City of Sacramento

APPROVED BUDGET | FISCAL YEAR 2026/27



APPROVED
CITY OF SACRAMENTO
FISCAL YEAR 2026/27 BUDGET

KEVIN MCCARTY
Mayor

LISA KAPLAN
Councilmember, District 1

ROGER DICKINSON
Councilmember, District 2

KARINA TALAMANTES
Vice Mayor, District 3

PHIL PLUCKEBAUM
Councilmember, District 4

CAITY MAPLE
Councilmember, District 5

ERIC GUERRA
Mayor Pro Tem, District 6

RICK JENNINGS, II
Councilmember, District 7

MAI VANG
Councilmember, District 8

MARASKESHIA SMITH
City Manager

LEYNE MILSTEIN
Assistant City Manager

RYAN MOORE
Assistant City Manager

Prepared by
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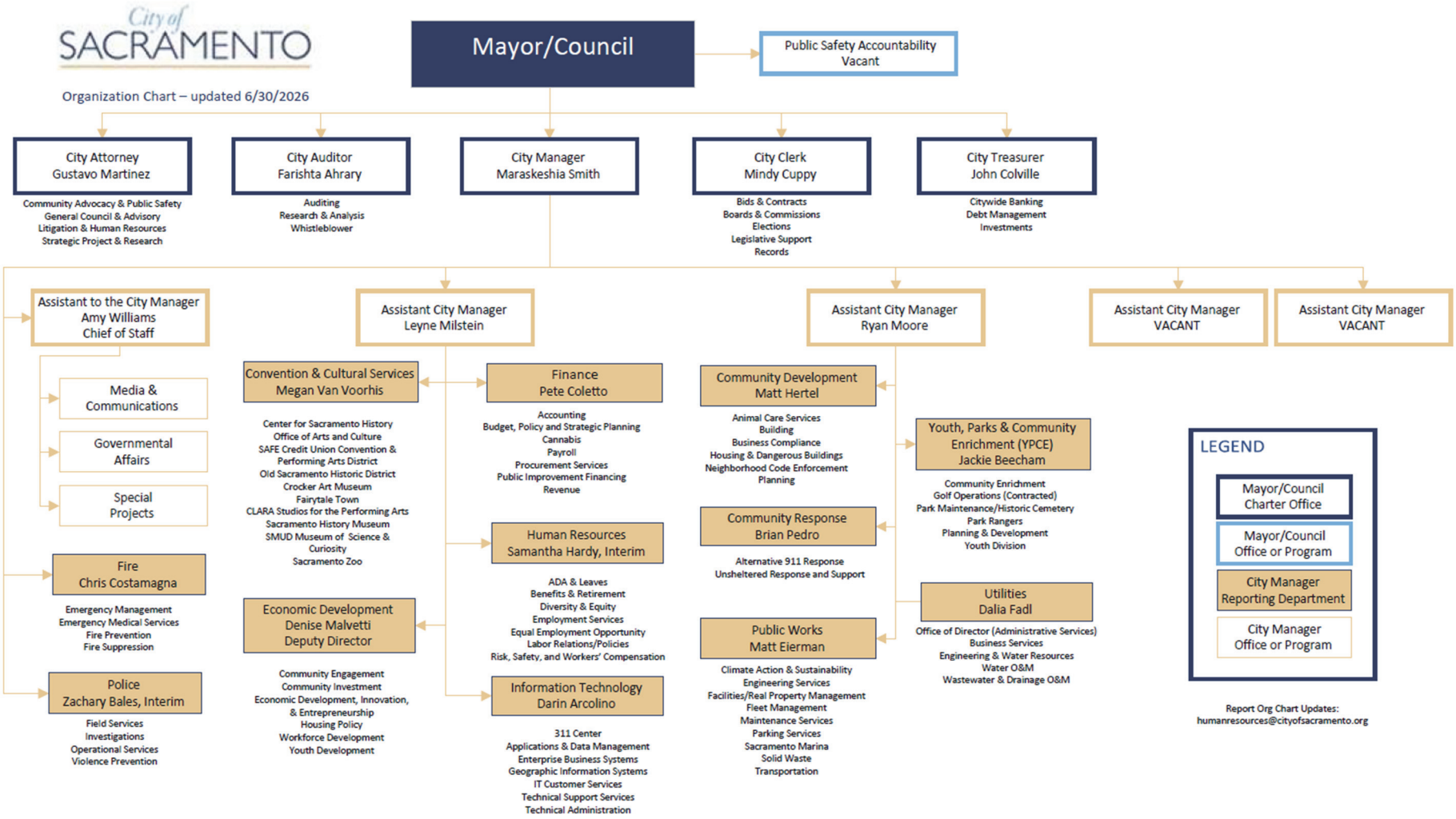

City of SACRAMENTO
Organization Chart – updated 6/30/2026
Mayor/Council
Public Safety Accountability
Vacant
City Attorney
Gustavo Martinez
Community Advocacy & Public Safety
General Council & Advisory
Litigation & Human Resources
Strategic Project & Research
City Auditor
Farishta Ahrary
Auditing
Research & Analysis
Whistleblower
City Manager
Maraskeshia Smith
City Clerk
Mindy Cuppy
Bids & Contracts
Boards & Commissions
Elections
Legislative Support
Records
City Treasurer
John Colville
Citywide Banking
Debt Management
Investments
Assistant to the City Manager
Amy Williams
Chief of Staff
Media & Communications
Governmental Affairs
Special Projects
Fire
Chris Costamagna
Emergency Management
Emergency Medical Services
Fire Prevention
Fire Suppression
Police
Zachary Bales, Interim
Field Services
Investigations
Operational Services
Violence Prevention
Assistant City Manager
Leyne Milstein
Convention & Cultural Services
Megan Van Voorhis
Center for Sacramento History
Office of Arts and Culture
SAFE Credit Union Convention & Performing Arts District
Old Sacramento Historic District
Crocker Art Museum
Fairytale Town
CLARA Studios for the Performing Arts
Sacramento History Museum
SMUD Museum of Science & Curiosity
Sacramento Zoo
Economic Development
Denise Malvetti
Deputy Director
Community Engagement
Community Investment
Economic Development, Innovation, & Entrepreneurship
Housing Policy
Workforce Development
Youth Development
Finance
Pete Coletto
Accounting
Budget, Policy and Strategic Planning
Cannabis
Payroll
Procurement Services
Public Improvement Financing
Revenue
Human Resources
Samantha Hardy, Interim
ADA & Leaves
Benefits & Retirement
Diversity & Equity
Employment Services
Equal Employment Opportunity
Labor Relations/Policies
Risk, Safety, and Workers' Compensation
Information Technology
Darin Arcolino
311 Center
Applications & Data Management
Enterprise Business Systems
Geographic Information Systems
IT Customer Services
Technical Support Services
Technical Administration
Assistant City Manager
Ryan Moore
Community Development
Matt Hertel
Animal Care Services
Building
Business Compliance
Housing & Dangerous Buildings
Neighborhood Code Enforcement
Planning
Community Response
Brian Pedro
Alternative 911 Response
Unsheltered Response and Support
Public Works
Matt Eierman
Climate Action & Sustainability
Engineering Services
Facilities/Real Property Management
Fleet Management
Maintenance Services
Parking Services
Sacramento Marina
Solid Waste
Transportation
Youth, Parks & Community Enrichment (YPCE)
Jackie Beecham
Community Enrichment
Golf Operations (Contracted)
Park Maintenance/Historic Cemetery
Park Rangers
Planning & Development
Youth Division
Utilities
Dalia Fadl
Office of Director (Administrative Services)
Business Services
Engineering & Water Resources
Water O&M
Wastewater & Drainage O&M
Assistant City Manager
VACANT
Assistant City Manager
VACANT
LEGEND
Mayor/Council Charter Office
Mayor/Council Office or Program
City Manager Reporting Department
City Manager Office or Program
Report Org Chart Updates:
humanresources@cityofsacramento.org

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SECTION - 1
Budget Message

City of
SACRAMENTO
Office of the City Manager

Maraskeshia S. Smith
City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

July 1, 2026

Honorable Mayor and City Council
Sacramento, California

Dear Mayor and Members of the City Council:

I am pleased to transmit the Fiscal Year 2026/27 Approved Budget (Budget). The Budget is a balanced $1.7 billion ($898.2 million General Fund) spending plan for City programs and services supporting a workforce of approximately 4,884 full-time equivalent employees, closing an estimated $66.2 million funding gap in the General Fund while preserving core services and advancing Council priorities. The Budget reflects input provided by Council, City Departments and the public.

$s in millions	FY2025/26 Approved	FY2026/27 Proposed	Change
All Funds	$1,675.0	$1,736.0	$61.0
General Fund	$872.5	$898.2	$25.7
Full-Time Equivalent Positions	4,984.83	4,884.20	(100.63)

STRUCTURAL BUDGET DEFICIT

Like many cities across California, the City is grappling with the challenge of expenses that are growing faster than resources. This imbalance, known as a structural budget deficit, is not the result of an economic downturn. Rather, the structural deficit has been caused by several factors that have developed over the past few years.

The City has added spending commitments for:

- Homelessness services.
- Children and youth.
- Economic Development.
- Office of Public Safety and Accountability.
- Police Department.
- Citywide labor increases.

Some outside factors have impacted the City budget including:

- Increased inflation for City operating costs.
- Statewide slowdown in sales tax revenue, a major General Fund resource.

- Decreased State funding for homelessness services.

To bring the City's budget into structural balance, Council will need to make decisions that will increase ongoing revenues and decrease ongoing expenses.

The City partially addressed the structural budget deficit during the FY2024/25 and FY2025/26 budget processes by closing funding gaps with a combination of one-time and ongoing budget balancing strategies. The ongoing strategies reduced projected deficits in future fiscal years while the one-time strategies only applied to one fiscal year and did not reduce projected deficits in subsequent years.

CLOSING THE GAP

On October 7, 2025, Council adopted the Fiscal Year 2026/27 Budget Development Policy (Policy). The Policy seeks to address the City's structural deficit by defining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts.

The Policy instructed all City Departments to submit reduction plans that totaled 15% of their discretionary General Fund use and provided a framework designed to protect core services and advance Council priorities. Departmental reduction strategies were categorized on a one through four scale based on service impact on residents, with one being a low impact and four resulting in a severe impact.

In addition, staff analyzed "citywide" strategies to identify previously allocated funding for projects or citywide programs that could be redirected for budget balancing. Overall, staff identified over 200 one-time and ongoing revenue-enhancement and expenditure-reduction strategies totaling more than $109 million in savings. A description of each strategy is included in the Budget document.

During the Budget development process, the City has been in collective bargaining with all labor units. Labor-contract increases were greater than the amounts included in the mid-year financial forecast, and the Budget incorporates balancing strategies to cover those additional costs.

In March 2026, the City held a series of Early Budget Work Sessions (EBWS). The EBWS included a budget overview, a "baseline" balancing (March Baseline), and budget-focused presentations from City departments. The March Baseline included increased revenues, debt service restructurings to save General Fund costs, homelessness services efficiencies, funding shifts, and departmental expense and service reductions which included the elimination of both filled and vacant positions. In total, the March Baseline included the elimination of 103.3 filled full-time equivalent positions and 98.7 vacancies.

A summary of the March Baseline is provided in the chart below ($ in millions):

Strategy	Savings
Interest on Treasury Pool	$3.5
Debt Refunding	$1.4
Debt Service Funding Shift	$1.2
Citywide Strategies / Project Fund Reallocations	$11.4
Homelessness Services Contract Efficiencies	$3.8
Hotel Voucher Program Shift	$3.2
X St Shelter Partnership Savings	$2.8
Fire Single Role Savings	$3.6
Violence Prevention Funding Shift	$1.8
Additional Departmental Revenues	$15.1
Expense Reductions:	
Police	$7.1
Fire	$5.6
Youth, Parks & Community Enrichment	$4.8
Other Departments	$7.5
Total Savings	**$72.8**

Council feedback during the EBWS informed changes to the March Baseline, and the Budget incorporates several restorations of March Baseline reductions including:

- Police Department Magnet Academy
- Partial restoration of Fire Suppression vacancies
- Affordable Housing Fee program
- Senior Fiscal Policy Analyst in the Auditor's Office
- Diversity, Equity, and Inclusion staffing in the Human Resources Department
- GIS and Regional Support staffing in the Information Technology Department
- Partial restoration of park maintenance outsourcing
- Access Leisure Program in Youth, Parks and Community Enrichment
- Community center and senior center operating hours in Youth, Parks & Community Enrichment

These reductions were funded by eliminating additional vacant positions and utilizing available State homelessness funding to free General Fund resources.

On April 29, 2026, the City Manager released the Proposed Budget, which utilized a combination of one-time and ongoing strategies with nearly 75% of the budget balancing strategies being ongoing. Budget balancing strategies included the net elimination of 94.5 vacant full-time equivalent positions and 46.1 filled full-time equivalent positions. **While some filled sworn public safety positions were eliminated in the Budget, no sworn Police or Fire staff will be separated from the City and will instead move to available**

vacant sworn positions. The table below provides a summary of the budget balancing strategies included in the Proposed Budget ($ in millions):

	FY 2026/27	FY 2027/28
Mid-Year Forecast	**($66.2)**	**($81.8)**
Labor Contract Adjustments	($11.3)	($21.8)
Budget Balancing Strategies	$70.2	$50.6
Encampment Relief Funds (State Homelessness Funding)	$2.3	$-
Available HHAP-6 (State Homelessness Funding)	$2.1	$6.1
HHAP-7 (State Homelessness Funding)	$-	$6.4
Other Adjustments	$3.2	$5.9
End Balance	**$0.3**	**($32.6)**

BUDGET APPROVAL

During Budget Hearings, Council made adjustments to restore funding for violence prevention services provided by community-based organizations, wading pools, recreation swim hours, Summer at City Hall, North Sacramento economic development and code enforcement, and staffing in Youth, Parks and Community Enrichment Department and the City Attorney's Office. Council funded these adjustments by shifting State homelessness funding from FY 2027/28 to FY 2026/27, eliminating parking enforcement vacancies, implementing a dynamic staffing model for parks maintenance to bring contracted services in house, freezing Community Ambassador stipends, reducing capital expenditures in the Department of Community Response, and reducing the City's contribution to the Economic Uncertainty Reserve.

BUDGET INVESTMENTS

While the challenges of balancing the budget can eclipse all other aspects during the budget process, it is important to remember that City continues to make meaningful progress in advancing Council priorities and delivering core municipal services.

Advancing Council Priorities

On September 30, 2025, Council held a priority setting workshop and identified the following top three priorities – Economic Development, Homelessness; and Public Safety.

Highlights of Budget investments to advance these priorities include:

- Creation of a new Economic Development Department, within existing resources, to coordinate and advance initiatives which grow the local economy, attract investment, and revitalize the City's commercial corridors.

- Advancement of Streamline Sacramento to make it easier to do business with the City and encourage development.
- Continued use of innovative financial strategies, such as Enhanced Infrastructure Financing Districts, to facilitate redevelopment while protecting the General Fund.
- Investments in the Old Sacramento waterfront to support tourism and downtown businesses.
- Maintenance of homeless services outreach workers to connect homeless individuals with shelter and services.
- Continuation of the Incident Management Team, which responds to 311 homelessness concerns.
- Increase in City shelter-bed capacity by approximately 400 beds.
- Continuation of the community prosecutor for an additional year.
- Retention of the City's sworn Police and Fire workforce with no sworn separations from the City due to budget reductions.
- Maintains community prosecutor for an additional year.
- Continues the use of focused enforcement, proactive policing and strategic deployment which has contributed to a 30% reduction in shootings since 2023.
- Further implementation of the Single Role program to drive efficiencies and support recruiting in the Fire Department.

Delivering Core Services

In addition to advancing Council priorities, the Budget investments support the delivery of core City services. Highlights include:

- Continuation of Traffic Safety Team which in Fiscal Year 2025/26 delivered more than 100 low-cost safety improvements, including 17 'quick build' projects, focusing on reducing serious crashes and improving safety near schools.
- Maintenance of over 3,000 lane miles of streets and repair of over 2,000 potholes monthly.
- Servicing nearly 18 million garbage, recycling, and organics containers annually.
- Expanding City infrastructure capacity to support fleet electrification and safety improvements by leveraging grant funds.
- Maintenance of over 240 parks, parkways, community gardens and open space areas.
- Implementation of new community programs funded by the Measure L Children's Fund.
- Improvement of our special event and entertainment permitting processes to support the arts, culture, and entertainment throughout the City.
- Initial pilot of alternative response funded with Opioid Settlement funds.
- Continuation of the delivery of water services to approximately 148,000 customers, sewer services to approximately 80,000 customers, and storm drainage services to approximately 144,000 customers.

PENDING FACTORS

The City is facing considerable economic challenges as it heads into the new Fiscal Year. The war in Iran has resulted in an increase in energy prices, which may lead to inflation, higher interest rates, and a slowdown of the economy. Many economists are warning of a potential recession, which would result in significant reductions in City revenues. City staff will continue to update expense and revenue forecasts and will inform Council and the public of budgetary impacts.

In addition to the structural deficit, the City must address its long-term liabilities to ensure its fiscal stability. The updated five-year Capital Improvement Plan identifies approximately $2.0 billion of unfunded capital projects and deferred maintenance costs on City-owned properties that, if not addressed, will increase dramatically as buildings and infrastructure continue to age. The City's unfunded pension liability is approximately $1.5 billion as of the most recent California Public Employees' Retirement System (CalPERS) Actuarial Valuation report.

NEXT STEPS

As Council considers the Budget and the continuing structural financial challenges, it will be essential to balance current needs with long-term fiscal health. The ongoing strategies will help to structurally balance the Budget and reduce projected deficits in future years. The Budget takes a measured approach with a goal of minimizing service impacts on Sacramentans while addressing Council priorities and ensuring financial sustainability.

I am honored to present my first Budget as City Manager and work with Council as they consider difficult decisions needed to balance the budget. I want to thank the Council for its leadership as I offer a Budget that is balanced and reflects the vision and priorities articulated by Council. I also want to thank the community for their input and involvement in the development of this Budget as we all – Council, community, and City staff – work together to make Sacramento the best place to live, work, and do business.

Respectfully submitted,



MARASKESHIA S. SMITH
City Manager

Operating Budget Excellence Award



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2025-2026

Presented to the

City of Sacramento

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

February 5, 2026

Jennifer Wakeman
2025 CSMFO President

James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

The City's FY2025/26 Approved Operating Budget received the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO). The award process includes peer reviews of cities' operating budgets. Peer review methods are employed to maintain standards, improve performance, and provide credibility.

In preparing the FY2026/27 Budget document, the award criteria were followed and prepared in accordance with generally accepted accounting principles. This document will be submitted to the CSMFO for consideration for the Fiscal Year 2026/27 Operating Budget Excellence Award.

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SECTION - 2
City at a Glance

Sacramento at a Glance

History of the City of Sacramento

The City of Sacramento was established in 1849 and became the capital for the State of California in 1854. Sacramento also serves as the seat of Sacramento County government. It is the sixth largest city in California with a population estimated at 539,765.[1] The population of the County of Sacramento is estimated at 1,628,349.[1] Sacramento encompasses 101 square miles and is in the northern section of California's Central Valley.

Sacramento is a charter city and operates under a Council-Manager form of government that currently provides for a nine-member elected City Council (Council), including an elected Mayor. There are no other elected City officials. Members of the Council serve alternating terms of four years, with the Mayor and Councilmembers representing even numbered districts up for reelection in calendar year 2028 and the Councilmembers representing odd numbered districts up for reelection in 2026. All registered voters in the City vote for the Mayor, while Councilmembers are elected by voters in specific districts. The Council appoints the City Manager, City Attorney, City Auditor, City Clerk, and the City Treasurer to carry out its adopted policies.

The City provides a full range of municipal services including police, fire, water, sewer, storm drainage, solid waste, code enforcement, construction and maintenance of parks and streets, planning and development, recreation and cultural activities, community response, and general administration.

The Sacramento City Charter requires that the City Manager submit a proposed budget to the Council at least 60 days prior to the commencement of each fiscal year. Once approved by Council, this annual budget serves as the foundation for the City of Sacramento's financial planning and control. Budgetary control is maintained at the department level, by fund. Budgetary control for capital improvement projects is maintained at the individual project level.

The following information summarizes the City's key demographics and community profile.

[1] Based on California Department of Finance estimates as of January 1, 2026.

Demographics

The information presented is based on the 2020-2024 American Community Survey (ACS) 1-Year Estimates from the United States Census Bureau.

Population by Sex

Percent female persons	51.3%
Percent male persons	48.7%

Race and Origin

Hispanic or Latino (of any race)	29.3%
White	27.8%
Asian	22.2%
Black or African American	12.1%
Two or more races	6.7%
Native Hawaiian and Other Pacific Islander	1.3%
Some other race	0.5%
American Indian and Alaska Native	0.1%

Age Distribution

0-14 years	18.0%
15-24 years	12.4%
25-64 years	55.1%
65 years and over	14.4%
Median age	36.6

Housing Status

Total	211,869
Occupied	198,965
Owner-occupied	101,161
Renter-occupied	97,804

Average Household Size

Owner-occupied unit	2.82
Renter-occupied unit	2.47

Residential Vacancy Rate

Vacant	12,904
Homeowner vacancy rate	0.7%
Rental vacancy rate	4.5%

Home Values

Median value of owner-occupied units	$515,800
Occupied units paying rent	95,299
Median gross rent	$1,846

Commuting to Work

Mean travel time to work in minutes	25.3

Occupation

Management, business, science, and arts occupations	120,267
Service occupations	48,672
Sales and office occupations	46,755
Natural resources, construction, and maintenance occupations	20,242
Production, transportation, and material moving occupations	29,907

Household Income

Total households	198,965
Median household income	$91,387
Mean household income	$114,906

Individual Income

Per capita income	$43,869
Median earnings for workers	$51,093

Education

Percent high school graduate or higher	86.0%
Percent bachelor's degree or higher	34.9%

Community Profile

The information presented is based on the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024.

Principal Employers

State of California	142,912
University of California, Davis	22,547
Kaiser Permanente	18,903
Sutter Health	17,500
UC Davis Health	17,195
U.S. Government	14,273
Sacramento County	13,653
Dignity Health	8,356
San Juan Unified School District	5,499
City of Sacramento	5,030

Operating Indicators

Police:

Citizen initiated calls for service with officer responses	155,199

Fire:

Number of incidents	108,038
Number of structure fires	570
Number of construction inspections/reviews	7,146

Public Works:

Number of traffic investigations completed	906
Residential garbage disposed (in tons)	124,100

Youth, Parks, & Community Enrichment:

Number of students enrolled in START	543
Number of students enrolled in 4th R	2,990

Utilities:

Number of water accounts	148,349
Water distributed/pumped (millions of gallons)	33,156
Number of wastewater accounts	79,595
Wastewater distributed/pumped (millions of gallons)	5,356
Number of storm drainage accounts	153,408
Storm drainage distributed/pumped (millions of gallons)	14,683

Community Development:

Number of building permits issued	19,687
Building permit valuation (in millions of dollars)	$1,114
Number of animal licenses issued	19,219
Number of animal outplacements	8,690

Convention & Cultural Services:

Number of Community Convention Center events	272
Community Convention Center event attendance	971,115
Number of Zoo attendance	468,404

Capital Asset Statistics

Police:

Number of stations	4
Number of patrol units	280
Number of aircraft	5
Number of watercraft	4

Fire:

Number of stations	24

Number of fire suppression, support, or prevention vehicles	140
Number of watercraft	7

Public Works:

Miles of streets	3,198
Number of streetlights	40,087
Number of City public parking spaces	5,635
Number of City leased parking spaces	2,298
Number of City garages and open parking lots	14
Number of City leased garages and open parking lots	7
Miles of off-street bikeways	85

Youth, Parks, & Community Enrichment:

Number of parks	23
Park acreage	3,396
Number of community centers	14
Number of swimming pools (including wading pools)	28

Utilities:

Miles of water mains and distribution lines	1,645
Miles of sanitary sewers and storm drainage	1,985

Miscellaneous:

Number of boat harbor slips	475
Number of Golf Courses	6

3

SECTION - 3
Budget Overview

Approved Budget Overview

The City continues to face significant financial challenges as it works to resolve an ongoing imbalance between City operating costs and available resources, which is known as a structural deficit. In February, the City released its updated financial forecast which projected a $66.2 million budget deficit for Fiscal Year (FY) 2026/27 with deficits increasing annually throughout the forecast period. Similar to the past two budget cycles, the City utilized a strategic approach to close the budget deficit by defining core services, conducting revenue enhancements and reducing expenditures instead of simply pursuing across-the-board cuts. The combination of one-time and ongoing revenue increase and expense reduction strategies allowed the City to balance the FY2026/27 Proposed Budget while minimizing service impacts to residents. During deliberations on the Proposed Budget, the City Council made additional adjustments that are included in the Approved Budget.

On June 9, 2026, City Council approved the FY2026/27 Approved Operating and Capital Improvement Program (CIP) Budgets (Budget). The Budget totals $1.7 billion from all funding sources and supports 4,884.20 authorized full-time equivalent (FTE) positions. This includes $898 million and 3,643.83 FTE for General Fund operations and capital projects, and $837 million and 1,240.37 FTE for operations and capital projects for the City's enterprise and other fund activities.

The City Council held five meetings during May and June to review and discuss the Proposed Budget. The budget adjustments approved by Council included approximately $4.1 million in various reductions, shifting of State homelessness funds, vacancy freezes and reduction of Economic Uncertainty Reserve contribution to restore the following: youth violence projects, wading pools, recreation swim hours, Park Maintenance Workers and Workforce Development positions in Youth, Parks and Community Enrichment (YPCE), the Summer at City Hall program, open hours at Hart Senior Center, North Sacramento projects and City Attorney positions. In addition, other budget adjustments decreased the General Fund budget by approximately $500,000 and decreased the budgets of other funds by $8.7 million. Adjustments included the add/delete of positions in Information Technology and Finance, the addition of fully offset positions in the Fire and YPCE, cost neutral revenue and expenditure adjustments related to increasing parking meter revenue budget to align with projections, the creation of the Economic Development Department and moving existing Office of Innovation Economic Development staff and supplies funding to the new department, the movement of expenditures from the Storm Drainage Fund to the Storm Drainage Property Fee Fund, freezing a position in the Office of Public Safety Accountability and using its labor savings to create a new project, labor negotiations placeholder adjustment for Sacramento Area Firefighters, Local 522, revenue and expenditure adjustments for several funds that were not included in the Proposed Budget, other technical adjustments (department and/or fund changes) related to revenues, the cost plan and projects and labor adjustments due to timing and other technical adjustments.

Budget adjustments are summarized in the subsequent charts. Details can be found in Section 4 - Budget Modifications.

Council Approved Adjustments

Department	FTE Change	Net Budget Change
General Fund Restoration		
Gang Prevention & Intervention Taskforce Project	-	1,300,000
Wading Pools	2.50	117,520
Recreation Swim Hours	15.70	464,420
Summer at City Hall	1.87	132,435
Office of Violence Prevention Project	-	275,000
Hart Senior Center	3.40	273,893
Park Maintenance Workers	26.00	567,428
North Sac Code Enforcement Project	-	200,579
North Sac Economic Development Project	-	259,923
YPCE Workforce Development positions	1.46	107,150
City Attorney's Office staffing	1.00	444,282
	-	
Total	**51.93**	**$4,142,630**
General Fund Financing for Restoration		
Economic Uncertainty Reserve Contribution	-	1,452,690
Freeze seven Parking Enforcement Officers	-	556,036
Freeze Community Ambassador Program	-	108,000
Reduction in Homeless Services	-	500,000
Shift HHAP-6 funding	-	1,325,904
Other Fund Financing for Restoration		
Sac Services CFD 2018-05 Fund offset for park maintenance	-	200,000
Total	**-**	**$4,142,630**

Other Adjustments - General Funds

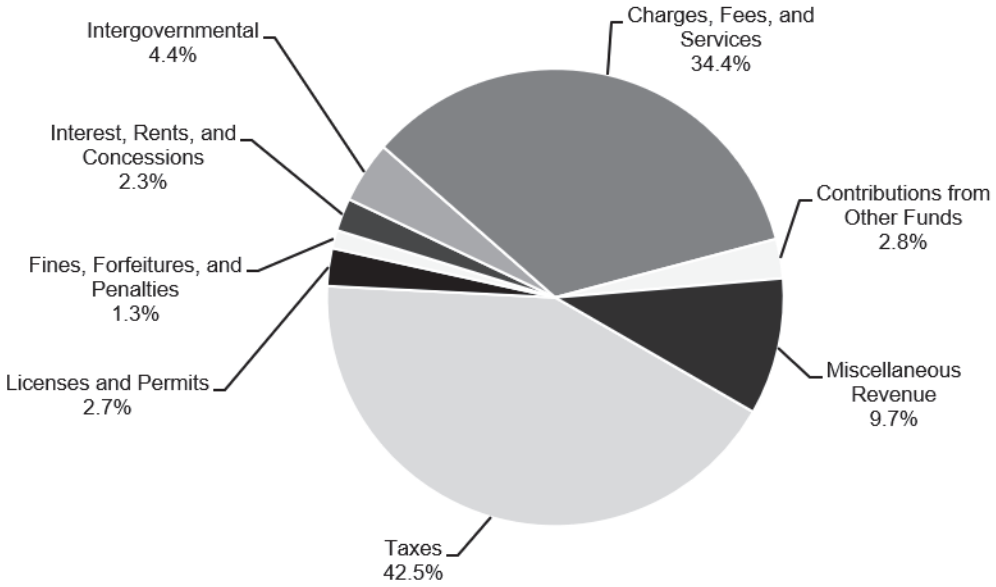
	FTE Change	Net Budget Change
Operating Adjustments	2.00	(3,852,182)
MYOP and Capital Adjustments		3,387,856
Total	**2.00**	**(464,326)**

Other Adjustments - Other Funds

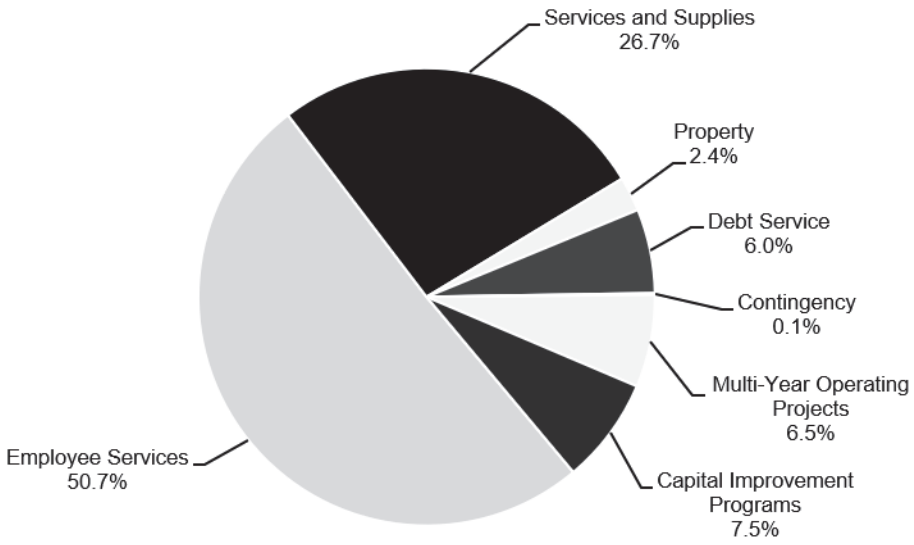
	FTE Change	Net Budget Change
Operating Adjustments	9.20	(8,691,603)
Total	**9.20**	**(8,691,603)**

Total Approved City Budget: $1.73 Billion

Revenues



Expenditures



Note: The above charts do not include other sources and uses as represented in Schedules 2A and 2B.

Proposed Budget Overview

(As written on April 29, 2026, with technical adjustments as necessary to reflect Council intent.)

Introduction

The City continues to face significant financial challenges as it works to resolve an ongoing imbalance between City operating costs and available resources, which is known as a structural deficit. The FY2026/27 Proposed Operating and Capital Improvement Program (CIP) Budget (Budget) continues to address the structural deficit while maintaining core City services and advancing Council priorities.

The Budget is balanced and closes a $66.2 million funding gap. The Budget totals approximately $1.7 billion from all funding sources and supports 4,822.07 full-time equivalent (FTE) positions. This includes $898 million for General Fund operations and capital projects, and $830 million for the City's enterprise and other fund activities.

Structural Deficit

In February, the City released its updated financial forecast which projected a $66.2 million budget deficit for FY2026/27 with deficits increasing annually throughout the forecast period. While the forecast assumes increasing revenues due to continued economic growth, the growth of expenses outpaces revenues. The fundamental imbalance in the City's budget is known as a structural deficit.

The structural deficit is the result of decisions that the City and voters have made over the past few years along with macroeconomic forces such as inflation and imposed tariffs. These decisions include expanding into new service areas, increased costs of prior labor contracts, increasing staffing levels, and ballot measures redirecting general revenues for specific purposes. Substantial federal aid to assist local governments mitigate COVID-19 pandemic impacts allowed the City to fund these cost increases, however, the federal funding was one time while many of the increased costs are ongoing.

The City is not facing a budget deficit due to a recession or economic downturn, instead the structural budget deficit is due to the City offering more services with a higher cost base which can no longer be sustained with existing revenues. This has resulted in a situation where City expenses are growing faster than City resources.

Ongoing Labor Negotiations

In addition to the structural deficit, the City has been in negotiations with all eleven recognized employee organizations (REO) over the past 10 months. Eight of the eleven REOs now have labor contracts with the City and two of the remaining three REOs are close to being finalized. Updated labor contract costs increased the overall deficit by $11.3 million in FY2026/27. The additional costs are included in the Budget and the forecast. The City is still in active negotiations with the Sacramento Police Officers Association (SPOA). The Budget and the forecast include costs that have been proposed to SPOA to date. The final costs of the SPOA contract may differ from what is currently in the Budget and forecast.

Closing the Budget Gap in the Past Fiscal Years

The City has been working to decrease the structural deficit over the past two fiscal years by making strategic reductions that minimize impacts on the public and preserve core City services. In FY2024/2025, a $66 million gap was closed with $30.2 million in ongoing reduction strategies and $36.6 million in one-time solutions. There was a reduction of 43 vacant full-time equivalent (FTE) positions. No filled positions were eliminated and no layoffs were conducted. In FY2025/26, a $62.2 million gap was closed with $34.6 million in ongoing reduction strategies and $35.2 million in one-time solutions. There was a reduction of 70.5 vacant FTE positions and 12.8 filled FTE positions. Although filled positions were eliminated, no layoffs were conducted.

Closing the Budget Gap in FY2026/27

The Budget continues to address the City's structural deficit by preserving core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts. Reduction strategies included in the Budget aim to minimize program and service impacts to the community to the best extent possible. Proposed solutions to close the $66.2 million funding gap and cover $11.3 million in labor contract increases include a combination of one-time and ongoing strategies with $52.6 million in ongoing reduction strategies and $17.6 million in one-time solutions. The Budget also includes other adjustments including the utilization of State homelessness funding and incorporating augmentations.

	Amount (in Millions)	Filled FTE	Vacant FTE
Projected FY2026/27 Surplus/(Deficit)	($66.2)		
Labor Contract Adjustments	(11.3)		
Department Revenue Enhancement Strategies	15.0		
Level 1 Reduction Strategies*	9.6	0.0	(4.7)
Level 2 Reduction Strategies	3.6	(5.4)	(10.0)
Level 3 Reduction Strategies	6.4	(34.5)	(28.4)
Level 4 Reduction Strategies**	14.9	(6.2)	(51.5)
Citywide Strategies	12.2		
Homeless Program Efficiencies	2.9		
Citywide Revenue Adjustments	5.6		
Encampment Relief Funds & HHAP 6 Funds	4.4		
Department Augmentations	(1.3)		(3.6)
Other Adjustments	4.5		
FY2026/27 Proposed Budget Surplus/(Deficit)	**$0.3**	**(46.1)**	**(98.1)**

* Includes funding source changes for 5.90 full-time equivalent (FTE) in various positions. Funding for positions includes moving from General Fund or Measure U Fund to the Community Center Fund, Children's Fund, Development Services Fund or the General Plan Updates project. Positions are not being eliminated.

** Includes funding source changes for 13.00 FTE Firefighter positions from General Fund to Intergovernmental Transfer (IGT) Program. Positions are not being eliminated.

The Budget includes the net reduction of 144.16 full-time equivalent (FTE) positions, which includes net position reductions (-140.58 FTEs), reductions related to the

termination of the Regional Transit and Natomas School Resource Officer contracts (-14.00 FTEs) and net additions (10.42 FTEs). Reductions include the elimination of 101.92 vacant FTE positions, the elimination of 46.06 filled FTE positions, the planned conversion for the Single Role program conversions (an addition of 8.00 FTEs), and a reduction of 0.60 FTEs in position add/deletes. There are also funding shifts of 18.90 filled FTE positions from the General Fund and Measure U Fund to the Community Center fund, Children's Fund, Development Services fund, Intergovernmental Transfer (IGT) Program and various projects. Unfortunately, the Budget would eliminate 46.06 filled FTE positions, however, not all employees in the eliminated filled positions will be separated from the City. Some may be moved to other vacant positions, and no sworn Police or Fire personnel will be separated from the City due to budget reductions. **More information on the budget balancing process and balancing strategies can be found in Section 4 - Budget Modifications.**

Revenue Outlook

The Budget includes minimal citywide revenue growth compared to what was projected for FY2025/26 Midyear. Property taxes continue to show resilience, and utility user taxes are projecting growth. However, sales tax revenues continue to struggle amid challenging market conditions and are projected to remain flat for the coming fiscal year, with modest growth in the out-years. Most citywide revenue growth can be attributed to higher projected investment income. More substantial revenue growth is projected for department revenues, which are comprised of various fees and charges for City services. For FY2026/27, most of the projected revenue growth in the departments comes from the Fire Department for permit fees, fire district revenues, and reimbursements related to emergency medical response.

External funding, primarily from the State's Homeless Housing, Assistance, and Prevention Grant (HHAP) program provide significant assistance for the City's homelessness services programs. The FY2026/27 Budget assumes no new funding for HHAP-7 will be received within the fiscal year. Instead, the assumption is that HHAP-7 will be received in FY2027/28. This aligns with the timing of receipt for prior rounds of HHAP. Without additional external funding being received for FY2026/27, the City's homelessness programming will need to be funded by prior year grant allocations and by General Fund support.

Pending Factors

The City continues to face challenges such as increasing service needs, higher costs and slower revenue growth.

The City's budget forecast assumes continued economic growth; however, increased geopolitical risks and higher energy prices have increased economic uncertainty. Reduced revenues from an economic downturn would have major impacts on the City's Budget. Staff will continue to closely monitor the economy and update Council and the public of any budget impacts as more information becomes available.

The ongoing solutions used to balance the Budget over the last few fiscal years have decreased the deficit for the following fiscal year. While one-time balancing strategies

allow the City to maintain services for one year, they do not solve the structural nature of the budget deficit. In FY2026/27, a larger portion of reduction strategies are ongoing, which decreases future projected deficits.

The City must address its long-term liabilities to ensure its fiscal stability. The five-year CIP identifies approximately $2.0 billion of unfunded capital projects and deferred maintenance costs on City-owned properties that, if not addressed, will increase dramatically as buildings and infrastructure continue to age.

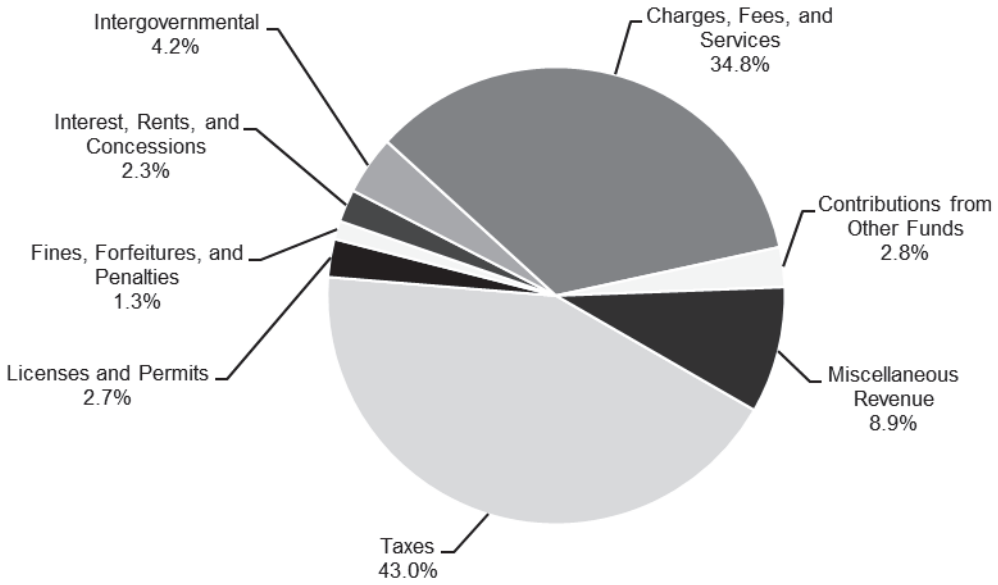
In addition, the California Public Employees' Retirement System (CalPERS) latest Actuarial Valuation report reflects an unfunded pension liability of $1.5 billion. The City also has approximately $206 million in unfunded Other Post-Employment Benefits (OPEB) that primarily consists of retiree health care obligations.

Since the State funds a significant portion of the City's homeless program, the unknown future of State homelessness funding can further strain the City's Budget. The State funding has decreased over the past fiscal years. Total HHAP-6 funding for the state was $1 billion. Senate Bill 131 established HHAP-7 and would appropriate $500 million effective July 1, 2026. City and county appropriations have not been released, but the City could receive less than what was received for HHAP-6 since the total appropriate is half of the amount appropriated for HHAP-6. It is unknown if there will be future homelessness funding beyond HHAP-7. If homelessness funding doesn't continue, the City will have to determine other ways to fund the homelessness program or decrease services provided.

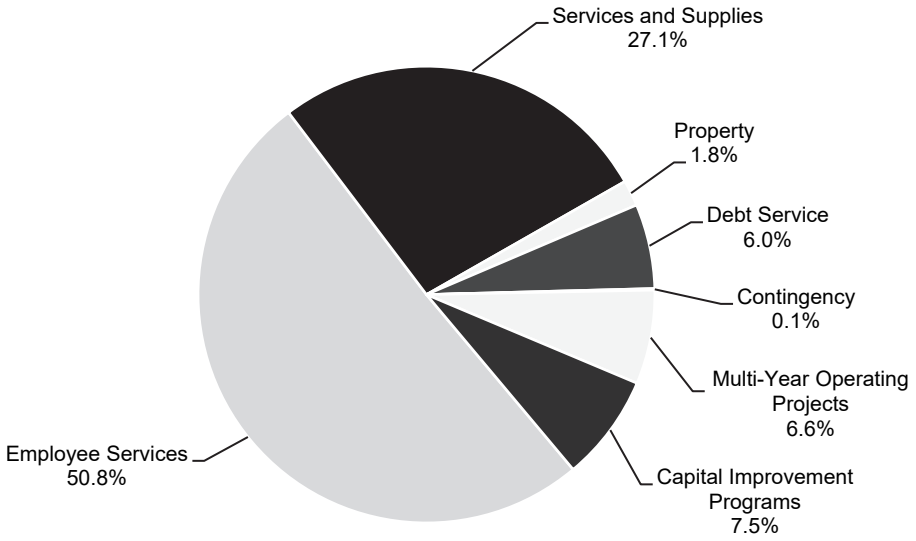
Finally, the City relies on federal funding for critical public safety, infrastructure, economic development, and other programs. If federal funding is withheld or rescinded, the City will need to eliminate those programs or find a substitute funding source.

Total Proposed City Budget: $1.72 Billion

Revenues



Expenditures



Note: The above charts do not include other sources and uses as represented in Schedules 2A and 2B.

Budget Modifications

The Budget seeks to address the City's structural deficit by maintaining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts.

All departments were instructed to submit reduction strategies that totaled 15% of their discretionary General Fund (which includes Measure U Fund and Innovation Growth Fund). Departmental reduction strategies were categorized on a one through four scale based on impact on residents and communities, with one being a low impact and four being resulting in a severe impact.

In addition to department specific strategies, staff analyzed "citywide" strategies to identify previously allocated funding for projects or citywide programs that could be redirected for budget balancing. Overall, staff identified 208 one-time and ongoing revenue-enhancement and expenditure-reduction strategies totaling about $109 million in savings.

All Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	-	($15,005,967)
1	(4.65)	(9,766,619)
2	(30.65)	(5,548,406)
3	(94.50)	(10,472,220)
4	(285.70)	(51,375,267)
Citywide	-	(16,859,052)
Total	**(415.50)**	**($109,027,531)**

Of the $109 million in strategies, the Budget includes $61.7 million in reduction strategies, with a net reduction of 140.58 FTEs.

Proposed Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	-	($15,005,967)
1	(4.65)	(9,551,619)
2	(15.40)	(3,564,343)
3	(62.83)	(6,404,612)
4	(57.70)	(14,907,243)
Citywide	-	(12,232,367)
Total	**(140.58)**	**($61,666,151)**

In addition to budget balancing strategies above, the Budget also includes $16.1 million in other balancing strategies and adjustments such as other Citywide revenue adjustments, various expense adjustments and department modifications that factor into closing the $66.2 million gap.

The Budget also includes a $5.0 million decrease in other funds. This is due to increases in revenues, swapping General Fund for other funds and Citywide strategies that not only reduced the General Fund budget, but also the budget of other funds.

Proposed Strategies - Other Funds

Category	FTE Change	Net Budget Change
Revenues	-	(5,261,681)
1	-	340,036
2	-	-
3	-	-
4	-	-
Citywide	-	(122,943)
Total	**-**	**($5,044,588)**

There were $1.3 million in modifications to General Fund and a reduction of 3.58 FTEs for augmentations, position add/deletes and positions reductions due to the termination of the Regional Transit and Natomas School Resource Officer contracts in the Police department.

Modifications* - General Fund

Department	FTE Change	Net Budget Change
City Clerk	-	-
City Manager	-	$145,807
Community Development	1.00	505,483
Community Response	1.00	106,782
Convention and Cultural Services		227
Finance	1.00	5,859
Fire	11.00	320,641
Human Resources	-	(11)
Information Technology	1.00	2,439
Police	(14.00)	76,138
Public Works	2.00	115,102
Youth, Parks, and Community Enrichment	(6.58)	437
Citywide and Community Support	-	-
Total	**(3.58)**	**$1,278,904**

* Includes Augmentation and Add/Deletes

Finally, the Budget includes $1.6 million in modifications to other funds and a reduction of 18.6 FTEs for augmentations, position add/deletes and position reductions due to the loss of Expanded Learning Opportunities Program (ELOP) funding from the Robla Unified School District in the Youth, Parks and Community Enrichment department.

Modifications* - Other Funds

Department (Fund)	FTE Change	Net Budget Change
City Clerk (ARPA Reinvestment Fund)	-	-
Convention and Cultural Services (Community Center)	-	($50,299)
Information Technology (Community Center)	-	77,465
Information Technology (Parking)	-	10,285
Information Technology (Solid Waste)	-	45,560
Information Technology (Storm Drainage)	-	24,225
Information Technology (Storm Drainage Property Fee)	-	10,115
Information Technology (Wastewater)	-	25,755
Information Technology (Water)	-	213,255
Public Works (4th R)	-	38
Public Works (Community Center)	-	90
Public Works (Fleet Management)	-	(1,815)
Public Works (Gas Tax)	-	392,383
Public Works (Lighting and Landscaping)	-	500,000
Public Works (Marina)	-	37
Public Works (New Measure A Maintenance)	-	79
Public Works (Parking)	-	68,792
Public Works (Recycling and Solid Waste)	-	134,440
Public Works (Risk)	-	3,493
Public Works (Storm Drainage)	-	25,286
Public Works (Wastewater)	-	23,955
Public Works (Water)	-	25,605
Utilities (Storm Drainage)	1.00	(215,112)
Utilities (Storm Drainage Property Fee)	-	129,419
Utilities (Wastewater)	-	162,391
Utilities (Water)	-	(14,065)
Youth, Parks and Community Enrichment (4th R)	1.10	7,833
Youth, Parks and Community Enrichment (START)	(20.70)	-
	(18.60)	**$1,599,210**

* Includes Augmentation and Add/Deletes

2026-2031 CIP

The Proposed 2026-2031 CIP is the City's five-year financial and strategic plan for infrastructure, deferred maintenance and facility needs. The CIP also identifies all capital needs, including projects that currently do not have identified funding or are not yet fully funded. The addition of unfunded capital needs gives Council a clearer picture of the status of the City's infrastructure and fiscal health, allows Council to prioritize infrastructure investments more holistically, and aids in the development of a comprehensive capital financing plan.

The Proposed 2026-31 CIP totals $2.5 billion in capital needs with $0.5 billion in identified funding leaving an unfunded balance of $2 billion. Funded projects in the CIP total $512.6

million, including $77.4 million in General Funds. The FY2026/27 CIP budget totals $129.8 million, including $14.2 million in General Funds. Additional projects and maintenance beyond the 5-year CIP are estimated to bring the total unfunded capital needs to approximately $10.1 billion.

A summary of program and service changes included in the CIP is provided below. Citywide projects identified as budget reductions are the City Clerk Automation Program, Digital Strategy Program, IT Security Program, 311 Mobile Application Modernization Project, City Facility Reinvestment Program, City Facility Improvements Program, Community Neighborhood Improvements Program, and the City Treasurer Investment Management Reserve Program. There is an increase in the Fire Apparatus Program. The Information Technology department submitted a one-time budget adjustment to update the City's existing contact center infrastructure to deliver measurable efficiencies and directly support key Council priorities. Public Works consolidated several Solid Waste projects into one program to better manage various regulatory tasks and is also receiving one-time funding to upgrade various fleet shops. Additional details are provided in the department sections.

Capital Improvement Program

Department (Fund)	FTE Change	NET Budget Change
City Clerk	-	(60,000)
Citywide and Community Support (Various*)	-	(1,945,451)
Fire	-	782,000
Information Technology (Various*)	-	206,660
Police	-	(125,000)
Public Works	-	475,130
		($666,661)

*Various Funds include ARPA Reinvestment, Community Center, Development Services, General Fund, Measure U, Park Development, Parking, Quimby Act, Recycling and Solid Waste, Storm Drainage, Storm Drainage Property Fee, Wastewater, and Water.

Budget Hearings

On May 5, 2026, the Council will hold the first public hearing on the Budget. Council will consider the budget in May and June with adoption scheduled for June 9, 2026. These meetings provide the Council and public with an opportunity to provide input on the Budget. The following reflects the planned budget hearing schedule. It is important to note that meeting dates may change as needed to address other City business.

Date	Time	Legislative Body	Subject
Proposed Budget			
Tuesday, May 5, 2026	11:00 AM	Budget and Audit Committee	Fees & Charges
Tuesday, May 5, 2026	5:00 PM	City Council	FY2026/27 Proposed Budget Overview
Tuesday, May 12, 2026	2:00 PM	City Council	(1) 2026-2031 Capital Improvement Program, (2) Citywide Fees and Charges (Public Hearing) (3) Budget Equity Lens
Tuesday, May 12, 2026	5:00 PM	City Council	FY2026/27 Proposed budget deliberations and Council direction
Monday, May 18, 2026	5:30 PM	Measure U	FY2026/27 Proposed Budget Overview with Measure U committee
Tuesday, May 19, 2026	5:00 PM	City Council	Additional budget deliberations (if needed)
Tuesday, May 26, 2026	11:00 AM	Budget and Audit Committee	FY2025/26 Final Budget discussion
Tuesday, June 9, 2026	5:00 PM	City Council	Adoption of the FY2026/27 Budget (Public hearing)

On the Horizon – Future Fiscal Challenges

Aside from the forecasted deficits, the City continues to face ongoing challenges such as an unknown economic future and liabilities that compete with the priorities and needs of our community. The following summarizes a few of the challenges ahead, which not only impacts the General Fund but the Enterprise Funds as well.

Current National Economic Conditions

The economic climate is more uncertain than a year ago, with major changes in trade policy resulting in an increased risk of a coming recession. Aside from the increase in inflation, imposed tariffs, supply shortages and the current increase in fuel due to the geopolitical tensions in Iran has made the economy more uncertain in the past few months. The City will continue to monitor this volatile economic climate.

Annual Pension Costs–CalPERS

CalPERS has held its discount rate assumption steady at 6.8% since FY2023/24. Despite this, forecasted pension costs have grown more than anticipated in FY2023/24 due to a combination of factors such as salary growth being higher than the actuarial assumption of 2.8% annually and the amortization of investment losses from prior years being phased in over a 5-year period. This includes the investment losses of -6.1% in FY2021/22 and of 5.8% in FY2022/23, both of which were below the discount rate at the time. Based on estimates provided by CalPERS, the City's payment for unfunded accrued liabilities (UAL) (when investment returns do not achieve the target earning assumptions rate) will increase by $16.9 million over the term of the forecast, $14.6 million in the General Fund. The total UAL for the Safety and Miscellaneous CalPERS plans is $1.5 billion. The current funding ratio (assets divided by the funding target) is 72.7% for the Miscellaneous Plan and 66.5% for the Safety Plan. In July 2025, CalPERS announced a preliminary 11.6% net return on investments for the 12-month period ending June 30, 2025. Should future investment returns not achieve the earning assumptions rate of 6.8%, the City's payments toward the unfunded liability will further increase.

General Liability and Auto Liability Insurance (GL&AL)

Liability costs continue to rise, driven by higher settlements and jury verdicts. Since 2012, public entities, including the City, have experienced a significant increase in large liability claims, contributing to a nationwide hardening of the excess liability insurance market. Without significant tort reform within California the increase on premiums is expected to continue for the foreseeable future. Property insurance costs have also been rising since 2017, reflecting the increasing frequency and severity of natural disasters as well as higher construction costs.

In keeping consistent with City Council's adopted Risk Management Funding and Reserve Policy, the General Fund contribution for general liability and auto liability is projected to increase from $47.5 million in FY2025/26 to $54.1 million in FY2026/27, an increase of 14%. The Forecast section of the Budget provides additional information on GL&AL cost increases. The General Fund contribution to the Workers' Compensation Fund remained flat at $18.5 million from FY2025/26 to FY2026/27.

OPEB

The City currently provides a medical insurance subsidy to retirees who meet certain longevity standards, on a pay as you go basis. This benefit was eliminated for all new hires between 2012 and 2014, except for Local 522 which eliminated the benefit in January 2020.

Several years ago, the Governmental Accounting Standards Board (GASB) set new standards (GASB Statement 45, subsequently updated by GASB Statement 75) that require reporting of the cost of the retiree medical benefit on an accrued actuarial basis and to put forward a plan to fund the benefit. At one point, the City's projected unfunded accrued liability for retiree benefits was $452 million (June 2014). To address this liability, the City began including contributions to the City's OPEB Trust (Trust) in the FY2014/15 budget. In FY2015/16 the City adopted the OPEB Funding Policy. This policy directed staff to continue efforts to reduce and eventually eliminate this liability. Council also authorized the transfer of any available resources in the pension budget accounts at the end of the fiscal year to the Trust. The total OPEB liability for all funds was approximately $206 million as of June 30, 2023. An updated OPEB actuarial valuation as of June 30, 2025 is expected later this year.

General Fund Revenues: Options and Opportunities

The following are budget sustainability measures for Council's consideration to ensure that the City's financial position is sustainable over the long-term:

- **Support state legislative efforts to maximize revenues for local government:** The City will continue to oppose legislation that calls for additional unfunded mandates on local governments. Further, the City will support legislation that increases and protects state-shared revenue, expands local opportunities for public-private partnerships, and collection of revenue from non-traditional vendors in the areas of transient occupancy taxes for online travel companies and Utility User Tax for streaming services. The City will also advocate for a solution to collect

parking meter revenue lost due to ongoing abuse, while also ensuring access for those with disabilities.

- **Update Fees and Charges:** Many of the City departments' fees and charges have not been updated to keep up with the actual cost of providing programs and services. Although the City conducts a biennial CPI increase, many departments have not reviewed their fees to ensure that there is a full cost recovery. Not only does this partially contribute to City's deficit, but it also decreases the City's ability to provide and/or expand programs and services.

  The City hired a consultant to conduct a two-year citywide fee study that started in April 2025 with the goal of updating existing fees, deleting obsolete fees, and adding new fees. The consultant worked with the following departments in the first year: Community Development Department, City Attorney's Office, City Clerk, Finance, Human Resources, and Police. The following departments will conduct the fee study in the second year: Youth, Parks, & Community Enrichment, Public Works and Convention & Cultural Services. Some of the fees and charges in the Budget are a result of the citywide fee study. The consultant will continue the study in the second year to provide fee and charges updates for the FY2027/28 budget.

- **Update Business Operation Tax (BOT) (requires voter approval):** BOT rates have not been adjusted since 1991. During the FY 2023/24 budget process, Council directed staff to explore options to modernize the BOT. Staff returned with a proposal to modernize the BOT and on November 14, 2023, Council adopted Ordinance 2023-0023 to conduct the proposed updates, which was subject to approval of the voters. Measure C was added to the Statewide Municipal Election, held on March 5, 2024, and 61% of the voters voted against the measure. During FY2025/26 Budget adoption, Council directed staff to revisit the options to modernize BOT. The Law & Legislation Committee directed staff to perform outreach to the business community and bring options forward to the Committee for consideration. The next steps are for staff to present a modernization framework to a Council workshop and Council will then determine whether to make any adjustments to the modernization staff developed and whether to bring forward an item to Council to place BOT modernization on the ballot.

Conclusion

As the City continues to overcome deficits in FY2026/27 and future fiscal years, preserving mandated and core services remains a priority. The City will continue to utilize strategies to reduce expenditures and increase revenues to ensure that the Budget is balanced. Maximizing revenue opportunities will provide some relief and help leverage limited resources for operational needs and community programming investments.

4

SECTION - 4
Budget Modifications

Budget Modifications – Approved

The FY2026/27 Approved Operating and Capital Improvement Program (CIP) Budgets (Budget) were approved by the City Council on June 9, 2026. As summarized in the Budget Overview section, the following tables include the details of the General Fund expenditure adjustments to the Proposed Budget.

Council-Approved Adjustments

Council Approved Adjustments

Department	FTE Change	Net Budget Change
General Fund Restoration		
Gang Prevention & Intervention Taskforce Project	-	1,300,000
Wading Pools	2.50	117,520
Recreation Swim Hours	15.70	464,420
Summer at City Hall	1.87	132,435
Office of Violence Prevention Project	-	275,000
Hart Senior Center	3.40	273,893
Park Maintenance Workers	26.00	567,428
North Sac Code Enforcement Project	-	200,579
North Sac Economic Development Project	-	259,923
YPCE Workforce Development positions	1.46	107,150
City Attorney's Office staffing	1.00	444,282
	-	
Total	**51.93**	**$4,142,630**
General Fund Financing for Restoration		
Economic Uncertainty Reserve Contribution	-	1,452,690
Freeze seven Parking Enforcement Officers	-	556,036
Freeze Community Ambassador Program	-	108,000
Reduction in Homeless Services	-	500,000
Shift HHAP-6 funding	-	1,325,904
Other Fund Financing for Restoration		
Sac Services CFD 2018-05 Fund offset for park maintenance	-	200,000
Total	**-**	**$4,142,630**

Council's Direction Operating Budget Adjustments

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
City Attorney	General (1001)	-	368,029	One-time restoration of one position (1.0 FTE Assistant City Attorney) in the City Attorney's Office.
City Attorney	General (1001)	-	76,253	One-time removal of an add/delete. A 1.0 FTE Deputy City Attorney I will return back to a 1.0 FTE Senior Deputy City Attorney in the Community Advocacy & Public Safety division.
Citywide	General (1001)	-	(1,452,690)	One-time reduction to Economic Uncertainty Reserve Contribution.
Public Works	General (1001)	-	(556,036)	Freeze seven positions (7.0 FTE Parking Enforcement Officers).
Youth, Parks, and Community Enrichment	Measure U (2401)	-	(200,000)	One-time reduction to labor by offsetting the park maintenance work conducted in District 1 by YPCE staff with Sacramento Service CFD funds.

Council's Direction Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Youth, Parks, and Community Enrichment	Measure U (2401)	-	132,435	One-time restoration of three positions (1 at 1.0 FTE - Program Supervisor, 1 at 0.47 FTE - Recreation Aide) from Youth Employment Division, and (1 at 0.40 FTE - Senior Recreation Aide) from Youth Development Administration Division to support to the Youth Commission capacity building training and Summer and Semester at City Hall program.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	273,893	One-time restoration of four positions (2 at 1.0 FTE, 1 at 0.8 FTE and 1 at 0.6 FTE - Program Coordinator Older Adults) to support staffing the Hart Senior Center.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	107,150	One-time restoration of two positions (1.0 FTE - Program Coordinator, and 0.46 FTE - Recreation Aide) in the Youth Employment Division. Restore reductions to Prime Time Teen, Young Leaders of Tomorrow, and Jr. Rec Aide programs.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	567,428	One-time restoration of twenty-six positions (26 - 1.0 FTE Park Maintenance Worker) in the Park Maintenance Division.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	117,520	One-time restoration of eight positions (2 at 0.25 FTE and 2 at 0.30 FTE - Senior Lifeguard and 4 at 0.35 FTE - Assistant Pool Manager). Keep all four City wading pools open.
Youth, Parks, and Community Enrichment	Measure U (2401)	(35,308)	499,728	One-time restoration to fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager) to restore recreation swim Hours and aquatic programming.
	Total	**$ (35,308)**	**$ (66,290)**	
Youth, Parks, and Community Enrichment	Sac Services CFD 2018-05 (2255)	-	200,000	Funding source to offset park maintenance work conducted by YPCE staff.
	Total	**$ (35,308)**	**$ 200,000**	

Council Deliberation Multi-year Operating Project Adjustments

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Community Response MYOP (I23000100)	Measure U (2401)	(1,325,904)	One-time reduction of project funding to conduct Council's one-time restorations. Programming will not be reduced and will be covered by HHAP-6 funding.
Community Response MYOP (I23000100)	Measure U (2401)	(500,000)	One-time reduction to homeless services.
Gang Prevention & Intervention Taskforce (I11003000)	Measure U (2401)	1,300,000	One-time restoration of funding for Gang Prevention & Intervention Taskforce project.
Neighborhood Development Action Team (NDAT) (I22000100)	Measure U (2401)	(108,000)	One-time reduction to Community Ambassador Program.
North Sac Economic Development (I02180600)	General (1001)	259,923	One-time restoration of funding for North Sac Economic Development project.
North Sac Code Enforcement (I21000600)	General (1001)	200,579	One-time restoration of funding for North Sac Code Enforcement project.
Office of Violence Prevention (OVP) (I02000600)	Measure U (2401)	275,000	One-time restoration of funding for OVP project.
Net Project Changes:	**$**	**101,598**	

Operating Budget Adjustments

Other Adjustments - General Funds

	FTE Change	Net Budget Change
Operating Adjustments	2.00	(3,852,182)
MYOP and Capital Adjustments		3,387,856
Total	**2.00**	**(464,326)**

Other Adjustments - Other Funds

	FTE Change	Net Budget Change
Operating Adjustments	9.20	(8,691,603)
Total	**9.20**	**(8,691,603)**

Operating Budget Adjustments

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
City Manager's Office	General (1001)/Measure U (2401)	205,300	(5,721,231)	Delete 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Citywide	General (1001)	-	441,000	Technical adjustments to correctly allocate Information Technology's operating and CIP funds.

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Citywide	General (1001)/Measure U (2401)	(1,169,989)	1,169,989	Increase Labor Negotiations placeholder for Local 522 and offset with FY2024/25 Year-End results and fund balance.
Community Development	General (1001)	(50,000)	-	Realign Home Occupation Permit revenues budget between the Revenue Division in the Finance Department and Planning Division in the Community Development Department.
Economic Development	General (1001)/Measure U (2401)	(205,300)	5,721,231	Add 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Finance	General (1001)	(43,600)	43,600	Delete one position (1.0 FTE Administrative Analyst) and add two positions (2.0 FTE Account Clerks). Increase Delinquency Recovery revenue to offset costs.
Finance	General (1001)	50,000	-	Realign Home Occupation Permit revenues budget between the Revenue division in the Finance department and Planning division in the Community Development department.
Fire	General (1001)	(212,999)	212,999	Add one position (1.0 FTE Firefighter) and offset with Ground Emergency Medical Transport fees.
Fire	General (1001)	-	(3,460,373)	Technical adjustment to correctly allocate Fire's operating and CIP funds.
Information Technology	General (1001)	(217,360)	210,123	Delete one position (1.0 FTE Systems Engineer) and add one position (1.0 FTE IT Support Specialist II) and conduct associated offset changes in the Information Technology department.
Office of Public Safety Accountability (OPSA)	Measure U (2401)	-	(227,483)	Freeze one position (1.0 FTE Director of Public Safety) and use labor savings to create a new project for OPSA investigations and audits.
Public Works	General (1001)	(1,000,000)	996,643	Increase parking meter revenue budget to align with projections, add corresponding services and supplies and offset three positions (1.0 FTE Administrative Analyst, 1.0 FTE Associate Planner and 1.0 Senior Planner) funded by the Gas Tax Fund or capital projects to meet SB1 maintenance of effort.
Public Works	General (1001)	261,099	(161,361)	Move revenue from Senate Bill 720, Safer Streets Act (Red Light Camera implementation) and associated expenses from General Fund (1001) to Red light Camera Fund (2040). Offset one position (1.00 FTE Senior Planner).

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Youth, Parks, and Community Enrichment	Measure U (2401)	-	(5,264)	Cost difference from reclassification of 1.0 FTE Chief Park Ranger as approved in the FY2024/25 Approved Budget.
All Depts (except Utilities)	General (1001)/Measure U (2401)	-	(689,206)	Due to timing, various labor adjustments (i.e. offsets, labor negotiations adjustments, labor system technical adjustments).
	Total	**$ (2,382,849)**	**$ (1,469,333)**	
City Manager's Office	Interdepartmental Service (1002)	-	(791)	Move cost plan costs associated with the Office of Emergency Management from City Manager's Office to Fire department due to a reorganization in FY2025/26.
City Manager's Office	Various Funds[1]	29,250	(3,433,077)	Delete 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Community Development	Development Services Fund (2016)	(4,126,622)	-	Technical adjustment to correct revenues based on fund balance.
Economic Development	Various Funds[1]	(29,250)	3,433,077	Add 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Fire	Interdepartmental Service (1002)	-	791	Move cost plan costs associated with the Office of Emergency Management from City Manager's Office to Fire department due to a reorganization in FY2025/26.
Information Technology	Parking Fund (6004)		155,048	Offset associated with add/delete in the Information Technology department.
Public Works	Red Light Camera (2040)	(261,099)	161,361	Move revenue from Senate Bill 720, Safer Streets Act (Red Light Camera implementation) and associated expenses from General Fund (1001) to Red light Camera Fund (2040).
Public Works	Fleet Management (6501)	(16,243,322)	11,488,994	Update Fleet Management fund revenues and expenses that was not included in Proposed Budget.

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Public Works	Gas Tax 2016 (2002)	-	(408,451)	Increase parking meter revenue budget to align with projections, add corresponding services and supplies and offset three positions (1.0 FTE Administrative Analyst, 1.0 FTE Associate Planner and 1.0 Senior Planner) funded by the Gas Tax Fund or capital projects to meet SB1 maintenance of effort.
Utilities	Storm Drainage (6011)	-	(182,907)	Move services and supplies in the Drainage Engineering division from Storm Drainage Fund to Storm Drainage Property Fee Fund to lessen the administrative burden of conducting fund reimbursements.
Utilities	Storm Drainage Property Fee (6021)	-	182,907	Move services and supplies in the Drainage Engineering division from Storm Drainage Fund to Storm Drainage Property Fee Fund to lessen the administrative burden of conducting fund reimbursements.
Youth, Parks, and Community Enrichment	4th R Program (6012)	(370,000)	370,000	Add 23 positions (23 - 0.40 FTE Recreation Aide Positions) and other costs for the new Expanded Learning Opportunity Program (ELO-P) beginning in August 2026. Grant funding received in May 2026.
Youth, Parks, and Community Enrichment	4th R Program (6012)	-	8,672	Technical adjustment to correct expenditures based on fund balance.
Youth, Parks, and Community Enrichment	Children's Fund (1004)	-	(64,464)	Conduct technical change to charge 50% of 1.0 FTE Administrative Technician to the Children's Fund project (I80000101) instead of the Children's Fund directly.
Youth, Parks, and Community Enrichment	START (2501)	-	(807,846)	Technical adjustment to correct expenditures based on fund balance.
Convention and Cultural Services, Economic Development, Human Resources, Public Works, Utilities and Youth, Parks, and Community Enrichment	Various Funds[2]	-	1,406,126	Due to timing, various labor adjustments (i.e. offsets, labor negotiations adjustments, labor system technical adjustments).
	Subtotal:	**$ (21,001,043)**	**$ 12,309,440**	
	Net Operating Changes:	**$ (23,383,892)**	**$ 10,840,107**	

[1] Innovation and Growth (2031), Block Grant/Housing and Redevelopment (2700), and Redevelopment Bond Funds (3813)

[2] Innovation and Growth (2031), START (2501), Marina (2608), Parking (6004), Water (6005), Wastewater (6006), Recycling and Solid Waste (6007), Community Center (6010), Storm Drainage (6011), 4th R Program (6012), Storm Drainage Property Fee (6021), Fleet Management (6501), Risk Management (6502), Worker's Compensation Fund (6504), and City/County Office-Water Planning (7103)

Multi-year Operating and Capital Project Adjustments

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Community Center/Clubhouse Fee Waiver (I19143300)	Measure U (2401)	(300,000)	Funding for Community Center/Clubhouse Fee Waiver project ended in FY2025/26. Removing ongoing funding added in FY2026/27 Proposed Budget.
OPSA Audit (I80010100)	Measure U (2401)	227,483	New project for OPSA investigations and audits.
Advanced Life Support Equipment program (F12000200)	General Fund (1001)	3,460,373	Technical adjustment to correctly allocate Fire's operating and CIP funds.
	Net Project Changes:	**$ 3,387,856**	
SVS Economic Development MYOP (I15003000)	Red Light Camera (2040)	(200,000)	Move SVS Economic Development MYOP from Red Light Camera Fund (2040) to Parking Fund (6004).
SVS Economic Development MYOP (I15003000)	Parking Fund (6004)	200,000	Move SVS Economic Development MYOP from Red Light Camera Fund (2040) to Parking Fund (6004).
	Net Project Changes:	**$ -**	

Budget Modifications – Proposed

(As written on April 29, 2026, with technical adjustments as necessary to reflect Council intent.)

In February 2026, the City released its updated General Fund financial forecast, which projected a $66.2 million deficit for FY2026/27. The City budget continues to be in structural deficit as expense growth is outpacing revenues resulting in deficits increasing annually throughout the forecast period.

Department Reduction Process

To address the structural imbalance currently projected in the General Fund for FY2026/27, all City departments were instructed to submit reduction strategies that totaled 15% of their discretionary General Fund (which includes the Measure U Fund and Innovation Growth Fund). This was to generate more savings strategies than needed to close the projected budget gap in order to create a menu of reduction options for Council to choose from. Proposed strategies should have ongoing savings and be categorized in one of the reduction types: (1) Revenue Enhancement or Discretionary Program Reduction, (2) Mandated Program Delivery Change and (3) Mandated Program Reduction.

Reduction Type	
Revenue Enhancement	Increase projected department revenues with no corresponding increase in the department expenditure budget.
Discretionary Program Reduction	Decrease spending on programs that are not core City services.
Mandated Program Delivery Change	Decrease spending on programs that are core City services while maintaining the same level of service. (example: contracting out services)
Mandated Program Reduction	Decrease spending on programs that are core City services by reducing service levels.

A combination of 166 revenue enhancements and expenditure reductions were submitted by departments. In addition to the proposed department strategies, there were 42 Citywide reduction strategies totaling $16.9 million. The majority of the Citywide strategies are one-time savings.

Review Process

Departmental reduction strategies were categorized on a one through four scale based on impact to residents and communities, with one being low impact, two being moderate impact, three being high impact and four being severe impact. Other considerations that were used to determine where a proposal should rank were whether position reductions were filled or vacant and if there was an impact to the Measure L baseline. Citywide strategies and revenue enhancement strategies were not ranked.

Revenue enhancement proposals were reviewed to ensure that they were in compliance with Propositions 218 and 26. Also, any revenue increase proposals that were related to an expenditure in the Measure L baseline were also reviewed to determine impact.

As shown in the chart below, a total of $109 million in strategies were reviewed and considered. Of the 208 proposals, 21 were revenue enhancements and 187 were expenditure reductions. There were 415.5 full-time equivalent (FTE) positions included in the reduction proposals of which approximately 51% or 245.95 FTEs are currently filled.

Proposal Type/Category	Submittals	Amount (in millions)	Vacant FTEs	Filled FTEs	Total FTEs
Revenue Increases	21	$15.0	-	-	-
Level 1 – Low Impact	29	9.8	(4.65)	-	(4.65)
Level 2 – Moderate Impact	27	5.5	(14.00)	(16.65)	(30.65)
Level 3 – High Impact	32	10.4	(34.37)	(60.13)	(94.50)
Level 4 – Severe Impact	57	51.4	(95.60)	(190.10)	(285.70)
Citywide Strategies	42	16.9	-	-	-
Total	208	$109.0	(148.62)	(266.88)	(415.5)

Proposed Budget Strategies

The following tables include the details of the $61.7 million General Fund, Measure U and IGF revenue enhancements and expenditure reductions in the Budget. Of the $61.7 million in reductions below, $48.5 million are ongoing reductions and $13.2 million are one-time reductions. This breakdown doesn't include other budget balancing strategies discussed in the Budget Overview.

Proposed Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	-	($15,005,967)
1	(4.65)	(9,551,619)
2	(15.40)	(3,564,343)
3	(62.83)	(6,404,612)
4	(57.70)	(14,907,243)
Citywide	-	(12,232,367)
Total	**(140.58)**	**($61,666,151)**

Revenue Strategies

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Revenue						
City Treasurer	Increase revenues in the City Treasurer's Office due to Pool A recovery fee increase.	General Fund	(150,000)	-	-	-
Finance	Increase revenue budget in Escheat to align with projections.	General Fund	(90,000)	-	-	-
Finance	Increase revenue budget in Receivables and Collections to align with projections. Late and delinquent payment penalties are now charged at a percentage of amount owed instead of a flat rate.	General Fund	(305,364)	-	-	-
Finance	Increase revenue budget for Permits & Taxes to align with projections.	General Fund	(30,000)	-	-	-
Finance	Increase revenue budget in Infrastructure Finance to align with projections.	General Fund	(25,000)	-	-	-
Police	Increase revenue by offsetting sexual assault exams costs through state reimbursements.	General Fund	(120,000)	-	-	-
Fire	Increase revenue budget for Fire Prevention – Permit and Code Enforcement. Revised fee revenue projection for FY2026/27 from the approved May 2025 Fee Study.	General Fund	(1,307,551)	-	-	-
Fire	Increase revenue budget for the Emergency Medical Services (EMS) Division to incorporate the Voluntary Rate Range Program (VRRP).	General Fund	(4,800,000)	-	-	-
Fire	Increase revenue budget in the Emergency Medical Services (EMS) Division to recognize the Advanced Life Support (ALS) projected increase.	General Fund	(944,560)	-	-	-
Fire	Increase revenue budget to recognize the increase in Fire District Reimbursements from Pacific Fruitridge.	General Fund	(2,253,100)	-	-	-
Public Works	Delete five positions (5.0 FTE - Parking Enforcement Officer) and add five new positions (5.0 FTE - Senior Parking Enforcement Officer [SPEO]). Increase certain parking violation fines and supportive actions. Updated equipment will increase efficiency and SPEOs will support complex enforcement assignments currently experiencing a processing backlog, thus improving service levels for the public.	General Fund	(2,008,548)	158,008	-	-
Public Works	Increase parking meter rates, add new vehicle for the parking facilities maintenance supervisor, and establish meter revenue as the funding support for Curb Management section. Ensure sufficient vehicle availability for operations and improve on-street parking availability for visitors and merchants.	General Fund	(789,008)	379,040	-	-
Public Works	Extend parking meter operating hours to 10pm across all metered areas to improve on-street parking access for visitors, merchants, and residents.	General Fund	(582,634)	28,549	-	-
Public Works	Increase revenue and expense budgets for Parking Meter Collections by adding 200 new metered spaces in high impact areas. Increasing space turnover will improve access to downtown for citizens, visitors, and merchants.	General Fund	(211,392)	209,345	-	-
Public Works	Establish fee structure for Residential Permit Parking program to improve parking availability for residents, visitors, and merchants, and recover operational costs of the existing program.	General Fund	(1,088,581)	127,699	-	-
Youth, Parks, and Community Enrichment	Increase in revenue budget in Older Adult Services Division to reflect projected revenues.	General Fund	-	-	-	-
Youth, Parks, and Community Enrichment	Increase in revenue budget in Older Adult Services Division to reflect projected revenues.	Measure U	(20,000)	-	-	-
Youth, Parks, and Community Enrichment	Increase revenue budget in the City Cemetery Division to match projections.	General Fund	-	-	-	-
Youth, Parks, and Community Enrichment	Increase revenue budget in the City Cemetery Division to match projections.	Measure U	(2,500)	-	-	-
Community Development	Increase revenue budget in Animal Services based on licensing fee increase recommendations from the Citywide fee study.	General Fund	(24,000)	-	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Revenue (cont.)						
Community Development	Increase revenue budget in Animal Services based on licensing fee increase recommendations from the Citywide fee study.	General Fund	(120,370)	-	-	-
Community Development	Increase revenue budget in Planning based on fee increase recommendations from the Citywide 2025 Government Consulting Partners Fee Study.	General Fund	(1,000,000)	-	-	-
Community Response	Increase revenue for a new Micro-Community Program Fee.	General Fund	-	-	-	-
Community Response	Increase revenue for a new Micro-Community Program Fee.	Measure U	(36,000)	-	-	-
		Total Change $	**(15,908,608)**	**902,641**	**0.00**	**0.00**

Department Strategies – General Fund/IGF

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 1 Reduction						
Office of Public Safety Accountability	Delete one position (1.0 FTE - Executive Assistant) in the Office of Public Safety Accountability.	Measure U	-	(99,989)	(1.00)	-
City Auditor	Discontinue the biennial Community Survey.	General Fund	-	(34,000)	-	-
City Manager	Delete one position (1.0 FTE - Special Projects Manager) and add one new position (1.0 FTE - Senior Development Project Manager) in the Office of Innovation and Economic Development.	Measure U	(165,296)	(131)	-	-
City Manager	Decrease funding for the Office of Innovation and Economic Development by $100,000. This decreases funding available for economic development activities including real estate due diligence, developing plans and studies, purchasing data, and community advertising and sponsorships.	Measure U	-	(100,000)	-	-
City Manager	Reduce services and supplies funding in the Executive Office and transfer the City's water lobbyist contract to the Department of Utilities.	General Fund	-	(24,000)	-	-
City Manager	Decrease funding for the City Hall Technology Program (I02001500). This will reduce funding available for technology initiatives within the City Manager's Office.	General Fund	-	(100,000)	-	-
City Attorney	Move funding for a Deputy City Attorney II to the Justice for Neighbors (JFN) project.	General Fund	(230,052)	-	-	-
Information Technology	Offset three positions (1.0 FTE - GIS Specialist III and 2.0 FTE - GIS Specialist II) partially with Technology Fee increases in the Community Development Department.	General Fund	-	(233,872)	-	-
Police	Delete two positions (1.0 FTE - Dispatcher II and 1.0 FTE - Police Clerk II) and add two new positions (2.0 FTE - Administrative Technician) in the Communications Division.	General Fund	-	(9,372)	-	-
Police	Delete one position (1.0 FTE - Police Officer) and add one new position (1.0 FTE - Administrative Analyst) in the Policy Team.	General Fund	-	(49,113)	-	-
Police	Delete two positions (2.0 FTE - Police Officer) and add two new positions (2.0 FTE - Administrative Analyst) in the Crime Analysis Unit.	General Fund	-	(246,491)	-	-
Police	Discontinue use of the SpidrTech platform and eliminate ongoing funding (F11100600).	General Fund	-	(125,000)	-	-
Police	Liquidate unspent Office of Violence Prevention (OVP) project funds (I02000600).	Measure U	-	(405,598)	-	-
Police	Freeze nine positions (9.0 FTE - Dispatcher II) on a one-time basis in the Communications Division and reduce labor budget for a part-time position (0.5 FTE - Police Officer).	General Fund	-	(1,120,857)	-	-
Police	Delete seven positions (1.0 FTE - Police Clerk II, 1.0 FTE - Student Trainee, 1.0 FTE - Dispatcher I, 2.0 FTE - Police Records Specialist II, 1.0 FTE - Police Records Specialist III) across multiple divisions.	General Fund	-	(422,941)	(5.00)	-
Police	Delete seven positions (1.0 FTE - Police Clerk II, 1.0 FTE - Student Trainee, 1.0 FTE - Dispatcher I, 2.0 FTE - Police Records Specialist II, 1.0 FTE - Police Records Specialist III) across multiple divisions.	Measure U	-	(38,052)	(1.00)	-
Fire	Delete 12 positions (12.0 FTE - Firefighter) and add 20 new positions (10.0 FTE – Sacramento Fire Paramedic and 10.0 FTE - Sacramento Fire EMT) for the second phase of the Single Role Program.	General Fund	(3,641,580)	115,804	8.00	-
Convention and Cultural Services	Delete three positions (1.2 FTE - Marina Aide) in the History Division. No service impact due to decreased dock traffic.	Measure U	-	(45,663)	(1.20)	-
Convention and Cultural Services	Change funding source for McClellan rent payment from Measure U fund (Fund 2401) to the Community Center fund (Fund 6010). Facility provides storage for materials to support exhibitions, research, and public access.	Measure U	-	(180,000)	-	-
Convention and Cultural Services	Delete one position (1.0 FTE - History Registrar) and add one new position (0.5 FTE - History Registrar) in the History Division. Essential responsibilities of this role can be maintained at 0.5 FTE.	Measure U	(1,889)	(47,090)	(0.50)	-
Convention and Cultural Services	Change funding for one position (1.0 FTE - City Historian) from Measure U Fund (2401) to Community Center Fund (6010).	Measure U	(95,683)	-	-	-
Youth, Parks, and Community Enrichment	Delete one position (0.90 FTE - Program Coordinator) in the Expanded Learning Division.	Measure U	1,815	(72,612)	(0.90)	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 1 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Change funding source for 50% of one position (1.0 FTE - Administrative Technician) in the Youth Development Administration Division from Measure U Fund to Children's Fund.	Measure U	(62,464)	-	-	-
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Leader) and add two new positions (2 at 0.45 FTE - Senior Recreation Aide) in Youth Employment Division.	Measure U	-	(39,581)	(0.10)	-
Youth, Parks, and Community Enrichment	Delete one position (0.45 FTE - Aquatics Specialist) in the Aquatics Division.	Measure U	-	(22,653)	(0.45)	-
Youth, Parks, and Community Enrichment	Delete two positions (1.0 FTE - Program Leader, 1.0 FTE - Recreation General Supervisor) and decrease services and supplies in Youth Employment.	Measure U	-	(166,129)	(1.50)	-
Community Development	Decrease funding for consultant services for plan review and inspections.	General Fund	-	(955,000)	-	-
Community Development	Change funding source for two positions (2.0 FTE - Associate Planner) in the Neighborhood Development Action Team (NDAT) from Measure U Fund (Fund 2401) to the General Plan Updates project (I22000000).	Measure U	(779,162)	-	-	-
Community Development	Delete one position (1.0 FTE - Senior Engineer) in the Building Plan Check division.	General Fund	-	(154,968)	(1.00)	-
		Total Change $	**(4,974,311)**	**(4,577,308)**	**(4.65)**	**0.00**
Level 2 Reduction						
Office of Public Safety Accountability	Delete one position (1.0 FTE - OPSA Assistant Director) in the Office of Public Safety Accountability. Public Safety investigation staffing realignment.	Measure U	-	(173,299)	(1.00)	-
City Auditor	Reduction in Training and Computer Purchases	General Fund	-	(25,000)	-	-
City Manager	Decrease funding for the Economic Gardening Multi-Year Operating Project. The reduction may require smaller cohorts of participating businesses in perpetuity or alternate program cost reductions.	Innovation and Growth	-	(600,000)	-	-
City Manager	Delete one position (1.0 FTE - Administrative Analyst) in the Executive Office.	General Fund	-	(112,705)	(1.00)	-
City Manager	Delete one position (1,0 FTE - Administrative Analyst) in Media and Communications.	General Fund	-	(140,111)	-	(1.00)
City Manager	Delete one position (1.0 FTE - Media and Communications Specialist) in Media and Communications.	General Fund	-	(146,508)	(1.00)	-
City Attorney	Delete one position (1.0 FTE - Paralegal) in the Community Advocacy & Public Safety division.	General Fund	-	(103,839)	(1.00)	-
City Attorney	Delete one position (1.0 FTE - Paralegal) in the Community Advocacy & Public Safety division.	General Fund	-	(103,839)	(1.00)	-
City Clerk	Delete one position (1.0 FTE - Deputy City Clerk).	General Fund	-	(90,857)	(1.00)	-
City Clerk	Delete one position (1.0 FTE - Deputy City Clerk).	General Fund	-	(90,857)	(1.00)	-
City Clerk	Discontinue ongoing allocations to the City Clerk Automation Project (A04000100).	General Fund	-	(60,000)	-	-
Finance	Delete one position (1.0 FTE - Account Technician) in the Accounting Division.	General Fund	-	(78,163)	(1.00)	-
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) and add one new position (1.0 FTE - Personnel Analyst) in Leave Administration.	General Fund	-	(2,282)	-	-
Human Resources	Decrease funding in Benefits Services through reductions in non-mandatory operational costs and department chargebacks for specialty I-9 services.	General Fund	-	(28,392)	-	-
Human Resources	Delete one position (1.0 FTE - Personnel Technician) in Employment Services.	General Fund	-	(90,763)	(1.00)	-
Human Resources	Decrease funding for contracted instructional and other professional services budgets in Human Resources Administration.	General Fund	-	(159,000)	-	-
Police	Discontinue ShotSpotter program in the South and East commands. ShotSpotter will be maintained in the North area.	General Fund	-	(320,892)	-	-
Police	Delete one position (1.0 FTE - Community Service Representative I) in Patrol Unit, reducing community engagement.	General Fund	-	(76,793)	(1.00)	-
Fire	Delete one position (1.0 FTE - Assistant Chief).	Measure U	-	(297,150)	-	(1.00)

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 2 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Modify Community Centers and Clubhouses Fee Waiver/Fee Reductions Resolution. Resolution currently offers 100% discount and 50% for organizations that meet eligible criteria. Discounts would be modified to 50% and 25% for organizations that meet eligible criteria only. Community Center Division waived $380,000 in rental fees in FY2024/25 without reimbursement.	General Fund	-	-	-	-
Youth, Parks, and Community Enrichment	Modify Community Centers and Clubhouses Fee Waiver/Fee Reductions Resolution. Resolution currently offers 100% discount and 50% for organizations that meet eligible criteria. Discounts would be modified to 50% and 25% for organizations that meet eligible criteria only. Community Center Division waived $380,000 in rental fees in FY2024/25 without reimbursement.	Measure U	(190,000)	-	-	-
Youth, Parks, and Community Enrichment	Reduce stipend amount paid to participants in Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs by 50%. Reduce Service and Supply Budget in Youth Employment Division.	Measure U	-	(100,000)	-	-
Youth, Parks, and Community Enrichment	Delete four positions (2 at 1.0 FTE, 1 at 0.8 FTE and 1 at 0.6 FTE - Program Coordinator Older Adults) in the Older Adult Services Division to streamline staffing and improve department-wide operational efficiency. The delivery of services at the Hart Senior Center is being realigned to enhance operational efficiency through continued strategic collaboration with community centers with no impact on current service levels as the majority of programming continues to be provided by leisure enrichment contractors, dedicated volunteers, and established community partners.	Measure U	55,795	(329,688)	-	(3.40)
Youth, Parks, and Community Enrichment	Discontinue the Organizational Resiliency Fund annual allocation from Youth Development Administration Division.	Measure U	-	(300,000)	-	-
		Total Change $	**(134,205)**	**(3,430,138)**	**(10.00)**	**(5.40)**
Level 3 Reduction						
Office of Public Safety Accountability	Delete one position (1.0 FTE - OPSA Investigator). Public Safety investigation staffing realignment.	Measure U	-	(131,402)	-	(1.00)
Office of Public Safety Accountability	Delete one position (1.0 FTE - OPS Accountability Inspector General). Public Safety investigation staffing realignment.	Measure U	-	(167,446)	-	(1.00)
Finance	Delete one position (1.0 FTE - Account Clerk II) in the Accounting Division.	General Fund	-	(74,697)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - 311 Customer Service Agent) from 311 Customer Service.	General Fund	-	(77,241)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - IT Support Specialist II).	General Fund	-	(120,151)	(1.00)	-
Police	One-time reduction to the Gang Prevention & Intervention Taskforce project (I11003000).	Measure U	-	(1,402,921)	-	-
Police	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer), eliminating the Mounted Unit.	General Fund	-	(918,098)	(2.00)	(3.00)
Police	Delete five positions (5.0 FTE - Community Service Officer III) in the Hiring Pipeline program.	Measure U	-	(505,295)	(5.00)	-
Police	Delete one position (1.0 FTE - Police Officer) in the K9 Unit.	General Fund	-	(135,444)	(1.00)	-
Police	Delete one position (1.0 FTE - Fingerprint Clerk) in Forensics Unit.	General Fund	-	(79,941)	(1.00)	-
Police	Delete one position (1.0 FTE - Police Officer) in the Force Investigations Team.	General Fund	-	(135,444)	(1.00)	-
Police	Delete two positions (2.0 FTE - Police Officer) in the Recruiting Unit.	General Fund	-	(334,747)	(2.00)	-
Police	Delete five positions (5.0 FTE - Police Officer) in the Background Investigations Unit.	General Fund	-	(792,574)	(3.00)	(2.00)
Police	Delete two positions (2.0 FTE - Police Officer) in Advanced Officer Training.	General Fund	-	(270,888)	(2.00)	-
Youth, Parks, and Community Enrichment	Delete twelve positions (2 at 1.0 FTE - Program Coordinator and 10 at 0.20 FTE - Recreation Aide) in the Community Center Division. Reduce after school programs in Community Centers.	Measure U	-	(233,790)	(4.00)	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 3 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Delete eight positions (2 at 0.25 FTE and 2 at 0.30 FTE - Senior Lifeguard and 4 at 0.35 FTE - Assistant Pool Manager). Reduce Programming in the Aquatics Division: Close all four City wading pools.	Measure U	-	(117,520)	(2.50)	-
Youth, Parks, and Community Enrichment	Delete three positions (1 at 1.0 FTE - Program Supervisor, 1 at 0.47 FTE - Recreation Aide) from Youth Employment Division, and (1 at 0.40 FTE - Senior Recreation Aide) from Youth Development Administration Division. Reduce support to the Youth Commission capacity building training and discontinue Summer and Semester at City Hall program.	Measure U	-	(132,435)	(1.87)	-
Youth, Parks, and Community Enrichment	Eliminate stipends paid from Youth Employment Division's Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs to youth completing their programs. Reduce Service and Supply Budget in Youth Employment Division.	Measure U	-	(100,000)	-	-
Youth, Parks, and Community Enrichment	Delete two positions (1.0 FTE - Program Coordinator, and 0.46 FTE - Recreation Aide) in the Youth Employment Division. Reduce Prime Time Teen, Young Leaders of Tomorrow, and Jr. Rec Aide offerings by 50%.	Measure U	-	(107,150)	-	(1.46)
Youth, Parks, and Community Enrichment	Delete twenty-six positions (26 at 1.0 FTE Park Maintenance Worker) in the Park Maintenance Division and contract for park maintenance services with a third-party vendor.	Measure U	-	(567,428)	-	(26.00)
		Total Change $	-	**(6,404,612)**	**(28.37)**	**(34.46)**
Level 4 Reduction (cont.)						
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety division.	General Fund	-	(76,253)	-	-
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety division.	General Fund	-	(76,253)	-	-
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one new position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety division.	General Fund	-	(76,253)	-	-
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one new position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety division.	General Fund	-	(76,253)	-	-
City Attorney	Delete a position (1.0 FTE Assistant City Attorney).	General Fund	-	(368,029)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - GIS Specialist III) supporting citywide GIS operations. A reduction to the program could disrupt essential services and systems in multiple departments that rely on GIS data analysis, mapping, and location-based information.	General Fund	-	(142,968)	(1.00)	-
Information Technology	Delete two positions (2.0 FTE - IT Support Specialist II) supporting the IT Service Desk. This reduction will severely impact our ability to resolve urgent technical issues, affecting operational effectiveness, increasing downtime, and reducing productivity citywide.	General Fund	-	(320,243)	-	(2.00)
Police	Delete seven positions (7.0 FTE - Community Service Officer II) in the Hiring Pipeline program.	Measure U	-	(693,700)	(4.00)	(3.00)
Police	Delete 11 positions (1.0 FTE - Police Records Supervisor and 10.0 FTE - Police Records Specialist) in the Records Division.	General Fund	-	(913,919)	(11.00)	-
Police	Delete one position (1.0 FTE - Police Captain) in the Administrative Services Division.	General Fund	-	(328,046)	-	(1.00)
Fire	Delete nineteen vacant Fire Suppression positions (19.0 FTE Firefighters) and offset thirteen Fire Suppression positions (13.0 FTE Firefighters) with Emergency Medical Transport fees to reduce costs. The department will implement dynamic staffing.	General Fund	-	(5,391,783)	(19.00)	-
Youth, Parks, and Community Enrichment	Delete fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager), reduce revenue obligation by $35,308 and increase services and supplies budget by $250,000 in the Aquatics Division. Reduce programming in the Aquatics Division. Reduce operating schedules to 3-days per week at neighborhood pools.	General Fund	-	-	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Delete fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager), reduce revenue obligation by $35,308 and increase services and supplies budget by $250,000 in the Aquatics Division. Reduce programming in the Aquatics Division. Reduce operating schedules to 3-days per week at neighborhood pools.	Measure U	35,308	(499,728)	(15.50)	(0.20)
Community Response	Reduce funding for Community Response Multi-Year Operating Project, reflecting the need to shift, restructure, or relocate operations of the X Street Navigation Center in light of Caltrans lease set to expire.	Measure U	-	(2,815,018)	-	-
Community Response	Reduce funding for Community Response Multi-Year Operating Project and shift City Motel Program to voucher-based model with a focus on unsheltered families.	Measure U	-	(3,164,105)	-	-
		Total Change $	**35,308**	**(14,942,551)**	**(51.50)**	**(6.20)**

Citywide Strategies

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Public Works	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	General Fund	(1,154,513)	-	-	-
Citywide and Community Support	Decrease services and supplies budget for Arts Stabilization to reflect a targeted reduction of discretionary spending.	Measure U	-	(15,000)	-	-
Citywide and Community Support	Liquidate one-time funding from the Sacramento Utility Rate Assistance (SURA) Program (I4130100) to reflect savings from prior fiscal years.	Measure U	-	(438,079)	-	-
Citywide and Community Support	Liquidate one-time funding in the Mayor's Office Limited-Term Positions Project (I01002500). Return unused dollars to fund balance.	General Fund	-	(224,134)	-	-
Citywide and Community Support	Liquidate one-time funding in the Finance Routing Project (I80060000). Return unused dollars to fund balance.	General Fund	-	(2,049,212)	-	-
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	General Fund	-	(14,737)	-	-
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Measure U	-	(17,850)	-	-
Citywide and Community Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund (Fund 1003) and return unused dollars to the General Fund (Fund 1001).	General Fund	-	(1,035,284)	-	-
Citywide and Community Support	Liquidate one-time funding in the City Clerk Automation Program (A04000100). Return unused dollars to fund balance.	General Fund	-	(1,156,985)	-	-
Citywide and Community Support	Liquidate one-time funding in the Youth Engagement and Summer Programming MYOP (I01000100). Return unused dollars to fund balance.	General Fund	-	(43,848)	-	-
Citywide and Community Support	Liquidate one-time funding in the Truth, Reform, and Reconciliation Project (I01140100). Return unused dollars to fund balance.	General Fund	-	(320,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the Thousand Strong MYOP (I01000300). Return unused dollars to fund balance.	General Fund	-	(5,704)	-	-
Citywide and Community Support	Liquidate one-time funding in the Sacramento Riverfront MYOP (I02180200). Return unused dollars to fund balance.	General Fund	-	(13,470)	-	-
Citywide and Community Support	Liquidate one-time funding in the North Sacramento Economic Development Investment Project (I02180600). Return unused dollars to fund balance.	General Fund	-	(259,923)	-	-
Citywide and Community Support	Liquidate one-time funding in the Central City Wayfinding Project (S18160100). Return unused dollars to fund balance.	General Fund	-	(210)	-	-
Citywide and Community Support	Liquidate one-time funding in the COVID-19 CARES Act Program (G02610100). Return unused dollars to fund balance.	Measure U	-	(60,699)	-	-
Citywide and Community Support	Liquidate one-time funding in the City Manager Youth Programs MYOP (I80020800). Return unused dollars to fund balance.	Measure U	-	(13,658)	-	-
Citywide and Community Support	Liquidate one-time funding in the City Treasurer Investment Management Reserve Project (D05000100). Return unused dollars to fund balance.	General Fund	-	(156,269)	-	-
Citywide and Community Support	Liquidate one-time funding in the Arts and Cultural Plan (I17000900). Return unused dollars to fund balance.	General Fund	-	(53)	-	-
Citywide and Community Support	Liquidate one-time funding in the Archives East End Project (I17000100). Return unused dollars to fund balance.	Measure U	-	(131,872)	-	-
Citywide and Community Support	Liquidate one-time funding in the Community Neighborhood Improvements Program (D01000000). Return unused dollars to fund balance.	General Fund	-	(2,890)	-	-
Citywide and Community Support	Liquidate one-time funding in the Training and Outreach Program (I08000300). Return unused dollars to fund balance.	General Fund	-	(2,000,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	General Fund	-	(96,019)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	General Fund	-	(202,949)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Measure U	-	(2,631)	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Citywide and Community Support	Liquidate one-time funding in the City Facilities Improvements Program (C15100000). Return unused dollars to fund balance.	General Fund	-	(115,320)	-	-
Citywide and Community Support	Liquidate one-time funding in the 21st Century Skills Grant Program (I01000400). Return unused dollars to fund balance.	General Fund	-	(460)	-	-
Citywide and Community Support	Liquidate one-time funding in the Oak Park Community Enhancements Project (I19708000). Return unused dollars to fund balance.	General Fund	-	(17,144)	-	-
Citywide and Community Support	Liquidate one-time funding in the Regional Park/Parkway Acquisition/Development Program (L19003500). Return unused dollars to fund balance.	General Fund	-	(183,547)	-	-
Citywide and Community Support	Liquidate one-time funding in the Ninos Parkway/Rio Tierra Development Project (L19141000). Return unused dollars to fund balance.	General Fund	-	(3,661)	-	-
Citywide and Community Support	Liquidate one-time funding in the Gardenland Park PSIP Tier III Project (L19809000). Return unused dollars to fund balance.	General Fund	-	(4,060)	-	-
Citywide and Community Support	Liquidate one-time funding in the Parks and Recreation Reservation System Project (L19900300). Return unused dollars to fund balance.	General Fund	-	(1,485)	-	-
Citywide and Community Support	Liquidate one-time funding in the Summer Youth and Community Programming MYOP (I19141000). Return unused dollars to fund balance.	General Fund	-	(122,711)	-	-
Citywide and Community Support	Liquidate one-time funding in the District 2 Minor Park Improvements Project (L19108700). Return unused dollars to fund balance.	Measure U	-	(608)	-	-
Citywide and Community Support	Liquidate one-time funding in the Council-Led Strategic Initiatives MYOP (I01002200). Return unused dollars to fund balance.	General Fund	-	(250,740)	-	-
Citywide and Community Support	Liquidate one-time funding in the North Sacramento Code Enforcement and Outreach Project (I21000600). Return unused dollars to fund balance.	General Fund	-	(200,579)	-	-
Citywide and Community Support	Liquidate one-time funding in the Police Department IT Critical Infrastructure Program (I11002700). Return unused dollars to fund balance.	General Fund	-	(29,584)	-	-
Citywide and Community Support	Liquidate one-time funding in the City Facility Reinvestment Program (C13900000). Return unused dollars to fund balance.	General Fund	-	(55,506)	-	-
Citywide and Community Support	Liquidate one-time funding in the Youth Pop Up Events MYOP (I19143100). Return unused dollars to fund balance.	General Fund	-	(427,787)	-	-
Citywide and Community Support	Liquidate one-time funding in the Youth Pop Up Events MYOP (I19143100). Return unused dollars to fund balance.	Measure U	-	(254,498)	-	-
Citywide and Community Support	Liquidate one-time funding in the Children and Youth Services Program (19143200). Return unused dollars to fund balance.	General Fund	-	(192,518)	-	-
Citywide and Community Support	Liquidate one-time funding in the Children and Youth Services Program (19143200). Return unused dollars to fund balance.	Measure U	-	(498,071)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	General Fund	-	(354,181)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Measure U	-	(103,918)	-	-
		Total Change $	**(1,154,513)**	**(11,077,854)**	**0.00**	**0.00**

Measure L (Sacramento Children's Fund) Review

An internal assessment was conducted to determine whether any of the proposed reductions would cause youth expenditures to go below the Measure L (Sacramento Children's Fund) baseline as determined by the City Auditor's Office (CAO). Out of all of the proposals, there were twelve proposals totaling approximately $1 million that would cause expenditures to go below the Measure L baseline. The amount was determined using the methodology of the CAO. Since the baseline was based on actual youth spending for FY2023/24, the only reductions eligible for the Measure L calculation were the ones that would reduce actual youth spending from that fiscal year. Therefore, proposed reductions of vacant positions, unspent supplies and services and unspent projects are not eligible since they were not expenditures in FY2023/24 baseline. Fee increases tied to departments serving youth would also be reduced from the calculation.

