Services / Materials Total		**($1,873,552)**

	General Fund - Grand Total Reductions		**($6,997,193)**

Attachment 6 - Proposed Budget Additions and Budget Reductions

FY 2026-27 Budget Enhancements / Additions

Operating / Personnel Enhancements	FTE	Department	General Fund	All Other Funds
Consultant for Internal Service Funds Methodology Review	0	Administrative Services	$39,600	$0
Principal Revenue Manager	1	Administrative Services	$104,938	$104,938
Accountant II	1	Administrative Services	$66,572	$0
Stancil Dispatch Recorder Upgrade	0	Police	$24,774	$0
Administrative Analyst	1	Police	$130,000	$0
Property and Evidence Supervisor	1	Police	$166,316	$0
Fire Prevention Specialist I	1	Fire	$130,300	$0
Replacement of Wildland Tactical Pants	0	Fire	$15,000	$0
Upgrade P&R Manager to Deputy Director of Parks & Recreation [1]	0	Parks & Recreation	$0	$0
Title Change to Environmental Services Specialist	0	Public Works	$0	$0
Public Works Truck for Downtown Area Operations	0	Public Works	$12,150	$32,850
Public Works Truck for Street & Sidewalk Patchwork Crew	0	Public Works	$71,280	$192,720
Bobcat Skid-Steer Loader and Attachments	0	Public Works	$0	$167,500
FY 2026-27 Budget Enhancement / Additions Total	**5**		**$760,931**	**$498,008**

[1] *- No additional fiscal impact associated with upgrading the Parks & Recreation Manager to Deputy Director*

Attachment 6 - Proposed Budget Additions and Budget Reductions

FY 2026-27 Summary of Changes - Post Budget Study Session

Reallocation of Funds / Miscellaneous Adjustments	FTE Count	Department	General Fund Savings Amount	Allocated to Other Funds
Ground Maintenance Lead Worker [1]	1	Public Works	($84,949)	$84,948
Maintenance Worker [1]	1	Public Works	($8,944)	$8,944
Senior Maintenance Worker [1]	3	Public Works	($51,932)	$51,932
Street Leads Worker [1]	1	Public Works	($51,932)	$51,932
Grand Total	**6**		**($197,757)**	**$197,756**

[1] - *The funding for these positions is included in the base budget; funding for these positions allocated to various Other City Funds which include Sanitation Fund, Gas Tax Fund, Brea Dam Fund, and Water Fund.*

EXHIBIT C

FY 2026-27 PROPOSED REINSTATEMENT OF POSITIONS & SERVICES WITH $1 MILLION OF WORKERS COMPENSATION RESERVES AND $300,000 OF GROUP INSURANCE SAVINGS

Attachment 7 - Proposed Reinstatement with Use of $1 Million of ISF Reserves and $300,00 of Group Insurance Savings

FY 2026-27 Proposed Reinstatement of Positions & Services

Proposed Plan for $1M from Worker's Comp. ISF Reserves

Proposed Reinstatement of Positions	FTE Count	Department	Amount
Director of Human Resources	1	Human Resources	$32,216
Add 2 non-regular Library Technical Assistants and 1 non-regular Library Technology Assistant	0	Library	$64,797
Code Enforcement Manager	1	Community & Economic Development	$175,528
Economic Development Specialist II/III	1	Community & Economic Development	$185,700
Increase PD Overtime for Fiscal Accountability	0	Police	$395,000
Civil Engineer	1	Public Works	$68,865
Construction Inspector	1	Public Works	$77,894
Grand Total	**5**		**$1,000,000**

Proposed Plan for $0.3M from Group Insurance Fund savings

Group Insurance Savings	Department	Amount
Reduce Allocation to Group Insurance Fund	Human Resources	($300,000)
Police Overtime to support Operation Clean Streets	Police	$300,000
Grand Total		**$0**