The following table contains all strategies that are considered youth related.

Department	Description	Fund	Expenditure Change	FTE Change	FTE Filled	Measure L Amount	Reason
Fire	Add two positions (2.0 FTE – Firefighter (Admin)) in the Diversity, Outreach & Recruitment program as part of a three-year grant agreement funded through the Children's Fund.	Measure U	338,620	2.00	-	-	Not in the Measure L calulation as it is grant funding.
Youth, Parks, and Community Enrichment	Delete one position (0.90 FTE - Program Coordinator) in the Expanded Learning Division.	Measure U	(72,612)	(0.90)	-	(70,797)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Change funding source for 50% of one position (1.0 FTE - Administrative Technician) in the Youth Development Administration Division from Measure U Fund to Children's Fund.	Measure U	-	-	-	(62,464)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Change funding source for 50% of one position (1.0 FTE - Administrative Technician) in the Youth Development Administration Division from Measure U Fund to Children's Fund.	Measure L Children's Fund	-	-	-	62,464	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Leader) and add two new positions (2 at 0.45 FTE - Senior Recreation Aide) in Youth Employment Division.	Measure U	(39,581)	(0.10)	-	(39,581)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Reduce stipend amount paid to participants in Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs by 50%. Reduce Service and Supply Budget in Youth Employment Division.	Measure U	(100,000)	-	-	(100,000)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Discontinue the Organizational Resiliency Fund annual allocation from Youth Development Administration Division.	Measure U	(300,000)	-	-	-	Not in Measure L calculation because there is no effect on youth acitivites.
Youth, Parks, and Community Enrichment	Delete twelve positions (2 at 1.0 FTE - Program Coordinator and 10 at 0.20 FTE - Recreation Aide) in the Community Center Division. Reduce after school programs in Community Centers.	Measure U	(233,790)	(4.00)	-	(95,971)	Measure L Amount equals reduction minus non-youth related activities.
Youth, Parks, and Community Enrichment	Delete eight positions (2 at 0.25 FTE and 2 at 0.30 FTE - Senior Lifeguard and 4 at 0.35 FTE - Assistant Pool Manager). Reduce Programming in the Aquatics Division: Close all four City wading pools.	Measure U	(117,520)	(2.50)	-	(73,133)	Measure L Amount equals reduction less unfilled positions.

Department	Description	Fund	Expenditure Change	FTE Change	FTE Filled	Measure L Amount	Reason
Youth, Parks, and Community Enrichment	Delete three positions (1 at 1.0 FTE - Program Supervisor, 1 at 0.47 FTE - Recreation Aide) from Youth Employment Division, and (1 at 0.40 FTE - Senior Recreation Aide) from Youth Development Administration Division. Reduce support to the Youth Commission capacity building training and discontinue Summer and Semester at City Hall program.	Measure U	(132,435)	(1.87)	(1.00)	(132,435)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Eliminate stipends paid from Youth Employment Division's Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs to youth completing their programs. Reduce Service and Supply Budget in Youth Employment Division.	Measure U	(100,000)	-	-	(100,000)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete two positions (1.0 FTE - Program Coordinator, and 0.46 FTE - Recreation Aide) in the Youth Employment Division. Reduce Prime Time Teen, Young Leaders of Tomorrow, and Jr. Rec Aide offerings by 50%.	Measure U	(107,150)	(1.46)	-	(107,150)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager), reduce revenue obligation by $35,308 and increase services and supplies budget by $250,000 in the Aquatics Division. Reduce programming in the Aquatics Division. Reduce operating schedules to 3-days per week at neighborhood pools.	General Fund	-	-	-	-	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager), reduce revenue obligation by $35,308 and increase services and supplies budget by $250,000 in the Aquatics Division. Reduce programming in the Aquatics Division. Reduce operating schedules to 3-days per week at neighborhood pools.	Measure U	(464,420)	(15.70)	-	(289,009)	Measure L Amount equals reduction less unfilled positions.
Youth, Parks, and Community Enrichment	Delete one position (0.45 FTE - Aquatics Specialist) in the Aquatics Division.	Measure U	(22,653)	(0.45)	-	(14,097)	Included in the Measure L calculation.
		Total Change	**$ (1,351,541)**	**(24.98)**	**(1.00)**	**$ (1,022,172)**	

Once the amount was determined, the next step of the assessment was to determine whether the Budget exceeded or reduced the baseline funding. The Budget includes any increases to overall employee service (such as contractual labor agreements, health benefits, PERS, etc.) and increases to supply and services. The assessment methodology involves comparing the Budget for the sample of youth programs at the department level to the CAO baseline tracker. This assessment showed that although there are approximately $1 million in youth program reductions, there is approximately $5.9 million in overall increases, which exceeds the baseline funding requirements in the sample assessment.

The formal Measure L assessment will be conducted by the CAO at year-end and will be based on actual spending for the fiscal year. If it is determined through the CAO

assessment that youth programs do not meet the mandated baseline requirement for Measure L spending, adjustments will be made to increase funds to said programs to required levels.

Department and Citywide Strategies – Other Funds

The Budget includes $5.0 million in decreases and strategic reductions to other funds. This included increases to revenues, swapping General Fund for other funds and Citywide strategies that not only reduced the impact to General Fund, but also to the other funds.

Proposed Strategies - Other Funds

Category	FTE Change	Net Budget Change
Revenues	-	(5,261,681)
1	-	340,036
2	-	-
3	-	-
4	-	-
Citywide	-	(122,943)
Total	**-**	**($5,044,588)**

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Revenue						
Public Works	Increase parking meter rates, add new vehicle for the parking facilities maintenance supervisor, and establish meter revenue as the funding support for Curb Management section. Ensure sufficient vehicle availability for operations and improve on-street parking availability for visitors and merchants.	Gas Tax 2016	(408,451)	-	-	-
Public Works	Increase revenue and expense budgets for the Parking Services division to reflect ongoing growth in parking garage utilization. Establish new multi-year operating project (MYOP) with generated funds to support economic development opportunities.	Parking	(1,000,000)	800,000	-	-
Public Works	Increase revenue and expense budgets for the Parking Services division to reflect ongoing growth in parking garage utilization. Establish new multi-year operating project (MYOP) with generated funds to support economic development opportunities.	SB720 Red Light Camera Fund	-	200,000	-	-
Public Works	Increase hourly rates in City parking garages to be consistent with surrounding market, recover increasing operational costs, and improve parking availability for visitors and merchants.	Parking	(175,240)	6,217	-	-
Public Works	Increase revenue budget for Marina to reflect increased berth rates implemented January 1, 2026 and align budget with actual trends.	Marina	(150,000)	-	-	-
Public Works	Adjust revenue and expense budgets for Recycling and Solid Waste to align with actual revenue and expenditure trends. Purchase new specialized vehicle for bin maintenance to maintain service levels and reduce overtime.	Recycling and Solid Waste	(2,200,541)	(2,240,288)	-	-
Community Development	Increase revenue budget in Building division based on fee increase recommendations from Citywide Fee Study. Offset three positions (1.0 FTE - GIS Specialist III and 2.0 FTE - GIS Specialist II) partially with Technology fee increases.	Development Services	(327,250)	233,872	-	-
		Total Change $	**(4,261,482)**	**(1,000,199)**	**0.00**	**0.00**
Level 1 Reduction						
Convention and Cultural Services	Change funding source for McClellan rent payment from Measure U fund (Fund 2401) to the Community Center fund (Fund 6010). Facility provides storage for materials to support exhibitions, research, and public access.	Community Center	-	180,000	-	-
Convention and Cultural Services	Delete one position (1.0 FTE - History Registrar) and add one new position (0.5 FTE - History Registrar) in the History Division. Essential responsibilities of this role can be maintained at 0.5 FTE.	Winchester G & Mary Alice Felt	1,889	-	-	-
Convention and Cultural Services	Change funding for one position (1.0 FTE - City Historian) from Measure U Fund (2401) to Community Center Fund (6010).	Community Center	95,683	-	-	-
Youth, Parks, and Community Enrichment	Change funding source for 50% of one position (1.0 FTE - Administrative Technician) in the Youth Development Administration Division from Measure U Fund to Children's Fund.	Measure L Children's Fund	62,464	-	-	-
		Total Change $	**160,036**	**180,000**	**0.00**	**0.00**
Citywide						
Public Works	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	Parking	1,154,513	-	-	-
Debt Service	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	Parking	-	(854,513)	-	-
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Water	-	(450)	-	-
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	NMA Safety, Streets, Ped, Bic	-	(1,175)	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Citywide (cont.)						
Citywide and Community Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund (Fund 1003) and return unused dollars to the General Fund (Fund 1001).	ARPA Reinvestment Fund	-	1,035,284	-	-
Citywide and Community Support	Liquidate one-time funding in the Central City Wayfinding Project (S18160100). Return unused dollars to fund balance.	Community Center	-	(66,794)	-	-
Citywide and Community Support	Liquidate one-time funding in the Central City Wayfinding Project (S18160100). Return unused dollars to fund balance.	Parking	-	(39,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the Arts and Cultural Plan (I17000900). Return unused dollars to fund balance.	Community Center	-	(100)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Community Center	-	(7,514)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Development Services	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Parking	-	(6,228)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Recycling and Solid Waste	-	(19,956)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Storm Drainage	-	(13,031)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Wastewater	-	(9,959)	-	-
Citywide and Community Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Water	-	(28,874)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Community Center	-	(5,934)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Parking	-	(4,328)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Recycling and Solid Waste	-	(14,234)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Storm Drainage	-	(8,924)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Wastewater	-	(7,496)	-	-
Citywide and Community Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Water	-	(14,335)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Community Center	-	(55)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Parking	-	(2,426)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Recycling and Solid Waste	-	(16,838)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Storm Drainage	-	(613)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Wastewater	-	(1,046)	-	-
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Water	-	(4,664)	-	-
Citywide and Community Support	Liquidate one-time funding in the Regional Park/Parkway Acquisition/Development Program (L19003500). Return unused dollars to fund balance.	Park Development	-	(4,287)	-	-
Citywide and Community Support	Liquidate one-time funding in the Gardenland Park PSIP Tier III Project (L19809000). Return unused dollars to fund balance.	Park Development	-	(3,193)	-	-
Citywide and Community Support	Liquidate one-time funding in the Gardenland Park PSIP Tier III Project (L19809000). Return unused dollars to fund balance.	Quimby Act	-	(124,582)	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Citywide (cont.)						
Citywide and Community Support	Liquidate one-time funding in the Council-Led Strategic Initiatives MYOP (I01002200). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in the North Sacramento Code Enforcement and Outreach Project (I21000600). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in the Police Department IT Critical Infrastructure Program (I11002700). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in the City Facility Reinvestment Program (C13900000). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in the Youth Pop Up Events MYOP (I19143100). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in the Children and Youth Services Program (19143200). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	-	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Recycling and Solid Waste	-	(445,008)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Storm Drainage	-	(8,522)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Water	-	(262,362)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Fleet Management	-	(18,311)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Gas Tax 2016	-	(128,230)	-	-
Citywide and Community Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Landscaping and Lighting	-	(189,758)	-	-
		Total Change $	**1,154,513**	**(1,277,456)**	**0.00**	**0.00**

Proposed Budget Modifications

There were $1.3 million in modifications to General Fund and a reduction of 3.58 FTEs for augmentations, position add/deletes and positions reductions due to the termination of the Regional Transit and Natomas School Resource Officer contracts.

Modifications* - General Fund

Department	FTE Change	Net Budget Change
City Clerk	-	-
City Manager	-	$145,807
Community Development	1.00	505,483
Community Response	1.00	106,782
Convention and Cultural Services		227
Finance	1.00	5,859
Fire	11.00	320,641
Human Resources	-	(11)
Information Technology	1.00	2,439
Police	(14.00)	76,138
Public Works	2.00	115,102
Youth, Parks, and Community Enrichment	(6.58)	437
Citywide and Community Support	-	-
Total	**(3.58)**	**$1,278,904**

* Includes Augmentation and Add/Deletes

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Manager	Fund the Language Access Coordinator position (1.0 FTE - Administrative Analyst) on an ongoing basis.	Measure U	145,807	-	-
City Clerk	Increase funding for the North Sacramento Community Prosecutor project by $300,000 from liquidating the Economic Development Initiatives Project (I02181000) and a portion of the North Sacramento Code Enforcement and Outreach Project (I02180600).	General Fund	-	-	-
Finance	Delete one position (1.0 FTE-Accountant Auditor) and add one new position (1.0 FTE - Administrative Analyst) in the Office of Cannabis Management.	General Fund	-	1,890	-
Finance	Add one position (1.0 FTE - Customer Service Representative) and establish offset. This is related to the Public Works' modified Residential Permit Parking program fee increase.	General Fund	-	3,969	1.00
Information Technology	Delete one position (1.0 FTE - Department Systems Specialist II) and add one new position (1.0 FTE - Administrative Analyst) to improve IT administrative and fiscal operations, streamline workflows enhance fiscal oversight, and ensure continuity in functions like telecommunications billing, accounting, and budget development.	General Fund	-	(7,128)	-
Information Technology	Delete one position (1.0 FTE - Principal Applications Developer) and add one new position (1.0 FTE - IT Supervisor) to lead the combined Permitting/Code Enforcement team. This change will oversee critical systems, including the Code Enforcement system replacement and the City's Streamline initiative.	General Fund	-	(71)	-
Information Technology	Delete one position (1.0 FTE - Senior Systems Engineer) and add two new positions (2.0 FTE - Telecom Technician Trainee) and increase revenue budget from small cell towers installed on public streetlights. This will reduce downtime for over 300 public safety vehicles and support 1000+ Citywide cameras, improving operational efficiency and response times.	General Fund	(50,000)	59,638	1.00
Information Technology	Increase funding to support the IT Training Development Plan to address a significant gap in staff skills and knowledge base that is required to support the City's technical environment and critical business systems. Training helps maintain and enhance intellectual capital providing direct value to the organization.	General Fund	-	-	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	General Fund	-	-	-
Information Technology	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	General Fund	-	-	-
Information Technology	Delete one position (1.0 FTE - IT Manager) and add one position (1.0 FTE - Support Services Manager).	General Fund	-	-	-
Human Resources	Delete one position (1.0 FTE - Senior Staff Assistant) and add one new position (1.0 FTE - Administrative Technician) in Employment Services.	General Fund	-	(11)	-
Police	Delete 11 positions (1.0 FTE - Police Lieutenant, 2.0 FTE - Police Sergeant, and 8.0 FTE - Police Officers) and associated revenues. This Regional Transit contract was terminated in December 2025.	General Fund	2,278,239	(2,278,239)	(11.00)
Police	Delete three positions (3.0 FTE - Police Officer). Eliminates the Natomas School Resource Officer program and associated revenue. This contract was terminated in December 2025.	General Fund	559,773	(559,773)	(3.00)
Police	Delete one position (1.0 FTE - Government Affairs Manager) and add one new position (1.0 FTE - Government Affairs Manager (Public Safety)) in the Office of Strategy & Compliance.	General Fund	-	19,175	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Police	Delete one position (1.0 FTE - Media & Communications Specialist) and add one new position (1.0 FTE - Public Safety Administrative Manager) to the Office of Strategy & Compliance	General Fund	-	35,410	-
Police	Delete one position (1.0 FTE Police Clerk II) and add one new position (1.0 FTE - Administrative Technician) in the Personnel Division.	General Fund	-	21,553	-
Fire	Add four positions (1.0 FTE Senior Fire Prevention Officer and 3.0 FTE Fire Prevention Officer II) to Fire Prevention and increase corresponding operating budget revenue.	General Fund	(1,229,420)	767,783	4.00
Fire	Add two positions (2.0 FTE – Firefighter (Admin)) in the Diversity, Outreach & Recruitment program as part of a three-year grant agreement funded through the Children's Fund.	Measure U	(338,620)	338,620	2.00
Fire	Increase funding for the mandated Sacramento Regional Fire/EMS Communications Center (SRFECC) Regional Contract.	General Fund	-	-	-
Fire	Add one position (1.0 FTE - Firefighter (Admin)) for the Mobile Integrated Health (MIH) Program.	General Fund	(171,904)	171,904	1.00
Fire	Add one position (1.0 FTE – Firefighter (Admin)) for the Mobile Crisis Unit.	General Fund	(171,904)	171,904	1.00
Fire	Add two positions (2.0 FTE - Firefighter (Admin)) in the Emergency Medical Firefighter Medical Quality Assurance Team.	General Fund	(343,808)	343,808	2.00
Fire	Increase funding for the Advanced Life Support (ALS) defibrillators equipment program.	General Fund	-	-	-
Fire	New Vehicle Purchase - Increase funding for Fire Department Fleet CIP (F12000300) for two fire engines and one fire ladder truck.	General Fund	-	782,000	-
Fire	Add one position (1.0 FTE - Stores Administrator) in the Emergency Medical Services Division.	General Fund	-	278	1.00
Public Works	Delete one position (1.0 FTE - Assistant Engineer) and add one new position (1.0 FTE - Associate Planner) in the Funding and Asset Planning section of the Mobility and Sustainability Division to manage transportation assets and pursue available funding.	General Fund	(4,897)	4,897	-
Public Works	Add one position (1.0 FTE - Senior Planner). Establish new fund and increase revenue and expense budget to implement Senate Bill 720 (Ashby) - Automated traffic enforcement system programs.	General Fund	(261,099)	161,361	1.00
Public Works	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Operations General Supervisor) in the Maintenance Services Division to improve operational efficiencies.	General Fund	(79)	79	-
Public Works	Delete one position (1.0 FTE - Administrative Officer) and add one new position (1.0 FTE - Operations General Supervisor- Streetscapes Maintenance Supervisor) in the Maintenance Services Division to maintain service levels.	General Fund	(79)	79	-
Public Works	Add one position (1.0 FTE - Electrician) for Facilities and Real Property Management to support increased workload from aging/increased facilities and electric vehicle infrastructure.	General Fund	(122,480)	123,830	1.00
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	General Fund	-	204,881	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Measure U	-	51,119	-
Public Works	Increase services and supplies budget for Urban Forestry to address minimum required service levels.	General Fund	(500,000)	500,000	-
Public Works	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in Facilities to maintain service levels and reflect the fiscal and administrative job duties performed by this position.	General Fund	-	(42,510)	-
Convention and Cultural Services	Establish fee structure and revenue budget for Temporary Art Applications within the Art in Public Places (APP) program to recover existing operational costs.	General Fund	(10,000)	-	-
Convention and Cultural Services	Establish fee structure and revenue budget for Temporary Art Applications within the Art in Public Places (APP) program to recover existing operational costs.	Measure U	10,227	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Youth, Parks, and Community Enrichment	Delete ten positions (10 at 0.20 FTE - Recreation Aides) and add four new positions (4 at 0.47 FTE - Building Monitor) in the Community Center Division and convert savings to service and supplies budget. Shift staffing to support rental and revenue generating programs.	Measure U	-	-	(0.12)
Youth, Parks, and Community Enrichment	Delete one position (0.40 FTE - Recreation Aide) and add one new position (0.40 FTE - Building Monitor) in the Community Recreation Division. Realignment of current position to better meet operational needs.	Measure U	-	-	-
Youth, Parks, and Community Enrichment	Delete three positions (1.0 FTE - Recreation Superintendent and 2 @ 0.2 FTE Crew Leaders) from Older Adult Services and Youth and add one new position (1.0 FTE - Program Manager) in Fiscal Administration Division.	Measure U	-	(5,500)	(0.40)
Youth, Parks, and Community Enrichment	Delete three positions (1 at 1.0 FTE , 1 at 0.80 FTE - Customer Service Assistant and 1 at 1.0 FTE - Program Leader). Convert savings to services and supplies budget in Community Center Division.	Measure U	-	-	(2.80)
Youth, Parks, and Community Enrichment	Delete two positions (1 at 0.80 FTE - Program Coordinator) from Community Recreation Division and (1 at 0.80 FTE - Program Leader) from Youth Employment Division then convert savings to services and supplies budget in the Youth Employment Division.	Measure U	-	-	(1.60)
Youth, Parks, and Community Enrichment	Delete five positions (1 at 0.35 FTE - Program Director, 1 at 0.25 FTE - Recreation Leader, 3 at 0.25 FTE Camp Aides) in the Camp Sacramento Division and convert savings to services and supplies.	Measure U	-	-	(1.35)
Youth, Parks, and Community Enrichment	Delete two positions (2 at 0.35 FTE - Assistant Camp Chef) and add one new position (1 at 0.39 FTE - Camp Chef) in the Camp Sacramento Division.	Measure U	-	-	(0.31)
Youth, Parks, and Community Enrichment	Delete one position (0.45 FTE - Aquatic Specialist) and add one new position (0.45 FTE - Building Monitor) in the Aquatics Division and convert savings to service and supplies. Shift staffing to support high rental demand.	Measure U	-	-	-
Youth, Parks, and Community Enrichment	Reallocation of FY2025/26 Budgeted Fleet Vehicle Replacement Funds to update vehicle and/or equipment replacements based on operational needs.	Measure U	-	-	-
Youth, Parks, and Community Enrichment	Reduce revenue budget for Camp Sacramento Division to match projections.	General Fund	-	-	-
Youth, Parks, and Community Enrichment	Reduce revenue budget for Camp Sacramento Division to match projections.	Measure U	100,000	-	-
Youth, Parks, and Community Enrichment	Reallocation of FY2026/27 Budgeted Fleet Vehicle Replacement Funds to update vehicle and/or equipment replacements based on operational needs.	Measure U	-	(94,063)	-
Community Development	Increase one-time funding for citywide spay and neuter clinics. Due to funding, staffing, and spay and neuter surgery space, Animal Care Services does not have the ability to provide community spay and neuter services to the community in-house.	Measure U	-	500,000	-
Community Development	Delete one position (1.0 FTE - Building Inspector I/II/III) and add one new position (1.0 FTE - Building Inspector IV) increasing field inspection supervision, improves workload assignments, and enhances the resolution of customer concerns.	General Fund	-	5,305	-
Community Development	Delete one position (1.0 FTE - Plans Examiner III) and add one new position (1.0 FTE - Building Inspector IV). Realigns staffing by replacing a Plans Examiner III with a Building Inspector IV to improve career progression and recruitment.	General Fund	-	5,311	-
Community Development	Add one position (1.0 FTE - Customer Service Representative) in Rental Housing Inspection Program (RHIP). Increase revenue budget for RHIP offsetting position. Ensures RHIP can keep pace with its growing workload, address persistent backlogs, and maintain timely, accurate processing of more than 66,000 rental units as the program's operational and compliance requirements expand.	General Fund	(100,000)	95,003	1.00
Community Development	Delete one position (1.0 FTE - Animal Care Technician) and add one new position (1.0 FTE - Animal Services Coordinator) in Animal Care. Increase revenue budget for Animal Care due to fee increases. This position will provide behavior evaluations and training to dogs housed in the shelter to decrease length of stay and increase the live release rate.	General Fund	-	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Development	Delete one position (1.0 FTE - Animal Care Technician) and add one new position (1.0 FTE - Animal Services Coordinator) in Animal Care. Increase revenue budget for Animal Care due to fee increases. This position will provide behavior evaluations and training to dogs housed in the shelter to decrease length of stay and increase the live release rate.	Measure U	(19,000)	18,864	-
Community Response	Add one position (1.0 FTE - Administrative Technician) for the Office of Community Response.	Measure U	-	106,782	1.00
Citywide and Community Support	Use one-time reserve funding for incremental increases for annual software licenses, subscriptions, system maintenance, and technical support increases that support existing citywide business and technology systems and applications. Ongoing software maintenance, subscriptions, and technical support are crucial for ensuring that business systems function optimally and maintain high availability.	General Fund	-	-	-
Citywide and Community Support	Use one-time reserve funding for the Cloud Data Infrastructure for Analytics and AI Readiness to implement a centralized, secure, cloud-based data warehouse that will serve as a shared enterprise platform for data storage, governance, and analytics. Consolidating data into a single managed environment will reduce duplication, standardize reporting, improve data quality, and strengthen fiscal and operational oversight, delivering immediate efficiency gains and improved transparency across the organization.	General Fund	-	-	-
Citywide and Community Support	Use one-time reserve funding for incremental increases for annual software licenses, subscriptions, system maintenance, and technical support increases that support existing citywide business and technology systems and applications. Ongoing software maintenance, subscriptions, and technical support are crucial for ensuring that business systems function optimally and maintain high availability.	General Fund	-	-	-
		Total Change $	**(229,244)**	**1,508,148**	**(3.58)**

Proposed Budget Modifications – Other Funds

There was $1.6 million in modifications to other funds for augmentations and position add/deletes. There is a decrease of 18.60 FTEs. This is due to augmentations, position add/deletes and position reductions due to the loss of Expanded Learning Opportunities Program (ELOP) funding from Robla Unified School District.

Modifications* - Other Funds

Department (Fund)	FTE Change	Net Budget Change
City Clerk (ARPA Reinvestment Fund)	-	-
Convention and Cultural Services (Community Center)	-	($50,299)
Information Technology (Community Center)	-	77,465
Information Technology (Parking)	-	10,285
Information Technology (Solid Waste)	-	45,560
Information Technology (Storm Drainage)	-	24,225
Information Technology (Storm Drainage Property Fee)	-	10,115
Information Technology (Wastewater)	-	25,755
Information Technology (Water)	-	213,255
Public Works (4th R)	-	38
Public Works (Community Center)	-	90
Public Works (Fleet Management)	-	(1,815)
Public Works (Gas Tax)	-	392,383
Public Works (Lighting and Landscaping)	-	500,000
Public Works (Marina)	-	37
Public Works (New Measure A Maintenance)	-	79
Public Works (Parking)	-	68,792
Public Works (Recycling and Solid Waste)	-	134,440
Public Works (Risk)	-	3,493
Public Works (Storm Drainage)	-	25,286
Public Works (Wastewater)	-	23,955
Public Works (Water)	-	25,605
Utilities (Storm Drainage)	1.00	(215,112)
Utilities (Storm Drainage Property Fee)	-	129,419
Utilities (Wastewater)	-	162,391
Utilities (Water)	-	(14,065)
Youth, Parks and Community Enrichment (4th R)	1.10	7,833
Youth, Parks and Community Enrichment (START)	(20.70)	-
	(18.60)	**$1,599,210**

* Includes Augmentation and Add/Deletes

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Clerk	Increase funding for the North Sacramento Community Prosecutor project by $300,000 from liquidating the Economic Development Initiatives Project (I02181000) and a portion of the North Sacramento Code Enforcement and Outreach Project (I02180600).	ARPA Reinvestment Fund	-	-	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Community Center	-	27,965	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Parking	-	10,285	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Recycling and Solid Waste	-	45,560	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Storm Drainage	-	24,225	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Storm Drainage Property Fee	-	10,115	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Wastewater	-	25,755	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Water	-	89,505	-
Information Technology	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	Community Center	-	49,500	-
Information Technology	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	Water	-	123,750	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Utilities	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Storm Drainage	(6,794)	-	-
Utilities	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Wastewater	(2,912)	-	-
Utilities	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Water	9,706	(5,559)	-
Utilities	Delete one position (1.0 FTE - Administrative Analyst) and add one new position (1.0 FTE - Program Specialist) for the Water Division's Water Operations & Maintenance Administration Program to have a dedicated staff member assigned to oversee the Automated Metering Infrastructure (AMI) program.	Water	-	(371)	-
Utilities	Increase funding for category change on Unit 11149, Service truck to Hydro Excavator Truck to allow repair crews to perform excavation and utility exposure work in-house, without disrupting scheduled maintenance or relying on external equipment.	Wastewater	-	178,500	-
Utilities	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Storm Drainage	(645)	-	-
Utilities	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Wastewater	(645)	-	-
Utilities	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Water	1,289	(2,578)	-
Utilities	Add one position (1.0 FTE - Leadworkers) and purchase 1.0 F-250 Supercab to support the Drainage Ops CIP Support Program (14001481): Operations and Maintenance Critical Infrastructure and Trash Capture Programs as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage	(335,345)	136,844	1.00
Utilities	Add one position (1.0 FTE - Leadworkers) and purchase 1.0 F-250 Supercab to support the Drainage Ops CIP Support Program (14001481): Operations and Maintenance Critical Infrastructure and Trash Capture Programs as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage Property Fee	31,419	98,000	-
Utilities	Increase funding for category change on Unit 12213, Ford F150 Regular Cab to a Ford F250 Super Cab to allow staff to accomplish critical repairs, replacements, emergency responding, and assist in preventative maintenance.	Water	-	10,000	-
Utilities	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Storm Drainage	(9,172)	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Utilities	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Wastewater	(12,552)	-	-
Utilities	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Water	21,724	(48,276)	-
Public Works	Delete one position (1.0 FTE - Integrated Waste Equipment Operator) and add one new position (1.0 FTE - Senior Staff Assistant) in the Recycling and Solid Waste Division to support human resources operations efficiencies and enhance service delivery.	Recycling and Solid Waste	-	(5,088)	-
Public Works	Delete one position (1.0 FTE - Assistant Engineer) and add one new position (1.0 FTE - Associate Planner) in the Funding and Asset Planning section of the Mobility and Sustainability Division to manage transportation assets and pursue available funding.	Gas Tax 2016	4,897	-	-
Public Works	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Operations General Supervisor) in the Maintenance Services Division to improve operational efficiencies.	New Measure A Maintenance	79	-	-
Public Works	Delete one position (1.0 FTE - Administrative Officer) and add one new position (1.0 FTE - Operations General Supervisor- Streetscapes Maintenance Supervisor) in the Maintenance Services Division to maintain service levels.	Gas Tax 2016	79	-	-
Public Works	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in Fleet Division to maintain service levels.	Fleet Management	-	(1,815)	-
Public Works	Add one position (1.0 FTE - Electrician) for Facilities and Real Property Management to support increased workload from aging/increased facilities and electric vehicle infrastructure.	Parking	68,107	-	-
Public Works	Add Maintenance Services equipment to address operational needs: High pressure water trailer and pressure washer/steam cleaner for cleanup and maintenance including graffiti removal and dust suppression.	Gas Tax 2016	-	37,407	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Community Center	-	90	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Parking	-	1,098	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Recycling and Solid Waste	-	139,528	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Storm Drainage	-	25,286	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Wastewater	-	23,955	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Water	-	25,605	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Risk Mgmt	-	3,493	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	4th R Program	-	38	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Marina	-	37	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Fleet Management	-	-	-

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Replace outdated asphalt patch truck to increase efficiency and reliability of services.	Gas Tax 2016	-	350,000	-
Public Works	Increase services and supplies budget for Urban Forestry to address minimum required service levels.	Landscaping and Lighting	500,000	-	-
Public Works	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in the Parking Services Division to maintain service levels and reflect the fiscal and administrative job duties performed by this position.	Parking	-	(413)	-
Convention and Cultural Services	Delete six positions (3.0 FTE - Stationary Engineer, 2.0 FTE - Events Coordinator, and 1.0 FTE - Booking Coordinator) and add six new positions (2.0 FTE - Stagehand II, 1.0 FTE - Administrative Assistant, 1.0 FTE - Carpenter, 1.0 FTE - Building Maintenance Worker, and 1.0 FTE - Senior Building Maintenance Worker) within the SAFE Credit Union Convention & Performing Arts District. Better position alignment will increase retention and maintain reliable operations.	Community Center	-	(50,299)	-
Youth, Parks, and Community Enrichment	Delete fifteen positions (1 at 1.0 FTE Program Developer and 14 at 0.25 FTE Recreation Aides) and add fourteen new positions (14 at 0.40 FTE Recreation Aides) in the 4th R Division. Conversion of the career position to part time positions aligns with program needs.	4th R Program	-	7,833	1.10
Youth, Parks, and Community Enrichment	Delete forty five positions (15 at 0.46 FTE Senior Recreation Aides and 30 at 0.46 FTE Recreation Aides) from the START Division and adjust corresponding offsets. Positions are being deleted due to loss of Expanded Learning Opportunities Program (ELOP) Funding from Robla Unified School District.	START	810,720	(810,720)	(20.70)
		Total Change $	**1,079,955**	**519,255**	**(18.60)**

Budget Reduction Strategies Not Chosen

The following tables include General Fund reduction strategies **not included** in the Budget. If the proposed $13.2 million in one-time reduction strategies are not used to balance the Budget, ongoing reduction strategies in levels 1-3 (approximately $6.3 million) and a portion of level 4 (approximately $6.9 million) would need to be used. The strategies are detailed below.

Strategies Not Chosen - General Fund

Category	FTE Change	Net Budget Change
Revenues	-	$0
1	-	(215,000)
2	(15.25)	(1,984,063)
3	(31.67)	(4,067,608)
4	(228.00)	(36,468,024)
Citywide	-	(4,626,685)
Total	**(274.92)**	**($47,361,380)**

Strategies Not Chosen – General Fund

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 1 Reduction						
Youth, Parks, and Community Enrichment	Increase revenue budget within Park Operations Division for fees related to expanded parking operations to be implemented at William Land Park.	Measure U	-	(215,000)	-	-
		Total Change $	-	**(215,000)**	**0.00**	**0.00**
Level 2 Reduction						
Police	Delete five positions (5.0 FTE - Police Clerk II) from various sections of the department.	General Fund	-	(390,273)	(3.00)	(2.00)
Police	Delete six positions (1.0 FTE - Police Sergeant and 5.0 FTE - Police Officer), eliminating the Magnet Academy/Youth Services Division. A modified version of the Magnet program will still exist.	General Fund	-	(1,202,520)	-	(6.00)
Police	Delete one position (1.0 FTE - Police Officer) in the Public Information Office.	General Fund	-	(223,409)	(1.00)	-
Youth, Parks, and Community Enrichment	Delete four positions (1 at 0.75 FTE , 1 at 0.50 FTE and 2 at 1.0 FTE - Program Leaders) in the Community Center Division. Reduce recreation program hours in Community Centers.	Measure U	54,287	(222,148)	-	(3.25)
		Total Change $	**54,287**	**(2,038,350)**	**(4.00)**	**(11.25)**
Level 3 Reduction						
Community Development	Decrease funding for the Residential Development Impact Fees for Affordable Dwelling Units Program. Impacts affordable housing developments, as developers rely on the reduction of impact fees.	Measure U	-	(500,000)	-	-
Convention and Cultural Services	Decrease expense budget for Old Sacramento management services to recognize cost savings from re-negotiating scope while maintaining core services.	Measure U	-	(250,000)	-	-
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in Office of Diversity and Equity reducing Diversity, Equity, and Inclusion (DEI) programming and initiatives.	Measure U	-	(137,752)	-	(1.00)
Police	Delete one position (1.0 FTE - Police Sergeant) in Internal Affairs.	General Fund	-	(218,667)	-	(1.00)
Police	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer), eliminating the Human Trafficking Unit.	General Fund	-	(924,307)	(2.00)	(3.00)
Police	Delete one position (1.0 FTE - Police Sergeant), eliminating the Crime Prevention Through Environmental Design (CPTED)/Court Liaison Unit (CLU).	General Fund	-	(243,279)	-	(1.00)
Police	Delete three positions (2.0 FTE - Administrative Analyst and 1.0 FTE - Administrative Technician), eliminating the Compliance Team.	General Fund	-	(388,097)	-	(3.00)
Youth, Parks, and Community Enrichment	Delete seven positions (4 at 1.0 FTE and 2 at 0.80 FTE - Customer Service Assistant) in the Community Center Division and (1 at 1.0 FTE - Customer Service Assistant) in the Older Adult Services Division. Reduce Community Center Paypoint Locations to three Hub Locations.	Measure U	-	(537,041)	(2.00)	(4.60)
Youth, Parks, and Community Enrichment	Delete five positions (1 at 1.0 FTE - Program Coordinator - Adaptive Recreation, 1 at 0.47 FTE, 2 at 0.15 FTE, and 1 at 0.30 FTE - Recreation Leader Adaptive Recreation) from Access Leisure Division. Will reduce city offered programs and services for participants with disabilities and limit staff capacity to support inclusion requests and program modifications /accommodations for all YPCE programs. Reduced services could be provided by community partners.	Measure U	-	(138,354)	-	(2.07)
Youth, Parks, and Community Enrichment	Delete six positions (4 at 1.0 FTE - Custodian II, 1 at 1.0 FTE - Program Coordinator, 1 at 1.0 FTE - Program Supervisor) in the Community Center Division. Reduce programming in all Community Centers. Community Centers would only be open four days during the week and only available for rentals on the weekends.	Measure U	-	(539,209)	(2.00)	(4.00)
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - General Repair Worker) in the Park Maintenance Division and replace with third-party service provider.	Measure U	-	(34,799)	-	(1.00)
Youth, Parks, and Community Enrichment	Delete five positions (5 at 1.0 FTE - Irrigation Technician) in the Park Maintenance Division and replace with third-party service provider.	Measure U	-	(156,103)	-	(5.00)
		Total Change $	-	**(4,067,608)**	**(6.00)**	**(25.67)**

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction						
City Auditor	Delete one position (1.0 FTE - Senior Fiscal Policy Analyst) in the City Auditor Office. This will significantly affect the City Auditor's Office ability to conduct audits, research and analysis directed by City Council.	General Fund	-	(142,818)	-	(1.00)
Finance	Delete one position (1.0 FTE - Payroll Technician) in the Payroll Division.	General Fund	-	(98,881)	-	(1.00)
Finance	Delete one position (1.0 FTE - Administrative Technician) in the Procurement Division.	General Fund	-	(88,641)	-	(1.00)
Finance	Delete one position (1.0 FTE - Customer Service Rep) in the Revenue Division Revenue Services unit.	General Fund	-	(87,290)	-	(1.00)
Finance	Delete one position (1.0 FTE - Customer Service Rep) in the Revenue Division Permits & Taxes Unit.	General Fund	-	(81,439)	(1.00)	-
Finance	Delete one position (1.0 FTE - Customer Service Rep) in the Revenue Division Revenue Services unit.	General Fund	-	(81,559)	-	(1.00)
Fire	Delete 11 positions (3.0 FTE - Fire Captain, 3.0 FTE - Fire Engineer and 5.0 FTE - Firefighter) in Fire Suppression resulting in reduced emergency response capacity.	General Fund	-	(2,488,501)	(1.00)	(10.00)
Fire	Delete 12 positions (3.0 FTE - Fire Captain, 3.0 FTE - Fire Engineer and 6.0 FTE - Firefighter) in Fire Suppression resulting in reduced emergency response capacity.	General Fund	-	(2,481,162)	(1.00)	(11.00)
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in Office of Diversity and Equity reducing DEI programming and initiatives.	Measure U	-	(137,339)	-	(1.00)
Human Resources	Delete one position (1.0 FTE - Diversity and Equity Manager) in Office of Diversity and Equity.	Measure U	-	(228,069)	-	(1.00)
Information Technology	Delete two positions (1.0 FTE - Senior Telecommunications Tech and 1.0 FTE - Telecommunications Tech II) supporting the Fire Communications Program. A reduction to this program will hinder the management of portable and mobile radios used by firefighters, compromise fire vehicle electronics and communication systems affect the Fire Station Alerting System.	General Fund	-	(316,997)	-	(2.00)
Information Technology	Delete four positions (2.0 FTE - Systems Engineers, 2.0 FTE - IT Support Specialist II) supporting the Police Department Patrol Vehicle Technology (PVT) Program. A reduction to this program will negatively impact the department's ability to provide essential support for PVT, including maintaining and supplying critical hardware such as rugged laptops, cameras, routers, modems, and other field operations tools.	General Fund	-	(591,507)	-	(4.00)
Information Technology	Delete one position (1.0 FTE - Telecommunications Engineer III). If this position is deleted, the department cannot manage the City's FCC radio license operations, affecting 4,620 voice radio users in Police, 911, Fire, Code Enforcement, Utilities, Public Works, Solid Waste, and other departments relying on voice communications.	General Fund	-	(194,644)	-	(1.00)
Information Technology	Delete three positions (1.0 FTE - Principal Applications Developer, 1.0 FTE - Senior Applications Developer, and 1.0 FTE - Applications Developer) that support the Citywide Content Management System (CCM/CARA) tools and automation software that enables document capture, management, storage, and delivery. Eliminating this program could put the City at risk of legal penalties under state and federal records-retention policies.	General Fund	-	(522,870)	-	(3.00)
Information Technology	Delete six positions (6.0 FTE - 311 Customer Service Agents) that support the 311 Contact Center. Reducing this program will transfer after-hours and weekend support to departments. Calls outside from 7:00 am to 7:00 pm, Monday through Friday (around 40,400 calls per year or 16%) will be handled by department on-call personnel.	General Fund	-	(643,382)	-	(6.00)
Information Technology	Delete one position (1.0 FTE - Senior Applications Developer) supporting the Electronic Citywide Accounting and Personnel System (eCAPS) Finance Payroll Module. A reduction to this program would severely understaff the team and increase operational risk. Without technical oversight, the city risks payroll errors, missed paychecks, failed deposits, and incorrect tax withholdings. These issues could lead to employee hardship, strained labor relations, compliance penalties, and legal exposure.	General Fund	-	(179,234)	-	(1.00)
Information Technology	Delete one position (1.0 FTE - Senior Systems Engineer). This impact the Police Department Systems Support team by reducing their ability to conduct daily system health checks, manage system and data backups, and provide user account provisioning and support.	General Fund	-	(144,183)		(1.00)

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction (cont.)						
Information Technology	Delete two positions (1.0 FTE – GIS Specialist III and 1.0 FTE – GIS Specialist II), reducing citywide GIS and data analytics capacity by limiting mapping, planning, and data-driven decision-making support across General Fund departments that rely on GIS services.	General Fund	-	(359,569)	-	(2.00)
Information Technology	Delete two positions (1.0 FTE - Program Specialist and 1.0 FTE - Administrative Analyst). This could disrupt critical HR operations, including payroll, benefits administration, Open Enrollment, Personnel Action Request processing, and labor contract updates.	General Fund	-	(307,537)	-	(2.00)
Information Technology	Delete one position (1.0 FTE - IT Supervisor). The Regional Support Division will be reorganized to distribute work evenly among remaining staff.	General Fund	-	(202,109)	-	(1.00)
Police	Delete 12 positions (2.0 FTE - Police Sergeant and 10.0 FTE - Police Officer) in the Impact Team and discontinue overtime funding in the Impact Project (I11002400).	General Fund	-	(2,924,460)	-	(12.00)
Police	Delete two positions (2.0 FTE - Police Officer) in the Emergency Vehicle Operators Course (EVOC).	General Fund	-	(424,640)	-	(2.00)
Police	Delete two positions (2.0 FTE - Police Officer) in the Criminal Intelligence Unit.	General Fund	-	(379,113)	-	(2.00)
Police	Delete one position (1.0 FTE - Police Officer) in Digital Forensics Unit.	General Fund	-	(213,149)	-	(1.00)
Police	Delete three positions (3.0 FTE - Police Officer), eliminating the Internet Crimes Against Children (ICAC)/Sexual Assault Felony Enforcement (SAFE) team.	General Fund	-	(542,162)	(1.00)	(2.00)
Police	Delete 15 positions (1.0 FTE - Dispatcher III and 14.0 FTE - Dispatcher I/II) in the Communications Center.	General Fund	-	(1,749,023)	(15.00)	
Police	Delete one position (1.0 FTE - Police Officer) in the Major Collisions Unit.	General Fund	-	(135,447)	(1.00)	
Police	Delete one position (1.0 FTE - Police Lieutenant) in Academy/Training.	General Fund	-	(288,541)	-	(1.00)
Police	Delete six positions (1.0 FTE - Police Sergeant and 5.0 FTE - Police Officer), eliminating the Nighttime Traffic Enforcement Team.	General Fund	-	(1,177,053)	-	(6.00)
Police	Delete 10 positions (1.0 FTE - Police Sergeant and 9.0 FTE Police Officer), eliminating the Daytime Traffic Enforcement Team.	General Fund	-	(1,814,367)	(4.00)	(6.00)
Police	Delete one position (1.0 FTE - Police Officer) in Robbery Unit.	General Fund	-	(135,447)	(1.00)	
Police	Delete nine positions (1.0 FTE - Police Sergeant and 8.0 FTE - Police Officer) in Burglary Division.	General Fund	-	(1,807,811)	(1.00)	(8.00)
Police	Delete 20 positions (3.0 FTE - Police Sergeant and 17.0 FTE - Police Officer), eliminating Problem Oriented Policing (POP) teams.	General Fund	-	(3,729,162)	(3.00)	(17.00)
Police	Delete 15 positions (3.0 FTE - Police Sergeant and 12.0 FTE - Police Officer), eliminating the Violent Crime Reduction (VCR) teams.	General Fund	-	(2,822,079)	(1.00)	(14.00)
Police	Delete nine positions (1.0 FTE - Police Sergeant and 8.0 FTE - Police Officer), eliminating the Special Investigations Unit.	General Fund	-	(1,887,785)	-	(9.00)
Police	Delete one position (1.0 FTE - Police Lieutenant) in Metro Division.	General Fund	-	(275,581)	-	(1.00)
Police	Delete five positions (5.0 FTE - Police Lieutenant) in Patrol Division.	General Fund	-	(1,393,359)	-	(5.00)
Police	Delete one position (1.0 FTE - Police Captain) in Office of the Chief.	General Fund	-	(321,975)	-	(1.00)
Police	Delete 16 positions (2.0 FTE - Police Sergeant and 14.0 FTE - Police Officer), eliminating Special Weapons and Tactics (SWAT).	General Fund	-	(3,181,771)	(1.00)	(15.00)
Police	Delete two positions (2.0 FTE - Police Officer) in Patrol Unit.	General Fund	-	(270,894)	(2.00)	
Youth, Parks, and Community Enrichment	Delete seven positions. (2 at 1.0 FTE, and 1 at 0.80 FTE - Custodian II, 1 at 1.0 FTE - Program Supervisor) in the Community Center Division, (1 at 1.0 FTE - Program Supervisor) in the Access Leisure Division, (1 at 1.0 FTE - Administrative Officer) in the Fiscal and Management Services Division and (1 at 1.0 FTE - Administrative Analyst) in the Youth Development Administration Division. Reduce programming in all Community Centers. Community Centers would only be open three days during the week and only available for rentals on the weekends.	Measure U	88,652	(738,423)	(1.00)	(5.80)

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Delete forty-three positions (4 at 0.20 FTE and 1 at 0.35 FTE - Cashier, 16 at 0.20 FTE - Lifeguard, 3 at 0.40 FTE and 1 at 0.45 FTE - Pool Manager, 2 at 0.25 FTE and 11 at 0.30 FTE - Senior Lifeguard, and 4 at 0.35 FTE - Assistant Pool Manager) in the Aquatics Division and (1.0 FTE - Recreation Superintendent) in the Older Adult Services Division, reduce revenue obligation in the Aquatics Division by $182,487 and increase services and supplies budget by $100,000 in the Aquatics Division. Reduce Programming in the Aquatics Division. Close all neighborhood pools and only open the three hub pools.	General Fund	-	-	-	
Youth, Parks, and Community Enrichment	Delete forty-three positions (4 at 0.20 FTE and 1 at 0.35 FTE - Cashier, 16 at 0.20 FTE - Lifeguard, 3 at 0.40 FTE and 1 at 0.45 FTE - Pool Manager, 2 at 0.25 FTE and 11 at 0.30 FTE - Senior Lifeguard, and 4 at 0.35 FTE - Assistant Pool Manager) in the Aquatics Division and (1.0 FTE - Recreation Superintendent) in the Older Adult Services Division, reduce revenue obligation in the Aquatics Division by $182,487 and increase services and supplies budget by $100,000 in the Aquatics Division. Reduce Programming in the Aquatics Division. Close all neighborhood pools and only open the three hub pools.	Measure U	182,487	(535,992)	(9.10)	(3.10)
Youth, Parks, and Community Enrichment	Delete twenty-three positions (23 at 1.0 FTE Park Maintenance Worker I) in the Park Maintenance Division and contract with third-party vendor for park maintenance services.	Measure U	-	(613,197)	(1.00)	(22.00)
		Total Change $	**271,139**	**(36,739,162)**	**(44.10)**	**(183.90)**
Citywide						
Citywide and Community Support	Suspend the projected FY2026/27 Economic Uncertainty Reserve (EUR) contribution from the General Fund (Fund 1001) and the Measure U Fund (Fund 2401) .	General Fund	-	(4,396,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the Habitat Conservation Plan MYOP (I22000020). Return unused dollars to fund balance.	General Fund	-	(230,685)	-	-
		Total Change $	-	**(4,626,685)**	**0.00**	**0.00**

There are two reduction strategies funded by the Parking Fund and the Golf Fund that are directly tied to two General Fund reduction strategies listed in the table above that were also **not included** in the Budget.

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Revenue						
Public Works	Establish parking fees at William Land Park off-street lots to offset operational costs of local facilities and attractions, ensure current service levels are maintained, and improve parking availability for visitors.	Parking	(308,133)	255,193	-	-
		Total Change $	**(308,133)**	**255,193**	**0.00**	**0.00**
Level 4 Reduction						
Youth, Parks, and Community Enrichment	Delete seven positions. (2 at 1.0 FTE, and 1 at 0.80 FTE - Custodian II, 1 at 1.0 FTE - Program Supervisor) in the Community Center Division, (1 at 1.0 FTE - Program Supervisor) in the Access Leisure Division, (1 at 1.0 FTE - Administrative Officer) in the Fiscal and Management Services Division and (1 at 1.0 FTE - Administrative Analyst) in the Youth Development Administration Division. Reduce programming in all Community Centers. Community Centers would only be open three days during the week and only available for rentals on the weekends.	Golf	(88,652)	-	-	
		Total Change $	**(88,652)**	-	**0.00**	**0.00**

Proposed Budget Augmentations Not Approved

The following tables include requested augmentations in the General Fund that was not included in the Budget.

Augmentations Not Approved

Department	FTE Change	Net Budget Change
Fire	-	97,927
Public Works	-	9,300,000
Youth, Parks and Community Enrichment	-	-
Total	**-**	**$9,397,927**

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fire	Increase funding for Firefighter Protective Gear for frontline safety protection.	General Fund	-	46,612	-
Fire	Increase funding for Special Operations project (I06120027) for purchase of a boat trailer.	General Fund	-	51,315	-
Public Works	Create and fund a new Capital Improvement Project (CIP) to pilot solar streetlights. Increase public safety by expanding lighted areas and decrease ongoing costs for electricity and repairs of underground conduits.	General Fund	-	500,000	-
Public Works	Increase the service and supplies budget for Facility Maintenance to reflect actual expenses, mitigate inflation, and maintain service levels.	General Fund	-	1,300,000	-
Public Works	Increase funding one-time to Facility Reinvestment Program for legally mandated maintenance of the historic Crocker Art Museum. Restore surrounding iron fencing, exterior façade and columns. Replace Teel Family Pavilion flooring. This maintenance is critical for the safety of visitors, staff, and the artwork.	Measure U	-	7,200,000	-
Public Works	Increase ongoing funding for Facility Reinvestment Program to mitigate inflation and maintain service levels.	Measure U	-	300,000	-
Youth, Parks, and Community Enrichment	Replacement for decommissioned damaged Trash Trailer.	Measure U	-	-	-
		Total Change $	**-**	**9,397,927**	**0.00**

The following table includes a requested augmentation in the Risk Management and Worker's Compensation fund that was not included in the Budget.

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Human Resources	Add new vehicle for the Emergency Vehicle Operations Course (EVOC)	Risk Mgmt	-	-	-
Human Resources	Increase funding to cover the cost of excess liability premiums as recommended by our insurance broker and excess liability provider.	Risk Mgmt	-	3,002,307	-
Human Resources	Increase funding to cover the increase in workers' compensation claims costs as recommended by the actuary.	Worker's Compensation Fund	-	1,484,000	-
		Total Change $	**-**	**4,486,307**	**0.00**

5

SECTION - 5
Understanding the Budget

BUDGET INFORMATION

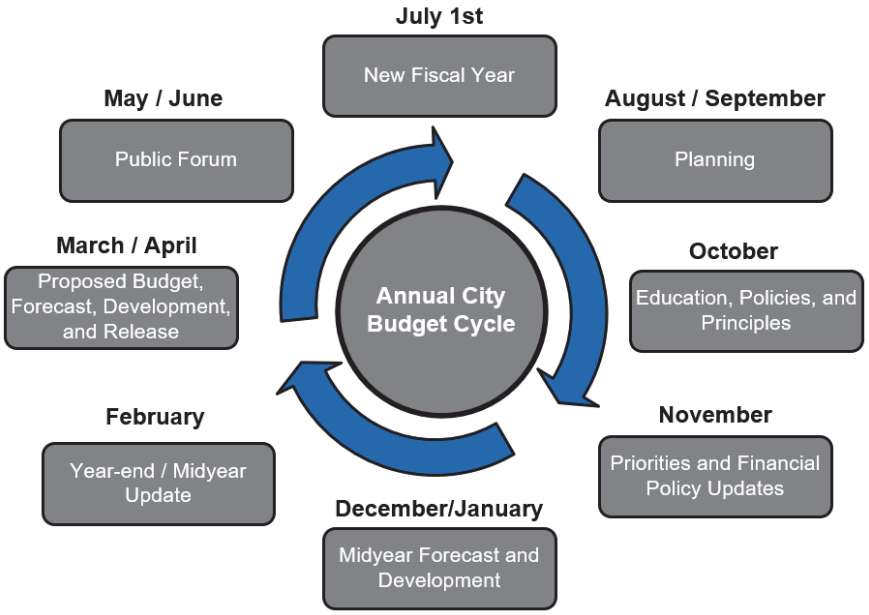
Budget Presentation

The presentation of the Budget includes both the FY2026/27 Approved Operating Budget and the 2026-2031 Approved Capital Improvement Program (CIP) Budget which includes the FY2026/27 CIP Budget. The Budget documents are available on the City's website at: www.cityofsacramento.org/finance/budget.

The Budget includes technical information concerning operating departments and estimated citywide revenues and expenses. The Forecast Section provides an outline of anticipated revenue, including an explanation of assumptions, and a five-year General Fund forecast (revenues and expenditures). The Budget Schedules include detailed information on staffing, revenue estimates, and proposed expenditures for the governmental funds, the enterprise, and other special revenue funds. The Staffing section provides a list of authorized positions for each department, by classification, including the changes in FTE.

The Budget Process

The City engaged and educated the community on the budget process and the City's financial challenges by completing a community budget survey, conducting community meetings, and facilitating discussions at the Budget and Audit Committee (Committee) and Council meetings from February through April. The following graphic represents the City's budget/program planning cycle:



The City's fiscal year is July 1 through June 30. As such, the Council adopts the City's operating and capital budgets for a single fiscal year beginning July 1 and ending June 30 in the subsequent calendar year.

To establish the annual budget, the Budget, Policy and Strategic Planning Division of the Finance Department, in coordination with the City Manager and the City's operating departments, develops a proposed revenue and expenditure plan for the coming fiscal year. The existing approved expenditure plan is carried over from the prior year and:

- Labor costs are updated to reflect current salaries, minimum wage changes and adjustments for taxes as well as salary and benefit changes called for in union contracts. Estimates are also established for unrepresented employees.
- Cost Plan allocations which reimburse the General Fund for support provided to the enterprise funds are updated based on services (accounting, budget, facility maintenance, human resources, information technology [IT], payroll as well as Council and Charter Offices) provided.
- Debt service is updated to reflect the actual payments required.
- Fleet (City vehicles) expenditures including vehicle acquisition, fuel, operations and maintenance, and motor pool are updated based on established replacement schedules, prior year actual costs/usage and anticipated cost increases.
- General Liability and Auto Liability insurance costs are updated based on annual experience and exposure cost allocation studies in accordance with the adopted Risk Management Funding and Reserve Policy.
- Retiree health care costs and pension payments for the Sacramento City Employees' Retirement System (SCERS) are updated based on actuarial reports.

Departments are also provided with an opportunity to request budget changes to address ongoing initiatives like repair and replacement of aging equipment and infrastructure, utilities, and staffing needs. These requests are submitted and reviewed by the City Manager's Office. A summary of budget modifications is outlined in the Budget Modification Section.

A five-year revenue model has been developed based on prior year actual revenue receipts and economic and revenue indicators to determine what resources, tax revenues, and other discretionary revenues will be available to support operating requirements. Detailed information on the revenue forecast, including estimated ongoing impacts of the pandemic, is included in the Forecast Section. Capital improvement programs and projects are identified and funded with available General Funds, enterprise funds, internal service funds, grants, transportation, and other funding sources as identified in Schedule 4 and detailed in the 2026-2031 CIP.

Council Priorities

On February 14, 2017, the Council adopted the following Core Budget Policies and Guidelines (Resolution 2017-0078) for the annual budget.

Core Budget Policies
1. City Council must adopt a balanced budget.
2. Funding decisions should be consistent with Council adopted policies.
3. The Economic Uncertainty Reserve shall be maintained at a minimum of 10% of budgeted General Fund revenues. Resources shall be added to maintain this level through the budget and midyear processes as necessary.
Budget Guidelines
1. Maintain a fiscally sustainable, balanced budget.
2. The Mayor and Council's priorities, based on community input, should drive the budget creation.
3. Continue a community-based budget process where city residents are engaged and educated on budget processes and provide feedback on budget priorities.
4. Look for ways to grow the reserve beyond its current goal.
5. All budget actions must be considered in a five-year context, with new revenues not counted or spent until realized. One-time resources should be used for one-time needs, not ongoing expenses.
6. Do not make spending decisions in isolation. Avoid spending money on one-off projects or without looking at the big picture. Understand long-term consequences and opportunity costs.
7. Keep Council informed on the fiscal condition of the City and conduct continuous evaluations for efficiencies and effectiveness.
8. The City must consistently look for opportunities to proactively grow revenues instead of being reactive.
9. Make every effort to identify private financing or federal and state grant opportunities before using City resources. Pursue new and enhance existing revenue sources.
10. Before new expenditures are made, identify return on investments and impacts; fiscal and social benefits.
11. Address unfunded long-term liabilities.
12. Remain a full-service city.

Financial Management Policies

The City of Sacramento develops its annual budget according to Council-adopted sustainable budget policies. These policies call for one-time funding sources to only be used for one-time operating and capital expenditures. Ongoing expenditures are to be matched with ongoing financing sources. Reserves are to be used in a planned and strategic manner. The five-year forecast for the General Funds will be updated as new information becomes available. Full reviews of revenue receipts in comparison to the budgetary estimates are performed and corrective actions recommended, if necessary.

The ongoing core of the Council's budget philosophy continues to be sustainability. The Council has adopted the following financial management policies that guide the development of the Budget, financial decision making, and fund management. These policies are included in the Financial Policy Section of the document.

- Budget Control
- Debt Management and Debt Management Disclosure
- Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management

- Emergency Medical Services (EMS) Revenue Recovery and Fee Waiver
- Fees and Charges
- General/Measure U (G/MU) Fund Economic Uncertainty Reserve (EUR) Policy
- Interfund Loans
- Investment
- Other Post-Employment Benefits (OPEB)
- Pension Funding
- Prior Year Savings Guideline Policy
- Rental Housing Inspection Program (RHIP) Reserve and Project Management Policy
- Risk Management Funding and Reserve
- Sacramento City Employees' Retirement System (SCERS) Investment

Performance Measurement

A performance management program is an important tool in city management. It offers a method of measuring the success of programs and activities in achieving outcomes that reflect public priorities. The establishment and evaluation of performance metrics and business improvement activities will serve to inform operational and strategic decision-making throughout the organization. As a management tool, it will aid in evaluating how well programs are providing quality services.

The National Performance Management Advisory Commission's *"A Performance Management Framework for State and Local Government,"* provides a model for public sector performance management based on seven key principles, which can be applied to local government planning, budgeting, management, and evaluation to bring together critical processes and decision making to improve results. The seven principles ensure that:

1. ***A results focus permeates strategies, processes, the organization culture, and decisions***. While compliance with prescribed processes can assure fairness, fiscal integrity, or adherence to the law, it does not necessarily result in substantial benefits to the public. Performance management assures that the organization's culture and processes are aligned with the goals the organization wishes to achieve.

2. ***Information, measures, goals, priorities, and activities are relevant to the priorities and well-being of the government and the community***. To achieve results, an organization must first establish goals and performance targets that are relevant to stakeholders. It then must ensure that all levels of the organization (e.g., policy makers, managers, staff, and others) understand how to implement performance management tools that will achieve those goals.

3. ***Information related to performance, decisions, regulations, and processes is transparent, i.e., easy to access, use, and understand***. The transparency (i.e., completeness, organization, and understandability) of performance information is critical to fostering evidence-based planning, budget, and decision making.

4. ***Goals, programs, activities, and resources are aligned with priorities and desired results***. Effective performance management systems ensure alignment among an organization's goals, priorities, programs, activities, resources, and desired results.

5. ***Decisions and processes are driven by timely, accurate, and meaningful data***. Collecting, storing, and applying performance data is essential to tracking and understanding results.

6. ***Practices are sustainable over time and across organizational changes***. "Performance management is not an event, a program, or a quick fix…" Efforts must be sustainable, flexible, and adaptable enough to keep up with inevitable changes, whether those changes take place within the organization's leadership or the community in which the organization is located.

7. ***Performance management transforms the organization, its management, and the policy-making process.*** An organization that has been truly transformed by performance management uses evidence-based planning and management, objective goal setting, and alignment of its structure, systems, and resources to achieve its desired results.

The City has been working on performance management with departments to identify measures that address these principles. While department sections include a few key measures, there are many additional measures being tracked citywide. The City Manager's Office directly oversees this program and is working on strengthening existing measures and adding measures that are important to the Council, our community, and the operating departments/management.

FINANCIAL INFORMATION

Budget Basis

The City's annual budget is prepared on a modified accrual basis of accounting. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, intergovernmental revenue, special assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets are modified throughout the year when the tax base changes, fees are modified, new revenue sources are identified, or programs are changed. The City Manager is authorized to administratively amend the budget during the year for transactions less than $250,000 without Council approval. All other appropriation adjustments during the year require Council approval. Unencumbered annual budget appropriations lapse at fiscal year-end except as specifically identified in the annual budget resolution. Multi-year budget appropriations are automatically carried over into the next fiscal year.

Fund Structure

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. A fund is defined as a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources together with related liabilities. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. The City has three types of funds:

- *Governmental Funds* — Account for activities which are primarily supported by taxes or other mandatory payments. Most of the City's basic services are included in governmental funds. There are three categories of Governmental Funds:
    - The General Fund is the primary operating fund of the City and accounts for all financial resources except for those that are required to be accounted for in separate funds. Sources of General Fund revenues include taxes, licenses, permits, fees, fines, intergovernmental revenues, and charges for services,

special assessments, interest income, and other resources available for discretionary funding.

The General/Measure U Fund EUR was established to provide resources for the Mayor and Council to manage the impact of economic fluctuations that negatively impact the City's revenues.

- April 26, 2016 – Council-adopted the General Fund EUR Policy (Council Motion 2016-00440) establishing a minimum reserve level equal to 10% of annual General Fund revenues and a target reserve level equal to two months of regular ongoing General Fund expenditures, including transfers (17% of General Fund expenditures). Resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources available to the General Fund.

- February 5, 2019 – Council adopted the General/Measure U Fund EUR Policy (Resolution 2019-0248) adding the Measure U Fund to the original EUR Policy.

- The Measure U Fund was established to account for revenues collected from the half-cent transactions and use tax approved by voters on November 6, 2012. On November 6, 2018, the voters approved a change to Measure U, increasing the tax to one cent. Measure U was approved as a general tax and can be used for any general government purpose. This tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside the city and delivered to a location within the city.

- Other Governmental Funds include:

  - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter, or ordinance to finance specific governmental functions.

  - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years.

  - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets.

- *Proprietary Funds* — Account for services for which customer fees are intended to finance the costs of operations. There are two types of Proprietary Funds:

- Enterprise Funds account for programs and services financed and operated similar to business-type activities which include services rendered to the general public on a fee basis.
    - Community Center Fund accounts for the operation and maintenance of the City's Convention Center Complex, including the Convention Center Theater, Memorial Auditorium, and the Community Center.
    - Parking Fund accounts for the operation and maintenance of five City parking garages and 40 garages and parking lots (including lots owned by the State of California and numerous private owners).
    - Solid Waste Fund accounts for the collection and disposal of refuse throughout the City and for landfill closure.
    - Storm Drainage Fund and Storm Drainage Property Fee Fund accounts for the operation and maintenance of the City's surface drainage system.
    - Wastewater Fund accounts for the operation and maintenance of the City's wastewater system.
    - Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.
- Internal Service Funds, i.e., the City's Fleet Fund and Risk Management Fund, account for the activities that provide services delivered by one department to another department on a cost reimbursement basis.

- *Fiduciary Funds* — Account for activities that most closely resemble not-for-profit organizations, including trusts and agency activities. The City is:
    - *The* trustee, or *fiduciary*, for its closed (effective January 1977) defined benefit pension plan – Sacramento City Employees' Retirement System (SCERS).
    - Responsible for other assets, held on behalf of investors, in the City's investment pool and individual investment accounts.
    - Responsible for the assets received by the Successor Agency from the City's former Assembly Bill X1 26 which dissolved redevelopment agencies in California.
    - The agent for bonded assessment and community facilities districts and responsible for ensuring the assets reported in these funds are used for their intended purposes.

Annual budgets are adopted for the governmental funds, enterprise funds, special revenue funds, and internal service funds. Expenditures are appropriated on a modified accrual basis, except the commitments related to purchase orders and contracts are treated as expenditures in the year of commitment.

City of Sacramento Budget
Governmental Funds
Proprietary Funds
GENERAL FUND
OTHER GOVERNMENTAL FUNDS
INTERNAL SERVICE FUNDS
ENTERPRISE FUNDS
MEASURE U
4th R Program
65th Street Area Impact Fee
ACS Capital Campaign
ARPA Reinvestment Fund
Art in Public Places Projects
Assessment Reg/SDRIS
Cal EPA
CIRBS
CIP Reimbursable
Citation I-5 Improvements
Citation I-5 Maintenance
Citywide Low Income Housing
Cultural Services-Other
Debt Service
Development Services
Downtown Impact Fee
Downtown Mgmt Dist
Ethel Macleod Hart Trust
Fair Share Contributions
Fairytale Town
Federal Capital Grant
Florin Road Strm & Sanit
Gas Tax
Golf
Greenbriar Impact Fee
I-5 Subregional Corridor Mitig
Innovation and Growth
Jacinto Creek Plan Area
Land Park
Landscaping and Lighting
Library Srvcs Parcel Tax
Major Street Const
Marcy Friedman ESC App
Marina
Measure A Maintenance
Measure L Children's Fund
NMA Safety, Streets, Ped, Bic
NMA Traffic Control & Safety
North Natomas Financing Plan
Other
Other Capital Grants
Park Development
Quimby Act
Railyard Impact Fee
Redevelopment Bond Funds
Road Maint and Rehabilitation
River District Impact Fee
SB720 Red Light Camera Fund
So Natomas Comm Improv
So Natomas Facility Benefit
So Natomas I-5 Developer Impr
Special Districts
Special Districts – Capital
Special Program Donations
START
Sunset, Meadows A/D Maint
Traffic Safety
Transportation Development
Transportation Dev Impact Fee
Transportation System Mgmt
Trench Cut Fee
Tree Planting Replacement
Wastewater Dev Fees
Water Dev Fees
Water Planning
Willowcreek Fee Dist
Zoo
Fleet Management
Risk Management
Workers' Compensation
Community Center
Parking
Solid Waste
Storm Drainage
Wastewater
Water

HOW TO READ THIS DOCUMENT

The Budget for each department is presented in a format that includes the following:

- Department mission statement (if available)
- Budget/staffing changes
- A department level budget summary table showing budget for:
  - FY2023/24 Actuals
  - FY2024/25 Actuals
  - FY2025/26 Approved Budget
  - FY2025/26 Amended Budget (as of February 2026)
  - FY2026/27 Approved Budget
  - Variance

  The summary table shows for each year:
  - Budgeted expenditures by category
  - Funding sources and amounts
- A division level summary budget table:
  - FY2023/24 Actuals
  - FY2024/25 Actuals
  - FY2025/26 Approved Budget
  - FY2025/26 Amended Budget (as of February 2026)
  - FY2026/27 Approved Budget
  - Variance
- A division level summary staffing table:
  - FY2023/24 Actuals
  - FY2024/25 Actuals
  - FY2025/26 Approved Budget
  - FY2025/26 Amended Budget (as of February 2026)
  - FY2026/27 Approved Budget
  - Variance

Department Budget Summary Table

The Budget for each department is compared with the prior year amended. A sample is as follows:

Human Resources Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 12,386,859	$ 13,297,275	$ 13,317,022	$ 13,317,021	$ 13,918,703	$ 601,682
Services & Supplies	64,746,701	61,122,316	72,163,702	72,163,702	72,098,370	(65,332)
City Property	11,247	24,888	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	102,250	102,250	192,250	90,000
Central Offsets	1,662,833	2,102,645	3,056,882	3,056,882	2,894,323	(162,559)
Labor Offsets	(246,798)	(144,343)	(293,932)	(293,932)	(299,329)	(5,397)
Service and Supplies Offsets	787,558	2,669,995	-	(2,484,342)	-	2,484,342
Total	**$ 79,348,400**	**$ 79,072,776**	**$ 88,389,124**	**$ 85,904,781**	**$ 88,847,517**	**$ 2,942,736**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 4,712,084	$ 5,214,317	$ 4,822,216	$ 4,822,217	$ 4,723,418	$ (98,799)
Cty/Cnty Office-Water Planning	-	-	38,820	38,820	47,102	8,282
Fleet Management	14,433	16,000	-	-	-	-
Interdepartmental Service	1,664,044	1,763,967	1,781,869	1,781,869	1,902,536	120,667
Marina	4,811	4,000	-	-	-	-
Measure U	481,252	507,048	557,774	557,773	628,744	70,971
Parking	4,811	4,000	-	-	-	-
Recycling and Solid Waste	152,226	168,606	175,965	175,965	186,188	10,223
Risk Mgmt	51,460,096	46,138,533	60,056,241	57,571,898	60,165,843	2,593,945
Worker's Compensation Fund	20,854,643	25,256,305	20,956,239	20,956,239	21,193,686	237,447
Total	**$ 79,348,400**	**$ 79,072,776**	**$ 88,389,124**	**$ 85,904,781**	**$ 88,847,517**	**$ 2,942,736**

Column 1 – FY2023/24 actual expenditures by category and funding amounts by source.

Column 2 – FY2024/25 actual expenditures by category and funding amounts by source.

Column 3 – FY2025/26 Approved Budget by category and funding amounts by source.

Column 4 – FY2025/26 Amended Budget by category and funding amounts by source (as of February 2026).

Column 5 – FY2026/27 Approved Budget by category and funding amounts by source.

Column 6 – The budget change between the FY2026/27 Approved and the FY2025/26 Amended budget.

Division Budget Summary Table

The Division Budget Summary table shows proposed expenditures for each division in the department. The tables look like the one below:

Human Resources Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
HR Administration Division	$ 1,724,756	$ 1,744,688	$ 1,983,792	$ 1,983,792	$ 1,925,284	$ (58,508)
Benefit Services Division	1,203,015	1,151,042	1,223,381	1,223,381	1,285,973	62,592
Employment, Classification & Dev. Divison	2,051,962	2,262,262	1,961,207	1,961,208	1,883,921	(77,287)
Risk Management Administration Division	68,947,834	67,795,178	76,951,907	74,467,564	77,081,106	2,613,542
Workers' Compensation Division	3,083,064	3,305,982	3,636,903	3,636,903	3,843,539	206,636
Labor Relations Division	1,856,449	2,306,576	2,114,914	2,114,914	2,241,576	126,662
Office of Diversity and Equity Division	481,321	507,048	517,020	517,019	586,118	69,099
Total	**$ 79,348,400**	**$ 79,072,776**	**$ 88,389,124**	**$ 85,904,781**	**$ 88,847,517**	**$ 2,942,736**

Column 1 – FY2023/24 actual expenditures by division.

Column 2 – FY2024/25 actual expenditures by division.

Column 3 – FY2025/26 Approved Budget by division.

Column 4 – FY2025/26 Amended Budget by division (as of February 2026).

Column 5 – FY2026/27 Approved Budget by division.

Column 6 – The budget change between the FY2026/27 Approved and the FY2025/26 Amended Budget.

Staffing Levels Summary Table

The Staffing Levels Summary table shows proposed Full-Time Equivalent (FTE) positions for each division in the department. The tables look like the one below:

Human Resources Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
HR Administration Division	9.00	9.00	7.00	7.00	7.00	-
Benefit Services Division	9.00	9.00	8.00	8.00	8.00	-
Employment, Classification & Development Divison	15.00	15.00	13.00	13.00	12.00	(1.00)
Risk Management Administration Division	17.00	17.00	16.00	16.00	16.00	-
Workers' Compensation Division	19.00	19.00	19.00	19.00	19.00	-
Labor Relations Division	11.00	11.00	11.00	11.00	11.00	-
Office of Diversity and Equity Division	3.00	3.00	3.00	3.00	3.00	-
Total	**83.00**	**83.00**	**77.00**	**77.00**	**76.00**	**(1.00)**

Column 1 – FTEs by division in FY2023/24.

Column 2 – FTEs by division in FY2024/25.

Column 3 – FTEs by division in the FY2025/26 Approved Budget.

Column 4 – FTEs by division for the FY2025/26 Amended Budget (as of February 2026).

Column 5 – FTEs by division as Approved for FY2026/27.

Column 6 – The budget change in FTEs by division between the FY2026/27 Approved and the FY2025/26 Amended Budget.

6

SECTION - 6
The Forecast

Approved Financial Forecast

General Fund (General Fund and Measure U): The changes to the FY2026/27 Proposed Budget as summarized in the Budget Overview resulted in changes to General Fund revenues and expenditures. The General Fund forecast as shown below has been updated to reflect the budget as approved.

5-Year Forecast General Fund *($ in 000s)*	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Available Fund Balance	**-**	**124**	**-**	**-**	**-**
Revenues					
Revenues	878,216	893,436	916,100	936,967	957,661
Other Sources	20,066	11,941	12,148	12,358	12,573
Total Revenues/Resources	898,281	905,377	928,247	949,325	970,234
Expenditures					
Operations	877,881	920,826	966,469	987,489	1,016,247
Capital Projects	17,229	15,748	15,728	15,788	15,788
Subtotal Expenditures	895,111	936,574	982,197	1,003,276	1,032,034
EUR Contribution	3,047	4,700	5,000	5,100	5,200
Total Expenditures/Uses	898,158	941,274	987,197	1,008,376	1,037,234
Surplus/(Deficit)	124	(35,896)	(58,950)	(59,051)	(67,000)
Ending Available Fund Balance	**124**	**(35,773)**	**(58,950)**	**(59,051)**	**(67,000)**

Measure U Fund: The changes to the FY2026/27 Proposed Budget as summarized in the Budget Overview resulted in changes to Measure U programming. The Measure U forecast as shown below has been updated to reflect the budget as approved.

As presented, the Measure U Fund provides $145.7 million for ongoing programs and services for Affordable Housing, Arts/Creative Edge, Climate Action, Community Investment, Community Response, Homelessness, Inclusive Economic Development, Public Safety, and Youth. Detailed information on each program is included in the department sections.

Revenues and Expenditures in ($ in 000s)	FY2026/27 FTE	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
REVENUES		**137,265**	**139,564**	**144,303**	**147,446**	**150,367**
EXPENDITURES						
Affordable Housing						
Operations	20.00	103	131	185	203	218
Multi-Year Operating Projects		3,492	3,600	3,600	3,600	3,600
Capital Improvements		-	-	-	-	-
Affordable Housing Subtotal	**20.00**	**3,595**	**3,731**	**3,785**	**3,803**	**3,818**
Arts/Creative Edge						
Operations	22.25	3,153	3,201	3,272	3,311	3,348
Multi-Year Operating Projects		482	614	614	614	614
Capital Improvements		-	-	-	-	-
Arts/Creative Edge Subtotal	**22.25**	**3,635**	**3,815**	**3,886**	**3,925**	**3,962**
Climate Action						
Operations	4.00	586	595	609	617	624
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Climate Action Subtotal	**4.00**	**586**	**595**	**609**	**617**	**624**
Community Investment						
Operations	170.77	20,741	20,971	21,313	21,491	21,661
Multi-Year Operating Projects		6,405	5,412	5,412	5,412	5,412
Capital Improvements		(3)	-	-	-	-
Community Investment Subtotal	**170.77**	**27,143**	**26,383**	**26,725**	**26,903**	**27,073**
Community Response						
Operations	126.00	17,705	17,960	18,323	18,533	18,736
Multi-Year Operating Projects		30,529	30,548	40,268	40,679	41,095
Capital Improvements		-	-	-	-	-
Community Response Subtotal	**126.00**	**48,234**	**48,507**	**58,592**	**59,212**	**59,831**
Homelessness						
Operations	7.00	1,033	1,049	1,074	1,087	1,101
Multi-Year Operating Projects		2,146	2,146	2,146	2,146	2,146
Capital Improvements		-	-	-	-	-
Homelessness Subtotal	**7.00**	**3,179**	**3,195**	**3,220**	**3,233**	**3,247**
Inclusive Economic Development						
Operations	31.00	6,695	6,799	6,943	7,030	7,116
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Inclusive Economic Development Subtotal	**31.00**	**6,695**	**6,799**	**6,943**	**7,030**	**7,116**
Library						
Operations	-	14,272	14,272	14,272	14,272	14,272
Multi-Year Operating Projects		400	400	400	400	400
Capital Improvements		-	-	-	-	-
Library Subtotal	**-**	**14,672**	**14,672**	**14,672**	**14,672**	**14,672**
Public Safety						
Community Development						
Operations	15.00	2,023	2,057	2,102	2,131	2,160
Multi-Year Operating Projects		184	-	-	-	-
Capital Improvements		-	-	-	-	-
Community Development Subtotal	**15.00**	**2,207**	**2,057**	**2,102**	**2,131**	**2,160**
Fire						
Operations	-	2,158	2,194	2,229	2,266	2,303
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Fire Subtotal	**-**	**2,158**	**2,194**	**2,229**	**2,266**	**2,303**
Police						
Operations	48.50	3,799	3,860	3,937	3,993	4,049
Multi-Year Operating Projects		227	-	-	-	-
Capital Improvements		-	-	-	-	-
Police Subtotal	**48.50**	**4,027**	**3,860**	**3,937**	**3,993**	**4,049**
Youth Parks & Community Enrichment (YPCE)						
Operations	15.00	2,170	2,207	2,258	2,289	2,319
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
YPCE Subtotal	**15.00**	**2,170**	**2,207**	**2,258**	**2,289**	**2,319**
Public Safety Subtotal	**78.50**	**10,561**	**10,317**	**10,527**	**10,679**	**10,832**
Youth						
Operations	298.31	18,619	18,928	19,325	19,602	19,876
Multi-Year Operating Projects		1,192	2,462	2,462	2,462	2,462
Capital Improvements		-	-	-	-	-
Youth Subtotal	**298.31**	**19,811**	**21,390**	**21,787**	**22,064**	**22,338**

Miscellaneous						
Operations	-	7,490	8,321	9,259	10,325	11,535
Multi-Year Operating Projects		61	2,205	2,291	2,049	1,743
Capital Improvements		-	-	-	-	-
Miscellaneous Subtotal	**-**	**7,551**	**10,525**	**11,550**	**12,374**	**13,279**
Total Expenditures	**757.83**	**145,662**	**149,930**	**162,295**	**164,512**	**166,790**
Economic Uncertainty Reserve (EUR) Contribution *(0.5% of Expenses)*		-	-	-	-	-
Net Resources *(revenues less expenditures)*		**(8,397)**	**(10,365)**	**(17,993)**	**(17,065)**	**(16,423)**
Other Sources/Uses						
Beginning Available Fund Balance		(41,887)	-	-	-	-
Federal Funding Loss Reserve		183				
Revised Forecast	**757.83**	**$ (50,102)**	**$ (10,365)**	**$ (17,993)**	**$ (17,065)**	**$ (16,423)**

Enterprise Funds: The changes to the FY2026/27 Proposed Budget as summarized in the Budget Overview resulted in changes to Enterprise Fund programming. The Enterprise Fund forecast summaries as shown below have been updated to reflect the budget as approved.

Community Center Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	23,028	26,849	24,424	22,303	21,943	23,203
Revenue	51,664	53,638	55,022	56,612	58,366	60,085
Expenditures	55,238	55,813	56,892	56,722	56,856	57,101
Other Source/(Use)	7,396	(250)	(250)	(250)	(250)	(250)
Ending Funding Balance	**26,849**	**24,424**	**22,303**	**21,943**	**23,203**	**25,936**

Parking Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	4,815	6,738	6,076	5,335	4,222	2,600
Revenue	21,573	21,689	22,063	22,450	22,851	23,264
Expenditures	20,388	22,351	22,805	23,563	24,473	23,809
Other Source/(Use)	738	-	-	-	-	-
Ending Funding Balance	**6,738**	**6,076**	**5,335**	**4,222**	**2,600**	**2,055**

Solid Waste Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	55,523	67,885	69,220	67,758	64,803	57,165
Revenue	101,247	101,375	102,001	102,654	103,331	104,032
Expenditures	90,051	100,040	103,464	105,609	110,969	114,452
Other Source/(Use)	1,166	-	-	-	-	-
Ending Funding Balance	**67,885**	**69,220**	**67,758**	**64,803**	**57,165**	**46,745**

Storm Drainage Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	25,479	30,854	29,430	24,720	19,210	14,291
Revenue	43,983	46,013	46,021	46,040	46,071	46,110
Expenditures	39,311	47,437	50,731	51,550	50,990	53,190
Other Source/(Use)	703	-	-	-	-	-
Ending Funding Balance	**30,854**	**29,430**	**24,720**	**19,210**	**14,291**	**7,211**

Storm Drainage Property Fee Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	23,791	11,992	14,153	16,732	19,224	22,053
Revenue	20,786	21,107	21,419	21,748	22,093	22,453
Expenditures	32,585	18,946	18,840	19,255	19,265	19,475
Other Source/(Use)	-	-	-	-	-	-
Ending Funding Balance	**11,992**	**14,153**	**16,732**	**19,224**	**22,053**	**25,031**

Wastewater Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	25,827	26,504	20,714	15,403	10,385	8,523
Revenue	48,008	48,290	48,241	48,212	48,202	48,206
Expenditures	49,794	54,079	53,553	53,230	50,063	49,926
Other Source/(Use)	2,463	-	-	-	-	-
Ending Funding Balance	**26,504**	**20,714**	**15,403**	**10,385**	**8,523**	**6,804**

Water Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Approved	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	67,538	49,423	39,684	19,344	20,615	(4,188)
Revenue	141,332	144,078	143,774	143,536	143,359	143,236
Expenditures	177,353	153,817	164,114	167,765	168,161	169,897
Other Source/(Use)	17,906	-	-	25,500	-	-
Ending Funding Balance	**49,423**	**39,684**	**19,344**	**20,615**	**(4,188)**	**(30,849)**

Proposed Financial Forecast

(As written on April 29, 2026, with technical adjustments as necessary to reflect Council intent.)

Financial Forecast

The financial forecast is a fiscal management tool that evaluates current and future fiscal trends and presents estimated information based on past, current, and projected financial conditions. This tool helps identify future revenue and expenditure trends that may have an immediate or long-term influence on Council's policies, strategic goals, and community programs and services.

General and Measure U Funds Overview

This section includes a five-year forecast for the General Fund (General and Measure U Funds combined), a separate forecast for the Measure U Fund and the City's Enterprise Funds. The information in these forecasts provides a current picture of the fiscal condition of the funds, establishing an important context for the decision-making necessary to maintain both essential community services and fiscal stability.

In February 2026, the City released its updated financial forecast which projected a $66.2 million funding gap for FY2026/27 with deficits increasing annually throughout the forecast period and reaching over $102 million by FY2028/29.



The forecast did not assume an economic downturn and highlighted a fundamental imbalance in the City's budget with expenses outpacing revenues. This imbalance is known as a structural deficit.

The structural deficit is not the result of an economic downturn but is the result of decisions that the City and voters have made over the past few years along with

macroeconomic forces such as inflation. These decisions include expanding into new service areas, increased costs of new labor contracts, increasing staffing levels, and ballot measures redirecting general revenues for specific purposes. In many cases, federal aid to assist local governments mitigate COVID-19 pandemic impacts allowed the City to fund these cost increases, however, the federal funding was one-time while many of the increased costs are ongoing.

In addition to the structural deficit, the City has been in negotiations with all eleven recognized employee organizations (REO) over the past 10 months. Eight of the eleven REOs now have labor contracts with the City and two of the remaining three REOs are close to being finalized. Updated labor contract costs increased overall deficit by $11.3 million in FY2026/27 above the labor increases included in the mid-year forecast. The additional costs are included in the Budget and the forecast. The City is still in active negotiations with the Sacramento Police Officers Association (SPOA). The Budget and the forecast include costs that have been proposed to SPOA to date.

The Budget addresses the City's deficit by taking a strategic approach to conduct revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts. Proposed solutions to close the $66.2 million funding gap plus the additional labor contract costs of $11.3 million include a combination of one-time and ongoing strategies. While the ongoing reductions helped decrease the deficits in future fiscal years, they did not close the entire gap.

The Five-Year General Fund Forecast

Given Council's sustainable budget policy, proposed fiscal actions are evaluated in both a short and longer-term context. The five-year forecast is a key tool in the City's long-range financial planning process, providing a multi-year view of revenues and expenditures, allowing an assessment of the fiscal consequences of both prior and current funding decisions in the context of forecasted revenues and expenditures.

The five-year forecast is developed during the annual budget process based on the most recent national, State, regional and local economic data, trends, and changes in both economic conditions and anticipated future revenues trends. Updated cost estimates are also a key component of the long-range forecasting process. This allows the City to identify potential challenges and make course corrections through budget and operational adjustments. In addition, if there are significant changes to either revenues and/or expenditures during the year, outside of the budget or quarterly reviews, the impact of those changes will be reported to Council as soon as practicable.

The Budget is balanced; however, the City continues to face a structural deficit with expenses outpacing revenue growth in future fiscal years. While the recommended reduction strategies help close the funding gap in FY2026/27, these efforts do not completely fill the gaps in future fiscal years. The current five-year forecast is presented below.

5-Year Forecast General Fund *($ in 000s)*	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Available Fund Balance	**-**	**294**	**-**	**-**	**-**
Revenues					
Revenues	879,916	897,372	919,892	940,625	961,195
Other Sources	18,683	11,724	11,926	12,132	12,343
Total Revenues/Resources	898,599	909,096	931,818	952,757	973,537
Expenditures					
Operations	879,595	921,445	972,180	993,736	1,023,131
Capital Projects	14,210	15,808	15,788	15,788	15,788
Subtotal Expenditures	893,805	937,252	987,968	1,009,523	1,038,918
EUR Contribution	4,500	4,700	5,000	5,100	5,200
Total Expenditures/Uses	898,305	941,952	992,968	1,014,623	1,044,118
Surplus/(Deficit)	294	(32,856)	(61,150)	(61,866)	(70,581)
Ending Available Fund Balance	**294**	**(32,563)**	**(61,150)**	**(61,866)**	**(70,581)**

Additional challenges in the General Fund forecast are detailed below:

- California Public Employees' Retirement System (CalPERS) unfunded liability costs will increase by $16.6 million (14.7%) over the next four years.
- Liability insurance premiums are estimated to increase by $37.3 million (69%) over the next four years.
- Unknown future labor costs with SPOA. Although the Budget and the forecast include costs that have been proposed to SPOA to date, the final costs may differ.
- Approximately $2.0 billion in unfunded capital needs between 2026 and 2031 are not included in the forecast. Unfunded capital needs consist of the maintenance and repairs of existing City facilities and assets and the purchase of new assets required to maintain a consistent level of service to City residents.
- Homeless services will cost approximately $168 million over the next four years, and future State funding may not be allocated to the City as the Governor did not include an additional round of HHAP program funding in his January Budget proposal.

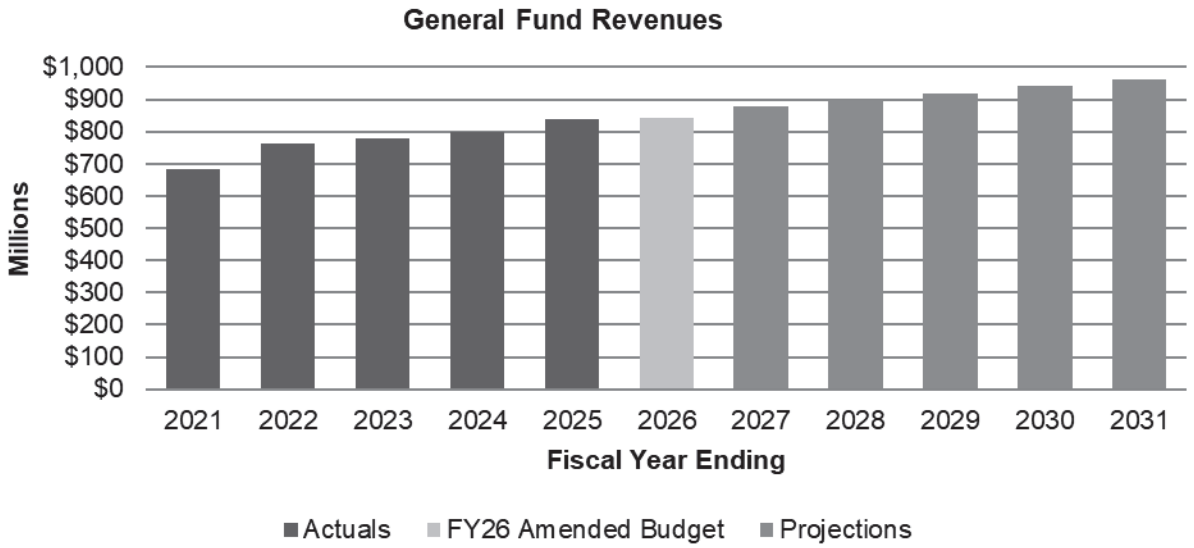
With the exception of unfunded capital needs and unknown final SPOA contract costs, estimates for the above challenges have been included in the forecast as presented.

General Fund Revenues

The City's General Fund revenues continue to experience growth across most revenue sources. The following table highlights the top three General Fund revenue sources representing almost two-thirds of all General Fund revenues.

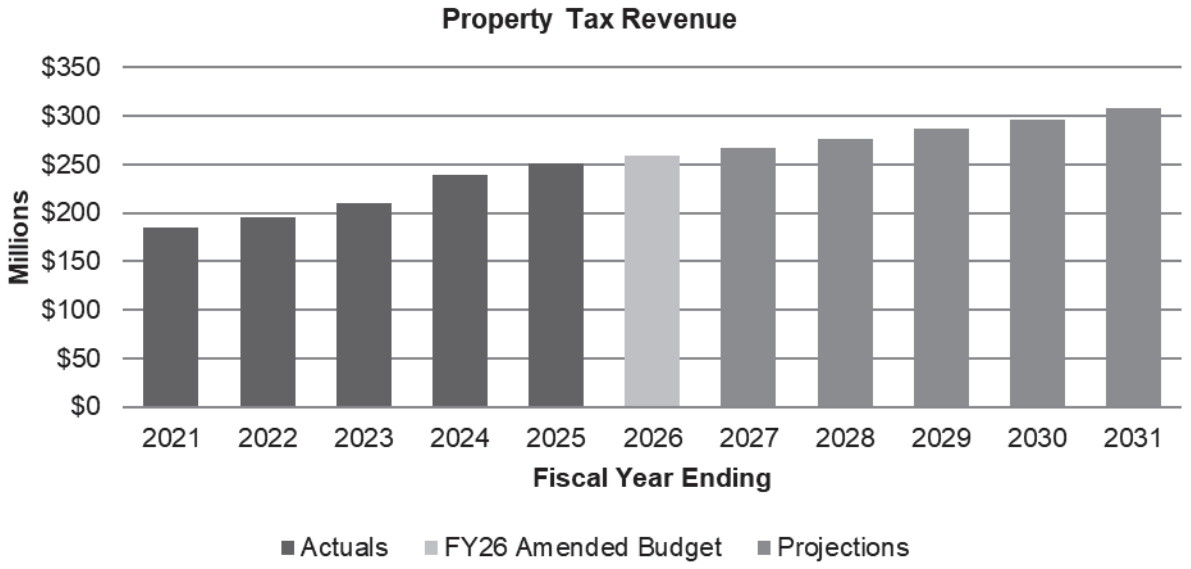
Revenue Source ($ in 000s)	FY2025/26 Amended	FY2026/27 Proposed	FY2027/28 Projected	FY2028/29 Projected	FY2029/30 Projected	FY2030/31 Projected
Property Tax	258,546	266,507	276,176	286,218	296,647	307,479
Sales Tax	236,843	243,370	247,167	255,589	261,538	266,937
Utility User Tax	70,420	70,852	71,764	72,772	73,874	75,068
Other Revenue	275,806	299,187	302,265	305,312	308,566	311,711
Total General/Measure U Revenue	**841,616**	**879,916**	**897,372**	**919,892**	**940,625**	**961,195**

The chart below provides a five-year year look back and forecast of General Fund revenue growth. General Fund revenues are projected to increase by about 9% between FY2026/27 through FY2030/31.



Property Tax

Property taxes account for 30% of all General Fund revenues. Revenues related to property taxes are affected by fluctuations in the real estate market, levels of new construction activity, and the corresponding changes to the assessed value of those properties on the tax roll.



According to Federal Reserve Economic Data, the average 30-year fixed rate mortgage fell from over 7% in January 2025 to about 6.2% in December 2025. For 2026, however, the Mortgage Bankers Association and Fannie Mae are projecting mortgage rates to remain essentially flat at 6.1% and 6.0%, respectively. This may hinder additional homebuyer demand this year. According to the Sacramento Business Review January 2025 Report, Sacramento's residential housing market was subdued throughout 2025 as affordability constraints weighed on homebuyer demand. As a result, the region is likely to see another year of muted activity in 2026, with affordability remaining the primary barrier to stronger demand.

Additionally, regional home price appreciation decelerated throughout 2025 even as mortgage rates declined, indicating potential buyers remained on the sidelines despite improvement in mortgage rates. Resale home values in Sacramento declined 1% between November 2024 and November 2025. New home values have maintained their sales pace through heavy reliance on builder-provided incentives, but sales volume remains well below the pre-pandemic average. Taken together, these recent trends in the housing market both nationally and regionally suggest that Sacramento's housing market faces continued headwinds heading into FY2026/27.

The total assessed value for Sacramento County's FY2025/26 secured and unsecured roll surpassed $256.9 billion, an increase of 5.41% countywide. Additionally, the Sacramento County Assessor's (Assessor) 2025 Annual Report and monthly reports have highlighted positive barometers for the City as follows:

- Total gross assessed value of secured/unsecured properties in the City grew 4.2% from FY2024/25 to FY2025/26.
- City properties with Proposition 8 assessments (temporary reduction in property taxes due) decreased from 2,820 in April 2025 to 2,708 in April 2026, a 4.0% decrease. However, the total value of those assessments increased by $1.1 billion.

On January 13, 2026, the California State Board of Equalization directed the Assessor to apply the full 2% inflation factor (CCPI – California Consumer Price Index) to property values for taxation. Because the Assessor does not complete work on the tax roll until after the Budget is adopted, the forecast for property tax revenues is based on the Assessor's "work in progress" and will be re-evaluated when final information is received in July.

In light of national and regional housing market conditions, staff is recommending the property tax secured roll forecast for FY2026/27 to be unchanged from the forecasted amount for FY2026/27 presented to Council on February 10, 2026. In the past five years, the annual growth rate of the secured roll has been roughly 6.1%, which includes the pandemic-era housing boom. The forecast assumes 3.0% growth in FY2026/27 and 3.8% growth in the out-years, which is the annual growth rate observed for secured roll receipts over the past two decades. This represents the continued resilience of the regional housing market while considering that short-term growth may not be as robust in the future as it has been in recent years.

Property Tax In-Lieu of Vehicle License Fees (VLF)

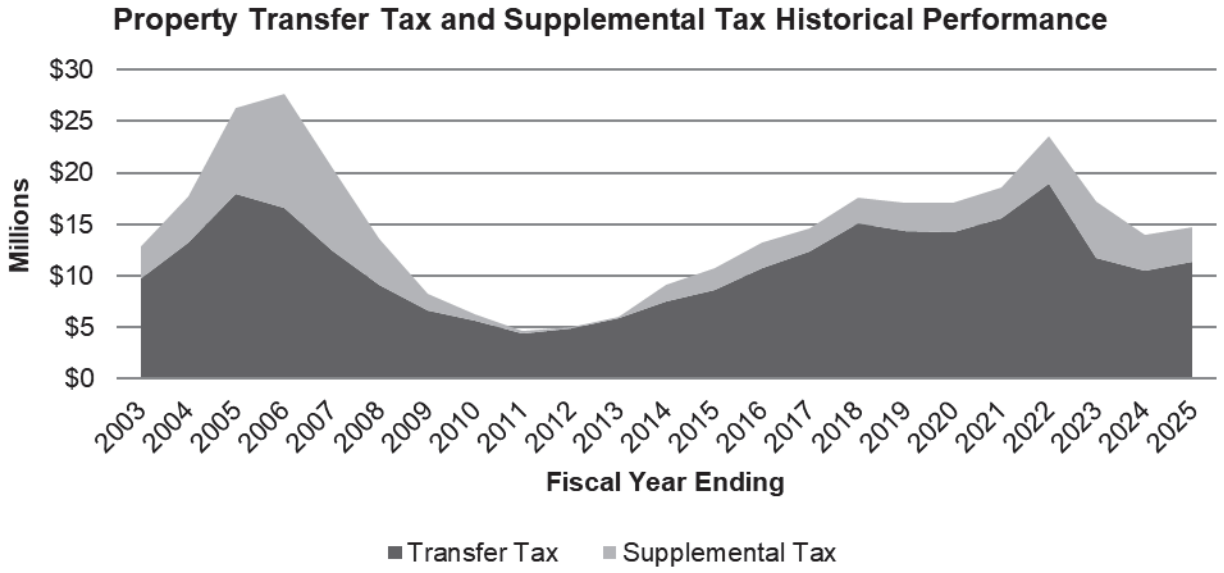
The State's 2004 property tax for VLF swap permanently reduced the VLF rate from 2% to 0.65%, shifted the VLF revenue to the State General Fund to make up for reduced property taxes to schools, and shifted property taxes from the school share to property tax in-lieu of VLF to cities and counties. The Sacramento County Audit-Controller Division provided updated information in late 2025 for FY2025/26 collections and indicated the City would receive an increase of 3.9% in estimated revenues when compared to FY2024/25 collections. Staff recommend assuming a 4% annual growth for this revenue stream to align with long-term historical actuals.

Property Transfer Tax and Supplemental Property Tax

The real property transfer tax is a charge imposed by the City upon the passing of title from one owner to another. The City charges $2.75 for every $1,000 of the property's sale price (0.00275%). The supplemental property tax is a charge generated when a property is reassessed due to a change in ownership (a sale, transfer, or transfer of fractional interest) or because of new construction. The supplemental tax bill reflects any increase or decrease in property tax generated by the supplemental event.

These two sources of revenue can be volatile, fluctuating with housing market activity, ranging from a combined high of $27.7 million in FY2005/06 to a combined low of $4.6 million in FY2010/11. Compared to the same period in FY2024/25, real estate transactions over the first seven months of FY2025/26 have been flat and the average real property transfer tax received per transaction declined by 17%. This is a symptom of the overall housing market discussed earlier, illustrating that Sacramento home sellers appear reluctant to sell if they are locked in lower interest rates and if they cannot secure an affordable mortgage upon the sale of their current property. Due to these recent trends, staff recommend keeping the real property transfer tax and supplemental property tax flat over the term of the forecast. Elevated interest rates, limited housing supply, and inflationary factors continue to weigh heavily on the real estate market.

The following graph reflects the significant effect the Great Recession had on these revenue sources and the gradual rebound since then. Given the volatility of these revenues, it is especially important to be aware of market trends and adjust the forecast early should overall sales volume and price decrease dramatically.



Sales Tax

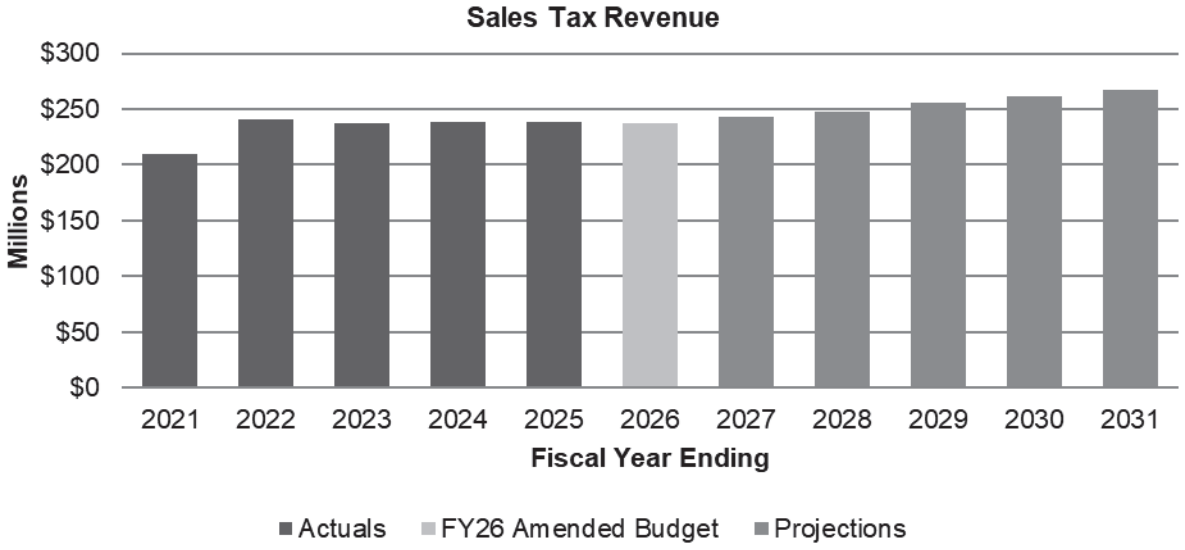
A general sales and use tax is imposed on all retailers when they sell tangible personal property and certain services in the state. The City's transactions and use tax is imposed on all retailers for the sale, storage, use, or other consumption of tangible personal property and certain services within the City. These taxes are collectively referred to as sales taxes. The City's current sales tax rate is 8.75%. Of the 8.75% sales tax rate, the City keeps only 2 percentage points, half of which is allocated to the General Fund and half of which is allocated to the Measure U Fund as approved by voters in November 2018. The remainder of the percentage points are allocated to the State of California or to Sacramento County. Sales taxes account for 28% of all General Fund revenues. The table below lists the percentage breakdown of each economic segment of the sales tax forecasted in FY2025/26.

Sales Tax Breakdown by Economic Segment	
General Retail	24.8%
Food Products	19.7%
Business to Business	18.3%
Transportation	15.0%
Construction	11.0%
County Pool	7.7%
Miscellaneous	3.5%
Total	**100.0%**

Last year, the federal government implemented a broad-based tariff program that has made it more difficult to forecast the direction of the economy and related downstream effects such as interest rate forecasts and sales tax forecasts. Initial fears that the tariffs would spur more inflation as consumers received the passthrough costs were overstated. Ever-changing trade and tariff policies have caused businesses to hesitate to change prices. However, sales taxes receipts are still uncertain despite these developments. Interest rates are still higher than they have been in recent years, which typically dampens consumer demand for vehicle purchases and home improvement spending. The recent geopolitical tension in Iran has also created volatility in the global oil market. If the conflict is sustained over a longer period of time, households may need to spend more on gasoline and home energy, which would in turn reduce discretionary spending on taxable goods and services. This is especially true of cities that are heavily reliant on transportation by automobile like Sacramento, where over three-quarters of the labor force drives a car to work.

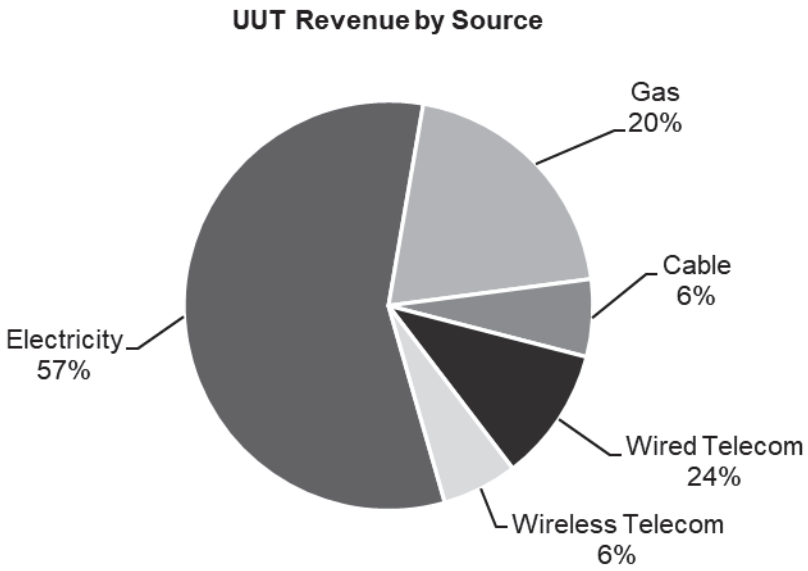
The City projected approximately $241.5 million in sales tax receipts for FY2026/27 last year. Based on more recent forecasting by Neumo, the City's sales tax consultant, the City is projecting approximately $243.4 million in sales tax receipts for FY2026/27, an increase of less than 0.8%. Over the past few years, sales tax revenues have been affected by a variety of unusual factors, including but not limited to the COVID-19 pandemic and recovery; higher than normal inflation; global supply chain issues; changes in consumer demand from taxable to non-taxable purchases; a spike in fuel prices at the onset of the Russian invasion of Ukraine; the shifting federal implementation of trade and tariff policies; and now another spike in fuel prices over geopolitical tensions in Iran.

For the City's sales tax forecast, staff are recommending using Neumo's conservative scenario for FY2026/27 and FY2027/28 and then using the midpoint between Neumo's conservative scenario and most likely scenario for the out-years.

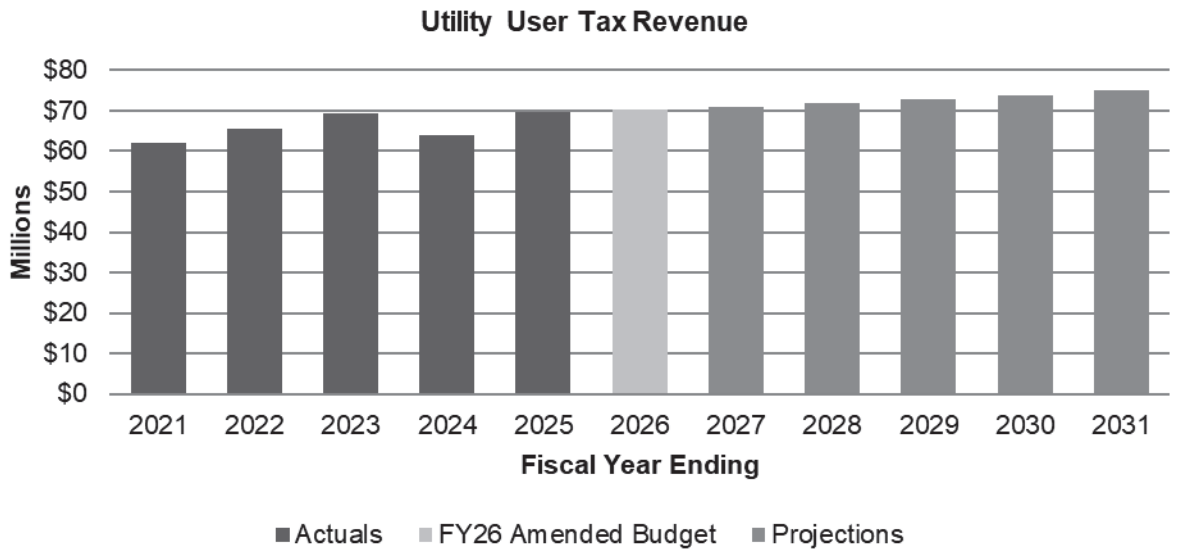


Utility User Tax (UUT)

UUT is a usage tax on communication, electric, and gas charges billed to a billing or service address in the City as authorized in the City Code (Section 3.32). November 2008, voters approved Measure O to reduce the 7.5% tax rate to 7% on telecommunication services. Measure O also expanded taxable services to include Voice over Internet Protocol (VoIP), text messaging, and many other previously excluded technologies. Gas, electricity, and cable services retain the 7.5% tax rate. UUT is the City's third largest revenue source, accounting for 8% of General Fund revenue. UUT has had the most consistent revenue stream over the past five years but also faces the most potential for adversity with industry regulation and the market growth of unregulated media platforms. The following graph represents the UUT revenues by source:



Most UUT revenue is generated by electricity and gas usage, comprising over 75% of the entire revenue stream. The communications segments of UUT accounted for about half of the revenue stream about thirty years ago but have declined to about 25% due to changing consumer preferences and regulatory pressures. The dominance of the electricity and gas segments makes the overall revenue stream less diversified than it was in the past and therefore more prone to volatility. For example, years in which Sacramento seasons feature milder weather may result in more muted UUT revenue totals as households decline to turn on air conditioning and heating. More details about each segment are included below. The FY2026/27 budget assumes rates of growth or decline for each UUT segment based on long-term historical performance, yielding a blended UUT growth rate of between 1.2% and 1.6% annually.



Details on each of the five components that comprise the UUT are provided below.

Electricity – Electricity is the largest UUT segment and is expected to be the main catalyst for UUT growth for the foreseeable future. Since the turn of the millennium, electricity UUT has grown from 34% of the revenue stream to 57% in FY2024/25. Through the first seven months of FY2025/26, electricity UUT represents 61% of total UUT. SMUD is the City's primary provider of electricity and continues to face cost pressures for compliance, risk mitigation requirements, technology, and grid investments. SMUD has increased rates five times since January 2024 to address these issues and has recently proposed a further rate increase of 3% for January 1, 2027. The FY2026/27 budget assumes a growth rate of 3.2% in electricity UUT annually for the next five years, which aligns with the annual growth rate observed over the past twenty years.

Natural Gas – Natural gas is the second largest UUT segment. Like electricity, it has also grown as a percentage of total UUT in the past decades, but not as dramatically. Since the turn of the millennium, gas UUT has grown from 10% of the revenue stream to 20% in FY2024/25. Through the first seven months of FY2025/26, natural gas UUT represents 18% of total UUT. PG&E is the City's primary provider of natural gas. In recent years PG&E increased rates significantly to address wildfire-related prevention and mitigation requirements. However, January 1, 2026, PG&E decreased gas rates by 3.0% citing lower compliance costs as the main driver of that change. The FY2026/27 budget assumes a growth rate of 2.3% in natural gas UUT annually for the next five years, which aligns with the annual growth rate observed over the past twenty years.

Wired Telecommunications – Wired telecommunications are the third largest UUT segment, representing all services delivered over a physical wire. This includes but is not limited to copper landlines, DSL, cable internet, and fiber internet. The segment was once reliably over 40% of total UUT revenue, but it has declined to just 11% of the revenue stream in FY2024/25. Through the first seven months of FY2025/26, wired telecommunications UUT represent 10% of total UUT. This segment has seen cable internet and fiber internet grow over the years, but

not by enough to offset losses from the decline of DSL and traditional landlines, as consumer preferences have increasingly favored mobile data-based communication. Notably, new construction homes in California have begun omitting copper wiring for landlines and DSL altogether. The FY2026/27 budget assumes a rate of decline of about 4.2% in wired telecommunications UUT annually for the next five years, which aligns with the annual rate of decline over the past ten years.

Wireless Telecommunications – Wireless telecommunications are the fourth largest UUT segment, representing all services delivered through over-the-air signals, including but not limited to cell phone service, satellite communications, and Wi-Fi services. However, the vast majority of data usage is not taxable due to the federal Internet Tax Freedom Act. This means voice services, SMS, and other charges such as roaming are the main components of wireless telecommunications UUT. This segment saw a dramatic rise from just $1.2 million in FY1996/97 to $14.2 million in FY2009/10, followed by a dramatic decline to $3.9 million in FY2024/25. At its peak, wireless telecommunications UUT was 23% of total UUT but has fallen to just 5% of receipts through the first seven months of FY2025/26 as consumers have relied on app-based communication over voice services and SMS. This aligns with the adoption of cell phone services through the 2000s and the popularization of smartphones in the late 2000s. The FY2026/27 budget assumes a rate of decline of about 9.0% in wireless telecommunications UUT annually for the next five years, which aligns with the annual rate of decline over the past ten years.

Cable Television – Cable television UUT is the smallest UUT segment, representing cable TV subscriptions. In the past ten years, this UUT segment has seen steady annual declines as consumers continue to abandon cable TV in favor of streaming platforms, which are not subject to local UUT. Other consumers have shown a preference for bundling cable with other services for discounts, which further reduces the portion of their bill subject to cable UUT. Cable television UUT growth has been essentially flat over the past twenty years, but more recent trends over the past five to ten years suggest a long-term decline. The FY2026/27 budget assumes a rate of decline of about 4.2% in cable UUT annually for the next five years, which aligns with the annual rate of decline since FY2015/16, when cable UUT started to decline after all-time highs.

Cannabis Business Operations Tax (CBOT)

The California Department of Tax and Fee Administration has reported a decline in taxable sales of cannabis products for four consecutive calendar years, falling from $5.8 billion in 2021 to $4.8 billion in 2025. The Sacramento cannabis industry has experienced a similar decline as the statewide industry. After collecting a record-high $25.4 million in CBOT in FY2020/21, the City's CBOT collections have hovered between $22 million and $24 million annually. CBOT collections in FY2024/25 totaled $22.6 million, the lowest receipts since the record-high in FY2020/21. Additionally, CBOT collections through the first seven months of FY2025/26 are 12% lower than through the same timeframe in FY2024/25.

California is now considered a mature market for cannabis. Absent federal legalization to export to other states, cannabis sales are not expected to see the same large growth rates experienced immediately after statewide recreational cannabis legalization. Given

these trends statewide and locally, staff recommend keeping CBOT projections flat at $20.2 million through the term of the forecast until new information becomes available.

Fees and Charges

Local government can implement fees to fund City facilities, infrastructure, and services. There are five main categories of fees that the City currently implements:

- Impact/Development fees
- Penalties/Fines
- Regulatory fees
- Rental fees
- Service fees

On February 7, 2006 (Resolution No. 2006-106), Council formally adopted a Citywide Fees and Charges Policy. This policy ensures that fees and charges reflect the Council's direction regarding recovery of costs related to providing programs and services. The policy sets the guidelines for cost recovery goals, determines the categories of cost recovery levels, and allows for the establishment and modification of fees and charges. If a fee is not adjusted in the budget process, to the extent feasible and/or appropriate, it should be increased biennially by a consumer price index (CPI) factor to keep pace with inflation.

Beginning in FY2014/15, the City used the State of California Department of Industrial Relations CPI, which is the same index used by the Assessor, to adjust the annual property tax roll for inflation. The annual review of Citywide fees and charges helps to ensure that the City's recovery of costs for services keeps pace with changes in the cost-of-living index, as well as changes in methods or levels of service delivery. Fees and charges make up approximately 17.4% of General Fund revenues. As part of the annual budget process, the Finance Department will present the annual Fees and Charges Update to Council for adoption in May 2026.

The City is currently conducting a two-year citywide fee study, which started in April 2025. City departments were separated into two phases with the first phase being completed in time for the FY2026/27 Budget process and the second phase being completed in time for the FY2027/28 Budget process. All City departments (except for Fire Department and the Department of Utilities) will participate in the process. The Fire Department completed a separate fee study, and the Department of Utilities plans to do a separate fee study. Some of the fees and charges in the Budget are a result of the citywide fee study. The consultant will continue the study in the second year to provide fee and charges updates for the FY2027/28 budget.

General and Measure U Fund Expenditures

The single largest expenditure in the General Fund (including Measure U) is the cost of employees who support department operations through the delivery of programs and services to the community. The Budget and forecast include scheduled step increases for employees and any other negotiated salary and benefit increases based on existing

labor agreements. Forecasted labor costs often change due to approved salary and benefit increases included in the labor agreements approved by Council, movement of employees through salary steps, pension cost increases, new position augmentations, and position deletions due to reduction strategies. Salary growth beyond the actuarial assumption of 3.0% annually used by CalPERS also results in additional labor costs in the form of higher unfunded pension liabilities.

Homeless Services Funding

Over the past few years, the City has expanded its homeless services programming to over 1,500 shelter beds serving over 4,000 individuals. These services include not only sheltering programs but also related support services. Standing up new sheltering programs requires significant investment not only for the initial buildout but also for ongoing operations and maintenance. Initial funding for ongoing operations and maintenance came from state grant funding and pandemic-era federal grant funding. Most of these external funding sources have been exhausted, creating additional strain on the General Fund to support programming needs. The table below illustrates changes in programming needs between FY2025/26 Approved and FY2026/27 Proposed as well as funding sources to address those needs.

Homeless Services Funding	FY2026/27 Proposed	FY2027/28 Projected	FY2028/29 Projected	FY2029/30 Projected	FY2030/31 Projected
Original Programming Needs	**48,304**	**48,408**	**48,892**	**49,381**	**49,875**
Contract Efficiencies	(2,904)	(1,075)	(1,091)	(1,108)	(1,125)
X Street Navigation Center	(2,815)	(2,843)	(2,872)	(2,900)	(2,929)
City Motel Program	(3,164)	(3,196)	(3,228)	(3,260)	(3,293)
Revised Programming Needs	**39,421**	**41,294**	**41,701**	**42,112**	**42,528**
Funding Sources					
Remaining ERF Funding	2,297	-	-	-	-
Remaining HHAP-6 Funding	2,105	6,105	-	-	-
New HHAP-7 Funding	-	6,400	-	-	-
General Fund Support	35,019	28,789	41,701	42,112	42,528
Total Funding Sources	**39,421**	**41,294**	**41,701**	**42,112**	**42,528**
Homeless Services Shortfall	**-**	**-**	**-**	**-**	**-**

In last year's five-year forecast, General Fund support of $48.3 million was assumed to be needed to maintain current programming in FY2026/27. That number has been revised downward to $35.0 million. Key changes between last year's forecast and this one include the following:

- Net savings of about $2.9 million from contract renegotiations with vendors.
- Savings of about $2.8 million from shifting, restructuring, or relocating operations of the X Street Navigation Center in light of the site's lease with Caltrans set to expire.
- A savings of about $3.2 million from shifting the City Motel Program to a voucher-based model with a focus on unsheltered families.
- One-time funding support of about $4.4 million from previously approved grant funding carried over into FY2026/27.

One-time funding of approximately $6.4 million in HHAP-7 funding is projected in FY2027/28 for the forecast. This is about half of the amount the City received for HHAP-6, reflecting the fact that the state has proposed to fund HHAP-7 at half of the amount as HHAP-6. Staff recommend assuming HHAP-7 will not be received by the City and ready to spend until FY2027/28 due to the timing of receipts for prior HHAP rounds. Additional one-time funding of approximately $6.1 million of remaining HHAP-6 funding is projected in FY2027/28. The deadline to fully spend HHAP-6 funding is June 30, 2029. To maintain existing programming in FY2027/28, staff estimate the General Fund will need to contribute approximately $28.8 million.

No one-time funding support is projected for FY2028/29 and beyond. Staff estimate the General Fund will need to contribute approximately $42 million in those years to maintain existing programming.

CalPERS

The City participates in the CalPERS pension plan managed by the State of California. Contributions to the plan consist of the normal cost rate which is determined by looking at the annual cost of providing benefits to active employees for the upcoming fiscal year. The normal cost should be viewed as the long-term contribution rate which both the City and the employees contribute toward. The FY2026/27 normal contribution is projected to be approximately $67.0 million, of which $57.6 million is from the General Fund.

The second component is a payment for the unfunded accrued liability (UAL) which is determined by looking at the Market Value of Assets of the City's two defined benefit plans (Miscellaneous and Safety) and comparing it with the accrued liability of that plan. To the extent that the assets are lower than the liability, the City is required to make a payment (determined by CalPERS) toward the UAL. The purpose of the UAL payment is to get the assets and liabilities back to even over time. The FY2026/27 UAL payment is $128.2 million, of which approximately $113.0 million is from the General Fund. The City's current UAL with CalPERS is approximately $1.5 billion.

The total employer contribution is the sum of the normal cost rate applied to an employer's reported payroll plus the UAL payment. These two components are the required contribution amount that employers pay CalPERS to fund their employees' pension benefits. The FY2026/27 total employer contribution is projected to be approximately $195 million, of which approximately $170 million is from the General Fund. The UAL portion of the General Fund's contribution is 96% higher than the normal cost.

California Public Employees' Pension Reform Act (PEPRA): On January 1, 2013, PEPRA changed the way CalPERS retirement and health benefits are applied and placed compensation limits on members. The normal cost for PEPRA employees is shared 50/50 between the City and the employees, whereas the normal cost for Classic employees -- those employees who were CalPERS members prior to 2013 -- was capped at 7% for miscellaneous members and 9% for safety members, unless Recognized Employee Organizations (REOs) agreed to pick up a portion of the employer's cost. In response to the Great Recession, the City's REOs agreed to pick up a portion of the employer's normal cost (1% for miscellaneous members and 3% for safety members).

For PEPRA members, the cost sharing of the normal cost as well as the benefit changes has resulted in a reduced financial burden for the City. As Classic members continue to transition to retirement, PEPRA employees have become a larger portion of the City's workforce. The graph below illustrates the increase in PEPRA employees over the past five years.

PERS Type	Approved FY2021/22	Approved FY2022/23	Approved FY2023/24	Approved FY2024/25	Approved FY2025/26	Proposed FY2026/27
Classic	56%	52%	38%	35%	31%	29%
PEPRA	44%	48%	62%	65%	69%	71%

CalPERS Discount Rate (earnings assumption)

In July 2021, in accordance with the CalPERS Funding Risk Mitigation Policy (Policy) approved by the Board in 2015, the discount rate was lowered from 7.0% to 6.8% following a 21.3% FY2020/21 fiscal year return. Under the Policy, when CalPERS achieves a double-digit return on investments, a reduction in the discount rate is triggered. The combined impact of all these changes was an increase in employer rates. These increases in costs are included as part of the five-year forecast.

In November 2025, the CalPERS Board (Board) adopted new actuarial assumptions based on the recommendations in the November 2025 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These assumptions were not used in the most recent actuarial valuation of the City's defined benefit plans and will not influence required employer contributions until FY2027/28. Notably, however, the new study increased the price inflation assumption from 2.3% to 2.5% and the wage inflation assumption from 2.8% to 3.0%, reflecting higher long-run inflation expectations than had been originally anticipated in 2021. In addition, the Board held the current discount rate of 6.8% steady in the new study. If the retirement plan does not meet actuarial assumptions – if earnings on plan assets are lower than the discount rate or salary increases are higher than plan assumptions – the City's UAL will increase.

In July 2025, CalPERS announced a preliminary 11.6% net return on investments for the 12-month period ending June 30, 2024. Public equity investments outpaced all other asset classes in the new investment report, with an estimated 16.8% return in FY2024/25. These assets comprise about 39% of the total fund. Although the preliminary net return was estimated to be 11.6% for FY2024/25, recent geopolitical events and market volatility present a challenge to achieving the discount rate of 6.8% in FY2025/26. If CalPERS fails to meet its discount rate target in FY2025/26 by a wide enough margin, costs for employers could still increase in the future. Depending on the FY2025/26 results, the five-year forecast will be updated after June 30, 2026.

General Liability, Auto Liability, and Workers' Compensation Insurance

The City contracts with Bickmore Risk Services (Bickmore) to develop an actuarial estimate which establishes the appropriate amount to budget for claim costs for the coming fiscal year as well as the program's liability for outstanding claims. Bickmore utilizes historical City loss data to forecast the upcoming fiscal year's cost of claims and

expenses utilizing the actuary's forecast at the recommended 80% confidence level when budgeting for claim costs and expenses. This means that the calculated amounts should be sufficient 80% of the time to cover the fiscal year's costs for the Workers' Compensation (WC) and GL&AL Funds. However, current levels of fund availability sit at 56% of the amount needed. Consistent with City Council's adopted policy to maintain this confidence level, the General Fund contribution to the GL&AL Fund increased from $47.5 million in FY2025/26 to $54.1 million or 14% in FY2026/27.

Insurance premiums have been rising in recent years—particularly excess liability and property premiums—and public entities are expected to continue facing a difficult insurance market in FY2026/27. This is an industry-wide issue, not one isolated to the City of Sacramento.

Over the past two years, the liability insurance market has experienced a notable reduction in available liability capacity. These shifts have tightened underwriting conditions and limited coverage options for public entities. A key factor behind this trend is the continued impact of social inflation, along with the growing presence of litigation financing. Together, these forces have contributed to larger jury awards and higher settlement values, increasing overall claim costs and further straining the insurance market.

Moreover, according to Public Risk Innovation, Solutions, and Management (PRISM), the City's risk-sharing pool for excess liability and workers' compensation coverage, it indicates that the current market shortage is the result of a significantly higher volume of large losses compared to the past. The disproportionate rise in claim costs is due to liability insurance losses increasing at a rate that has dramatically outpaced changes in the Consumer Price Index over the past 10 years, a phenomenon known as social inflation. Across the United States, nuclear verdicts continue to be a leading driver of rising liability costs. The number of verdicts exceeding $10 million rose to 135 in 2024, representing a 52% increase from the prior year, with the total value of these nuclear verdicts reaching a staggering $31.1 billion.

In Alliant's year-end 2025 review, they cite that recent trends have contributed to a prolonged hard market environment. Although overall market capacity has stabilized somewhat from peak constraints, underwriting discipline remains strict. Carriers are exercising heightened selectivity, particularly in high-exposure areas such as law enforcement liability, street and road design, juvenile detention, foster care, and sexual abuse and molestation (SAM) claims.

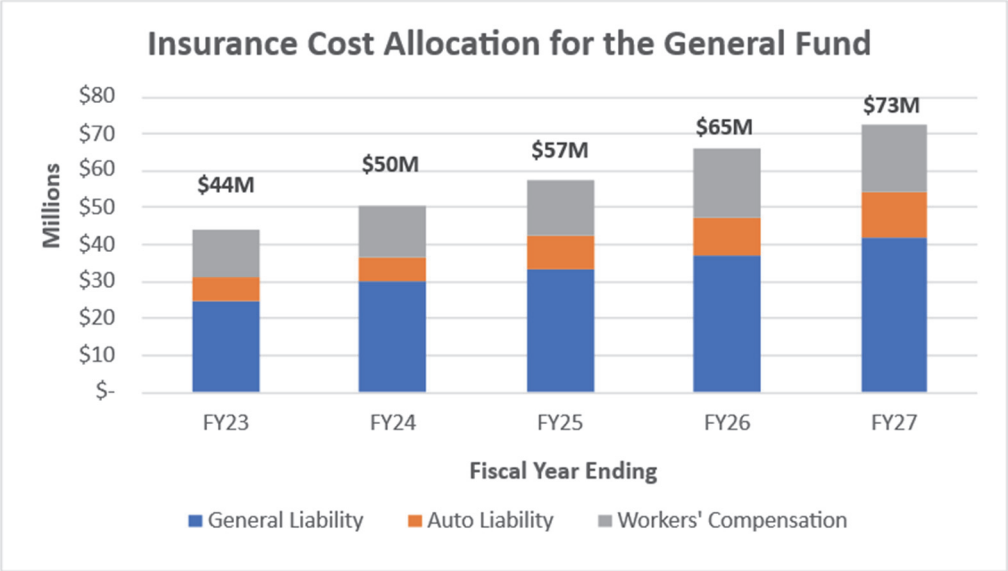
The City's loss history, which has seen an increase in large liability losses since FY2011/12, is also contributing to our increasing insurance premiums.

The property market is showing signs of stabilization among established participants, while risk exposure in high-loss areas such as coastal regions, earthquake zones, and wildfire-prone territories is attracting increased scrutiny. Growth strategies are becoming more targeted, with expansion efforts focused on both new and existing markets. At the same time, the threat of tariffs has renewed inflation concerns within the property

insurance community, adding pressure to pricing, cost assumptions, and overall market outlook.

The General Fund contribution to the Workers' Compensation Fund remained flat at $18.5 million from FY2025/26 to FY2026/27. While the overall workers' compensation market remains stable, medical costs associated with catastrophic claims continue to rise, driven by improved accident survivability, increased life expectancy, and higher costs of medical technology. Nationally, claims exceeding $10 million have increased by approximately 30% over the past three years. In addition, the City's projected Excess Workers' Compensation insurance costs are expected to increase due to larger claims in 2019, 2022 (driven by higher COVID-related claim volume), and 2024. This adverse loss experience is expected to place upward pressure on future premium pricing.

The graph below details the general liability, auto liability and workers' compensation cost allocations for the General Fund over the past five fiscal years.



Looking ahead, concerns regarding emerging and previously manageable exposures are likely to result in additional coverage limitations, including new exclusions, reduced limits, and tighter underwriting standards. These conditions underscore the importance of proactive risk management and strategic planning to mitigate financial exposure and maintain adequate coverage.

Measure U Programming and Forecast - $146.5 million

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2018 authorized the extension and expansion of the City's Measure U Transaction and Use Tax from a half-cent to a full cent effective April 1, 2019, which can be used for any general government purpose. This one-cent tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside of the City and delivered to a location within the City. Measure U is projected to generate approximately $137.2 million in revenues for FY2026/27.

The General Fund and Measure U Funds were presented separately in prior fiscal year financial forecasts. However, in FY2019/20, the Council directed staff to combine the two funds and present them in a single forecast. While the Measure U Fund is included in the General Fund five-year forecast, the following forecast is included to provide additional transparency and details on the revenue estimates and budgeted expenditures. The Measure U Fund is projecting a deficit at the end of FY2026/27 as the growth in expenditures for ongoing programs, especially labor costs and service and supplies, is higher than revenue growth.

As presented, the Measure U Fund provides $146.5 million for ongoing programs and services for Affordable Housing, Arts/Creative Edge, Climate Action, Community Investment, Community Response, Homelessness, Inclusive Economic Development, Library, Public Safety, and Youth. Detailed information on each program is included in the department sections.

FY2026/27 Measure U Programming

Revenues and Expenditures in ($ in 000s)	FY2026/27 FTE	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
REVENUES		**137,265**	**139,564**	**144,303**	**147,446**	**150,367**
EXPENDITURES						
Affordable Housing						
Operations	20.00	42	70	124	140	154
Multi-Year Operating Projects		3,600	3,600	3,600	3,600	3,600
Capital Improvements		-	-	-	-	-
Affordable Housing Subtotal	**20.00**	**3,642**	**3,670**	**3,724**	**3,740**	**3,754**
Arts/Creative Edge						
Operations	22.25	3,073	3,120	3,191	3,228	3,264
Multi-Year Operating Projects		482	614	614	614	614
Capital Improvements		-	-	-	-	-
Arts/Creative Edge Subtotal	**22.25**	**3,555**	**3,734**	**3,805**	**3,842**	**3,878**
Climate Action						
Operations	4.00	564	574	587	595	601
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Climate Action Subtotal	**4.00**	**564**	**574**	**587**	**595**	**601**
Community Investment						
Operations	141.37	19,746	19,951	20,256	20,416	20,568
Multi-Year Operating Projects		6,405	5,412	5,412	5,412	5,412
Capital Improvements		(3)	-	-	-	-
Community Investment Subtotal	**141.37**	**26,148**	**25,363**	**25,669**	**25,828**	**25,981**
Community Response						
Operations	126.00	17,782	18,040	18,407	18,619	18,825
Multi-Year Operating Projects		33,721	27,356	40,268	40,679	41,095
Capital Improvements		-	-	-	-	-
Community Response Subtotal	**126.00**	**51,503**	**45,396**	**58,676**	**59,298**	**59,919**
Homelessness						
Operations	7.00	992	1,008	1,032	1,045	1,058
Multi-Year Operating Projects		2,146	2,146	2,146	2,146	2,146
Capital Improvements		-	-	-	-	-
Homelessness Subtotal	**7.00**	**3,138**	**3,154**	**3,178**	**3,191**	**3,204**
Inclusive Economic Development						
Operations	31.00	6,515	6,616	6,756	6,841	6,924
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Inclusive Economic Development Subtotal	**31.00**	**6,515**	**6,616**	**6,756**	**6,841**	**6,924**
Library						
Operations	-	14,272	14,272	14,272	14,272	14,272
Multi-Year Operating Projects		400	400	400	400	400
Capital Improvements		-	-	-	-	-
Library Subtotal	**-**	**14,672**	**14,672**	**14,672**	**14,672**	**14,672**
Public Safety						
Community Development						
Operations	15.00	2,020	2,053	2,099	2,129	2,157
Multi-Year Operating Projects		184	-	-	-	-
Capital Improvements		-	-	-	-	-
Community Development Subtotal	**15.00**	**2,204**	**2,053**	**2,099**	**2,129**	**2,157**
Fire						
Operations	-	2,580	2,624	2,669	2,716	2,763
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Fire Subtotal	**-**	**2,580**	**2,624**	**2,669**	**2,716**	**2,763**
Police						
Operations	48.50	3,807	3,868	3,946	4,002	4,057
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Police Subtotal	**48.50**	**3,807**	**3,868**	**3,946**	**4,002**	**4,057**

FY2026/27 Measure U Programming (continued)

Youth Parks & Community Enrichment (YPCE)						
Operations	15.00	2,181	2,218	2,270	2,301	2,331
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
YPCE Subtotal	**15.00**	**2,181**	**2,218**	**2,270**	**2,301**	**2,331**
Public Safety Subtotal	**78.50**	**10,771**	**10,764**	**10,984**	**11,147**	**11,309**
Youth						
Operations	276.78	17,637	17,929	18,309	18,569	18,826
Multi-Year Operating Projects		(83)	2,762	2,762	2,762	2,762
Capital Improvements		-	-	-	-	-
Youth Subtotal	**276.78**	**17,554**	**20,691**	**21,070**	**21,330**	**21,588**
Miscellaneous						
Operations	-	8,361	9,209	10,165	11,249	12,478
Multi-Year Operating Projects		61	2,205	2,291	2,049	1,743
Capital Improvements		-	-	-	-	-
Miscellaneous Subtotal	**-**	**8,422**	**11,414**	**12,456**	**13,298**	**14,221**
Total Expenditures	**706.90**	**146,485**	**146,047**	**161,576**	**163,782**	**166,050**
Economic Uncertainty Reserve (EUR) Contribution *(0.5% of Expenses)*		-	-	-	-	-
Net Resources *(revenues less expenditures)*		**(9,220)**	**(6,483)**	**(17,273)**	**(16,335)**	**(15,683)**
Other Sources/Uses						
Beginning Available Fund Balance		(41,887)	-	-	-	-
Federal Funding Loss Reserve		183				
Revised Forecast	**706.90**	**$ (50,924)**	**$ (6,483)**	**$ (17,273)**	**$ (16,335)**	**$ (15,683)**

Summary of Measure U Programs:

Affordable Housing – $3.6 million, 20.0 FTE

- Resources for Specific Plans, Zero-Dollar Fee program, Long Range Planning, and Zoning services in the Community Development Department, and for Housing in the City Manager's Office to focus on planning and zoning a citywide housing policy and opportunities to promote development of additional housing.

Arts/Creative Edge – $3.6 million, 22.25 FTE

- Resources for nonprofit arts and cultural organizations through the Cultural Arts Award Program and for City programs that promote cultural and creative life including the Arts in Public Places, Arts Education and Outreach office, Arts and Culture, History, Arts Stabilization, Creative Economy and Grants, and the Entertainment Services Division.

Climate Action – $534,000, 4.00 FTE

- Resources for sustainability and cost-saving energy programs to reduce the City's greenhouse gas emissions as required by State law and staff for the City's Climate Action and Sustainability Office.

Community Investment - $26.1 million, 141.37 FTE

- Resources for the Sacramento Utility Rate Assistance (SURA) Program as well as fleet acquisitions, park operations, older adult services, city cemetery, permitting and events, and fiscal & technological support for the Youth, Parks & Community Enrichment Department (YPCE).

Community Response - $51.5 million, 126.0 FTE

- Resources for the Department of Community Response to provide an alternative response to homelessness model through community outreach; and additional resources for fleet acquisitions and to address illegal dumping,

neighborhood code compliance, public safety accountability, animal care/shelter, and the Sacramento City 311 Call Center activity.

Homelessness - $3.1 million, 7.0 FTE

- Resources for the Department of Community Response to coordinate with various Federal, State, local, nonprofit, and faith-based entities to end homelessness.

Inclusive Economic Development - $6.5 million, 31.0 FTE

- Resources for Community Programs, and City departments that promote inclusive economic and community development such as Community Engagement, Community Investment, Economic Development, Workforce Development and Office of Diversity and Equity.

Library - $14.7 million

- Resources for the support, maintenance, and capital needs of the City's libraries.

Public Safety - $10.8 million, 78.5 FTE

- Resources to staff and support the hiring pipeline in Police, fire training and fire suppression in the Fire Department, park safety services in YPCE, and animal enforcement and field services in the Community Development Department.

Youth - $17.6 million, 276.78 FTE

- Resources for programs such as the Powerhouse Science Center, Fare Free Transit for Youth, and Office of Violence Prevention. Resources also include the operation of the City's access leisure, aquatics, community centers, youth employment, Camp Sacramento, Office of Youth Development, and recreation programs.

Miscellaneous - $8.4 million

- Resources for commission stipends for various Commissions, expanded technology support, and Citywide employee services/benefits costs related to staffing funded by Measure U.

Enterprise Funds

Enterprise Funds capture the financial activity of government facilities or services that are self-supporting through the fees associated with operating that service. Revenues and expenditures are expected to sustain operational needs, maintenance, and replacement of aging infrastructure, comply with regulatory mandates, and maintain the financial stability of the funds.

The following chart provides an overview of the proposed changes included in the FY2026/27 Budget for the Enterprise Funds:

Department	Description	Fund	Net Budget Change	FTE Change
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Water	(450)	-
Citywide Support	Liquidate one-time funding in the Central City Wayfinding Project (S18160100). Return unused dollars to fund balance.	Community Center	(66,794)	-
Citywide Support	Liquidate one-time funding in the Central City Wayfinding Project (S18160100). Return unused dollars to fund balance.	Parking	(39,000)	-
Citywide Support	Liquidate one-time funding in the Arts and Cultural Plan (I17000900). Return unused dollars to fund balance.	Community Center	(100)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Community Center	(7,514)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Parking	(6,228)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Recycling and Solid Waste	(19,956)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Storm Drainage	(13,031)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Wastewater	(9,959)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Water	(28,874)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Community Center	(5,934)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Parking	(4,328)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Recycling and Solid Waste	(14,234)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Storm Drainage	(8,924)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Wastewater	(7,496)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	Water	(14,335)	-
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Community Center	(55)	-
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Parking	(2,426)	-

Department	Description	Fund	Net Budget Change	FTE Change
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Recycling and Solid Waste	(16,838)	-
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Storm Drainage	(613)	-
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Wastewater	(1,046)	-
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Water	(4,664)	-
Citywide Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Recycling and Solid Waste	(445,008)	-
Citywide Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Storm Drainage	(8,522)	-
Citywide Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Water	(262,362)	-
Convention and Cultural Services	Delete six positions (3.0 FTE - Stationary Engineer, 2.0 FTE - Events Coordinator, and 1.0 FTE - Booking Coordinator) and add six new positions (2.0 FTE - Stagehand II, 1.0 FTE - Administrative Assistant, 1.0 FTE - Carpenter, 1.0 FTE - Building Maintenance Worker, and 1.0 FTE - Senior Building Maintenance Worker) within the SAFE Credit Union Convention & Performing Arts District. Better position alignment will increase retention and maintain reliable operations.	Community Center	(50,299)	-
Convention and Cultural Services	Change funding source for McClellan rent payment from Measure U fund (Fund 2401) to the Community Center fund (Fund 6010). Facility provides storage for materials to support exhibitions, research, and public access.	Community Center	180,000	-
Convention and Cultural Services	Change funding for one position (1.0 FTE - City Historian) from Measure U Fund (2401) to Community Center Fund (6010).	Community Center	95,683	-
Debt Service	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	Parking	(854,513)	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Community Center	27,965	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Parking	10,285	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Recycling and Solid Waste	45,560	-

Department	Description	Fund	Net Budget Change	FTE Change
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Storm Drainage	24,225	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Storm Drainage Property Fee	10,115	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Wastewater	25,755	-
Information Technology	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Water	89,505	-
Information Technology	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	Community Center	49,500	-
Information Technology	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	Water	123,750	-
Public Works	Delete one position (1.0 FTE - Integrated Waste Equipment Operator) and add one new position (1.0 FTE - Senior Staff Assistant) in the Recycling and Solid Waste Division to support human resources operations efficiencies and enhance service delivery.	Recycling and Solid Waste	(5,088)	-
Public Works	Add one position (1.0 FTE - Electrician) for Facilities and Real Property Management to support increased workload from aging/increased facilities and electric vehicle infrastructure.	Parking	68,107	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Community Center	90	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Parking	1,098	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Recycling and Solid Waste	139,528	-

Department	Description	Fund	Net Budget Change	FTE Change
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Storm Drainage	25,286	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Wastewater	23,955	-
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Water	25,605	-
Public Works	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in the Parking Services Division to maintain service levels and reflect the fiscal and administrative job duties performed by this position.	Parking	(413)	-
Public Works	Increase revenue and expense budgets for the Parking Services division to reflect ongoing growth in parking garage utilization. Establish new multi-year operating project (MYOP) with generated funds to support economic development opportunities.	Parking	(200,000)	-
Public Works	Increase hourly rates in City parking garages to be consistent with surrounding market, recover increasing operational costs, and improve parking availability for visitors and merchants.	Parking	(169,023)	-
Public Works	Adjust revenue and expense budgets for Recycling and Solid Waste to align with actual revenue and expenditure trends. Purchase new specialized vehicle for bin maintenance to maintain service levels and reduce overtime.	Recycling and Solid Waste	(4,440,829)	-
Public Works	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	Parking	1,154,513	-
Utilities	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Storm Drainage	(6,794)	-
Utilities	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Wastewater	(2,912)	-
Utilities	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Water	4,147	-
Utilities	Delete one position (1.0 FTE - Administrative Analyst) and add one new position (1.0 FTE - Program Specialist) for the Water Division's Water Operations & Maintenance Administration Program to have a dedicated staff member assigned to oversee the Automated Metering Infrastructure (AMI) program.	Water	(371)	-
Utilities	Increase funding for category change on Unit 11149, Service truck to Hydro Excavator Truck to allow repair crews to perform excavation and utility exposure work in-house, without disrupting scheduled maintenance or relying on external equipment.	Wastewater	178,500	-
Utilities	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Storm Drainage	(645)	-

Department	Description	Fund	Net Budget Change	FTE Change
Utilities	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Wastewater	(645)	-
Utilities	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Water	(1,289)	-
Utilities	Add one position (1.0 FTE - Leadworkers) and purchase 1.0 F-250 Supercab to support the Drainage Ops CIP Support Program (14001481): Operations and Maintenance Critical Infrastructure and Trash Capture Programs as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage	(198,501)	1.00
Utilities	Add one position (1.0 FTE - Leadworkers) and purchase 1.0 F-250 Supercab to support the Drainage Ops CIP Support Program (14001481): Operations and Maintenance Critical Infrastructure and Trash Capture Programs as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage Property Fee	129,419	-
Utilities	Increase funding for category change on Unit 12213, Ford F150 Regular Cab to a Ford F250 Super Cab to allow staff to accomplish critical repairs, replacements, emergency responding, and assist in preventative maintenance.	Water	10,000	-
Utilities	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Storm Drainage	(9,172)	-
Utilities	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Wastewater	(12,552)	-
Utilities	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Water	(26,552)	-
		Total Change	**$ (4,525,698)**	**1.00**

Additional information on each of these initiatives can be found in the Budget Modification section and related department sections.

Operational descriptions and updates of each of the City's Enterprise Funds are shown on the following pages, including a five-year forecast for each fund. The following chart summarizes the status of the Enterprise Funds.

Fund	Status
Community Center	Transient Occupancy Tax (TOT) generates 70% of Community Center Fund revenue and TOT is projected to grow 3.5% annually, through the five-year forecast. Despite increased facility utilization driven by a successful new promoter rebate program, debt service for the Convention Center renovation remains a significant obligation, accounting for approximately 40% of annual expenditures. To ensure long-term fiscal integrity, the City continues to service the $4.6 million outstanding balance of a $12 million interfund loan approved by Council in 1997, with scheduled annual payments of $250,000.
Parking	Parking revenue is expected to return to pre-pandemic levels by the end of FY2025/26, fueled by return to office mandates and an increase in event sales. Consequently, General Fund assistance to the Parking Fund will be phased out starting in FY2026/27 to move the Parking Fund toward self-reliance. To ensure long-term sustainability of the Parking Fund, staff is closely monitoring the impact of technology upgrades and fee changes.
Solid Waste	The Solid Waste Fund will end FY2026/27 with a slight surplus. However, a growing annual deficit is projected to begin in FY2027/28 as rising expenses outpace the savings from FY2026/27 equipment upgrades and staffing realignments. Additional measures will be needed in FY2027/28 to ensure the stability of the fund.
Storm Drainage	A rate increase is not included in the five-year forecast. The anticipated revenues and use of fund reserves will provide sufficient resources to continue operations and maintenance, as well as to ensure compliance with state and federal regulations through FY2029/30. The department anticipates pursuing a rate increase in the future.
Storm Drainage Property Fee	A rate increase is not included in the five-year forecast. This fund was established through a voter-approved ballot measure in April 2022 to support a Storm Drainage Capital Improvement Program and associated operating costs. In June 2022, a lawsuit was filed against the City that challenged the constitutionality of the measure. In FY2025/26, the City received a favorable judgment on the Storm Drainage Property Fee Fund litigation. There are no longer any fund restrictions related to the case.
Wastewater	A rate increase is not included in the five-year forecast. The anticipated revenues and reserves will provide sufficient resources to continue critical infrastructure repair and rehabilitation, as well as to ensure compliance with state and federal regulations through FY2027/28. The Department anticipates pursuing a rate increase for FY2027/28.
Water	A rate increase is not included in the five-year forecast. The anticipated revenues and reserves will provide sufficient resources to continue critical infrastructure repair and rehabilitation, as well as to ensure compliance with state and federal regulations through FY2027/28 with the use of the Capital Reserve. The Department anticipates pursuing a rate increase for FY2027/28.

The following tables provide a snapshot of the five-year forecast for each of the Enterprise Funds. Additional information for each of the forecasts can be found in the following pages.

Community Center Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	23,028	26,849	24,424	22,303	21,943	23,203
Revenue	51,664	53,638	55,022	56,612	58,366	60,085
Expenditures	55,238	55,813	56,892	56,722	56,856	57,101
Other Source/(Use)	7,068	(250)	(250)	(250)	(250)	(250)
Ending Funding Balance	**26,522**	**24,424**	**22,303**	**21,943**	**23,203**	**25,936**

Parking Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	4,815	6,642	6,350	6,091	4,510	830
Revenue	21,562	21,689	22,063	22,450	22,850	23,264
Expenditures	20,473	21,981	22,322	24,031	26,530	28,006
Other Source/(Use)	738	-	-	-	-	-
Ending Funding Balance	**6,642**	**6,350**	**6,091**	**4,510**	**830**	**(3,912)**

Solid Waste Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	55,523	67,885	69,202	67,740	64,785	57,147
Revenue	101,247	101,375	102,001	102,654	103,331	104,032
Expenditures	90,051	100,058	103,464	105,609	110,969	114,452
Other Source/(Use)	1,166	-	-	-	-	-
Ending Funding Balance	**67,885**	**69,202**	**67,740**	**64,785**	**57,147**	**46,727**

Storm Drainage Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	25,479	30,854	29,430	24,761	19,332	14,462
Revenue	43,983	46,013	46,021	46,040	46,071	46,110
Expenditures	39,311	47,437	50,690	51,469	50,941	53,147
Other Source/(Use)	703	-	-	-	-	-
Ending Funding Balance	**30,854**	**29,430**	**24,761**	**19,332**	**14,462**	**7,425**

Storm Drainage Property Fee Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	23,791	11,992	14,153	16,732	19,224	22,120
Revenue	20,786	21,107	21,419	21,748	22,093	22,453
Expenditures	32,585	18,946	18,840	19,255	19,197	19,338
Other Source/(Use)	-	-	-	-	-	-
Ending Funding Balance	**11,992**	**14,153**	**16,732**	**19,224**	**22,120**	**25,236**

Wastewater Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	25,827	26,504	20,714	15,332	10,949	9,791
Revenue	48,008	48,290	48,241	48,212	48,202	48,206
Expenditures	49,794	54,079	53,623	52,596	49,359	49,156
Other Source/(Use)	2,463	-	-	-	-	-
Ending Funding Balance	**26,504**	**20,714**	**15,332**	**10,949**	**9,791**	**8,841**

Water Fund

($ in 000s)	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Fund Balance	67,538	49,423	39,684	20,677	24,388	1,914
Revenue	141,332	144,078	143,774	143,536	143,359	143,236
Expenditures	177,353	153,817	162,781	165,325	165,833	167,236
Other Source/(Use)	17,906	-	-	25,500	-	-
Ending Funding Balance	**49,423**	**39,684**	**20,677**	**24,388**	**1,914**	**(22,085)**

Community Center Fund (6010)

The Community Center Fund supports the operations, debt service, and capital improvements for the SAFE Credit Union Convention & Performing Arts District, which includes the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium. This fund also provides support for other visitor-serving facilities and the General Fund. The operational and financial goals for the Community Center Fund include maintaining successful financial performance as an enterprise fund, optimizing facility utilization through aggressive marketing, exceeding industry standards for customer service and facility maintenance, stimulating hotel market demand to generate transient occupancy tax (TOT) revenues, and offering a premier venue to contribute to the economic vitality of the downtown and Sacramento region.

About 70% of fund revenues collected in the Community Center Fund is TOT. For FY2026/27, TOT is projected to be about 3.5% above FY2025/26 estimated collections. The remaining portion of fund revenues collected in the Community Center Fund is user fees received from events held at the SAFE Credit Union Convention & Performing Arts District. To strengthen utilization, a new promoter rebate program was implemented that has performed well and has successfully re-engaged promoters to hold events at our facilities who had previously reduced or paused activity in Sacramento.

On September 25, 2018, City Council authorized the issuance of TOT revenue bonds. A total of $285.2 million in TOT Revenue, Tax Exempt bond funding was received to help finance the Convention Center Complex Renovation Project. Debt service payments for these new bonds started in May 2019. Debt service on the Community Center Fund represents about 40% of total expenditures annually.

Additionally, in 1997, to maintain the financial integrity of the Community Center Fund, the City Council approved a loan of up to $12 million from the Risk Fund, if needed, to offset any year-end deficit. Total borrowing was $10.4 million, including interest. Repayment of the interfund loan began in FY2005/06 and has continued each year. An annual payment of $250,000 is budgeted in FY2026/27 with payments continuing in future years. As of the beginning of FY2025/26, there is a remaining balance of approximately $4.6 million.

Community Center Fund (Fund 6010)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**23,028**	**26,849**	**24,424**	**22,303**	**21,943**	**23,203**
REVENUES						
TOT	35,742	36,931	38,074	39,404	40,780	42,204
Charges, Fees, and/or Services	14,472	14,807	15,148	15,498	15,957	16,325
Interest	550	1,000	900	810	729	656
Other (Facility Fee)	900	900	900	900	900	900
TOTAL REVENUES	**51,664**	**53,638**	**55,022**	**56,612**	**58,366**	**60,085**
EXPENDITURES						
Operating - Employee Services	10,878	12,219	12,464	12,713	12,967	13,226
Operating - Other	20,838	21,097	21,357	21,562	21,770	21,981
Debt Service	20,318	20,320	20,320	20,320	20,317	20,317
Multi-Year Operating Projects	2	2	2	2	2	2
Capital Improvements	3,202	2,175	2,750	2,125	1,800	1,575
TOTAL EXPENDITURES	**55,238**	**55,813**	**56,892**	**56,722**	**56,856**	**57,101**
ANNUAL SURPLUS/(DEFICIT)	**(3,574)**	**(2,175)**	**(1,870)**	**(110)**	**1,510**	**2,984**
Other Sources/Uses[(1)]	7,396	(250)	(250)	(250)	(250)	(250)
ENDING FUND BALANCE	**26,849**	**24,424**	**22,303**	**21,943**	**23,203**	**25,936**

[(1)] Other Sources in FY2025/26 include additions to fund balance for prior reduction related to outstanding short-term portion of debt liability.

Parking Fund (6004)

The City of Sacramento operates five city parking garages and 12 City-owned surface lots, as well as 40 garages and surface parking lots that are managed for private owners to increase parking availability for residents and visitors. The Parking Services Division also manages over 60,000 square feet of retail space servicing 19 tenants within the various City parking structures.

Parking Fund revenue decreased to 52% of pre-pandemic levels in FY2020/21 and is projected to recover to 100%+ of pre-pandemic levels in FY2025/26. Revenue for FY2025/26 from parking fees collected at City garages is projected to increase 6% as the operation continues to recover from the impacts of the pandemic, which lowered the utilization at City owned parking garages as employers adopted hybrid work models. Additionally, event sales have increased with more events returning downtown and the temporary relocation of the Oakland Athletics to West Sacramento. We anticipate an additional 2% annual growth in revenue in subsequent years. While State employees returning to the office may also have an impact on off-street parking revenues, the impact remains uncertain in future years and has been omitted from this forecast. Staff will assess the impact of these items and incorporate the impact into future forecasting exercises. Rental revenue is based on current and anticipated leases of commercial spaces.

Services & supplies costs have a budgeted increase in FY2026/27 of $121K. Operating costs have increased in recent years due to increased security, repair & maintenance, technical services, utilities, and rental of land and building costs. FY 2025/26 includes a budgeted labor reduction of $1M for known vacancies, this is also reflected in FY2026/27. This is not included in outer-years, however future labor savings are anticipated due to employee turnover rates. The forecast includes a 2.5% increase annually for expenses in the outer years.

Operating transfers in/out include the cost plan support, In Lieu Franchise Tax, In Lieu Property Tax and interdepartmental support. Operating transfers also include a $5.3M support transfer from the Meter Shop in FY25/26, with $4.1M budgeted for support in FY26/27. The budgeted support from the Meter Shop is expected to continue to decrease in outer years. Debt service has a 9% decrease in FY26/27 as debt obligations continue to decrease. Funding anticipated technology upgrades and replacement/upgrades of current infrastructure is included in the CIP.

During the pandemic, the General Fund provided almost $11 million in support to the Parking Fund, including $5.2 million in FY2020/21 Midyear Budget, $5.1 million in FY2021/22 Midyear Budget, and $633,000 in the FY2022/23 Approved Budget. Should revenues fail to grow at levels sufficient to cover increasing operating costs, it could compromise the City’s ability to make required debt service payments, resulting in the need for additional General Fund support. The FY2026/27 Proposed Budget includes parking management strategies which aim to keep the Parking Fund on sustainable financial footing and prevent the need for additional General Fund support in the future. Staff will assess the effectiveness of these strategies and incorporate their impact into future forecasting exercises.

Parking Fund (Fund 6004)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**4,815**	**6,738**	**6,076**	**5,335**	**4,222**	**2,600**
REVENUES						
Parking Fees	19,101	19,266	19,651	20,044	20,445	20,854
Administrative Fees	1,200	1,040	1,061	1,082	1,104	1,126
Interest (Operating Funds)	500	500	450	405	365	328
Real Property Rental	772	883	901	919	937	956
TOTAL REVENUES	**21,573**	**21,689**	**22,063**	**22,450**	**22,851**	**23,264**
EXPENDITURES						
Operating - Employee Services	5,028	5,930	6,103	6,281	6,463	6,650
Operating - Other	5,970	5,831	5,977	6,126	6,279	6,436
Operating Transfer Out/In	**(1,630)**	**(400)**	**716**	**1,392**	**1,970**	**2,650**
Debt Service	9,577	8,754	8,012	7,709	7,580	5,804
Multi-Year Operating Projects	421	635	777	735	761	749
Capital Improvements	1,022	1,601	1,220	1,320	1,420	1,520
TOTAL EXPENDITURES	**20,388**	**22,351**	**22,805**	**23,563**	**24,473**	**23,809**
ANNUAL SURPLUS/(DEFICIT)	**1,185**	**(662)**	**(742)**	**(1,113)**	**(1,622)**	**(545)**
Other Sources/Uses[(1)]	738	-	-	-	-	-
ENDING FUND BALANCE	**6,738**	**6,076**	**5,335**	**4,222**	**2,600**	**2,055**

[(1)] Other Sources include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability.

Note: Employee Services reflects a 1.0M Base Labor Reduction implemented in FY2025/26 for known vacancies; actual budgeted positions would be higher than reflected in this table.

Solid Waste Fund (6007)

The Recycling and Solid Waste (RSW) Division manages the collection of garbage, containerized organics, and recyclables. In addition to direct solid waste services, the Division provides ongoing post-closure monitoring of landfills, street sweeping, hazardous waste disposal services, and code enforcement. To meet state-mandated waste diversion requirements, RSW provides public outreach to educate residents on recycling standards to reduce contamination, encourage composting, and promote proper disposal of household hazardous waste.

Revenues in the Solid Waste Fund (6007) are generated through user service fees collected for residential solid waste management services. The Fund accounts for the operational activities carried out by the RSW Division, including operating 100 residential collection vehicles across 85 routes on a 5-day weekly schedule. The North Area Corp Yard (NACY) services approximately 47,000 residents, and the Meadowview City Services Complex (MCSC) services approximately 91,000 residents. RSW expects garbage tonnage collections to increase by 3 percent over last year and anticipates continued growth as new residential accounts are added. The implementation of SB1383 leads to an organics tonnage increase of 6 percent over last year as increasing resident participation in organics diversion continues to expand.

Employee Services costs within the Solid Waste Fund are expected to increase as RSW fills vacancies and implements planned reroutes to improve efficiencies in existing and new developments. In addition to labor agreement renewals, the Solid Waste Fund reflects RSW's projected labor cost increases of 4% annually in future years.

Services and supplies in the Fund show $2.36 million in disposal costs savings from a resolved litigation; this savings is projected to continue in future years. FY2025/26 services and supplies overall show a 14 percent increase over FY2024/25, largely attributed to rising fuel costs (affected by global economic conditions) and vehicle repair costs (affected by availability of specialty parts).

FY2025/26 Transfers recorded in the Solid Waste Fund total $4.5 million, a significant increase from $2.4 million in FY2024/25. Inter-departmental reimbursement costs charged to the Fund are projected to increase by 3 percent annually in outer years due primarily to 311, Customer Service, and Account Management.

RSW's City Council-approved rate adjustment, effective January 1, 2024, increases Solid Waste Fund revenues through higher utility charges, service fees, delinquency fines, and recyclable sales, resulting in an estimated revenue increase of $2.56 million for FY2026/27.

Other services provided by RSW include curbside leaf pile collection (November-January), maintenance, appointment-based household junk and appliance/e-waste pickup, household hazardous waste (HHW) drop-off, and street sweeping (February-October).

Revenue recorded in the Solid Waste Fund from services in FY2025/26 is projected to be 1 percent higher than FY2024/25, with similar forecasted growth in outer years of the five-year forecast as new accounts are added and serviced.

The following chart provides a five-year forecast for the Solid Waste Fund.

Solid Waste Fund (Fund 6007)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**55,523**	**67,885**	**69,220**	**67,758**	**64,803**	**57,165**
REVENUES						
Charges, Fees, and/or Services	98,657	98,720	99,545	100,377	101,215	102,061
Interest	1,972	1,990	1,791	1,612	1,451	1,306
Other (Intergovernmental)	618	665	665	665	665	665
TOTAL REVENUES	**101,247**	**101,375**	**102,001**	**102,654**	**103,331**	**104,032**
EXPENDITURES						
Operating - Employee Services	23,237	25,830	26,846	27,873	28,940	30,048
Operating - Other	59,652	59,450	61,534	63,712	65,989	68,370
Debt Service	1,667	1,583	1,585	1,572	1,655	114
Multi-Year Operating Projects	4,920	12,825	13,140	11,705	14,027	15,564
Capital Improvements	575	352	358	746	358	358
TOTAL EXPENDITURES	**90,051**	**100,040**	**103,464**	**105,609**	**110,969**	**114,452**
ANNUAL SURPLUS/(DEFICIT)	**11,196**	**1,335**	**(1,463)**	**(2,955)**	**(7,638)**	**(10,420)**
Other Sources/Uses[(1)]	1,166	-	-	-	-	-
ENDING FUND BALANCE	**67,885**	**69,220**	**67,758**	**64,803**	**57,165**	**46,745**

[(1)] Other Sources include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability.

Storm Drainage Fund (6011)

Revenue generated for the purpose of providing storm drainage services under the 1996 drainage fee schedule is deposited in the Storm Drainage Fund. Revenues are primarily derived from customer service fees and interest. Storm Drainage Fund revenues support the cost of storm drainage operations for pumping stations, wet weather treatment and storage, collection system maintenance, related engineering services, floodplain management, customer service and billing, education programs, water quality monitoring, innovative "green" infrastructure programs, and regulatory compliance. Fund expenditures are divided among operating costs, debt service, and multi-year operating projects.

Rate adjustments for the storm drainage utility are subject to a citizen vote. The Storm Drainage Fund has not had an increase since 1996, prior to the implementation of Proposition 218. As a result, revenue collection has not kept pace with storm drainage system costs, and the utility has been historically underfunded. The City worked closely with the community, the Utilities Rate Advisory Commission and the City Council to develop a new Storm Drainage Property Fee (6021) to support capital infrastructure and related operating costs. The Storm Drainage Fund will continue to rely on reserves for existing operations and maintenance.

The City Council passed the Department of Utilities (DOU) Reserve Policy on January 24, 2023 (Motion Number 2023-0028), which has been incorporated into the five-year forecast. Approval of the policy allowed the Department of Utilities (DOU) to formalize existing guidelines and practices for better financial management of the DOU enterprise funds. The balance of the unrestricted operating reserve associated with the Storm Drainage Fund represents a commitment of $11.5 million that is incorporated into the available fund balance calculation.

The Storm Drainage Fund faces significant challenges over the next five years. Key issues for the Storm Drainage Fund include the following:

- Declining fund reserves, as the existing revenue will not be sufficient to cover future operating expenses.
- Upgrading separated drainage system service to meet citywide standards.
- Improving drainage system reliability and contributing to the combined sewer system (CSS) repair.
- Maintaining state and federal regulatory compliance, e.g., Stormwater National Pollutant Discharge Elimination System (NPDES) Permit, floodplain management, and supporting regional flood control efforts.
- Implementing a new tree inventory and maintenance plan for trees on DOU facilities, including flood control channels and levees that will provide consistent tree care and maintenance and defend the city against tree-related risk claims and lawsuits.

- Increasing maintenance needs of drainage facilities related to the cleanup of waste and debris caused by homeless encampments.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Significant cost increases projected for utilities due to rate restructuring.
- Increased cost related to carbon-neutral sustainability goals for fleet and facilities.
- Expand and improve the Supervisory Control and Data Acquisition (SCADA) system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.

The following chart provides a five-year forecast that addresses some of the challenges facing the Storm Drainage Fund. These challenges include anticipated cost increases, funding programs to meet regulatory requirements, and no rate adjustments.

Storm Drainage Fund (Fund 6011)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**25,479**	**30,854**	**29,430**	**24,761**	**19,332**	**14,462**
REVENUES						
Charges, Fees, and/or Services	42,799	44,883	45,004	45,125	45,247	45,369
Interest	1,184	1,130	1,017	915	824	741
TOTAL REVENUES	**43,983**	**46,013**	**46,021**	**46,040**	**46,071**	**46,110**
EXPENDITURES						
Operating - Employee Services	22,259	22,162	22,605	23,058	23,519	23,989
Operating - Other	12,505	22,174	22,598	23,031	23,476	23,917
Debt Service	232	226	227	229	235	235
Multi-Year Operating Projects	4,476	2,873	5,260	5,151	3,712	5,006
Capital Improvements	(161)	2	-	-	-	-
TOTAL EXPENDITURES	**39,311**	**47,437**	**50,690**	**51,469**	**50,941**	**53,147**
ANNUAL SURPLUS/(DEFICIT)	**4,672**	**(1,424)**	**(4,669)**	**(5,429)**	**(4,870)**	**(7,036)**
Other Fund Sources/Uses[(1)]	703	-	-	-	-	-
ENDING FUND BALANCE	**30,854**	**29,430**	**24,761**	**19,332**	**14,462**	**7,425**

[(1)] Other Sources in FY2025/26 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and the annual adjustment for the Operating Reserve per the DOU Reserve Fund Policy adopted by City Council on January 24, 2023 (Motion No. 2023-0028).

Storm Drainage Property Fee Fund (6021)

Revenue generated for the purpose of providing storm drainage services under the 2022 drainage fee schedule is deposited in the Storm Drainage Property Fee Fund. Revenues are derived from customer fees, fees related to private development project review, and interest earnings. Services include costs associated with capital programs such as regulatory, master planning, asset management, and improvement programs. These varying programs will construct new infrastructure; keep pollution, trash, and debris out of local waterways; reduce long-term costs, and protect water supplies and infrastructure against floods, and emergencies. Fund expenditures are summarized and reflected as eligible operating costs, capital improvement costs, and multi-year operating project costs.

The City worked closely with the community, the Utilities Rate Advisory Commission, and the City Council to develop a new Storm Drainage Property Fee that was approved through the ballot and adopted by the City Council in April 2022. The new fee will support a capital improvement program and associated operating costs.

In June 2022, a lawsuit was filed against the City that challenged the constitutionality of the measure. In FY2025/26, the City received a favorable judgment on the Storm Drainage Property Fee Fund litigation. There are no longer any fund restrictions related to the case.

While the new fee will help address some level of capital replacement and regulatory requirements, it will not provide sufficient resources to fund all storm drainage aging infrastructure or regulatory needs. The Storm Drainage Property Fee Fund faces significant challenges over the next five years. Key issues for the Fund include the following:

- Ongoing replacement of aging infrastructure to meet state and federal standards.
- Upgrading the separated drainage system service to meet citywide standards.
- Improving drainage system reliability and contributing to the CSS repair and rehabilitation or replacement.
- Design and construct certified full trash capture devices and/or multi-benefit low-impact development features that will prevent trash greater than 5 mm from being discharged to waterways for identified areas (high-density residential, commercial, industrial, and mixed-use) with litter to meet the requirements of the State Water Resources Control Board’s Statewide Trash Provisions by 2030.
- Maintaining state and federal regulatory compliance, e.g., NPDES and floodplain management, and supporting regional flood control efforts.

- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Continued implementation of the Drainage Master Plan Program that develops hydrologic and hydraulic models and completes master plans for the City's 137 drainage basins.
- Improving the Drainage and CSS to adequately handle the intensity of weather events related to climate change.
- Increased cost related to carbon-neutral sustainability goals for fleet and facilities.
- Expand and improve the SCADA system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.

The following chart provides a five-year forecast that addresses some of the challenges facing the Storm Drainage Property Fee Fund. These challenges include anticipated cost increases, funding projects and programs to meet regulatory requirements, and no rate adjustments.

Storm Drainage Property Fee Fund (Fund 6021)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**23,791**	**11,992**	**14,153**	**16,732**	**19,224**	**22,120**
REVENUES						
Charges, Fees, and/or Services	20,034	20,207	20,609	21,019	21,437	21,863
Interest	752	900	810	729	656	590
TOTAL REVENUES	**20,786**	**21,107**	**21,419**	**21,748**	**22,093**	**22,453**
EXPENDITURES						
Operating - Employee Services	-	2,384	2,444	2,492	2,541	2,592
Operating - Other	11,269	2,313	2,357	2,403	2,448	2,496
Debt Service	-	-	-	-	-	-
Multi-Year Operating Projects	536	2,348	2,250	2,250	2,250	2,250
Capital Improvements	20,780	11,901	11,789	12,111	11,958	12,000
TOTAL EXPENDITURES	**32,585**	**18,946**	**18,840**	**19,255**	**19,197**	**19,338**
ANNUAL SURPLUS/(DEFICIT)	**(11,799)**	**2,161**	**2,579**	**2,493**	**2,896**	**3,116**
Other Fund Sources/Uses	-	-	-	-	-	-
ENDING FUND BALANCE	**11,992**	**14,153**	**16,732**	**19,224**	**22,120**	**25,236**

Wastewater Fund (6006)

Revenue generated for the purpose of providing wastewater collection services is deposited in the Wastewater Fund. Revenues are derived from customer service fees, fees related to private development project review, recovery of Sacramento Area Sewer District (SacSewer) related operation and maintenance costs paid by the fund, interest earnings, and connection charges. Wastewater Fund revenues cover the cost of wastewater collection and maintenance, storage and treatment of wet weather combined sewage, installation of new services, operation of sanitary pumping stations, related engineering services, customer service and billing, education programs, water quality monitoring, and regulatory compliance. Fund expenditures are generally divided among operating costs, debt service, capital improvement, and multi-year operating projects.

The City-operated wastewater collection system consists of a CSS and a separated wastewater system that, together, serve approximately 60% of the city, primarily the northeastern, central, and southern sections of the city. SacSewer is the wastewater collection system provider for the other areas of the City. While the City is responsible for the limited treatment of its CSS, it partners with SacSewer to treat the majority of the city's wastewater. The City provides SacSewer with billing and collection services for properties within the service area in which wastewater collection is provided by the City.

The City Council passed the DOU Reserve Policy on January 24, 2023 (Motion Number 2023-0028), which has been incorporated into the five-year forecast. Approval of the policy allowed DOU to formalize existing guidelines and practices for better financial management of the DOU enterprise funds. The balance of the unrestricted operating ($10.9 million) and capital ($3.4 million) reserves associated with the Wastewater Fund represent a commitment incorporated into the available fund balance calculation.

While prior rate adjustments have helped address operational costs and some level of capital replacement, they have not provided sufficient resources to fund major capital replacement projects. The Wastewater Fund presents unique challenges due to the system's revenue growth potential and the age and nature of the system's infrastructure, which include:

- Compliance with state and federal regulations (e.g., CSS NPDES permit and separated wastewater discharge requirements (WDR)) that includes implementation of the CSS Long Term Control Plan and the Sewer System Management Plan. The CSS collects wastewater from homes and businesses, as well as stormwater and urban runoff. A separate wastewater system collects wastewater from homes and businesses and does not collect stormwater.
- Continued state-mandated maintenance, repair, and rehabilitation of the City's aging CSS and aging separated wastewater system.
- Incorporating the growth of new wastewater services.

- Maintaining the financial strength of the fund for the purpose of raising sufficient capital to finance the rehabilitation and replacement of the wastewater systems and compliance with the CSS NPDES permit.
- Implementing a new tree inventory and maintenance plan for trees on DOU facilities that will provide consistent tree care and maintenance; and defend the city against tree-related risk claims and lawsuits.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Increased cost related to carbon neutral sustainability goals for fleet and facilities.
- Significant cost increases projected for utilities due to rate restructuring.
- Expand and improve the SCADA system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.

The following chart provides a five-year forecast that addresses some of the challenges facing the Wastewater Fund. These challenges include anticipated cost increases, funding projects and programs to meet regulatory requirements, and no rate adjustments. The Department is pursuing a rate increase in FY2027/28.

Wastewater Fund (Fund 6006)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**25,827**	**26,504**	**20,714**	**15,332**	**10,949**	**9,791**
REVENUES						
Charges, Fees, and/or Services	45,232	44,819	44,917	45,016	45,116	45,217
Interest	1,240	1,800	1,620	1,458	1,312	1,181
Other (Intergovernmental)	1,536	1,671	1,704	1,738	1,773	1,808
TOTAL REVENUES	**48,008**	**48,290**	**48,241**	**48,212**	**48,202**	**48,206**
EXPENDITURES						
Operating - Employee Services	13,853	15,420	15,729	16,043	16,364	16,691
Operating - Other	20,380	20,804	21,157	21,519	21,887	22,266
Debt Service	3,913	3,907	3,905	3,904	3,910	3,914
Multi-Year Operating Projects	2,812	3,418	3,937	3,969	4,195	3,583
Capital Improvements	8,836	10,531	8,895	7,160	3,003	2,703
TOTAL EXPENDITURES	**49,794**	**54,079**	**53,623**	**52,596**	**49,359**	**49,156**
ANNUAL SURPLUS/(DEFICIT)	**(1,786)**	**(5,790)**	**(5,382)**	**(4,383)**	**(1,158)**	**(950)**
Other Fund Sources/Uses[(1)]	2,463	-	-	-	-	-
ENDING FUND BALANCE	**26,504**	**20,714**	**15,332**	**10,949**	**9,791**	**8,841**

(1) Other Sources in FY2025/26 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and includes the annual adjustments for the Operating and Capital Reserves per the DOU Reserve Fund Policy adopted by City Council on January 24, 2023, Motion No. 2023-0028.

Water Fund (6005)

Revenue generated for the purpose of providing water services is deposited in the Water Fund. Revenues are derived from customer fees, interest earnings, fees related to private development project review, tap sales, and reimbursements from other entities for services provided. Water Fund revenues are structured to cover the costs of providing water services to customers. Services include water treatment, water treatment plant maintenance and repair, hazardous materials and waste disposal management, water transmission/distribution system maintenance and repair, water conservation and education programs, water quality monitoring, source water protection, related engineering services, customer service and billing, and oversight of the City-County Office of Metropolitan Water Planning (known as the Water Forum). Fund expenditures are summarized and reflected as operating costs, debt service, capital improvement costs, and multi-year operating project costs.