EXHIBIT D

FY 2026-27 VEHICLE REPLACEMENT LIST

CITY OF FULLERTON
PUBLIC WORKS DEPARTMENT - VEHICLE REPLACEMENT PROGRAM

FY 2026-2027 REPLACEMENT SCHEDULE

PROGRAM	UNIT	YEAR	MAKE	MODEL	LIFE EXP	ADJ LIFE EXP	DEFERRED YEARS	REPL DATE	DEFERRED REPL DATE	PURCHASE COST	REPLACEMENT COST
FIRE											
2222	**651B**	2006	SURRY	TRAILER	15	20	(5)	2021	2026	$ 75,100	$ 139,640
									FIRE SUBTOTAL		**$ 139,640**
PD											
2271	**800C**	2017	FORD	EXPLORER	7	10	(3)	2024	2027	$ 35,847	$ 48,880
2271	**849B**	2020	FORD	FUSION	7	7	0	2027	2027	$ 27,616	$ 34,310
2277	**810B**	2019	DODGE	CHARGER	3	5	(2)	2022	2024	$ 36,697	$ 47,030
2277	**813A**	2017	FORD	EXPLORER	3	5	(2)	2020	2022	$ 37,978	$ 53,420
2277	**815C**	2020	DODGE	DURANGO	3	4	(1)	2023	2024	$ 45,390	$ 56,400
2277	**818C**	2016	FORD	EXPLORER	3	6	(3)	2019	2022	$ 38,996	$ 56,580
2277	**819A**	2016	FORD	EXPLORER	3	6	(3)	2019	2022	$ 38,996	$ 56,580
2277	**820A**	2016	FORD	EXPLORER	3	6	(3)	2019	2022	$ 38,996	$ 56,580
2277	**823A**	2017	FORD	EXPLORER	3	5	(2)	2020	2022	$ 36,898	$ 51,900
2277	**825C**	2019	DODGE	CHARGER	5	8	(3)	2024	2027	$ 41,065	$ 52,630
2277	**838A**	2020	KIA	SORENTO	5	7	(2)	2025	2027	$ 37,000	$ 45,970
2277	**840A**	2019	DODGE	CHARGER	5	8	(3)	2024	2027	$ 36,697	$ 47,030
2277	**845A**	2017	FORD	EXPLORER	7	10	(3)	2024	2027	$ 40,261	$ 54,900
2277	**924B**	2002	KOHLER	GEN350KW	15	25	(10)	2017	2027	$ 75,095	$ 163,060
2278	**408B**	2018	HONDA	ST1300A4	3	6	(3)	2021	2024	$ 30,285	$ 40,040
2287	**876C**	2017	FORD	F-250	7	10	(3)	2024	2027	$ 59,580	$ 81,240
									PD SUBTOTAL		**$ 946,550**
PARKS & REC											
2514/2516	**n/a**									$ -	$ -
									PARKS & REC SUBTOTAL		**$ -**
COM DEVELOPMENT											
2313/2319	**n/a**									$ -	$ -
									COM DEVELOPMENT SUBTOTAL		**$ -**
LIBRARY											
2521	**n/a**									$ -	**$** -
									LIBRARY SUBTOTAL		**$ -**
PUBLIC WORKS	**ADMIN**										
2411	**n/a**									$ -	**$** -
									PUBLIC WORKS ADMIN SUBTOTAL		**$ -**
	STREETS										
	N/A										
									PUBLIC WORKS STREETS SUBTOTAL		**$ -**
	WATER OPS.										
2425	**567C**	2016	FORD	F-250	10	11	(1)	2026	2027	$ 48,964	$ 68,870

CITY OF FULLERTON

PUBLIC WORKS DEPARTMENT - VEHICLE REPLACEMENT PROGRAM

FY 2026-2027 REPLACEMENT SCHEDULE

PROGRAM	UNIT	YEAR	MAKE	MODEL	LIFE EXP	ADJ LIFE EXP	DEFERRED YEARS	REPL DATE	DEFERRED REPL DATE	PURCHASE COST	REPLACEMENT COST
2425	**757B**	2009	JLG	TRAILER	17	18	(1)	2026	2027	$ 9,106	$ 15,910
2426	**521C**	2013	FORD	F-650	14	14	0	2027	2027	$ 129,586	$ 200,040
2426	**951B**	2013	ONAN	COMPRESS	12	14	(2)	2025	2027	$ 10,012	$ 15,460
										PUBLIC WORKS WATER OPS. SUBTOTAL	**$ 300,280**
	LANDSCAPE										
2423	**602A**	2002	J DEERE	5420	14	25	(11)	2016	2027	$ 32,738	$ 71,090
2423	**713B**	2008	J DEERE	F1145	5	14	(9)	2013	2022	$ 20,703	$ 37,320
										PUBLIC WORKS LANDSCAPE/TREE SUBTOTAL	**$ 108,410**
	ENGINEERING										
2324	273C	2017	FORD	F-150	10	10	0	2027	2027	28,367	**$ 38,680**
										PUBLIC WORKS ENGINEERING SUBTOTAL	**$ 38,680**
	EQUIPMENT										
2416	**n/a**									$ -	**$ -**
										PUBLIC WORKS EQUIPMENT SUBTOTAL	**$ -**
	SEWER										
	n/a										
										PUBLIC WORKS SEWER SUBTOTAL	**$ -**
	BUILDING										
2413	**934B**	1997	ONAN	GEN350KW	22	30	(8)	2019	2027	$ 65,000	**$ 164,810**
										PUBLIC WORKS BUILDING SUBTOTAL	**$ 164,810**
	AIRPORT										
2331	**n/a**									$ -	**$ -**
										PUBLIC WORKS AIRPORT SUBTOTAL	**$ -**
	Total 25 Vehicles									**Total Vehicle Purchase Cost**	**$ 1,698,370**
										TOTAL 64417 EXPENDITURE	**$ 1,698,370**
										FY 2025-26 ISF Revenue for Vehicles	**$ 3,400,952**
										Est. Interest Income	**$ 80,000**
										FUND 64 REVENUE	**$ 1,782,582**

Listed vehicles are due for replacement next fiscal year. Supply chain, availability, actual costs and need of vehicles will determine actual fiscal year purchases.