The City Council passed the DOU Reserve Policy on January 24, 2023 (Motion Number 2023-0028), which has been incorporated into the five-year forecast. Approval of the policy allowed DOU to formalize existing guidelines and practices for better financial management of the DOU enterprise funds. The balance of the unrestricted operating ($27.4 million) and capital ($29.1 million) reserves associated with the Water Fund represents a commitment incorporated into the available fund balance calculation.

While prior rate adjustments have helped address operational costs, the accelerated water meter program implementation, and some level of capital replacement, they have not provided sufficient resources to fund major capital replacement projects. The Water Fund faces significant challenges over the next five years. Key issues for the Water Fund include the following:

- Ongoing replacement and maintenance of aging and failing infrastructure.
- Providing safe and reliable drinking water to the community, while planning for anticipated climate change impacts and other risks to supply and quality.
- Maintain water supply resiliency through conjunctive use of surface and groundwater supplies.
- Continued implementation and monitoring of an aggressive water conservation program 1) consistent with meeting state-wide water efficiency mandates and 2) responsive to new legislation establishing a framework for long-term improvements in urban water use efficiency and drought planning as California adapts to climate change.
- Supporting regional, long-term water supply planning.
- Developing wholesale and wheeling agreements in support of effective regional water management.
- Meeting future debt service requirements related to rehabilitating and improving intake structures and treatment plants.
- Increased cost related to carbon neutral sustainability goals for fleet and facilities.

- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Implementing a new tree inventory and maintenance plan for trees on DOU facilities that will provide consistent tree care and maintenance; and defend the city against tree-related risk claims and lawsuits.
- Increasing costs for items vital to collecting, treating, and delivering water to meet service levels. The most significant cost increases are for chemicals, utilities, and replacement and maintenance of water meters.
- Expand and improve the SCADA system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.
- Maintaining state and federal regulatory compliance and planning for compliance with new and revised requirements.

The following chart provides a five-year forecast that addresses some of the challenges facing the Water Fund. These challenges include anticipated cost increases, funding projects, and programs to meet regulatory requirements. No rate adjustments are included in this forecast. The forecast assumes $25.5 million will be funded from the Capital Reserve in FY2028/29. As shown, the fund balance will be negative in FY2030/31 without a rate increase. The Department is pursuing a rate increase in FY2027/28.

Water Fund (Fund 6005)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2025/26 Estimated	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
BEGINNING FUND BALANCE	**67,538**	**49,423**	**39,684**	**20,677**	**24,388**	**1,914**
REVENUES						
Charges, Fees, and/or Services	137,058	134,948	135,261	135,575	135,891	136,207
Interest	3,964	6,500	5,850	5,265	4,739	4,265
Other (Intergovernmental)	310	2,630	2,663	2,696	2,730	2,764
TOTAL REVENUES	**141,332**	**144,078**	**143,774**	**143,536**	**143,359**	**143,236**
EXPENDITURES						
Operating - Employee Services	53,054	59,982	61,182	62,406	63,654	64,927
Operating - Other	38,338	34,097	34,679	35,255	35,847	36,459
Debt Service	35,724	35,707	35,699	36,256	35,732	35,668
Multi-Year Operating Projects	6,497	4,714	5,312	5,907	5,229	5,310
Capital Improvements	43,740	19,316	25,908	25,501	25,371	24,871
TOTAL EXPENDITURES	**177,353**	**153,817**	**162,781**	**165,325**	**165,833**	**167,236**
ANNUAL SURPLUS/(DEFICIT)	**(36,021)**	**(9,739)**	**(19,007)**	**(21,789)**	**(22,474)**	**(24,000)**
Other Sources/Uses[(1)]	17,906	-	-	25,500	-	-
ENDING FUND BALANCE	**49,423**	**39,684**	**20,677**	**24,388**	**1,914**	**(22,085)**

(1) Other Sources in FY2025/26 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and the annual adjustments for the Operating and Capital Reserves per the DOU Reserve Fund Policy adopted by City Council on January 24, 2023, Motion No. 2023-0028. Other Fund Sources/Uses in FY2028/29 includes the use of the Capital Reserve to fund the FY29 CIP.

7

SECTION - 7
Budget Schedules

Schedule 1A
Current Operations – Appropriations by Fund (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Governmental Funds						
General Fund	$ 613,220	$ 661,031	$ 699,252	$ 702,125	$ 732,215	$ 30,090
Measure U	105,350	106,982	157,399	155,298	145,666	(9,631)
Subtotal Governmental Funds	718,570	768,013	856,651	857,423	877,881	20,459
Enterprise Funds						
Community Center	40,704	47,527	53,195	53,195	53,697	502
Parking	17,553	18,282	19,320	19,320	20,751	1,431
Solid Waste	70,707	78,785	89,163	86,448	99,688	13,241
Storm Drainage	36,926	37,418	47,677	40,351	47,381	7,030
Storm Drainage Property Fee	5,455	4,419	7,633	13,037	7,295	(5,742)
Wastewater	35,983	38,178	42,666	41,065	43,676	2,611
Water	117,171	123,925	136,951	135,910	134,833	(1,077)
Subtotal Enterprise Funds	**324,498**	**348,535**	**396,604**	**389,325**	**407,321**	**17,996**
Internal Service Funds						
Fleet Management	48,016	50,440	64,730	65,133	80,735	15,602
Risk Management	73,203	72,384	82,324	79,840	82,694	2,854
Subtotal Internal Service Funds	**121,219**	**122,824**	**147,054**	**144,972**	**163,429**	**18,457**
Other Governmental Funds						
4th R Program	5,991	6,686	6,634	8,062	7,204	(857)
ARPA Reinvestment Fund	-	-	1,786	1,786	1,091	(696)
Assessment Reg and SDRIS	12	26	-	-	-	-
Citation I-5 Maintenance	66	104	40	40	40	-
Citywide Low Income Housing	3,799	6,697	2,200	2,200	3,000	800
Cultural Services - Other	75	182	149	149	149	-
Debt Service Funds	4,566	5,076	11,497	11,497	11,343	(154)
Development Services	1,126	1,177	2,800	2,800	4,454	1,654
Downtown Impact Fee	(32)	-	-	-	50	50
Downtown Management District	3,950	4,108	5,924	5,924	6,220	295
Ethel MacLeod Hart Trust	-	-	-	-	1,625	1,625
Externally Funded Programs	182	105	-	-	-	-
Fairytale Town	80	79	50	50	50	-
Gas Tax	3,729	5,714	8,575	7,702	9,566	1,864
Golf	336	422	539	539	542	3
Greenbriar Impact Fee	76	75	-	-	-	-
Innovation and Growth	4,185	22,220	5,082	5,082	9,245	4,163
Jacinto Creek	18	7	25	25	200	175
Land Park	122	122	122	122	122	-
Landscaping and Lighting	18,830	17,608	21,557	21,111	22,062	951
Library Services Parcel Tax	9,537	9,888	10,349	10,349	10,349	-
Marina	2,382	1,723	2,586	2,586	2,626	40
Measure A Maintenance	14,549	13,939	16,913	16,913	17,111	197
Measure L Children's Fund	-	(18,385)	-	928	-	(928)
NMA Safety, Streets, Ped, Bic	-	-	4	4	4	-
North Natomas Financing Plan	174	5,854	6,768	6,768	2,568	(4,200)
Operating Grants	468	283	-	-	-	-
Other	333	326	49	49	51	2
Park Development	(216)	612	478	478	482	4
Private Development	273	377	-	-	-	-
Quimby Act	4	-	10	10	10	-
Railyards Impact Fee	-	-	-	-	50	50
Redevelopment Bond Funds	-	10	9	9	9	-
River District Impact Fee	-	-	-	-	50	50

Schedule 1A (continued)
Current Operations – Appropriations by Fund (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Other Governmental Funds (continued)						
SB720 Red Light Camera Fund	-	-	-	-	161	161
Sheraton MOPA Project	370	392	-	-	-	-
SHRA CDBG	-	-	29	29	29	-
So Natomas Facility Benefit	4	-	-	-	-	-
Special Districts	27,109	28,940	26,908	26,812	28,972	2,160
Special Districts - Capital	1,044	20	2,900	2,900	8,000	5,100
Special Program Donations	23	23	250	250	250	-
START	659	764	560	992	804	(188)
Traffic Safety	285	204	343	343	351	8
Transportation Development Impact Fee	20	31	-	-	-	-
Wastewater Development Fees	1,999	888	-	-	-	-
Water Development Fees	(202)	8	-	-	-	-
Water Planning	885	817	1,641	1,641	1,900	258
Zoo	80	79	50	50	50	-
Subtotal Other Governmental Funds	**106,892**	**117,198**	**136,829**	**138,202**	**150,791**	**12,589**
Total	**$ 1,271,179**	**$ 1,356,570**	**$ 1,537,138**	**$ 1,529,922**	**$ 1,599,422**	**$ 69,500**

Schedule 1B
Current Operations – Appropriations by Department (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Mayor Offices						
Mayor/Council	$ 8,265	$ 9,214	$ 9,649	$ 11,772	$ 8,781	$ (2,991)
Subtotal Mayor Offices	**8,265**	**9,214**	**9,649**	**11,772**	**8,781**	**(2,991)**
Charter Offices						
City Attorney	13,237	15,042	14,505	14,505	15,216	712
City Auditor	1,723	1,486	2,057	2,057	2,053	(4)
City Clerk	3,760	3,866	4,126	4,126	4,184	58
City Manager	12,420	11,486	15,101	15,101	5,235	(9,866)
City Treasurer	2,409	2,655	3,144	3,144	3,248	103
Subtotal Charter Offices	**33,548**	**34,534**	**38,934**	**38,934**	**29,936**	**(8,998)**
Operating Offices						
Community Development	47,340	52,826	60,759	60,342	64,090	3,748
Community Response	3,941	4,377	40,101	40,054	37,863	(2,191)
Convention and Cultural Services	25,761	29,996	36,169	36,169	36,563	395
Economic Development Department	-	-	-	-	9,149	9,149
Finance	13,691	14,251	25,363	25,363	28,144	2,781
Fire	203,571	229,239	229,710	228,500	231,090	2,590
Human Resources	79,348	79,073	88,389	85,905	88,848	2,943
Information Technology	32,428	33,302	35,267	35,167	35,911	744
Police	228,764	241,497	256,281	256,680	255,802	(878)
Public Works	181,785	194,611	237,587	233,645	272,809	39,164
Utilities	153,722	163,267	194,582	190,018	193,337	3,319
Youth, Parks, and Community Enrichment	61,375	61,712	65,948	66,859	69,053	2,194
Subtotal Operating Offices	**1,031,727**	**1,104,151**	**1,270,155**	**1,258,701**	**1,322,659**	**63,958**
Other Offices						
Citywide and Community Support	119,928	130,719	139,025	141,140	162,035	20,896
Debt Service	99,978	98,157	105,381	105,381	102,915	(2,466)
Non-Appropriated	(22,268)	(20,203)	(26,006)	(26,006)	(26,905)	(900)
Subtotal Other Offices	**197,638**	**208,672**	**218,400**	**220,515**	**238,045**	**17,531**
Total	**$ 1,271,179**	**$ 1,356,570**	**$ 1,537,138**	**$ 1,529,922**	**$ 1,599,422**	**$ 69,500**

Schedule 1C
Staffing by Department (in Full-time Equivalents)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Mayor Offices						
Mayor/Council	46.00	43.00	43.00	43.00	39.00	(4.00)
Subtotal Mayor Offices	**46.00**	**43.00**	**43.00**	**43.00**	**39.00**	**(4.00)**
Charter Offices						
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	66.00	64.00	50.00	50.00	15.00	(35.00)
City Attorney	64.00	64.00	63.00	63.00	61.00	(2.00)
City Clerk	24.00	24.00	23.00	23.00	21.00	(2.00)
City Treasurer	14.00	14.00	13.00	13.00	13.00	-
Subtotal Charter Offices	**178.00**	**176.00**	**159.00**	**159.00**	**120.00**	**(39.00)**
Operating Offices						
Finance	94.90	94.00	102.00	102.00	102.00	-
Information Technology	208.50	202.50	202.50	202.50	197.50	(5.00)
Human Resources	83.00	83.00	77.00	77.00	76.00	(1.00)
Police	1,135.16	1,119.50	1,092.50	1,092.50	1,030.50	(62.00)
Fire	760.50	760.50	765.50	765.50	765.50	-
Utilities	582.18	599.18	607.18	607.18	608.18	1.00
Public Works	768.65	769.65	780.65	780.65	782.65	2.00
Convention and Cultural Services	119.00	124.50	124.50	124.50	122.80	(1.70)
Economic Development Department	-	-	-	-	32.00	32.00
Youth, Parks, and Community Enrichment	752.72	709.87	678.00	678.00	654.07	(23.93)
Community Development	319.00	318.00	315.00	315.00	315.00	-
Community Response	37.00	38.00	38.00	38.00	39.00	1.00
Subtotal Operating Offices	**4,860.61**	**4,818.70**	**4,782.83**	**4,782.83**	**4,725.20**	**(57.63)**
Other Offices						
Cityw ide and Community Support	6.00	-	-	-	-	-
Subtotal Other Offices	**6.00**	**-**	**-**	**-**	**-**	**-**
Total	**5,090.61**	**5,037.70**	**4,984.83**	**4,984.83**	**4,884.20**	**(100.63)**

Schedule 1D
Staffing by Fund (in Full-Time Equivalents)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Governmental Funds						
General						
Mayor/Council	35.00	32.00	32.00	32.00	32.00	-
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	30.00	30.00	18.00	18.00	15.00	(3.00)
City Attorney	64.00	64.00	63.00	63.00	61.00	(2.00)
City Clerk	24.00	24.00	23.00	23.00	21.00	(2.00)
City Treasurer	14.00	14.00	13.00	13.00	13.00	-
Finance	94.90	94.00	102.00	102.00	102.00	-
Information Technology	208.50	202.50	202.50	202.50	197.50	(5.00)
Human Resources	44.00	44.00	39.00	39.00	38.00	(1.00)
Police	1,057.66	1,032.00	1,028.00	1,028.00	979.00	(49.00)
Fire	742.50	742.50	748.50	748.50	765.50	17.00
Public Works	432.00	432.00	442.00	442.00	444.00	2.00
Youth, Parks, and Community Enrichment	14.00	13.00	13.00	13.00	13.00	-
Community Development	197.00	196.00	194.00	194.00	195.00	1.00
Subtotal General Fund	**2,967.56**	**2,930.00**	**2,928.00**	**2,928.00**	**2,886.00**	**(42.00)**
Measure U						
Mayor/Council	11.00	11.00	11.00	11.00	7.00	(4.00)
City Manager	34.00	32.00	30.00	30.00	-	(30.00)
Human Resources	3.00	3.00	3.00	3.00	3.00	-
Police	77.50	87.50	64.50	64.50	51.50	(13.00)
Fire	18.00	18.00	17.00	17.00	-	(17.00)
Public Works	4.00	4.00	4.00	4.00	4.00	-
Convention and Cultural Services	24.95	25.95	23.95	23.95	22.25	(1.70)
Economic Development Department	-	-	-	-	30.00	30.00
Youth, Parks, and Community Enrichment	589.38	547.93	494.61	494.61	481.08	(13.53)
Community Development	122.00	122.00	121.00	121.00	120.00	(1.00)
Community Response	37.00	38.00	38.00	38.00	39.00	1.00
Subtotal Measure U Fund	**920.83**	**889.38**	**807.06**	**807.06**	**757.83**	**(49.23)**
Subtotal Governmental Funds	**3,888.39**	**3,819.38**	**3,735.06**	**3,735.06**	**3,643.83**	**(91.23)**
Enterprise Funds						
Community Center						
Convention and Cultural Services	94.05	98.55	100.55	100.55	100.55	-
Parking						
Public Works	60.75	60.75	60.75	60.75	60.75	-
Solid Waste						
Public Works	183.30	183.30	184.30	184.30	184.30	-
Storm Drainage						
Utilities	130.00	135.00	143.00	143.00	130.00	(13.00)
Storm Drainage Property Fee						
Utilities	-	-	-	-	14.00	14.00
Wastewater						
Utilities	94.00	94.00	94.00	94.00	94.00	-
Water						
Utilities	358.18	364.18	364.18	364.18	365.18	1.00
Subtotal Enterprise Funds	**920.28**	**935.78**	**946.78**	**946.78**	**948.78**	**2.00**

Schedule 1D (continued)
Staffing by Fund (in Full-Time Equivalents)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Internal Service Funds						
Fleet Management						
Public Works	82.00	83.00	83.00	83.00	83.00	-
Risk Management Fund						
Human Resources	17.00	17.00	16.00	16.00	16.00	-
Workers' Compensation Fund						
Human Resources	19.00	19.00	19.00	19.00	19.00	-
Subtotal Internal Service Funds	**118.00**	**119.00**	**118.00**	**118.00**	**118.00**	**-**
Other Government Funds						
4th R Program						
Youth, Parks, and Community Enrichment	133.10	132.70	133.45	133.45	143.75	10.30
Cty/Cnty Office-Water Planning						
Citywide and Community Support	6.00	-	-	-	-	-
Utilities	-	6.00	6.00	6.00	5.00	(1.00)
Innovation and Growth						
City Manager	2.00	2.00	2.00	2.00	-	(2.00)
Economic Development Department	-	-	-	-	2.00	2.00
Marina						
Public Works	6.60	6.60	6.60	6.60	6.60	-
START						
Youth, Parks, and Community Enrichment	16.24	16.24	36.94	36.94	16.24	(20.70)
Subtotal Other Governmental Funds	**163.94**	**163.54**	**184.99**	**184.99**	**173.59**	**(11.40)**
Total	**5,090.61**	**5,037.70**	**4,984.83**	**4,984.83**	**4,884.20**	**(100.63)**

Schedule 1E
Current Operations – Staffing and Appropriations by Department (in 000s)

	Total FTE	FY2026/27 Operating	FY2026/27 MYOP*	Operating Budget
Mayor Offices				
Mayor/Council	39.00	$ 8,775	$ 6	$ 8,781
Subtotal Mayor Offices	**39.00**	**8,775**	**6**	**8,781**
Charter Offices				
City Auditor	10.00	2,053	-	2,053
City Manager	15.00	4,835	400	5,235
City Attorney	61.00	15,216	-	15,216
City Clerk	21.00	4,175	10	4,184
City Treasurer	13.00	3,247	1	3,248
Subtotal Charter Offices	**120.00**	**29,526**	**411**	**29,936**
Operating Offices				
Finance	102.00	17,638	10,506	28,144
Information Technology	197.50	35,596	315	35,911
Human Resources	76.00	88,655	192	88,848
Police	1,030.50	248,183	7,620	255,802
Fire	765.50	230,063	1,027	231,090
Utilities	608.18	179,725	13,612	193,337
Public Works	782.65	251,762	21,047	272,809
Convention and Cultural Services	122.80	35,099	1,464	36,563
Economic Development Department	32.00	6,675	2,475	9,149
Enrichment	654.07	65,887	3,166	69,053
Community Development	315.00	55,092	8,998	64,090
Community Response	39.00	6,036	31,827	37,863
Subtotal Operating Offices	**4,725.20**	**1,220,411**	**102,249**	**1,322,659**
Other Offices				
Debt Service	-	102,915	-	102,915
Citywide and Community Support	-	151,758	10,277	162,035
Non-Appropriated	-	(26,905)	-	(26,905)
Subtotal Other Offices	**-**	**227,768**	**10,277**	**238,045**
Total	**4,884.20**	**$ 1,486,480**	**$ 112,942**	**$ 1,599,422**

*See Schedule 9 for Multi-Year Operating Projects (MYOPs) included in the Department Budget charts.

Schedule 2A
Summary of Revenues, Appropriations, & Changes in Fund Balance (in 000s)

	Governmental** Funds	Enterprise Funds	Service Funds	Other Gov't Funds	Gross Total	Net* Total
Current Resources						
Revenues						
Taxes	$ 628,030	$ 36,929	-	$ 38,374	$ 703,332	$ 703,332
Licenses and Permits	36,455	135	-	7,500	44,090	44,090
Penalties	16,610	4,230	-	461	21,301	21,301
Concessions	8,340	16,528	2,330	11,263	38,462	36,132
Intergovernmental	27,876	4,649	-	39,865	72,390	72,390
Charges, Fees, and Services	115,250	369,026	10,831	75,337	570,444	559,614
Contributions from Other Funds	45,390	603	-	-	45,993	45,993
Miscellaneous Revenue	265	4,090	155,562	277	160,194	4,632
Total Current Resources	**878,216**	**436,190**	**168,723**	**173,077**	**1,656,205**	**1,487,482**
Current Requirements						
Current Operations						
Employee Services	729,881	144,642	17,196	6,195	897,915	880,719
Services & Supplies	213,815	108,260	101,614	41,005	464,694	363,080
City Property	2,582	1,695	37,549	218	42,044	4,494
Multi-Year Operating Projects	55,740	26,816	462	29,924	112,942	112,480
Central Offsets	(27,405)	63,398	5,324	123	41,440	36,116
City Debt Service	15,190	70,497	41	17,186	102,915	102,874
Labor Offsets	(81,285)	(3,017)	1,709	24,852	(57,742)	(59,451)
Contingency	2,000	-	-	-	2,000	2,000
Service and Supplies Offsets	(32,637)	(4,970)	(467)	31,287	(6,786)	(6,319)
Subtotal Current Operations	**877,881**	**407,321**	**163,429**	**150,791**	**1,599,422**	**1,435,993**
Capital Improvements	17,229	45,877	677	68,986	132,770	132,093
Total Current Requirements	**895,111**	**453,198**	**164,106**	**219,777**	**1,732,192**	**1,568,086**
Other Fund Sources (Uses)	17,019	(250)	(4,523)	27,894	40,139	44,663
Total Surplus (Deficit)	**124**	**(17,259)**	**94**	**(18,806)**	**(35,847)**	**(35,941)**
Beginning Fund Balance	-	220,149	409	310,164	530,722	530,313
Ending Fund Balance	**$ 124**	**$ 202,890**	**$ 503**	**$ 291,358**	**$ 494,875**	**$ 494,372**

*Net Total excludes Internal Service Funs (ISF)
**Governmental Funds reflect General and Measure U Funds combined

Schedule 2B
Detail of Revenues, Appropriations, and Changes in Fund Balance (in 000s)

	Resources	Requirements					Fund Balance	
	Total Revenues	Current Operations	CIP	Total	Other Sources (Uses)	Surplus / (Deficit)	Beginning	Ending
Governmental Funds								
General Fund	$ 740,950	$ 732,215	$ 17,233	$ 749,448	$ 16,836	$ 8,338	$ 41,887	$ 50,226
Measure U	137,265	145,666	(3)	145,663	183	(8,215)	(41,887)	(50,102)
Subtotal Governmental Funds	**878,216**	**877,881**	**17,229**	**895,111**	**17,019**	**124**	**-**	**124**
Enterprise Funds								
Community Center	53,638	53,697	2,175	55,872	(250)	(2,484)	26,849	24,365
Parking	21,689	20,751	1,601	22,351	-	(662)	6,642	5,980
Solid Waste	101,375	99,688	352	100,040	-	1,335	67,885	69,220
Storm Drainage	46,013	47,381	2	47,383	-	(1,369)	30,854	29,485
Storm Drainage Property Fee	21,107	7,295	11,901	19,197	-	1,910	11,992	13,902
Wastew ater	48,290	43,676	10,531	54,207	-	(5,918)	26,504	20,586
Water	144,078	134,833	19,316	154,149	-	(10,071)	49,423	39,352
Subtotal Enterprise Funds	**436,190**	**407,321**	**45,877**	**453,198**	**(250)**	**(17,259)**	**220,149**	**202,890**
Internal Service Funds								
Fleet Management	81,506	80,735	677	81,412	-	94	409	503
Risk Management	87,217	82,694	-	82,694	(4,523)	-	-	-
Subtotal Internal Service Funds	**168,723**	**163,429**	**677**	**164,106**	**(4,523)**	**94**	**409**	**503**
Other Governmental Funds								
4th R Program	7,204	7,204	-	7,204	-	-	2,963	2,963
65th Street Area Impact Fee	-	-	-	-	-	-	651	651
ACS Capital Campaign	-	-	-	-	-	-	2,218	2,218
ARPA Reinvestment Fund	1,000	1,091	(56)	1,035	-	(35)	2,035	2,000
Art In Public Places Projects	-	-	-	-	-	-	109	109
Assessment Reg and SDRIS	-	-	-	-	-	-	125	125
Cal EPA	-	-	-	-	-	-	47	47
Capital Improv. Revenue Bonds	-	-	-	-	-	-	31	31
CIP Reimbursable	-	-	21	21	21	-	-	-
Citation I-5 Improvements	-	-	-	-	-	-	8	8
Citation I-5 Maintenance	-	40	-	40	-	(40)	501	461
Cityw ide Low Income Housing	3,000	3,000	-	3,000	-	-	189	189
Cultural Services - Other	155	149	-	149	-	6	1,167	1,173
Debt Service Funds	11,260	11,343	-	11,343	937	854	2,739	3,593
Development Services	4,738	4,454	284	4,738	-	-	-	-
Dow ntow n Impact Fee	-	50	-	50	-	(50)	3,316	3,266
Dow ntow n Management District	6,216	6,220	-	6,220	-	(4)	203	200
Ethel MacLeod Hart Trust	-	1,625	-	1,625	-	(1,625)	2,531	906
Fair Share Contributions	-	-	-	-	-	-	6,473	6,473
Fairytale Tow n	50	50	-	50	-	-	5	5
Federal Capital Grant	-	-	17,092	17,092	17,092	-	-	-
Florin Road Storm and San	-	-	-	-	-	-	8	8
Gas Tax	15,239	9,566	2,341	11,907	-	3,332	19,749	23,081
Golf	1,000	542	-	542	-	458	572	1,030
Greenbriar Impact Fee	-	-	-	-	-	-	4,441	4,441
I-5 Subregional Corridor Mitig	-	-	-	-	-	-	7,292	7,292
Innovation and Grow th	15,889	9,245	-	9,245	-	6,644	10,162	16,806
Jacinto Creek	-	200	-	200	-	(200)	1,908	1,708
Land Park	23	122	-	122	-	(99)	283	184
Landscaping and Lighting	21,301	22,062	817	22,879	-	(1,578)	5,582	4,003
Library Services Parcel Tax	10,349	10,349	-	10,349	-	-	-	-
Major Street Construction	2,000	-	4,000	4,000	-	(2,000)	14,625	12,625
Marcy Friedman ESC APP	-	-	-	-	-	-	13	13
Marina	2,194	2,626	250	2,876	-	(682)	669	(13)
Measure A Maintenance	16,538	17,111	2,535	19,646	-	(3,108)	17,626	14,518
NMA Safety, Streets, Ped, Bic	2,437	4	2,770	2,774	-	(337)	1,801	1,463
NMA Traffic Control & Safety	1,654	-	1,580	1,580	-	74	226	300
North Natomas Financing Plan	325	2,568	12	2,580	-	(2,255)	28,742	26,488

Schedule 2B (continued)
Detail of Revenues, Appropriations, and Changes in Fund Balance (in 000s)

	Resources	Requirements					Fund Balance	
	Total Revenues	Current Operations	CIP	Total	Other Sources (Uses)	Surplus / (Deficit)	Beginning	Ending
Other Governmental Funds (continued)								
Other	-	51	-	51	-	(51)	8,498	8,447
Other Capital Grants	-	-	9,844	9,844	9,844	-	-	-
Park Development	826	482	6,708	7,190	-	(6,364)	37,518	31,154
Quimby Act	100	10	(3)	7	-	93	4,430	4,523
Railyards Impact Fee	50	50	-	50	-	-	5,920	5,920
Redevelopment Bond Funds	-	9	-	9	-	(9)	8,618	8,609
Road Maint and Rehabilitation	14,672	-	17,000	17,000	-	(2,328)	7,954	5,626
River District Impact Fee	-	50	-	50	-	(50)	9,622	9,572
SB720 Red Light Camera Fund	261	161	-	161	-	100	-	100
SHRA CDBG	29	29	-	29	-	-	-	-
So Natomas Comm Improv	-	-	-	-	-	-	89	89
So Natomas Facility Benefit	-	-	-	-	-	-	2,385	2,385
So Natomas I-5 Developer Impr	-	-	-	-	-	-	684	684
Special Districts	28,607	28,972	-	28,972	-	(364)	20,415	20,051
Special Districts - Capital	500	8,000	-	8,000	-	(7,500)	10,241	2,741
Special Program Donations	250	250	-	250	-	-	-	-
START	976	804	-	804	-	172	(213)	(41)
Sunset, Meadow s A/D Maint	-	-	-	-	-	-	282	282
Traffic Safety	200	351	-	351	-	(151)	16	(135)
Transportation Development	600	-	658	658	-	(58)	58	-
Transportation Development Impact Fee	1,500	-	-	-	-	1,500	2,709	4,209
Transportation System Management	-	-	-	-	-	-	2	2
Trench Cut Fee	-	-	14	14	-	(14)	14	-
Tree Planting Replacement	120	-	120	120	-	-	-	-
Wastew ater Development Fees	-	-	2,000	2,000	-	(2,000)	5,208	3,208
Water Development Fees	-	-	1,000	1,000	-	(1,000)	43,337	42,337
Water Planning	1,763	1,900	-	1,900	-	(137)	879	742
Willow creek Fee District	-	-	-	-	-	-	2,485	2,485
Zoo	50	50	-	50	-	-	2	2
Subtotal Other Governmental Funds	**173,077**	**150,791**	**68,986**	**219,777**	**27,894**	**(18,806)**	**310,164**	**291,358**
Total	**$ 1,656,205**	**$ 1,599,422**	**$ 132,770**	**$ 1,732,192**	**$ 40,139**	**$ (35,847)**	**$ 530,722**	**$ 494,875**

Schedule 2C
Summary of Revenues, Expenditures, and Budgeted Fund Balances (in 000s)

	FY2022/23 Approved	FY2023/24 Approved	FY2024/25 Approved	FY2025/26 Approved	FY2026/27 Approved
Governmental Funds*					
Revenues	$ 743,069	$ 770,820	$ 813,707	$ 838,742	$ 878,216
Total Resources	743,069	770,820	813,707	838,742	878,216
Expenses					
Operations	723,702	757,771	832,180	856,651	877,881
CIP	18,096	14,217	15,092	15,835	17,229
Total Requirements	741,799	771,988	847,272	872,485	895,111
Other Fund Sources (Uses)	1,089	893	30,988	34,219	17,019
Beginning Fund Balance	**4,761**	**731**	**3,334**	**12**	**-**
Ending Fund Balance	**7,120**	**457**	**757**	**488**	**124**
Enterprise Funds					
Revenues	373,458	392,942	405,034	418,538	436,190
Total Resources	373,458	392,942	405,034	418,538	436,190
Expenses					
Expenses	350,316	354,494	383,789	396,604	407,321
CIP	43,527	48,197	35,136	63,390	45,877
Total Requirements	393,842	402,691	418,925	459,995	453,198
Other Fund Sources (Uses)	(250)	163	2,560	(250)	(250)
Beginning Fund Balance	**248,632**	**144,975**	**179,391**	**221,894**	**220,149**
Ending Fund Balance	**227,998**	**135,388**	**168,060**	**180,188**	**202,890**
Internal Service Funds					
Revenues	121,562	123,536	138,952	145,342	168,723
Total Resources	121,562	123,536	138,952	145,342	168,723
Expenses					
Expenses	121,585	122,375	136,314	147,054	163,429
CIP	202	202	208	207	677
Total Requirements	121,787	122,577	136,522	147,261	164,106
Other Fund Sources (Uses)	298	(1,231)	(999)	1,577	(4,523)
Beginning Fund Balance	**403**	**573**	**527**	**626**	**409**
Ending Fund Balance	**476**	**301**	**1,957**	**283**	**503**
Other Governmental Funds					
Revenues	138,135	146,735	157,829	164,345	173,077
Total Resources	138,135	146,735	157,829	164,345	173,077
Expenses					
Expenses	121,829	127,274	110,837	136,829	150,791
CIP	70,265	44,754	64,983	58,414	68,986
Total Requirements	**192,094**	**172,029**	**175,819**	**195,244**	**219,777**
Other Fund Sources (Uses)	38,007	10,487	5,645	12,622	27,894
Beginning Fund Balance	**190,936**	**195,751**	**228,173**	**262,972**	**310,164**
Ending Fund Balance	**$ 174,984**	**$ 180,945**	**$ 215,828**	**$ 244,696**	**$ 291,358**

*Governmental Funds reflect General, and Measure U Funds combined.

Schedule 3
Contributions to General Fund Support (in 000s)

Fund	Cost* Allocation Plan		In-Lieu Property Tax		In-Lieu Franchise Tax		Voter Approved General Tax	
	FY2025/26	FY2026/27	FY2025/26	FY2026/27	FY2025/26	FY2026/27	FY2025/26	FY2026/27
Enterprise Funds								
Community Center	3,749	3,196	456	456	2,287	2,365	-	-
Parking	1,523	1,522	248	268	1,809	1,927	-	-
Solid Waste	4,934	5,434	-	-	-	-	10,504	10,654
Storm Drainage	2,888	3,543	-	-	-	-	4,456	4,499
Storm Drainage Property Fee	-	-	-	-	-	-	2,178	2,178
Wastewater	2,156	2,527	-	-	-	-	4,709	4,775
Water	5,929	5,736	-	-	-	-	14,318	14,319
Total Enterprise Funds	**21,179**	**21,958**	**704**	**724**	**4,097**	**4,291**	**36,165**	**36,424**
Internal Service Funds								
Fleet Management	2,218	2,429	-	-	-	-	-	-
Risk Management	3,057	2,894	-	-	-	-	-	-
Total Internal Service Funds	**5,274**	**5,324**	**-**	**-**	**-**	**-**	**-**	**-**
Water Planning Funds								
Water Forum	52	123	-	-	-	-	-	-
Total Water Planning Funds	**52**	**123**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL	**$ 26,506**	**$ 27,405**	**$ 704**	**$ 724**	**$ 4,097**	**$ 4,291**	**$ 36,165**	**$ 36,424**

COST ALLOCATION PLAN

Most of the City's centralized services reside in the General Fund. Each year, a study is conducted to identify and assign each fund's fair share of these centralized service costs on a reasonable and consistent manner. These charges are incorporated in non-General Fund departments' budgets.

Schedule 4
Summary of Capital Funding by Funding Source (in 000s)

Fund	Description	Budget Through 02/2026	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	Total Five-year Funding
1001:	General Fund	$ 242,622	$ 17,233	$ 15,748	$ 15,728	$ 15,788	$ 15,788	$ 80,283
1003:	ARPA Reinvestment Fund	3,745	(56)	-	-	-	-	(56)
1004:	Measure L Children's Fund	2,193	-	-	-	-	-	-
2001:	Sacto Transp.Sales Tax-Cip.	1,029	-	-	-	-	-	-
2002:	Gas Tax 2016	26,220	2,341	2,806	2,806	3,756	3,556	15,263
2007:	Major Street Construction	27,482	4,000	2,500	2,500	2,500	2,500	14,000
2008:	Trench Cut Fee	173	14	-	-	-	-	14
2012:	Transportation System Management	381	-	-	-	-	-	-
2013:	Transportation Development	2,216	658	600	600	600	600	3,058
2016:	Development Services	21,982	284	1,774	258	1,903	275	4,494
2019:	Citation I-5 Improvements	420	-	-	-	-	-	-
2020:	So Natomas Comm Improv	746	-	-	-	-	-	-
2021:	So Natomas Facility Benefit	3	-	-	-	-	-	-
2023:	New Measure A Specific Project	16,820	-	-	-	-	-	-
2025:	New Measure A Construction	2,406	-	-	-	-	-	-
2026:	New Measure A Maintenance	3,051	2,535	385	385	385	385	4,075
2028:	Prop 1B - Local Street & Road	21	-	-	-	-	-	-
2031:	Innovation and Grow th	572	-	-	-	-	-	-
2032:	Fair Share Contributions	287	-	-	-	-	-	-
2033:	I-5 Subregional Corridor Mitig	264	-	-	-	-	-	-
2035:	Tree Planting Replacement	1,348	120	120	120	120	120	600
2036:	Road Maint and Rehabilitation	48,734	17,000	16,675	16,675	16,675	16,675	83,700
2038:	NMA Traffic Control & Safety	11,454	1,580	1,580	1,580	1,580	1,580	7,900
2039:	NMA Safety, Streets, Ped, Bic	15,772	2,770	2,770	2,770	2,770	2,770	13,850
2220:	Sunset, Meadow s A/D Maint	1,600	-	-	-	-	-	-
2230:	N Natomas Lands CFD 3	1,189	-	-	-	-	-	-
2232:	Landscaping and Lighting	7,914	817	817	817	817	817	4,086
2235:	Florin Road Storm and San	90	-	-	-	-	-	-
2245:	NW Land Park CFD 2013-02	72	-	-	-	-	-	-
2401:	Measure U	68,079	(3)	-	-	-	-	(3)
2502:	Special Program Donations	287	-	-	-	-	-	-
2504:	Special Recreation	842	-	-	-	-	-	-
2507:	Land Park	137	-	-	-	-	-	-
2508:	Quimby Act	1,998	(3)	-	-	-	-	(3)
2601:	Old Sac Market	30	-	-	-	-	-	-
2603:	Golf	593	-	-	-	-	-	-
2605:	Zoo	1	-	-	-	-	-	-
2608:	Marina	1,022	250	120	120	120	120	730
2700:	Block Grant/Housing & Redev	6,306	-	-	-	-	-	-
2701:	Disaster Relief Act	3	-	-	-	-	-	-
2703:	Externally Funded Programs	669	-	-	-	-	-	-
2801:	Cal EPA	1,377	-	-	-	-	-	-
3001:	1993 Series B Cop	600	-	-	-	-	-	-
3002:	2002 Capital Improv. Revenue Bonds	2	-	-	-	-	-	-
3003:	2003 Capital Improv. Revenue Bonds	42	-	-	-	-	-	-
3004:	2006 CIRB - Tax Exempt	3,699	-	-	-	-	-	-
3005:	2006 CIRB - Taxable	361	-	-	-	-	-	-
3006:	2006 CIRBs Ser C Cap Projs	115	-	-	-	-	-	-
3008:	Willow creek Fee District	788	-	-	-	-	-	-
3201:	N. Natomas Financial Plan	171	-	-	-	-	-	-
3202:	Railyards/Richards/Dow ntow n	359	-	-	-	-	-	-
3204:	Park Development	30,332	6,708	-	-	-	-	6,708
3206:	NNFP Public Facilities Fee	13,428	12	12	12	12	12	58
3210:	Dow ntow n Impact Fee	323	-	-	-	-	-	-
3215:	Transportation Development Impact Fee	6,804	-	-	-	-	-	-
3216:	Greenbriar Impact Fee	2,600	-	-	-	-	-	-

Schedule 4 (continued)
Summary of Capital Funding by Funding Source (in 000s)

Fund	Description	Budget Through 02/2026	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	Total Five-year Funding
3314:	N Natomas Drng CFD 97-01	418	-	-	-	-	-	-
3317:	N Natomas CFD #2 Const	232	-	-	-	-	-	-
3320:	NN Westlake CFD 2000-01 Const	389	-	-	-	-	-	-
3323:	CFD 97-01 Series C	68	-	-	-	-	-	-
3328:	N Natomas Drng 2005 CFD 97-01	551	-	-	-	-	-	-
3333:	CFD 97-01 Construction	247	-	-	-	-	-	-
3338:	Florin Depot Industrial Park	569	-	-	-	-	-	-
3349:	AD-RADII	1,611	-	-	-	-	-	-
3701:	Sacto Housing & Redev Agency	3,703	-	-	-	-	-	-
3702:	CIP Reimbursable	39,792	21	21	21	21	21	105
3703:	Federal Capital Grant	123,596	17,092	4,252	-	-	-	21,344
3704:	Other Capital Grants	113,729	9,844	4,314	-	-	-	14,158
3705:	ACS Capital Campaign	113	-	-	-	-	-	-
3803:	2006 Army Depot TE	220	-	-	-	-	-	-
5015:	Winchester G & Mary Alice Felt	696	-	-	-	-	-	-
6001:	Water Development Fees	24,532	1,000	1,000	1,000	1,000	1,000	5,000
6002:	Wastew ater Development Fees	2,708	2,000	-	-	-	-	2,000
6004:	Parking	34,475	1,601	1,220	1,320	1,420	1,520	7,081
6005:	Water	178,102	19,316	25,908	25,501	25,371	24,871	120,968
6006:	Wastew ater	26,157	10,531	8,895	7,160	3,003	2,703	32,291
6007:	Recycling and Solid Waste	35,979	352	358	746	358	358	2,170
6008:	Landfill Closure	5,195	-	-	-	-	-	-
6009:	Sacramento Marina	874	-	-	-	-	-	-
6010:	Community Center	25,730	2,175	2,750	2,125	1,800	1,575	10,425
6011:	Storm Drainage	12,597	2	-	-	-	-	2
6012:	4th R Program	730	-	-	-	-	-	-
6021:	Storm Drainage Property Fee	33,510	11,901	11,789	12,111	11,958	12,000	59,759
6205:	Water Grant Reimbursement	6,454	-	-	-	-	-	-
6206:	Wastew ater Grant Reimbursement	5,522	-	-	-	-	-	-
6207:	Solid Waste Grant Reimbursement	721	-	-	-	-	-	-
6211:	Storm Drainage Grant Reimbursement	10,668	-	-	-	-	-	-
6310:	Water Revenue Bonds	1,150	-	-	-	-	-	-
6320:	Wastew ater Revenue Bonds	63	-	-	-	-	-	-
6321:	Wastew ater Revenue Bonds 2019	2,079	-	-	-	-	-	-
6330:	2018 TOT Revenue Bonds, Tax Exempt	294,180	-	-	-	-	-	-
6331:	2018 TOT Revenue Bonds, Taxable	20,033	-	-	-	-	-	-
6332:	2019 STID Revenue Bonds	53,912	-	-	-	-	-	-
6501:	Fleet Management	9,254	677	202	202	202	202	1,485
6502:	Risk Mgmt	11	-	-	-	-	-	-
	Total	**$ 1,652,344**	**$ 132,770**	**$ 106,615**	**$ 94,555**	**$ 92,157**	**$ 89,447**	**$ 515,544**

Schedule 5
Article XIIIB Appropriation Limit Calculation (in 000s)

"GANN" Appropriations Limit

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the "Gann Initiative." The Proposition created Article XIIIB of the State Constitution, placing certain limits on the amount of revenue that can be appropriated each fiscal year. The limit is based on actual appropriations during FY1978/79 (base year) and is recalculated each fiscal year based on certain inflation and population factors. Only those revenues that are considered "proceeds of taxes" are subject to the limit. Proceeds of taxes are, however, allowed to be spent on several types of appropriations that do not count against the limit, including voter approved debt, the costs of complying with court orders and federal mandates, and expenditures for qualified capital outlays. The City is in compliance with Article XIIIB for each of the fiscal years as shown below.

APPROPRIATION LIMIT (Section 1)	**FY2022/23**	**FY2023/24**	**FY2024/25**	**FY2025/26**	**FY2026/27**
Prior year limit	$ 945,554	$ 1,016,435	$ 1,064,006	$ 1,104,507	$ 1,179,282
Multiply by:					
Change in CPI or Per Capita Personal Income	1.0755	1.0444	1.0362	1.0644	1.0495
Change in Population	0.9995	1.0023	1.0018	1.0031	0.9986
Total Appropriation Limit	**$ 1,016,435**	**$1,064,006**	**$ 1,104,507**	**$ 1,179,282**	**$ 1,235,924**
PROCEEDS OF TAXES (Section 2)					
Total governmental revenue	$ 881,204	$ 917,555	$ 971,536	$ 1,003,087	$ 1,051,292
Add taxes in enterprise funds:					
Transient Occupancy Tax	26,359	33,872	34,460	34,661	36,846
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(270,816)	(289,279)	(322,568)	(350,331)	(376,486)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(15,454)	(12,177)	(18,882)	(33,360)	(45,712)
Total Proceeds of Taxes	**$ 621,293**	**$ 649,971**	**$ 664,546**	**$ 654,057**	**$ 665,940**
APPROPRIATIONS SUBJECT TO LIMIT (Section 3)					
Total Governmental Funds:					
Operating appropriations	$ 845,531	$ 885,045	$ 943,017	$ 993,480	$ 1,028,672
CIP appropriations	88,361	58,971	80,066	74,249	86,216
Add:					
Enterprise fund tax appropriation	26,359	33,872	34,460	34,661	36,846
User fees in excess of cost	-	-	-	-	-
Current proceeds of taxes appropriated to reserves	20,970	12,529	19,447	33,716	45,801
Deduct:					
Non-proceeds of tax revenue	(270,816)	(289,279)	(322,568)	(350,331)	(376,486)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(15,454)	(12,177)	(18,882)	(33,360)	(45,712)
Total Appropriations Subject to Limit	**$ 694,951**	**$ 688,961**	**$ 735,540**	**$ 752,414**	**$ 775,337**

Schedule 6
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Governmental Funds					
Taxes					
Property Taxes - Current Secured	$ 151,670	$ 157,966	$ 163,920	$ 165,441	$ 170,404
Property Taxes - Current Unsecured	5,487	6,008	4,987	4,987	5,442
Property Taxes - In Lieu VLF	63,259	66,511	68,508	69,086	71,849
Property Taxes - Prior Secured	1,579	1,736	1,318	1,318	1,508
Property Taxes - Prior Unsecured	51	82	65	65	61
Property Taxes - Redevelopment Passthrough	3,581	3,577	3,146	3,146	3,420
Property Taxes - Supplemental	3,548	3,425	4,495	4,495	4,126
Subtotal Property Taxes	**229,176**	**239,304**	**246,439**	**248,538**	**256,810**
Business Operations Taxes (BOT)	10,015	9,210	8,863	8,863	9,298
Cannabis Business Operations Tax (CBOT)	23,352	22,610	23,322	21,001	20,156
General Sales and Use Taxes	238,365	238,387	236,843	236,843	243,370
Property Taxes - Resident Development	537	636	888	888	658
Public Safety Sales Tax	8,350	9,133	9,412	9,412	9,780
Real Property Transfer Taxes	10,446	11,317	9,691	10,008	9,697
Transient Occupancy Tax	6,651	6,886	6,932	7,093	7,369
Transient Occupancy Tax - Prior	225	137	-	-	30
Utility Users Tax - Current	63,993	69,803	67,802	70,420	70,852
Utility Users Tax - Prior	141	503	-	-	10
Subtotal Other Taxes	**362,075**	**368,623**	**363,753**	**364,528**	**371,220**
Total Taxes	**591,250**	**607,927**	**610,193**	**613,066**	**628,030**
Licenses and Permits					
Alley Parking Permit	12	12	-	-	-
Alley Parking Permits	-	1	3	3	3
Animal Licenses	503	495	570	570	733
Building Trades Certification	-	-	1	1	1
Burglar Alarm Permits	865	833	1,000	1,000	1,000
Business Permits and Licenses	478	589	459	459	459
Cellular Revocable Permits	1,788	1,619	1,837	1,837	1,907
Construction Permits	11,046	11,167	13,104	13,104	13,104
Dance Permits	37	71	10	10	10
Emergency Permits	2	4	7	7	7
Excavation Permits	33	68	43	43	43
Home Occupation Permits	157	214	170	170	170
Marijuana Cultivation Permit	1,654	1,913	1,558	1,558	1,558
Marijuana Delivery Permit	497	405	484	484	484
Marijuana Dispensary Permit	666	632	624	624	624
Marijuana Manufacturing Permit	165	163	280	280	280
Marijuana Other Business Permit	796	877	666	666	666
Miscellaneous Licenses and Permits	15	19	10	10	10
Neighborhood Responsibility	1	-	-	-	-
On-Site Plan Review Permit	69	63	87	87	87
Plan Check Fees	6,166	7,001	10,254	10,254	10,254
Sign and Billboard Permit	32	37	63	63	63
Sign and Billboard Permits	288	355	240	240	240
Special Event Permits	643	683	273	273	273
Special Events Permits	-	-	13	13	13
Special Use Permits	2,223	2,734	3,343	3,343	4,343
Street Vendor Permits	16	4	20	20	20
Taxi Permits	36	17	20	20	20
Towing Vehicle Permits	36	44	84	84	84
Tree Fee	-	(1)	-	-	-
Subtotal Licenses and Permits	**28,222**	**30,020**	**35,221**	**35,221**	**36,455**

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Governmental Funds (continued)					
Fines, Forfeitures, and Penalties					
Business Ops Tax Penalty	-	353	-	-	200
Delinquency Charges	117	(631)	-	-	74
Fines and Penalties	9,752	14,083	14,019	14,020	16,333
Transient Occupancy Tax - Penalty	5	2	-	-	3
Subtotal Fines, Forfeitures, and Penalties	**9,874**	**13,807**	**14,019**	**14,020**	**16,610**
Interest, Rents, and Concessions					
Interest on Investments	5,496	6,620	3,700	3,700	7,700
Interest on Receivables	1,076	992	336	336	411
Real Property Rental	644	696	229	229	229
Vehicle or Equipment Rental	-	-	-	-	-
Subtotal Interest, Rents, and Concessions	**7,217**	**8,309**	**4,265**	**4,265**	**8,340**
Intergovernmental					
Fire District Reimbursement	9,834	12,001	10,125	10,125	12,378
Miscellaneous Governmental Revenue	7,265	7,544	4,561	4,561	3,543
Miscellaneous Other Federal	19,263	21,861	1,210	1,210	6,010
Other Agency Payments	1,650	1,561	1,235	1,235	1,742
Other County Payments	647	451	425	425	425
Other Recoveries	701	470	183	183	183
Other State Payments	1,512	2,830	127	127	127
P.O.S.T. Reimbursement	137	(23)	167	167	167
Planning Technology Fee	-	-	400	400	400
Redevelopment Agency Services	561	366	460	460	472
Sacramento County Support - Metro Arts	388	388	-	-	-
Sacramento County Support - Museums	258	258	258	258	258
State Government Grants - Op - Ncat	4	-	-	-	-
State Homeowners Property Tax	1,066	1,045	1,045	1,045	1,045
State Mandated Reimbursement SB 90	1,116	1,482	212	212	332
State Motor Vehicle In Lieu Tax	643	821	511	511	796
Subtotal Intergovernmental	**45,044**	**51,055**	**20,918**	**20,918**	**27,876**
Charges, Fees, and Services					
Administrative Fee	734	695	725	758	748
ALS Fees	26,284	28,154	52,500	52,500	57,086
Animal Shelter Fees and Charge	293	280	340	340	340
Appeal Fees	5	1	-	-	-
City Attorney Fees	2	4	-	-	-
Code Enforcement Fee	4,541	5,989	7,674	7,674	9,019
Community Services Fees	1,338	1,714	2,925	2,925	1,761
Compliance Fee	1,311	1,207	1,228	1,228	1,228
Concessions	113	118	68	68	88
Concessions - Golf	1	-	-	-	-
Demolition Charges	442	322	417	417	417
DUI Fees	(24)	(43)	77	77	77
Facility Use Fees	3,069	3,704	2,573	2,573	3,915
Fire Permit Fees	741	550	1,877	1,877	3,185
Franchise Fees	8,758	8,857	9,520	9,520	9,234
Housing and Dangerous Buildings	88	87	111	111	111
Jail Booking Fee Recovery	-	(5)	40	40	40
Lawn and Garden Service	-	(1)	-	-	-

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Governmental Funds (continued)					
Charges, Fees, and Services (continued)					
Miscellaneous Proprietary Revenue	55	35	32	32	32
Other Departmental Service	10,061	9,072	7,373	7,373	4,563
Other Fees	344	291	1	1	80
Other General Fees and Charges	319	92	10	76	5
Parking Fees	21	45	394	394	94
Parking Meter Receipts	10,216	13,365	16,210	16,210	18,004
Parking Meter Removal Fees	668	803	520	520	820
Real Property Transfer Penalty	2	-	-	-	-
Recyclables Sales	7	10	-	-	-
Registration Fees	178	184	244	244	294
Service Fees	12	247	100	100	110
Special Assessments - Administ	565	671	230	230	230
Special Assessments - Business	-	-	-	-	-
Street Sidew alk and Curb Repair	3,406	4,425	3,063	3,063	3,063
Subdivision Map Processing - Planning	2	-	30	30	30
Swimming Pool Fees	423	412	702	702	412
Third Party Recoveries - Vehicle	224	481	-	-	267
Tour Fees	1	-	-	-	-
Subtotal Charges, Fees, and Services	**74,200**	**81,765**	**108,984**	**109,084**	**115,250**
Contributions from Other Funds					
Contributions from Other Funds Accounts	44,481	45,580	44,766	44,766	45,390
Subtotal Contributions from Other Funds	**44,481**	**45,580**	**44,766**	**44,766**	**45,390**
Miscellaneous Revenues					
Escheat	128	460	175	175	265
Gifts and Donations	1	40	-	-	-
One-time Budgeted Revenue Adj	-	-	200	200	-
Sale of Real or Personal Property	11	-	-	-	-
Subtotal Miscellaneous Revenue	**140**	**500**	**375**	**375**	**265**
Total General Funds	**$ 800,428**	**$ 838,963**	**$ 838,742**	**$ 841,717**	**$ 878,216**

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Enterprise Funds					
Community Center					
Box Office Fees	$ 802	$ 1,099	$ 1,100	$ 1,100	$ 1,100
Catering Fees	3,115	3,822	3,345	3,345	3,588
Concessions	283	227	320	320	320
Escheat	-	63	-	-	-
Facility Use Fees	6,692	5,536	6,510	6,510	6,510
Interest on Investments	1,573	1,661	550	550	1,000
Miscellaneous Governmental Revenue	65	40	95	95	95
Other Fees	1,006	949	900	900	900
Real Property Rental	1,461	1,695	1,832	1,832	1,832
Registration Fees	2	-	-	-	-
Royalties	850	850	850	850	850
Service Fees	366	693	420	420	511
Transient Occupancy Tax	33,253	34,430	34,661	35,463	36,846
Transient Occupancy Tax - Penalty	(125)	111	3	3	3
Transient Occupancy Tax - Prior	1,126	687	83	83	83
Subtotal Community Center	**50,468**	**51,863**	**50,669**	**51,471**	**53,638**
Parking					
Administrative Fee	914	1,002	1,203	1,203	903
Delinquency Charges	2	19	-	-	-
Facility Use Fees	18	15	-	-	7
Interest on Investments	459	538	300	300	500
Miscellaneous Governmental Revenue	14	6	-	-	3
Other Fees	95	141	20	20	66
Other General Fees and Charges	299	169	-	-	-
Other Recoveries	30	96	-	-	28
Parking Fees	16,290	18,418	18,091	18,091	19,266
Real Property Rental	778	930	615	615	831
Royalties	89	61	40	40	40
Vehicle or Equipment Rental	49	48	45	45	45
Subtotal Parking	**19,036**	**21,442**	**20,314**	**20,314**	**21,689**
Solid Waste					
Delinquency Charges	748	1,199	1,070	1,070	1,199
Facility Use Fees	219	201	219	219	219
Fines and Penalties	-	4	-	-	-
Interest on Investments	1,399	1,958	750	750	1,990
Miscellaneous Governmental Revenue	140	131	-	-	142
Miscellaneous Proprietary Revenue	19	25	-	-	-
Other Agency Payments	77	40	33	33	40
Other Departmental Services	13	31	-	-	-
Other Fees	-	103	101	101	101
Other State Payments	-	8	-	-	-
Recyclables Sales	412	531	100	100	500
Sale of Real or Personal Property	6	-	-	-	-
Service Fees	156	192	-	-	164
Utility Services Charges	91,595	96,761	95,663	95,663	97,021
Subtotal Solid Waste	**94,785**	**101,181**	**97,935**	**97,935**	**101,375**

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Enterprise Funds (continued)					
Storm Drainage					
Compliance Fee	59	60	70	70	61
Delinquency Charges	298	436	421	421	421
Drainage Impact Fee	(17)	-	-	-	-
Impact Admin Fees	-	1	2	2	2
Interest on Investments	1,268	1,199	540	540	1,100
Interest on Receivables	31	29	-	-	30
Miscellaneous Governmental Revenue	13	30	-	-	20
Miscellaneous Proprietary Revenue	8	12	-	-	10
One-time Budgeted Revenue Adj	-	-	3,200	3,200	3,200
Other Agency Payments	97	-	-	-	-
Other Fees	20	31	34	34	31
Other Recoveries	30	13	-	-	20
Plan Check Fees	70	73	85	85	75
Service Fees	31	47	-	-	40
Subdivision Map Processing - Engineering	4	4	4	4	4
Utility Services Charges	40,486	41,277	40,611	40,611	41,000
Subtotal Storm Drainage	**42,399**	**43,213**	**44,966**	**44,966**	**46,013**
Storm Drainage Property Fee					
Delinquency Charges	144	215	207	207	207
Interest on Investments	560	952	100	100	900
Miscellaneous Proprietary Revenue	1	6	-	-	-
Service Fees	5	24	-	-	-
Utility Services Charges	19,534	20,185	20,000	20,000	20,000
Subtotal Storm Drainage Property Fee	**20,245**	**21,383**	**20,307**	**20,307**	**21,107**
Wastewater					
Delinquency Charges	643	1,008	1,000	1,000	1,000
Impact Admin Fees	7	16	10	10	16
Interest on Investments	1,638	1,795	430	430	1,800
Miscellaneous Proprietary Revenue	21	27	30	30	30
Other Agency Payments	-	18	-	-	-
Other Recoveries	8	6	-	-	-
Regional Sanitation District	1,645	1,698	1,536	1,536	1,671
Service Fees	78	107	80	80	80
Sewer Permits	91	100	85	85	90
Subdivision Map Processing - Engineering	4	4	3	3	3
Utility Services Charges	43,463	44,366	43,000	43,000	43,600
Subtotal Wastewater	**47,598**	**49,146**	**46,174**	**46,174**	**48,290**
Water					
Cellular Revocable Permits	94	66	60	60	60
Delinquency Charges	829	1,340	1,400	1,400	1,400
Fire Hydrant Use Fee	61	109	63	63	100
Impact Admin Fees	11	68	160	160	160
Interest on Investments	6,196	6,599	1,365	1,365	6,500
Miscellaneous Governmental Revenue	19	26	30	30	30
Miscellaneous Proprietary Revenue	29	39	75	75	40

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Enterprise Funds (continued)					
Water (continued)					
Other Agency Payments	1,838	3,212	2,600	2,600	2,600
Other Bonds Issued	727	-	-	-	-
Other Departmental Service	-	-	-	-	150
Other Fees	76	87	80	80	80
Other Recoveries	7	28	-	-	-
Residential Construction Water	51	56	51	51	70
Service Fees	107	156	220	220	220
Special Item Revenue	-	14,869	-	1,469	603
Subdivision Map Processing - Engineering	4	4	3	3	3
Third Party Recoveries	-	5	-	-	-
Tour Fees	-	66	-	-	-
Utility Service Extensions	3	10	20	20	15
Utility Services Charges	128,525	131,729	130,691	130,691	130,691
Water Flow Test Fee	197	200	220	220	220
Water Tap Sales	1,236	1,189	1,135	1,135	1,135
Subtotal Water	**140,010**	**159,856**	**138,174**	**139,643**	**144,078**
Total Enterprise Funds	**$ 414,540**	**$ 448,084**	**$ 418,538**	**$ 420,809**	**$ 436,190**

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Internal Service Funds					
Fleet Management					
Fleet Charges Accident Repair	$ 1,394	$ 1,936	$ 794	$ 794	$ 1,646
Fleet Charges O & M	21,547	25,611	26,419	26,419	28,881
Fleet Vehicle Revenue	32,094	26,220	26,130	26,862	37,510
Gasoline and Oil Sales	9,161	9,112	9,223	9,223	10,781
Interest on Investments	975	1,182	200	200	1,200
Miscellaneous Governmental Revenue	3	3	-	-	-
Miscellaneous Other Federal	89	5	-	-	-
Other Recoveries	29	3	-	-	-
Sale of Real or Personal Property-Salvage	1,162	1,109	858	858	900
Vehicle or Equipment Rental	958	667	906	906	588
Subtotal Fleet Management	**67,412**	**65,847**	**64,530**	**65,262**	**81,506**
Risk Management					
Interest on Investments	2,949	2,862	500	500	500
Interest on Receivables	102	98	48	48	42
Other Departmental Services	1,067	1,040	-	-	-
Risk Fund In-Lieu Insurance	61,099	70,881	80,114	80,114	86,625
Service Fees	-	-	(100)	(200)	(200)
Third Party Recoveries - Liability	40	-	-	-	-
Third Party Recoveries - Property	1,272	3,257	250	250	250
Third Party Recoveries Workers' Compensation	1	5	-	-	-
Subtotal Risk Management	**66,550**	**78,175**	**80,812**	**80,712**	**87,217**
Total Internal Service Funds	**$ 133,962**	**$ 144,022**	**$ 145,342**	**$ 145,974**	**$ 168,723**

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Other Governmental Funds					
4th R Program	$ 6,715	$ 7,351	$ 6,686	$ 8,114	$ 7,204
65th Street Area Impact Fee	17	19	-	-	-
ACS Capital Campaign	-	-	-	249	-
ARPA Reinvestment Fund	1,476	1,024	-	-	1,000
Art In Public Places Projects	12	12	-	-	-
Assessment Reg and SDRIS	4	4	-	-	-
Cal EPA	37	37	-	-	-
Capital Improv. Revenue Bonds	5	6	-	-	-
CIP Reimbursable	189	-	-	-	-
Citation I-5 Improvements	1	2	-	-	-
Citation I-5 Maintenance	16	15	-	-	-
Citywide Low Income Housing	2,909	6,494	2,200	2,200	3,000
Cultural Services - Other	206	215	155	155	155
Debt Service Funds	5,001	5,205	10,980	10,980	11,260
Development Services	6,406	1,568	4,125	1,325	4,738
Downtown Impact Fee	308	543	-	-	-
Downtown Management District	4,034	4,174	5,921	5,921	6,216
Ethel MacLeod Hart Trust	109	101	-	-	-
Externally Funded Programs	182	105	-	-	-
Fair Share Contributions	271	181	-	-	-
Fairytale Town	80	80	50	50	50
Gas Tax	14,990	15,537	14,756	14,756	15,239
Golf	896	1,404	1,000	1,000	1,000
Greenbriar Impact Fee	1,055	1,353	-	-	-
I-5 Subregional Corridor Mitig	191	3,420	-	-	-
Innovation and Growth	15,405	16,073	15,289	15,289	15,889
Jacinto Creek	73	68	-	-	-
Land Park	145	147	23	23	23
Landscaping and Lighting	20,387	21,191	21,344	21,344	21,301
Library Services Parcel Tax	9,537	9,888	10,349	10,349	10,349
Major Street Construction	2,570	3,591	2,000	2,000	2,000
Marcy Friedman ESC APP	1	-	-	-	-
Marina	2,207	2,449	2,044	2,044	2,194
Measure A Maintenance	17,099	16,941	16,190	16,190	16,538
NMA Safety, Streets, Ped, Bic	2,774	2,775	2,379	2,379	2,437
NMA Traffic Control & Safety	1,793	1,780	1,619	1,619	1,654
North Natomas Financing Plan	9,643	6,291	325	325	325
Operating Grants	468	283	-	-	-
Other	797	772	-	-	-
Park Development	7,336	6,309	826	826	826
Private Development	240	(281)	-	-	-
Quimby Act	1,264	700	100	100	100
Railyards Impact Fee	78	3,638	50	50	50
Redevelopment Bond Funds	251	271	-	-	-
River District Impact Fee	310	1,454	-	-	-
Road Maint and Rehabilitation	14,110	15,076	13,654	13,654	14,672

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved
Other Governmental Funds (continued)					
SB720 Red Light Camera Fund	-	-	-	-	261
Sheraton MOPA Project	370	392	-	-	-
SHRA CDBG	-	-	29	29	29
So Natomas Comm Improv	17	16	-	-	-
So Natomas Facility Benefit	627	220	-	-	-
So Natomas I-5 Developer Impr	16	18	-	-	-
Special Districts	30,003	34,188	27,086	27,086	28,607
Special Districts - Capital	5,500	6,520	500	500	500
Special Program Donations	23	25	250	-	250
START	818	698	658	1,090	976
Sunset, Meadows A/D Maint	45	49	-	-	-
Traffic Safety	283	204	300	300	200
Transportation Development	69	654	586	1,173	600
Transportation Development Impact Fee	845	1,252	1,000	1,000	1,500
Tree Planting Replacement	225	116	120	120	120
Trench Cut Fee	25	14	-	-	-
Wastewater Development Fees	1,464	545	-	-	-
Water Development Fees	3,256	3,760	-	-	-
Water Planning	1,628	1,506	1,701	1,701	1,763
Willow creek Fee District	71	77	-	-	-
Zoo	80	80	50	50	50
Other Governmental Funds	**$ 196,968**	**$ 208,597**	**$ 164,345**	**$ 163,990**	**$ 173,077**

Schedule 7A
Operating Grants - $149.4 million

Schedule 7A outlines key federal, state, and local grants that City departments have secured to advance City objectives and supplement City programs. While grant payments for non-labor items are charged directly to the grant fund, labor costs are noted in the grant fund and show as a grant recovery in the fund to which the employees are assigned. This information is intended as a general summary of the City's success in receiving grants but is not exhaustive. Resources for capital programs are included in the 2026-2031 CIP. Significant grant amounts that will benefit FY2026/27 are summarized by department below.

CITY MANAGER - $59,243,498

California Department of Food and Agriculture **$500,000**
Meadowview Community Farmers Market FY2024/25
The California Department of Food and Agriculture selected the City of Sacramento to provide oversight to the Meadowview Community Farmers Market. Funding will be used to increase access to fresh, healthy food in low-income communities in South Sacramento. In partnership with community organizations, this funding will support a new Farmers Market in Meadowview that would provide an affordable, culturally relevant, and convenient source of fresh local produce to improve the health and well-being of South Sacramento residents.

California Natural Resource Agency
Community Reinvestment Project
FY2022/23 **$20,000,000**
FY2023/24 **$5,000,000**
Funds appropriated in the 2022-23 State Budget (AB 178) for community reinvestment programs and projects within the City. $9.7 million funds eight city infrastructure projects dedicated to street safety, park, and facility improvements; $8.2 million in grant awards to seventeen agencies/non-profit organizations in various community efforts throughout the City from youth job training, childhood education, environmental and sustainability projects, community center upgrades, park improvements, art, music events, and food programs; and the remaining $2.1 million will be used for grant administration and service agreements. Funds appropriated in the 2023-24 State Budget (SB 104) for programs and projects within the City. $2,425,000 funds ten city infrastructure projects dedicated to park improvements, street improvements and safety; and $2,575,000 awards twenty agencies and non-profit organizations throughout the City in various efforts from community space improvements and beautification, youth employment training, health and wellness programs, and promoting nutrition.

California Natural Resource Agency **$1,000,000**
Park and Community Improvement Projects FY2023/24
Funds appropriated in the 2023-24 State Budget (SB 104) for programs and projects within the City. $450,000 funds two city infrastructure projects dedicated to street safety and the activation and marketing of the SAFE Credit Union Convention & Performing Arts District; and $550,000 in grant, awards four agencies/non-profit organizations throughout the City in various efforts from enhancing neighborhood lighting and safety, providing youth leadership training and violence prevention programs, community center facilities upgrades, to creating safe spaces.

Cities for Financial Empowerment (CFE) Fund, Inc. **$170,000**
Financial Empowerment Cities Grant FY2024/25
CFE Fund will conduct a thorough analysis of Sacramento's Financial Empowerment Landscape. In partnership, the City will identify potential partners, stakeholders and engage the community at large to understand common financial empowerment challenges and identify potential solutions, with particular emphasis on historically disadvantaged groups such as communities of color, immigrants, etc. Financial Empowerment data will be captured and analyzed to develop additional resources as needed and to sustain ongoing operations.

Encampment Resolution Funding (ERF) 3-R FY2024/25 **$5,846,243**
The ERF Program is a competitive grant available to assist local jurisdictions in providing services and support to people experiencing homelessness in encampments, creating meaningful paths to safe and stable housing. OIED – Housing was awarded funding to pilot a direct street-to-housing rapid rehousing program for individuals experiencing unsheltered homelessness along the Northern Parkway.

Governor’s Office of Planning and Research **$2,000,000**
South Sacramento Youth Programming FY2022/23
Funds appropriated in the 2022-23 State Budget (AB 178) for South Sacramento Youth Programming within the City. The State’s allocation funds two agencies/non-profit organizations within the city in various efforts from youth and family health support programs to provide a multi-use space for the South Sacramento community.

Homeless Housing, Assistance, and Prevention (HHAP)
FY2022/23 HHAP-3 **$303,527**
FY2023/24 HHAP-4 **$4,572,254**
FY2024/25 HHAP-5 **$5,893,727**
FY2025/26 HHAP-6 **$3,128,443**

HHAP funding must be spent on evidence-based solutions to prevent, reduce, and end homelessness. The City leverages both the Office of Innovation and Economic Development (OIED) Housing and the Department of Community Response (DCR) to handle program administration, provide permanent supportive housing, and conduct prevention programming.

Sacramento Area Council of Governments $480,000
Engage, Empower, Implement Project (EEI) FY 2024/25
The EEI funding program invests in community-based approach to plan projects within the six-county Sacramento region. The goal of the program is to elevate community-based planning by providing funding for city and county partnerships with community-based organizations to create a pipeline of equitable, safe, and sustainable projects within historically marginalized and disinvested communities. The funding will support transportation accessibility, sustainability, and connectivity along Northgate Boulevard and climate resiliency for Marysville-Del Paso Boulevard.

State of California Volunteers SacYouth Corps. FY2024/25 $5,905,304
This program provides funding from the United States Department of Labor through the State of California to fortify career pathways into public sector and high-growth jobs and institute a more cohesive youth workforce ecosystem that better aligns the efforts of public agencies, education systems, community-based organizations, and employers within growing local industries. Funding supports the City's efforts to develop public sector pathways including training youth to step into existing high-need positions and building out sustainable pre-apprenticeship and on-the-job training programs that support long-term COVID-19 recovery and climate change mitigation goals.

State of California Workforce Development Board $400,000
SETA California Workforce Highroad Training Partnership FY2024/25
This grant will fund ambassadors participating in monthly and quarterly training on economic mobility topics and resources and will conduct outreach to connect Sacramento residents with related local opportunities around small business, workforce training and placement, and financial coaching and wellness.

State Senate Bill 170, California Natural Resources Agency $2,000,000
Planting Justice Tree Nursery FY2022/23
As part of the Budget Act of 2021 (Senate Bill 170, Chapter 240), these funds will transform the vacant tree nursery located at 1920 34th Avenue into a nationally significant center for urban agriculture, social entrepreneurship, multifaceted biodiversity, youth mentorship, and farmer training.

United States Business Administration $850,000
ECE Workforce Training Program FY2024/25
These federal funds will support and strengthen the city's childcare industry by increasing the number of family childcare home (FCCH) providers. The scope will specifically address the retention of current FCCH providers, recruitment and training of childcare workers, and increase the number of available infant and toddler slots for families to allow Sacramentans to get back into the workforce.

United States Department of Labor $394,000
Early Childhood Education (ECE) Apprenticeship FY2024/25
The ECE Apprenticeship Program will be designed to provide education and training to apprentices over a six-semester period. Apprentices will enroll in courses through the Local Education Agency (LEA) while working at Early Learning & Childcare centers throughout the city of Sacramento. Apprentices will receive on-the-job training and mentoring from experienced ECE teachers and supportive services including tutoring and educational counseling from the LEA staff. The program is designed to meet the immediate labor force need by increasing the ECE workforce. In addition, the ECE apprenticeship program will build childcare center capacity and help improve program quality.

United States Environmental Protection Agency (US EPA) $800,000
Marysville and Grand Multipurpose Grant FY2024/25
US EPA Grant funds environmental assessment to characterize and identify the source of Volatile Organic Compounds impacting two City owned properties at 3739 and 3801 Marysville Boulevard. Funding includes environmental remediation of the two City owned properties as necessary and development of a community-informed site reuse plan that identifies existing conditions, specific actions, and funding sources for addressing development constraints within the four-block area of the Marysville Boulevard and Grand Avenue intersection.

COMMUNITY RESPONSE - $ 25,586,055

Encampment Resolution Funding Round 4 (ERF-4-L) FY2024/25 $12,353,418
ERF-4-L will continue to provide interim housing, case management, and housing navigation with a focus on individuals from the Sacramento Northern Parkway Trail.

Homeless Housing, Assistance and Prevention (HHAP)
FY2025/26 HHAP-6 $12,896,495
HHAP-6 funding will continue to support operations of the X Street Navigation Center, the Meadowview Navigation Center, the North Fifth Street Navigation Center, and Emergency Bridge Housing on Grove Avenue.

State Capacity and Infrastructure, Transition, Expansion and $336,142
Development Program- Intergovernmental Transfer (CITED-IGT) FY2025/26
CITED-IGT funding will support DCR's work to develop the infrastructure and systems for the department's California Advancing and Innovating Medi-Cal (CalAIM) Community Supports Program. The CalAIM program will standardize and enhance access to several Community Supports services, including Housing Transition Navigation Services, Housing Deposits, Housing Tenancy and Sustaining Services, Day Habilitation Programs and Transitional Rent.

CONVENTION & CULTURAL SERVICES - $64,500

California Arts Council State and Local Partners Grant $64,500
This grant is made to County designated agencies for participation in the California Arts Council's State and Local Partner program. Sacramento Office of Arts & Culture is the County's designated agency. This grant will support capacity building and investment in unincorporated Sacramento County.

FINANCE - $2,500,000

Go-Biz Cannabis Equity Grants for Local Jurisdictions FY2026 $2,500,000
Go-Biz social equity grants focus on the inclusion and support of individuals in California's legal cannabis marketplace who are from communities that have been negatively or disproportionately impacted by cannabis criminalization. The grant funds are intended to reduce barriers for entrance into the legal cannabis industry for social equity community members. The FY26 grant cycle includes a $1,000,000 City match in addition to the grant award, which can include administrative labor and contracts that benefit equity members.

FIRE DEPARTMENT - $4,060,282

Assistance to Fire Fighter Grant (AFG) FY2022/23 $1,453,298
The AFG Program is a FEMA initiative designed to help fire departments obtain critically needed equipment, training, and wellness/safety resources to protect personnel and enhance community resilience. Key goals include reducing firefighter and civilian deaths and injuries, enhancing operational efficiency, and supporting preparedness and resilience at the national level

California Opportunity Youth Apprenticeship (COYA) Grant $684,000
The COYA Grant is a Department of Industrial Relations – Division of Apprenticeship Standards funding program supporting Sacramento Fire Department's EMS Corps initiatives. The COYA Grant funds the Sacramento EMS Corps Program and supports apprenticeships for opportunity youth—young people facing barriers to employment who are preparing for careers in EMS and Fire.

Employment Development Department (EDD) $425,673
Emergency Medical Services (EMS) Corps Grant
The EDD EMS Corps Grant is a State of California EDD–funded program supporting workforce development to support EMS training and related programming through the Sacramento Fire Department and partner agencies.

Urban Search and Rescue (US&R) FY2024/25 $1,497,311

The National US&R system is a partnership between Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), state emergency agencies, and local public safety departments. It relies on sponsoring agencies that can quickly deploy task forces at DHS's direction. US&R teams locate, rescue, and provide medical care to victims of collapsed structures, major flooding, weapons of mass destruction incidents, and may also support incident command. California has eight of the 28 national task forces. The City of Sacramento Fire Department sponsors California Task Force 7 (CA-TF7). DHS funds these programs through annual grants, and the Department manages all administrative responsibilities for CA-TF7. Grant funds support training, readiness, equipment, supplies, and staffing for one Battalion Chief, one Administrative Analyst, one Administrative Technician, and two Cache Logisticians.

INFORMATION TECHNOLOGY - $38,946,843

Sacramento Last Mile Grant FY2024/25 $38,696,843

The Sacramento Last Mile Grant is a significant initiative aimed at enhancing broadband connectivity in underserved areas of Sacramento. The project, funded by a $38.69 million grant from the California Public Utilities Commission (CPUC), involves collaboration with Consolidated Communications Inc. (CCI) to provide fixed pricing for broadband services over several years. The grant will support the development and installation of necessary infrastructure to deliver high-speed internet to residents and businesses. The project also involves coordination with various departments, agencies, and other local entities, to ensure seamless implementation and integration with city owned existing infrastructure. The goal is to improve digital equity and access to reliable internet services for all residents of Sacramento.

Sacramento's State and Local Cybersecurity Grant Program FY2024/25 $250,000

The City has been awarded a California Governor's Office of Emergency Services Cybersecurity Grant as part of the State and Local Cybersecurity Grant Program (SLCGP). This grant will fund several key training opportunities including cybersecurity skills assessment and specialized training for IT Department Cybersecurity and Network Infrastructure staff. Additionally, the Department of Utilities will receive specialized cybersecurity training for the city's water and wastewater operational technology utility network. These training programs are designed to enhance the City's cybersecurity posture by providing key staff with advanced monitoring and intelligence capabilities. The grant aims to validate and further mature the City's existing cybersecurity efforts, ensuring that Sacramento remains well-protected against cyber threats.

POLICE DEPARTMENT - $14,329,795

Board of State & Community Corrections $5,000,000
California Violence Intervention & Prevention Program (CalVIP), Cohort 5
The CalVIP grant program is an initiative aimed at enhancing public health and safety through support for community-based gun violence reduction efforts in communities that are disproportionately impacted by gun violence. The purpose of the grant is to disrupt cycles of violence and retaliatory actions to lower the rates of homicides, shootings, and aggravated assaults in affected communities.

Citizens' Option for Public Safety
FY2024/25 $815,998
FY2025/26 $806,874
This State-mandated program provides funding to local law enforcement jurisdictions to support law enforcement activities. Annual allocations are determined by population, based on the most recent January estimate provided by the California Department of Finance.

Edward Byrne Memorial Justice Assistance Program
FY2022/23 $278,035
FY2023/24 $257,556
This federal program provides annual funding to state and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. Funds will support future costs for ShotSpotter technology in the South Sacramento area.

Gang Violence Suppression FY2025/26 $403,660
This state-mandated program provides funding to local law enforcement jurisdictions to support a comprehensive, cohesive, strategic, and tactical plan to effectively address issues that are associated with or contribute to gang involvement and violent crime. A portion of funding is awarded to local criminal justice partners such as the Sacramento County's District Attorney's Office, the Sacramento County Probation Department, the Sacramento City Unified School District as well as community-based organizations such as Brother 2 Brother and the La Familia Counseling Center.

National Public Safety Partnership – Capacity Building FY2023/24 $500,000
The Police Department is a Bureau of Justice Assistance Public Safety Partnership site (PSP), and this grant is exclusively for PSP sites to support their work to build capacity to develop and implement crime and violence reduction strategies identified through the Bureau of Justice Assistance Public Safety Partnership. SPD was awarded this grant to focus on increasing the efficiency of the Digital Forensics Unit and improving crime mapping abilities for internal and external uses (i.e. public dashboards of violent crime suppression results). A portion of these funds will be awarded to the Sacramento County District Attorney's Office to further the goals identified in its Public Safety Partnership Assessment.

Selective Traffic Enforcement Program FY2025/26 **$350,000**
The objective of this federal grant program, passed through the State of California's Office of Traffic Safety, is to reduce the number of traffic-related injuries and fatalities. Funded strategies include traffic safety enforcement, outreach, and engagement activities to reduce motorist, bicyclist, and pedestrian injuries and fatalities attributable to driving under the influence (DUI) and unsafe driving (e.g., speed, texting, etc.).

Urban Area Security Initiative
FY2022/23 **$3,097,000**
FY2023/24 **$2,820,672**
Funding from the U.S Department of Homeland Security through the State of California to enhance the five mission areas of the National Preparedness Goal: Prevention, Protection, Mitigation, Response, and Recovery.

UTILITIES DEPARTMENT (DOU) - $1,020,000

Central Valley Flood Protection Board: Sacramento and San Joaquin Drainage District Property Abatement Program Project **$1,020,000**
This project, funded by the Central Valley Flood Protection Board (Board) and responsible for property held in fee by the Sacramento and San Joaquin Drainage District (SSJDD), will coordinate within the Central Valley with DOU and provide reimbursement to the City to remove, handle, and legally dispose of all trash, debris, and hazardous waste left behind on SSJDD properties. This shall include, but is not limited to, the cleanup, removal, transport, legal disposal, vegetation management, installation of approved physical barriers, and ground surface restoration.

YOUTH, PARKS, & COMMUNITY ENRICHMENT (YPCE) - $ 4,577,263

Crate Community Center Renovation **$850,000**
Grant funding, through Rep. Doris Matsui's office, to renovate, convert, and repurpose an unfinished building into a multi-use community center**.**

Equipment for YPCE Patrol Trucks **$5,000**
Funding was awarded through the Automated External Defibrillator (AED) grant program in the form of subsidized pricing for AEDs for YPCE Ranger patrol trucks

Johnston Park Renovation **$1,000,000**
Grant funding, through Rep. Ameri Bera's office, for renovation of the ballfield and basketball court at Johnston Park.

North Natomas Regional Park Phase 7 Improvements **$500,000**
A general fund appropriation from the State to the City for North Natomas Regional Park Phase 7 Improvements including clearing and grubbing, fine grading, irrigation, landscaping, concrete paving, decomposed granite paving, group picnic areas, site furnishings and hydroseeding.

North Sacramento Adult Day Program Facility **$1,000,000**

Grant funding, through Rep. Ameri Bera's office, to upgrade and refurbish the community center at Johnston Park to operate Triple-R Adult Day Care program.

Roberton Park- Del Paso Heights Sports Complex **$1,000,000**

The State, through Rep. Ameri Bera's office, is funding improvements to Robertson Park's Del Paso Heights Sports Complex.

Workforce Innovation and Opportunity Act (WIOA) **$222,263**
Youth Program Development

The Sacramento Employment and Training Agency provides funding to support 60 in school youth (ages 16-21 years old) each year. Activities are individualized and may include paid work experience, tutoring, leadership development opportunities, adult mentoring, comprehensive guidance and counseling, and a minimum of one year of follow-up services.

Schedule 7B
City Grant Awards

Schedule 7B provides an overview of grants awarded by the City of Sacramento to non-profits, businesses, community-based organizations, or other entities to support essential City programs. The information provided is a general summary of the grants awarded during calendar year 2025 and includes the program's name, grantee, grant amount, and funding source.

Department Grant Program Name	Grantee	Amount Awarded
City Manager		
Al Fresco Outdoor Dining Program	Bacon and Butter, LLC.	20,000
	Bombay Grill Inc. and J & J Wong 1994 Trust DBA J & J Wong Properti	20,000
	Cafe Colonial Entertainment, LLC / Alma Santillan, Trustee Of the J&M	20,000
	John A. Fierro DBA Lil Joe's	20,000
	Mayahuel Investors, LP	20,000
	Octopus Baja	10,000
	Octopus Peru	5,000
	Pachamama Coffee	10,000
	Urban Roots, LLP	20,000
	Vrilakas Groen Architect	20,000
ARPA North Area Facade Program	AFG Market	72,000
	Box Brothers Sacramento	22,400
	Council on American-Islamic Relations, California	5,700
	Cullincini Inc.	108,000
	Dao Yang DBA Bella's Boba Shop	20,666
	Heartland Child and Family Services	30,000
	Knidos Group	18,000
	Light & Water	24,000
	Mutual Assistance Network of Del Paso Heights	20,550
	Saifonh Sysavath DBA Asian Cafe	21,600
	Sew Many Designz, LLC	7,625
	Sierra Service Project	4,000
	Stoney's RR LLC DBA Stoney's Rockin Rodeo	24,000
	T&Y Supermarket	17,932
	The Artisan Pour	5,000
	The Green Spot LLC - 2815 Norwood Avenue	24,000
	The Green Spot LLC - 2825 Norwood Avenue	24,000
	The Green Spot LLC - 2885 Norwood Avenue	15,000
	V.S. Prasad LLC DBA Fuel Stop Mini Mart	15,000
	Wood Lake Properties LLC	23,200
ARPA North Sacramento Business Investment Program	Aman Smith DBA DiverseCity Clothing Boutique	40,000
	Bo-Ku Partners LLC DBA The Rink Studios	180,000
	Box Brothers Sacramento	141,750
	Generator World Inc.	50,000
	King Cong Inc. DBA King Cong Brewing	233,026
	Michael P. Hollis DBA Shift Grilled Cheese and Coffee House	78,806
	Never Board LLC	118,451
	Ruben Sanchez DBA Taqueria Sanchez	42,868
	Saifonh Sysavath DBA Asian Cafe	50,000
	Stoney's RR LLC DBA Stoney's Rockin Rodeo	240,000
	T&Y Supermarket	50,000
	The Green Spot LLC	50,000
ARPA Northgate Boulevard Storefront Improvement Program	Ace Liquor	10,422
	AKA OM Inc DBA Northgate Launderland	8,765
	Algo Bueno LLC	15,000
	All Nation Market	7,000
	Carnitas Michoacan	6,048
	El Mercadito Grocery	3,048
	El Trigal Bakeries, LLC	9,113
	Garden Massage	6,493
	Haircut 88	12,620
	Jaime Escalante, DBA Golden Blades Barbershop	10,957
	Johnny the Barber	8,509
	La Mini Birrieria	15,000
	Lollie's Laundry LLC	6,914
	Lucy's Beauty Salon	7,351
	Mingdan Wei, DBA Lotus Day Spa	11,000
	Pupusa Central	1,598
	Salon De Belleza Luna Luz	15,000
	Star's Beauty Salon	5,444
	WD Battery	5,657
ARPA PBID Assistance Grant Program	Power Inn Alliance	110,000
	R Street Partnership	107,500

Department Grant Program Name	Grantee	Amount Awarded
City Manager (cont)		
Small Business Microgrant Program	Chic Boutique 22 LLC	4,500
	David Owens DBA Center Ring Boxing	5,000
	Jamie Perez DBA Beyond Words Productions	5,000
	Keepsake Creative	5,000
	Kian Nikzad DBA Ancient Sun	5,000
	Mykkleigh-Ashley Shelby Gainey DBA Thee Kayy Experience	5,000
	Samantha Wall Laidler DBA Unlimited Fashions	5,000
	Sammy's Restaurant LLC	5,000
	American Rescue Plan Act (ARPA) Total	**$ 2,365,513**
Sacramento Innovation Ecosystem Building Grant Program	Alan Ware DBA AMW Design	57,906
	CleanStart, Inc.	100,000
	Up Kindness, Inc DBA The Atrium 916	50,000
	Alchemist Community Development Corporation	88,100
Sacramento Innovation Event Grant Program	25th & Jazz, LLC	14,700
Sacramento Innovation Incubator and Accelerator Grant Program	StartupSac	57,304
	University Enterprises, Inc	99,560
	Innovation and Growth Total	**$ 467,570**
Marysville - Del Paso Boulevard Implementation Grant Program	Academics 4 Athletes, Inc.	70,000
	Broad Room Creative Collective	18,600
	Elevated Health and Community	5,000
	Greater Sacramento Urban League	13,600
	Healthy Solutions DBA Rising Star Preschool	24,200
	Roberts Family Development Center	10,000
	Sacramento Juneteenth, Inc.	13,600
	Sacramento Youth Center	25,000
	Tortoise Shell Boxing	5,000
	Unseen Heroes for Creative Community Development DBA CLTRE	330,000
	Measure U Total	**$ 515,000**
Community Reinvestment Project	3 Point 0 – Studio T Arts & Entertainment	750,000
	Atrium 916	50,000
	California State University Sacramento	2,200,000
	Celebration Arts Theater	714,068
	City of West Sacramento	340,000
	College Glen Little League	65,000
	Community Against Sexual Harm	50,000
	Downtown Sacramento Partnership	320,000
	Food Literacy Center	847,500
	Greater Sacramento Urban League	300,000
	Green Technical Education and Employment	250,000
	Hagginwood Community Association	23,850
	Impact Foundry	100,000
	Improve Your Tomorrow	250,000
	Juma Ventures	100,000
	Lavender Library Archives & Cultural Exchange Of Sacramento	100,000
	Margolin Ranch	60,000
	Midtown Association	50,000
	Natomas Chamber of Commerce	100,000
	One Community Health Vision	250,000
	Power Inn Alliance	25,000
	Sacramento Area Bicycle Advocates	300,000
	Sacramento Hispanic Chamber of Commerce Foundation	100,000
	Sacramento Tree Foundation	750,000
	Sacramento Urban Debate League	370,000
	Shifa Community Clinic	100,000
	Studios for the Performing Arts Operating Company	1,000,000
	The Creation District - Waking the Village	400,000
	The Sofia, Home of B Street Theatre	125,000
	Transformative Programming Works	50,000
	Transitions Buprenorphine Clinic of Sacramento	50,000
	UniverSOUL Café	75,000
	WEforce of California Incorporated	100,000
	Alchemist Community Development Corporation	300,000
	Our Daughters' Destiny	140,000
Early Childhood Education (ECE) Workforce Training Program	Child Action Inc.	230,000
Park and Community Improvement Projects	Mack Road Partnership	150,000
	Midtown Association	200,000
	Sacramento Hispanic Chamber of Commerce	100,000
	Sacramento Housing & Redevelopment Agency	100,000
South Sacramento Youth & Family Programs & The Filipino Community Center	Health Education Council	1,200,000
	The Filipino Community of Sacramento and Vicinity	800,000
Youth Service Corps Grant Program	County of Sacramento	233,000
	HumanBulb	200,006
	Improve Your Tomorrow	207,458
	Real Estate Preparatory School DBA CRE Pathways	240,001
	Roberts Family Development Center	240,865
	Sacramento Black Chamber of Commerce Foundation Inc.,	32,500

Department Grant Program Name	Grantee	Amount Awarded
City Manager (cont)		
	Stockton Blvd Partnership, Inc	39,537
	The Sierra Service Project	235,002
	USI California Hope, Inc. DBA Urban Strategies Inc	210,025
Youth Stem Programs Grant Program	Hope Technologies Sacramento, Inc. DBA Hope Neighborhood Learnir	10,000
	Mark Twain Elementary School	10,000
	Operating Grants Total $	**15,243,812**
	City Manager Total $	**18,591,895**
Community Response		
ARPA City Motel Program Services	Step Up on Second Street	1,195,061
ARPA Outreach Services	Capitol Station DBA The River District	188,784
	American Rescue Plan Act (ARPA) Total $	**1,383,845**
California Immigration Project (FUEL Network)	CA Rural Legal Assistance (CRLFA)	500,000
	General Fund Total $	**500,000**
Encampment Resolution Funding Round 4 (ERF-4-L) Shelter	The Gathering Inn	2,774,818
HHAP-2 Shelter	First Step Communities	116,197
HHAP-3 Shelter	First Step Communities	340,998
HHAP-4 Shelter	The Gathering Inn	450,678
	First Step Communities	270,891
	Volunteers of America	386,568
HHAP-5 City Motel Program	Paul & Sons	1,493,000
	Motel 6 Central	1,746,000
	Arden Acres	955,000
	Motel 6 Jibboom	1,650,000
HHAP-5 Coordinated Access System	Sacramento Steps Forward	600,000
HHAP-5 Shelter	The Gathering Inn	4,188,724
	First Step Communities	1,146,626
	Volunteers of America	5,166,372
	Operating Grants Total $	**21,285,872**
	Community Response Total $	**23,169,717**
Convention & Cultural Services		
Department of Sound ARPARF Grant	Department of Sound	149,920
	American Rescue Plan Act (ARPA) Total $	**149,920**
Small Organization Sustainability Fund	Sacramento Garden & Art Center	5,000
	Sacramento Guitar Society	4,284
	Sacramento Valley Symphonic Band Association	4,500
	Sacramento Valley Symphonic Band Association Fiscal Sponsor for Sa	5,000
	South Natomas Improvement Association	747
	Teatro Nagual, Inc. Fiscal Sponsor for Modest Film Society	2,930
	The Poet Tree, Inc.	5,000
	Watercolor Artists of Sacramento Horizons	4,500
	Zado Eastern European Vocal Ensemble	3,348
	General Fund Total $	**35,309**
Sacramento Film + Media Grant	Arthur Contreras	10,000
	Brewer Pictures	5,000
	Stuart Harmon DBA Continental Drift	10,000
	Innovation and Growth Total $	**25,000**
Cultural Arts Awards (CAA)	3 Point 0 - Studio T Arts and Entertainment	23,723
	916 Ink	23,615
	Africa House Sacramento, Inc	12,919
	Ankur Inc	11,568
	ARTners	12,822
	Balance Dance Project	5,938
	Big Idea Theatre	5,987
	Broad Room Creative Collective Sacramento	14,900
	Calidanza Dance Company	14,267
	California Lawyers for the Arts	17,884
	California Vehicle Foundation	10,352
	Camellia Symphony Association	6,643
	Capital Stage Company	23,723
	Capital Storytelling	11,014
	Casa de Brazilian Folkloric Arts of Sacramento	12,440
	Celebration Arts	16,676
	Chamber Music Society of Sacramento	12,264
	Department of Sound	20,038
	Design Sacramento	15,293
	Developmental Disabilities Service Organization, Inc.	18,996
	Empire Arts Collective	5,233
	Folsom Symphony Inc	9,541
	Freedom Bound Center	23,723
	Friends of Sacramento Arts	7,296
	Girls Rock Sacramento	6,927
	Hmong Youth and Parents United	19,429
	Holding Space	11,237
	I Sound Music Performing Arts Community Development Inc	14,961
	Indie Things Possible	7,236
	KVIE, Inc.	11,334
	Latino Center of Art and Culture	8,109

Department Grant Program Name	Grantee	Amount Awarded
Convention & Cultural Services (cont)		
	Loa'a Foundation	15,787
	Los Rios Colleges Foundation	23,723
	Los Rios Community College District	7,355
	Mandarins of Sacramento, Inc.	23,723
	National Academic Youth Corps, Inc	21,972
	Nu Art Education Inc.	23,723
	Sacramento Choral Society & Orchestra	5,000
	Sacramento Comedy Spot	8,594
	Sacramento Community Cable Foundation	5,000
	Sacramento Fine Arts Center	5,000
	Sacramento French Cultural Society	6,013
	Sacramento LGBT Community Center	23,723
	Sacramento Master Singers	16,582
	Sacramento Men's Chorus	18,314
	Sacramento Performing Arts Conservatory	5,805
	Sacramento Region Performing Arts Alliance (Sacramento Philharmoni	11,334
	Sacramento Regional Association of Malayalees	13,639
	Sacramento Valley Chapter of Sweet Adelines International	6,295
	Sacramento Youth Symphony	19,936
	Sierra Curtis Neighborhood Association	21,349
	Sisters of Nia, Inc.	7,586
	Studios for the Performing Arts Operating Company	11,334
	Teatro Espejo	11,187
	Teatro Nagual, Inc.	13,180
	The Library of MusicLandria	14,577
	Theatre for Children Inc.	11,334
	Theatre Production & Technical Academy Inc	9,426
	TOFA of Sacramento Inc	11,951
	Unseen Heroes for Creative Community Development	5,000
	Up Kindness, Inc	16,828
	Verge Center for the Arts	21,385
	Viewpoint Photographic Art Center, Inc.	7,087
	Vox Musica	10,687
	Wellspring Women's Center	22,465
	Women of Color on the Move	12,873
	Women's Wisdom Art	6,621
	California Delta Chapter, SPEBSQSA , Inc.	6,127
	Chalk It Up to Sacramento- It's the Chalk of the Town	15,930
	P.U.R.E (Positive, Unity Resource, Education) Youth Group	5,741
	Brazilian Center for Cultural Exchange of Sacramento	5,996
	Measure U Total $	**926,277**
Small Organization Sustainability Fund	Caribbean Basin Institute for Education & Culture	559
	EGE Foundation Fiscal Sponsor for Art & Soul	5,000
	Elk Grove Writers Guild, Inc	5,000
	Freedom Bound Fiscal Sponsor for Black Artist Foundry	5,000
	Friends of Sacramento Arts Fiscal Sponsor for ART-ISM	2,782
	Friends of Sacramento Arts Fiscal Sponsor for I Street Art Cooperative	4,750
	Girls' Jazz, Blues, and Gospel Society	1,500
	Light Opera Theatre of Sacramento	4,750
	Northern CA Arts	5,000
	Resurrection Theatre Company	4,151
	Sacramento Area Regional Theatre Alliance (SARTA)	4,750
	Sacramento Collective for the Textile Arts	5,000
	Sacramento Flute Club	4,750
	La Familia Counseling Center, Inc. Fiscal Sponsor for Sacramento Pon	3,130
	Latino Center of Art and Culture Fiscal Sponsor for Chicha Collective	2,413
	Bukang Liwayway Pilipino-Amerikano Pangarap Asosasyon (BLPAPA)	4,310
	Operating Grants Total $	**62,844**
	Convention and Cultural Services Total $	**1,199,350**
Police		2,694,587
Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS)	Brother To Brother Mentoring Inc	225,000
	H.O.P.E. Helping Our People Eat	225,000
	Self Awareness and Recovery	225,000
	All N'together	100,000
Gang Prevention & Intervention Task Force (GPIT)	Academics 4 Athletes, Inc	225,000
	Brother To Brother Mentoring Inc	225,000
	Impact Sac	225,000
	Reimagine Mack Road Foundation	100,000
	Rose Family Creative Empowerment Center	75,000
	Sacramento Youth Center	150,000
	The Hawk Institute	225,000
	Victory Outreach - South Sacramento	125,000
	Measure U Total $	**2,125,000**
Gang Violence Suppression	Brother 2 Brother	10,000
	County of Sacramento District Attorney's Office	70,000
	La Familia Counseling Center, Inc.	10,000

Department Grant Program Name	Grantee	Amount Awarded
Police (cont)		
Urban Area Security Initiative (UASI)	City of Citrus Heights	24,469
	City of Folsom	65,000
	City of Rocklin	63,000
	City of Roseville	86,500
	City of West Sacramento	52,000
	County of El Dorado	34,118
	Placer County	154,500
	Operating Grants Total	**$ 569,587**
	Police Total	**$ 2,694,587**
Youth, Parks & Community Enrichment		1,117,006
Ann Land and Bertha Henschel Memorial Fund	Asian Community Center DBA ACC Senior Services	10,000
	Center for Employment Opportunities	10,000
	EGE Foundation	2,000
	First Step Housing DBA First Step Communities	10,000
	Joshs Heart	3,500
	Love Is the Answer Mission Ministries	2,000
	Meals on Wheels by ACC	9,000
	Next Move Sacramento Homeless Services	10,000
	Reimagine Mack Road Foundation	10,000
	Repairing the Breach Neighborhood Project	9,500
	Sacramento LGBT Community Center	10,000
	Sacramento Regional Family Justice Center	10,000
	Saint John's Program for Real Change	10,000
	Sierra Service Project	5,000
	South Sacramento Interfaith Partnership	10,000
	WEAVE Inc.	10,000
	Wellspring Women's Center	10,000
	Wind Youth Services, Inc.	10,000
	Women's Civic Improvement Club	10,000
	YMCA Of Superior California	1,200
	Ann Land & Bertha Henschel Fund Total	**$ 162,200**
Sacramento Children's Fund - Measure L	Campus Life Connection DBA Crossover	41,697
	Communications and Education	9,964
	Food Literacy Center	93,012
	Lao Family Community Development, Inc.	100,000
	Pro Youth and Families, Inc.	116,373
	Project Optimism, Inc.	69,147
	Roberts Family Development Center	82,751
	Sacramento LGBT Community Center	39,915
	Sacramento Literacy Foundation	53,025
	Sierra Service Project	139,459
	Starting Point for Refugee Children	6,250
	Waking the Village	75,000
	We Can Work It Out, Inc	6,250
	La Familia Counseling Center, Inc.	115,714
	Code 4 Hood Edu DBA eSTEAMED Academy & Maker Space	6,250
	Measure L Children's Fund Total	**$ 954,806**
	Youth, Parks & Community Enrichment	**$ 1,117,006**
	Grand Total	**$ 46,772,554**

Schedule 8
Reclassification Requests (in Full-Time Equivalents)

all requests are subject to Human Resources approval

The City is currently undergoing a citywide classification and compensation study as approved by Council. Until this is completed individual reclassification requests are not being considered. The following summarizes the next steps in this study.

- **Citywide Classification and Compensation Study**
  The Human Resources Department is authorized to work with the Finance Department and all represented unions to review existing job classifications and compensation structures for positions in the City to ensure they are internally equitable and externally competitive.

Schedule 9
Multi-year Operating Projects (MYOPs)

Schedule 9 provides an overview of FY2026/27 appropriations to existing and new MYOPs. Appropriations will be transferred to the respective project July 1, 2026. The information is a general summary of MYOPs in each department by fund, project number, project name, budget as of March 2026, balance as of March 2026, and FY2026/27 funding amount.

Department	Fund	Project Number	Project Name	Total Project Budget as of March 2026	Estimated Balance as of March 2026	FY2026/27 Funding
City Clerk's Office						
	American Rescue Plan Act (ARPA)	I02181000	North Sacramento Code Enforcement & Outreach	299,350	8,384	(216,039)
	General Fund	I04000100	Commission Stipends	57,950	57,950	56,050
		I02180600	Economic Development Initiatives	197,820	56,224	(83,961)
		I01000500	North Sacramento Community Prosecutor	-	-	300,000
	Measure A Streetscape, Safety, Pedestrian & Bicycling	I04000100	Commission Stipends	5,500	5,500	5,500
	Measure U	I04000100	Commission Stipends	34,100	34,100	34,100
	Water	I04000100	Commission Stipends	7,700	7,700	3,300
			City Clerk's Office Total	**$ 602,420**	**$ 169,858**	**$ 98,950**
City Manager's Office						
	General Fund	I02001500	City Hall Technology Program	124,861	124,861	(100,000)
		I02000800	Family Unity, Education, and Legal Network (FUEL)	2,300,000	500,000	500,000
	Innovation and Growth	G02610100	COVID-19 CARES Act Program	733,275	60,699	(60,699)
			City Manager's Office Total	**$ 4,052,538**	**$ 1,579,962**	**$ 339,301**
Citywide and Community Support						
	American Rescue Plan Act (ARPA)	I01002200	Council-Led Strategic Initiatives	250,000	250,740	(250,740)
	Fleet	I06000999	Fleet Acquisitions	-	18,311	(18,311)
	Gas Tax	I06000999	Fleet Acquisitions	-	128,230	(128,230)
	General Fund	I01000400	21st Century Skills Grant Program	175,460	460	(460)
		I80000210	827 K Street Operations Reserve Project	-	-	212,116
		I17000900	Arts and Cultural Plan	110,000	53	(53)
		I80310000	Citywide Litigation Project	2,329,964	2,329,964	500,000
		I04000100	Commission Stipends Program	57,950	14,737	(14,737)
		I80000220	Federal Funding Loss Reserve Project	-	-	3,055,000
		I06000999	Fleet Acquisitions	-	354,181	(354,181)
		I01002500	Mayor's Office Limited-Term Positions Project	568,720	224,134	(224,134)
		I02180200	Sacramento Riverfront Program	309,638	13,470	(13,470)
		I01000300	Thousand Strong	345,902	5,704	(5,704)
		I01140100	Truth, Reform, & Recon Project	320,000	320,000	(320,000)
		I01000100	Youth Engagement and Summer Programming	400,000	43,848	(43,848)
	Landscaping & Lighting	I06000999	Fleet Acquisitions	-	189,758	(189,758)
	Measure L Children's Fund	I80000100	Measure L Youth Funding	8,689,045	8,687,788	8,062,400
	Measure U	I19143200	Children and Youth Services Program	6,926,745	498,071	(498,071)
		I80020800	City Manager Youth Programs	92,924	13,658	(13,658)
		I04000100	Commission Stipends Program	34,800	17,850	(17,850)
		I02181400	Fare Free Transit for Youth	4,250,000	250,000	250,000
		I80000220	Federal Funding Loss Reserve Project	-	-	183,000
		I06000999	Fleet Acquisitions	-	103,918	(103,918)
		I80001011	OPSA Audit	-	-	227,483
		E18000400	Powerhouse Science Center	2,400,000	600,000	600,000
		I14130100	SURA Program	98,636	14,962	4,961,921
	NMA Safety, Streets, Ped, Bic	I04000100	Commission Stipends Program	5,500	1,175	(1,175)
	Solid Waste	I06000999	Fleet Acquisitions	-	445,008	(445,008)
	Storm Drainage	I06000999	Fleet Acquisitions	-	8,522	(8,522)
	Water	I04000100	Commission Stipends Program	7,700	450	(450)
		I06000999	Fleet Acquisitions	-	262,362	(262,362)
			Citywide and Community Support Total	**$ 27,372,984**	**$ 14,797,354**	**$ 15,137,280**
Community Development						
	Development Services	I21000800	Development Software Maintenance	1,700,000	412,867	1,420,000
		I22000000	General Plan Update	24,166,544	6,437,861	2,800,000
	General Fund	I08000100	ADA Education and Training	315,510	294,869	80,000
		I06000999	Fleet Acquisitions	-	-	508,000
		I22000000	General Plan Update	1,479,873	965,680	90,000
	Measure U	I06000999	Fleet Acquisitions	-	-	319000
		I22000100	Neighborhood Development Action Team (NDAT)	1,729,240	1,256,424	492,000
		I21002600	Zero-Dollar Rate Program	6,000,000	5,756,207	3,000,000
	Special Program Donations	I13000400	Friends of the City Animal Shelter (F.O.C.A.S.)	4,597,363	534,635	250,000
			Community Development Total	**$ 39,988,530**	**$ 15,658,543**	**$ 8,959,000**
Community Response						
	Measure U	I23000100	Community Response MYOP	20,339,637	20,237,219	29,681,159
		I23001000	Homeless Housing Initiative	11,407,038	11,407,038	2,146,000
			Community Response Total	**$174,449,918**	**$ 95,591,113**	**$ 31,827,159**

Department	Fund	Project Number	Project Name	Total Project Budget as of March 2026	Estimated Balance as of March 2026	FY2026/27 Funding
Convention and Cultural Services						
	Community Center	I17000900	Arts and Cultural Plan	111,000	100	(100)
	Innovation and Growth	I02181100	Creative Edge	2,407,800	2,142,405	850,000
	Measure U	I17000100	Archives East End Project	131,872	131,872	(131,872)
		I17000700	Cultural Arts Awards	2,128,000	684,099	614,000
			Convention and Cultural Services Total	**$ 4,778,672**	**$ 2,958,476**	**$ 1,332,028**
Economic Development						
	Innovation and Growth	I02180900	Inclusive Economic Development	3,837,898	3,536,898	837,898
		I02182000	Financial Empowerment	2,035,000	128,730	450,000
		I02184000	Sacramento Economic Gardening	4,670,756	1,886,833	186,875
		I18000100	RAILS - Sac Innovation Grant Program	5,970,709	1,368,056	1,000,000
			Economic Development Total	**$ 16,514,363**	**$ 6,920,516**	**$ 2,474,773**
Finance						
	Aggie Square EIFD	I06132150	Aggie Square EIFD	948,000	948,000	1,500,000
	Delta Shores PF Impact Fees	I06132130	Delta Shores Fee District	5,466,119	2,170,168	2,500,000
	Downtown Impact Fee	I06132110	Central City Fee District	275,000	158,957	50,000
	General Fund	I80060000	Finance Routing Project	2,049,212	2,049,212	(2,049,212)
	Jacinto Creek Planning Area	I22205100	JCPA Administrative Ctrl 3131	678,869	96,503	200,000
	NNFP Pub Land Acquisition Fee	I22200100	N Natomas Admin Control	752,691	68,614	50,000
	NNFP Public Facilities Fee	I22200100	N Natomas Admin Control	15,460,646	6,539,570	1,055,882
	NNFP Reg Park Land Acquisition	I22200100	N Natomas Admin Control	150,000	58,295	25,000
	NNFP Transit Fee	I22200100	N Natomas Admin Control	165,000	81,944	25,000
	Panhandle Impact Fee	I06132140	Panhandle Fee District	400,000	400,000	5,000,000
	Railyards Impact Fee	I06132100	Railyards Fee District	2,173,000	101,363	50,000
	River District Impact Fee	I06132120	River District Fee District	178,224	119,214	50,000
			Finance Total	**$ 28,696,761**	**$ 12,791,839**	**$ 8,456,670**
Fire						
	General Fund	I06000999	Fleet Acquisitions	-	-	1,027,000
			Fire Total	**$ -**	**$ -**	**$ 1,027,000**
Human Resources						
	General Fund	I08000300	Training and Outreach Program	3,738,334	2,000,000	(2,000,000)
	Risk	E08000100	Driver Training Program	1,741,938	488,560	100,000
		I06000999	Fleet Acquisitions	-	-	90,000
			Human Resources Total	**$ 5,480,272**	**$ 2,488,560**	**$ (1,810,000)**
Information Technology						
	Community Center	I07000900	WebGrant Restructuring	2,385	2,385	2,385
	General Fund	I07000900	WebGrant Restructuring	1,984,654	47,034	315,096
	Parking	I07000900	WebGrant Restructuring	920	920	920
	Solid Waste & Recycling	I07000900	WebGrant Restructuring	4,535	4,535	4,535
	Storm Drainage	I07000900	WebGrant Restructuring	2,713	2,713	2,713
	Wastewater	I07000900	WebGrant Restructuring	2,149	2,149	2,149
	Water	I07000900	WebGrant Restructuring	7,202	7,202	7,202
			Information Technology Total	**$ 2,004,558**	**$ 66,938**	**$ 335,000**
Police						
	American Rescue Plan Act (ARPA)	I11002700	Police Department IT Critical Infrastructure	43,797	29,584	(29,584)
	General Fund	I06000999	Fleet Acquisitions	-	-	5,406,902
		I11002400	Impact Team	5,194,465	41,254	619,389
		I11002700	Police Information Technology Infrastructure	2,388,372	926,956	390,955
		I11002300	Police Observation Devices (PODs)	230,055	(9,346)	32,897
	Measure U	I11003200	Office of Violence Prevention (ARPA Replacement)	197,825	197,825	(405,598)
		I02000600	Gang Prevention & Intervention	894,402	894,402	275,000
		I11003000	Gang Prevention & Intervention	1,402,921	(405,598)	1,300,000
			Police Total	**$ 8,054,514**	**$ 1,186,274**	**$ 7,589,961**
Public Works						
	Fleet	I06000999	Fleet Acquisitions	-	-	290,000
	Gas Tax	I06000999	Fleet Acquisitions	-	-	2,705,508
		I15221700	Transportation Planning	1,000,000	685,362	250,000
	General Fund	I15230200	Disability Advisory Commission (DAC)	79,000	(3,737)	23,950
		I13000100	Electrical Safety Program	930,259	30,261	100,000
		I06000999	Fleet Acquisitions	-	-	1,255,000
		I15200200	Illegal Dumping Program	1,856,860	600,000	1,400,000
		I15001000	SVS Operations and Management	1,526,752	519,149	211,000
	Landscaping & Lighting	I06000999	Fleet Acquisitions	-	-	200,000
	Measure U	I15200200	Illegal Dumping Program	638,660	-	400,000
		I15220300	PW Sustainability Program	623,987	386,386	300,000
		I15220100	Sacramento Public Library Authority Maintenance	1,232,131	117,749	400,000
	Parking	I15001211	City of Festivals Program	1,689,000	206,136	200,000
		I06000999	Fleet Acquisitions	-	-	13,500
		I15003000	SVS Economic Development	-	-	200,000
		I15001000	SVS Operations and Management	1,526,000	80,902	221,000
	Solid Waste & Recycling	I06000999	Fleet Acquisitions	-	-	11,065,540
		I14120200	Solid Waste Outreach	3,868,834	854,222	200,000
		I14120500	SW Container Replacement	1,929,458	1,875,002	2,000,000
			Public Works Total	**$ 16,900,941**	**$ 5,351,432**	**$ 21,435,498**

Department	Fund	Project Number	Project Name	Total Project Budget as of March 2026	Estimated Balance as of March 2026	FY2026/27 Funding
Utilities						
	Storm Drainage	I06000999	Fleet Acquisitions	-	-	605,000
		I14100000	Storm Drainage Planning and Management	24,287,081	5,163,582	2,273,934
	Storm Drainage Property Related Fee	I06000999	Fleet Acquisitions	-	-	98,000
		I14100000	Storm Drainage Planning and Management	3,808,120	3,596,768	2,250,000
	Wastewater	I06000999	Fleet Acquisitions	-	-	1,868,100
		I14600000	Wastewater Planning and Management	14,969,384	7,186,237	1,547,356
	Water	I06000999	Fleet Acquisitions	-	-	1,741,000
		I14400000	Water Planning and Management	30,831,679	6,330,798	3,225,500
			Utilities Total	**$ 73,896,264**	**$ 22,277,385**	**$ 13,608,890**
Youth, Parks, & Community Enrichment						
	American Rescue Plan Act (ARPA)	I19143200	Children and Youth Services Program	720,000	192,518	(192,518)
		I19143100	Youth Pop Up Events	1,300,000	216,787	(216,787)
	Ethel Macleod Hart Trust	I19127000	Hart Trust Project Fund	-	-	1,625,000
	General Fund	I19101200	Cesar Chavez Park Maintenance	171,076	162,036	36,256
		I19101100	Oak Park Clinic Building Maintenance	386,187	385,187	61,985
		I19708000	Oak Park Community Enhancements Project	117,103	17,144	(17,144)
		I19143100	Youth Pop Up Events	2,721,000	211,000	(211,000)
	Measure U	I06000999	Fleet Acquisitions	-	-	1,521,712
		I19143300	Organizational Resiliency Fund	900,000	424,946	(300,000)
		I19141000	Summer Youth and Community Programming	8,000	122,711	(122,711)
		I19143100	Youth Pop Up Events	1,300,000	254,498	(254,498)
		I19143000	YPCE Youth Program for Scholarship Fund	570,000	210,957	200,000
			Youth, Parks, & Community Enrichment Total	**$ 8,193,366**	**$ 2,197,784**	**$ 2,130,295**
			Grand Total	**$ 405,307,429**	**$ 180,652,611**	**$ 112,941,805**

Schedule 10
Five-Year Projected Net Debt Service by Fund (in 000s)

Schedule 10 provides the five-year projected Net Debt Service by fund, which is Debt Service expenses less revenues and offsets.

Fund Type	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
Governmental Funds					
General Fund	$ 15,190	$ 15,425	$ 15,466	$ 16,886	$ 15,979
Subtotal Governmental Funds	**15,190**	**15,425**	**15,466**	**16,886**	**15,979**
Enterprise Funds					
Community Center	20,320	20,320	20,320	20,317	20,317
Parking	8,754	8,708	8,405	8,276	6,500
Solid Waste	1,583	1,585	1,572	1,655	114
Storm Drainage	196	227	229	235	235
Wastew ater	3,907	3,905	3,904	3,910	3,914
Water	35,707	35,699	36,256	35,732	35,668
Subtotal Enterprise Funds	**70,467**	**70,445**	**70,686**	**70,125**	**66,748**
Internal Service Funds					
Fleet Management	41	42	43	47	48
Worker's Compensation Fund	(42)	(36)	(30)	(25)	(19)
Subtotal Internal Service Funds	**(1)**	**6**	**13**	**22**	**29**
Other Governmental Funds					
2006 CIRBs, Series B (CRCIP)	241	-	-	-	-
2015 Golden 1 Center Revenue Bonds	(159)	465	480	390	389
Golf	435	435	434	434	187
Marina	1,257	1,257	1,282	1,282	1,282
NNFP Public Facilities Fee	579	582	603	606	609
NNFP Reg Park Land Acquisition	834	838	869	872	877
Sacramento TID	2,739	2,743	2,740	2,744	2,739
Subtotal Other Governmental Funds	**5,926**	**6,321**	**6,409**	**6,328**	**6,083**
Total	**$ 91,583**	**$ 92,196**	**$ 92,574**	**$ 93,361**	**$ 88,839**

8

SECTION - 8
Mayor and City Council

Mayor and City Council

The Mayor and City Council, consisting of the Mayor and eight Councilmembers, are the policy-making body for the City of Sacramento. The goal of the Council is to govern the City in a manner that is both responsive to the needs and concerns of City residents and financially sound.



The **Mayor and City Council (Council)** pass City ordinances, provide administrative direction and authority by resolution, approve new programs, and approve the annual budget. The Council acts as Sacramento's Financing Authority, Housing Authority, Public Financing Authority, and Redevelopment Agency Successor Agency. They also appoint the City's Charter Officers (City Attorney, City Auditor, City Clerk, City Manager, and City Treasurer) and the Director of the Office of Public Safety Accountability.

- Mayor and City Council: The governing body of the City. The Mayor is elected by all city voters and Councilmembers are elected by voters in each specific Council District. The Mayor appoints Councilmembers to serve on various regional boards, commissions, and joint powers authorities.

- Office of Public Safety Accountability (OPSA): The mission of OPSA is to enhance relationships between the City of Sacramento's public safety employees and the community they protect and serve. OPSA has broad oversight authority of the Sacramento Police Department and the Sacramento Fire Department. OPSA is charged with independently accepting, tracking, monitoring, and reviewing misconduct complaint investigations.

PROGRAMS/SERVICE HIGHLIGHTS

- Provide work experience opportunities in the Mayor's and City Council Offices to high school and college-aged youth through the City's volunteer internship program, Thousand Strong program, and various university and fellowship programs. A new addition to the various unpaid intern programs utilized, the Mayor and City Council offices started participating in the Youth Services Corps (previously known as the Californians for All) intern program aimed at providing paid work experience to City residents between the ages of 16–30, the funds are provided through a grant secured by the Office of Economic Development. In FY2025/26, the Mayor and Councilmembers welcomed 13 Youth Services Corps interns.

- Sponsor and/or organize community events such as movie nights, musical entertainment, holiday celebrations, cultural celebrations, community resources, and farmers markets to enhance the community's experience of living in the city.

- Financially support community organizations that provide services to City residents in the areas of racial equity, health and wellness, homelessness, teen learning, arts and culture, and youth sports.

- Hold ongoing community meetings throughout the city to share information and gather ideas that support and connect residents to one another and local government.

- Through the ceremonial resolution process, recognize community-oriented civic celebrations, causes, issues, companies, organizations, and individual residents or City employees that have achieved notable milestones or made contributions to the city and/or community. Also, honor and recognize the passing of residents. In FY2025/26, almost one hundred individuals or organizations were recognized.

- Issue Keys to the City via the Mayor's Office for residents reaching the 100-year milestone birthday or who have demonstrated remarkable service to the City throughout their life.

DEPARTMENT EFFICIENCIES

- Utilized the 311 system and integrated constituent management system to support constituents in tracking neighborhood complaints and requests for service.

- Welcomed Morelia, Michoacán as a Sister City to Sacramento.

OBJECTIVES FOR FY2026/27

- Continue evaluating and incorporating new and existing information technology tools to achieve sustainable services, increase transparency, and strengthen community engagement.

- Continue using websites and social media to share information and to communicate in a timely fashion with the community on issues of interest and impact.

- Continue providing work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid in obtaining full-time employment.

- Continue using electronic communications whenever possible to limit the use of printed materials. Printed materials will be made available to constituent communities, as necessary.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Public Safety Accountability	Delete one position (1.0 FTE - OPSA Assistant Director) in the Office of Public Safety Accountability. Public Safety investigation staffing realignment.	Measure U	-	(173,299)	(1.00)
Office of Public Safety Accountability	Delete one position (1.0 FTE - Executive Assistant) in the Office of Public Safety Accountability.	Measure U	-	(99,989)	(1.00)
Office of Public Safety Accountability	Delete one position (1.0 FTE - OPSA Investigator). Public Safety investigation staffing realignment.	Measure U	-	(131,402)	(1.00)
Office of Public Safety Accountability	Delete one position (1.0 FTE - OPS Accountability Inspector General). Public Safety investigation staffing realignment.	Measure U	-	(167,446)	(1.00)
Office of Public Safety Accountability	Freeze one position (1.0 FTE Director of Public Safety) and use labor savings to create a new project for OPSA investigations	Measure U	-	(227,483)	-
		Total Change	**-**	**(799,619)**	**(4.00)**

Department Budget Summary

Mayor/Council Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 7,477,235	$ 8,143,433	$ 8,374,333	$ 8,374,338	$ 7,719,392	$ (654,946)
Services & Supplies	949,211	1,118,343	1,268,082	3,390,707	1,053,908	(2,336,799)
City Property	32,914	11,809	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	4,950	4,950	5,500	550
Labor Offsets	(206,224)	(89,078)	-	-	-	-
Service and Supplies Offsets	12,231	29,121	-	-	-	-
Total	**$ 8,265,368**	**$ 9,213,628**	**$ 9,649,365**	**$ 11,771,995**	**$ 8,780,800**	**$ (2,991,195)**

*The Amended FY2025/26 Budget Includes carryover of unspent monies from the FY2024/25 Budget.

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 5,689,949	$ 5,790,521	$ 6,014,719	$ 8,137,349	$ 5,823,474	$ (2,313,875)
Interdepartmental Service	1,477,587	1,440,510	1,605,029	1,605,029	1,830,755	225,726
Measure U	1,097,832	1,982,597	2,029,617	2,029,617	1,126,570	(903,047)
Total	**$ 8,265,368**	**$ 9,213,628**	**$ 9,649,365**	**$ 11,771,995**	**$ 8,780,800**	**$ (2,991,195)**

*The Amended FY2025/26 Budget Includes carryover of unspent monies from the FY2024/25 Budget.

Division Budget Summary

Mayor/Council Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Mayor	$ 2,061,182	$ 1,802,415	$ 2,079,042	$ 2,512,219	$ 2,093,088	$ (419,131)
City Council District 1	673,986	719,363	692,589	788,998	318,607	(470,391)
City Council District 2	535,830	684,931	692,588	1,189,108	695,143	(493,965)
City Council District 3	566,506	638,660	692,589	995,020	695,143	(299,877)
City Council District 4	761,188	678,775	692,588	722,631	695,143	(27,488)
City Council District 5	571,717	636,577	692,588	929,461	318,607	(610,854)
City Council District 6	662,576	674,151	692,587	850,852	695,143	(155,709)
City Council District 7	657,284	670,367	692,588	955,228	318,607	(636,621)
City Council District 8	677,267	725,792	692,589	798,861	695,143	(103,718)
Mayor Council Operations Division	-	-	-	-	1,129,606	1,129,606
Office of Public Safety Accountability Division	1,097,832	1,982,597	2,029,617	2,029,617	1,126,570	(903,047)
Total	**$ 8,265,368**	**$ 9,213,628**	**$ 9,649,365**	**$ 11,771,995**	**$ 8,780,800**	**$ (2,991,195)**

Staffing Levels

Mayor/Council Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Mayor	15.00	12.00	12.00	12.00	12.00	-
City Council District 1	2.50	2.50	2.50	2.50	2.50	-
City Council District 2	2.50	2.50	2.50	2.50	2.50	-
City Council District 3	2.50	2.50	2.50	2.50	2.50	-
City Council District 4	2.50	2.50	2.50	2.50	2.50	-
City Council District 5	2.50	2.50	2.50	2.50	2.50	-
City Council District 6	2.50	2.50	2.50	2.50	2.50	-
City Council District 7	2.50	2.50	2.50	2.50	2.50	-
City Council District 8	2.50	2.50	2.50	2.50	2.50	-
Office of Public Safety Accountability Division	11.00	11.00	11.00	11.00	7.00	(4.00)
Total	**46.00**	**43.00**	**43.00**	**43.00**	**39.00**	**(4.00)**

MEASURE U

The following chart summarizes the Office's Measure U programs.

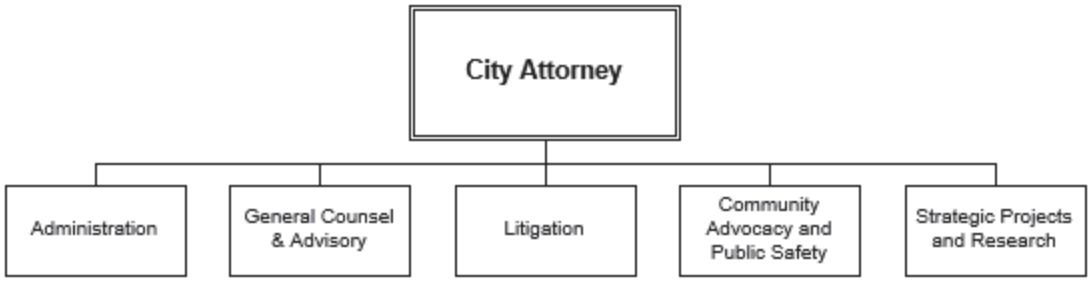
Funding Category	Program Name	FTE	FY2026/27 Approved
Community Response			
MYOP	Commission Stipends	-	5,500
Operations	Office of Public Safety Accountability	7.00	1,121,071
Grand Total		**7.00**	**$ 1,126,571**

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SECTION - 9
City Attorney

City Attorney

The mission of the Sacramento City Attorney's Office is to provide the highest quality legal services to the City of Sacramento.



The **Office of the City Attorney** serves as legal counsel to the City Council, City Officers and department staff, boards, and commissions as well as the Administration, Investment and Fiscal Management Board, Sacramento City Financing Authority, and Sacramento Regional Arts Facilities Financing Authority. The Office provides legal representation in criminal, civil and administrative litigation, renders advice and counsel, and prepares ordinances, resolutions, contracts, opinions, and other legal documents for the City and its related entities. The City Attorney's Office is organized into four operational divisions and an administration division.

- Administration: Develops and implements office policies and procedures; monitors overall office performance; prepares and administers the office budget; develops and implements education and training; handles all personnel hiring, evaluation, and other personnel matters; assembles and analyzes office productivity data, including the production of an annual report; and engages in long-range planning.
- General Counsel & Advisory Division: Provides advisory and transactional advice and support to charter offices and City departments on all aspects of municipal law including Brown Act; Public Records Act; California Environmental Quality Act and National Environmental Policy Act; water law; propositions 26 and 218; public bidding, construction, and procurement; contract negotiation, drafting, and review; prevailing wages; transportation modes; real estate procurement, conveyance, and leasing; solid waste disposal; landfill regulation; and various other areas of municipal law.
- Litigation Division: Defends and prosecutes civil litigation cases on behalf of the City and its officers and employees acting in the course and scope of employment; and provides legal support to Risk Management.

• Community Advocacy & Public Safety Division (CAPS):	Works collaboratively with City departments on code enforcement, social nuisance abatement, public safety issues, including prosecuting code violations through administrative, civil, or criminal proceedings, and social nuisances through civil litigation and training, and advising staff on enforcement matters. Advises the Sacramento Police Department, Community Development Department, Fire Department, and Department of Community Response Enforcement Divisions.
• Strategic Projects & Research Division (SPR):	Provides strategic support to the City Council's policymaking function by providing legal advice and response on multi-departmental projects and Council initiatives, including issues of homelessness, economic development, cannabis regulations, and emergency management.

PROGRAMS/SERVICE HIGHLIGHTS

General Counsel & Advisory

- Worked with the Department of Utilities on the RiverArc project, which is a collaboration between the City of Sacramento, the City of Roseville, and the Placer County Water Agency to construct a new water treatment plant on the Sacramento River north of the confluence of the American River. Provided legal advice and analysis on various aspects of the project.
- Assisted Public Works staff with the procurement process for the I Street Bridge Replacement project.
- Following substandard construction work by a third-party contractor, worked with staff and other parties to successfully replace the Del Rio bike trail bridge overpass.
- Assisted staff with executing 24 Sacramento Children's Fund grants to community-based organizations and public agencies totaling $18 million, to be spent over the next three years.
- Worked with the Clerk's office to update the City's conflict of interest code to ensure compliance with state law.

Litigation

- Case No. 1: The City initiated litigation against A. Teichert and Sons, Inc. for non-compliant and deficient work on the Accelerated Water Meter Program concerning 1-inch water meter retrofit work and water main installations. The parties reached a settlement agreement allowing the Department of Utilities to collect $13.4 million.

- Case No. 2: This inverse condemnation matter involves a property owner who filed litigation against the City claiming that the West Broadway Specific Plan adopted by the City in 2020 requires him to complete a roadway dedication for a portion of his property and caused him to reduce the price of his property in a sale to a housing developer to account for the loss of 25% of the building area. We filed a motion to dismiss for lack of subject matter jurisdiction as plaintiff's development application is still pending. The Court granted the motion to dismiss, and plaintiff dismissed the lawsuit.

- Case No. 3: Plaintiff alleged an equal rights violation and law enforcement interference when his access to public baseball fields was infringed. The City successfully moved to have Plaintiff deemed a vexatious litigant in the US District Court Eastern District of California, and his case was dismissed.

- Case No. 4: This matter involved a fatal officer-involved shooting in a parking garage where the decedent refused to put down a firearm and was brandishing it at officers. The City filed a demurrer to the Complaint on standing issues and the case was dismissed.

- Case No. 5: This matter involved a commercial cannabis business alleging the City was improperly denying their building permits. The City negotiated a dismissal of the case by coordinating with staff to facilitate resolution of the outstanding building permit disputes.

Community Advocacy & Public Safety

- Advised the City's public safety department regarding Community Assistance, Recovery, and Empowerment (CARE) Court and Senate Bill 43 to expand access to mental health court, including submitting petitions to the Sacramento Superior Court for individuals in our community suffering from severe and untreated mental illness and other co-occurring disorders.

- Led the Justice for Neighbors (JFN) team to abate social and physical nuisance properties throughout the City, collecting administrative and civil penalties to support the JFN Fund, which in turn, provides support to abatement efforts through staff training, equipment and assistance with home repairs through the Emergency Home Repair Project.

- The Community Advocacy and Public Safety Division (CAPS) prosecution team not only assisted our enforcement officers' efforts to hold individuals accountable for complying with the law, but they also worked with violators and their attorneys in the courtroom to improve their quality of life by helping to locate and provide services and shelter for interested individuals.

- Provide legal representation to the Police Department's Internal Affairs (IA) Unit regarding officers' personnel files, advising the Department in its role as a custodian of records, and provided successful representation both at the Superior

Court and Court of Appeals. Additionally, CAPS provided a training session for all IA staff and prepared a legal manual for the division as a continuing legal resource.

- Assisted the Police Department with prosecuting Gun Violence Restraining Orders, taking weapons off the street and from individuals who pose a threat to either themselves or the public at large.

Strategic Projects & Research

- *Promoter Incentive Program.* Strategic Projects & Research Division (SPR) attorneys worked with the Convention & Cultural Services Department to create the Promoter Incentive Program for the SAFE Credit Union Convention Center & Performing Arts District. The program is designed to attract event presenters to hold multiple events at City facilities, bringing more events for City residents and generating additional revenue for the City and local businesses.

- *Entertainment Zones.* SPR assisted the Office of Innovation and Economic Development to draft the ordinance to create five entertainment zones in the city for special events where alcoholic beverages can be safely consumed on public streets.

- *Cannabis Consumption Lounges.* Advised the Office of Cannabis Management on the development of regulations for smoking and non-smoking cannabis consumption lounges at storefront cannabis dispensary sites.

- *SCFA/City of Sacramento 2025 Refunding Revenue Bonds.* SPR advised the City Treasurer on the $57 million bond issuance to finance the refunding of bonds previously issued under the City's master lease program. The financing creates aggregate debt service savings in each year relative to the debt service on the previously issued bonds.

- *Waterfront Reinvestment Program.* SPR attorneys worked with the Convention & Cultural Services Department to implement the Waterfront Reinvestment Program in Old Sacramento, which includes new commercial leases, boardwalk improvements, and a new children's play area.

- *Cannabis Business Operations Tax Appeal.* SPR attorneys assisted the Finance Department when a cannabis distributor appealed the City's assessment of $1.8 million in business operations taxes and penalties. On appeal, the hearing examiner upheld the business operations tax assessment in its entirety.

DEPARTMENT EFFICIENCIES

- Optimized budget savings by keeping vacant positions open.

- Conducted trials of legal research tools which would provide significant savings over the current platform to address ongoing budget reductions for FY2026/27.

- Contracted for the destruction of over 2,140 cubic feet of case files and other office records which were past the retention period creating a net savings of $70,000 over the next 7 ½ years.

OBJECTIVES FOR FY2026/27

- Implement the processes put in place to enhance the diversity, equity, and inclusion goals designed to improve internal commitment for recruitment and hiring, outreach to the community, and operations within the City Attorney's Office, as recently recognized by the California State Bar Gold Seal.

- Inform and advise the Council and City departments regarding Presidential Actions, including Executive Orders, Memoranda, and commencing litigation to protect the City from the federal government's threat to terminate federal funding of existing grants.

- Assist the Council and City Manager with budget savings through increased efficiencies in the City Attorney's Office.

- Provide citywide training as needed to include Public Records Act, public contracting, First Amendment issues, and the Brown Act.

- Continue to actively support and advise the City Council in the City's pursuit of racial and social justice and racial equity through implementation of its Racial Equity Resolution and planned next steps, as well as continuing support for the Police Department and the Office of Public Safety Accountability as they write and implement policies addressing community oversight pursuant to the Council's direction.

- Retain a staff of highly qualified and dedicated attorneys and support staff with extensive knowledge of the City of Sacramento and municipal law to deliver high quality legal services and advice more efficiently and effectively.

- Continue to defend the City's legal interests in court and in administrative proceedings and initiate legal action and other initiatives to protect and advance the rights, interests, and quality of life of our community, and ensure justice and equity.

- Continue to pursue filing of petitions in CARE Court, to aid in addressing the homelessness crisis and the specific needs of the percentage of homeless individuals experiencing significant mental illness.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Attorney	Delete one position (1.0 FTE - Paralegal) in the Community Advocacy & Public Safety Division.	General Fund	-	(103,839)	(1.00)
City Attorney	Delete one position (1.0 FTE - Paralegal) in the Community Advocacy & Public Safety Division.	General Fund	-	(103,839)	(1.00)
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety Division.	General Fund	-	(76,253)	-
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety Division.	General Fund	-	(76,253)	-
City Attorney	Delete one position (1.0 FTE - Senior Deputy City Attorney) and add one new position (1.0 FTE - Deputy City Attorney I) in the Community Advocacy & Public Safety Division.	General Fund	-	(76,253)	-
City Attorney	Move funding for a Deputy City Attorney II to the Justice for Neighbors (JFN) project.	General Fund	(230,052)	-	-
		Total Change	**(230,052)**	**(436,437)**	**(2.00)**

Department Budget Summary

City Attorney Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 13,952,444	$ 15,188,807	$ 15,254,790	$ 15,254,790	$ 15,533,536	$ 278,746
Services & Supplies	549,265	651,538	524,276	524,276	523,584	(692)
City Property	22,040	28,459	13,750	13,750	13,750	-
Labor Offsets	(1,275,563)	(827,249)	(1,287,885)	(1,287,885)	(854,395)	433,490
Service and Supplies Offsets	(11,412)	-	-	-	-	-
Total	**$ 13,236,774**	**$ 15,041,555**	**$ 14,504,931**	**$ 14,504,931**	**$ 15,216,475**	**$ 711,544**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 10,722,075	$ 11,791,264	$ 9,280,896	$ 9,280,896	$ 10,335,339	$ 1,054,443
Cty/Cnty Office-Water Planning	14,257	9,565	9,628	9,628	9,707	79
Interdepartmental Service	1,983,763	2,652,049	4,576,187	4,576,187	4,228,004	(348,183)
Measure U	245,789	279,402	326,924	326,924	329,566	2,642
Storm Drainage	48,475	73,333	77,022	77,022	77,656	634
Wastew ater	54,178	54,203	57,766	57,766	58,242	476
Water	168,238	181,739	176,508	176,508	177,961	1,453
Total	**$ 13,236,774**	**$ 15,041,555**	**$ 14,504,931**	**$ 14,504,931**	**$ 15,216,475**	**$ 711,544**

Division Budget Summary

City Attorney Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
City Attorney Division	$ 13,236,774	$ 15,041,555	$ 14,504,931	$ 14,504,931	$ 15,216,475	$ 711,544
Total	**$ 13,236,774**	**$ 15,041,555**	**$ 14,504,931**	**$ 14,504,931**	**$ 15,216,475**	**$ 711,544**

Staffing Summary

City Attorney Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
City Attorney Division	64.00	64.00	63.00	63.00	61.00	(2.00)
Total	**64.00**	**64.00**	**63.00**	**63.00**	**61.00**	**(2.00)**

MEASURE U

The following chart summarizes the Office's Measure U programs.

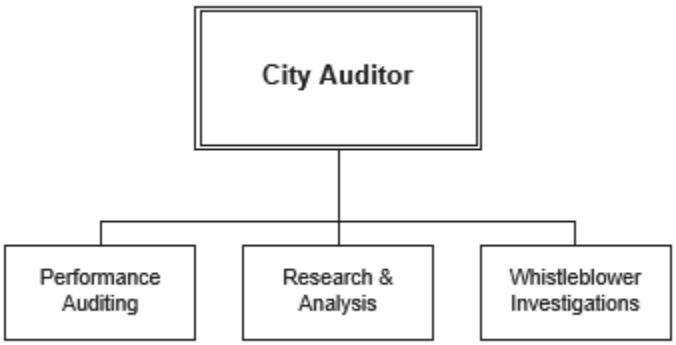
Funding Category	Program Name	FTE	FY2026/27 Approved
Community Response			
Operations	City Attorney Department	-	329,566
Grand Total		**-**	**$ 329,566**

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SECTION - 10
City Auditor

City Auditor

The mission of the Office of the City Auditor is to provide a catalyst for improvements to municipal operations, promote credible, efficient, effective, equitable, fair, focused, transparent, and a fully accountable city government.



The **Office of the City Auditor** is an essential element of the City of Sacramento's public accountability, built on standards of independence, objectivity, and technical accuracy. The audit process involves verifying compliance with laws and regulations, identifying internal control weaknesses and failures, and assessing whether the City has acquired and used its resources efficiently. The Office of the City Auditor conducts performance audits in accordance with Generally Accepted Government Auditing Standards and has strict quality assurance programs to ensure that staff exercise due professional care, adequately plan audits, and prepare work papers that contain sufficient and compelling evidence to support any statements of fact in its audit reports. The Office of the City Auditor consists of the following operations:

- Performance Auditing: Provides independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establishes an adequate system of internal controls.
- Research and Analysis: Provides independent, objective, and reliable research and analysis related to a wide variety of topics including revenues, expenditures, diversity, and community livability.
- Whistleblower Investigative Audits: Conducts investigative audits of allegations of potential improper government activities (i.e., fraud, waste, or abuse) reported through the City’s whistleblower hotline.

PROGRAMS/SERVICE HIGHLIGHTS

- Developed an Annual Work Plan using several quantitative and qualitative techniques, sources, and stakeholder input to identify areas of high audit and research potential.
- Issued the City Auditor's 2026 Community Survey.
- Issued the City Auditor's FY2024/25 Baseline Funding Verification for the Sacramento Children's Fund. In compliance with section 120(e)(1)(C) of the City Charter, this report details the City Auditor's efforts related to verifying that the Baseline Funding amount of $22.9 million was expended in FY2024/25.
- Issued the FY2024/25 Audited Amount of Cannabis Business Operations Tax (CBOT) for the Sacramento Children's Fund. In compliance with section 120(c)(2) of the City Charter, this report identifies the amount of CBOT for FY2024/25.
- Issued the Audit of the Police Department's Military Equipment Use Policy and Inventory Practices.
- Issued the Audit of the City's Homeless Response: City Motel Program.
- Issued the City Auditor's FY2024/25 Annual Report. This report outlined the City Auditor's work for the fiscal year.
- Monitored the status of nearly 100 open audit recommendations by conducting follow-up reviews every six months.
- Received and processed various whistleblower allegations regarding potential improper government activities (i.e., fraud, waste, or abuse).

DEPARTMENT EFFICIENCIES

- Continued our agreement with Missionmark to explore the potential for developing audit software that will digitize internal audit processes and reduce processing time. Fully implemented, Missionmark's time tracking feature will help evaluate future project timelines and budgets.
- Managed online dashboards that provide the public with interactive information on the status of whistleblower investigations, audit recommendations, and gender and ethnic composition of City employees.

OBJECTIVES FOR FY2026/27

- Improve the efficiency and effectiveness of City operations by performing audits and conducting independent research and analysis.
- Deter and detect improper government activities (i.e., fraud, waste, or abuse) by managing the City's Whistleblower Hotline.

- Fulfill the City Auditor's responsibilities related to the Sacramento Children's Fund.
- Provide work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid the students in obtaining full-time employment.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Performance Auditing	Discontinue the biennial Community Survey.	General Fund	-	(34,000)	-
Performance Auditing	Reduction in Training and Computer Purchases.	General Fund	-	(25,000)	-
		Total Change	**-**	**(59,000)**	**-**

Department Budget Summary

City Auditor Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 1,744,788	$ 1,674,495	$ 2,063,103	$ 2,063,102	$ 2,126,434	$ 63,332
Services & Supplies	97,223	102,847	163,581	163,581	97,581	(66,000)
City Property	8,236	10,255	5,000	5,000	12,000	7,000
Labor Offsets	(127,517)	(302,040)	(174,356)	(174,356)	(182,674)	(8,318)
Total	**$ 1,722,729**	**$ 1,485,557**	**$ 2,057,328**	**$ 2,057,327**	**$ 2,053,341**	**$ (3,986)**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 1,146,719	$ 881,610	$ 1,312,676	$ 1,312,675	$ 1,369,191	$ 56,516
Interdepartmental Service	427,958	440,589	570,861	570,861	502,456	(68,405)
Storm Drainage	26,649	29,404	43,448	43,448	45,424	1,976
Wastew ater	29,611	32,672	33,020	33,020	34,521	1,501
Water	91,792	101,282	97,323	97,323	101,749	4,426
Total	**$ 1,722,729**	**$ 1,485,557**	**$ 2,057,328**	**$ 2,057,327**	**$ 2,053,341**	**$ (3,986)**

Division Budget Summary

City Auditor Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Performance Auditing Division	$ 1,195,660	$ 1,005,394	$ 1,409,877	$ 1,409,877	$ 1,409,407	$ (470)
Research & Analysis Division	527,069	480,163	647,451	647,450	643,935	(3,515)
Total	**$ 1,722,729**	**$ 1,485,557**	**$ 2,057,328**	**$ 2,057,327**	**$ 2,053,341**	**$ (3,986)**

Staffing Levels

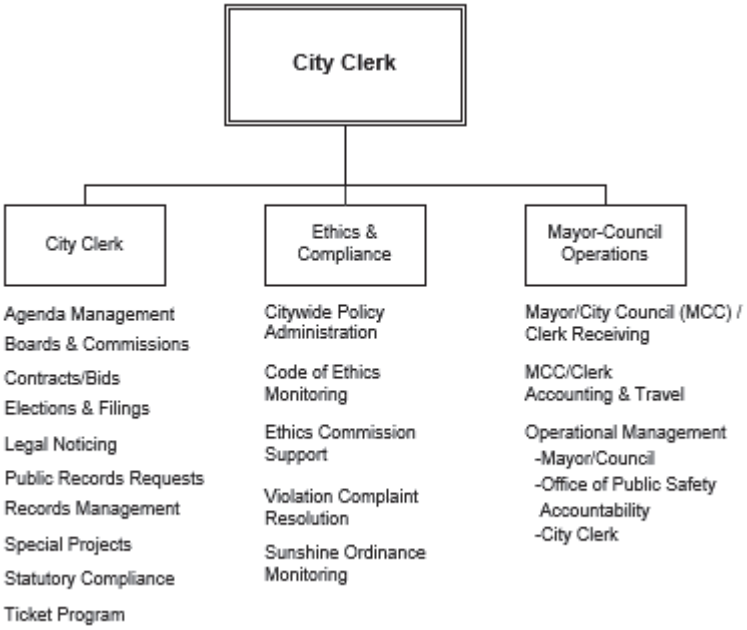
City Auditor Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Performance Auditing Division	7.00	7.00	7.00	7.00	7.00	-
Research & Analysis Division	3.00	3.00	3.00	3.00	3.00	-
Total	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**-**

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SECTION - 11
City Clerk

City Clerk

The mission of the City Clerk's Office is to provide quality public service and connect the public with the legislative process. We strive to ensure that the City's legislative processes are open and public by providing a link between citizens and government with processes aimed toward transparency. Through efficient use of City resources, we can ensure the preservation of Sacramento's legislative history.



The **City Clerk** serves as the Clerk of the Council and is responsible for the preparation of agendas, the recording and maintenance of all Council actions, and the preparation and filing of public notices.

- Office of the City Clerk: The office through which the Council, City departments, and the public look for general information regarding the City. As the official records keeper for the City, the Clerk is responsible for the coordination and administration of all City records, documents, and public files. The City Clerk manages Public Records Act (PRA) requests, administers the City ticket policy and regulatory ticket distribution filings, conducts all bid openings, maintains the City's municipal code and charter, receives all claims filed against the City, researches issues related to Council and Committee actions, maintains contract and agreement files, registers lobbyists, manages online campaign filings and campaign finance submissions, administers City board and commission files, administers oaths of office, presides as the Elections Official for the City and the Filing Officer for the Fair Political Practices Commission requirements, and serves as the official custodian of the City Seal.

- Mayor-Council Operations: Manages the administrative, personnel, and fiscal operations of the City Clerk's Office and Offices of the Mayor and Council, including the Office of Public Safety Accountability.

- Ethics and Compliance: This office supports the Ethics Commission and focuses on reviewing existing City codes and policies, and educating and training staff, public officials, and the community to ensure compliance. These guidelines are found in the City Code and in adopted citywide policies.

PROGRAMS/SERVICE HIGHLIGHTS

- Continued to hire and train diverse staff in the responsibilities and requirements of the City Clerk's Office. A large focus this year was on implementing training centered around succession planning for the City Clerk's Office. Succession planning will remain a priority in FY2026/27.

- An additional focus this year, continuing into next year, is making more of the City's records available in an easily accessible format on the City's Open Data Portal. Also, recently added over one hundred years of Sacramento election history that includes historical information on candidates and measures.

- In a continued effort to offer our commissioners accessible training opportunities that satisfy governmental regulations, the City Clerk's Office has made Equal Employment Opportunity (Assembly Bill 1825) and Ethics Education (Assembly Bill 1234) training courses available online.

- Preparing the City Clerk's Office to comply with mandates outlined in SB 707 that include remote two-way participation in Council meetings, increasing language access and translation services, and require a web presence for public meetings. All of these are ways to strengthen public participation and broaden opportunities to participate remotely.

DEPARTMENT EFFICIENCIES

- Continued the review of operations in the City Clerk's Office and Offices of the Mayor and Council for implementation of "best practices" for a more efficient workflow and accurate deliverables.

- Continued utilization of the Citywide Content Management System (CCM) as a tool in the implementation of a records management program focused on moving the City toward consistent administration and appropriate handling of the agency's records and providing increased access to City records for both internal and external customers with the goal of increasing transparency in government.

- Worked with IT to move to a more robust Citywide Content Management System as the current platform will no longer be supported.
- Provided training opportunities for City staff on procedures and resources associated with the Clerk's Office to maintain institutional knowledge and provided training on new policy and legal requirements to ensure compliance.
- Continued evaluation and implementation of new and existing information technology tools to achieve sustainable services, increase transparency, and provide new records and data to the public with an emphasis on immediate virtual access.
- Continued to utilize Microsoft Teams for better collaboration and accountability between both in-office and remote workers.
- Responded to over 4,800 California Public Records Act requests.
- Processed 13 councilmember candidates for the upcoming primary election in June 2026 and two notices of intention for ballot measures for the November 2026 election.

OBJECTIVES FOR FY2026/27

- Continue to utilize social media to communicate in a timely fashion with citizens on issues managed by the Clerk's Office.
- Utilize new functionality in the Office 365 suite to reduce duplication and improve responses to PRA requests.
- Implement new technology to improve the timeliness of PRA request responses.
- Continue to expand utilization of the CCM and the online records portal, as part of furthering the City's mission of transparency.
- Continue to refine and expand our Boards and Commissions recruiting, onboarding, and ongoing training to include the implementation of many virtual training modules.
- Continue to evaluate and expand our programs and technology tools to create more efficient processes and products for staff and citizens.
- Continue to support the City's nine elected officials and their staff with onboarding and offboarding employees, financial requests, travel, office budgets, ceremonial documents, and other administrative duties.
- Implement mandates required under SB 707 that will strengthen public participation and broaden opportunities to participate remotely.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Clerk	Delete one position (1.0 FTE - Deputy City Clerk).	General Fund	-	(90,857)	(1.00)
City Clerk	Delete one position (1.0 FTE - Deputy City Clerk).	General Fund	-	(90,857)	(1.00)
City Clerk	Discontinue ongoing allocations to the City Clerk Automation Project (A04000100).	General Fund	-	(60,000)	-
City Clerk	Increase funding for the North Sacramento Community Prosecutor project by $300,000 from liquidating the Economic Development Initiatives Project (I02181000) and a portion of the North Sacramento Code Enforcement and Outreach Project (I02180600).	General Fund	-	-	-
		Total Change	**-**	**(241,714)**	**(2.00)**

Department Budget Summary

City Clerk Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 3,074,830	$ 3,314,142	$ 3,496,897	$ 3,496,896	$ 3,580,156	$ 83,260
Services & Supplies	647,193	496,315	619,032	619,032	592,603	(26,429)
City Property	33,953	52,302	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	8,500	8,500	9,500	1,000
Service and Supplies Offsets	3,557	3,002	-	-	-	-
Total	**$ 3,759,533**	**$ 3,865,761**	**$ 4,126,429**	**$ 4,126,428**	**$ 4,184,259**	**$ 57,831**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 2,618,484	$ 2,872,308	$ 2,879,466	$ 2,879,465	$ 2,973,014	$ 93,549
Interdepartmental Service	1,141,049	993,453	1,246,963	1,246,963	1,211,245	(35,718)
Total	**$ 3,759,533**	**$ 3,865,761**	**$ 4,126,429**	**$ 4,126,428**	**$ 4,184,259**	**$ 57,831**

Division Budget Summary

City Clerk Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
City Clerk Division	$ 3,568,074	$ 3,774,078	$ 3,847,664	$ 3,847,663	$ 3,821,283	$ (26,380)
Office of Ethics & Compliance Division	78,779	218	189,045	189,045	189,295	250
Mayor-Council Operations Division	112,680	91,465	89,720	89,720	173,681	83,961
Total	**$ 3,759,533**	**$ 3,865,761**	**$ 4,126,429**	**$ 4,126,428**	**$ 4,184,259**	**$ 57,831**

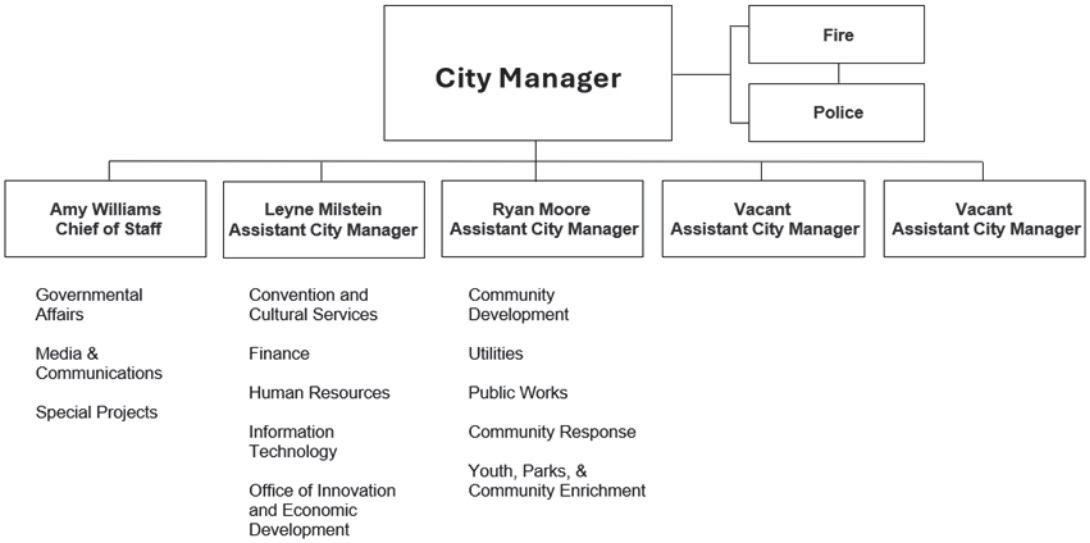
Staffing Levels

City Clerk Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
City Clerk Division	24.00	24.00	23.00	23.00	21.00	(2.00)
Total	**24.00**	**24.00**	**23.00**	**23.00**	**21.00**	**(2.00)**

12

SECTION - 12
City Manager

City Manager



The **City Manager** is the Chief Executive Officer of the City and is responsible for the leadership and direction of all operations, programs, and services, per City Charter. The City Manager facilitates the implementation of Council's policies and priorities and provides policy recommendations to the Council concerning the annual budget, future needs of the City, and oversight of all City departments. The City Manager's Office (CMO) contains a wide range of high-profile programs that handle issue-specific needs such as: Performance and Innovation, Media and Communications, Governmental Affairs, and Special Projects.

The City currently is facing a third year of a significant structural budget deficit, with expense growth outpacing revenue growth. The deficit reflects a combination of strategic investments in staffing to meet service demands, voter-approved commitments, adjustments to employee compensation to remain competitive, and broader inflationary pressures affecting cities nationwide. During the previous two budget cycles, the City partially addressed the structural budget deficit, closing a $128 million gap with a combination of one-time and ongoing budget balancing strategies. With the proposed budget for FY2026/27, the CMO and the Finance Department have identified a continued path toward fiscal sustainability and will continue to work closely with all City departments and the Mayor and Council offices to deliver an approved balanced budget per the City Charter.

PROGRAMS/SERVICE HIGHLIGHTS

Executive Office

- The Office of Governmental Affairs provides oversight and coordinates and develops policies for local, state, and federal legislative activities including management of the City's contract lobbyists. The Office identifies state and federal funding opportunities and works with lobbyists and elected officials to secure needed resources. The Office serves as staff to Council's Law and Legislation Committee, is responsible for the design and implementation of the annual state and federal legislative and policy platform and manages all Fair Political Practices Commission reporting. The Office has taken responsibility for overseeing the administration of large state grants secured by state legislators, with these grants funding critical City and community-led projects.

- Media and Communications partners with all departments to inform, engage, and connect residents to City services, projects, and initiatives. In FY2025/26, the team led proactive outreach on major City priorities, including implementing and promoting updated fireworks enforcement, daylighting parking changes, and traffic safety improvements through quick-build projects and Vision Zero. The team supported communications for key infrastructure and development efforts, including the I Street Bridge, Del Rio Trail bridge replacement, and new Entertainment Zones. Media and Communications also drove awareness and responded to media around critical housing and homelessness initiatives, including the Point-in-Time Count, the Roseville Road expansion, and micro-communities.

- The Special Projects unit leads and supports one-time and ongoing initiatives that provide strategic planning and accountability and that advance data-driven decision-making to ensure that the City serves the community in the most effective and efficient way possible. For example, the Special Projects unit is leading the development of a Priorities Strategic Plan to connect outcomes, indicators, objectives, and initiatives within each of the three City Council priorities (economic development, public safety, and homelessness). This effort will serve as a foundation for the City's next-generation performance management framework that will be piloted with six departments in FY2026/27.

OBJECTIVES FOR FY2026/27

- Strengthen enterprise-wide grant governance by operationalizing improved policies, standardizing grant lifecycle workflows, and partnering with departments to enhance compliance and tracking in the City's Grant Management System.

- Lead implementation of the City's next-generation performance management framework by supporting departmental rollout of outcomes, indicators, and objectives aligned with Council priorities, ensuring readiness for the FY2026/27 pilot phase and FY2027/28 citywide expansion.

- Operationalize an executive performance rhythm by conducting quarterly operating review “stat” meetings with pilot departments, tracking and resolving action items, and integrating performance summaries into executive briefings.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of the City Manager	Delete one position (1.0 FTE - Administrative Analyst) in the Executive Office.	General Fund	-	(112,705)	(1.00)
Office of the City Manager	Reduce services and supplies funding in the Executive Office and transfer the City's water lobbyist contract to the Department of Utilities.	General Fund	-	(24,000)	-
Office of the City Manager	Decrease funding for the City Hall Technology Program (I02001500). This will reduce funding available for technology initiatives within the City Manager's Office.	General Fund	-	(100,000)	-
Office of Media and Communications	Delete one position (1.0 FTE - Administrative Analyst) in Media and Communications.	General Fund	-	(140,111)	(1.00)
Office of Media and Communications	Delete one position (1.0 FTE - Media and Communications Specialist) in Media and Communications.	General Fund	-	(146,508)	(1.00)
Office of Innovation and Economic Development	Delete 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.	General Fund/Measure U	185,811	(6,421,362)	(30.00)
Office of Innovation and Economic Development	Delete 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.	Various Funds[1]	29,250	(3,433,077)	(2.00)
Office of Emergency Management	Move cost plan costs associated with the Office of Emergency Management from City Manager's Office to Fire department due to a reorganization in FY2025/26.	Interdepartmental Service	-	(791)	-
		Total Change	**215,061**	**(10,378,554)**	**(35.00)**

[1] Innovation and Grow th (2031), Block Grant/Housing and Redevelopment (2700), and Redevelopment Bond Funds (3813)

Department Budget Summary

City Manager Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 11,431,966	$ 11,403,658	$ 10,542,785	$ 10,542,785	$ 4,494,189	$ (6,048,596)
Services & Supplies	1,486,758	909,768	2,049,774	2,049,774	578,820	(1,470,954)
City Property	48,506	63,343	19,326	19,326	17,326	(2,000)
Multi-Year Operating Projects	-	-	3,334,409	3,334,409	400,000	(2,934,409)
Labor Offsets	(113,554)	(499,769)	(773,133)	(773,133)	(219,654)	553,479
Service and Supplies Offsets	(433,351)	(390,994)	(72,000)	(72,000)	(36,000)	36,000
Total	**$ 12,420,325**	**$ 11,486,006**	**$ 15,101,161**	**$ 15,101,161**	**$ 5,234,681**	**$ (9,866,480)**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 5,986,721	$ 5,090,231	$ 3,458,955	$ 3,458,955	$ 3,876,844	$ 417,889
2003 North Sac TE TABS	-	-	9,000	9,000	-	(9,000)
Block Grant/Housing & Redev	-	-	29,250	29,250	-	(29,250)
Innovation and Grow th	395,788	81,144	4,246,037	4,246,037	-	(4,246,037)
Interdepartmental Service	1,536,200	1,557,424	1,561,937	1,561,937	1,357,837	(204,100)
Measure U	4,501,616	4,757,207	5,795,981	5,795,982	-	(5,795,982)
Total	**$ 12,420,325**	**$ 11,486,006**	**$ 15,101,161**	**$ 15,101,161**	**$ 5,234,681**	**$ (9,866,480)**

Division Budget Summary

City Manager Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the City Manager Division	$ 4,660,212	$ 4,223,694	$ 4,234,670	$ 4,234,670	$ 4,622,745	$ 388,075
Office of Cannabis Management Division	1,424,344	1,159,780	-	-	-	-
Office of Innovation & Economic Dev. Division	5,166,805	4,838,530	10,000,955	10,000,955	-	(10,000,955)
Office of Emergency Management Division	549,816	517,232	-	-	-	-
Office of Media & Communications Division	619,148	746,770	865,536	865,536	611,936	(253,600)
Total	**$ 12,420,325**	**$ 11,486,006**	**$ 15,101,161**	**$ 15,101,161**	**$ 5,234,681**	**$ (9,866,480)**

Staffing Levels

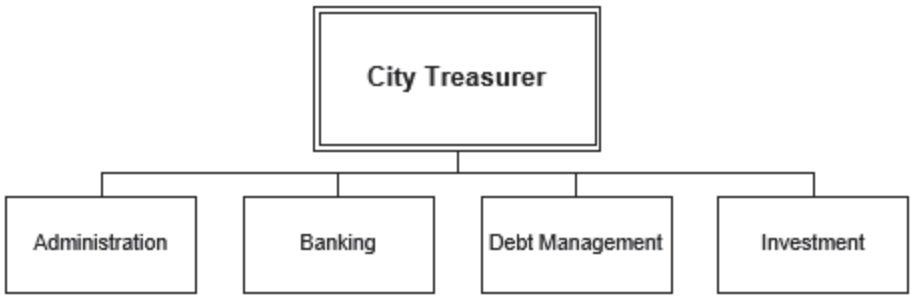
City Manager Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the City Manager Division	13.00	12.00	12.00	12.00	11.00	(1.00)
Office of Cannabis Management Division	9.00	9.00	-	-	-	-
Office of Innovation & Economic Dev Division	36.00	34.00	32.00	32.00	-	(32.00)
Office of Emergency Management Division	3.00	3.00	-	-	-	-
Office of Media & Communications Division	5.00	6.00	6.00	6.00	4.00	(2.00)
Total	**66.00**	**64.00**	**50.00**	**50.00**	**15.00**	**(35.00)**

13

SECTION - 13
City Treasurer

City Treasurer

Provide banking, investment, and debt management services for and to protect the fiscal integrity of the City of Sacramento.



The **City Treasurer** is responsible for the deposit and investment of all City funds. The City Charter also provides that the City Treasurer keeps the Council informed regarding the status of investments and City funds. Additionally, the Council has directed that the City Treasurer should also provide public finance and debt issuance services for the City.

PROGRAMS/SERVICE HIGHLIGHTS

- Added an additional Investment Officer to the Investment Division to aid in long-term succession planning; to ensure continuity and a seamless transfer of knowledge should retirements occur in the near future.
- Met with council members and members of the community for workshops on updating the City's Annual Investment Policy to formally incorporate language that supports the City's goal of Socially Responsible Investing.
- Worked with HR and payroll to request a full audit of Sacramento City Employees' Retirement System (SCERS) participants with adequate monitoring going forward to ensure the plan data is accurate, thereby increasing the funded status and reducing the City's need for large annual contributions to the plan
- Proactive monitoring/implementation of Account Validation services complying with the 2026 National Automated Clearing House Association (NACHA) rule changes focusing on strengthening Automated Clearing House (ACH) network security via mandatory risk-based fraud detection.
- Launched a citywide service fee initiative to recover credit card merchant costs to eliminate City subsidy, utilizing a phased implementation with many lines of business adopting by Summer 2026; potential annual savings of $900k.
- Assisted business units (Entertainment Services Dist. & Front Street Shelter) in establishing new e-commerce payment methods, providing a better customer experience, maximum flexibility, more revenue opportunities and strong security standards, all while maintaining Payment Card Industry (PCI) Compliance; Coordinated and co-led the team to another Clean Report of Compliance (ROC) while navigating new PCI 4.0 Requirements.

- Completed the issuance of the 2025 Refunding Revenue Bonds (the "**2025 Bonds**"), which fully refunded and defeased the 2015 Refunding Revenue Bonds. The issuance of the 2025 Bonds will enable the City's General Fund to realize approximately $5.65 million in total cashflow savings; the 2025 Bonds were intentionally structured to provide upfront savings for the General Fund in the near-term in Fiscal Years 2026-2029.

- Managed the cash flow for the City, SCERS, Sacramento Housing and Redevelopment Agency (SHRA), Sacramento Public Library Authority (SPLA), and other trust funds between the bank and the investment pools to gain interest earnings and provide liquidity in a prudent manner. Consistently one of the top performing municipalities in the State of California over the long term. The investments staff is now managing $2 billion.

- SCERS Plan achieved over 109% funding status in a year where moderate inflation led to larger than anticipated participants' balance increases. Staff continue to demonstrate disciplined investment strategies in both positive and negative market environments, ensuring our 700 plan participants will receive the benefits they are entitled to. A fully funded/overfunded plan reduces the necessity of large annual City contributions into the plan.

DEPARTMENT EFFICIENCIES

- Automated the daily cash flow process that links City and banking data in real-time, thus improving accuracy and efficiency.

- Streamlined trade processing and implemented new reconciliation methods and procedures to ensure validity and reliability of investment records.

- Utilized a third-party consultant to proactively monitor on an ongoing basis the credit ratings and outlook of outstanding bonds, thereby freeing up City staff to focus on other debt management-related responsibilities.

OBJECTIVES FOR FY2026/27

- Work with external legal consultants, City Council, Mayor, and City Attorney's office to create a Charter Amendment for the November 2026 general election to address language gaps in the charter for the eventual termination of SCERS; Continue to work with City Council and Mayor on ways to utilize potential excess SCERS funds to be used for council priorities should funds become unencumbered.

- Engage with external pool participants to complete the roll out of the updated investment recovery fee to ensure the fees charged cover expenses incurred when managing the portfolios; the investment recovery fee had not been updated since 2011.

- Complete reviews and implement citywide banking policies and procedures that will complement existing procedures for departments; Continue to evaluate and establish a citywide Credit Card Fee Policy; Incorporate and remediate new PCI Data Security Standard 4.0.01 requirements into PCI Policies and Procedures. Initiate and enforce stricter policies in card processing procedures, specifically surrounding email Data Loss Prevention (DLP) block Policy.

- Implement budget strategy proposal to eliminate City subsidies of merchant fees for credit card fees by passing to the end user; the project aims to implement through a phased approach with most Lines of Businesses adopting by Summer 2026.

- Work with the Finance Department and the City Attorney's Office on the second issuance of Greenbriar Community Facilities District (CFD) (Improvement Area No. 2) bonds to acquire infrastructure from the developer.

- Work with the City Manager's Office's Office of Innovation and Economic Development, Convention and Cultural Services Department, and the City Attorney's Office on the issuance of the 2026 Transient Occupancy Tax Revenue Bonds to finance projects included in the Waterfront Reinvestment Program.

- Work with the Finance Department and the City Attorney's Office on the change proceedings associated with Delta Shores CFD (Improvement Area No. 3), and the new Improvement Area No. 4.

- Work on the issuance of bonds for Aggie Square CFD to acquire infrastructure from the developer.

- Provide financial guidance to the Public Works Department and the City Manager's Office regarding components of the I Street Bridge Project.

- Work with the City Manager's Office and the Office of Innovation and Economic Development to address solutions for short-term funding needs for potential development projects that may require funding through non-traditional means.

- Work with the Mayor and Council to create criteria to assist in the prioritization of projects and uses of surplus Transient Occupancy Tax (TOT) revenues to ensure charter compliance, promote equity, and further TOT revenue generation. Continue to build a succession and training plan that helps to cultivate staff in preparation for natural attrition with a focus on knowledge sharing for the subsequent hiring of future replacement staff.

- Work with the Banking Manager and Finance to onboard more vendors onto the City's Single Use Account and ACH payment programs to cut down on the number of large checks the City must float to cover daily, which reduces the potential for higher yields on Pool A funds.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Treasurer	Increase revenues in the City Treasurer's Office due to Pool A recovery fee increase.	General Fund	(150,000)	-	-
		Total Change	**(150,000)**	**-**	**-**

Department Budget Summary

City Treasurer Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 2,266,233	$ 2,461,733	$ 2,871,866	$ 2,871,865	$ 2,977,861	$ 105,996
Services & Supplies	218,813	182,423	266,240	266,240	263,740	(2,500)
City Property	1,818	25,496	5,000	5,000	5,000	-
Multi-Year Operating Projects	-	-	1,000	1,000	1,000	-
Labor Offsets	(3,066)	(14,621)	-	-	-	-
Service and Supplies Offsets	(74,910)	27	-	-	-	-
Total	**$ 2,408,888**	**$ 2,655,057**	**$ 3,144,106**	**$ 3,144,105**	**$ 3,247,601**	**$ 103,496**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 1,179,479	$ 1,250,860	$ 1,593,242	$ 1,593,241	$ 1,696,015	$ 102,774
Interdepartmental Service	1,229,409	1,404,197	1,550,864	1,550,864	1,551,586	722
Total	**$ 2,408,888**	**$ 2,655,057**	**$ 3,144,106**	**$ 3,144,105**	**$ 3,247,601**	**$ 103,496**

Division Budget Summary

City Treasurer Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
City Treasurer Division	$ 2,408,888	$ 2,655,057	$ 3,144,106	$ 3,144,105	$ 3,247,601	$ 103,496
Total	**$ 2,408,888**	**$ 2,655,057**	**$ 3,144,106**	**$ 3,144,105**	**$ 3,247,601**	**$ 103,496**

Staffing Levels

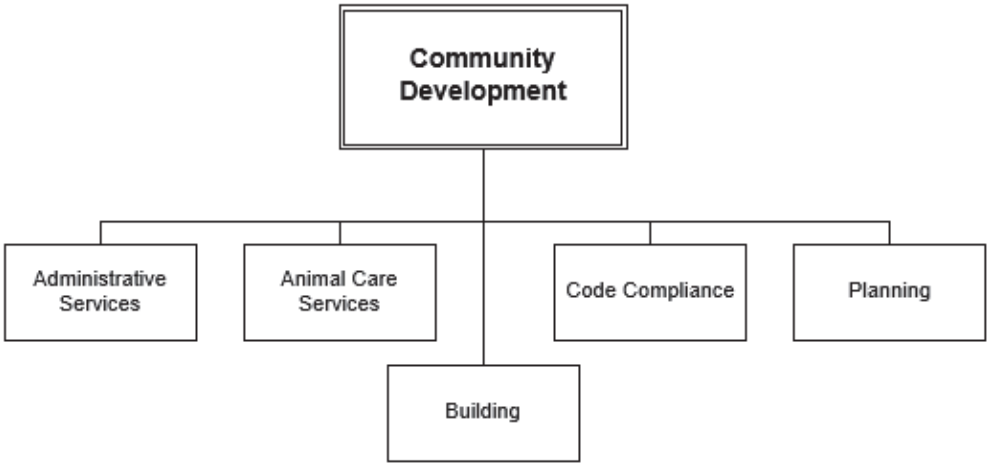
City Treasurer Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
City Treasurer Division	14.00	14.00	13.00	13.00	13.00	-
Total	**14.00**	**14.00**	**13.00**	**13.00**	**13.00**	**-**

14

SECTION - 14
Community Development

Community Development

We help plan, build, and maintain a great city.



The **Community Development Department** plans for growth, development, and prosperity in Sacramento; reviews and approves development applications and building permits; responds to issues related to the Health and Safety Code while ensuring well-maintained properties and preserving the existing housing stock; and provides animal care services.

The Department consists of the following service areas:

- Administrative Services: Provide centralized support for Department budgeting, accounting, personnel services, procurement, boards and commissions, and marketing and communications.
- Animal Care Services: Provide animal care services through enforcement of City codes with emphasis on public safety, cruelty, and abuse investigations, sheltering, adoption, and community outreach, along with a robust volunteer program affording a high level of community engagement.
- Building: Protect public health and safety by regulating construction and development through provision of permits, plan review, and building inspections. Provide building application and building permit services and specialized development project management services.
- Code Compliance: Promote and maintain a safe and desirable living and working environment through enforcement of City and state codes. Programs and services include

neighborhood and business code compliance, graffiti, vehicle, and weed abatements, substandard/dangerous building inspections, tenant protection, vacant building and lot monitoring, and residential rental housing inspections and monitoring.

- Planning: Provide a vision for a great city by leading the City's planning, development, urban design, and historic preservation efforts. Guide development for public and private sector investment throughout our community.

PROGRAMS/SERVICE HIGHLIGHTS

- The Administrative Services Division processed $87.3 million in fees for City departments and other agencies.

- Animal Care Services Homeless Outreach and Assistance Program has provided vaccinations, veterinary care, and spay/neuter services to a record 1,888 animals owned by 1,028 unhoused residents. Community engagement activities included 717 Doggy Day Out appointments, 130 Pups and PJs appointments, and 163 Jog-A-Dog appointments.

- Building Division completed the first year of Streamline Sacramento, a cross-departmental effort to examine the City's procedures for reviewing and approving development projects, with an emphasis on housing. Twenty-eight streamlining actions were implemented in the first year.

- The Building Division adopted the 2025 California Building Standards Code and completed approximately 23,000 plan reviews with 98.5% completed on time and 72,000 inspections with 97% completed on time. Expanded and institutionalized the Small Business Liaison Program to improve access and predictability for small businesses.

- Code Compliance Division was awarded an $884,021 Tobacco Grant Program grant from the California Department of Justice to reduce illegal retail sales and marketing of cigarettes and tobacco products, including e-cigarettes, to minors.

- Over 3,600 vehicles were towed citywide by Code Compliance, and an additional 500 hazardous or abandoned recreational vehicles and/or trailers were towed and destroyed.

- The Planning Division advanced major community and neighborhood planning initiatives, including progress on the River District and Central City Specific Plans, implementation of the award-winning Forward Together Action Plan, and

continued delivery of the Planning Academy and Community Ambassador Program.

- The Planning Division also improved housing development readiness and public engagement, through new tools and programming supporting small-scale development and outreach to emerging developers (Housing Development Toolkit Map, ADU Fair, and Small Developer Incubator Pilot Program).

- Planning staff is on track to process approximately 564 private development applications by the end of FY2025/26. This represents an increase of 8% over the prior year. Projects range from construction of new residential, mixed-use buildings, ministerial housing review, and retail development to tentative maps to subdivide land for future development. Notable projects this year have included: the Railyards soccer stadium, Kaiser Hospital, the adaptive reuse of the historic Diggs and Marshall School, Russell at Truxel project on surplus City property, Creekside at Woodlake, and Birchway Apartments in Natomas.

DEPARTMENT EFFICIENCIES

- Animal Care Services had a backlog of 772 spay and neuter surgeries in September 2024, due to veterinary staffing shortages in the Division and outside veterinarian vendors. By March 2026, that number has been reduced to 1, due to the hiring of two veterinarians and increased external spay and neuter services. These additional resources reduced the number of animals in foster-to-adopt homes and reduced costs by no longer requiring veterinary care for those animals.

- As part of Streamline Sacramento, the Building Division's remote building inspections program allows convenient virtual inspections for minor residential building permits and went live in October 2025, with 30 virtual inspections being conducted daily. The Building Division also launched a six-month pilot program in October 2025, to expand in-person public counter hours to five days per week; it also instituted an Inspection Tracker—an internal web-based dashboard for supervisors to track inspections and make schedule or inspector adjustments in real time.

- The Code Compliance Division is developing a new, enhanced case management system anticipated to go live in FY2026/27.

- The Planning Division implemented a new California Environmental Quality Act (CEQA) streamlining process that includes development of a checklist form for meeting the requirements of the Public Resources Code Section 21080.66 (AB 130) exemption. The Planning Division also established in-progress planning frame and foundation inspections to interact early with contractors to provide for smooth and timely transitions at final inspections.

OBJECTIVES FOR FY2026/27

- Amend the Planning and Development Code to align it with the 2040 General Plan, including large-scale rezoning analysis of over 100,000 parcels and development of new Missing Middle Housing and neighborhood commercial regulations.

- Continue implementation of Streamline Sacramento—the cross-departmental effort to streamline the development approval process.

- Complete the development of policies and procedures for the Front Street Animal Shelter.

- Complete modifications to the Tobacco Retailers License Program to include Council priorities and code enforcement priorities to the ordinance.

- Create an enhanced vacant building and vacant property ordinance with increased enforcement and monitoring tools.

- Launch new code enforcement case management and reporting system that will be used by several departments.

REORGANIZATION

- As part of the FY2026/27 budget, the department is creating a new “Hearings” Department ID. This internal delineation will clarify the resources allocated and utilized for this body of work.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration	Technical adjustment to correct revenues based on fund balance.	Development Services	(1,420,000)	-	-
Animal Care Services	Increase one-time funding for citywide spay and neuter clinics. Due to funding, staffing, and spay and neuter surgery space, Animal Care Services does not have the ability to provide community spay and neuter services to the community in-house.	Measure U	-	500,000	-
Animal Care Services	Delete one position (1.0 FTE - Animal Care Technician) and add one new position (1.0 FTE - Animal Services Coordinator) in Animal Care. Increase revenue budget for Animal Care due to fee increases. This position will provide behavior evaluations and training to dogs housed in the shelter to decrease length of stay and increase the live release rate.	Measure U	(19,000)	18,864	-
Animal Care Services	Increase revenue budget in Animal Services based on licensing fee increase recommendations from the Citywide fee study.	General Fund	(24,000)	-	-
Animal Care Services	Increase revenue budget in Animal Services based on licensing fee increase recommendations from the Citywide fee study.	General Fund	(120,370)	-	-
Building	Delete one position (1.0 FTE - Building Inspector I/II/III) and add one new position (1.0 FTE - Building Inspector IV) increasing field inspection supervision, improves workload assignments, and enhances the resolution of customer concerns.	General Fund	-	5,305	-
Building	Delete one position (1.0 FTE - Plans Examiner III) and add one new position (1.0 FTE - Building Inspector IV). Realigns staffing by replacing a Plans Examiner III with a Building Inspector IV to improve career progression and recruitment.	General Fund	-	5,311	-
Building	Decrease funding for consultant services for plan review and inspections.	General Fund	-	(955,000)	-
Building	Delete one position (1.0 FTE - Senior Engineer) in the Building Plan Check Division.	General Fund	-	(154,968)	(1.00)
Building	Increase revenue budget in Building Division based on fee increase recommendations from Citywide Fee Study. Offset three positions (1.0 FTE - GIS Specialist III and 2.0 FTE - GIS Specialist II) partially with Technology fee increases.	Development Services	(327,250)	233,872	-
Building	Technical adjustment to correct revenues based on fund balance.	Development Services	93,378	-	-
Code Compliance	Add one position (1.0 FTE - Customer Service Representative) in Rental Housing Inspection Program (RHIP). Increase revenue budget for RHIP offsetting position. Ensures RHIP can keep pace with its growing workload, address persistent backlogs, and maintain timely, accurate processing of more than 66,000 rental units as the program's operational and compliance requirements expand.	General Fund	(100,000)	95,003	1.00
Planning	Increase revenue budget in Planning based on fee increase recommendations from the Citywide 2025 Government Consulting Partners Fee Study.	General Fund	(1,000,000)	-	-
Planning	Change funding source for two positions (2.0 FTE - Associate Planner) in the Neighborhood Development Action Team (NDAT) from Measure U Fund (Fund 2401) to the General Plan Updates project (I22000000).	Measure U	(779,162)	-	-
Planning	Realign Home Occupation Permit revenues budget between the Revenue Division in the Finance Department and Planning Division in the Community Development Department.	General Fund	(50,000)	-	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Planning	Technical adjustment to correct revenues based on fund balance.	Development Services	(2,800,000)	-	-
Planning	One-time reduction to Community Ambassador Program.	Measure U	-	(108,000)	-
		Total Change	**(6,546,404)**	**(359,613)**	**-**

Department Budget Summary

Community Development Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 37,392,910	$ 40,783,581	$ 44,906,881	$ 44,906,879	$ 47,086,275	$ 2,179,396
Services & Supplies	12,331,808	14,849,741	11,657,865	11,496,148	11,981,987	485,839
City Property	129,838	146,719	181,516	201,516	201,516	-
Multi-Year Operating Projects	-	-	7,110,700	6,835,700	8,997,700	2,162,000
Labor Offsets	(3,043,471)	(3,294,149)	(3,098,215)	(3,098,215)	(4,177,326)	(1,079,111)
Service and Supplies Offsets	529,244	339,705	-	-	-	-
Total	**$ 47,340,329**	**$ 52,825,598**	**$ 60,758,747**	**$ 60,342,028**	**$ 64,090,151**	**$ 3,748,123**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 31,731,433	$ 33,684,319	$ 38,288,590	$ 38,178,588	$ 39,685,673	$ 1,507,085
Citywide Low Income Housing	3,799,207	6,697,387	2,200,000	2,200,000	3,000,000	800,000
Development Services	-	-	2,800,000	2,800,000	4,453,872	1,653,872
Landscaping and Lighting	258,827	262,600	269,165	269,165	272,509	3,344
Measure U	11,915,904	12,461,992	16,950,993	16,644,275	16,428,098	(216,177)
Risk Mgmt	(365,041)	(280,699)	-	-	-	-
Special Program Donations	-	-	250,000	250,000	250,000	-
Total	**$ 47,340,329**	**$ 52,825,598**	**$ 60,758,747**	**$ 60,342,028**	**$ 64,090,151**	**$ 3,748,123**

Division Budget Summary

Community Development Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Administration Division	$ 3,097,526	$ 3,233,376	$ 2,614,766	$ 2,614,766	$ 4,880,647	$ 2,265,881
Animal Care Services Division	8,152,789	8,773,789	9,436,277	9,129,559	10,356,953	1,227,394
Building Division	13,942,000	18,053,089	18,816,454	18,761,457	18,441,781	(319,676)
Planning Division	9,547,286	9,048,229	14,791,627	14,791,626	14,410,980	(380,646)
Code Compliance Division	12,600,729	13,717,116	15,099,622	15,044,620	15,999,791	955,171
Total	**$ 47,340,329**	**$ 52,825,598**	**$ 60,758,747**	**$ 60,342,028**	**$ 64,090,151**	**$ 3,748,123**

Staffing Levels

Community Development Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Administration Division	19.00	19.00	18.00	18.00	24.00	6.00
Animal Care Services Division	63.00	63.00	63.00	63.00	63.00	-
Building Division	90.00	89.00	88.00	88.00	86.00	(2.00)
Planning Division	55.00	55.00	54.00	54.00	52.00	(2.00)
Code Compliance Division	92.00	92.00	92.00	92.00	90.00	(2.00)
Total	**319.00**	**318.00**	**315.00**	**315.00**	**315.00**	**-**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Affordable Housing			
MYOP	NDAT	-	492,000
	Zero-Dollar Rate Program	-	3,000,000
Operations	Long Range	13.00	(671,696)
	Zoning	5.00	398,595
Community Development			
MYOP	Fleet Acquisitions	-	184,000
Community Response			
MYOP	Commission Stipends	-	7,500
	Fleet Acquisitions	-	135,000
Operations	Animal Care Administration	14.00	1,240,526
	Animal Care/Shelter	34.00	5,713,390
	Neighborhood Code Compliance	39.00	3,906,075
Public Safety - Community Development			
Operations	Animal Enforcement/Field Services	15.00	2,022,706
Grand Total		**120.00**	**$ 16,428,096**

PERFORMANCE MEASURES

Animal Care Services Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of animals that are adopted, transferred, sent to rescue, or returned to owner (live release rate)	87%	81.9%	79.6%	82%	90%

The live release rate is a key measure of the Front Street Animal Shelter's success in achieving its mission of saving lives. The live release rate can be affected by a variety of factors including the health of animals upon intake, the number of animals received due to bite/abuse/neglect investigations, staffing levels, and volunteer/community involvement.

Building Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of development inspections performed on the day scheduled	98%	96%	98%	97%	95%

Most inspections are completed on the day that they are scheduled.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of residential building permits issued within two days	87%	86%	83%	85%	80%

Most residential permits are minor in nature and may be approved in the online permitting platform. This measure is tracked nationally and offers a means of comparison with other agencies.

Code Compliance Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Vehicle cases closed within 21 days	64%	53%	80%	78%	80%

Abandoned or inoperable vehicles are investigated by Neighborhood Code Compliance. When a Code Enforcement Officer confirms a vehicle violation, the vehicle is marked, and the registered owner of the vehicle has three days to remove the vehicle, or it may be towed.

Planning Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of Site Plan and Design Review (DR) Files completed within 90 days	59%	56%	46%	59%	60%

The Planning Division tracks and reports the time it takes to approve an application for the Site Plan and Design Review. This review includes a technical analysis of the project to determine compliance with development standards, design guidelines, and the California Environmental Quality Act (CEQA). The application may be approved at the staff or Director level.

15

SECTION - 15
Community Response

Community Response

The mission of the Department of Community Response is to provide compassionate and individualized support to people experiencing homelessness with the goal of aiding them on their path toward recovery, wellness, and self-sufficiency.



On July 1, 2020, the City Council directed the City Manager to develop an alternative response model for 911 calls that do not require traditional emergency services. This response was originally created as a Division in the City Manager's Office. The Division became the standalone **Department of Community Response (DCR)** effective July 1, 2021.

DCR deploys teams of social workers and outreach specialists throughout the city to help people experiencing homelessness get off the streets and into improved circumstances. DCR manages and monitors the City's emergency shelters and programs that serve people experiencing homelessness. DCR's alternative responses to conventional public-safety interventions divert entry into jails and emergency rooms by connecting individuals in need with appropriate services and treatment options to better resolve issues.

Working with the County of Sacramento, Sacramento Steps Forward, and the Sacramento Housing and Redevelopment Agency, DCR plays a pivotal role in Sacramento's Regional Homeless Response System, focusing on providing outreach and engagement as well as emergency shelter and interim housing.

DCR's Director also oversees the City's multi-departmental Incident Management Team responding to homelessness, which ensures all available resources are utilized and leveraged in the best manner possible to support unsheltered residents while addressing unsafe, unsanitary, and/or unlawful encampments in local communities.

DCR is comprised of the following three divisions:

- Office of the Director (OOD): Responsible for the City's strategic plan to respond to homelessness as well as the Department's fiscal, human resources, government affairs, communications, and administrative management.
- Community Outreach Division (COD): Responsible for responding to 311 calls for service by deploying teams of social workers and outreach specialists who help people experiencing homelessness access shelter and support using evidence-

based practices such as cultural competency, motivational interviewing and strengths-based approaches that are not typically found within traditional emergency response models.

- Homeless Services Division (HSD): Responsible for managing the City's effort to shelter and house people experiencing homelessness, which includes coordinating with various Federal, State, local, nonprofit and faith-based entities and administering millions of dollars in contracts to fund emergency shelter, wraparound services and interim supportive housing projects.

PROGRAMS/SERVICE HIGHLIGHTS

- In 2025, City-funded shelters provided shelter to 4,474 individuals, including 1,142 children. During 2025, 3,170 individuals exited City-funded shelters, including 840 (26%) who exited to permanent housing and 1,330 (42%) who exited to an improved housing destination.

- In its third year of leading the Incident Management Team (IMT), DCR continued to maintain and coordinate implementation of the dual mandate to protect public health and safety through enforcement of applicable State and City codes while also connecting unhoused community members to services and shelter. In collaboration with the Sacramento Police Department, Fire Department, Code Enforcement, Animal Control, City Park Rangers and other contracted providers, the IMT accomplished the following in 2025:

    - Received 48,809 calls for service that resulted in the creation, response, and closure of 87,145 cases.
    - Responded to 20,145 calls for service related to cleanup and removed 6 million pounds of trash.
    - Engaged with 3,860 community members experiencing homelessness and made 1,104 rapid (real time) placements into shelter.
    - Achieved compliance on 10,192 cases, including 1,899 arrests/citations, and the abatement of 609 hazardous and/or unregistered vehicles.

- In the third year of the City of Sacramento-County of Sacramento Homeless Services Partnership Agreement, DCR continued to coordinate implementation of this landmark accord. Efforts during this time period focused on optimizing collaborative outreach and engagement services between DCR staff and County Behavioral Health Service personnel, who shifted from primarily working with clients in large outdoor encampments to engaging clients within City-funded shelters. This shift in focus improved the number of people linked to behavioral health services by 65 percent as compared to 2024.

- Community Outreach expanded the Roseville Road campus by 135 electrified pallet style homes utilizing a portion of approximately $12.4 million of State's Encampment Resolution Fund - Round 4 (ERF 4L) received. ERF 4L is also

funding the operations of the Roseville Road expanded campus and providing high intensity outreach and services and enhanced shelter and housing support to program participants. These additional shelter beds and services were provided specifically to individuals on the Sacramento Northern Parkway Trail and surrounding neighborhoods.

- Following system upgrades and capacity building launched in July 2025, Community Outreach and IMT partner agencies significantly improved response times and efficiency by shifting from a model where different response types happened sequentially to a framework where different response types happened concurrently. These changes resulted in a significant increase in the number of homelessness response cases received and closed. These efforts resulted in visible reductions in the number of encampments within the city.

- In collaboration with the Office of the City Manager, DCR continued to operate its public-facing IMT Data Dashboard featuring key performance metrics in an easy-to-use interface. By providing weekly updated information related to homelessness response, this tool has reduced demands on staff time to respond to information requests and allowed a more cost-effective focus on response.

- Community Outreach established more in-depth social-service-focused response teams. These teams include staffing the Street Overdose Response Team (SORT) in partnership with the Fire Department, as well as case-carrying work focused on rehousing and resource connection.

- DCR developed a new Safe Camping site in the River District where people can temporarily camp before transitioning to City shelters. The site offers 100 City-provided tents, restrooms, showers, trash collection, outreach and 24/7 security.

- DCR launched its Micro-Communities program, offering specialized populations including seniors 55 and older an option for ultra-affordable interim housing. The department has four Micro-Communities in development. Located on City-owned parcels, each site will have no more than 40 prefabricated units, each with their own heating/air conditioning. Other site amenities will include bathrooms, showers, a kitchen, 24/7 security monitoring, laundry, storage and connections to supportive services.

- Through DCR’s efforts, Sacramento became one of the first cities to launch a California Advancing and Innovating Medi-Cal (CalAIM) program, which is funded by the State’s Medicaid Program and provides reimbursements for non-medical services that improve health outcomes, including rehousing, creating a new revenue stream for the City to serve people experiencing homelessness.

DEPARTMENT EFFICIENCIES

- The Office of the Director continued to work on strategic planning, management of fiscal/budget, and HR solutions. OOD refined DCR recruitment, selection, and hiring processes to support all programs and operations. In FY2024/25, DCR successfully recruited and hired an Assistant Director, a Program Manager, and 10 Neighborhoods Resource Coordinators. The Department also promoted one employee to Support Services Manager, one employee to Administrative Analyst and five employees to Neighborhood Resource Coordinator II.

- DCR renegotiated 15 shelter and services contracts saving the City an estimated $8.8 million annually.

- Homeless Services strengthened its monitoring of City Sheltering programs to include new performance analytics.

- Community Outreach continued to work collaboratively with IT. In 2025 the focus was on user experience. With completion of the Customer 360 Phase 2 development, upgrades were completed that allow a caller to request multiple responses concurrently through one call to 311, ensuring that all cases closed result in a follow up email being sent.

- Community Outreach established a logistics subdivision that manages dispatch of resources and data input. This change, coupled with system improvements described above, resulted in a 200 percent increase in the number of outreach calls resolved within 24 hours.

- Homeless Services restructured the City Motel Program to focus on families with minor children and utilize a time-limited voucher-based model. With additional motels participating in the program, this restructuring expanded client choice while reducing operating costs.

OBJECTIVES FOR FY2026/27

- Continue to develop solutions to address funding issues by reducing costs across sheltering contracts while improving performance through increased focus on key performance indicators.

- Open the City's first "ultra-affordable" interim housing Micro-Community site to serve as a fiscally responsible bridge between emergency shelter and time/resource intensive housing development.

- Continue to apply for all grant funding available (i.e., Homeless Housing, Assistance and Prevention and Encampment Resolution Funding).

- Conduct monthly reviews of shelter performance analytics.

- Implement new homeless response protocol for “focused response” for challenging areas where persistent encampments exist or where encampments return frequently.
- Establish and pilot a civilian-led cost-effective alternative response program to respond to nonviolent and behavioral health calls from the 911 system.

- Finalize and launch the shelter reporting tool in partnership with IT and 311 to provide better capture and tracking of shelter grievances and facility concerns.

- Develop a new Safe Parking program where people can temporarily stay and sleep in their vehicles overnight and receive supportive services to exit homelessness.

- Continue to collaborate with local partners including the County of Sacramento, Sacramento Steps Forward, the Sacramento Continuum of Care, and the Sacramento Housing and Redevelopment Agency, to execute “All In Sacramento,” Sacramento’s Regionally Coordinated Framework and Action Plan to Prevent and End Homelessness.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Community Outreach	Reduce funding for Community Response Multi-Year Operating Project, reflecting the need to shift, restructure, or relocate operations of the X Street Navigation Center in light of Caltrans lease set to expire.	Measure U	-	(2,815,018)	-
Office of Community Outreach	Reduce funding for Community Response Multi-Year Operating Project and shift City Motel Program to voucher-based model with a focus on unsheltered families.	Measure U	-	(3,164,105)	-
Office of Community Outreach	Add one position (1.0 FTE - Administrative Technician) for the Office of Community Response.	Measure U	-	106,782	1.00
Office of Community Outreach	One-time reduction of project funding to conduct Council's one-time restorations. Programming will not be reduced and will be covered by HHAP-6 funding.	Measure U	-	(1,325,904)	-
Office of DCR	Increase revenue for a new Micro-Community Program Fee.	Measure U	(36,000)	-	-
Office of Homeless Services	One-time reduction to homeless services.	Measure U	-	(500,000)	-
		Total Change	**(36,000)**	**(7,698,245)**	**1.00**

Department Budget Summary

Community Response Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 3,457,932	$ 4,205,719	$ 5,279,352	$ 5,279,353	$ 5,635,364	$ 356,011
Services & Supplies	412,070	506,610	755,280	755,280	934,075	178,795
City Property	3,169	55,315	285,830	285,830	70,692	(215,138)
Multi-Year Operating Projects	-	-	34,191,802	34,145,084	31,827,159	(2,317,925)
Labor Offsets	71,223	(390,178)	(411,442)	(411,442)	(604,497)	(193,055)
Service and Supplies Offsets	(3,523)	-	-	-	-	-
Total	**$ 3,940,871**	**$ 4,377,467**	**$ 40,100,822**	**$ 40,054,105**	**$ 37,862,793**	**$ (2,191,312)**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	-	-	$ 500,000	$ 500,000	$ 36,000	$ (464,000)
Measure U	3,940,871	4,377,467	39,600,822	39,554,105	37,826,793	(1,727,312)
Total	**$ 3,940,871**	**$ 4,377,467**	**$ 40,100,822**	**$ 40,054,105**	**$ 37,862,793**	**$ (2,191,312)**

Division Budget Summary

Community Response Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of Director Division	$ 1,188,362	$ 1,106,180	$ 1,355,286	$ 1,355,286	$ 1,366,839	$ 11,553
Office of Community Outreach Division	2,152,052	2,642,044	24,133,772	24,087,054	33,317,305	9,230,251
Office of Homeless Services Division	600,456	629,242	14,611,764	14,611,765	3,178,649	(11,433,116)
Total	**$ 3,940,871**	**$ 4,377,467**	**$ 40,100,822**	**$ 40,054,105**	**$ 37,862,793**	**$ (2,191,312)**

Staffing Levels

Community Response Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of Director	7.00	7.00	7.00	7.00	7.00	-
Office of Community Outreach Division	24.00	25.00	25.00	25.00	25.00	-
Office of Homeless Services Division	6.00	6.00	6.00	6.00	7.00	1.00
Total	**37.00**	**38.00**	**38.00**	**38.00**	**39.00**	**1.00**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Community Response			
MYOP	Community Response	-	29,681,159
Operations	Office of Community Outreach	25.00	3,636,145
	Office of Director	7.00	1,330,840
Homelessness			
MYOP	Homeless Housing Initiative	-	2,146,000
Operations	Office of Homeless Services	7.00	1,032,649
Grand Total		**39.00**	**$ 37,826,793**

PERFORMANCE MEASURES

Community Response

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
311 Cases Responded To	28,397	66,455	59,384	105,000	80,000
Refers to the total number of 311 cases closed by DCR staff, in coordination with the Police Department's IMPACT team, Park Rangers, Hope Cooperative, Forensiclean, and FS Global. Calls include the following service types: Homeless Encampment Trash, Homeless Encampment Concern, Homeless Encampment 500 Feet from School, Homeless Encampment Blocking Sidewalk, and Unhoused Self-Referral.					

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Unique Clients Served by Street Outreach	n/a	4,483	4,733	4,400	4,000
Count of unique clients served by Street Outreach, in partnership with Sacramento County, Hope Cooperative, and Community Health Works.					

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
HMIS Enrollments	397	4,809	5,689	4,800	4,400
Count of individuals enrolled into DCR Partnerships Program or the City of Sacramento – Sacramento County Collaboration program within HMIS.					

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Rapid Placements	621	1,089	1,132	1,428	1,500
Rapid Placements are placements directly into the Roseville Road Campus (formerly Miller Park until January 2024) and the Outreach and Engagement Center, via DCR Staff and contractors.					

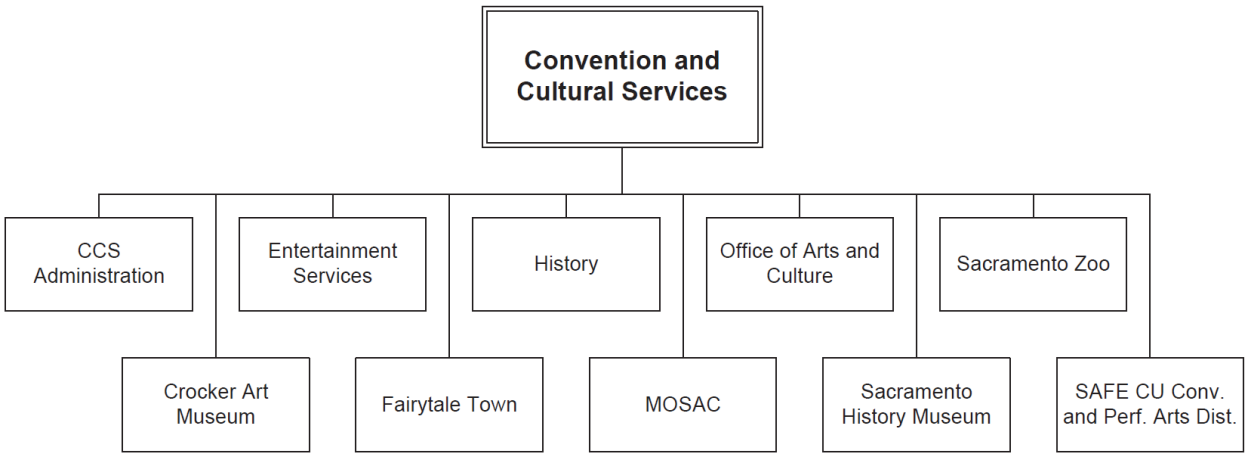
Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
City Funded Shelter Sites	17	18	18	19	22
City Funded Shelter Beds	1,135	1,375	1,614	1,714	1,934
Individuals Sheltered in City Funded Shelter Beds	3,725	4,364	4,474	5,700	6,000

16

SECTION - 16
Convention and Cultural Services

Convention and Cultural Services

The mission of the Convention and Cultural Services Department is to promote and preserve our unique culture and heritage by delivering arts, leisure, and educational experiences to enrich people's lives and enhance the metropolitan area.



Through its divisions, and in partnership with nonprofit and civic partners, the **Convention and Cultural Services Department (CCS)** delivers a dynamic portfolio of venues, programs, and experiences that serve residents, artists, and visitors while contributing to the city's economic vitality and identity.

The Department includes the following divisions, programs, and partnerships:

- CCS Administration: Administers overall departmental policy direction, oversees financial activities and transactions, supports procurement, delivers projects, and assists divisions with human resources functions.

- Crocker Art Museum: The Crocker Art Museum brings people together and connects them in unexpected ways with art, ideas, each other, and the world around them. The Museum features the world's foremost display of California art and is renowned for its holdings of master drawings. Other major collection areas include international ceramics, European paintings, and Asian, African, and Oceanic art. The Museum serves as the primary regional resource for the study and appreciation of fine art and offers a diverse spectrum of exhibitions, events, and programs to augment its collections, including films, concerts, studio classes, lectures, children's activities, and more.

- Entertainment Services: The Entertainment Services Division manages all entertainment-related permitting—including film, special events, and entertainment venues—through a centralized, citywide approach. The division serves as a single point of entry for applicants, supporting the safe and successful production of entertainment activities while minimizing community impacts. In addition to permitting, the division works to attract and support entertainment activity across Sacramento, contributing to the City's cultural vibrancy, social connectivity, and local economy.

- Fairytale Town: Fairytale Town is a nonprofit storybook park and education center that provides children and families with opportunities for imaginative play and early learning. The organization serves more than 250,000 visitors annually and operates the Sacramento Adventure Playground in South Sacramento, where approximately 7,500 youth participate in hands-on exploration experiences each year.

- History: The Center for Sacramento History (CSH) serves as the official repository and research center for City and County historical collections. The Center collects, preserves, and provides access to the region's cultural heritage for researchers, students, and the public. CSH also manages leases within the Old Sacramento Waterfront Historic District, supporting property maintenance in partnership with Administrative Services. CSH leads historic district interpretation and programming. It also supports exhibitions and interpretive programming and produces educational programs and events that connect residents and visitors to Sacramento's history.

- Museum of Science and Curiosity: The SMUD Museum of Science and Curiosity (MOSAC) provides informal science education for audiences across Sacramento and the Northern California region. Through interactive exhibits, educational programming, and a digital dome theater, the museum engages visitors in science, technology, engineering, arts, and math (STEAM). Exhibits and programs address topics such as sustainability, energy, water, space, and early

learning, supporting curiosity, education, and workforce awareness.

- Office of Arts and Culture: The City of Sacramento's Office of Arts and Culture (OAC) leads the City's efforts to support, promote, and advance arts, culture, and creativity. In partnership with City and civic partners, OAC advances a vibrant and just creative economy guided by *Creative Edge: Sacramento's Arts, Culture, and Creative Economy Plan*. OAC manages creative economy grantmaking and educational programs, as well as the City's Art in Public Places program, Poet Laureate program, Emerging Curators Fellowships, and cultural tourism initiatives. OAC also serves as a resource on the state and impact of Sacramento's creative economy.

- Sacramento History Museum: The Sacramento History Museum is dedicated to sharing and making accessible the stories of Sacramento's culturally rich and diverse communities. The Museum explores the stories of the area's first inhabitants, from the Indigenous peoples who originally lived here, to the thousands of immigrants who came from around the world to seek their fortune in California's gold fields, creating the "indomitable city". With engaging educational programs serving thousands of students each year, public programming and tours of The Old Sacramento Waterfront District, innovative social media, and immersive exhibits, the Museum brings the history of Sacramento's people, places, and events to life for over 50,000 visitors each year.

- Sacramento Zoo: The Sacramento Zoo is a major regional attraction, serving approximately 500,000 visitors annually. The Zoo cares for more than 300 animals and features diverse botanical collections and specialized gardens. Through exhibits, conservation efforts, and educational programming, the Zoo provides opportunities for learning, recreation, and tourism.

- SAFE Credit Union Convention and Performing Arts District: Located in the vibrant core of downtown Sacramento, the SAFE Credit Union Convention and Performing Arts District encompasses three

premier facilities: the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and the historic Memorial Auditorium. Together, these venues provide a versatile and dynamic environment capable of hosting a wide spectrum of events, including large-scale conventions, trade shows, sporting competitions, educational seminars, theatrical productions, concerts, comedy performances, commencement ceremonies, weddings, and formal galas. The SAFE Credit Union Convention and Performing Arts District serves as a central hub for cultural, business, and community gatherings, offering state-of-the-art amenities and an exceptional experience for organizers, attendees, and performers alike.

PROGRAMS/SERVICE HIGHLIGHTS

- For the SAFE Credit Union Convention and Performing Arts District, a major focus this year was increasing activation across the district, with particular emphasis on the Memorial Auditorium, which plays a critical role in supporting the vitality of nearby restaurants, hotels, and businesses. To strengthen utilization, the District implemented a new promoter rebate program that has performed well and successfully re-engaged promoters who had previously reduced or paused activity in Sacramento. As a result, event days increased from 130 in 2025 to 179 in 2026, with strong momentum across several key segments, including touring entertainment, Latino performances, family and children's programming, sports, and community-based events.

- The Center for Sacramento History produced several programs and events in the past year. In September 2025, the Center activated the Jean Runyon Little Theatre inside Sacramento's iconic Memorial Auditorium with a speaker engagement delivered by historian Dr. Beth Lew Williams about the history of anti-Chinese discrimination in California. Days later, the Center hosted a successful film screening highlighting its partnership with the California Revealed project, showcasing efforts at preserving important film footage. Together, these events drew over 350 guests to this cultural asset. In October, the annual Archives Crawl invited over 300 attendees to engage with exhibitions of original historical resources. This spring, the Center continued its partnership with the Sacramento County Office of Education and served 250 students at the National History Day competition. Throughout the year, the Center was present at over a dozen additional community events, reaching out to the community and making lasting connections.

- The Center for Sacramento History continued to share the history of the region through several unique projects. The Center produced and unveiled a series of

interpretive upgrades in Old Sacramento and its vicinity in the summer of 2025. Interpretive panels in the historic district invite visitors to learn about the events that shaped the area throughout the Gold Rush era, while upgrades to the Theodore Judah monument provide context and tell the story of the transcontinental railroad in a visually appealing setting. The Center collaborated with the Shingle Springs Band of Miwok Indians to produce interpretive panels along the Riverfront Promenade south of Tower Bridge, which tell the stories of our relationship to the rivers. Additionally, the Center's History of Racism film series continues to be used in schools and universities throughout California.

- OAC continued to advance the goals of the Creative Edge Plan. With American Rescue Plan Act (ARPA) funding: the Creative Growth Fellowship program awarded $2.04 million to 200 Sacramento artists to support their artistic practice and career development; the EveryDay Creative partnership with CLTRE continued to support Sacramento creative entrepreneurs and businesses with access to mentorship, training, storefront access, and direct financial support; an Arts Journalism Grant to Solving Sacramento continues to increase public awareness and engagement with arts and cultural activities, tell the story of the city's creative economy, and promote diversity in journalism. With General Funds and support from the California Arts Council as the Sacramento County-designated local arts agency, OAC awarded $98,153 in general operating support to 25 local arts and cultural organizations throughout the County through the Small Organization Sustainability Fund. Seventy-two larger arts organizations continued to receive support through the General Fund and Sacramento County funded 2025-2027 Cultural Arts Awards. Arts in Public Places continues to support a number of both City and community-initiated public art projects, including collection management, maintenance planning, and increased visibility and access to the collection.

- The Entertainment Services Division (ESD) continued to expand its services through targeted outreach, training, and program development. The Film Office established a $250,000 film incentive to attract major productions to Sacramento, while continuing to support local filmmakers through grant funding. ESD launched an outreach campaign for the new limited entertainment permit in partnership with Economic Development, providing guidance to applicants and promoting the availability of permit fee credits. The division also developed and delivered a training series for special event permit applicants, with two well-attended sessions that received positive feedback. Recordings of both the limited entertainment permit outreach and special event trainings were made available on the ESD website as ongoing resources. To date, the division has issued 409 special event permits covering 1,024 event dates, along with five new entertainment permits, 10 renewals, four limited entertainment permits, and 18 permit modifications. Approximately 70 film permits are expected to be issued.

- The City's nonprofit partners collectively welcomed hundreds of thousands of visitors, supported school outreach and out-of-school programs for thousands of

youths, and developed new programs, exhibits, and activities to make programming more accessible and reflective of the City's rich diversity of residents.

- The Crocker Art Museum served more than 204,000 visitors in FY2024/25, with 26% benefiting from free admission programs. The Museum engaged 23,452 students through onsite and in-school programs, including the Art Ark mobile museum and Crocker-To-Go, reaching 36 schools across the region. Over the year, the Museum presented eleven exhibitions, including six organized by the Crocker, featuring a diverse range of artists and collections—from local artists such as Raul Gonzo to contemporary Indigenous artists Cara and Diego Romero. The Museum also hosted the ¡Descubra! Free Family Festival in collaboration with the Smithsonian Museum of the American Latino. The Crocker contributed to the regional creative economy by engaging more than 1,100 artists, performers, and community partners through exhibitions, public programs, and acquisitions.
- Fairytale Town welcomed more than 200,000 visitors, conducted 115 educational classroom visits with live animals, and provided learning opportunities for approximately 700 summer camp participants.
- The SMUD Museum of Science and Curiosity (MOSAC) welcomed more than 168,000 visitors and served over 37,000 youth through field trips, camps, and school and scout programs.
- The Sacramento History Museum partnered with local cultural organizations to develop community-driven exhibitions that reflect the diversity of the Sacramento region. The Museum offered free public programming and admission days and participated in initiatives such as Museums for All, Discover & Go, and Blue Star programs, expanding access for a wide range of audiences.
- The Sacramento Zoo, with approximately 12,000 member households, welcomed roughly 500,000 visitors over the past year. Educational programming included field trips serving more than 50,000 children and adults, as well as ZooMobile visits that reached over 3,000 students in local schools.

DEPARTMENT EFFICIENCIES

- OAC continued to develop more consistent approaches to grantmaking and public art commissioning processes, including improved evaluation rubrics and enhanced support for applicants and panelists (including recruitment, intake, training, and adjudication). An internal working group advanced efforts to streamline and strengthen the division's marketing and communications strategies. The division also continued efforts to better document administrative, financial, and programmatic processes, while initiating new work to improve clarity and efficiency in city arts-related policies and procedures.

- Fairytale Town bolstered its weekend live performances in the Children's Theater thanks to a partnership with NorCal Arts; served record numbers in summer camp

sessions while also introducing a spring camp program; and finalized plans for a new playset introducing a Chinese folk figure into the park.

- The SAFE Credit Union Convention and Performing Arts District conducted a comprehensive review to identify opportunities for workflow improvements, streamline responsibilities, and strengthen organizational alignment. As part of this evaluation, they also developed a structured career ladder designed to support employee growth, enhance internal skill development, and create clear pathways for promotion. These initiatives not only generate measurable budget savings through increased operational efficiency but also expand their capacity to complete a greater number of projects in-house. By reducing their reliance on external contractors, they were able to improve turnaround times, maintain higher quality control, and further reinvest savings into staff development and departmental resources.

- The Entertainment Services Division began development of an online permitting portal to provide a more efficient and streamlined approach to processing film, entertainment venue, and special event permits. The Division also completed a request for proposals (RFP) for a new website and communications plan to create a centralized resource where applicants can access comprehensive information and services for all three permit types. A vendor has been selected, and contract execution is forthcoming.

OBJECTIVES FOR FY2026/27

- Promote the SAFE Credit Union Convention and Performing Arts District by exploring innovative business strategies and cultivating meaningful community partnerships that broaden facility usage and enhance neighborhood vibrancy. Through the implementation of the District's new sale structure and promoter incentive program, they will build on last year's momentum to increase activations across the district, strengthen community engagements, and attract a more diverse range of events. These efforts will support higher transient occupancy tax (TOT) collections, generate greater economic impact on the city, and reinforce the SAFE Credit Union Convention and Performing Arts District as a dynamic hub for entertainment, culture, and local connection.

- The Center for Sacramento History and the SAFE Credit Union Convention and Performing Arts District will collaborate to produce programming celebrating the Memorial Auditorium's 100th anniversary, to include events in February 2027 and a summertime music-themed exhibition featuring items from the Center's Tower Records collection.

- A new Native American-themed children's play area will be unveiled in the Old Sacramento Waterfront Historic District through a collaboration of City staff and community partners.

- OAC will continue to partner with the Arts, Culture, and Creative Economy Commission to advance the goals of the Creative Edge Plan; complete American Rescue Plan Act support for the creative economy; and deliver projects and initiatives supporting creative entrepreneurs and small businesses, individual artists and culture bearers, and arts organizations of all sizes, as well as arts journalism and creative venues across the city. OAC will also continue efforts to deepen strategic partnerships, advance cultural tourism, and implement major projects and long-term planning through the Art in Public Places program. The division will introduce professional development programming aligned with community-identified learning objectives and explore initiatives addressing arts education and lifelong learning, facility and space challenges, and the intersection of arts, health, and wellbeing. OAC will work with internal and external partners and community members to advance the City's race, gender, cultural equity, and accessibility goals, and to further shared priorities.

- The Entertainment Services Division plans to launch a new online permitting portal in FY2026/27. Outreach and training will be provided across all permit types to support applicants and internal City users in navigating the new system. A new website will also go live, featuring an enhanced special event permit guide. Special event trainings will continue on a semi-annual basis. The Division will also begin reviewing outdated City code across all three permit types and initiate updates to better reflect current practices and address challenges in the permitting process.

Work with nonprofit partners to advance the City's broader race and cultural equity objectives, streamline engagement with City offices, and further shared goals.

- **Crocker Art Museum:** The Crocker Art Museum is beginning work on a long-range strategic plan that will guide the institution over the next three to five years. As part of this process, the Museum will engage City representatives and community members to help inform its future direction and strengthen its regional impact. Efforts will also focus on integrating the Museum's new Director into the community.
- **Fairytale Town:** Objectives for the coming year include planning new playsets that introduce cultural influences not yet represented; expanding programming to serve older children; and strengthening community connections through multilingual outreach and new partnerships with multicultural organizations.
- **Sacramento History Museum:** The Sacramento History Museum will continue to cultivate partnerships with local cultural and historical organizations to share the stories of the people and events that shape the Sacramento region through exhibitions and free public programming.
- **Sacramento Zoo:** As the Sacramento Zoo approaches its centennial in 2027, it will continue working with the City to explore opportunities for additional space needed to support its long-term growth and service to the community.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
CCS Administration	Delete six positions (3.0 FTE - Stationary Engineer, 2.0 FTE - Events Coordinator, and 1.0 FTE - Booking Coordinator) and add six new positions (2.0 FTE - Stagehand II, 1.0 FTE - Administrative Assistant, 1.0 FTE - Carpenter, 1.0 FTE - Building Maintenance Worker, and 1.0 FTE - Senior Building Maintenance Worker) within the SAFE Credit Union Convention & Performing Arts District. Better position alignment will increase retention and maintain reliable operations.	Community Center	-	(50,299)	-
History	Delete three positions (1.2 FTE - Marina Aide) in the History Division. No service impact due to decreased dock traffic.	Measure U	-	(45,663)	(1.20)
History	Change funding source for McClellan rent payment from Measure U fund (Fund 2401) to the Community Center fund (Fund 6010). Facility provides storage for materials to support exhibitions, research, and public access.	Measure U	-	(180,000)	-
History	Change funding source for McClellan rent payment from Measure U fund (Fund 2401) to the Community Center fund (Fund 6010). Facility provides storage for materials to support exhibitions, research, and public access.	Community Center	-	180,000	-
History	Delete one position (1.0 FTE - History Registrar) and add one new position (0.5 FTE - History Registrar) in the History division. Essential responsibilities of this role can be maintained at 0.5 FTE.	Measure U	(1,889)	(47,090)	(0.50)
History	Delete one position (1.0 FTE - History Registrar) and add one new position (0.5 FTE - History Registrar) in the History division. Essential responsibilities of this role can be maintained at 0.5 FTE.	Winchester G & Mary Alice Felt	1,889	-	-
History	Change funding for one position (1.0 FTE - City Historian) from Measure U Fund (2401) to Community Center Fund (6010).	Measure U	(95,683)	-	-
History	Change funding for one position (1.0 FTE - City Historian) from Measure U Fund (2401) to Community Center Fund (6010).	Community Center	95,683	-	-
Sacramento Office of Arts and Culture	Establish fee structure and revenue budget for Temporary Art Applications within the Art in Public Places (APP) program to recover existing operational costs.	General Fund	(10,000)	-	-
Sacramento Office of Arts and Culture	Establish fee structure and revenue budget for Temporary Art Applications within the Art in Public Places (APP) program to recover existing operational costs.	Measure U	10,227	-	-
		Total Change	**227**	**(143,052)**	**(1.70)**

Department Budget Summary

Convention and Cultural Services Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 10,825,433	$ 12,327,707	$ 14,989,571	$ 14,989,567	$ 15,609,461	$ 619,894
Services & Supplies	10,692,489	12,846,952	13,690,036	13,690,036	13,925,281	235,245
City Property	16,638	118,562	56,000	56,000	56,000	-
Multi-Year Operating Projects	-	-	1,464,000	1,464,000	1,464,000	-
Central Offsets	4,849,737	5,154,758	6,492,165	6,492,165	6,016,225	(475,940)
Labor Offsets	(501,375)	(315,944)	(375,005)	(375,005)	(359,514)	15,491
Service and Supplies Offsets	(121,580)	(136,412)	(148,134)	(148,134)	(148,134)	-
Total	**$ 25,761,342**	**$ 29,995,622**	**$ 36,168,633**	**$ 36,168,629**	**$ 36,563,319**	**$ 394,690**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 1,092,622	$ 872,247	$ 809,808	$ 809,808	$ 819,808	$ 10,000
Community Center	19,556,361	25,268,960	30,547,836	30,547,833	31,011,537	463,704
Fairytale Town	79,687	79,428	50,000	50,000	50,000	-
H Street Theater	16,205	97,952	45,000	45,000	45,000	-
Innovation and Growth	-	-	850,000	850,000	850,000	-
Measure U	4,718,880	3,447,095	3,596,559	3,596,558	3,515,373	(81,185)
Old Sac Market	58,693	83,794	104,000	104,000	104,000	-
Old Sacto Maint Dist	66,715	66,719	66,731	66,731	66,734	3
Winchester G & Mary Alice Felt	92,493	-	48,699	48,699	50,867	2,168
Zoo	79,687	79,428	50,000	50,000	50,000	-
Total	**$ 25,761,342**	**$ 29,995,622**	**$ 36,168,633**	**$ 36,168,629**	**$ 36,563,319**	**$ 394,690**

Division Budget Summary

Convention and Cultural Services Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
CCS Administration Division	$ 1,644,465	$ 2,163,936	$ 2,446,543	$ 2,446,541	$ 2,638,796	$ 192,255
SAFE CU Conv. & Perf. Arts Dist. Division	17,696,481	20,255,704	24,091,021	24,091,022	24,040,407	(50,615)
Crocker Art Museum Division	2,214,238	2,418,918	2,662,338	2,662,337	2,724,273	61,936
Fairytale Town Division	96,516	93,051	62,245	62,245	62,245	-
History Division	2,704,153	3,011,600	3,071,170	3,071,170	3,021,383	(49,787)
Sacramento Office of Arts and Culture Division	731,584	630,888	2,111,123	2,111,122	2,223,286	112,164
Powerhouse Science Center Division	145,337	145,337	145,337	145,337	145,337	-
Sacramento History Museum Division	149,828	141,726	143,528	143,528	143,528	-
Sacramento Zoo Division	378,741	401,544	356,995	356,994	366,300	9,306
Entertainment Services Division	-	732,919	1,078,333	1,078,333	1,197,764	119,431
Total	**$ 25,761,342**	**$ 29,995,622**	**$ 36,168,633**	**$ 36,168,629**	**$ 36,563,319**	**$ 394,690**

Staffing Levels

Convention and Cultural Services Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
CCS Administration Division	8.00	9.50	9.50	9.50	10.50	1.00
SAFE CU Conv. & Perf. Arts Dist. Division	86.05	84.05	84.05	84.05	83.05	(1.00)
Crocker Art Museum Division	5.00	5.00	5.00	5.00	5.00	-
History Division	8.95	8.95	8.95	8.95	7.25	(1.70)
Sacramento Office of Arts and Culture Division	9.00	8.00	8.00	8.00	8.00	-
Sacramento Zoo Division	2.00	2.00	2.00	2.00	2.00	-
Entertainment Services Division	-	7.00	7.00	7.00	7.00	-
Total	**119.00**	**124.50**	**124.50**	**124.50**	**122.80**	**(1.70)**

MEASURE U

The following chart summarizes the Department's Measure U programs:

Funding Category	Program Name	FTE	FY2026/27 Approved
Arts/Creative Edge			
MYOP	Cultural Arts Awards	-	614,000
Operations	Art in Public Places	3.00	43,986
	Arts Education and Outreach	1.00	119,175
	Creative Economy and Grants	2.00	254,644
	Entertainment Services Division	7.00	1,167,764
	History	7.25	974,324
	Office of Arts and Culture Admin	2.00	341,483
Grand Total		**22.25**	**$ 3,515,376**

PERFORMANCE MEASURES

Convention Center Complex Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Total events and performances	393	380	384	400	420
Number of tickets sold	129,766	237,409	216,789	216,078	226,881

The SAFE Credit Union Convention and Performing Arts District provides both ticketed and free events to the public. It is home to local arts groups Broadway Sacramento, Sacramento Ballet, Sacramento Choral Society and Orchestra, Sacramento Philharmonic and Opera and Sacramento Speaker Series. The Performing Arts Center has played host to touring shows such as Wicked, Frozen and Hadestown; concerts such as Bonnie Raitt and John Mellencamp; comedians such as David Spade, Fortune Feimster and Brett Goldstein; and speakers such as Malala Yousafzai and Dr. Anthony Fauci.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Total revenue of in-house vendors	$12,908,515	$14,705,193	$19,064,317	$20,017,533	$21,018,409

The SAFE Credit Union Convention Center has followed the industry's best practices in securing contracts with in-house service providers. Currently, the City has contracts with Sodexo Live! as the exclusive food and beverage services provider, Encore as the preferred audio-visual services provider, and exclusive rigging services provider and Smart City Networks as the exclusive telecommunications service provider.

Crocker Art Museum Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Attendance	187,324	181,475	204,701	216,500	222,000
Membership	12,253	11,864	11,576	12,000	12,250

The Crocker Art Museum serves as a regional hub of art and culture and offers a diverse spectrum of exhibitions, events, and programs to augment its world-class collections. Public programs include free family festivals, films, concerts, studio classes, lectures, children's activities, and more. Attendance figures reflect the exhibition and programmatic schedule. The Museum continues to work to rebuild attendance and membership loss following COVID-19 closures.

Center for Sacramento History Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of Researcher Interactions (In Person, Online, By Phone)	665	750	545	456	500
Number of Users Accessing Online Records	207,398	325,219	351,628	568,750	400,000

The Center for Sacramento History (CSH) holds original, historical public records from the City and County. These records are an essential resource for accurate information about the Sacramento region's past and play a key role in reflecting the development of our city and our legal system. We provide access to these records in-person and virtually to the public and researchers of all types, including students, genealogists, and historians. They use these records for their own personal research, for academic study, for environmental and preservation purposes, to publish books and papers, and to produce films and television series. Over the last 10 years, we have dramatically increased access to our collections by placing collection guides and digitized material on the Online Archive of California and Archive.org, both national databases that have opened us to an ever-growing audience. By providing prompt and accurate research and response, CSH has facilitated the use of Sacramento film and photographic collections in both mainstream and independent films shown on HBO, CNN, NBC, Netflix, and local news agencies, serving to raise the profile of our city nationally and internationally. CSH responds to research requests virtually, and in-person research. Thanks to the increase in CSH materials and collection guides available online, our public usage continues to increase.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of items listed in collection's databases	132,515	154,393	136,916	137,000	138,000

The Center for Sacramento History's inventory consists of the following types of catalogued items: artifacts; photographs; government, business, and organizational records; personal and family manuscripts; audio, film, and video; and digital objects. These all tell the story of the Sacramento region. Each year we increase the amount of collection material available online. Following the reopening of the Center as the pandemic eases, we can utilize the work of students and volunteers again to digitize at a more consistent rate. Now, thanks to a grant from the County, we can digitize our extensive television film collection in-house with new digitization equipment and students to complete the work.

Entertainment Services Division

Film and Media

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of Permits Issued	73	80	42	70	75
Number of Film Days	159	143	67	80	85
Total Amount of Production Company Spending in Sacramento	$2,005,342	$6,469,485	$1,724,975	$900,000	$1,500,000
Number of Local Hires	411	929	427	400	500
Number of Hotel Nights	836	4,347	1,573	600	800

Sacramento Film + Media carries out film permitting, promotes the City as a filmmaking destination, and serves as a general resource for, and a driver of, film and media industry development in the City of Sacramento. Sacramento Film + Media measures its progress through the number of film permits, hotel nights and extended stays, local hires and film production spend in the City.

Office of Arts and Culture Division

Public Art Program

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of exhibitions produced	4	4	4	4	4
Number of artworks conserved, maintained, or repaired	10	8	8	8	8
Number of public art projects completed (installed)	2	20	5	5	15
Number of permanent public art projects in progress	21	20	17	17	5
Special events, workshops, lectures	10	10	10	22	10

The Art in Public Places program is funded through an ordinance that requires at least two percent of eligible City capital improvement project budgets to be set aside for public art. Several of the objects in the City public art collection have been recognized nationally. The number of projects in progress may vary significantly year-to-year based on funding for new construction. Project timelines are generally multi-year and undergo an extensive public process of artist selection, community input, and oversight by Arts Commission staff. Gallery exhibitions are also produced as part of the program. The City public art collection includes more than 450 objects. Public artworks that are maintained or conserved year-to-year may vary due to funding and/or project complexity.

Any Given Child Program

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of arts education school assemblies organized	50	148	50	100	150
Number of participants reached through above events	17,500	32,500	17,500	32,000	35,000
Number of professional development events for artists and classroom teachers	6	8	10	10	10
Number of artists and classroom teachers served in professional development	61	220	265	300	300
Number of students served in six- or 10-week residences	3,710	4,320	4,445	4,750	5,000

A program developed by the John F. Kennedy Center for Performing Arts, Any Given Child, provides equitable access to arts education experiences for K-8 students during the school day. Services offered under the program include in-class arts residencies, school assemblies delivered by local arts organizations, and professional development workshops for teachers, school administrators, and artists. The structure of the fees-for-service menu distributed to participating school districts changed. Districts now purchase a specific number of Teaching Artist Residencies, Arts Exposure Events (assemblies), and seats at Professional Development workshops, to be used throughout the year.

Cultural Arts Awards (CAA) Program

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of Cultural Arts Award (CAA) grantees	66	64	63	72	75
CAA grant allocation	$933,905	$902,164	$890,520	$926,276	$950,000
In Person Attendance	1,466,952	1,525,347	Not yet available	Not yet available	Not yet available
Digital Attendance	690,702	88,843	Not yet available	Not yet available	Not yet available
Total Expenditures	$123,259,317	$92,726,894	Not yet available	Not yet available	Not yet available
Total Paid Positions (FT, PT, Independent Contractors)	3,559	3,296	Not yet available	Not yet available	Not yet available

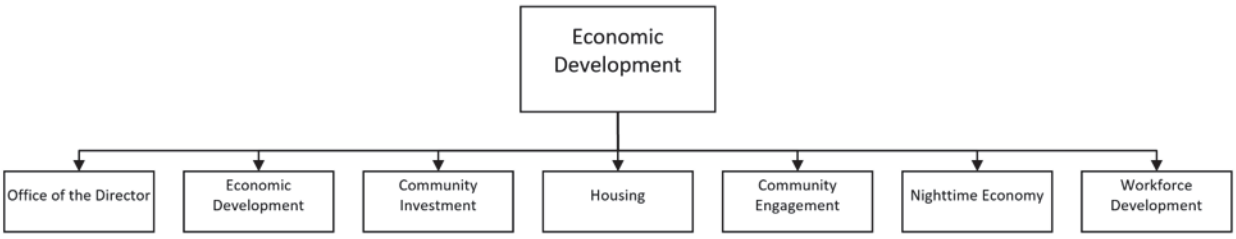
The Cultural Arts Awards (CAA) grants program offers general operating support for nonprofit arts and cultural organizations. The CAA grant is funded by both the County and City of Sacramento. Data on in-person attendance, digital attendance, total expenditures and total paid positions comes from SMU Data Arts through the Cultural Data Project profile that organizations complete annually.

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SECTION - 17
Economic Development

Economic Development

The mission of the Economic Development Department is to grow a strong, inclusive, and vibrant economy. We encourage job growth and investment by retaining, attracting, growing, and scaling new and innovative businesses.



The **Economic Development Department** focuses on opportunities to support and increase job creation, business growth, and development activities. Accomplishments for the office in the last fiscal year include continued deployment of state and federal funds for economic recovery programs including Small Business Technical Assistance; Workforce Development; Childcare, Housing Development, Commercial Corridor Support; Financial Empowerment Center Expansion; and Outreach and Engagement.

PROGRAMS/SERVICE HIGHLIGHTS

- Continued work toward increasing affordable housing development, including completing agreements for new residential units, applying for housing grant funds through the State, supporting the reduced impact fee program, and completing an exclusive right to negotiate agreement for City surplus property. Additionally, awarded $5.8 million in State Encampment Resolution Fund grant to pilot a street to housing program, contracted with the State for the fifth round of Homeless Housing, Assistance and Prevention (HHAP) program funding ($27 million), and began preparations for the sixth round of HHAP funding.

- Furthered the implementation of the Aggie Square Community Benefit Partnership Agreement. This included launching workforce pilots, completing the first housing project, and breaking ground on two additional housing projects with City/ Sacramento Housing and Redevelopment Agency funding for a total of 800 new units along Stockton Boulevard. Additionally, furthered implementation of the Aggie Square Anti-Displacement and Housing Stabilization program which assisted 1,589 individuals through emergency assistance, home repairs, and first-time homebuyer programs.

- Solicited operators for two new waterfront restaurants. Executed a lease for the walk-up restaurant and in negotiations for the larger waterfront space.

- Facilitated amending the City code to establish five entertainment zones to increase economic activity and enhance customer experience. Entertainment zone events included Terra Madre Americas, which had an attendance of over 165,000.

- Launched the fourth cohort of the Economic Gardening Program 2.0, which is assisting six small businesses by pairing them with business experts who work with them to develop and implement growth strategies. A total of 26 businesses have now completed the Economic Gardening Program 2.0 and many have reported significant revenue and employment growth.

- Supported the advancement of projects in the Railyards which resulted in the groundbreaking of the stadium and finance closing for the Historic Central Shops.

- Launched solicitations for two catalytic projects, the Hale Building on K Street and the 102-acre site in South Sacramento.

- Continued to support the Neighborhood Development Action Team (NDAT) Community Ambassador Program with 18 ambassadors to bring more trusted messengers to the community. The 18 ambassadors speak 15 languages. The NDAT Community Ambassador program is an award-winning cultural and language justice program created to facilitate multicultural bridge building to create and maintain relationships with community partners, businesses, and residents who represent linguistically diverse populations and/or historically underrepresented communities.

- Partnered with six community-based organizations to train and employ 140 youth and young adults and supported the placement of 150 youth and young adults in City programs and internships through the Youth Service Corps and Young Adult Workforce grant.

- Established and operationalized the City's Language Access Program through the hiring of a dedicated Language Access Coordinator. Released a Language Access Policy and initiated implementation through expanded staff trainings, new language service provider contract, launch of the "I Speak" campaign, introduction of a public feedback form, purchase of interpreter devices, and ongoing system improvements to enhance equitable access to City services.

- The Financial Empowerment Center (FEC) continues to offer free professional one-on-one financial coaching for residents who are 18+. The FEC has assisted over 1,800 clients. This resulted in an average savings of $3,167 per client, with an overall savings of $1,539,604 and an average reduction in debt of $3,087, which resulted in over $4 million reduced debt.

- In the first year of the Business Solutions Center Pilot, a program dedicated to helping City of Sacramento small businesses start, grow, and thrive, over 250 businesses were assisted through technical assistance and microgrants.

DEPARTMENT EFFICIENCIES

- The Business Solutions Center is enhancing the City's Salesforce platform to strengthen triaging, tracking, and referral processes for 311 business service requests. With over 4,500 business accounts managed in Salesforce, the upgraded workflow standardizes staff processes, improves case accuracy and transparency, and enables more consistent referrals to technical assistance providers. These improvements support business navigators, advisors, and counselors in delivering higher-quality guidance to entrepreneurs. In addition, the data collected through Salesforce allows the City to better understand its small business community and tailor programs and services to meet evolving needs. This in-progress initiative is expected to increase operational efficiency and deliver a more responsive, customer-oriented experience for small businesses and emerging entrepreneurs seeking City services, ultimately fostering small business economic growth.

- In just over a year since the adoption of the City's Language Access Policy, staff completed all recommended actions across departments. Resulting in standardized translation workflows, expanded availability of core documents in multiple languages, and the establishment of consistent interpretation support for public-facing services. All City departments integrated language access procedures into their daily operations, and citywide multilingual communications increased significantly through updated forms, notices, and digital content.

- The Street to Housing grant program, funded by a $5.85 million state Encampment Resolution Fund (ERF) grant, staff achieved significant, measurable progress. By mid-April 2025, the pilot had successfully transitioned 5 households (8 individuals) from a North Sacramento encampment into permanent apartments within weeks of outreach commencement. The program expanded, placing 102 households and 129 people into housing with supportive services. This included rental assistance for up to 12–24 months, intensive case management, landlord engagement, and deployment of five stabilization case managers.

- The Youth Service Corps grant provides funds to support youth employment opportunities. Working with community-based organizations and City departments, the grant funds programming that train and employ Sacramento residents in roles related to climate action, food security, education, and public service. The program has strengthened the City's workforce pipeline, expanding early exposure to public sector careers for Sacramento's young residents.

OBJECTIVES FOR FY2026/27

- Commence development of an Economic Development Strategy that is an industry-focused business attraction and retention strategy that builds on the growth industries identified in ScaleUp Sacramento (life sciences, future mobility, clean economy, business services, and food and agriculture manufacturing).

- With a focus on equity and inclusion, continue to implement innovative approaches to strengthen Sacramento's workforce, neighborhoods, and commercial.

- Create processes for department engagement and capacity building, while strengthening community collaboration.

- Establish Sac LIFT (Sacramento Local Impact Funders Table) as a cross-sector collaborative that convenes financial institutions, philanthropy, and public partners to align resources, strengthen partnerships, and advance equitable economic opportunity and community impact for Sacramento residents.

- Continue to advance catalytic projects, like The Railyards, Sacramento Valley Station, the Hale Building, 102-acre site and the Old Sacramento Waterfront in a way that maximizes inclusive economic opportunities for adjacent communities and stimulates the economy.

- Pursue opportunities to permanently implement small business assistance programs that were developed during the pandemic and increase economic growth options for Sacramento's small businesses.

- Explore and implement policies to streamline housing development and increase the stock of housing opportunities at all levels.

- Grow the nighttime economy through supporting the development of two new live music venues in North Sacramento and Power Inn areas to enhance vibrancy and revitalize communities.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Innovation and Economic Development/Office of the Director	Add 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.	General Fund/Measure U	(185,811)	6,421,362	30.00
Innovation and Economic Development/Office of the Director	Add 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.	Various Funds[1]	(29,250)	3,433,077	2.00
Innovation and Economic Development	Delete one position (1.0 FTE - Special Projects Manager) and add one new position (1.0 FTE - Senior Development Project Manager) in the Office of Innovation and Economic Development.	Measure U	(165,296)	(131)	-
Innovation and Economic Development	Fund the Language Access Coordinator position (1.0 FTE - Administrative Analyst) on an ongoing basis.	Measure U	145,807	-	-
Innovation and Economic Development	Decrease funding for the Office of Innovation and Economic Development by $100,000. This decreases funding available for economic development activities including real estate due diligence, developing plans and studies, purchasing data, and community advertising and sponsorships.	Measure U	-	(100,000)	-
Innovation and Economic Development	Decrease funding for the Economic Gardening Multi-Year Operating Project. The reduction may require smaller cohorts of participating businesses in perpetuity or alternate program cost reductions.	Innovation and Growth	-	(600,000)	-
		Total Change	**(234,550)**	**9,154,308**	**32.00**

[1] Innovation and Grow th (2031), Block Grant/Housing and Redevelopment (2700), and Redevelopment Bond Funds (3813)

Department Budget Summary

Economic Development Department Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	-	-	-	-	$ 6,066,097	$ 6,066,097
Services & Supplies	-	-	-	-	1,314,147	1,314,147
City Property	-	-	-	-	2,000	2,000
Multi-Year Operating Projects	-	-	-	-	2,474,773	2,474,773
Labor Offsets	-	-	-	-	(707,736)	(707,736)
Total	**-**	**-**	**-**	**-**	**$ 9,149,281**	**$ 9,149,281**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	-	-	-	-	$ 205,660	$ 205,660
2003 North Sac TE TABS	-	-	-	-	9,000	9,000
Block Grant/Housing & Redev	-	-	-	-	29,250	29,250
Innovation and Grow th	-	-	-	-	3,394,706	3,394,706
Measure U	-	-	-	-	5,510,666	5,510,666
Total	**-**	**-**	**-**	**-**	**$ 9,149,281**	**$ 9,149,281**

Division Budget Summary

Economic Development Department Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Director Division	-	-	-	-	$ 1,511,142	$ 1,511,142
Innovation and Economic Development Division	-	-	-	-	7,638,140	$ 7,638,140
Total	**-**	**-**	**-**	**-**	**$ 9,149,282**	**$ 9,149,282**

Staffing Levels

Economic Development Department Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Director Division	-	-	-	-	4.00	4.00
Innovation and Economic Development Division	-	-	-	-	28.00	28.00
Total	**-**	**-**	**-**	**-**	**32.00**	**32.00**

MEASURE U

The following chart summarizes the Office's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Affordable Housing			
Operations	Housing	2.00	375,700
Inclusive Economic Development			
Operations	Community Engagement	8.00	1,404,463
	Community Investment	6.00	1,139,281
	Economic Development	7.00	1,141,939
	Office of the Director	4.00	998,732
	Workforce Development	3.00	450,550
Grand Total		**30.00**	**$ 5,510,665**

PERFORMANCE MEASURES

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of businesses in the city*	22,384	21,876	21,504	21,132	N/A

The Office of Innovation and Economic Development promotes a 'business-friendly' environment and provides assistance to encourage business growth and development. Tracking the number of businesses located in the city is a good indicator of a business-friendly environment. Source: ESRI Business Analyst**

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of jobs in the city	285,037	287,118	269,090	252,137	N/A

In supporting the growth of business activity, Economic Development seeks to increase the number of job opportunities available to city residents. Tracking the total number of jobs in the city is a good indicator of increased opportunity for employment. Source: ESRI Business Analyst**

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Employment rate (calendar year)	95.4%	95.3%	95.2%	95.0%	N/A

Changes in employment rates that correlate with job growth indicate job creation that is in harmony with the workforce needs. Source: State of California Employment Development Department, Labor Market Information Division.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 **Estimate**	FY27 Target
Total investments made in Sacramento, by building permit valuation	$1.19 billion	$1.13 billion	$1.11 billion	$2.55 billion	N/A

The department promotes and facilitates investment and development opportunities within the city to revitalize targeted commercial areas. Continued physical development and investment in the City remain essential to create jobs, improve quality of life, and provide the necessary infrastructure to attract development and businesses. Tracking building valuation and monitoring its trend line is an indicator of economic growth.

*Number of businesses in the city could be tracked by new versus renewal, gross receipts, and gross payroll if the City's BOT processing system and software is updated.

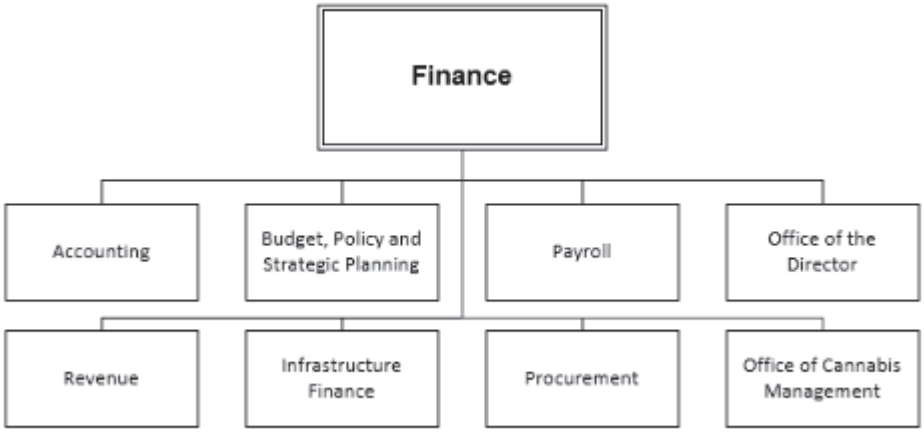
**ESRI is an international supplier of geographic information software systems, geodatabase management, and business analytics data. ESRI extracts its business data from Dun & Bradstreet.

18

SECTION - 18
Finance

Finance

The mission of the Finance Department is to educate, inform, and provide excellent internal and external customer service with integrity, efficiency, and quality.



The **Finance Department** is responsible for overseeing the financial management of the City. The Department currently provides accounting, billing, budgeting, collection, infrastructure finance, parking citation, payroll, procurement, and revenue collection services. Internal services and programs include strategic planning and policy analysis.

- Accounting: Responsible for providing oversight for the system of internal controls to safeguard City assets and preparing annual financial statements.
- Budget, Policy, and Strategic Planning: Responsible for the development and preparation of the annual operating budget, five-year capital improvement program, midyear budget report, and quarterly financial reports. Supports the Council, charter offices, and operating departments with budgeting, financial support, forecasting, analysis on special projects, and labor negotiations.
- Infrastructure Finance: Responsible for the formation and management of financing plans, assessment districts, tax districts, infrastructure financing districts, and fee districts for development and the continuance of services in support of goals to achieve sustainability and enhance livability.
- Office of the Director: Responsible for enhancing and maintaining the fiscal stability of the city.

- Payroll: Responsible for issuing bi-weekly paychecks for active employees, monthly paychecks for SCERS retirees and for maintaining and monitoring internal controls to ensure transactions comply with current labor agreements, payroll policies, and state and federal laws and regulations.

- Procurement Services: Responsible for the development, implementation, and compliance with citywide policies for the acquisition of goods and services through competitive bidding, as well as contract and purchase order administration.

- Revenue: Responsible for the administration, compliance, and collection of citywide invoices, special business permits, parking permits, and tax revenue streams.

- Office of Cannabis Management (OCM): OCM coordinates cannabis-related policy, administrative procedures, and community outreach by managing the permitting process, coordinating across departments to ensure the safe and legal operation of cannabis in the City, and managing the local cannabis social equity program (also known as CORE).

PROGRAMS/SERVICE HIGHLIGHTS

- Led the Citywide budget development process.

- Provided ongoing labor negotiations costings and representation at the table for all of the City's eleven recognized employee organizations (REOs). Worked with Labor Relations to help them renegotiate three-year terms with several REOs.

- Updated the Capital Improvement Program to incorporate unfunded capital and deferred maintenance needs, which is best practice.

- Maintained full functionality and customer service levels, fast turnaround times for purchase order dispatching, and prompt payments to employees and vendors.

- Managed $67 million of special district revenue to construct and maintain infrastructure, support business districts, and increase tourism within the city. Administered the collection and distribution of tax increment revenue for the Aggie Square EIFD and continued to support OIED in efforts to expand the Railyards EIFD. Oversaw the adoption of a new Public Facilities Finance Plan for the Airport South Industrial project and the updated Delta Shores Finance Plan. Assisted in the renewal of the Downtown and 16th Street PBIDs.

- Completed implementation of the new citywide point-of-sale (POS) cashiering system that will accept payments for most services, programs, fees, and charges. City departments that collect revenue using in-person or online payments utilize a variety of software applications that impact cashiering operations. This system will streamline the process and ensure transactions are recorded properly in the Citywide financial system.

- Conducted an in-house fee study for special business permit fees managed by the Revenue Division, ensuring full cost recovery of the permit programs.

- Issued over 134,000 payments to employees and retirees.

- Awarded over $1.1 million in grants to CORE cannabis businesses.

- Received $4 million in permit revenue from 161 cannabis Business Operating Permits (BOP) issued, including both new and renewal applications.

- Conducted studies to analyze both the market and the Cannabis Equity program (CORE) for cannabis industry feasibility, sustainability, and barriers to entry.

- OCM will be hosting the CORE Summit 2026 (May 6-7). A two-day, cannabis equity-centered conference that will convene social equity operators, municipal and state regulators, advocates, and other cannabis stakeholders to advance education, collaboration, networking, and sustainable participation within Sacramento's regulated cannabis market.

DEPARTMENT EFFICIENCIES

- Implementation of an online appointment scheduling application for cashiering appointments and cannabis business tax payments.

- Executed the first holistic update to the procurement code in over a decade, creating Citywide efficiencies.

- Developed and implemented an ordinance to collect Sacramento Tourism and Marketing District fees directly from short-term rental platforms ensuring collection and reducing administration for short-term rental operators.

- Optimized the use of districts and finance plans to build priority public improvements, fund services, and encourage private investment in the City.

- Streamlined internal procurement processes and procedures using best practices to eliminate redundancies, increase staff effectiveness, and improve transparency.

- Scanned and indexed images of cash receipts, allowing City staff to access electronic images of cash receipt documentation.

- Implemented an appointment scheduling process for customers requesting payment plans for parking citations, increasing efficiency of customer experience at the public counter.

OBJECTIVES FOR FY2026/27

- Oversee updates to the River District and Central City Finance Plans to assist the Planning Department in efforts to amend the Specific Plans. Establish financing structures to facilitate development of Innovation Park (former Sleeptrain Arena site) and the Railyards. Assist the City Treasurer's Office in efforts to issue CFD Special Tax Bonds for the Aggie Square and Greenbriar developments.

- Implement new accounting and financial reporting standards including Governmental Accounting Standards Board (GASB) Statements No. 101 – Compensated Absences.

- Completing the Annual Comprehensive Financial Report, Sacramento City Employees' Retirement System Report, Measure U Sales Tax Performance Report, Transportation Development Act Report, Independent Accountant's Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation Report and Single Audit Report with no audit adjustments and/or material findings from external auditors.

- Provide departments and fund managers with the tools necessary to forecast labor growth, especially as it relates to retirement and other post-employment benefit costs.

- Provide departments with the necessary resources to streamline procurement functions. In addition, complete research to improve citywide processes and ultimately create efficiencies and initiate money-saving strategies.

- Automate retro-pay process in eCAPS HCM to eliminate manual review and process retro-pay to employees in a timely manner.

- Transition from mailing documents such as account statements and invoices to electronic delivery, encouraging sustainability and efficient payment processing.

- Implement a web module for the Citywide cashiering system, increasing online payment access for customers.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Accounting	Delete one position (1.0 FTE - Account Clerk II) in the Accounting Division.	General Fund	-	(74,697)	(1.00)
Accounting	Delete one position (1.0 FTE - Account Technician) in the Accounting Division.	General Fund	-	(78,163)	(1.00)
Accounting	Increase revenue budget in Escheat to align with projections.	General Fund	(90,000)	-	-
Receivables and Collections	Increase revenue budget in Receivables and Collections to align with projections. Late and delinquent payment penalties are now charged at a percentage of amount owed instead of a flat	General Fund	(305,364)	-	-
Permits and Taxes	Increase revenue budget for Permits & Taxes to align with projections.	General Fund	(30,000)	-	-
Public Improvement Finance	Increase revenue budget in Infrastructure Finance to align with projections.	General Fund	(25,000)	-	-
Office of Cannabis Management	Delete one position (1.0 FTE-Accountant Auditor) and add one new position (1.0 FTE - Administrative Analyst) in the Office of Cannabis Management.	General Fund	-	1,890	-
Revenue Services	Delete one position (1.0 FTE Administrative Analyst) and add two positions (2.0 FTE Account Clerks). Increase Delinquency Recovery revenue to offset costs.	General Fund	(43,600)	43,600	1.00
Revenue Services	Realign Home Occupation Permit revenues budget between the Revenue division in the Finance department and Planning division in the Community Development department.	General Fund	50,000	-	-
		Total Change	**(443,964)**	**(107,370)**	**(1.00)**

Department Budget Summary

Finance Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 13,343,824	$ 14,046,319	$ 15,578,056	$ 15,578,055	$ 16,326,151	$ 748,096
Services & Supplies	1,248,012	1,066,816	2,941,947	2,941,947	3,079,789	137,842
City Property	25,724	59,546	49,400	49,400	49,400	-
Multi-Year Operating Projects	-	-	8,733,000	8,733,000	10,505,882	1,772,882
Labor Offsets	(351,049)	(317,489)	(1,849,677)	(1,849,677)	(1,727,605)	122,072
Service and Supplies Offsets	(575,131)	(603,898)	(90,000)	(90,000)	(90,000)	-
Total	**$ 13,691,381**	**$ 14,251,294**	**$ 25,362,726**	**$ 25,362,725**	**$ 28,143,617**	**$ 2,780,892**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 9,044,055	$ 9,430,517	$ 11,846,900	$ 11,846,899	$ 12,510,663	$ 663,764
12th Street Maint Benefit Area	1,693	1,693	1,728	1,728	1,759	31
16th St PBID	2,669	2,673	2,681	2,681	2,727	46
Aggie Square EIFD	-	7,125	948,000	948,000	1,500,000	552,000
Central Midtown Restaurant BID	85,694	117,582	269,080	269,080	295,762	26,682
CFD Railyards	-	7,993	-	-	-	-
Cty/Cnty Office-Water Planning	39,000	39,000	-	-	-	-
Curtis Park CFD 2013-03	2,039	2,089	2,122	2,122	2,183	61
Del Paso Nuevo Landscaping CFD	2,041	2,057	2,061	2,061	2,093	32
Del Paso Prop & Business Imprv	2,781	2,804	2,815	2,815	1	(2,814)

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Delta Shores PF Impact Fee	-	-	2,000,000	2,000,000	2,500,000	500,000
Dow ntow n Impact Fee	-	-	-	-	50,000	50,000
Dow ntow n Management District	3,380	3,418	3,433	3,433	3,553	120
Franklin Blvd PBID	31,726	30,728	-	-	-	-
Franklin Boulevard PBID	2,709	2,720	2,729	2,729	2,787	58
Greater Broadw ay PBID	2,839	2,870	2,883	2,883	2,979	96
Greenbriar Impact Fee	7,032	-	-	-	-	-
Handle BID No 2011-04	318,039	310,286	281,834	281,834	309,792	27,958
Innovation and Grow th	175,572	175,572	-	-	-	-
Interdepartmental Service	2,818,449	2,864,296	3,010,948	3,010,948	3,216,809	205,861
Jacinto Creek	-	-	25,000	25,000	200,000	175,000
Laguna Creek Maint Dist	5,862	6,013	6,189	6,189	6,600	411
Landscaping and Lighting	503,429	520,361	535,800	535,800	561,950	26,150
Mack Road PBID	2,715	2,726	2,736	2,736	2,796	60
Measure U	-	-	-	-	360	360
Midtow n Sacramento PBID	3,534	3,597	3,616	3,616	3,781	165
N Nat Lndscp 99-02	20,764	22,535	25,332	25,332	30,696	5,364
N Natomas Lands CFD 3	68,545	72,136	74,238	74,238	78,512	4,274
N Natomas Transp Mgmt Assoc	47,050	49,137	51,942	51,942	56,360	4,418
Natomas Crossing CFD 2013-01	2,076	2,094	23,643	23,643	23,719	76
Neighborhood Lighting Dist	3,370	3,455	3,516	3,516	3,764	248
Neighborhood Park Maint CFD	52,048	54,883	58,161	58,161	63,535	5,374
Neighborhood Water Quality Dist	4,270	4,428	4,559	4,559	4,893	334
NNFP Drainage Fee	-	-	525,000	525,000	-	(525,000)
NNFP Public Facilities Fee	-	-	4,760,000	4,760,000	1,055,882	(3,704,118)
NNFP Public Land Acquisition Fee	-	-	25,000	25,000	50,000	25,000
NNFP Reg Park Land Acquisition	-	-	25,000	25,000	25,000	-
NNFP Transit Fee	-	-	25,000	25,000	25,000	-
Northside Subdiv Maint Dist	1,651	1,683	1,712	1,712	1,736	24
NW Land Park CFD 2013-02	5,711	6,211	6,465	6,465	6,842	377
Oak Park PBID	2,741	2,757	2,767	2,767	2,834	67
Old Sacto Maint Dist	3,345	3,341	3,329	3,329	3,329	-
Panhandle Impact Fee	-	-	400,000	400,000	5,000,000	4,600,000
Parkebridge CFD 2014-07	7,238	5,577	6,089	6,089	6,672	583
Pow er Inn Area Prop & Business	3,194	3,281	3,307	3,307	3,508	201
Pow er Inn Rd Md 2003-01	1,169	1,179	1,196	1,196	1,206	10
Railyards Impact Fee	-	-	-	-	50,000	50,000
Railyards Maint CFD No 2014-04	6,539	5,748	7,444	7,444	8,792	1,348
River District Impact Fee	-	-	-	-	50,000	50,000
Sac Services CFD 2018-05	7,415	6,909	9,518	9,518	14,622	5,104
Sac Services CFD 2018-05 - DS	-	-	-	-	1,816	1,816
Sac Services CFD 2018-05 - PH	-	-	-	-	1,375	1,375
Sac Tourism Marketing District	171,071	209,492	72,908	72,908	72,908	-
SacMaintCFD2014-04 Annex Areas	9,607	10,855	10,998	10,998	11,280	282
SacMaintCFD2014-04 Area 01	5,613	7,775	7,963	7,963	9,891	1,928
So Natomas Facility Benefit	3,858	-	-	-	-	-
Special District Info/Rpt Sys	11,788	26,015	-	-	-	-
Stockton Blvd BIA	19,959	25,253	-	-	-	-
Stockton Blvd PBID	2,771	2,792	2,802	2,802	2,879	77
Subdiv Lndscpng Maint Dist	13,827	14,270	14,809	14,809	15,533	724
Sutter Business Imprvmt Area	143,941	156,893	242,000	242,000	266,200	24,200
The River District PBID	2,879	2,917	2,954	2,954	3,068	114
Tow nship 9 CFD No. 2012-06	2,382	1,751	2,371	2,371	2,550	179
Village Garden N.-Mtce Dist #1	1,791	1,880	1,914	1,914	1,959	45
Willow creek Assmnt Md	4,080	4,283	4,458	4,458	4,655	197
Willow creek Lndscpng CFD	5,430	5,645	5,776	5,776	6,006	230
Total	**$ 13,691,381**	**$ 14,251,294**	**$ 25,362,726**	**$ 25,362,725**	**$ 28,143,617**	**$ 2,780,892**

Division Budget Summary

Finance Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Accounting Division	$ 3,055,935	$ 3,187,307	$ 3,427,666	$ 3,427,666	$ 3,413,316	$ (14,350)
Budget Office Division	1,561,231	1,573,893	1,744,570	1,744,571	1,979,223	234,652
Office of the Director Division	636,763	668,419	775,271	775,270	822,323	47,053
Office of Cannabis Management Division	-	-	1,708,147	1,708,145	1,810,088	101,943
Revenue Division	4,128,864	4,202,473	4,842,013	4,842,015	5,098,436	256,421
Payroll Division	1,348,573	1,425,791	1,413,395	1,413,394	1,485,094	71,700
Procurement Division	1,225,220	1,240,478	1,346,908	1,346,906	1,421,963	75,057
Infrastructure Finance Division	1,734,796	1,952,932	10,104,757	10,104,758	12,113,175	2,008,417
Total	**$ 13,691,381**	**$ 14,251,294**	**$ 25,362,726**	**$ 25,362,725**	**$ 28,143,617**	**$ 2,780,892**

Staffing Levels

Finance Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Accounting Division	20.00	20.00	20.00	20.00	18.00	(2.00)
Budget Office Division	7.00	7.00	7.00	7.00	8.00	1.00
Office of the Director Division	3.00	3.00	3.00	3.00	3.00	-
Office of Cannabis Management Division	-	-	9.00	9.00	9.00	-
Revenue Division	40.90	40.00	39.00	39.00	40.00	1.00
Payroll Division	9.00	9.00	9.00	9.00	9.00	-
Procurement Division	8.00	8.00	8.00	8.00	8.00	-
Infrastructure Finance Division	7.00	7.00	7.00	7.00	7.00	-
Total	**94.90**	**94.00**	**102.00**	**102.00**	**102.00**	**-**

PERFORMANCE MEASURES

Accounting Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of vendors paid within 30 days	81%	84%	85%	80%	80%
Number of days for Accounting to review and approve a vendor invoice and process a payment	4	4	4	4	4
"Prompt Payment" discounts taken	112,162	132,000	239,519	150,000	150,000
"Prompt Payment" discounts lost	18,789	30,000	20,979	15,000	15,000
Percent of discounts taken	88%	73%	93%	90%	90%

Review and approval of vendor payments is centralized to ensure consistency with generally accepted accounting principles and the City's procurement policies. Timely vendor payments fulfill the City's obligations relative to contract compliance and in some circumstances allow the City to take advantage of prompt payment discounts. The Accounts Payable Automation Project is expected to improve the timeliness of vendor payments.

Finance Administration Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Obtain unmodified audit opinion on Annual Comprehensive	Yes	Yes	Yes	Yes	Yes
Obtain Government Finance Officers Association Certificate of Achievement for Annual Comprehensive Financial Report	Yes	Yes	Yes	Yes	Yes
Proposed balanced budget presented to City Council 60 days prior to the beginning of the fiscal year	Yes	Yes	Yes	Yes	Yes
Obtain California Society of Municipal Finance Officers Operating & Capital Budgeting Awards	Yes	Yes	Yes	Yes	Yes

Delivering timely and quality financial planning and reporting documents is important to the City's goals of transparency and prudent financial management.

Procurement Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of days for Procurement Services to review a requisition and issue a purchase order	3	3	3	3	3

Issuing centralized purchase orders ensures compliance with the City's procurement policies and procedures. Timely review and issuance of purchase orders is critical in fulfilling the program and service delivery needs of Departments.

Revenue Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of business operations tax certificates issued	18,933	21,586	21,500	22,000	22,000

Collection of revenues associated with the provision of specific programs and services reflects prudent financial management and is necessary to achieve the resources included in the City's annual budget. Invoices unpaid for 30 days or longer are considered delinquent. Collection efforts on delinquent invoices are initiated centrally by the Revenue Division to recover funds owed to the City for services provided.

Office of Cannabis Management

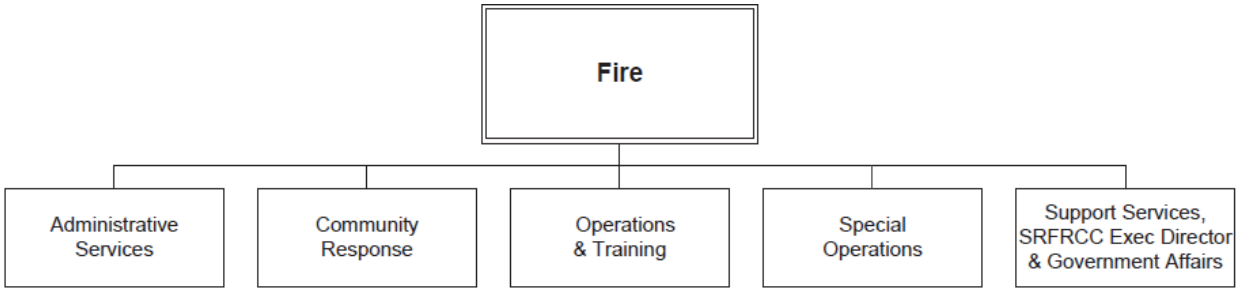
Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of permits issued	-	-	-	293	300
Number of grants issued	-	-	-	68	70

19

SECTION - 19
Fire

Fire

Committed to excellence in enhancing and protecting life, property, and the environment.



The **Fire Department** started serving the residents of Sacramento in 1850 as a volunteer organization. On March 30, 1872, the Department became the first paid professional fire department west of the Mississippi River. Today's all-hazard response includes fire suppression, emergency medical response, hazardous materials incidents, and specialized rescues, such as water, vertical, and confined space. The Department provides emergency services, fire code enforcement, public education, and fire investigations. The Department also manages the Office of Emergency Management, which coordinates disaster response, mitigation, preparedness, and recovery efforts Citywide.

- Office of the Chief: Responsible for developing and providing direction for the Department.
- Administrative Services: Responsible for departmental support of the budget, revenues, accounts payable, procurement, contracts, council reports, and grants. Provides personnel services including hiring, payroll, workers' compensation, and testing.
- Fire and Emergency Medical Services (EMS): Deliver emergency response services that protect life, property, and the environment across Sacramento and contract service areas. Operating from 24 stations, highly trained firefighters respond to more than 100,000 annual calls, including medical emergencies, fires, hazardous materials incidents, technical rescues, and water emergencies. The Division manages frontline resources—24 engines, 9 trucks, and specialized rescue, hazmat, and marine units—ensuring rapid, coordinated response across 146 square miles serving over 500,000 residents. Guided by the Department's mission and core values, operations personnel provide professional, compassionate service

	while upholding honor, respect, courage, integrity, and devotion to duty.
• Support Services:	Provides essential support functions to all divisions, which includes acquisition and repairs of necessary equipment, and information technology; coordination of all facility maintenance, repairs, and construction; and fleet maintenance, repairs, and acquisition.
• Fire Prevention:	Enforces codes and ordinances related to fire and life safety issues, completes plan reviews and conducts inspections of construction projects, coordinates annual life safety inspections of commercial buildings, and investigates fires.
• Office of Emergency Management (OEM):	Responsible for the coordination of preparedness, response, recovery, and mitigation efforts to protect lives, property, and the environment from natural and human-caused disasters. OEM is involved in multi-agency planning, training, and emergency operations to ensure a unified and resilient Sacramento response before, during, and after incidents.
• Training/Professional Standards:	The Training Division ensures Sacramento Fire Department personnel maintain the skills and competencies needed to safely and effectively serve the community. It oversees recruit academies, ongoing company training, leadership development, and specialized instruction in fire operations, EMS, hazardous materials, technical rescue, and incident command. Through rigorous programs, realistic exercises, and adherence to state and national standards, the division prepares members for complex, high-risk environments while sustaining operational readiness. It also supports professional growth and continuous improvement to strengthen performance and uphold the Department's commitment to innovation, accountability, and service excellence.

PROGRAMS/SERVICE HIGHLIGHTS

- The Sacramento Fire Department (SFD) responded to 106,985 incidents, a 2.3% decrease in call volume compared to the prior year. Even with purposeful call-reduction, over the last six years, the Department has experienced an 11.4% increase.
- Keeping the public informed on multiple media platforms, including local media outlets, being responsive to media inquiries and informing of emergencies and events within the community.
- Investigated 433 fires where 42% of fires investigated were incendiary in nature, leading to a 28% arrest rate.
- Implementation of the Fire Service Paramedic and Fire Service Emergency Medical Technician (EMT) Program.
- Implementation of National Emergency Response Information System (NERIS) fire reporting in Image Trend software – a records management and reporting software vendor widely used in Fire/EMS.
- Through partnership and support from community-based organizations and neighborhood leaders, SFD applied for and will receive $1.27 million in grant funds from the California Employment Development Department.

DEPARTMENT EFFICIENCIES

- The EMS Division consistently fulfills federal, state, and county requirements for reporting, training, education, incident review, and infection control.
- Collaborated with regional EMS partners to develop a strategy for managing EMS-related incidents based on urgency and severity.
- Collaborated with the Fleet Division to ensure the management of the fire equipment replacement cycle while addressing supply chain and vehicle parts issues.
- Selected and hired a new Health and Wellness Coordinator to provide ongoing preventative program design and Return-to-Work (RTW) programming for the members of Sacramento Fire.
- The SFD continues to recruit community members for EMT, while we also have an upgrade program for current EMTs to Paramedic. This upgrade program helps make our program more diverse as well.
- The SFD continues to work closely with the Regional Fire Diversity Advisory Board to establish new methods to connect with community members who have never explored a career in the fire service.

- The SFD chairs the Regional Fire Diversity Advisory Board and continues to develop relationships with learning institutions, community-based organizations, and veterans who may not have traditionally thought of the fire service as a career.

OBJECTIVES FOR FY2026/27

- Explore opportunities to modernize our service delivery and replace aging assets.
- Expand the scope of work and staffing of the Health and Wellness Coordinator to provide therapeutic interventions, preventative maintenance, and limit worker's compensation impacts and loss-of-duty time.
- Work closely with the Regional Fire Diversity Advisory Board to establish new methods to connect with women who have never explored a career in the fire service.
- Continue to work towards establishing a greater connection with our community-based organizations (CBOs), neighborhood leaders, and organizations to fortify the Department with new members from our community interested in public safety careers.
- Continue evaluations of all divisions to determine cost-effective measures to provide good community service.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fire Ops/EMS	Delete nineteen vacant Fire Suppression positions (19.0 FTE Firefighters) and offset thirteen Fire Suppression positions (13.0 FTE Firefighters) with Emergency Medical Transport fees to reduce costs. The department will implement dynamic staffing.	General Fund	-	(5,391,783)	(19.00)
Fire Ops/EMS	Increase revenue budget for the Emergency Medical Services (EMS) Division to incorporate the Voluntary Rate Range Program (VRRP).	General Fund	(4,800,000)	-	-
Fire Ops/EMS	Increase revenue budget in the Emergency Medical Services (EMS) Division to recognize the Advanced Life Support (ALS) projected increase.	General Fund	(944,560)	-	-
Fire Ops/EMS	Delete 12 positions (12.0 FTE - Firefighter) and add 20 new positions (10.0 FTE – Sacramento Fire Paramedic and 10.0 FTE - Sacramento Fire EMT) for the second phase of the Single Role Program.	General Fund	(3,641,580)	115,804	8.00
Fire Ops/EMS	Add one position (1.0 FTE - Stores Administrator) in the Emergency Medical Services Division.	General Fund	-	278	1.00
Fire Ops/EMS	Increase revenue budget to recognize the increase in Fire District Reimbursements from Pacific Fruitridge.	General Fund	(2,253,100)	-	-
Fire Ops/EMS	Add one position (1.0 FTE - Firefighter (Admin)) for the Mobile Integrated Health (MIH) Program.	General Fund	(171,904)	171,904	1.00
Fire Ops/EMS	Add one position (1.0 FTE – Firefighter (Admin)) for the Mobile Crisis Unit.	General Fund	(171,904)	171,904	1.00

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fire Ops/EMS	Add two positions (2.0 FTE - Firefighter (Admin)) in the Emergency Medical Firefighter Medical Quality Assurance Team.	General Fund	(343,808)	343,808	2.00
Fire Ops/EMS	Increase funding for the Advanced Life Support (ALS) defibrillators equipment program.	General Fund	-	-	-
Fire Ops/EMS	Add one position (1.0 FTE Firefighter) and offset with Ground Emergency Medical Transport fees.	General Fund	(212,999)	212,999	1.00
Fire Ops/EMS	Technical adjustment to correctly allocate Fire's operating and CIP funds.	General Fund	-	(3,460,373)	-
Special Operations	Move cost plan costs associated with the Office of Emergency Management from City Manager's Office to Fire department due to a reorganization in FY2025/26.	Interdepartmental Service Fund	-	791	-
Support Services	Increase funding for the mandated Sacramento Regional Fire/EMS Communications Center (SRFECC) Regional Contract.	General Fund	-	-	-
Tech Services	New Vehicle Purchase - Increase funding for Fire Department Fleet CIP (F12000300) for two fire engines and one fire ladder truck.	General Fund	-	782,000	-
Tech Services	Add four positions (1.0 FTE Senior Fire Prevention Officer and 3.0 FTE Fire Prevention Officer II) to Fire Prevention and increase corresponding operating budget revenue.	General Fund	(1,229,420)	767,783	4.00
Tech Services	Increase revenue budget for Fire Prevention – Permit and Code Enforcement. Revised fee revenue projection for FY2026/27 from the approved May 2025 Fee Study.	General Fund	(1,307,551)	-	-
Training/Professional Standards	Add two positions (2.0 FTE – Firefighter (Admin)) in the Diversity, Outreach & Recruitment program as part of a three-year grant agreement funded through the Children's Fund.	Measure U	(338,620)	338,620	2.00
Training/Professional Standards	Delete one position (1.0 FTE - Assistant Chief).	Measure U	-	(297,150)	(1.00)
		Total Change	**(15,415,446)**	**(6,243,415)**	**-**

Department Budget Summary

Fire Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$182,934,784	$203,344,776	$198,777,165	$198,777,163	$199,915,911	$ 1,138,748
Services & Supplies	21,565,356	26,614,666	31,463,466	31,463,466	32,457,469	994,003
City Property	461,207	720,403	522,038	522,038	488,538	(33,500)
Multi-Year Operating Projects	-	-	1,210,083	-	1,027,000	1,027,000
Labor Offsets	(1,422,826)	(1,458,161)	(2,263,094)	(2,263,094)	(2,798,954)	(535,860)
Service and Supplies Offsets	$ 32,186	$ 17,739	-	-	-	-
Total	**$203,570,707**	**$229,239,422**	**$229,709,658**	**$228,499,573**	**$231,089,964**	**$ 2,590,391**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$193,528,267	$219,107,156	$219,617,356	$218,407,272	$228,430,820	$ 10,023,548
Disaster Relief Act	-	20,153	-	-	-	-
Interdepartmental Service	-	-	184,059	184,059	791	(183,268)
Measure U	9,542,440	9,612,113	9,408,243	9,408,242	2,158,353	(7,249,889)
Risk Mgmt	500,000	500,000	500,000	500,000	500,000	-
Total	**$203,570,707**	**$229,239,422**	**$229,709,658**	**$228,499,573**	**$231,089,964**	**$ 2,590,391**

Division Budget Summary

Fire Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Fire Chief Division	$ 1,688,076	$ 1,880,014	$ 941,413	$ 941,412	$ 2,991,081	$ 2,049,669
Fire Ops/EMS Division	161,295,646	181,621,234	186,884,027	186,884,027	182,734,964	(4,149,063)
Training/Professional Standards Divsion	10,027,260	11,480,551	9,169,637	9,169,637	9,280,658	111,021
Tech Services Division	14,451,506	15,821,922	16,664,561	15,454,479	18,279,103	2,824,624
Community Response Division	-	-	-	-	2,639,540	2,639,540
Special Operations Division	988,074	1,288,644	1,518,744	1,518,744	1,421,929	(96,815)
Support Services Division	10,942,725	12,472,339	10,538,104	10,538,102	10,085,589	(452,513)
Fire Administrative Services Division	1,953,894	1,992,698	1,748,335	1,748,335	1,581,042	(167,293)
Fire Prevention Division	2,223,526	2,682,020	2,244,837	2,244,837	2,076,057	(168,780)
Total	**$ 203,570,707**	**$ 229,239,422**	**$ 229,709,658**	**$ 228,499,573**	**$ 231,089,964**	**$ 2,590,391**

Staffing Levels

Fire Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Fire Chief Division	3.00	3.00	3.00	3.00	9.00	6.00
Fire Ops/EMS Division	638.00	638.00	641.00	641.00	620.00	(21.00)
Training/Professional Standards Divsion	45.50	45.50	44.50	44.50	43.50	(1.00)
Tech Services Division	33.00	33.00	36.00	36.00	41.00	5.00
Community Response Division	-	-	-	-	15.00	15.00
Special Operations Division	6.00	6.00	8.00	8.00	9.00	1.00
Support Services Division	13.00	13.00	13.00	13.00	11.00	(2.00)
Fire Administrative Services Division	14.00	14.00	12.00	12.00	10.00	(2.00)
Fire Prevention Division	8.00	8.00	8.00	8.00	7.00	(1.00)
Total	**760.50**	**760.50**	**765.50**	**765.50**	**765.50**	**-**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Public Safety - Fire			
Operations	Diversity/Outreach/Recruitment	-	2,158,353
Grand Total		**-**	**$ 2,158,353**

PERFORMANCE MEASURES

Emergency Operations Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Average Response Time	5 minutes 30 seconds	5 minutes 30 seconds	5 minutes 30 seconds	6 minutes 30 second	6 minutes 30 second

The accepted national standard for response times is 5:00 minutes in an urban environment. Response time is defined by 4:00 minutes travel time plus 1:00 minute turnout time, which is the time from dispatch received until time leaving the station.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Unit Hour Utilization (UHU)	0.45	0.45	0.51	0.47	0.45

The acceptable standard measurement of ambulance usage is UHU. UHU is the ratio of the number of hours spent delivering emergency medical services to the total number of hours the medic units are available. For example, a UHU of 0.50 indicates that a unit was utilized 50 percent of the total amount of time available throughout the year. A high UHU means lower availability for calls. Poor availability can negatively affect response times.

The ambulance industry has utilized the following general scale when evaluating overall UHU:

Unit Hour	Utilization Range
0.55-0.45	High Utilization
0.45-0.35	Above Average Utilization
0.35-0.25	Average Utilization
0.25-0.15	Below Average Utilization
0.15-0.01	Low Utilization

The Fire Department's goal over the next two years is to lower its ambulance UHU to an acceptable level while maximizing efficiency and capturing lost revenue. This will be accomplished by revamping the current emergency medical services (EMS) deployment model and adding needed resources. The Department will also continue to work with its EMS partners in the surrounding area to develop a priority-dispatch system that would distribute EMS calls according to the urgency and severity of the call, helping to further reduce UHU.

Fire Administration Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of Fire Plan Reviews Completed on Time	97.44%	95.00%	97.96%	98.42%	99.00%

The Division is responsible for performing fire plan review services. Over the last year, fire plan review services were on time at a rate of over 90 percent. Although this is an impressive statistic, the reality is that each customer expects their projects to be reviewed within our published turnaround times. Moreover, the Department is working on implementing an expedited plan review service (for customers willing to pay for a faster turnaround time).

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Development Services Fire Inspections Conducted	6,316	8,000	7,146	7,340	8,000

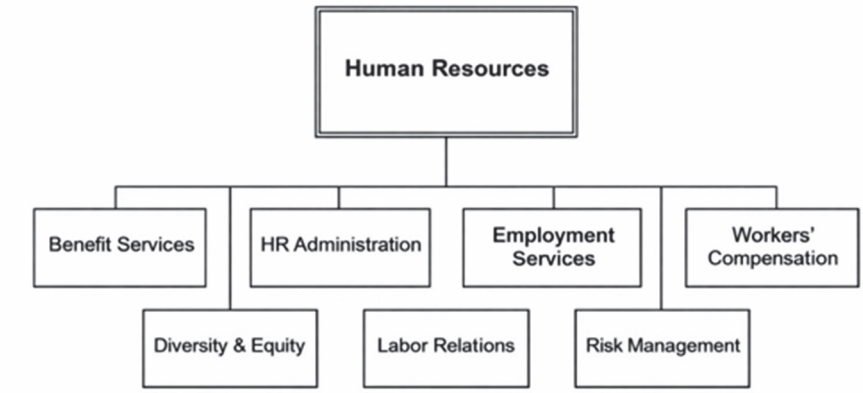
Fire Prevention conducts annual permit inspections as mandated by local and state code. These inspections are estimated to increase over the next year due to the number of new buildings constructed that will require annual fire permits. Due to a shift of personnel to work on development services inspections, the number of Annual Fire Permit Inspections conducted dropped.

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SECTION - 20
Human Resources

Human Resources

The Department of Human Resources delivers programs and services to customers which results in a positive experience.



The **Department of Human Resources (HR)** delivers comprehensive programs and services that strengthen organizational effectiveness and workforce operations.

- Benefit Services: Provide employee and retiree benefit administration, employee benefit orientations, coordination of the Defined Contribution Plans Committee, and budgeting for the Department.
- HR Administration: Provide support for exempt hires, contracting support, board, commission, and legislative support, and special projects.
- Labor Relations: Provide employee contract negotiations, implementation of labor agreements, discipline, grievance administration, equal employment opportunity (EEO), Americans with Disabilities Act (ADA) coordination for employees, applicants, and program participants, employee leave administration, development and negotiations of city policies and procedures, and review all City contracts for services for AB 339 applicability and required recognized employee organization noticing.
- Employment Services: Provide employment services, recruiting, testing, classification and compensation studies, and position management.

• Risk Management/ Workers' Compensation:	Provide environmental health and safety, insurance, workers' compensation, and liability claims management.
• Diversity & Equity:	Provide ongoing support to departments to identify performance measures, evaluation methods, and application of equity lens for both internal and external equity efforts that align with department goals to advance the Race & Gender Equity Action Plan (RGEAP) and Sacramento Centered on Racial Equity (SCORE) Initiative. Provide ongoing consultation and training and technical support on equity, inclusion, and belonging to ensure alignment with and integration of all City equity efforts and SCORE deliverables.

PROGRAMS/SERVICE HIGHLIGHTS

- Transitioned eight retiree health reimbursement plans with over $28 million in assets to a new recordkeeper to reduce investment fees paid by plan participants and enhance administrative support to the City.
- Workers' Compensation managed 810 reports, including Exposures, First Aids, Incidents, Future Medical Care, Indemnity, and Medical Only claims, of which 342 were active claims requiring benefits for City employees and achieved a claim closing ratio of 103%, surpassing the annual goal of 100%, reducing financial impact, and ensuring timely employee care.
- Environmental Health and Safety (EHS) prioritized vehicle collision prevention by developing a collision heat map using Vehicle Collision Report data to identify geographic trends and high-risk locations. This allowed the team to take a more proactive approach to risk mitigation, support targeted training efforts, and strategically deploy safety resources where they were most needed. From July 2025 through February 2026, 194 employees completed the Smith System Defensive Driving training to strengthen defensive driving skills and help reduce the likelihood of future collisions.
- Employment Services launched Human Resources' social media presence to promote City job opportunities and highlight community outreach efforts, expanding visibility of City careers, increasing application volume, and helping attract a broader and more diverse candidate pool that better reflects the community we serve.
- Labor Relations engaged in successor labor agreement negotiations with eleven (11) Recognized Employee Organizations (REOs), completed the meet-and-confer process for nine (9) citywide and departmental policies, and implemented Citywide procedures for compliance with California Assembly Bill 339 for contract services.

- The Office of Diversity and Equity (ODE) expanded the Race and Gender Equity Action Plan (RGEAP) outcomes to include workforce equity and internal and external equity performance measures related to programs, services, and processes. ODE also facilitated ongoing capacity building for City department equity teams to learn and apply the Results-Based Accountability Framework (RBA) from Clear Impact, including use of the "Turn the Curve" strategy. Clear Impact's Scorecard dashboard is used to track and monitor equity-centered performance measures. In collaboration with the Racial Equity Committee, City Manager's Office, and Racial Equity Alliance, ODE developed the Sacramento Centered on Racial Equity Initiative (SCORE) Work Strategy and Plan. This plan serves as a living roadmap for the implementation of the deliverables outlined in the Operationalizing Racial Equity Resolution 2025-0354.

DEPARTMENT EFFICIENCIES

- Leave Administration implemented the software program AbsenceSoft to streamline the management of the Citywide Leave Administration program improving efficiency by centralizing and automating tasks that were previously handled through manual entry, emails, and spreadsheet tracking. The program improves cross-department coordination by providing designated departmental users with access to electronically submit and track employee leave information.

- The Workers' Compensation Unit utilized the new EHS Origami reporting system to analyze injury trends involving first responder on-duty workouts and training activities. By leveraging this data, the Unit was able to identify patterns, better understand areas of risk, and provide departments with more meaningful operational support. This data-driven approach helps inform safety discussions, guide targeted prevention efforts, and supports the development of a safer working environment for employees engaged in physically demanding public safety duties.

- EHS partnered with YPCE and the City's contracted medical provider to develop and implement a standardized guide for coordinating pre-employment mass medical exam events, improving communication, scheduling, and hiring efficiency, and event planning while supporting more direct collaboration with the provider.

- Employment Services launched the City's new onboarding platform to modernize and streamline the onboarding process, improve operational efficiency through automation and centralized workflows, enhance coordination between HR and departments, reduce administrative delays, and provide a more seamless, user-friendly experience for new employees as they transition into City service.

OBJECTIVES FOR FY2026/27

- Continue to refine recruitment, selection, and hiring processes to remove barriers, increase efficiency, and incorporate new and innovative approaches that strengthen our ability to attract and retain a diverse and highly qualified workforce.

- ODE to beta test and launch three Citywide equity efforts that will help City staff across departments to include an equity lens in decision-making: 1) Online Sac Equity Impact Planner & Assessment Tool, 2) Sac Equity Mapping Atlas, 3) Equity Impact Statement For Staff Reports.

- Implement a new Workers' Compensation Claims Administration system to enhance operational efficiency and improve the management of workers' compensation claims.

- The EHS team is implementing a new Learning Management System (LMS) to modernize the training experience and improve system functionality, reporting, and tracking. This transition will streamline administration, increase user engagement, and better support the organization's evolving training needs.

- Labor Relations will implement a *Skelly* Officer training program to expand the pool of qualified *Skelly* Officers and ensure timely pre-disciplinary hearings that provide appropriate due process for employees.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Benefit Services	Decrease funding in Benefits Services through reductions in non-mandatory operational costs and department chargebacks for specialty I-9 services.	General Fund	-	(28,392)	-
Employment ,Classification and Development	Delete one position (1.0 FTE - Senior Staff Assistant) and add one new position (1.0 FTE - Administrative Technician) in Employment Services.	General Fund	-	(11)	-
Employment , Classification and Development	Delete one position (1.0 FTE - Personnel Technician) in Employment Services.	General Fund	-	(90,763)	(1.00)
HR Administration	Decrease funding for contracted instructional and other professional services budgets in Human Resources Administration.	General Fund	-	(159,000)	-
Labor Relations	Delete one position (1.0 FTE - Administrative Analyst) and add one new position (1.0 FTE - Personnel Analyst) in Leave Administration.	General Fund	-	(2,282)	-
		Total Change	**-**	**(280,448)**	**(1.00)**

Department Budget Summary

Human Resources Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 12,386,859	$ 13,297,275	$ 13,317,022	$ 13,317,021	$ 13,918,703	$ 601,682
Services & Supplies	64,746,701	61,122,316	72,163,702	72,163,702	72,098,370	(65,332)
City Property	11,247	24,888	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	102,250	102,250	192,250	90,000
Central Offsets	1,662,833	2,102,645	3,056,882	3,056,882	2,894,323	(162,559)
Labor Offsets	(246,798)	(144,343)	(293,932)	(293,932)	(299,329)	(5,397)
Service and Supplies Offsets	787,558	2,669,995	-	(2,484,342)	-	2,484,342
Total	**$ 79,348,400**	**$ 79,072,776**	**$ 88,389,124**	**$ 85,904,781**	**$ 88,847,517**	**$ 2,942,736**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 4,712,084	$ 5,214,317	$ 4,822,216	$ 4,822,217	$ 4,723,418	$ (98,799)
Cty/Cnty Office-Water Planning	-	-	38,820	38,820	47,102	8,282
Fleet Management	14,433	16,000	-	-	-	-
Interdepartmental Service	1,664,044	1,763,967	1,781,869	1,781,869	1,902,536	120,667
Marina	4,811	4,000	-	-	-	-
Measure U	481,252	507,048	557,774	557,773	628,744	70,971
Parking	4,811	4,000	-	-	-	-
Recycling and Solid Waste	152,226	168,606	175,965	175,965	186,188	10,223
Risk Mgmt	51,460,096	46,138,533	60,056,241	57,571,898	60,165,843	2,593,945
Worker's Compensation Fund	20,854,643	25,256,305	20,956,239	20,956,239	21,193,686	237,447
Total	**$ 79,348,400**	**$ 79,072,776**	**$ 88,389,124**	**$ 85,904,781**	**$ 88,847,517**	**$ 2,942,736**

Division Budget Summary

Human Resources Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
HR Administration Division	$ 1,724,756	$ 1,744,688	$ 1,983,792	$ 1,983,792	$ 1,925,284	$ (58,508)
Benefit Services Division	1,203,015	1,151,042	1,223,381	1,223,381	1,285,973	62,592
Employment, Classification & Dev. Divison	2,051,962	2,262,262	1,961,207	1,961,208	1,883,921	(77,287)
Risk Management Administration Division	68,947,834	67,795,178	76,951,907	74,467,564	77,081,106	2,613,542
Workers' Compensation Division	3,083,064	3,305,982	3,636,903	3,636,903	3,843,539	206,636
Labor Relations Division	1,856,449	2,306,576	2,114,914	2,114,914	2,241,576	126,662
Office of Diversity and Equity Division	481,321	507,048	517,020	517,019	586,118	69,099
Total	**$ 79,348,400**	**$ 79,072,776**	**$ 88,389,124**	**$ 85,904,781**	**$ 88,847,517**	**$ 2,942,736**

Staffing Levels

Human Resources Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
HR Administration Division	9.00	9.00	7.00	7.00	7.00	-
Benefit Services Division	9.00	9.00	8.00	8.00	8.00	-
Employment, Classification & Development Divison	15.00	15.00	13.00	13.00	12.00	(1.00)
Risk Management Administration Division	17.00	17.00	16.00	16.00	16.00	-
Workers' Compensation Division	19.00	19.00	19.00	19.00	19.00	-
Labor Relations Division	11.00	11.00	11.00	11.00	11.00	-
Office of Diversity and Equity Division	3.00	3.00	3.00	3.00	3.00	-
Total	**83.00**	**83.00**	**77.00**	**77.00**	**76.00**	**(1.00)**

MEASURE U

The following chart summarizes the Office's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Inclusive Economic Development			
Operations	Office of Diversity and Equity	3.00	586,117
Miscellaneous			
Operations	HR Administration	-	42,626
Grand Total		**3.00**	**$ 628,743**

PERFORMANCE MEASURES

HR Administration Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of EEO and ADA complaints resolved without a substantiated finding of a policy violation or a monetary settlement	67%	86%	80%	80%	80%

The percentage of Equal Employment Opportunity (EEO) and Americans with Disabilities Act (ADA) complaints resolved without a substantiated finding of a policy violation—either by the City's internal EEO Office or an external enforcement agency-or a monetary settlement is an important indicator of the City's risk mitigation efforts. The City reduces potential liability by maintaining clear anti-discrimination policies and delivering ongoing EEO training to employees. These trainings—provided both online and in person-support a respectful and inclusive workplace culture and are offered at least quarterly, including as part of new employee onboarding.

Labor Relations Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of grievances that come to the Department and are resolved internally	78%	80%	75%	50%	50%

The Labor Relations Division makes every reasonable effort to resolve labor grievances at the lowest possible level. By resolving grievances internally, the City reinforces its commitment to honoring the terms of its memoranda of understanding (MOUs) with employee organizations. Early and efficient resolution also helps conserve City resources by avoiding the costs associated with arbitration. The Labor Relations Division will continue to manage grievances in a timely, consistent, and good faith manner with the goal of achieving the highest possible resolution rate.

Risk Management Administration Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of vehicle-related liability claims filed against the City.	132	132	120	125	125

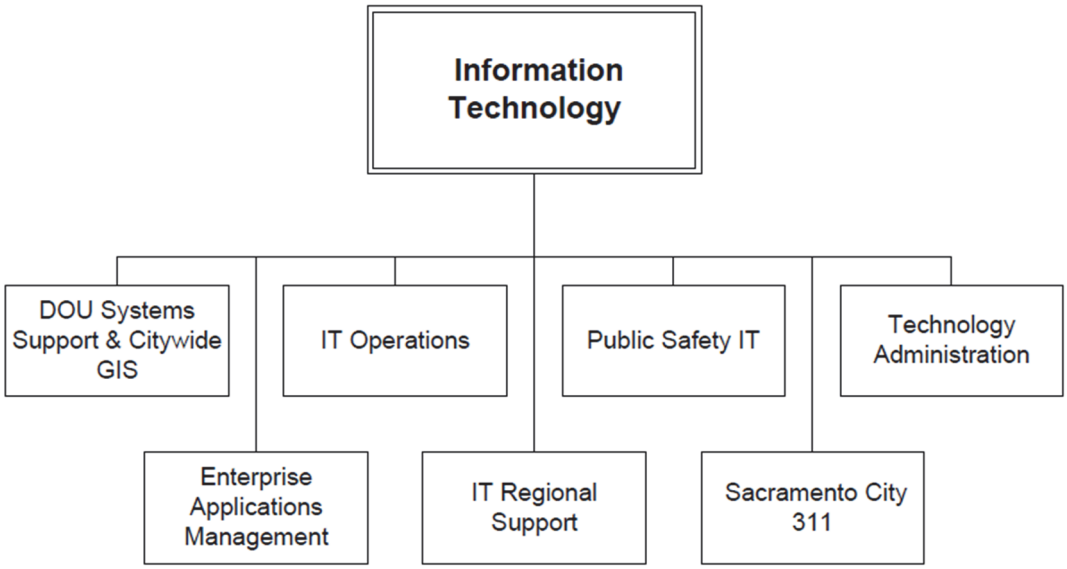
One of the most significant risks of injury to Sacramento citizens and employees is vehicle accidents. With the support of City leadership and effective driver training through the Sacramento Regional Driver Training Facility and online training modules, the number of vehicle-related liability claims has decreased, even as the number of miles driven has increased. The number of City vehicle-related liability claims had been as high as 224 in 1997 and has been reduced dramatically since that time.

21

SECTION - 21
Information Technology

Information Technology

The Department of Information Technology (IT) is committed to ensuring IT investments and strategic business technologies are innovative, reliable, equitable, and deliver the highest possible value to the City and its constituents.



The **IT Department** manages a full range of information technology and related services for all departments and the public, 24 hours a day, seven days a week. The City's IT systems, infrastructure, information, and functions range from relatively simple to extremely complex.

The IT Department is divided into seven areas:

- Department of Utilities IT Systems Support & Citywide GIS: Responsible for providing a full range of IT services to support the Department of Utilities, and GIS support to Citywide operations and the City's public Open Data Portal.
- Enterprise Applications Management: Responsible for the development and management of citywide software systems, data, and applications.
- IT Operations: Responsible for IT infrastructure services such as security, networks, telecommunications, servers, storage, and backup to support all City business, and Public Safety functions.
- IT Regional Support: Responsible for end-user device management, IT Service Desk operations, and end-user technical training.

- Public Safety Information Technology: Responsible for applications development and IT support for the Sacramento Fire and Police Departments.
- Sacramento City 311: Responsible for assisting the public and internal departments with all non-public safety service requests, and questions regarding City services and policies.
- Technology Administration: Responsible for strategic planning, fiscal, human capital resources, technology procurement, telecommunications billing, and administrative management of the Department.

PROGRAMS/SERVICE HIGHLIGHTS

- The outdated and unsupported Police Department Human Resource Information System was replaced and migrated to the City's Finance and Human Resources System. This integration streamlined key Human Resource functions into a single platform, facilitating standardized business processes organization-wide, increasing transparency, improving operational efficiency, and reducing costs.
- The IT Department provides 311 resources for our community to request City services. 311 is the primary point of contact with residents and acts as the front door for many. The City's 311 has grown substantially since it started back in 2008. In 2024, 311 answered over 312,000 phone calls, of which 54,000 were handled by our virtual agent without any human interaction. 311 also processed a total of 511,000 requests, which originated through phone, web, mobile app, and email. Among the many challenges the City faced, the 311 team accomplished this important work while working remotely.

DEPARTMENT EFFICIENCIES

- The City’s network core infrastructure was upgraded to enhance connectivity between the City’s Enterprise and Public Safety Data Centers, supporting the City Cloud Initiative. The upgrade also provides connectivity to all City facilities and internet service providers. Consolidating the enterprise and public safety IT network environments will simplify technical support, maintenance, and operations, leading to cost savings for the City.
- Upgraded the City’s firewalls for the Enterprise, Police, and Fire Departments to enhance cybersecurity and protect sensitive data. The consolidation of the public safety firewalls will improve support, maintenance, and operations while reducing cost. This upgrade strengthens the City’s defense against cyber threats, improves firewall performance and efficiency, and ensures better access to data centers and internet-based applications.

- Enhanced the 311 Natural Language Interactive Voice Recognition (IVR) system to autonomously handle complex calls from citizens. The Artificial Intelligence feature enables callers to access services without having to wait to speak with a 311 agent. The system efficiently handles hundreds of daily calls, including external agency transfers, and schedules junk and appliance pickups. This allows the IVR system to efficiently handle routine tasks, freeing up 311 agents to focus on more complex requests that require human intervention.

- IT continues to digitize various departmental business processes by incorporating electronic forms, online payments, digital signatures, and business process automation. These initiatives expand digital service delivery, optimize City business processes, enhance user interfaces, and ensure citizens can access essential services remotely. Examples of initiatives include accepting electronic planning and building permit requests, and setting up electronic approval workflows for purchase requests, badge access, and procurement cards.

- The IT Department updated and published the 2026–2027 Digital Strategy, setting the City's technology vision and priorities for the next two years. The plan guides digital service expansion, artificial intelligence (AI) adoption, cybersecurity improvements, data-driven decision-making, and workforce modernization, providing a clear roadmap for continued technology innovation across City departments.

OBJECTIVES FOR FY2026/27

- Replace the outdated Citywide Document Management System (CCM) with a cloud-based solution. The CCM serves as the City's main repository for documents and records and integrates with enterprise business systems. Transitioning to a cloud solution will enhance efficiency, accessibility, security, and compliance, fostering greater transparency and cost-effectiveness.

- Establish a centralized, secure cloud data infrastructure to support analytics and AI readiness by implementing an enterprise data warehouse. This shared platform will unify data storage, governance, and analytics capabilities, reducing duplication, standardizing reporting, and improving data quality. By consolidating data into a single managed environment, the organization will enhance fiscal and operational oversight while achieving greater efficiency, consistency, and transparency.

- Modernize the Citywide Contact Center by replacing its outdated infrastructure, which currently relies on legacy on-premises phone systems and hardware that have reached the end-of-life and are no longer supported by the vendor. This initiative will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic Goals, including Public Safety, Revenue, and Equitable Access to City Services.

- The City's effort to comply with the Americans with Disabilities Act (ADA) and the U.S. Department of Justice (DOJ) digital accessibility requirements by improving

the accessibility of public-facing websites, online content, and digital services. The work includes conducting accessibility audits, identifying and mitigating barriers, coordinating remediation with solution vendors, and providing user training to strengthen staff awareness and long-term compliance practices.

- Implement the AI Strategy to improve service delivery, operational efficiency, and innovation across departments. The work established the framework to evaluate AI use cases, implement pilot solutions, establishing governance and security standards, while coordinating with technology vendors, and providing staff training to promote effective and responsible use of AI tools.

- The IT Disaster Recovery and Business Continuity project for the City of Sacramento aims to improve the IT Department's resilience by updating its Business Impact Analysis (BIA) and Disaster Recovery Plan (DRP). The project focuses on creating a comprehensive and actionable roadmap for recovery strategies, communication processes, and business resumption plans. By enhancing these key elements, the goal is to ensure the IT Department can efficiently respond to disruptions, minimize downtime, and restore services swiftly, ensuring continuous support for the City’s operations during emergencies or crises.

- Implement Customer 360 to enhance the delivery of 311 service requests, improve citizen satisfaction, and streamline business operations. This involves streamlining business processes and workflows to improve overall efficiency in service delivery and integrating data from various internal systems with the 311 system. The goal is to provide citizens with a clear view of their interactions throughout the service request lifecycle, aiming to improve transparency.

- Implement a cloud-based code enforcement case management system and Entertainment Permit System to streamline the business process and improve customer experience. The system aims to modernize the business processes by automating and integrating with other enterprise applications. In addition, the system will improve analytics and reporting to help management make data-driven business decisions.

- Implement a modern Unified Endpoint Management (UEM) solution. UEM is the key to addressing mobile and traditional end-user devices, maintaining continuity of end-user computing operations, and delivering seamless IT administration in the current era of expanded remote work.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide GIS Support	Delete one position (1.0 FTE - GIS Specialist III) supporting citywide GIS operations. A reduction to the program could disrupt essential services and systems in multiple departments that rely on GIS data analysis, mapping, and location-based information.	General Fund	-	(142,968)	(1.00)
Enterprise Applications Management	Delete one position (1.0 FTE - Principal Applications Developer) and add one new position (1.0 FTE - IT Supervisor) to lead the combined Permitting/Code Enforcement team. This change will oversee critical systems, including the Code Enforcement system replacement and the City's Streamline initiative.	General Fund	-	(71)	-
IT Operations	Delete one position (1.0 FTE - Senior Systems Engineer) and add two new positions (2.0 FTE - Telecom Technician Trainee) and increase revenue budget from small cell towers installed on public streetlights. This will reduce downtime for over 300 public safety vehicles and support 1000+ Citywide cameras, improving operational efficiency and response times.	General Fund	(50,000)	59,638	1.00
IT Operations	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	General Fund	-	-	-
IT Operations	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	Water	-	123,750	-
IT Operations	Increase funding for the Citywide Contact Center Replacement and Modernization. The City's existing contact center infrastructure is outdated, relying on legacy on-premises phone systems and hardware that have reached the end of life and are no longer supported by the vendor. Upgrading the system will deliver measurable efficiencies and directly support key Council Priorities and IT Strategic goals including Public Safety, Revenue, and Equitable Access to City Services.	Community Center	-	49,500	-
IT Regional Support	Delete two positions (2.0 FTE - IT Support Specialist II) supporting the IT Service Desk. This reduction will severely impact our ability to resolve urgent technical issues, affecting operational effectiveness, increasing downtime, and reducing productivity citywide.	General Fund	-	(320,243)	(2.00)
IT Regional Support	Delete one position (1.0 FTE - IT Support Specialist II).	General Fund	-	(120,151)	(1.00)
IT Regional Support	Offset associated with add/delete in the Information Technology department.	Parking	-	155,048	-
IT Regional Support	Delete one position (1.0 FTE Systems Engineer) and add one position (1.0 FTE IT Support Specialist II) and conduct associated offset changes in the Information Technology department.	General Fund	(217,360)	210,123	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	General Fund	-	-	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Parking	-	10,285	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Water	-	89,505	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Wastewater	-	25,755	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Recycling and Solid Waste	-	45,560	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Community Center	-	27,965	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Storm Drainage	-	24,225	-
Office of CIO	Increase funding for Enterprise Resource Planning (ERP) System Cloud Readiness Assessment and Business Process Mapping. Approval of this initiative will improve operational efficiency, reduce manual effort, and position the City for a successful ERP modernization which supports critical Human Resources and Finance business operations.	Storm Drainage Property Fee	-	10,115	-
Office of CIO	Offset three positions (1.0 FTE - GIS Specialist III and 2.0 FTE - GIS Specialist II) partially with Technology Fee increases in the Community Development Department.	General Fund	-	(233,872)	-
Technology Administration	Increase funding to support the IT Training Development Plan to address a significant gap in staff skills and knowledge base that is required to support the City's technical environment and critical business systems. Training helps maintain and enhance intellectual capital providing direct value to the organization.	General Fund	-	-	-
Technology Administration	Delete one position (1.0 FTE - IT Manager) and add one position (1.0 FTE - Support Services Manager).	General Fund	-	-	-
Technology Administration	Delete one position (1.0 FTE - Department Systems Specialist II) and add one new position (1.0 FTE - Administrative Analyst) to improve IT administrative and fiscal operations, streamline workflows enhance fiscal oversight, and ensure continuity in functions like telecommunications billing, accounting, and budget development.	General Fund	-	(7,128)	-
Sacramento City 311	Delete one position (1.0 FTE - 311 Customer Service Agent) from 311 Customer Service.	General Fund	-	(77,241)	(1.00)
		Total Change	**(267,360)**	**(70,205)**	**(4.00)**

Department Budget Summary

Information Technology Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 31,569,052	$ 34,371,071	$ 35,518,413	$ 35,518,415	$ 36,190,507	$ 672,092
Services & Supplies	2,034,322	1,295,835	1,176,395	1,176,395	1,411,372	234,977
City Property	416,456	(406,847)	369,195	369,195	369,195	-
Multi-Year Operating Projects	-	-	435,000	335,000	315,096	(19,904)
Labor Offsets	(1,742,609)	(1,958,340)	(2,231,827)	(2,231,827)	(2,375,050)	(143,223)
Service and Supplies Offsets	151,069	7	-	-	-	-
Total	**$ 32,428,288**	**$ 33,301,726**	**$ 35,267,176**	**$ 35,167,178**	**$ 35,911,120**	**$ 743,942**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 20,941,027	$ 19,244,356	$ 21,182,950	$ 21,082,952	$ 21,353,253	$ 270,301
4th R Program	16,000	16,000	16,000	16,000	16,000	-
Community Center	-	-	2,385	2,385	-	(2,385)
Gas Tax 2016	166,053	156,307	190,296	190,296	148,293	(42,003)
Interdepartmental Service	9,049,522	6,466,909	6,021,778	6,021,778	6,352,569	330,791
Measure U	509,218	517,806	450,685	450,685	500,952	50,267
Parking	16,283	19,768	20,247	20,247	314,580	294,333
Recycling and Solid Waste	1,265,473	2,452,817	2,374,664	2,374,664	2,136,768	(237,896)
START	5,000	5,000	5,000	5,000	5,000	-
Storm Drainage	39,550	1,186,394	1,168,869	1,168,869	1,222,895	54,026
Storm Drainage Property Fee	-	-	209,175	209,175	211,010	1,835
Wastew ater	58,233	1,154,955	1,017,109	1,017,109	966,479	(50,630)
Water	181,928	1,886,113	2,423,527	2,423,527	2,485,700	62,173
Worker's Compensation Fund	180,001	195,301	184,491	184,491	197,621	13,130
Total	**$ 32,428,288**	**$ 33,301,726**	**$ 35,267,176**	**$ 35,167,178**	**$ 35,911,120**	**$ 743,942**

Division Budget Summary

Information Technology Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Citywide GIS Support Division	$ 1,954,747	$ 2,130,749	$ 2,222,318	$ 2,222,319	$ 1,850,707	$ (371,612)
Data and Analytics Office Division	-	975,776	911,627	911,627	-	(911,627)
DOU Systems Support Division	4,662,925	5,013,118	5,228,719	5,228,719	5,399,604	170,885
Enterprise Applications Management Division	4,963,438	5,959,778	5,415,545	5,415,546	6,077,254	661,708
IT Regional Support Division	2,812,311	2,626,480	2,722,956	2,722,956	2,644,480	(78,476)
Technology Administration Division	3,469,901	2,021,022	2,939,298	2,939,297	3,316,482	377,185
Public Safety IT Division	4,992,310	4,960,151	5,583,101	5,583,102	6,138,748	555,646
Sacramento City 311 Division	4,056,113	4,539,015	4,857,826	4,857,826	5,009,412	151,586
IT Operations Division	5,516,542	5,075,637	5,385,785	5,285,786	5,474,434	188,648
Total	**$ 32,428,288**	**$ 33,301,726**	**$ 35,267,176**	**$ 35,167,178**	**$ 35,911,120**	**$ 743,942**

Staffing Levels

Information Technology Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Citywide GIS Support Division	13.00	12.00	12.00	12.00	11.00	(1.00)
Data and Analytics Office Division	-	5.00	4.00	4.00	-	(4.00)
DOU Systems Support Division	27.00	27.00	27.00	27.00	27.00	-
Enterprise Applications Management Division	36.00	38.00	36.00	36.00	37.00	1.00
IT Regional Support Division	22.00	16.00	16.00	16.00	14.00	(2.00)
Technology Administration Division	7.00	7.00	7.00	7.00	8.00	1.00
Public Safety IT Division	32.00	31.00	31.00	31.00	32.00	1.00
Sacramento City 311 Division	41.50	41.50	43.50	43.50	42.50	(1.00)
IT Operations Division	30.00	25.00	26.00	26.00	26.00	-
Total	**208.50**	**202.50**	**202.50**	**202.50**	**197.50**	**(5.00)**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Community Response			
Operations	Sacramento City 311	-	427,505
Miscellaneous			
Operations	IT Regional Support	-	35,000
	PD Systems Support	-	38,447
Grand Total		**-**	**$ 500,952**

PERFORMANCE MEASURES

IT 311 Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of 311 calls that are answered	73.9%	77.2%	92.0%	85.0%	90.0%

The percent of calls answered is a measure of call center staffing, self-service effectiveness, and the demand for the services offered by the City.

IT Regional Support Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Respondents rating the quality of IT service as good or excellent	98.3%	97.9%	97.9%	99.0%	99.0%

The IT Department tracks support requests and regularly surveys internal customer satisfaction. Satisfaction survey requests are automatically generated for all customers who contact the department for IT support.

IT Operations Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Network services available					
Public Safety systems	99.0%	99.0%	99.0%	99.0%	99.0%
All other systems	99.0%	99.0%	99.0%	99.0%	99.0%

The IT Operations Division and Public Safety IT Division maintain and operate the City's network, telecommunications, and fiber systems that support enterprise voice and data systems. Network and telecommunication systems are mission critical and an integral part of City business operations. This performance measure captures the network system availability/uptime percentages excluding scheduled maintenance periods.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Enterprise database system available	99.9%	99.0%	99.5%	99.9%	99.9%

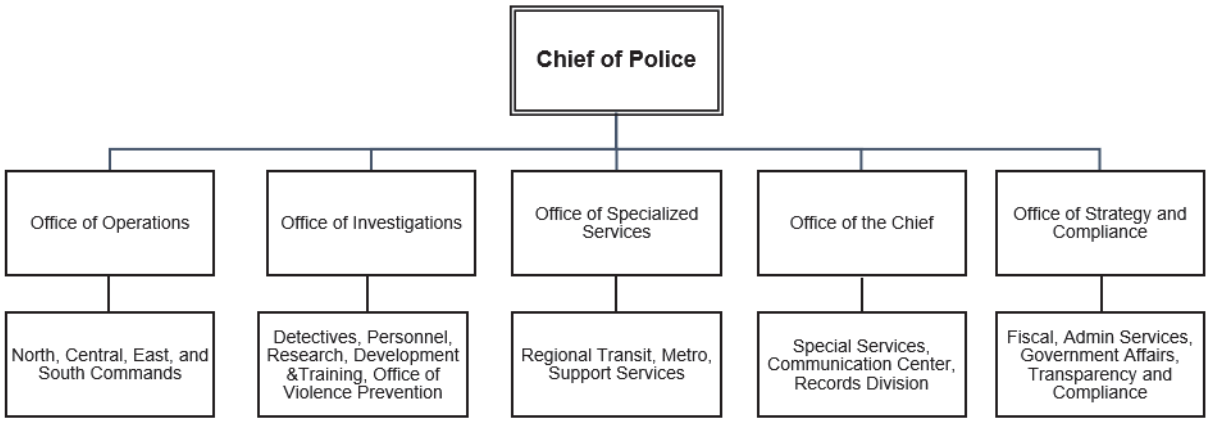
The IT Operations Division manages and maintains a wide variety of data and systems that house critical mission information for City business systems. The performance measure tracks the system uptime/availability percentage rate for the enterprise database systems.

22

SECTION - 22
Police

Police

The mission of the Sacramento Police Department is to work in partnership with the community to protect life and property, solve neighborhood problems, and enhance the quality of life in our city.



- **The Police Department (PD)** endeavors to build public trust through community policing, service, professionalism, and a commitment to transparency, fairness, impartiality, and accountability. With the proposed FY 2026/27 budget, the PD will be comprised of 693 sworn positions and 337.5 professional staff positions. As a key tenet of the Department's commitment to data-driven policing, it is focused on strategies to identify trends, allocate resources efficiently, and prevent crime in the community. The PD continues to foster strong community partnerships, being vigilant in efforts to proactively address crime and apprehend criminals. The PD values the diversity of the public it serves and strives to provide a strong fabric of public safety through the implementation of best practices and dedicated service.

- Office of Investigations: Broad scope of responsibilities including investigating crimes, maintaining evidence and additional critical Citywide administrative functions. This office encompasses the following divisions: Forensics; Evidence and Property; Office of Violence Prevention; Personnel Services; Recruiting and Backgrounds; Employee Services; Magnet and Cadet programs; and Research, Development, and Training.

- Office of Operations: Responsible for providing frontline police services, including the Patrol Division (located among three neighborhood substations) and the specialty units assigned there.

- Office of Specialized Services: Responsible for Support Services; Records; the Communications Division (911 Center); and the Metro Division which includes specialty teams such as the K9, Special Weapons and Tactics (SWAT), Impact, Homeland Security, Traffic, and Air Operations.

- Office of the Chief: Responsible for developing and communicating the Department's vision. This office oversees Internal Affairs and the Public Information Office.

- Office of Strategy and Compliance: Responsible for planning, organizing, and directing departmental policies, compliance, and transparency. This office oversees Professional Standards, Finance, Fleet Management, Public Safety Information Technology, Transparency, Strategy and Compliance.

PROGRAMS/SERVICE HIGHLIGHTS

- **Crime Violence Reduction Strategy:** The PD is fully committed to focusing on reducing violent crime through collaboration with federal and regional public safety partners, enhanced crime analysis, identifying crime trends, dedicating additional resources to gun violence task forces, increasing its use of effective technologies, and maintaining efforts with community-based organizations to apply evidence-based community violence interruption, disruption, and suppression strategies. During 2025, while working collaboratively with federal partners, the PD seized nearly 300 pounds of narcotics and at least 85 firearms. These seizures were the culmination of months-long investigations by officers and partner agencies. These seizures serve to disrupt criminal activity and contribute to the deterrence of violent crime in the city.

  Additionally, the PD, the Sacramento County District Attorney's Office, and the California Department of Justice (Cal DOJ) partnered to form the Sacramento Regional Human Trafficking Task Force. This team is dedicated to recovering victims of human trafficking and connecting them with services provided by various community-based organizations. In 2025, the team investigated 107 separate human trafficking cases, which resulted in the recovery of 105 persons.

  The Office of Violence Prevention (OVP) plays a central role in the City's violence reduction strategy by partnering with community-based organizations to implement prevention, intervention, and rapid response initiatives. Through coordinated programs such as the Gang Prevention and Intervention Task Force (GPIT) and the Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS) initiative, OVP administers multi-year operating projects (MYOP) that support outreach, credible messenger engagement, and strategic responses to critical incidents. These collaborative efforts strengthen partnerships

and contribute to the sustained reductions in violent crime observed in Sacramento over the past five years.



	CITYWIDE TOTALS						
	2021	2022	2023	2024	2025	5-Yr Avg	%
CRIMINAL HOMICIDE	58	54	40	45	42	48	-12.1%
RAPE[2]	159	174	135	115	109	138	-21.2%
ROBBERY	991	1,243	1,196	1,015	889	1,067	-16.7%
AGGRAVATED ASSAULT	2,896	3,187	2,863	2,750	2,448	2,829	-13.5%
BURGLARY	2,547	2,763	2,790	2,363	2,068	2,506	-17.5%
LARCENY-THEFT	9,745	10,247	9,194	8,673	7,699	9,112	-15.5%
MOTOR VEHICLE THEFT	3,167	3,587	3,754	2,721	2,257	3,097	-27.1%

% Column is difference between 5-Yr Avg and 2025 Totals.

[1]2021-2022 counts are based on both UCR and NIBRS reporting standards. 2023-2025 counts are official reported DOJ NIBRS counts.

[2]As of August 2025, rape counts now include sodomy and sexual assault with an object.

- **National Public Safety Partnership (PSP):** In October 2022, PD was one of six cities across the country that were inducted into the 2022 cohort of the National Public Safety Partnership (PSP) through the U.S. Department of Justice Bureau of Justice Assistance (BJA). PSP was established by the U.S. Department of Justice (DOJ) to provide an innovative framework to enhance federal support of state, local, and tribal law enforcement and prosecution authorities in enhancing public safety and reduce violent crime. PSP supports law enforcement and community partners in deploying data-driven, evidence-based strategies tailored to local needs. This cooperative agreement, valued at $700,000, provides expedited, coordinated training and technical assistance (TTA) and an array of resources from DOJ to enhance local public safety strategies. In 2024, the PD secured a $500,000 BJA Capacity Building grant to continue this work on programs, specifically eliminating stopgaps and accelerating time-sensitive investigations through upgrading digital forensic solutions.

  As an expansion of PSP operations, the Department embarked on a Domestic Violence focused evaluation and operation in the northern area. The initial observation period was January – July 2024, where the north area saw a continued increase in domestic violence. This evaluation identified that domestic violence incidents were disproportionately higher in the north area of the city. Further analysis revealed these incidents were focused in three geographic areas. This operation focused on education, enforcement, and implementing rapid follow-up on the most extreme cases. Through the operation, which ran from January –

August, the Department saw a 19.8% reduction of reported domestic violence incidents in the focus areas.

- **Office of Strategy and Compliance:** In 2023, the PD reorganized to create a new Strategy and Compliance Division. The Division is made up of 1.0 FTE Government Affairs Manager, 2.0 FTE Administrative Analyst, and 1.0 FTE Administrative Technician positions to ensure internal and external compliance measures, such as:

    - California legislative mandates (e.g. Assembly Bill (AB) 481 - Military Equipment Use (MEU), Senate Bill (SB) 1421/SB 16, SB 2/AB 89, AB 392, AB 48, AB 958, AB 1238 and AB 953 Racial and Identity Profiling Act (RIPA);
    - National Best Practices for Policing, including proposed national certification standards;
    - Statutory compliance with the Public Records Act (Release of Records);
    - California Commission on Peace Officer Standards and Training (POST) mandates;
    - Force Investigations Team (FIT) and Use of Force Review Board (UOFRB) processes;
    - Sacramento City Council resolutions, including mandatory Use of Force reporting;
    - Body Worn Camera (BWC) Project (Constitutional Policing and Employee Evaluation Audits);
    - Sacramento Community Police Review Commission (SCPRC) recommendations; and
    - Armored vehicle deployment.

    The Office of Strategy and Compliance furthers the goals of assuring modern and equitable police practices, managing risk and strategic plan implementation, and compliance with local, state, and federal laws and regulations, as well as PD-initiated transparency efforts. The new division reports directly to the Chief of Police, providing an executive level of review with a global perspective, to assist and advise the Chief with issues pertaining to police reform efforts and best practices. The Department has bolstered transparency by prioritizing inclusion and keeping residents better informed about major incidents. These efforts foster deeper engagement and collaboration with the communities it serves. Key examples include formal notifications regarding armored vehicle deployments and an active partnership with the Sacramento Community Police Review Commission. This collaboration includes Military Equipment Use (MEU) purchase reporting and notifications, the establishment of a Community Advisory Council, and the development of a future Community Policy Advisory Board.

- **Community Engagement:** The Sacramento Police Department remains deeply committed to fostering trust and transparency through a robust array of community engagement initiatives. By prioritizing active participation in events like National Night Out, Shop with a Cop, and the MLK March, the Department builds

meaningful personal connections with the residents it serves. Safety and education also remain at the forefront through programs such as Active Shooter Training, Neighborhood Roll Calls, and Magnet School Public Safety Academies, which empower citizens and youth alike.

To ensure every corner of the city is heard, all area Commands actively engage with Neighborhood Associations, participate in Oak Park Peace Walks, and maintain strong property business improvement district (PBID) partnerships. Whether through informal settings like Cops and Coffee or proactive Business Walks, the PD continues to weave itself into the fabric of the community, ensuring that public safety is a collaborative, citywide effort. The PD remains committed to community engagement efforts that include:

- Community Day at the Sacramento Police Academy
- Female Fitness Challenge
- Active Shooter Training
- Shop with a COP
- National Night Out
- Magnet School Public Safety Academies
- Community Connections
- Community Events and Marches (Run to Feed the Hungry, MLK March, Oak Park Peace Walk, etc.)
- PBID Partnerships
- Engagement with Neighborhood Associations, Citywide Pedals Program
- Sac Cares Program
- Cops and Coffee
- Neighborhood Roll Calls
- Business Walks

- **Employee Wellness:** The PD has continued to invest in the health of Department employees, through the enhanced Employee Services Unit (ESU) focused on building employee and organizational resiliency through physical, emotional, and financial wellbeing. Using grant funds to support wellness programs, the PD has created and implemented a POST certified course for employees that provided knowledge, training, and tools to develop anxiety reduction techniques, healthy work-life balance, mindfulness, physical fitness, financial fitness, and creating supportive employee systems. Additionally, working with POST, the PD is developing an organizational wellness strategic plan. The PD believes that investment in employee wellness will assist officers and professional staff in making improved decisions resulting in better outcomes for our community.

- **Recruiting:** The PD is continuing recruiting efforts with a focus on diversity through print, digital, streaming, and social media platforms. These efforts

range from traditional recruiting events to new digital content creation and delivery utilizing new technologies such as immersive 3D virtual reality experiences. Recruiting efforts have become more focused on programs such as the 30x30 Initiative, the California State University Sacramento's Law Enforcement Candidate Scholars programs, and the Hiring Pipeline Program which includes the cadet, student trainee and community service officer programs. The PD has also initiated focused recruiting events at our Communications Center resulting in improved hiring outcomes. Other recruiting programs include:

- Bootcamp Wednesday
- Run with a Recruiter
- Career Fair/Hiring Workshops
- Conduct preparation for the Oral Assessment
- The Female Fitness Challenge

DEPARTMENT EFFICIENCIES

- **Emerging Technologies:** The PD continued to expand and integrate the use of emerging technologies such as Police Observation Devices (PODs), Unmanned Aerial Systems (UAS) and the deployment of smart phones to operations staff to enhance connectivity to essential law enforcement databases.

    - **PODs**: The PD's 152 PODs are strategically located throughout the city and in 2025 they enabled officers to respond to and investigate nearly 639 POD-generated calls for service. Officers use POD data to conduct follow-up on criminal investigations.

    - **Automated License Plate Reader (ALPR):** ALPR technology is a key component to the PD's technological resources. The PD's patrol vehicles are equipped with Fleet 3 in-car-camera technology. The ALPR technology captures multiple vehicle lanes and checks vehicle license plates against criminal justice databases.

    - **Unmanned Aerial Systems - Drone as First Responder:** The PD explored a pilot program which expanded the UAS program. It assisted with area searches, rooftop checks, yard searches, searches for missing persons, and scene assessment. This program enhanced both community and officer safety while increasing employee efficiency. This program is an additional layer of de-escalation utilized by officers.

    - **Public Safety Camera Network:** In 2024, the PD created a Public Safety Camera Network – this is an open ecosystem that integrates and enhances the business community, government, public safety and investigation assets. This network enables citizens and businesses to partner directly with the PD to register the location of their privately-

owned cameras and in some cases provide direct integration to the PD for live camera viewing. This network of cameras allows responding officers and investigators to more efficiently and effectively use cameras to respond to and investigate crimes within the City of Sacramento.

- **The Police Application:** The PD is partnering with a vendor to develop a department-specific mobile application designed to enhance communication with the community. This app will serve as a centralized and official platform where the Department can quickly share verified information. By enabling direct communication with the public, the application helps limit the spread of misinformation that often arises from social media, scanner traffic, or incomplete video clips shared before facts are established.

  Timely updates, alerts, and accurate information will strengthen transparency, reinforce the department as the trusted source of public safety information, and improve community confidence. Additionally, consistent and proactive communication supports officers by ensuring the community receives factual context about police activity, bolsters leadership credibility, and helps safeguard the department's reputation while fostering long-term trust.

- **The Briefing Room**: The Briefing Room provides on-demand, law enforcement specific microlearning designed to reduce organizational risk and liability by ensuring officers and supervisors receive consistent, current training aligned with court rulings, legislative updates, and evolving community expectations. Developed and reviewed by highly experienced California POST-certified instructors, the platform delivers short, high-impact training modules that can be completed during regular shifts, eliminating travel, backfill, overtime, and per diem expenses. By reinforcing best practices and legal standards through frequent and engaging instruction, the program supports consistent policy application, strengthens defensible decision making in the field, and promotes sustained cultural improvement across the department. This model provides a cost-effective way to keep personnel aligned with modern policing expectations while enhancing the Department's ability to manage risk and limit potential liability.

- **Translation Services:** The PD Communications Center is working hard to build the best possible interface between our community and the services we provide by improving the call process by leveraging technology to assist with call triaging, redirecting, translation and location services.

- **Streamlining Records Requests:** The PD receives thousands of records requests and our records division is currently working with our transparency and government affairs teams to route all requests for PD data through one portal to make it easier for the public to get what they need. They are also

working with an external partner in developing an artificial intelligence (AI) document redaction program which will enhance the release of records.

- **Community Service Officer III:** A Community Service Officer III (CSO III) is a career position that is non-sworn within the PD. The role of a CSO III often includes providing support to police officers in patrol, investigations, records, property and other divisions within the PD. They assist with various administrative tasks, engaging in community-based services, and conduct investigations.

- **Traffic Enforcement:** The Traffic Section expanded its efforts in FY2025/26 by adding a nighttime traffic enforcement team to conduct enforcement activities during evening commute periods and weekends to address DUI and sideshow issues. This strategy places resources in the areas where the collisions and dangerous driving behaviors are occurring, ensures coverage throughout the city, and collaborates with community partners to meet the goal of safer travel for all roadway users, such as pedestrians, bicyclists, and automobile drivers. In 2025, the PD conducted 23,560 traffic stops and issued 8,386 citations (22% increase from 2024). Additionally, the City saw an increase of 11% fatal collisions and 17% higher traffic deaths, compared to 2024.

OBJECTIVES FOR FY2026/27

For FY2026/27, PD priorities are:

- Operational Readiness and Response
- Crime Reduction
- Employee Investment
- Quality Police Service
- Strategic Governance

- **Operational Readiness and Response:**
  - Maintain a constant state of readiness and preparedness to respond to the everyday needs of our city but also exceptional situations.
  - Continue to invest in cutting-edge technology and training to enhance personnel's ability to respond swiftly and effectively to emergencies.
  - Ensure that it is strategically positioned to prevent and deter crime by optimizing resource allocation.

- **Crime Reduction:**
  - Employ data-driven strategies to identify trends and allocate resources to prevent and mitigate crime.
  - Empower residents to be active participants in crime prevention efforts by fostering strong community partnerships.

- Remain vigilant in its efforts to proactively address crime and apprehend criminals.

- **Employee Investment:**
  - Create a positive and supportive work environment that values both professional staff and officers' contributions.
  - Empower its officers and professional staff to reach their full potential by providing opportunities for professional development and advancement
  - Prioritize mental health and wellness programs to support the overall well-being of officers and professional staff. It will also ensure a positive and supportive work environment that values the contributions of all our staff.
  - Provide opportunities for professional development and advancement, empowering our officers and professional staff to reach their full potential.

- **Quality Police Service:**
  - Build trust and positive relationships with the community through transparent and accountable policing practices.
  - Tailor policing strategies to meet the specific needs of Sacramento’s diverse population by actively listening to community concerns and feedback.
  - Uphold the highest standards of ethical conduct and integrity while promoting great customer service to our community members.

- **Strategic Governance:**
  - Develop and implement comprehensive strategic plans to guide its future direction.
  - Make informed decisions that drive positive outcomes by leveraging data analytics.
  - Foster a culture of innovation and continuous improvement to ensure that the Department remains adaptable to evolving challenges.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Investigations	Delete two positions (2.0 FTE - Police Officer) and add two new positions (2.0 FTE - Administrative Analyst) in the Crime Analysis Unit.	General Fund	-	(246,491)	-
Office of Investigations	Delete one position (1.0 FTE - Fingerprint Clerk) in Forensics Unit.	General Fund	-	(79,941.00)	(1.00)
Office of Investigations	Delete five positions (5.0 FTE - Community Service Officer III) in the Hiring Pipeline program.	Measure U	-	(505,295)	(5.00)
Office of Investigations	Increase revenue by offsetting sexual assault exams costs through state reimbursements.	General Fund	(120,000)	-	-
Office of Investigations	One-time reduction to the Gang Prevention & Intervention Taskforce project (I11003000).	Measure U	-	(102,921)	-
Office of Investigations	Delete two positions (2.0 FTE - Police Officer) in the Recruiting Unit.	General Fund	-	(334,747)	(2.00)
Office of Investigations	Delete five positions (5.0 FTE - Police Officer) in the Background Investigations Unit.	General Fund	-	(792,574)	(5.00)
Office of Investigations	Delete seven positions (7.0 FTE - Community Service Officer II) in the Hiring Pipeline program.	Measure U	-	(693,700)	(7.00)
Office of Investigations	Liquidate unspent Office of Violence Prevention (OVP) project funds (I02000600).	Measure U	-	(405,598)	-
Office of Investigations	Delete one position (1.0 FTE Police Clerk II) and add one new position (1.0 FTE - Administrative Technician) in the Personnel Division.	General Fund	-	21,553	-
Office of Investigations	Delete seven positions (1.0 FTE - Police Clerk II, 1.0 FTE - Student Trainee, 1.0 FTE - Dispatcher I, 2.0 FTE - Police Records Specialist II, 1.0 FTE - Police Records Specialist III) across multiple divisions.	Measure U	-	(38,052)	(1.00)
Office of Investigations	Delete two positions (2.0 FTE - Police Officer) in Advanced Officer Training.	General Fund	-	(270,888)	(2.00)
Office of Investigations	One-time restoration of funding for Gang Prevention & Intervention Taskforce project.	Measure U	-	1,300,000	-
Office of Investigations	One-time restoration of funding for OVP project.	Measure U	-	275,000	-
Office of Operations	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer), eliminating the Mounted Unit.	General Fund	-	(918,098)	(5.00)
Office of Operations	Delete 11 positions (1.0 FTE - Police Lieutenant, 2.0 FTE - Police Sergeant, and 8.0 FTE - Police Officers) and associated revenues. This Regional Transit contract was terminated in December 2025.	General Fund	2,278,239	(2,278,239)	(11.00)
Office of Operations	Delete three positions (3.0 FTE - Police Officer). Eliminates the Natomas School Resource Officer program and associated revenue. This contract was terminated in December 2025.	General Fund	559,773	(559,773)	(3.00)
Office of Operations	Delete one position (1.0 FTE - Community Service Representative I) in Patrol Unit, reducing community engagement.	General Fund	-	(76,793)	(1.00)
Office of the Chief	Delete one position (1.0 FTE - Media & Communications Specialist) and add one new position (1.0 FTE - Public Safety Administrative Manager) to the Office of Strategy & Compliance.	General Fund	-	35,410	-
Office of Specialized Services	Delete two positions (1.0 FTE - Dispatcher II and 1.0 FTE - Police Clerk II) and add two new positions (2.0 FTE - Administrative Technician) in the Communications Division.	General Fund	-	(9,372)	-
Office of Specialized Services	Delete one position (1.0 FTE - Police Officer) in the K9 Unit.	General Fund	-	(135,444)	(1.00)
Office of Specialized Services	Delete 11 positions (1.0 FTE - Police Records Supervisor and 10.0 FTE - Police Records Specialist) in the Records Division.	General Fund	-	(913,919)	(11.00)
Office of Specialized Services	Freeze nine positions (9.0 FTE - Dispatcher II) on a one-time basis in the Communications Division and reduce labor budget for a part-time position (0.5 FTE - Police Officer).	General Fund	-	(1,120,857)	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Specialized Services	Delete seven positions (1.0 FTE - Police Clerk II, 1.0 FTE - Student Trainee, 1.0 FTE - Dispatcher I, 2.0 FTE - Police Records Specialist II, 1.0 FTE - Police Records Specialist III) across multiple divisions.	General Fund	-	(422,941)	(5.00)
Office of Strategy & Compliance	Delete one position (1.0 FTE - Police Officer) in the Force Investigations Team.	General Fund	-	(135,444)	(1.00)
Office of Strategy & Compliance	Delete one position (1.0 FTE - Government Affairs Manager) and add one new position (1.0 FTE - Government Affairs Manager (Public Safety)) in the Office of Strategy & Compliance.	General Fund	-	19,175	-
Office of Strategy & Compliance	Discontinue ShotSpotter program in the South and East commands. ShotSpotter will be maintained in the North area.	General Fund	-	(320,892)	-
Office of Strategy & Compliance	Delete one position (1.0 FTE - Police Officer) and add one new position (1.0 FTE - Administrative Analyst) in the Policy Team.	General Fund	-	(49,113)	-
Office of Strategy & Compliance	Discontinue use of the SpidrTech platform and eliminate ongoing funding (F11100600).	General Fund	-	(125,000)	-
Office of Strategy & Compliance	Delete one position (1.0 FTE - Police Captain) in the Administrative Services Division.	General Fund	-	(328,046)	(1.00)
		Total Change	**2,718,012**	**(9,213,000)**	**(62.00)**

Department Budget Summary*

Police Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$220,149,548	$232,082,662	$234,067,608	$241,211,829	$236,260,321	$ 2,192,727
Services & Supplies	14,093,333	14,118,062	14,147,308	14,147,308	14,552,147	(6,739,396)
City Property	519,616	444,837	513,119	513,119	513,119	-
Multi-Year Operating Projects	1,362	56,286	11,791,527	5,046,597	7,619,545	2,572,948
Labor Offsets	(6,081,636)	(5,239,690)	(4,238,618)	(4,238,618)	(3,142,956)	1,095,662
Service and Supplies Offsets	81,397	35,123	-	-	-	-
Total	**$228,763,621**	**$241,497,280**	**$256,280,944**	**$256,680,235**	**$255,802,176**	**$ (878,059)**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$221,995,035	$234,511,119	$246,549,713	$246,949,004	$249,736,554	$ 2,787,550
Measure U	6,251,478	6,467,698	9,156,810	9,156,810	5,486,537	(3,670,273)
Risk Mgmt	517,108	518,463	574,421	574,421	579,085	4,664
Total	**$228,763,621**	**$241,497,280**	**$256,280,944**	**$256,680,235**	**$255,802,176**	**$ (878,059)**

*For Fiscal Year 2025/26 Amended, the Employee Services budget reflects a $7.1 million increase due to labor relations arbitration agreements.

Division Budget Summary

Police Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Chief Division	$ 6,295,082	$ 6,279,765	$ 6,833,434	$ 13,977,668	$ 7,924,302	$ (6,053,366)
Office of Strategy & Compliance	17,219,259	19,240,933	31,159,677	24,414,744	30,109,371	5,694,627
Office of Investigations Division	59,051,529	61,493,317	63,791,541	63,791,541	60,180,189	(3,611,352)
Office of Specialized Services Division	42,183,694	45,978,463	47,496,486	47,496,480	44,149,846	(3,346,634)
Office of Operations Division	104,014,057	108,504,802	106,999,805	106,999,802	113,438,467	6,438,665
Total	**$ 228,763,621**	**$ 241,497,280**	**$ 256,280,944**	**$ 256,680,235**	**$ 255,802,176**	**$ (878,059)**

Staffing Levels

Police Budget Summary		FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Office of the Chief Division		30.00	25.00	25.00	25.00	26.00	1.00
Office of Strategy & Compliance		52.00	50.00	49.00	49.00	47.00	(2.00)
Office of Investigations Division		329.50	330.50	304.50	304.50	276.50	(28.00)
Office of Specialized Services Division		260.66	257.00	261.00	261.00	234.00	(27.00)
Office of Operations Division		463.00	457.00	453.00	453.00	447.00	(6.00)
	Total	**1,135.16**	**1,119.50**	**1,092.50**	**1,092.50**	**1,030.50**	**(62.00)**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Public Safety - Police			
Operations	Hiring Pipeline - MU	48.50	3,799,018
Youth			
MYOP	Gang Prev & Intervention - GF	-	275,000
	Gang Prevention and Intervention	-	1,300,000
	OVP - ARPA Replacement	-	(405,598)
Operations	Violence Prevention	3.00	518,118
Grand Total		**51.50**	**$ 5,486,538**

PERFORMANCE MEASURES

Department-wide

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Part 1 Crimes Reported per 1,000 Residents	37.43	33.94	29.10	27.88	28.49

Part 1 Crimes (P1C) per 1,000 Residents

Ranking (Worst to Best)	City	Estimated Population[1]	Total P1C[2]	P1C per 1,000 Residents
10	Oakland	426,457	39,945	93.67
9	San Francisco	842,027	36,600	43.47
8	Long Beach	462,561	18,593	40.20
7	Fresno	557,032	22,108	39.69
6	Los Angeles	3,835,263	131,850	34.38
5	**Sacramento**	**527,979**	**17,545**	**33.23**
4	San Jose	979,415	30,712	31.36
3	Bakersfield	419,238	12,599	30.05
2	Anaheim	341,773	9,286	27.17
1	San Diego	1,408,937	29,062	20.63

1. https://dof.ca.gov/forecasting/demographics/estimates-e1/ (as of January 1, 2025)
2. https://openjustice.doj.ca.gov/exploration/crime-statistics/crimes-clearances (2024)

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Part 1 Crimes Reported per Sworn FTE Position	28.83	26.65	23.53	22.94	23.24

Part 1 Crimes (P1C) per Sworn

Ranking (Worst to Best)	City	Estimated Population[1]	Filled Sworn[2]	Total P1C[3]	Sworn Per 1,000 Residents	P1C per Filled Sworn
10	Oakland	426,457	615	39,945	1.44	64.95
9	San Jose	979,415	1,003	30,712	1.02	30.62
8	Long Beach	462,561	626	18,593	1.35	29.70
7	**Sacramento**	**527,979**	**627**	**17,545**	**1.19**	**27.98**
6	Bakersfield	419,238	476	12,599	1.14	26.47
5	Fresno	557,032	850	22,108	1.53	26.01
4	Anaheim	341,773	406	9,286	1.19	22.87
3	San Francisco	842,027	1,826	36,600	2.17	20.04
2	San Diego	1,408,937	1,734	29,062	1.23	16.76
1	Los Angeles	3,835,263	8,493	131,850	2.21	15.52

1. https://dof.ca.gov/forecasting/demographics/estimates-e1/ (as of January 1, 2025)
2. https://post.ca.gov/Agency-Statistics (retrieved 3/17/26)
3. https://openjustice.doj.ca.gov/exploration/crime-statistics/crimes-clearances (2024)

The measure of crime is an indicator of safety in a community. Safe neighborhoods and safe public spaces create a sense of wellbeing for residents and visitors. Crime rate comparisons to California's other large cities provide a baseline to measure progress in managing crime. The universal benchmark of crime is referred to as Part 1 crime. Part 1 Crimes totals, as published by the California Department of Justice include: homicide, rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny-theft, and arson.

The above Part 1 crime statistics were retrieved from the California Department of Justice's Open Justice data portal and contain data of law enforcement agencies throughout the state. Sworn FTE data was retrieved from the California Commission on Peace Officer Standards and Training's (POST) Agency Statistics portal, accessed on March 17, 2026.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage sworn SPD employees who are women or minorities	46%	47%	48%	50%	50%
Percentage of new hires into sworn or Hiring Pipeline Program vacancies that are women or minorities	81%	83%	76%	74%	75%

The Department recognizes that a workforce that mirrors the community it serves is important. It is committed to an intentional and increased focus on attracting, hiring, and retaining a more diverse workforce through a variety of virtual and in-person efforts. The first measure reflects the percentage diversity among all Police employees. Currently, approximately 42 percent of sworn employees are women or minorities. The second measure reflects the percentage of new hires into sworn and Hiring Pipeline vacancies. The Department will continue its efforts to increase the number of women and minority new hires into sworn and Hiring Pipeline vacancies.

Field Services Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Key Measure in minutes					
Median response time for priority 2 and 3 calls (mm:ss)	12:17	11:56	11:50	11:29	11:39

The timely arrival of a police officer to a reported crime is vital to prevent injury or death, apprehend suspected criminals, identify witnesses and evidence, and enhance the solvability of the crime. The Police Department prioritizes all calls for service with emergency and in-progress crimes given the highest priority. The response time of all calls is tracked by the Department's Crime Analysis Unit. The projections for the remainder of the current fiscal year and the next fiscal year are based on current trends. Comparable jurisdictional data is not available as each agency uses different criteria and policies governing the definition of priority calls for service.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of 911 calls answered within 15 seconds	87%	84%	87%	87%	90%

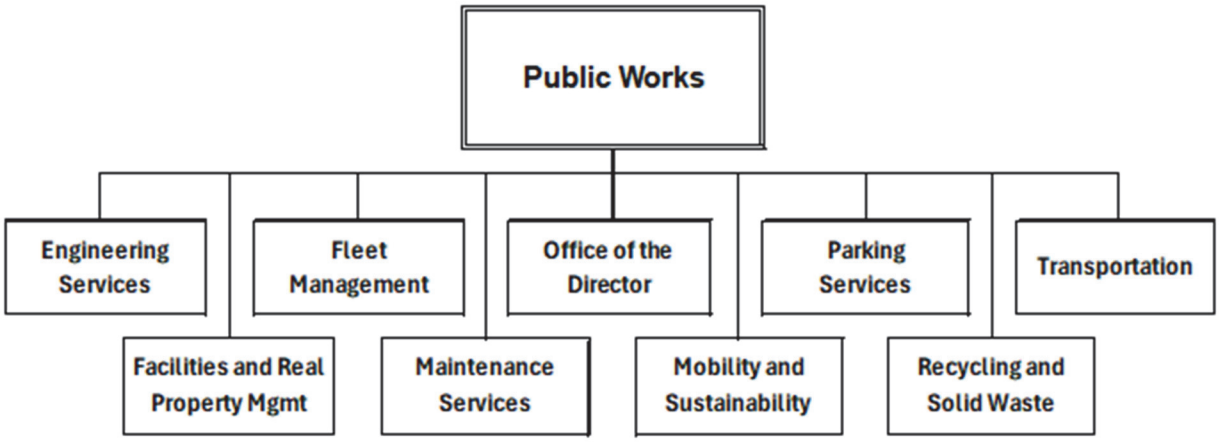
The faster a call to 911 is answered, the faster units can be dispatched and made available at the scene of an emergency. The State of California standard is answering 90% of all 911 calls within 15 seconds. Call answer times are tracked by the Department's Communications Center. The projection for the remainder of the current fiscal year is based on prior month averages. The projection for next fiscal year is based on the minimum state standard. Actual results vary depending on staffing and call volume.

23

SECTION - 23
Public Works

Public Works

We keep the City of Sacramento operating and moving forward.



The **Public Works Department** is dedicated to maintaining safer streets, sustainable infrastructure, and innovative mobility solutions. Over the past year, we have implemented tens of millions of dollars in transportation improvements, expanded electric vehicle charging and transit access, enhanced traffic safety, and completed critical road and facility upgrades. Additionally, the Department has strengthened parking management through expanded permit programs and automated enforcement, while continuing to improve operations at the Sacramento Marina to better serve the boating community. These services are the responsibility of the following divisions:

- Engineering Services: Responsible for transportation funding support, project development, design and construction, survey and inspection, private development encroachment permits for work in public right-of-way, and map review and approval, and staffing of the Disabilities Advisory Commission (DAC).
- Facilities and Real Property Management: Responsible for facility maintenance, real estate, design management and construction, multi-use building management, Americans with Disabilities Act (ADA) barrier removal, and citywide mail services.
- Fleet Management: Responsible for purchases, maintenance, and management of all fleet assets and citywide fueling infrastructure.
- Maintenance Services: Responsible for maintenance of roads and bridges, sidewalks, curbs, gutters, and streetscapes, tree health and maintenance, and right-of-way coordination.

- Office of the Director: Responsible for policy, legislative support, funding, special projects, recruitment and retention, employee enrichment, community outreach and marketing, and department-wide support.

- Mobility and Sustainability: Responsible for city and regional transportation planning and prioritization and coordination, citywide curb management policies, directing key sustainability and mobility initiatives and grant applications, managing and updating mobility and sustainability initiatives, implementing key programs and initiatives, conducting community outreach and engagement, managing transportation assets and data, and coordinating citywide sustainability and climate-related initiatives and programs.

- Parking Services: Responsible for parking enforcement, parking meters, retail lease space, parking garages, parking lots, and operation of the Sacramento Marina.

- Recycling and Solid Waste: Responsible for collecting residential garbage, recycling, organics, household hazardous waste, household junk, illegal dumping, and providing residential and commercial street sweeping services. The Division is also responsible for commercial waste compliance and landfill post-closure maintenance and monitoring.

- Transportation: Responsible for maintenance and operations of streetlights, traffic signals, traffic control signs and pavement markings, preparation and implementation of private development entitlements, traffic studies and reports, traffic safety investigations, and traffic control design for traffic safety and mobility.

PROGRAMS/SERVICE HIGHLIGHTS

- Public Works secured several grants, including $2.4 million to install Fleet charging stations, planning grants to improve mobility and safety in Old North Sacramento, South Sacramento, and along the Arden Way commercial corridor, an Active Transportation Grant for Northgate Boulevard, and safety improvement grants. The Department adopted a pavement moratorium on newly resurfaced streets, prohibiting trenching and excavation for utility work for up to five years on streets with asphalt overlays and up to three years on streets with lighter resurfacing treatments. This new ordinance ensures the longevity and integrity of recently

paved roads, promoting improved street conditions and reducing the need for costly repairs.

- The Engineering Services Division completed eight projects in construction with an award amount of $33 million dollars. The projects were the Auburn Blvd Bridge Replacement, Del Rio Trail Project, North Laguna & Jacinto Creek Trail Resurfacing, I St Bridge Railing Repair, Ninos Parkway Phase 2, Memorial Auditorium Sidewalk and the Highway Safety Improvement Program Florin Rd Safety. Engineering Services completed 4703 plan reviews for more than $106,366,734 in private development investments throughout the city and completed 95.7% reviews on time. Engineering Services successfully issued and provided construction oversight for 5936 encroachment permits.

- The Facilities and Real Property Division oversees maintenance for over 400 City facilities. Recent projects include Old Sacramento 1110 Front Street Restaurant Deck Repair, Fire Station 17 Standby Generator, City Hall Uninterruptable Power Supply Replacement, City Hall Automatic ADA Doors for Council Chambers, 3900 Roseville Rd Sleeping Cabins and Ali Youssefi Square Ice Rink Repairs.

- The Fleet Maintenance Division completed over 15,000 work orders on over 2,600 vehicles and equipment.

- The Mobility and Sustainability Division established new Mobility, Parking, and Curb Management section within the Mobility and Sustainability Division. Curb Management will focus on new mobility, citywide curb management policies, and management of existing shared mobility programs. Mobility and Sustainability completed the Sacramento Urban Forest Plan in partnership with the Maintenance Division's Urban Forestry Team. This Plan establishes a clear vision and goals for the growth, maintenance, and protection of the city's urban trees. Mobility and Sustainability completed an addendum to the Standard Specifications, updating the pavement restoration standards to ensure better quality and durability of street repairs; and completed the Pavement Condition Report, which reflects the current conditions and maintenance strategies based on the analysis of approximately 3,198 lane miles of City streets. Mobility and Sustainability completed the Streets for People: Sacramento Active Transportation Plan, a new citywide plan for improving walking, rolling and bicycling in Sacramento which will guide future City and private development investment.

- The Parking Services Division implemented the Supplemental Permit Parking (SPP) pilot program, allowing residents living in developments with little or no on-site parking the opportunity to purchase parking permits on the street, resulting in improved parking management and access to convenient parking solutions. Parking partnered with Sacramento Regional Transit to implement automated enforcement of bus zone and bike lane parking violations. This collaboration ensures that bus stops and bike lanes are safe for all users, promoting a more efficient and secure transit environment. Parking extended discounted employee

parking programs including the expansion of the on-street Merchant Permit Parking Program and updating the Discounted Employee Parking Program (DEPP) eligibility requirements for discounts in City garages.

- The Recycling and Solid Waste Division continued the Neighborhood Clean-up Grant Program which offers up to $800 to recognized organizations for eligible clean- up programs; 12 projects awarded totaling $3,854 in grant funds. Recycling and Solid Waste has distributed over 41,000 food waste collection bins to residents, since June 2022, to support the City's organics recycling program.

- The Transportation Division began building the newly adopted Transportation Safety Team to focus on low-cost, quick-built safety improvements to reduce crashes that cause fatalities and serious injuries. Staff installed over 100 low-cost improvements including 17 custom quick-builds projects, 39 locations of intersection daylighting, 17 locations in school zones with high-visibility crosswalks, enhanced school signage, and daylighting, as well as 6 newly stop-controlled residential intersections throughout the city.

DEPARTMENT EFFICIENCIES

- The Department implemented assertive recruitment strategies, such as organizing and attending career fairs within the community, social media marketing, partnering with the Human Resources Department to create continuous hiring lists, and adjusting interview protocols; vacancies reduced from 42% in March 2023 to 22% in March 2025. Public Works initiated a Governance Study to identify a more effective governance and financing model for the regional Sacramento Valley Station and surrounding district. The Department began implementation of cost recovery efforts for public electric charging to offset the cost of electricity and ongoing operations and maintenance. Overstay penalties will also be assessed to ensure turnover.

- The Parking Division implemented hiring incentives for Parking Enforcement Officers and subsequently hired and retained nine new officers. The additional staffing has strengthened enforcement capabilities, allowing the Parking Division to better serve the community. Parking also implemented a new parking guidance system for Memorial Parking Garage. A significant milestone, this system has improved parking efficiency and user experience by providing real-time information on available parking spaces.

- The Maintenance Services Division efforts to replace ornamental turf in medians with drought-tolerant landscaping is underway to decrease maintenance requirements and enhance water conservation. It is estimated that 10% of all ornamental turf will be removed by the end of the fiscal year. Streetscape maintenance service schedule was adjusted to twice monthly, reducing vendor costs by $200,000.

- The Fleet Management Division partnered with the telematics provider to transmit data to the state repository for Clean Truck Check (CTC) testing to reduce fleet technicians completing the tests manually. This gives the technicians more flexibility to assist with vehicle maintenance and repairs. Fleet Management also installed a new diesel exhaust removal system to allow for safer and more efficient conditions in maintenance shops; switched technician scanning tools which provide a broader scope of data for additional resources to diagnose vehicles and equipment; adjusted shop operational hours to align with City staff working hours to provide better customer service.

- The Facilities and Real Property Division is working with Information Technology and Risk Management departments to update the Facilities Asset Management System and centralize all City facilities into one asset database.

- The Recycling and Solid Waste Division initiated planning for a re-route of residential garbage, recycling, and organics collections to accommodate new development and optimize operations. The re-route is targeted to be implemented in FY 2026/27.

- The Engineering Services Division created a Project Management Database to streamline reviews and approvals to make project delivery more efficient. Updated the permit fee calculator for development plan reviews and inspection costs to provide more accurate estimates based on actual bid costs and construction duration. This reduces staff time spent on invoicing and gives developers more realistic financial projections. The Division also launched an online project dashboard for all transportation projects, giving internal and external customers real-time visibility to improve coordination, collaboration, and awareness of project status in the public right-of-way.

- The Mobility and Sustainability Division in partnership with the Facilities began collecting fees for electric vehicle (EV) charging stations at all EV Blueprint sites, as well as many City-managed garages. These fees provide the critically needed funding in order to support sustainable management and long-term operations of these public-facing EV charging stations.

OBJECTIVES FOR FY2026/27

- Update the Pavement Conditions Report to reflect current conditions and maintenance strategies, including a detailed analysis of pavement quality by council district and disadvantaged areas.

- Transition the Supplemental Permit Parking (SPP) program from a pilot to a formal program, providing residents in developments with limited or no on-site parking the opportunity to purchase on-street parking permits. Formalizing the program will improve parking access, enhance neighborhood parking management, and offer more convenient parking solutions for affected residents.

- Evaluate the structural integrity and condition of City-owned parking garages and develop a prioritized plan to address deferred maintenance, ensuring safe operations and informed long-term capital planning.

- Evaluate on-street parking restrictions citywide and work toward greater uniformity and consistency in hours of operation and parking restrictions. This effort will improve clarity for the public, support equitable enforcement, and enhance overall curbside management.

- Launch the Climate Equity Pilot to advance equitable Climate Action & Adaptation Plan implementation through community-led projects.

- Launch the Urban Forest Plan Implementation Working Group to bring together City staff and tree care-holders to jointly develop ways to effectively implement the Sacramento Urban Forest Plan.

- Launch a Parking Lot Greening Pilot Program that will retrofit one City parking lot and develop a guidebook to support private property owners in identifying low-cost, high-impact greening projects for voluntary compliance with the Parking Lot Shading Ordinance.

- Complete the Vision Zero Action Plan Update.

- Update to the Transportation Systems Management Program (TSMP), update to modernize the City's Street Design Standards, and implementation of an Automated Red Light Enforcement Program.

- Fleet Management will provide technicians with training specific to the vehicles in our fleet, including electric vehicles, and acquire up-to-date diagnostic tools to ensure efficient identification and resolution of vehicle and equipment issues.

- Continue to implement AB 43 speed reduction measures to reduce speed limits n specified locations to address safety concerns.

- Complete the Traffic Signal Operations Manual, establishing clearer standards for all signal planning, design, construction, timing, and modification.

- Hire all new members of the Transportation Safety Team and draft a framework for identifying eligible quick-build project locations and community outreach.

- Complete an update on the Fleet Transportation Policy to effectively manage the use of City vehicles.

- Complete the analysis and start implementation of a plan to adhere to the Advanced Clean Fleet Regulation.

- Complete the renovation projects and open the Martin Luther King Jr. Library and the North Sacramento Hagginwood Library. Major renovations are funded through “Building Forward, Library Infrastructure” State grants and City-matching funds.

- Replace the Uninterruptable Power Supply at the City’s 911 Communications Center and Data Center.

- Complete the installation of an Emergency Standby Generator at the Pannell Community Center allowing the Center to be used during Smoke events, and times of high heat or extreme cold as cooling and heating centers, even with disruptions in Sacramento Municipal Utility District (SMUD) power.

- Explore efficient and convenient ways to distribute compost from the City’s organics recycling program at no cost to City residents to meet Senate Bill 1383 procurement requirements.

- Implement new residential garbage, recycling, and organics collection routes to optimize operations and address new development.

- Commence construction of the I Street Bridge Replacement project.

- Update the Project Delivery Manual which will help train new staff with the City’s project delivery policies and procedures and will also assist with internal and external audits. Start construction on the Regional Bus Mobility Center at the Sacramento Valley Station.

- Continue to work with IT to support them on their large Last Mile and Middle Mile telecom projects which will begin construction and bring the possibility of internet to every single home in Sacramento.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Facilities and Real Property Management	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in Facilities to maintain service levels and reflect the fiscal and administrative job duties performed by this position.	General Fund	-	(42,510)	-
Fleet Management	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in Fleet Division to maintain service levels.	Fleet Management	-	(1,815)	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	General Fund	-	204,881	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Measure U	-	51,119	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Marina	-	37	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Parking	-	1,098	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Water	-	25,605	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Wastewater	-	23,955	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Recycling and Solid Waste	-	139,528	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Community Center	-	90	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Storm Drainage	-	25,286	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	4th R Program	-	38	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Fleet Management	-	-	-
Fleet Management	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	Risk Mgmt	-	3,493	-
Fleet Management	Update Fleet Management fund revenues and expenses that was not included in the Proposed Budget.	Fleet Management	(16,243,322)	11,488,994	-
Maintenance Services	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Operations General Supervisor) in the Maintenance Services Division to improve operational efficiencies.	General Fund	(79)	79	-
Maintenance Services	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Operations General Supervisor) in the Maintenance Services Division to improve operational efficiencies.	New Measure A Maintenance	79	-	-
Maintenance Services	Delete one position (1.0 FTE - Administrative Officer) and add one new position (1.0 FTE - Operations General Supervisor-Streetscapes Maintenance Supervisor) in the Maintenance Services Division to maintain service levels.	General Fund	(79)	79	-
Maintenance Services	Delete one position (1.0 FTE - Administrative Officer) and add one new position (1.0 FTE - Operations General Supervisor-Streetscapes Maintenance Supervisor) in the Maintenance Services Division to maintain service levels.	Gas Tax 2016	79	-	-
Maintenance Services	Add Maintenance Services equipment to address operational needs: High pressure water trailer and pressure washer/steam cleaner for cleanup and maintenance including graffiti removal and dust suppression.	Gas Tax 2016	-	37,407	-
Maintenance Services	Replace outdated asphalt patch truck to increase efficiency and reliability of services.	Gas Tax 2016	-	350,000	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Maintenance Services	Increase services and supplies budget for Urban Forestry to address minimum required service levels.	General Fund	(500,000)	500,000	-
Maintenance Services	Increase services and supplies budget for Urban Forestry to address minimum required service levels.	Landscaping and Lighting	500,000	-	-
Mobility and Sustainability	Delete one position (1.0 FTE - Assistant Engineer) and add one new position (1.0 FTE - Associate Planner) in the Funding and Asset Planning section of the Mobility and Sustainability Division to manage transportation assets and pursue available funding.	General Fund	(4,897)	4,897	-
Mobility and Sustainability	Delete one position (1.0 FTE - Assistant Engineer) and add one new position (1.0 FTE - Associate Planner) in the Funding and Asset Planning section of the Mobility and Sustainability Division to manage transportation assets and pursue available funding.	Gas Tax 2016	4,897	-	-
Mobility and Sustainability	Add one position (1.0 FTE - Senior Planner). Establish new fund and increase revenue and expense budget to implement Senate Bill 720 (Ashby) - Automated traffic enforcement system programs.	General Fund	(261,099)	161,361	1.00
Mobility and Sustainability	Move revenue from Senate Bill 720, Safer Streets Act (Red Light Camera implementation) and associated expenses	General Fund	261,099	(161,361)	-
Mobility and Sustainability	Move revenue from Senate Bill 720, Safer Streets Act (Red Light Camera implementation) and associated expenses from General Fund (1001) to Red light Camera Fund (2040).	Red Light Camera	(261,099)	161,361	-
Mobility and Sustainability	Increase parking meter rates, add new vehicle for the parking facilities maintenance supervisor, and establish meter revenue as the funding support for Curb Management section. Ensure sufficient vehicle availability for operations and improve on-street parking availability for visitors and merchants.	General Fund	(789,008)	379,040	-
Mobility and Sustainability	Increase parking meter rates, add new vehicle for the parking facilities maintenance supervisor, and establish meter revenue as the funding support for Curb Management section. Ensure sufficient vehicle availability for operations and improve on-street parking availability for visitors and merchants.	Gas Tax 2016	(408,451)	-	-
Parking Services	Delete five positions (5.0 FTE - Parking Enforcement Officer) and add five new positions (5.0 FTE - Senior Parking Enforcement Officer [SPEO]). Increase certain parking violation fines and supportive actions. Updated equipment will increase efficiency and SPEOs will support complex enforcement assignments currently experiencing a processing backlog, thus improving service levels for the public.	General Fund	(2,008,548)	158,008	-
Parking Services	Add one position (1.0 FTE - Electrician) for Facilities and Real Property Management to support increased workload from aging/increased facilities and electric vehicle infrastructure.	General Fund	(122,480)	123,830	1.00
Parking Services	Add one position (1.0 FTE - Electrician) for Facilities and Real Property Management to support increased workload from aging/increased facilities and electric vehicle infrastructure.	Parking	68,107	-	-
Parking Services	Extend parking meter operating hours to 10pm across all metered areas to improve on-street parking access for visitors, merchants, and residents.	General Fund	(582,634)	28,549	-
Parking Services	Increase revenue and expense budgets for Parking Meter Collections by adding 200 new metered spaces in high impact areas. Increasing space turnover will improve access to downtown for citizens, visitors, and merchants.	General Fund	(211,392)	209,345	-
Parking Services	Increase revenue and expense budgets for the Parking Services division to reflect ongoing growth in parking garage utilization. Establish new multi-year operating project (MYOP) with generated funds to support economic development opportunities.	Parking	(1,000,000)	800,000	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Parking Services	Increase revenue and expense budgets for the Parking Services division to reflect ongoing growth in parking garage utilization. Establish new multi-year operating project (MYOP) with generated funds to support economic development opportunities.	SB720 Red Light Camera Fund	-	200,000	-
Parking Services	Increase hourly rates in City parking garages to be consistent with surrounding market, recover increasing operational costs, and improve parking availability for visitors and merchants.	Parking	(175,240)	6,217	-
Parking Services	Increase revenue budget for Marina to reflect increased berth rates implemented January 1, 2026 and align budget with actual trends.	Marina	(150,000)	-	-
Parking Services	Delete one position (1.0 FTE - Program Specialist) and add one new position (1.0 FTE - Administrative Officer) in the Parking Services Division to maintain service levels and reflect the fiscal and administrative job duties performed by this position.	Parking	-	(413)	-
Parking Services	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	General Fund	(1,154,513)	-	-
Parking Services	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	Parking	1,154,513	-	-
Parking Services	Freeze seven positions (7.0 FTE Parking Enforcement Officers).	General Fund	-	(556,036)	-
Parking Services	Increase parking meter revenue budget to align with projections, add corresponding services and supplies and offset three positions (1.0 FTE Administrative Analyst, 1.0 FTE Associate Planner and 1.0 Senior Planner) funded by the Gas Tax Fund or capital projects to meet SB1 maintenance of effort.	General Fund	(1,000,000)	996,643	-
Parking Services	Increase parking meter revenue budget to align with projections, add corresponding services and supplies and offset three positions (1.0 FTE Administrative Analyst, 1.0 FTE Associate Planner and 1.0 Senior Planner) funded by the Gas Tax Fund or capital projects to meet SB1 maintenance of effort.	Gas Tax 2016	-	(408,451)	-
Parking Services	Move SVS Economic Developmentt MYOP from Red Light Camera Fund (2401) to Parking Fund (6004)	Red Light Camera	-	(200,000)	-
Parking Services	Move SVS Economic Developmentt MYOP from Red Light Camera Fund (2401) to Parking Fund (6004)	Parking Fund	-	200,000	-
Recycling and Solid Waste	Delete one position (1.0 FTE - Integrated Waste Equipment Operator) and add one new position (1.0 FTE - Senior Staff Assistant) in the Recycling and Solid Waste Division to support human resources operations efficiencies and enhance service delivery.	Recycling and Solid Waste	-	(5,088)	-
Recycling and Solid Waste	Adjust revenue and expense budgets for Recycling and Solid Waste to align with actual revenue and expenditure trends. Purchase new specialized vehicle for bin maintenance to maintain service levels and reduce overtime.	Recycling and Solid Waste	(2,200,541)	(2,240,288)	-
		Total Change	**(25,084,608)**	**12,664,978**	**2.00**

Department Budget Summary

Public Works Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 79,729,909	$ 86,836,109	$ 102,866,077	$ 102,866,066	$ 108,874,183	$ 6,008,117
Services & Supplies	99,579,687	106,525,966	111,223,068	111,223,068	116,275,721	5,052,653
City Property	12,615,406	12,274,874	26,667,984	27,400,490	38,047,503	10,647,013
Multi-Year Operating Projects	361	(1,217)	9,891,963	5,217,500	21,047,048	15,829,548
Central Offsets	20,475,132	21,208,424	21,235,533	21,235,533	22,234,149	998,616
Labor Offsets	(20,897,517)	(22,631,163)	(27,797,775)	(27,797,776)	(27,724,359)	73,417
Service and Supplies Offsets	(9,718,223)	(9,602,162)	(6,500,082)	(6,500,082)	(5,945,376)	554,706
Total	**$ 181,784,754**	**$ 194,610,831**	**$ 237,586,768**	**$ 233,644,799**	**$ 272,808,869**	**$ 39,164,070**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 24,559,858	$ 27,503,249	$ 32,657,482	$ 32,347,480	$ 35,712,688	$ 3,365,208
12th Street Maint Benefit Area	11,500	19,860	25,916	25,916	26,300	384
4th R Program	-	-	-	-	38	38
Citation I-5 Maintenance	66,454	104,198	40,000	40,000	40,000	-
Community Center	-	-	-	-	90	90
Del Paso Nuevo Landscaping CFD	13,703	15,406	24,873	24,873	30,813	5,940
Disaster Relief Act	-	43,698	-	-	-	-
Fleet Management	47,694,517	50,119,707	64,536,454	64,938,956	80,551,898	15,612,942
Gas Tax 2016	3,558,953	5,553,617	8,384,723	7,512,187	9,545,931	2,033,744
Interdepartmental Service	1,664,763	1,901,512	1,835,479	1,835,479	2,105,711	270,232
Laguna Creek Maint Dist	51,580	47,639	103,132	103,132	103,132	-
Land Park	32,850	32,850	32,850	32,850	32,850	-
Landscaping and Lighting	13,684,835	12,277,145	16,095,963	15,649,300	16,687,818	1,038,518
Marina	1,187,446	1,127,557	1,329,081	1,329,082	1,369,148	40,066
Measure U	454,700	411,389	1,231,190	1,231,189	1,336,683	105,494
N Nat Lndscp 99-02	655,380	588,384	896,526	896,526	918,500	21,974
N Natomas Lands CFD 3	615,000	559,396	871,354	871,354	1,000,000	128,646
Neighborhood Lighting Dist	25,009	27,510	30,261	30,261	33,287	3,026
Neighborhood Water Quality Dist	38,442	43,511	83,122	83,122	87,022	3,900
New Measure A Maintenance	14,549,100	13,939,230	16,913,236	16,913,236	17,110,597	197,361
NMA Safety, Streets, Ped, Bic	-	-	5,500	5,500	5,500	-
Northside Subdiv Maint Dist	1,532	3,988	6,500	6,500	8,000	1,500
Parkebridge CFD 2014-07	73,000	80,586	126,433	126,433	126,433	-
Parking	7,279,374	8,279,357	9,641,503	9,641,504	11,604,975	1,963,471
Pow er Inn Rd Md 2003-01	9,842	11,732	13,031	13,031	14,891	1,860
Railyards Maint CFD No 2014-04	144,639	167,328	299,556	299,556	326,613	27,057
Recycling and Solid Waste	64,062,725	70,281,198	80,798,383	78,083,112	92,114,603	14,031,491
Risk Mgmt	-	-	-	-	3,493	3,493
Sac Services CFD 2018-05	-	13,387	58,898	58,898	30,000	(28,898)
Sac Services CFD 2018-05 - DS	-	-	-	-	26,774	26,774
SacMaintCFD2014-04 Annex Areas	40,559	47,227	133,713	133,713	133,713	-
SacMaintCFD2014-04 Area 01	98,750	119,456	132,750	132,750	238,912	106,162
SB720 Red Light Camera Fund	-	-	-	-	161,361	161,361
Storm Drainage	387,877	396,098	305,926	305,926	331,212	25,286
Subdiv Lndscpng Maint Dist	348,237	340,202	418,141	418,141	363,722	(54,419)
Tow nship 9 CFD No. 2012-06	-	100,000	2,000	2,000	2,000	-
Traffic Safety	285,000	203,590	343,304	343,304	351,208	7,904
Transportation Development Impact Fee	20,428	30,887	-	-	-	-
Village Garden N.-Mtce Dist #1	24,654	28,995	41,488	41,488	46,282	4,794
Wastew ater	-	-	-	-	23,955	23,955
Water	-	-	-	-	25,605	25,605
Willow creek Assmnt Md	24,047	34,376	38,000	38,000	37,110	(890)
Willow creek Lndscpng CFD	120,000	156,566	130,000	130,000	140,000	10,000
Total	**$ 181,784,754**	**$ 194,610,831**	**$ 237,586,768**	**$ 233,644,799**	**$ 272,808,869**	**$ 39,164,070**

Division Budget Summary

Public Works Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Climate Action and Sustainability Division	$ 454,700	-	-	-	-	-
Engineering Services Division	(482,236)	(599,016)	(83,759)	(173,759)	332,263	506,022
Office of the Director	2,157,915	2,242,359	2,634,153	2,634,154	2,311,614	(322,540)
Parking Services Division	21,180,357	24,012,551	29,442,923	29,222,922	30,282,098	1,059,176
Maintenance Services Division	25,673,884	24,388,209	30,536,955	29,649,256	33,751,261	4,102,005
Mobility and Sustainability Division	-	1,675,793	2,183,953	2,183,952	3,305,989	1,122,037
Transportation Division	11,125,277	10,699,923	12,208,624	11,867,123	13,234,814	1,367,691
Fleet Management Division	47,694,517	50,119,707	64,496,463	64,898,965	80,988,374	16,089,409
Facilities & Real Property Mgmt Division	7,488,283	9,109,283	10,194,606	10,104,606	11,331,140	1,226,534
Recycling & Solid Waste Division	66,492,057	72,962,021	85,972,850	83,257,580	97,271,315	14,013,735
Total	**$ 181,784,754**	**$ 194,610,831**	**$ 237,586,768**	**$ 233,644,799**	**$ 272,808,869**	**$ 39,164,070**

Staffing Levels

Public Works Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Climate Action and Sustainability Division	4.00	-	-	-	-	-
Engineering Services Division	79.00	79.00	79.00	79.00	79.00	-
Office of the Director	12.00	11.00	10.00	10.00	10.00	-
Parking Services Division	132.35	131.35	133.35	133.35	133.35	-
Maintenance Services Division	124.00	121.00	121.00	121.00	121.00	-
Mobility and Sustainability Division	-	16.00	17.00	17.00	18.00	1.00
Transportation Division	72.00	65.00	72.00	72.00	72.00	-
Fleet Management Division	82.00	83.00	83.00	83.00	83.00	-
Facilities & Real Property Mgmt Division	72.00	72.00	72.00	72.00	73.00	1.00
Recycling & Solid Waste Division	191.30	191.30	193.30	193.30	193.30	-
Total	**768.65**	**769.65**	**780.65**	**780.65**	**782.65**	**2.00**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Climate Action			
Operations	Climate Action and Sustainability	4.00	585,564
Community Response			
MYOP	Illegal Dumping Collection	-	400,000
	PW Sustainability Program	-	300,000
Miscellaneous			
Operations	Fleet Management Administration	-	51,119
Grand Total		**4.00**	**$ 1,336,683**

PERFORMANCE MEASURES

Facilities & Real Property Management Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of all facility work order requests completed within a 30-day performance standard	51%	60%	61%	60%	60%

This measure indicates how quickly work order requests are completed. Work order categories include “emergency” with a one-day performance standard, “priority” with a seven-day performance standard, and “standard” with a 30-day performance standard.

Fleet Management Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of City vehicles available at 6:00 AM	92%	92%	91%	91%	95%

This measure indicates what percentage of overall City vehicles are available to operators for City services. The division is collecting information to measure staffing ratios and estimated service demands for each shop to appropriately staff each shop to sustain adequate vehicle availability.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of alternative fuel vehicles purchased	61%	67%	61%	61%	65%

The California Global Warming Solutions Act of 2006 (Assembly Bill 32) requires California to reduce its GHG emissions to 1990 levels by 2020. The City’s Fleet Management Division Sustainability Policy states that annual purchases of fleet replacement vehicles will include a minimum commitment of 50% for alternative fuel and/or alternatively powered vehicle replacements by 2018, and 75% by 2025. Starting in FY2019/20 target includes renewable diesel purchases, not previously included.

Maintenance Services Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of roads with a Pavement Condition Index above 70 (good rating)	23%	22%	22%	22%	22%

The Maintenance Services Division is responsible for the City’s street infrastructure system which includes over 3,118 lane miles of paved roadway. The Maintenance Services Division’s goal is to work towards a Pavement Condition Index of 70 (good) from its current rating of 56 (fair). Beginning in FY17, the City updated the method of calculating pavement conditions from the Pavement Quality Index to the industry standard Pavement Condition Index.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of 311 service requests for potholes responded to within 48 hours	93%	93%	96%	95%	96%

The Maintenance Services Division is responsible for the street infrastructure system which includes the maintenance of 3,118 lane miles of paved roadway. Patching potholes is an essential service and on average, the Maintenance Services Division patches over 2,000 potholes per month. Our customer commitment is to respond to 311 complaints for potholes within 48 hours of receiving the request.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percentage of tree inventory pruned per annual cycle	58%	60%	78%	80%	90%

The City’s Urban Forestry Program maintains, sustains and enhances Sacramento's tree canopy through a variety of programs. Urban Forestry staff (internal and contractors) need to prune 890 trees monthly on average to stay consistent with our goal of maintaining a less than seven-year pruning cycle for all of our 75,000 plus public trees. However, beginning in FY20 a lack of staffing has created a backlog for trees being pruned.

Parking Services Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Revenue generated per parking meter	$1,613	$1,744	$2,169	$2,739	$2,768

The Parking Division is responsible for the collection and maintenance of over 6,100 paid on-street parking spaces within the Central City. The division continues to work with downtown and midtown merchants to repurpose metered spaces to accommodate customer pickup and delivery as well as implementing Al Fresco dining options. Throughout the City, there are over 3.5 million parking meter customer transactions per year.

* Beginning in the last quarter of FY2019/20 results were affected by significant decline in revenue due lack of on-street parking meter utilization due to the pandemic. With a steady increase in utilization each year, meter revenue is projected to reach pre-pandemic levels in FY24/25.

Marina Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Marina slips occupancy rate	87%	84%	87%	87%	87%

The Sacramento Marina has 475 available boat slips, which can accommodate boats varying in length from 25 to 50 feet. Historically, the Marina had an average 94% occupancy rate, however during the Great Recession the occupancy rate dipped to as low as 44%. Occupancy began to improve in 2016 and in recent years has maintained a steady average occupancy between 80% - 87%.

Recycling & Solid Waste Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Percent of City collected waste diverted from landfill	46%	47%	47%	48%	47%

California State law requires that at least 50% of the waste generated within the city limits be diverted from landfills. While the percent of City-collected residential waste (recycling, organics and household junk) diverted from landfills is below the State threshold as a jurisdiction, the City government collection rate meets the state requirement at 50% diversion for Calendar Year 2022, the latest data available. The difference is due to the higher level of waste diversion by the majority of commercial waste haulers, which is not part of the City's residential collection service. The City is also implementing diversion measures to reduce organic waste in landfills in accordance with SB 1383, which has a statewide goal of a 75% reduction from 2014 levels. Educating customers on proper recycling is central to seeing these percentages grow. Over 50% of the Division's annual outreach expenditure is spent on increasing diversion.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of complaints of missed pickups (per 1,000 refuse accounts)	10	9	9	9	9

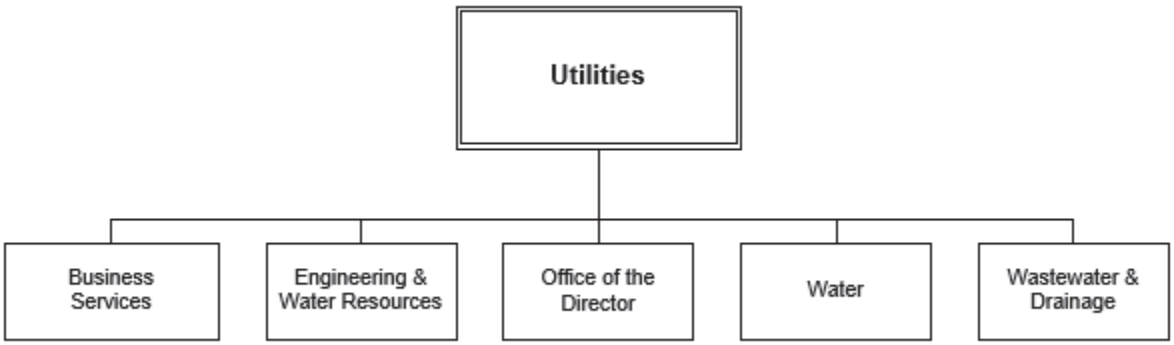
In a given year, City Integrated Waste Equipment Operators service almost 18 million garbage, recycling and yard waste containers. Complaints of missed collections represent the highest volume of solid waste related calls to City 311; however, the actual number of verifiable service miss represents only a fraction of one percent of the total containers collected annually.

24

SECTION - 24
Utilities

Utilities

The mission of the Department of Utilities is to provide dependable, high-quality water, wastewater, and storm drainage services in a fiscally and environmentally sustainable manner.



The **Department of Utilities (DOU)** provides and maintains water, wastewater, and storm drainage services and facilities for its customers, City ratepayers. These services are crucial to safeguard the health and safety of the public, support economic development, protect the environment, and improve the quality of life in our city. DOU works in conjunction with other City Departments as well as regional, state, and federal agencies in the operation, maintenance, development, and rehabilitation of water resources infrastructure to comply with regulatory requirements.

DOU is organized into four operating divisions and the Office of the Director. The operating divisions consist of Business Services, Engineering and Water Resources, Water, and Wastewater & Drainage. This organizational structure allows for increased collaboration across business functions and enables DOU to focus efforts on customer priorities.

- Business Services: Provides fiscal support by enhancing and maintaining the financial stability of our Water, Wastewater, and Drainage Funds through accounting, budgeting, and long-range financial planning; provides utility customers with customer service and billing services.

- Engineering & Water Resources: Provides engineering, construction, and/or contract support for capital projects; development review; department-wide procurement for goods and services; water conservation program implementation; regional water policy activities; and in collaboration with the Water and Wastewater & Drainage Divisions, ensures compliance with state and federal regulations.

- Office of the Director: Provides department leadership and direction by fostering a healthy work environment, focusing on innovation, sustainability, resiliency, and excellent customer service. Engages in government affairs by working on local, state, and national legislative and policy matters. Further public education, and outreach; while planning for current and future generations using a strategic plan that protects, preserves, and enhances water resources and the environment for our community.

- Water: Provides operations and maintenance (O&M) of the water distribution system, surface water treatment plants, groundwater wells, and reservoirs; cross-connection control program; construction coordination with capital improvements for infrastructure upgrades; water quality monitoring and regulatory compliance; research and development into regulatory change, optimization of processes, and water quality issues.

- Wastewater & Drainage: Provides O&M for storm drainage, wastewater, and combined stormwater/ sewer systems, treatment plants, wastewater and storm drainage pumping facilities, levees, and O&M for electrical instrumentation, Supervisory Control and Data Acquisition (SCADA), and for the water, wastewater, and drainage system assets. In addition, the division oversees the citywide Underground Service Alert (USA) program and citywide generator program for emergency standby power systems, to ensure operational readiness and regulatory compliance.

DOU also provides administrative and financial support and oversight to the Water Forum. The Water Forum consists of five (5.0) full-time employees and has two operating funds and one reimbursable fund. The Water Fund provides reimbursements for the City's share of the costs associated with this joint effort, while the other program costs are covered by cost-share partners.

PROGRAMS/SERVICE HIGHLIGHTS

- Completed the required five-year update of the America's Water Infrastructure Act (AWIA) Risk and Resilience Assessment. Risk and resilience assessments and subsequent emergency response plan updates are used to identify and mitigate vulnerabilities, ensuring the safe and reliable delivery of drinking water.

- The Central Valley Regional Water Quality Control Board updated the Combined Sewer System permit for the City. The permit revision will allow the City to migrate from flood reduction-only goals to an adaptive management process to focus on identifying areas susceptible to system outflows, meeting receiving water quality objectives with a continued focus on reducing/eliminating untreated combined sewer overflows.

- Filed City protest to Delta Conveyance Project (tunnels), reached consensus on significant provisions in the Water Forum 2.0 Agreement, and successfully included language in Proposition 4 ballot measure that supports DOU projects.

- Executed an agreement with Caltrans to provide up to $23 million for four large trash capture devices, supporting both agencies' regulatory requirements to prevent trash from discharging into waterways by 2030. Caltrans has provided $3 million in FY2025/26 to begin project design and feasibility evaluations.

- Completed the City's Customer Care Billing (CCB) system, a multi-year initiative aimed at modernizing the City's billing and customer service platform. This upgrade enhanced system reliability, improved data accuracy, streamlined account management processes, and strengthened the overall customer experience by enabling more responsive service, improved self-service options, and better integration with other City systems.

- Assumed responsibility for managing the City's cross connection tracking and reporting functions, previously handled by Sacramento County. The program team imported data to new public-facing tracking and reporting software allowing private backflow device owners and testers to purchase annual status tags for each device. This work streamlines communication with private device owners and supports annual testing compliance to protect water quality. DOU also updated City codes for cross-connection control standards and discontinuance of water service for violation of cross-connect control standards.

DEPARTMENT EFFICIENCIES

- Advanced the Asset Management (AM) Program in alignment with the AM Strategic Plan to support long-term operational efficiencies. Key accomplishments include near-completion of the Asset Management Plan for water distribution storage facilities, development of condition assessment methodologies for

wastewater and storm drainage sump stations, completion of eight wastewater facility assessments with twenty additional assessments planned through FY2026/27, and an audit of flood-related assets that improved inventory accuracy and field inspection practices. Additional data-management initiatives include the following: review and update of drainage detention basin asset inventories, development of storm drainage structural treatment facility asset inventories and maintenance workflows, and continued data analysis and validation in support of future GIS Utility Network implementation.

- Expanded water quality monitoring capabilities by installing 12 new Water Quality Sample Stations in FY2025/26, enabling more detailed analysis of distribution system water quality and supporting data-driven operational decisions.

- Enhanced system safety by replacing the failing chlorine gas scrubber at the Sacramento River Water Treatment Plant, ensuring reliable mitigation of chlorine releases in the event of an equipment failure.

- Improved distribution system performance by installing 1,500 linear feet of new 8-inch water mains, increasing system reliability, enhancing water quality, and strengthening fire protection capacity.

OBJECTIVES FOR FY2026/27

- Deliver the FY2026/27 CIP water, wastewater, and drainage infrastructure programs on schedule and within budget.

- Partner with the Auditor's Office to complete a comprehensive energy audit evaluating the feasibility of transitioning DOU operations to 100% electric. The audit will include cost-benefit analyses of solar power purchase agreements, potential use of solar shares, participation in SMUD's automated demand response program, and operational and emergency response impacts associated with fleet electrification.

- Support the Auditor's Office in conducting an independent financial review of the Storm Drainage Fund (Fund 6011) and the Storm Drainage Property Fee Fund (Fund 6021) to enhance financial transparency and long-term fund sustainability.

- Collaborate with the selected rate consultant to develop a cost-of-service analysis, strategic communication plan, and long-term funding plan for the water and wastewater funds that will support the FY2027/28 planned rate adjustments.

- Advance the Water+ Program by completing the Basis of Design for rehabilitation and resiliency improvements at the City's existing drinking water treatment plants

and water supply expansion project needed to meet 2040 General Plan growth projections. Prepare and advertise a Request for Proposals to select a design consultant and initiate design activities during FY2026/27.

- Finalize design of two large trash capture projects funded by Caltrans and begin construction at the two large trash capture project locations. Continue progress on trash capture system pilot to select most cost-efficient solutions for small trash capture design. Collaborate with regional partners to meet compliance objectives for trash regulations for waterways. Establish contracts with qualified firms to provide professional services to achieve compliance by the 2030 regulatory deadline.

- Support the City Treasurer's Office in implementing the Customer Fund Merchant Fee to improve cost recovery and financial management practices.

- Complete implementation of $7 million grant-funded groundwater projects no later than December 31, 2026. The funds will be used towards construction of capacity enhancements of existing wells which will allow for groundwater production during drier hydrologic years.

- Improve water system reliability and resiliency by installing 12 additional Water Quality Sample Stations, replacing 700 linear feet of aging water mains, relocating 400 linear feet of mains currently positioned under creeks, and replacing 30 obsolete fire hydrants that have reached end-of-life.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering and Water Resources	Move services and supplies in the Drainage Engineering division from Storm Drainage Fund to Storm Drainage Property Fee Fund to lessen the administrative burden of conducting fund reimbursements.	Storm Drainage	-	(182,907)	-
Engineering and Water Resources	Move services and supplies in the Drainage Engineering division from Storm Drainage Fund to Storm Drainage Property Fee Fund to lessen the administrative burden of conducting fund reimbursements.	Storm Drainage Property Fee	-	182,907	-
Wastewater and Drainage Operations and Maintenance	Increase funding for category change on Unit 11149, Service truck to Hydro Excavator Truck to allow repair crews to perform excavation and utility exposure work in-house, without disrupting scheduled maintenance or relying on external equipment.	Wastewater	-	178,500	-
Wastewater and Drainage Operations and Maintenance	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Water	1,289	(2,578)	-
Wastewater and Drainage Operations and Maintenance	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Wastewater	(645)	-	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Wastewater and Drainage Operations and Maintenance	Delete one position (1.0 FTE - Utilities Locator) and add one new position (1.0 FTE - Utilities Operations & Maintenance Serviceworker) for the Wastewater & Drainage Division's USA Program to allow operational flexibility due to the fluctuations in underground service alert (USA) workload.	Storm Drainage	(645)	-	-
Wastewater and Drainage Operations and Maintenance	Add one position (1.0 FTE - Leadworkers) and purchase 1.0 F-250 Supercab to support the Drainage Ops CIP Support Program (14001481): Operations and Maintenance Critical Infrastructure and Trash Capture Programs as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage	(335,345)	136,844	1.00
Wastewater and Drainage Operations and Maintenance	Add one position (1.0 FTE - Leadworkers) and purchase 1.0 F-250 Supercab to support the Drainage Ops CIP Support Program (14001481): Operations and Maintenance Critical Infrastructure and Trash Capture Programs as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage Property Fee	31,419	98,000	-
Wastewater and Drainage Operations and Maintenance	Increase funding for category change on Unit 12213, Ford F150 Regular Cab to a Ford F250 Super Cab to allow staff to accomplish critical repairs, replacements, emergency responding, and assist in preventative maintenance.	Water	-	10,000	-
Wastewater and Drainage Operations and Maintenance	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Water	21,724	(48,276)	-
Wastewater and Drainage Operations and Maintenance	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Wastewater	(12,552)	-	-
Wastewater and Drainage Operations and Maintenance	Delete two positions (2.0 FTE - IT Supervisors) and add two new positions (2.0 FTE - Process Control Supervisors) for the Wastewater and Drainage Division's Electrical/Instrumentation/SCADA Program to have dedicated supervisors to meet operational needs.	Storm Drainage	(9,172)	-	-
Wastewater and Drainage Operations and Maintenance	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Wastewater	(2,912)	-	-
Wastewater and Drainage Operations and Maintenance	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Storm Drainage	(6,794)	-	-
Wastewater and Drainage Operations and Maintenance	Delete one position (1.0 FTE - Administrative Analyst) and add one new position (1.0 FTE - Program Specialist) for the Water Division's Water Operations & Maintenance Administration Program to have a dedicated staff member assigned to oversee the Automated Metering Infrastructure (AMI) program.	Water	-	(371)	-
Water Operations and Maintenance	Delete one position (1.0 FTE - Junior Plant Operator) and add one new position (1.0 FTE - Senior Plant Operator) for the Water Division's Water Maintenance Program to address ongoing support challenges impacting reliability and resiliency objectives.	Water	9,706	(5,559)	-
		Total Change	**(303,927)**	**366,560**	**1.00**

Department Budget Summary

Utilities Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 77,264,711	$ 85,426,920	$ 96,308,495	$ 96,677,674	$100,968,573	$ 4,290,899
Services & Supplies	41,899,334	46,547,644	52,028,387	50,374,766	50,289,928	(84,838)
City Property	1,741,902	2,157,787	2,051,493	1,953,611	1,599,991	(353,620)
Multi-Year Operating Projects	-	-	16,619,407	10,953,622	13,612,190	2,658,568
Central Offsets	38,756,297	37,137,589	36,686,249	36,686,249	37,700,241	1,013,992
City Debt Service	18,396	-	-	-	-	-
Labor Offsets	(6,378,025)	(7,191,158)	(8,262,369)	(8,262,369)	(9,948,078)	(1,685,709)
Service and Supplies Offsets	419,379	(812,093)	(849,500)	1,634,842	(885,500)	(2,520,342)
Total	**$153,721,994**	**$163,266,688**	**$194,582,162**	**$190,018,395**	**$193,337,345**	**$ 3,318,950**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 67,203	$ 71,351	-	-	-	-
Community Center	4,983	4,983	-	-	-	-
Cty/Cnty Office-Water Planning	-	280,548	751,809	751,809	870,391	118,582
Fleet Management	13,824	20,274	-	-	-	-
Golf	4,541	4,257	-	-	-	-
Habitat Management Element	4,735	483,273	839,276	839,276	970,564	131,288
Landscaping and Lighting	83,337	107,628	98,000	98,000	109,487	11,487
N Natomas Lands CFD 3	223,892	261,894	300,000	300,000	300,000	-
Neighborhood Water Quality Dist	-	3,804	3,000	3,000	3,000	-
Northside Subdiv Maint Dist	8,000	-	8,000	8,000	8,000	-
Parkebridge CFD 2014-07	-	-	10,000	10,000	10,000	-
Parking	1,993	2,532	-	-	-	-
Railyards Maint CFD No 2014-04	-	-	-	-	87,026	87,026
Recycling and Solid Waste	3,143,300	3,782,860	3,720,327	3,720,327	3,709,180	(11,147)
SacMaintCFD2014-04 Annex Areas	-	652	36,500	36,500	36,500	-
SacMaintCFD2014-04 Area 01	-	18,417	298,120	298,120	298,120	-
Storm Drainage	35,819,425	35,382,024	45,603,048	38,276,401	45,241,181	6,964,780
Storm Drainage Property Fee	3,332,091	4,419,352	7,423,713	12,827,833	7,084,336	(5,743,497)
Tow nship 9 CFD No. 2012-06	317	5,392	9,000	9,000	9,000	-
Wastew ater	31,659,788	32,858,269	37,468,269	35,867,918	38,511,629	2,643,711
Water	79,334,552	85,535,244	97,992,326	96,951,437	96,068,157	(883,280)
Water Development Fees	476	-	-	-	-	-
Willow creek Assmnt Md	19,537	23,936	20,774	20,774	20,774	-
Total	**$153,721,994**	**$163,266,688**	**$194,582,162**	**$190,018,395**	**$193,337,345**	**$ 3,318,950**

Division Budget Summary

Utilities Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Business Services Division	$ 9,765,909	$ 10,154,381	$ 11,548,892	$ 10,079,926	$ 10,413,319	$ 333,393
Engineering & Water Resources Division	8,712,228	8,915,052	10,883,813	10,667,439	10,623,235	(44,204)
Office of the Director	53,011,548	55,769,717	72,362,594	74,969,789	71,965,296	(3,004,493)
Wastew ater & Drainage Ops & Maint Division	44,161,128	47,470,335	54,285,634	50,510,955	54,927,863	4,416,908
Water Operations & Maintenance Division	38,071,181	40,957,203	45,501,229	43,790,286	45,407,631	1,617,345
Total	**$ 153,721,994**	**$ 163,266,688**	**$ 194,582,162**	**$ 190,018,395**	**$ 193,337,345**	**$ 3,318,950**

Staffing Levels

Utilities Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Business Services Division	68.00	70.00	70.00	70.00	71.00	1.00
Engineering & Water Resources Division	83.00	88.00	91.00	91.00	91.00	-
Office of the Director	34.18	42.18	41.18	41.18	40.18	(1.00)
Wastew ater & Drainage Ops & Maint Division	223.00	228.00	234.00	234.00	235.00	1.00
Water Operations & Maintenance Division	174.00	171.00	171.00	171.00	171.00	-
Total	**582.18**	**599.18**	**607.18**	**607.18**	**608.18**	**1.00**

PERFORMANCE MEASURES

Business Services Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
City Manager Goal = 3:00 minutes or less	2:02 min	1:50 min	2:26 min	2:32 min	3:00 min

The Department's Average Speed to Answer (ASA) is the number of seconds a customer waits in the queue prior to being answered by a Customer Service Representative. The ASA is one of the key performance indicators (KPI), to measure the Department's organizational performance and effectiveness in responding to customer questions and/or concerns about their utility billing accounts. The 3:00 minutes ASA is a lower-tier (25th percentile) industry standard for combined utilities as documented in the 2017 American Water Works Association (AWWA) Utility Benchmarking Performance Management for Water and Wastewater Report.

Engineering & Water Resources Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
% water conservation achieved (year-over-year)	38%	35%	33%	32%	35%

The percentage of water conservation achieved citywide is not only a required performance measure to comply with the City Council Resolution for water conservation, but also a key performance indicator (KPI) to measure effectiveness of the Department's water conservation outreach and enforcement efforts. This percentage reduction is compared to our 20% by 2020 gallons-per-capita-per-day target as mandated by SB X7-7.

Operations & Maintenance Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
# of sewage spills	3.00 per 100 miles	4.15 per 100 miles	2.48 per 100 miles	2.50 per 100 miles	2.50 per 100 miles

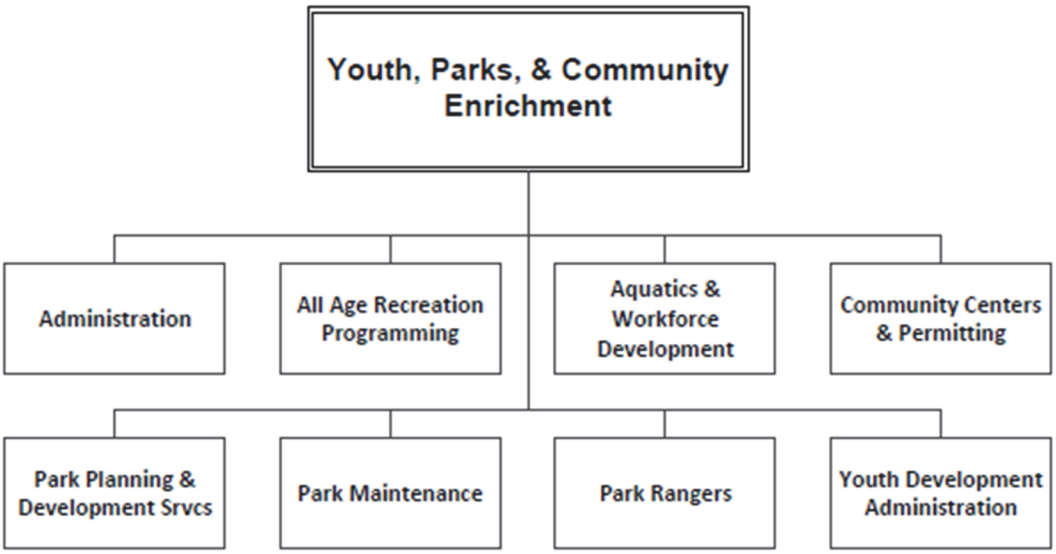
The number of sewage spills is measured to ensure regulatory compliance and to gauge the effectiveness of operational activities and capital improvements that have been implemented to achieve this compliance. The primary permit with respect to the separated system is the waste discharge requirements permit issued by the State Water Resources Control Board. The goal of this permit is to minimize sewage spills from the separated system.

25

SECTION - 25
Youth, Parks, & Community Enrichment

Youth, Parks, & Community Enrichment

To empower our youth, strengthen neighborhoods, and provide life-enriching programs for a beautiful livable community.



The City's **Youth, Parks, & Community Enrichment (YPCE) Department** provides residents and visitors with beautiful parks and enriching programs to create a thriving community with healthy, strong, and cohesive neighborhoods. Program development and service delivery for the Department is guided by the following primary themes: empowering and enriching Sacramento youth, protecting the City's green infrastructure, and optimizing the experience of living through people, parks, and programs.

Department services are structured as listed below.

- Administration: Responsible for department-wide support of fiscal management, human resources, procurement, grant writing and management, lease management, and administrative operations that include managing Gifts to Share (a nonprofit that supports City events, projects, and programs), the Parks and Community Enrichment Commission and the Ann Land & Bertha Henschel Commission.
- All Ages Recreation Programming: Responsible for citywide programs, and services that navigate critical pathways for youth development, and support lifelong recreation and learning. Program areas support people of all ages and abilities, civic engagement, expanded learning, youth and adult enrichment and sports programs, older adult services.

• Aquatics and Workforce Development:	Responsible for 17 city pools including the regional North Natomas Aquatics Complex (NNAC), Camp Sacramento along with YPCE workforce development programs that provide work-based opportunities for youth.
• Community Centers and Permitting:	Responsible for a wide range of facilities that support safe space, community livability, and a high quality of life for all of Sacramento. This includes 15 City-operated Community Centers and Clubhouses, along with citywide permitting and special events. Provides accessibility to recreation, leisure enrichment and community resources for all ages, including youth, teens, active adults, and senior programs.
• Park Maintenance:	Responsible for daily maintenance of 237 parks, parkways, bike trails, and open space areas spanning over 4,360 acres. Responsibilities include maintenance of turf, landscape, structures, and park amenities citywide. Includes maintenance and operation of the Old City Cemetery, a State historic landmark that offers tours and events through the year
• Park Planning & Development Services:	Responsible for park planning, parkland acquisition, park site amenity planning, policy implementation, asset management and the design and development of new and renovations of existing neighborhoods, community, regional parks and parkways.
• Park Rangers:	Responsible for the public safety, service, and preservation of 237 parks, bike trails, aquatics facilities, community centers and open space, spanning across 4,360 acres and provide support to the Incident Management team in citywide response to homelessness.
• Youth Development Administration:	Responsible for refining, developing, and promoting the City's overall strategic vision to achieve citywide youth development goals in accordance with the Youth Development Plan, along with the implementation of The Sacramento Children's Fund (Measure L)

PROGRAMS/SERVICE HIGHLIGHTS

- Workforce Development Unit provided work-based learning programs and paid work experiences for youth ages 10-18. These programs focused on workforce readiness, setting youth up to succeed in supporting homelessness prevention and future economic development. Stipend-based programs supported over 730 participants in 25 cohorts at community centers throughout the city. Two hundred eighty youth were employed, completing approximately 28,000 hours of work at various parks, community centers, local businesses, and schools. The combination of both stipend-based programming and paid work experience accounts for close to $1M dollars in direct youth investment.

- The Aquatics section opened 12 neighborhood pools, including the grand reopening of Southside Pool, and four stand-alone wading pools for the 2025 summer season, while also operating the 10-month regional NNAC and year-round community center. Recreation swim provided a safe place to swim for over 90,000 visitors; over 3,600 registrations in water safety programs including swimming lessons and basic water safety classes for drowning prevention; aquacise and lap swimming provided health and wellness opportunities for over 17,000 visitors to City run pools. The Summer Reading Program partnership with Sacramento Public libraries resulted in 3,785 free admissions to pools for a total value of $23,680.

- The NNAC hosted several high-level swim meets that were major economic drivers for Sacramento. This included the nationally televised 2026 TYR Pro-Series Swim Meet at NNAC that featured swimmers from all over the world, including current and former Olympians. These multi-day events drew participants and spectators to the Sacramento area for the entire week of competition.

- Community Centers provided programming opportunities and access to safe space for over 29,135 youth and teen visits through in-person afterschool and summer camps, Hot Spots Remix, and Recreation Explorer Camp (R.E.C.), serving youth ages 3-5 in a play-based preschool program. Centers increased program offerings for older adults across the city, serving 13,114 meals in partnership with Meals on Wheels. Centers had over 41,320 senior visits and 14,943 fitness room visits.

- Through the Triple-R Adult Day program, Older Adult Services (OAS) provided safe daytime support programming to 82 participants with dementia, with 33% of participants receiving financial support through the Triple-R sliding scale program offerings for older adults across the city, serving 13,114 meals in partnership with scholarship. Triple-R exceeded previous year’s attendance and totaled 7,285 visits, providing respite for family members from round-the-clock caregiving. At Hart Senior Center, staff answered 11,139 calls or visits for resource and referral services, distributed 8,000 meals through Meals on Wheels, and recorded attendance numbers of 65,045 for in-person and virtual activities. Additionally, Hart Senior Center hosted valuable services through partnerships with American Association of Retired Persons, UC Davis Health, Legal Services of Northern California, and others. Through these partnerships, older adults benefit from

resources such as health lectures, tax assistance, and educational legal presentations.

- The Reservations office issued over 750 youth and adult sports field permits with over $110,000 waived through the sports field fee waiver program, and over 3,000 picnic reservation permits. Community Centers supported over $245,000 in fee waivers for community-based organizations to provide programming that supports youth, families, and seniors. Organizations include Senior Link, Agency on Aging, Dignity Health, Project Alpha and more.

- Park Planning and Development Services completed 32 park projects across the city and currently has 59 active park projects with an estimated budget of $37M. YPCE Park Planning team also completed over $25M In deferred maintenance projects since FY2019/20. Projects include accessibility improvements, court resurfacing projects, playground replacements and restroom repairs and replacements. Recent deferred maintenance projects include Mama Marks Park wading pool conversion to splash pad, Lewis, Mark Hopkins and Steve Jones Park playground replacements, Robertson Park Restroom replacement, and Sim and Glenn Hall Park baseball field renovations.

- The Youth Development Administration team supported $14M in grant programs and initiatives since FY2024/25, with over 80% funded by the General Fund. These grants support community-based organizations and city-led programming in addressing the priorities of youth safety, violence prevention, workforce development, childcare and economic development in under-resourced communities.

- In FY2025/26, the Park Maintenance Division assumed maintenance responsibilities for one new parkland facility, Thelma Hawk Park, with two additional parks, Lakeview and Lakeshore Parks anticipated to be completed before the end of the fiscal year.

- The Ranger Division delivered strong service outcomes in 2025, responding to 9,862 calls for service, including 1,087 rapid-response homelessness-related calls.

- Rangers led 57 coordinated cleanups and processed 677 park use permits, supporting safe and active public spaces.

- Over $450K were invested in youth citywide through the Youth Program Scholarship Fund since implementation in FY2024/25. 4,473 youth qualified for scholarships for core programs awarding $196K. This included $126K in Community Center programs, $9K in Expanded Learning and Sports programs, and $61K in Aquatics programs. $145K were waived in community center rental fees for youth organizations and $108K were waived in athletic field rentals for youth sports organizations, supporting equitable access to core service programs and facilities.

DEPARTMENT EFFICIENCIES

- Park Planning and Development Services continues to engage with communities and pursue grant funding to supplement City funding as a mechanism to further address deferred maintenance and projects in park deficient and priority neighborhoods with the most critical need.

- The new Mama Marks Splash Pad, a conversion of an old wading pool, opened successfully and serves as a model for reducing staffing expenses while expanding access and continuing to meet community needs.

- The Summer Oasis summer camp program was realigned to include community centers with the previous park locations for operational efficiency. The reenvisioned summer camp provided indoor and outdoor activities, that were streamlined across all community center locations. Youth engaged in enrichment activities and neighborhood trips, including visits to city pools. Meals were provided in partnership with the local school districts. In 2025, community centers had 1,596 youth and teen participant enrollments, with over 10,000 visits across seven community centers and clubhouses. This realignment supported an increase in enrollment from 1,854 to 2,016 participants in the Summer Oasis program.

- The Expanded Learning section continued to partner with Robla School District and expanded in Twin Rivers and Natomas Unified School Districts to receive Expanded Learning Opportunity Program funding to support increased participation in afterschool programs and to provide out of school time camps. The increased funding and partnerships served almost 1,000 students in the 2025/26 school year.

- The Reservations Office continues to improve the sports field allocation process. Guidelines are posted on department website as “Athletic Field Use and Allocation Guidelines”. The purpose of the document is to outline the process and procedures for the scheduling of long-term and year-round sports and occasional or drop-in sports. In 2025, updates were made to include cricket fields and additional assessments are being evaluated to incorporate outdoor sport courts including but not limited to tennis, futsal and basketball courts.

- The Park Ranger team supported Department of Community Response’s (DCR) Rapid Response Team efforts to address the impact of homelessness in our parks, responding to over 1,087 calls, and assisted with 57 large clean-ups last year. The division acquired four additional portable Automated External Defibrillator devices, which are used for critical first aid response and potential life-saving measures in the field. Park Rangers also advanced technology and safety by partnering with the Sacramento Police Department to implement the Mobile Data Telephone system, providing real-time digital connectivity to dispatch during emergencies.

- Park Maintenance utilized nearly 42,000 volunteer hours in our parks in 2025, with a comparable wage value of over $1.6 million dollars. This is an enhancement to standard maintenance operations across all city parks.

OBJECTIVES FOR FY2026/27

- Deliver core programs and services with an equity-based approach and safely activate parks and facilities to provide a positive economic impact.
    - Continuing afterschool and summer camp programs that support youth safety and community-powered economies through affordable childcare for working families to include the addition of summer and break programs for youth in grades TK and Kindergarten as funded by Sacramento Children's Fund.
    - Provide scholarships and fee waivers, including the Youth Program Scholarship Fund and Hart Trust Fund, for low-income residents, food and resources for older adults on fixed incomes, and workforce training for at-risk youth, helping prevent homelessness through skill building and community integration.
    - Increase referral partnerships and third-party options through community partnerships to support participation in specialized programs including Triple R adult day program and Access Leisure.
    - The Youth Development Administration team will continue Measure L implementation. This work includes contract awards, annual report development, program management, and fiscal oversight.

- Prioritize maintenance of all facilities, parks, parkways, bike trails, natural areas and open space to ensure they are safe, clean, and accessible to all Sacramento residents and visitors.
    - Initiate and implement the Nino's Parkway Volunteer Enhancement Program, providing residents with opportunities to enhance the parkway areas adjacent to their homes through improved landscaping or garden projects.
    - Explore funding options for additional stand-alone wading pool conversions to splash pads. Design will begin on the Robertson Wading pool conversion this year.
    - Prepare updated Park Impact Fee Nexus Study and park land dedication requirements. Updates will incorporate adopted level-of-service standards and fees to fund new development of the planned park facilities.

- Park Rangers will prioritize public safety through proactive community engagement, patrol deployment and addressing issues of homelessness under the leadership of new Chief Ranger.
    - Continue supporting DCR's Rapid Response Team efforts to address homelessness outreach and cleanup.
    - Launch and implement the Community and Ranger Engagement Pilot Program to strengthen Ranger visibility, community partnerships, and proactive park use education across YPCE parks and facilities.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration and Park Rangers	Delete three positions (1.0 FTE - Recreation Superintendent and 2 @ 0.2 FTE Crew Leaders) from Older Adult Services and Youth and add one new position (1.0 FTE - Program Manager) in Fiscal Administration Division.	Measure U	-	(5,500)	(0.40)
Administration and Park Rangers	Cost difference from reclassification of 1.0 FTE Chief Park Ranger as approved in the FY2024/25 Approved Budget.	Measure U	-	(5,264)	-
All Ages Recreation Programming	Delete one position (0.90 FTE - Program Coordinator) in the Expanded Learning Division.	Measure U	1,815	(72,612)	(0.90)
All Ages Recreation Programming	Delete one position (0.40 FTE - Recreation Aide) and add one new position (0.40 FTE - Building Monitor) in the Community Recreation Division. Realignment of current position to better meet operational needs.	Measure U	-	-	-
All Ages Recreation Programming	Delete fifteen positions (1 at 1.0 FTE Program Developer and 14 at 0.25 FTE Recreation Aides) and add fourteen new positions (14 at 0.40 FTE Recreation Aides) in the 4th R Division. Conversion of the career position to part time positions aligns with program needs.	4th R Program	-	7,833	1.10
All Ages Recreation Programming	Delete forty five positions (15 at 0.46 FTE Senior Recreation Aides and 30 at 0.46 FTE Recreation Aides) from the START Division and adjust corresponding offsets. Positions are being deleted due to loss of Expanded Learning Opportunities Program (ELOP) Funding from Robla Unified School District.	START	810,720	(810,720)	(20.70)
All Ages Recreation Programming	Increase in revenue budget in Older Adult Services Division to reflect projected revenues.	General Fund	-	-	-
All Ages Recreation Programming	Increase in revenue budget in Older Adult Services Division to reflect projected revenues.	Measure U	(20,000)	-	-
All Ages Recreation Programming	Delete two positions (1 at 0.80 FTE - Program Coordinator) from Community Recreation Division and (1 at 0.80 FTE - Program Leader) from Youth Employment Division then convert savings to services and supplies budget in the Youth Employment Division.	Measure U	-	-	(1.60)
All Ages Recreation Programming	Technical adjustment to correct expenditures based on fund balance.	START	-	(807,846)	-
All Ages Recreation Programming	Technical adjustment to correct expenditures based on fund balance.	4th R Program	-	8,672	-
All Ages Recreation Programming	Add 23 positions (23 - 0.40 FTE Recreation Aide Positions) and other costs for the new Expanded Learning Opportunity Program (ELO-P) beginning in August 2026. Grant funding received in May 2026.	4th R Program	(370,000)	370,000	9.20
Aquatics and Workforce Development	Delete five positions (1 at 0.35 FTE - Program Director, 1 at 0.25 FTE - Recreation Leader, 3 at 0.25 FTE Camp Aides) in the Camp Sacramento Division and convert savings to services and supplies.	Measure U	-	-	(1.35)
Aquatics and Workforce Development	Delete two positions (2 at 0.35 FTE - Assistant Camp Chef) and add one new position (1 at 0.39 FTE - Camp Chef) in the Camp Sacramento Division.	Measure U	-	-	(0.31)

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Aquatics and Workforce Development	Delete one position (0.45 FTE - Aquatic Specialist) and add one new position (0.45 FTE - Building Monitor) in the Aquatics Division and convert savings to service and supplies. Shift staffing to support high rental demand.	Measure U	-	-	-
Aquatics and Workforce Development	Delete one position (0.45 FTE - Aquatics Specialist) in the Aquatics Division.	Measure U	-	(22,653)	(0.45)
Aquatics and Workforce Development	Delete one position (1.0 FTE - Program Leader) and add two new positions (2 at 0.45 FTE - Senior Recreation Aide) in Youth Employment Division.	Measure U	-	(39,581)	(0.10)
Aquatics and Workforce Development	Reduce stipend amount paid to participants in Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs by 50%. Reduce Service and Supply Budget in Youth Employment Division.	Measure U	-	(100,000)	-
Aquatics and Workforce Development	Eliminate stipends paid from Youth Employment Division's Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs to youth completing their programs. Reduce Service and Supply Budget in Youth Employment Division.	Measure U	-	(100,000)	-
Aquatics and Workforce Development	Delete two positions (1.0 FTE - Program Leader, 1.0 FTE - Recreation General Supervisor) and decrease services and supplies in Youth Employment.	Measure U	-	(166,129)	(1.50)
Aquatics and Workforce Development	Reduce revenue budget for Camp Sacramento Division to match projections.	General Fund	-	-	-
Aquatics and Workforce Development	Reduce revenue budget for Camp Sacramento Division to match projections.	Measure U	100,000	-	-
Community Centers & Permitting	Delete ten positions (10 at 0.20 FTE - Recreation Aides) and add four new positions (4 at 0.47 FTE - Building Monitor) in the Community Center Division and convert savings to service and supplies budget. Shift staffing to support rental and revenue generating programs.	Measure U	-	-	(0.12)
Community Centers & Permitting	Modify Community Centers and Clubhouses Fee Waiver/Fee Reductions Resolution. Resolution currently offers 100% discount and 50% for organizations that meet eligible criteria. Discounts would be modified to 50% and 25% for organizations that meet eligible criteria only. Community Center Division waived $380,000 in rental fees in FY2024/25 without reimbursement.	General Fund	-	-	-
Community Centers & Permitting	Modify Community Centers and Clubhouses Fee Waiver/Fee Reductions Resolution. Resolution currently offers 100% discount and 50% for organizations that meet eligible criteria. Discounts would be modified to 50% and 25% for organizations that meet eligible criteria only. Community Center Division waived $380,000 in rental fees in FY2024/25 without reimbursement.	Measure U	(190,000)	-	-
Community Centers & Permitting	Delete twelve positions (2 at 1.0 FTE - Program Coordinator and 10 at 0.20 FTE - Recreation Aide) in the Community Center Division. Reduce after school programs in Community Centers.	Measure U	-	(233,790)	(4.00)

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Centers & Permitting	Delete three positions (1 at 1.0 FTE , 1 at 0.80 FTE - Customer Service Assistant and 1 at 1.0 FTE - Program Leader). Convert savings to services and supplies budget in Community Center Division.	Measure U	-	-	(2.80)
Community Centers & Permitting	Funding for Community Center/Clubhouse Fee Waiver project ended in FY2025/26. Removing ongoing funding added in FY2026/27 Proposed Budget.	Measure U	-	(300,000)	-
Park Maintenance and Planning	Reallocation of FY2025/26 Budgeted Fleet Vehicle Replacement Funds to update vehicle and/or equipment replacements based on operational needs.	Measure U	-	-	-
Park Maintenance and Planning	Increase revenue budget in the City Cemetery Division to match projections.	General Fund	-	-	-
Park Maintenance and Planning	Increase revenue budget in the City Cemetery Division to match projections.	Measure U	(2,500)	-	-
Park Maintenance and Planning	Reallocation of FY2026/27 Budgeted Fleet Vehicle Replacement Funds to update vehicle and/or equipment replacements based on operational needs.	Measure U	-	(94,063)	-
Park Maintenance and Planning	Reallocation of FY2025/26 Budgeted Fleet Vehicle Replacement Funds to update vehicle and/or equipment replacements based on operational needs.	Measure U	-	-	-
Park Maintenance and Planning	One-time reduction to labor by offsetting the park maintenance work conducted in District 1 by YPCE staff with Sacramento Service CFD funds.	Measure U	-	(200,000)	-
Park Maintenance and Planning	Funding source to offset park maintenance work conducted by YPCE staff.	Sac Services CFD 2018-05	-	200,000	-
Youth Development Administration	Discontinue the Organizational Resiliency Fund annual allocation from Youth Development Administration Division.	Measure U	-	(300,000)	-
Youth Development Administration	Conduct technical change to charge 50% of 1.0 FTE Administrative Technician to the Children's Fund project (I80000101) instead of the Children's Fund directly.	Measure U		(64,586)	
		Total Change	**330,035**	**(2,736,239)**	**(23.93)**

Department Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 43,068,954	$ 45,520,707	$ 46,650,786	$ 48,181,744	$ 46,755,789	$ (1,425,955)
Services & Supplies	21,149,434	20,040,706	21,242,909	21,505,748	21,707,535	201,787
City Property	620,133	91,341	276,490	246,408	250,408	4,000
Multi-Year Operating Projects	-	-	1,469,814	617,192	3,166,053	2,548,861
City Debt Service	384,659	748	-	-	-	-
Labor Offsets	(2,739,789)	(3,342,161)	(3,856,833)	(3,856,833)	(2,991,287)	865,546
Service and Supplies Offsets	(1,108,298)	(599,385)	164,682	164,682	164,682	-
Total	**$ 61,375,092**	**$ 61,711,957**	**$ 65,947,849**	**$ 66,858,941**	**$ 69,053,180**	**$ 2,194,239**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 4,210,277	$ 4,876,158	$ 6,184,485	$ 6,018,384	$ 6,405,367	$ 386,983
4th R Program	5,934,976	6,614,246	6,587,947	8,015,948	7,157,808	(858,140)
Disaster Relief Act	4,594	4,330	-	-	-	-
Ethel MacLeod Hart Trust	-	-	-	-	1,625,000	1,625,000
Golf	(103,650)	(17,782)	104,370	104,370	107,476	3,106
Laguna Creek Maint Dist	101,000	104,707	120,000	120,000	145,000	25,000
Land Park	89,000	89,000	89,000	89,000	89,000	-
Landscaping and Lighting	4,300,000	4,440,000	4,558,500	4,558,500	4,620,203	61,703
Measure U	42,319,119	40,727,330	42,213,480	41,526,956	42,455,097	928,141
N Natomas Lands CFD 3	1,805,031	1,637,644	2,055,000	1,958,969	2,055,000	96,031
Natomas Crossing CFD 2013-01	-	-	27,600	27,600	27,600	-
Neighborhood Park Maint CFD	1,982,000	1,488,352	2,400,000	2,400,000	2,325,000	(75,000)
Neighborhood Water Quality Dist	30,000	31,101	57,000	57,000	35,000	(22,000)
NW Land Park CFD 2013-02	136,654	256,607	252,437	252,437	258,354	5,917
Park Development	(215,531)	611,538	477,907	477,907	482,110	4,203
Parkebridge CFD 2014-07	28,905	22,657	57,000	57,000	57,000	-
Quimby Act	3,949	-	10,000	10,000	10,000	-
Railyards Maint CFD No 2014-04	-	333	1,500	1,500	1,500	-
Sac Services CFD 2018-05	99,334	71,699	200,000	200,000	400,000	200,000
START	649,151	754,038	550,622	982,370	794,664	(187,706)
Township 9 CFD No. 2012-06	283	-	1,000	1,000	2,000	1,000
Total	**$ 61,375,092**	**$ 61,711,957**	**$ 65,947,849**	**$ 66,858,941**	**$ 69,053,180**	**$ 2,194,239**

Division Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Administration & Park Rangers Division	$ 5,768,015	$ 4,890,366	$ 7,074,993	$ 6,894,994	$ 7,306,027	$ 411,033
All Ages Recreation Programming	10,754,673	11,513,391	11,205,854	13,065,602	13,483,776	418,174
Aquatics and Workforce Development	10,065,169	10,434,474	10,497,744	10,497,741	10,241,528	(256,213)
Community Centers and Permitting	10,265,874	10,196,683	11,345,372	11,345,371	11,324,415	(20,956)
Youth Development Administration Division	1,082,602	808,888	960,030	960,030	717,611	(242,419)
Park Maintenance & Planning Division	23,438,758	23,868,156	24,863,856	24,095,203	25,979,823	1,884,620
Total	**$ 61,375,092**	**$ 61,711,957**	**$ 65,947,849**	**$ 66,858,941**	**$ 69,053,180**	**$ 2,194,239**

Staffing Levels

Youth, Parks, and Community Enrichment Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Administration & Park Rangers Division	34.00	33.00	40.00	40.00	41.00	1.00
All Ages Recreation Programming	234.47	229.69	221.19	221.19	208.09	(13.10)
Aquatics and Workforce Development	173.01	154.27	148.01	148.01	143.60	(4.41)
Community Centers and Permitting	152.44	140.51	131.40	131.40	123.98	(7.42)
Youth Development Administration Division	6.00	6.00	9.40	9.40	9.40	-
Park Maintenance & Planning Division	152.80	146.40	128.00	128.00	128.00	-
Total	**752.72**	**709.87**	**678.00**	**678.00**	**654.07**	**(23.93)**

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2026/27 Approved
Community Investment			
MYOP	Commission Stipends	-	12,300
	Fleet Acquisitions	-	1,381,712
	Fleet Acquisitions	-	110,000
Operations	Fiscal and Management Services	21.00	3,549,239
	Historic City Cemetery	2.00	265,139
	Older Adult Services	27.03	1,775,964
	Park Operations Administration	113.00	14,377,133
	Permitting and Events	7.74	716,090
	Technology Service	-	57,638
Public Safety - YPCE			
Operations	Park Rangers	15.00	2,169,919
Youth			
MYOP	Commission Stipends	-	8,800
	Fleet Acquisitions	-	30,000
	Organizational Resiliency Fund	-	(300,000)
	YPCE Youth Program for Scholarship Fund	-	200,000
Operations	Access Leisure	8.05	541,530
	Aquatics	78.25	4,825,006
	Camp Sacramento	12.91	162,847
	Community Centers	116.24	7,413,006
	Community Recreation Services	10.94	485,875
	Recreation Administration	5.00	1,253,670
	Youth Development Administration	9.40	1,017,611
	Youth Employment	52.44	2,461,367
	Youth Expanded Learning	2.08	(59,749)
Grand Total		**481.08**	**$ 42,455,097**

PERFORMANCE MEASURES

Parks Operations Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Park maintenance cost per acre	$6,139	$6,058	$6,106	$6,100	$6,125

Currently, the Park Maintenance Division maintains more than 3,446 acres of parkways, developed turf, landscape, recreation structures, and park amenities citywide. Services provided by this division include mowing, weeding, litter removal, playground inspections, irrigation repair, and restroom cleaning.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of developed park acres maintained per FTE	19.55	23.71	30.08	32.00	35.00

The department has established minimum service levels to ensure safe and clean parks and facilities. To accomplish this, each full-time equivalent Park Maintenance staff is generally assigned a service area. On average, a full-time equivalent staff's service area is approximately 35 acres. Any increase to park acreage, given existing staffing, has a direct negative impact on service levels.

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of volunteer hours managed per developed park acre	8.63	8.40	8.50	11.00	12.00

Over 40,000 volunteer hours are regularly provided by various groups, including Adopt-a-Park, park ambassadors, and countless cemetery volunteers each month. Volunteers supplement the department's routine park maintenance and beautification. Maintenance staff provides volunteer participants supervision, tools, garbage removal services, and horticultural expertise.

Park Safety Division

Key Measure	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Estimate	FY27 Target
Number of safety calls responded to per Park Ranger	275	277	758	875	950

The Park Safety Rangers provide security response to service requests received via 311 calls, routinely patrol areas of all parks, and when requested provide security support to City special events. In addition, the Park Rangers frequently address issues related to and coordinate outreach for people experiencing homelessness, address issues of criminal activity, and provide emergency assistance within city park areas.

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SECTION - 26
Citywide and Community Support

Citywide and Community Support

Citywide Support

This section includes City costs, programs and revenues that are not directly associated with an individual department. Below are the major expenditures budgeted in Citywide and Community Support (Citywide).

Employee Benefits and Insurance

- Employee Benefits ($15.5 million - $15.0 million in the General Fund and $0.5 million in the Measure U [MU] Fund):

    - Labor costs for approved contracts and proposals given to recognized employee organizations (REO) that are still under negotiation with the City;
    - Employee leave payouts authorized by labor contracts; and
    - Vacation and sick leave termination payouts;

    Budget authority is transferred from this program to departments to reimburse actual costs incurred for leave payouts. Reimbursements are done on a proportional basis if the actual costs incurred by departments exceed the available resources in Citywide.

- Salary Savings (-$3.2 million – -$2.9 million in the General Fund and -$0.3 million in the MU Fund) – A salary saving factor of 0.4% has been added to Citywide. This is to recover the savings caused by vacancies and recruitment and will allow the City to incorporate it into other areas. In the past fiscal years, a rolling three-year analysis was conducted on labor to determine the rate. The salary savings rate has decreased over the past several years due to the elimination of vacant positions. The rate may change in the future based on updated analysis and if any more positions are eliminated.

- General Liability & Auto Liability (GL & AL) ($54.1 million - $48.5 million in the General Fund and $5.6 million in the MU Fund) – The City contracts with Bickmore Risk Services (Bickmore) to estimate the annual budget needed to cover claim costs and expenses that will occur in the coming fiscal year and the program's liability for outstanding claims. Bickmore utilizes historical City loss data to forecast the upcoming fiscal year's cost of claims and expenses at various confidence levels. The City uses the recommended 80% confidence level when budgeting for claim costs and expenses. The General Fund contribution for GL&AL is budgeted in Citywide, while contributions from the other funds ($29.2 million) are budgeted in the managing department's section (e.g., Solid Waste Fund contributions are in Public Works).

Retired/Transfer Employee Benefits

The costs associated with retired and transferred employee retirement and healthcare benefits are included in the Citywide budget.

- Other Post-Employment Benefits (OPEB) ($11.6 million - $9.1 million in the General Fund) – The cost of retiree/beneficiary health (1,742 participants), dental (2,741 participants), vision (1,790 participants), and out-of-area (331 participants) insurance benefits as of June 30, 2023.

- OPEB Trust ($0) – The City funds OPEB benefits on a pay-go basis. In 2014 the City established a California Employers' Retiree Benefit Trust (CERBT) Fund to address the increasing OPEB liability ($304.7 million as of June 30, 2025). The balance in the CERBT was approximately $102.9 million as of June 30, 2025. The annual contribution for the OPEB Trust was eliminated in FY2021/22. Future funding to the Trust will continue to be transferred from year-end budgeted pension savings.

- Sacramento City Employees' Retirement System (SCERS) ($0) – Starting in FY2026/27, the SCERS fund is fully funded, and the City will stop making contributions. There were 710 participants (1 active) as of June 30, 2025.

- California Public Employees' Retirement System (CalPERS) ($193.8 million - $158.2 million in the General Fund and $10.7 million in the MU Fund) – Although CalPERS costs are not budgeted in Citywide, this represents the City's total contribution as well as the amounts negotiated for the employee paid portion of the employer cost (-$3.3 million). Costs are budgeted in the managing department's budgets.

Citywide Maintenance Contracts and Utilities

- Information Technology Maintenance and Support Contracts ($6.1 million - $4.2 million in the General Fund and $0.3 million in the MU Fund) – Funds major contracts and support for the City's human resources, financial and budgeting systems. The non-General Fund and non-MU Fund costs associated with these services are recovered through the cost allocation plan except for $0.1 million for computer software maintenance.

- Multi-tenant City-owned Buildings ($6.2 million in the General Fund) – Covers anticipated expenses associated with janitorial, security, utilities, and pest management services at various multi-tenant City-owned buildings (e.g., City Hall Complex). The costs for non-General Fund operations are recovered through the City's cost allocation plan.

Sacramento County Charges and Assessments

Citywide includes $4.6 million in the General Fund for Sacramento County Charges and Assessments. State law authorizes counties to charge other local government entities for the cost of assessing and collecting property tax revenues, for property-related assessments including flood control, and for costs associated with county jail operations (jail booking fees). In addition, the City pays its fair share of property-based assessments for various improvement districts and taxes on property owned by the City but located outside of City boundaries.

Multi-Year Operating Projects (MYOPs)
Citywide includes $10.3 million in MYOPs for FY2026/27. The General Fund has a reduction of $1.9 million due to sweeping inactive projects for budget balancing, and the MU Fund is $5.5 million. The Sacramento Children's Fund has $8.1 million. There is $0.9 million in reductions from the ARPA Fund. There is a reduction of $1.0 million in other funds. The General Fund and MU fund projects support citywide operating activities such as the Sacramento Utility Rate Assistance (SURA) program, litigation, the Powerhouse Science Center, and library maintenance. All projects are detailed on Schedule 9. Additional funding for departmental MYOPs is included in the various department operating budgets. Funding for these programs is moved into specific projects after the budget is approved.

Administrative Contingency
The General Fund Administrative Contingency may be used throughout the year, in accordance with Sections 4, 5, and 6 of the Budget Resolution, to adjust budgets for unforeseen expenses. The Administrative Contingency is $2 million.

Office of Arts and Culture (OAC)
Citywide includes $0. million for the OAC, which pays for professional services and commission stipends.

Redevelopment Agency Successor Agency (RASA)
In response to AB 26 (2011) which eliminated all redevelopment agencies in California, the City became the recognized RASA effective February 1, 2012, for all non-housing functions and obligations. As RASA, the City is entitled to be reimbursed for administrative costs associated with managing the transfer of non-housing assets, legal concerns, cash and debt management, and other administrative obligations. Under AB 26, the administrative budget to pay for staff costs to perform RASA duties is limited to 3% of the property tax allocated to RASA. The City budgeted $211,900 in revenue for staff support provided by the City Attorney's Office, Finance, and other departments.

Miscellaneous

- Elections ($650,000) – Funds the cost of regular and special elections, as well as increased costs associated with special ballot measures and petition verification.

- Litigation ($60,000) – Covers the administrative costs associated with litigation, used annually as necessary. This funding is in addition to the Citywide Litigation MYOP ($500,000) included in Schedule 9 which provides annual funding for external support for the City's litigation efforts.

- Service Fees ($672,718) – Covers the costs associated with banking, instructional, and various legal service fees. It also includes the City's portion of the CalPERS payment for obligations associated with the Human Rights/Fair Housing PERS commission.

- Accident Replacement Vehicles ($250,000) – Funds costs associated with fleet accident repairs and replacements.

- Membership, Licenses and Dues ($500,000) – Funds costs associated with Citywide memberships.

Citywide Revenues
An in-depth review of FY2026/27 citywide revenues and the five-year forecast are included in Section 6 – The Forecast.

- Major Tax Revenues – All discretionary tax revenues including property, sales, and Utility Users Tax are budgeted in Citywide. Additional detailed information and a breakdown of budgeted revenue is available in Schedule 6. The expenditure budget ($500,000) represents consultant contracts for providing sales tax and Utility Users Tax revenue estimates.

Community Support

The City provides administrative and financial support to various local and regional operations or partners.

Property and Business Improvement Districts (PBIDs)
Citywide includes $23.9 million for PBIDs, which were created as a financing mechanism where property and business owners approve a special assessment to improve their commercial districts. The City currently collects and remits assessments for 18 different PBIDs throughout the City.

Visit Sacramento
Citywide includes $2.9 million in support for Visit Sacramento, comprised of $2.2 million from the 10% TOT that is deposited in the Community Center Fund and $0.6 million from the MU Fund. The $2.3 million from the Community Center Fund is for general operating support of Visit Sacramento per City Code 3.28, which has required the City to increase its contribution with inflation annually since FY1980/81. The $0.6 million from the MU Fund is for discretionary support including an annual reimbursement for VRO assessments.

Downtown Sacramento Partnership (DSP)
Citywide includes $375,000 for DSP to fund programs and activities along the Old Sacramento waterfront and downtown area. Also, $150,000 is included to conduct cleaning and maintenance work in the J, K, and L corridors (Clean and Safe Improvements in Central Business District Project).

Greater Sacramento Area Economic Council (GSEC)
Citywide includes an annual contribution of $208,163 to support work conducted at GSEC. Contribution cost is based on the per-capita rate of $0.40 and the estimated population of Sacramento (520,408).

Sacramento Public Library Authority (SPLA)
The City has 12 libraries located within the City boundaries which are operated by the SPLA under a joint powers authority. Citywide includes $24.6 million, which includes $10.3 million from Library Services Parcel Tax and $14.3 million from the MU Fund to

fund library operations and to partially fund the construction of the North Sacramento library.

The library's mission is to provide the residents of Sacramento the services they expect while focusing on community needs for reading, learning needs of our youngest residents, and creating welcoming spaces and providing experiences that include Science, Technology, Engineering, and Mathematics (STEM) and Science, Technology, Engineering, the Arts, and Mathematics (STEAM) learning opportunities for the entire community as well as increasing equity for our most vulnerable populations.

In 2014 and 2016, voters in the City of Sacramento declared their support for the Sacramento Public Library by passing two parcel taxes, Measure B and Measure X, for Library services which provided funding for the operation of the City libraries and to maintain and add services, staff, and technology. Both measures include a Maintenance of Effort (MOE) provision that requires prior-year reductions to General Fund operating revenue to be restored if the City provides additional funding to its non-public safety programs. The City's MOE is $7.6 million and is provided from General Fund contributions. Measure B and Measure X sunset on June 30, 2026, and June 30, 2027, respectively. On May 21, 2024, Council adopted Ordinance 2024-0013 to consolidate and extend the existing parcel taxes, which was subject to approval of the voters. Measure E was added to the Statewide Municipal Election, held on November 5, 2024, and 74% of the voters voted for the measure. As a result, the Library Services Parcel Tax is projected to generate $10.3 million in FY2025/26.

As of FY 2025/26, a substantial investment of approximately $39 million from both the City and the State has been dedicated to enhancing Sacramento's library infrastructure. Through the State of California's Building Forward: Library Infrastructure Grant Program, focused on internal infrastructure, the City secured approximately $15.1 million in State grants, along with an additional $1.5 million from Measure L, for a total of $16.6 million in grant funding. This funding is supported by a required City match of approximately $7.6 million, in addition to an extra $14.8 million committed by the City to fully support these critical projects.

This significant investment will fund major improvements, including a complete remodel of the Martin Luther King Jr. (MLK) Library with a budget of $15.8 million, and the renovation of the former Sacramento News & Review building to expand the North Sacramento–Hagginwood Library (NSHL), with an investment of $19 million. The remaining $4 million has been allocated for critical infrastructure upgrades at the Central Library, Del Paso Heights Library, and Belle Cooledge Library.

The City of Sacramento remains committed to investing in the long-term enhancement of its library facilities. These efforts address rising construction, material, and furnishing costs while ensuring modern, inclusive, and accessible spaces that serve all residents.

In addition to these investments, the City has identified an additional $2 million in essential capital improvement needs, primarily focused on exterior upgrades such as parking lot maintenance and ADA enhancements that are not eligible for grant funding.

City staff will continue to work with Library staff to identify opportunities to address the structural gap between revenues and expenditure needs.

General Information

The following information below is not included in the Citywide Budget but is detailed to provide additional information on portions of the City's FY2026/27 Approved Budget.

Economic Uncertainty Reserve (EUR)

The EUR was established in FY1983/84 and on April 26, 2016, the Council revised the EUR Policy (included in the Financial Policies section) which established:

- A minimum reserve level of 10% of budgeted General Fund revenues; and
- A goal of achieving and maintaining the value of two months of regular ongoing General Fund expenditures in the reserve.

On June 12, 2019, the EUR Policy was amended to include MU resources in determining the annual set aside amount necessary to maintain a minimum General Fund reserve level of 10%. Further, the policy includes a goal of achieving and maintaining the value of two months of regular ongoing General Fund expenditures in the reserve.

For the last several fiscal years, the EUR contributions have been used for other purposes. Due to the funding gap in FY2024/25, the EUR contribution to the reserve at year-end was used as one of the reduction strategies. In addition, the City Council suspended approximately $3.3 million of the FY2023/24 EUR contribution to restore/fund various programs, provide scholarships and fee waivers to communities negatively impacted by fee increases, and decrease a parking violation fee. In lieu of contributing to the EUR in FY2025/26, $3.7 million was placed in a Federal Funding reserve to partially help the City if the federal government withholds or rescinds federal revenues. For FY2026/27, $1.5 million of the EUR contribution was used to restore reductions. A EUR contribution of $3.0 million for FY2026/27 has been added to the Budget.

The EUR balance is estimated to be $79.4 million on July 1, 2026, which is approximately 9.0% of budgeted FY2026/27 General Fund revenues and below the target by $8,388,390.

Other Sources and Uses

Other sources and uses in the governmental, enterprise, internal and other governmental funds total $40.1 million.

Beginning Fund Balances

Beginning fund balances of the governmental, enterprise, internal, and other governmental funds total $530.7 million which represent available resources from the FY2024/25 Annual Comprehensive Financial Report (ACFR) and anticipated activity in FY2025/26. Beginning balance by fund is included in the Budget Schedules section (Schedules 2A-2C).

Ending Fund Balances

Projected ending fund balances of the governmental, enterprise, internal, and other governmental funds total $494.9 million. Ending balance by fund is included in the budget schedules section (Schedules 2A-2C). The available balance of enterprise, internal service funds, and other governmental funds (excluding the Innovation and Growth Fund) may only be used for the specific purpose of the individual fund.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Decrease services and supplies budget for Arts Stabilization to reflect a targeted reduction of discretionary spending.	Measure U	-	(15,000)	-
Citywide Support	Liquidate one-time funding from the Sacramento Utility Rate Assistance (SURA) Program (I4130100) to reflect savings from prior fiscal years.	Measure U	-	(438,079)	-
Citywide Support	Liquidate one-time funding in the Mayor's Office Limited-Term Positions Project (I01002500). Return unused dollars to fund balance.	General Fund	-	(224,134)	-
Citywide Support	Liquidate one-time funding in the Finance Routing Project (I80060000). Return unused dollars to fund balance.	General Fund	-	(2,049,212)	-
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Various*	-	(34,212)	-
Citywide Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund (Fund 1003) and return unused dollars to the General Fund (Fund 1001).	General Fund	-	(1,035,284)	-
Citywide Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund (Fund 1003) and return unused dollars to the General Fund (Fund 1001).	ARPA Reinvestment Fund	-	1,035,284	-
Citywide Support	Liquidate one-time funding in the City Clerk Automation Program (A04000100). Return unused dollars to fund balance.	General Fund	-	(1,156,985)	-
Citywide Support	Liquidate one-time funding in the Youth Engagement and Summer Programming MYOP (I01000100). Return unused dollars to fund balance.	General Fund	-	(43,848)	-
Citywide Support	Liquidate one-time funding in the Truth, Reform, and Reconciliation Project (I01140100). Return unused dollars to fund balance.	General Fund	-	(320,000)	-
Citywide Support	Liquidate one-time funding in the Thousand Strong MYOP (I01000300). Return unused dollars to fund balance.	General Fund	-	(5,704)	-
Citywide Support	Liquidate one-time funding in the Sacramento Riverfront MYOP (I02180200). Return unused dollars to fund balance.	General Fund	-	(13,470)	-
Citywide Support	Liquidate one-time funding in the North Sacramento Economic Development Investment Project (I02180600). Return unused dollars to fund balance.	General Fund	-	(259,923)	-
Citywide Support	Liquidate one-time funding in the Central City Wayfinding Project (S18160100). Return unused dollars to fund balance.	Various*	-	(106,004)	-
Citywide Support	Liquidate one-time funding in the COVID-19 CARES Act Program (G02610100). Return unused dollars to fund balance.	Measure U	-	(60,699)	-
Citywide Support	Liquidate one-time funding in the City Manager Youth Programs MYOP (I80020800). Return unused dollars to fund balance.	Measure U	-	(13,658)	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Liquidate one-time funding in the City Treasurer Investment Management Reserve Project (D05000100). Return unused dollars to fund balance.	General Fund	-	(156,269)	-
Citywide Support	Liquidate one-time funding in the Arts and Cultural Plan (I17000900). Return unused dollars to fund balance.	General Fund	-	(153)	-
Citywide Support	Liquidate one-time funding in the Archives East End Project (I17000100). Return unused dollars to fund balance.	Measure U	-	(131,872)	-
Citywide Support	Liquidate one-time funding in the Community Neighborhood Improvements Program (D01000000). Return unused dollars to fund balance.	General Fund	-	(2,890)	-
Citywide Support	Liquidate one-time funding in the Training and Outreach Program (I08000300). Return unused dollars to fund balance.	General Fund	-	(2,000,000)	-
Citywide Support	Liquidate one-time funding in the Digital Strategy Program (A07000700). Return unused dollars to fund balance.	Various*	-	(181,581)	-
Citywide Support	Liquidate one-time funding in the Information Technology Security Program (A07000800). Return unused dollars to fund balance.	General Fund	-	(258,200)	-
Citywide Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	Parking	-	(28,273)	-
Citywide Support	Liquidate one-time funding in the City Facilities Improvements Program (C15100000). Return unused dollars to fund balance.	General Fund	-	(115,320)	-
Citywide Support	Liquidate one-time funding in the 21st Century Skills Grant Program (I01000400). Return unused dollars to fund balance.	General Fund	-	(460)	-
Citywide Support	Liquidate one-time funding in the Oak Park Community Enhancements Project (I19708000). Return unused dollars to fund balance.	General Fund	-	(17,144)	-
Citywide Support	Liquidate one-time funding in the Regional Park/Parkway Acquisition/Development Program (L19003500). Return unused dollars to fund balance.	Various*	-	(187,834)	-
Citywide Support	Liquidate one-time funding in the Ninos Parkway/Rio Tierra Development Project (L19141000). Return unused dollars to fund balance.	General Fund	-	(3,661)	-
Citywide Support	Liquidate one-time funding in the Gardenland Park PSIP Tier III Project (L19809000). Return unused dollars to fund balance.	Various*	-	(131,835)	-
Citywide Support	Liquidate one-time funding in the Parks and Recreation Reservation System Project (L19900300). Return unused dollars to fund balance.	General Fund	-	(1,485)	-
Citywide Support	Liquidate one-time funding in the Summer Youth and Community Programming MYOP (I19141000). Return unused dollars to fund balance.	General Fund	-	(122,711)	-
Citywide Support	Liquidate one-time funding in the District 2 Minor Park Improvements Project (L19108700). Return unused dollars to fund balance.	Measure U	-	(608)	-
Citywide Support	Liquidate one-time funding in the Council-Led Strategic Initiatives MYOP (I01002200). Return unused dollars to fund balance.	Various*	-	(250,740)	-
Citywide Support	Liquidate one-time funding in the North Sacramento Code Enforcement and Outreach Project (I21000600). Return unused dollars to fund balance.	Various*	-	(200,579)	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Liquidate one-time funding in the Police Department IT Critical Infrastructure Program (I11002700). Return unused dollars to fund balance.	Various*	-	(29,584)	-
Citywide Support	Liquidate one-time funding in the City Facility Reinvestment Program (C13900000). Return unused dollars to fund balance.	Various*	-	(55,506)	-
Citywide Support	Liquidate one-time funding in the Youth Pop Up Events MYOP (I19143100). Return unused dollars to fund balance.	Various*	-	(682,285)	-
Citywide Support	Liquidate one-time funding in the Children and Youth Services Program (19143200). Return unused dollars to fund balance.	Various*	-	(690,589)	-
Citywide Support	Liquidate one-time funding in Fleet Acquisitions (I06000999). Return unused dollars to fund balance.	Various*	-	(1,510,290)	-
Citywide Support	Use one-time reserve funding for incremental increases for annual software licenses, subscriptions, system maintenance, and technical support increases that support existing citywide business and technology systems and applications. Ongoing software maintenance, subscriptions, and technical support are crucial for ensuring that business systems function optimally and maintain high availability.	General Fund	-	-	-
Citywide Support	Use one-time reserve funding for the Cloud Data Infrastructure for Analytics and AI Readiness to implement a centralized, secure, cloud-based data warehouse that will serve as a shared enterprise platform for data storage, governance, and analytics. Consolidating data into a single managed environment will reduce duplication, standardize reporting, improve data quality, and strengthen fiscal and operational oversight, delivering immediate efficiency gains and improved transparency across the organization.	General Fund	-	-	-
Citywide Support	Use one-time reserve funding for three years to fund a next-generation preemptive Cybersecurity solution to harness advanced artificial intelligence to stop cyberattacks before they infiltrate the City's email environment.	General Fund	-	-	-
Innovation and Economic Development	One-time restoration of funding for North Sac Economic Development project.	General Fund	-	259,923	-
Citywide Support	One-time reduction to Economic Uncertainty Reserve Contribution.	General Fund	-	(1,452,690)	-
Citywide Support	Technical adjustments to correctly allocate Information Technology's operating and CIP funds.	General Fund	-	441,000	-
Citywide Support	Increase Labor Negotiations placeholder for Local 522 and offset with FY2024/25 Year-End results and fund balance.	General Fund/Measure U	(1,169,989)	1,169,989	-
Citywide Support	New project for OPSA investigations and audits.	Measure U	-	227,483	-
		Total Change	**(1,169,989)**	**(10,855,092)**	**-**

* Various Funds include Parking, Water, Wastewater, Solid Waste, Community Center, and Storm Drainage, Fleet, and Risk Management Funds. A full breakdown of the fee increases is listed in the Budget Modification section.

Department Budget Summary

Citywide and Community Support Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Employee Services	$ 20,897,266	$ 20,232,250	$ 11,075,554	$ 14,686,014	$ 27,876,009	$ 13,189,995
Services & Supplies	100,485,291	109,586,182	112,396,420	110,885,775	121,056,348	10,170,573
City Property	526,135	543,313	300,000	300,000	300,000	-
Multi-Year Operating Projects	-	-	12,723,314	12,723,314	10,277,109	(2,446,205)
Labor Offsets	135,533	316,988	375,141	375,141	371,259	(3,882)
Contingency	-	-	2,000,000	2,014,748	2,000,000	(14,748)
Service and Supplies Offsets	(2,116,119)	39,769	154,634	154,634	154,634	-
Total	**$ 119,928,106**	**$ 130,718,502**	**$ 139,025,063**	**$ 141,139,626**	**$ 162,035,359**	**$ 20,895,733**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 58,251,636	$ 63,723,787	$ 75,685,647	$ 77,933,261	$ 91,331,008	$ 13,397,747
16th St PBID	183,730	192,199	202,118	202,118	356,012	153,894
4th R Program	39,629	55,334	29,701	29,701	30,530	829
ARPA Reinvestment Fund	-	-	1,786,362	1,786,362	1,090,790	(695,572)
Community Center	1,863,719	1,878,742	2,326,255	2,326,255	2,365,807	39,552
Cty/Cnty Office-Water Planning	443,287	4,724	1,599	1,599	1,828	229
Del Paso PBID	32,304	35,774	51,710	51,710	56,881	5,171
Del Paso Prop & Business Imprv	484,824	491,258	567,628	567,628	-	(567,628)
Development Services	1,125,894	1,177,020	-	-	-	-
Downtown Management District	3,946,866	4,104,193	5,920,809	5,920,809	6,215,995	295,186
Downtown Plaza PBID	60,764	85,566	83,853	83,853	92,238	8,385
Fleet Management	246,947	257,533	148,745	148,745	141,501	(7,244)
Franklin Blvd PBID	56,488	51,247	104,817	104,817	115,659	10,842
Franklin Boulevard PBID	209,519	203,946	239,560	239,560	237,551	(2,009)
Gas Tax 2016	-	-	-	-	(128,230)	(128,230)
Greater Broadway PBID	486,481	465,430	473,656	473,656	520,924	47,268
Habitat Management Element	383,695	-	-	-	-	-
Innovation and Growth	2,513,938	21,962,965	(14,431)	(14,431)	5,000,000	5,014,431
Interdepartmental Service	2,150,168	2,643,036	2,559,655	2,559,655	3,144,939	585,284
Landscaping and Lighting	-	-	-	-	(189,758)	(189,758)
Library Services Parcel Tax	9,536,971	9,887,612	10,349,473	10,349,473	10,349,473	-
Mack Road PBID	708,067	708,083	774,599	774,599	762,254	(12,345)
Marina	7,508	9,240	-	-	-	-
Measure L Children's Fund	-	(18,384,800)	-	928,245	-	(928,245)
Measure U	19,578,736	21,512,753	26,079,832	25,018,536	28,362,366	3,343,830
Midtown Sacramento PBID	1,809,375	1,877,357	1,959,039	1,959,039	3,024,369	1,065,330
N Natomas Transp Mgmt Assoc	1,892,525	1,978,033	2,100,000	2,100,000	2,250,000	150,000
NMA Safety, Streets, Ped, Bic	-	-	(1,001)	(1,001)	(1,175)	(174)
Oak Park PBID	327,631	328,283	368,108	368,108	338,537	(29,571)
Old Sacramento PBID	152,253	129,145	160,083	160,083	176,091	16,008
Parking	173,708	197,720	81,633	81,633	76,984	(4,649)
Power Inn Area Prop & Business	568,659	602,139	640,001	640,001	665,500	25,499
Private Development	272,794	376,777	-	-	-	-
Recycling and Solid Waste	718,242	683,496	426,724	426,724	(41,535)	(468,259)
Risk Mgmt	24,979	28,312	16,162	16,162	17,364	1,202
Sac Tourism Marketing District	8,382,486	10,265,113	3,568,492	3,568,492	3,568,492	-
Sheraton MOPA Project	370,355	391,530	-	-	-	-
START	4,487	4,472	4,626	4,626	4,541	(85)
Stockton Blvd BIA	64,651	52,479	82,175	82,175	90,933	8,758
Stockton Blvd PBID	412,411	432,451	461,177	461,177	461,103	(74)
Storm Drainage	429,458	364,690	246,689	246,689	236,212	(10,477)

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
The River District PBID	703,808	762,591	789,149	789,149	832,825	43,676
Wastew ater	320,998	248,279	176,425	176,425	174,132	(2,293)
Water	946,758	885,939	537,693	537,693	266,386	(271,307)
Worker's Compensation Fund	41,357	44,054	36,300	36,300	36,832	532
Total	**$ 119,928,106**	**$ 130,718,502**	**$ 139,025,063**	**$ 141,139,626**	**$ 162,035,359**	**$ 20,895,733**

Division Budget Summary

Citywide and Community Support Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Citywide Support Division	$ 47,422,175	$ 54,790,609	$ 73,361,461	$ 76,955,827	$ 94,788,749	$ 17,832,922
Community Support Division	40,316,540	40,487,212	46,886,591	45,392,040	48,127,811	2,735,771
County Property Taxes & Charges	3,308,017	4,291,674	4,476,011	4,476,011	4,590,799	114,788
Major Tax Revenues Division	9,044,268	10,916,757	500,000	500,000	500,000	-
Reserves/Fund Contingency Division	-	-	2,000,000	2,014,748	2,000,000	(14,748)
Retired/Transfer Emp Benefit 1530	19,837,105	20,232,250	11,801,000	11,801,000	12,028,000	227,000
Total	**$ 119,928,106**	**$ 130,718,502**	**$ 139,025,063**	**$ 141,139,626**	**$ 162,035,359**	**$ 20,895,733**

Staffing Levels

Citywide and Community Support Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Community Support Division	6.00	-	-	-	-	-
Total	**6.00**	**-**	**-**	**-**	**-**	**-**

MEASURE U

The following chart summarizes the Measure U programs in Citywide and Community Support.

Funding Category	Program Name	FTE	FY2026/27 Approved
Arts/Creative Edge			
MYOP	Archives East End Project	-	(131,872)
Operations	Arts Stablization	-	251,422
Community Investment			
MYOP	COVID-19 CARES Act Program	-	(60,699)
	SURA Program	-	4,961,921
Inclusive Economic Development			
Operations	Community Programs	-	974,393
Library			
MYOP	SPLA Maintenance Program	-	400,000
Operations	Library JPA	-	14,271,661
Miscellaneous			
MYOP	Commission Stipends Program	-	(17,850)
	Federal Funding Loss Reserve Project	-	183,000
	Fleet Acquisitions	-	(103,918)
Operations	Citywide IT Maintenance and Support	-	289,684
	Employee Development	-	508,368
	Gen Insurance/Termination	-	5,809,217
	Retired/Transfer Employee Benefits	-	715,783
Public Safety - Police			
MYOP	OPSA Audit	-	227,483
Youth			
MYOP	Children and Youth Services Program	-	(498,071)
	City Manager Youth Program	-	(13,658)
	Powerhouse Science Center	-	600,000
	Fare Free Transit for Youth	-	250,000
	Youth Pop Up Events	-	(254,498)
Grand Total		**-**	**$ 28,362,366**

27

SECTION - 27
Debt Financing

Debt Financing

The **Debt Financing Program** finances the cost of capital improvements through revenue bonds, assessment revenue bonds, lease revenue bonds, capital leases, notes payable, special tax bonds, or advances from other funds. Debt service payments are generally made in semi-annual installments. This budget contains debt service payments for all funds. A five-year projection on gross debt service allocated by fund is included in the Budget Schedules section (Schedule 10).

Central to debt management is ensuring the City's compliance with Federal, State, and local regulations. Other debt management functions include, but are not limited to:

- Making full and timely debt payments
- Maintaining investment-grade credit ratings
- Ensuring compliance with bond covenants
- Facilitating project fund draws to ensure spend-down pursuant to Internal Revenue Service (IRS) expenditure requirements
- Monitoring private activity/private use of tax-exempt financed assets and remediation as necessary
- Meeting the continuing disclosure reporting requirements of the Municipal Securities Rulemaking Board, the IRS, the California State Controller’s Office, and the California Debt and Investment Advisory Commission
- Providing ongoing information to rating agencies, municipal bond insurers, and bond investors
- Reviewing, assessing, and responding to inquiries (as appropriate) from bond investors, while ensuring no selective disclosure occurs
- Assisting with the management of City funds associated with debt
- Levy of special assessments and special taxes
- Managing the delinquency and foreclosure process

The City Treasurer’s Office is responsible for issuing debt on behalf of departments, the Sacramento Public Financing Authority*, assessment districts, community facilities districts and other qualified entities. Additionally, the City Treasurer’s Office provides support to the City’s Finance Department and Office of Innovation and Economic Development on the maintenance of redevelopment-related debt. Typical debt structures include revenue bonds, lease revenue bonds, land-secured (Mello-Roos) financings, short-term notes, and small-equipment leases (direct placement loans). Debt may be issued with fixed or variable interest rate structures.

*Prior to dissolution of redevelopment activities in California in January 2012, the City Treasurer’s Office issued debt on behalf of the Sacramento City Financing Authority (SCFA). Debt previously issued on behalf of the SCFA that remains outstanding is managed by the City Treasurer’s Office.

Debt Limit

The City has approximately $703 million in General Fund lease obligations (inclusive of required principal and interest payments) as of June 30, 2026, the majority of which is expected to be paid from funds other than the City's General Fund. State law sets the bonded limit for General Obligation bonds at 15% of the total assessed valuation of all real and personal property within the City. As of June 30, 2025, the City had no General Fund Obligation Bonds outstanding and had a total debt limit of approximately $11.26 billion associated with general obligation debt.

Summary of the City and Related Sacramento City Financing Authority and Sacramento Public Financing Outstanding Debt (does not include land-secured debt) are listed below.

The following summarizes what is included in the Debt Service Division Budgets:

- **2006 Capital Improvement Revenue Bonds (CIRBs), Series B, and E** - included (1) General Fund backed lease revenue bonds for Tier 1 Community Reinvestment Capital Improvement Program (CRCIP) projects supporting community non-profit organizations *(Crocker Art Museum Association, B Street Theater, Studio for Performing Arts, community non-profit organizations for the arts and youth)* which included loan agreements for some of the borrowed debt, and (2) refinancing of remaining debt associated with the 2001 CIRBs *(water and golf capital improvement projects [CIPs])*, 2002 CIRBs *(Civic Center, Sacramento Housing and Redevelopment Agency [SHRA] projects and other CIPs)*, and the 2003 CIRB *(911 call center and other CIPs)*.

- **2015 Golden 1 Center (G1C) Lease Revenue Bonds** – Financed the acquisition, construction, installation, and equipping of the Golden 1 Center in Downtown Commons.

- **2025 Refunding Revenue Bonds** – Refunded the 2015 Refunding Revenue Bonds. The 2025 Refunding Revenue Bonds were intentionally structured to front-load savings – primarily to benefit the City's general fund between Fiscal Years 2026 – 2029.

- **2016 H Street Refunding Bonds** – Refinanced the 2002 Certificates of Participation issued jointly by the City of Sacramento and County of Sacramento to finance the construction of the California Musical Theater; savings from the refinancing benefited the California Musical Theater via lower debt service payments.

- **2017 Water Revenue Bonds** – Financed the continuation of the City's Accelerated Water Meter Program, replacement of aging pipelines, rehabilitation of certain components of the City's water treatment plants, and miscellaneous capital projects.

- **2018 Transient Occupancy Tax Revenue Bonds** – Financed the renovation of the Convention Center, the Community Center Theater, and the Memorial Auditorium.

- **2019 Sacramento Tourism Infrastructure District Assessment Revenue Bonds** – Financed the construction of the second ballroom at the Convention Center.

- **2019 Wastewater Revenue Bonds** – Financed the rehabilitation of various wastewater sumps, rehabilitation of infrastructure in the combined sewer system and the separated system, as well as in-line and underground storage structures.

- **2020 Wastewater Revenue Refunding Bonds** – Refinanced a portion of the 2013 Wastewater Revenue Bonds. Cash-flow savings allowed the City's Wastewater System to pay for additional capital improvements without the need to raise utility rates in the near-term.

- **2020 Water Revenue Refunding Bonds** – Refinanced a portion of the 2013 Water Revenue Bonds. Cash-flow savings allowed the City's Water System to pay for additional capital improvements without the need to raise utility rates in the near-term.

- **2023 Water Revenue Refunding Bonds** – Refinanced a portion of the 2020 Water Revenue Refunding Bonds. Cash-flow savings allowed the City's Water System to pay for additional capital improvements without the need to raise utility rates in the near-term.

- **CA Department of Boating and Waterways Loans** – Financed the expansion of the north and south basins of the City's Marina.

- **Miscellaneous Debt (New Money)** – Financing for the acquisition, replacement, restoration, modification, and improvement of various equipment (fleet, vehicles, parking meters, garbage cans, and elevator equipment). Included in this are the (1) American Recovery and Reinvestment Act, Marina, and California Infrastructure and Economic Development Bank loans, and (2) financed improvements in various redevelopment project areas.

- **Miscellaneous Debt (Refunding)** – Refinanced numerous land-secured districts, primarily in Council District 1; savings benefit constituents who are part of those land-secured districts by way of reduced property taxes.

- **State Revolving Fund Loan (Drinking Water Program) –** Financed the Meter and Pipe Installation Project which benefited numerous areas throughout the city.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Debt Service	Reduce transfer of excess parking meter receipts to the Parking Fund (Fund 6004) from the General Fund (Fund 1001) for eligible costs that are incurred in the Parking Fund (Fund 6004).	Parking	-	(854,513)	-
		Total Change	**-**	**(854,513)**	**-**

Department Budget Summary

Debt Service Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
Services & Supplies	$ 34,968.00	$ 32,684.00	-	-	-	-
City Debt Service	99,853,237	98,124,013	105,380,686	105,380,686	102,915,079	(2,465,607)
Service and Supplies Offsets	89,800	-	-	-	-	-
Total	**$ 99,978,004**	**$ 98,156,697**	**$ 105,380,686**	**$ 105,380,686**	**$ 102,915,079**	**$ (2,465,607)**

Funding Summary by Fund/Special District	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
General Fund	$ 16,811,881	$ 16,396,475	$ 16,566,564	$ 16,566,564	$ 15,190,343	$ (1,376,221)
Innovation and Growth	1,100,000	-	-	-	-	-
2006 CIRBs (Refunding), Series E	238,057	253,659	231,156	231,156	231,060	(96)
2006 CIRBs, Series B (CRCIP)	1,356,318	1,694,098	1,510,059	1,510,059	1,448,640	(61,419)
2015 Golden 1 Center Revenue Bonds	2,276,470	2,426,506	9,086,258	9,086,258	8,989,420	(96,838)
2015 Refunding Revenue Bond	25,730	27,335	-	-	-	-
2016 Lease Financing-H Street	669,203	674,412	669,250	669,250	673,630	4,380
2018 TOT Revenue Bonds, Tax Exempt	117,417	(351,056)	(214)	(214)	(130)	84
2018 TOT Revenue Bonds, Taxable	246,530	709,654	-	-	-	-
2019 STID Revenue Bonds	52,192	51,765	-	-	-	-
CFD-Dev Fee	1,660	-	-	-	-	-
Community Center	18,863,763	19,964,536	20,318,464	20,318,464	20,319,630	1,166
Fleet Management	46,073	44,842	44,828	44,828	41,336	(3,492)
Golf	435,252	435,112	434,933	434,933	434,687	(246)
Marina	1,182,235	582,235	1,257,235	1,257,235	1,257,235	-
NNFP Public Facilities Fee	587,446	573,259	577,045	577,045	578,917	1,872
NNFP Reg Park Land Acquisition	845,886	825,457	830,908	830,908	833,604	2,696
Parking	10,076,516	9,780,738	9,576,631	9,576,631	8,753,987	(822,644)
Recycling and Solid Waste	1,676,733	1,674,543	1,666,892	1,666,892	1,583,047	(83,845)
Sacramento TID	2,690,894	2,695,398	2,741,750	2,741,750	2,738,750	(3,000)
Storm Drainage	235,205	232,860	232,486	232,486	226,446	(6,040)
Wastewater	3,489,386	3,912,037	3,913,157	3,913,157	3,907,451	(5,706)
Wastewater Rev Ref Bonds Ser 2020	539	1,393	-	-	-	-
Wastewater Revenue Bonds	429,270	-	-	-	-	-
Wastewater Revenue Bonds 2019	1,140	1,607	-	-	-	-
Water	36,497,046	32,420,889	35,723,284	35,723,284	35,707,026	(16,258)
Water Rev Ref Bonds Ser 2020	4,168	3,635	-	-	-	-
Water Rev Ref Bonds Ser 2023	(23,030)	29,563	-	-	-	-
Water Revenue Bonds	42,098	3,093,295	-	-	-	-
Water Revenue Bonds Ser. 2017	1,926	2,450	-	-	-	-
Total	**$ 99,978,004**	**$ 98,156,697**	**$ 105,380,686**	**$ 105,380,686**	**$ 102,915,079**	**$ (2,465,607)**

Division Budget Summary

Debt Service Budget Summary	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Approved	FY2025/26 Amended	FY2026/27 Approved	Change More/(Less) Approved/Amended
2018 TOT Revenue Bonds	$ 18,977,710	$ 18,973,134	$ 18,968,250	$ 18,968,250	$ 18,969,500	$ 1,250
2017 Water Revenue Bonds	3,379,824	3,378,077	3,376,288	3,376,288	3,379,038	2,750
2020 Water Revenue Refinance Bonds	6,619,504	5,202,796	9,091,004	9,091,004	10,066,377	975,373
2023 Water Revenue Refinance Bonds	807,854	1,262,314	3,282,000	3,282,000	2,304,625	(977,375)
2015 G1C Lease Revenue Bonds Division	11,976,470	11,826,506	18,286,258	18,286,258	17,434,907	(851,351)
2015 Refunding Revenue Bonds	9,922,524	9,927,951	9,898,312	9,898,312	-	(9,898,312)
2025 Refunding Revenue Bonds	-	-	-	-	8,300,375	8,300,375
2019 STID Revenue Bonds Division	2,743,086	2,747,163	2,741,750	2,741,750	2,738,750	(3,000)
2013 Water Revenue Bonds	5,719,874	5,720,670	-	-	-	-
2013 Wastew ater Revenue Bonds	828,072	-	-	-	-	-
2019 Wastew ater Revenue Bonds	2,117,576	2,118,664	2,116,375	2,116,375	2,118,750	2,375
2020 Wastew ater Revenue Refinance Bonds	928,612	1,751,531	1,751,954	1,751,954	1,747,365	(4,589)
2006 CIRBs Series B, D, E Division	24,065,122	23,960,125	23,965,207	23,965,207	23,956,961	(8,246)
Miscellaneous Division-Debt Service	11,891,775	11,287,766	11,903,288	11,903,288	11,898,431	(4,857)
Total	**$ 99,978,004**	**$ 98,156,697**	**$ 105,380,686**	**$ 105,380,686**	**$ 102,915,079**	**$ (2,465,607)**

28

SECTION - 28
Staffing

Citywide Staffing Summary

Department	FY2025/26 Amended	FY2026/27 Proposed	FY2026/27 Changes	FY2026/27 Approved
Mayor/Council	43.00	39.00	-	39.00
City Auditor	10.00	10.00	-	10.00
City Attorney	63.00	60.00	1.00	61.00
City Clerk	23.00	21.00	-	21.00
City Manager	50.00	47.00	(32.00)	15.00
City Treasurer	13.00	13.00	-	13.00
Community Development	315.00	315.00	-	315.00
Community Response	38.00	39.00	-	39.00
Convention and Cultural Services	124.50	122.80	-	122.80
Economic Development	-	-	32.00	32.00
Finance	102.00	101.00	1.00	102.00
Fire	765.50	764.50	1.00	765.50
Human Resources	77.00	76.00	-	76.00
Information Technology	202.50	197.50	-	197.50
Police	1,092.50	1,030.50	-	1,030.50
Public Works	780.65	782.65	-	782.65
Utilities	607.18	608.18	-	608.18
Youth, Parks, and Community Enrichment	678.00	593.94	60.13	654.07
Total	**4,984.83**	**4,821.07**	**63.13**	**4,884.20**

Mayor/Council	FY2025/26 Amended	FY2026/27 Approved	Change
Chief of Staff to the Mayor	1.00	1.00	-
City Council	4.00	4.00	-
Council Representative	1.00	1.00	-
Director of Public Safety Accountability	1.00	1.00	-
Executive Assistant (MC)	13.00	12.00	(1.00)
Mayor	1.00	1.00	-
OPS Accountability Analyst	1.00	1.00	-
OPS Accountability Inspector General	1.00	-	(1.00)
OPSA Assistant Director	1.00	-	(1.00)
OPSA Community Engagement Coordinator	1.00	1.00	-
OPSA Deputy Inspector General	1.00	1.00	-
OPSA Investigator	2.00	1.00	(1.00)
OPSA Senior Investigator	2.00	2.00	-
Senior Advisor to the Mayor	3.00	3.00	-
Senior Council Representative	9.00	9.00	-
Special Assistant to the Mayor	1.00	1.00	-
Total	**43.00**	**39.00**	**(4.00)**

City Attorney	FY2025/26 Amended	FY2026/27 Approved	Change
Assistant City Attorney	2.00	2.00	-
Chief Assistant City Attorney	1.00	1.00	-
City Attorney	1.00	1.00	-
Deputy City Attorney I	-	3.00	3.00
Deputy City Attorney II	3.00	3.00	-
Law Office Administrator	1.00	1.00	-
Legal Secretary (Ex)	9.00	9.00	-
Legal Staff Assistant (Ex)	2.00	2.00	-
Paralegal (Ex)	6.00	4.00	(2.00)
Paralegal Technical Support	1.00	1.00	-
Senior Deputy City Attorney	29.00	26.00	(3.00)
Senior Legal Staff Asst (Ex)	1.00	1.00	-
Special Assistant to City Attorney	1.00	1.00	-
Supervising Deputy City Attorney	4.00	4.00	-
Supervising Legal Secretary	2.00	2.00	-
Total	**63.00**	**61.00**	**(2.00)**

City Auditor	FY2025/26 Amended	FY2026/27 Approved	Change
Assistant Director	1.00	1.00	-
City Auditor	1.00	1.00	-
Fiscal Policy Analyst	3.00	3.00	-
Principal Fiscal Policy Anlyst	2.00	2.00	-
Senior Fiscal Policy Analyst	3.00	3.00	-
Total	**10.00**	**10.00**	**-**

City Clerk	FY2025/26 Amended	FY2026/27 Approved	Change
Administrative Analyst	6.00	6.00	-
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Council/Clerk Operations Manager	1.00	1.00	-
Deputy City Clerk	8.00	6.00	(2.00)
Program Specialist	3.00	3.00	-
Senior Deputy City Clerk	3.00	3.00	-
Total	**23.00**	**21.00**	**(2.00)**

City Manager	FY2025/26 Amended	FY2026/27 Approved	Change
Administrative Analyst	13.00	1.00	(12.00)
Administrative Officer	1.00	1.00	-
Administrative Technician	1.00	-	(1.00)
Assistant City Manager	4.00	4.00	-
Assistant Director	1.00	-	(1.00)
Assistant to the City Manager	1.00	1.00	-
City Housing Manager	1.00	-	(1.00)
City Manager	1.00	1.00	-
Community Engagement Manager	1.00	-	(1.00)
Development Project Manager	8.00	-	(8.00)
Director of Governmental Affairs	1.00	1.00	-
Economic Development Manager	3.00	-	(3.00)
Executive Assistant (CMO)	1.00	1.00	-
Graphic Designer	1.00	1.00	-
Media and Communications Officer	1.00	1.00	-
Media and Communications Specialist	2.00	1.00	(1.00)
Neighborhood Services Area Manager	1.00	-	(1.00)
Program Specialist	2.00	1.00	(1.00)
Senior Development Project Manager	4.00	-	(4.00)
Special Projects Manager	2.00	1.00	(1.00)
Total	**50.00**	**15.00**	**(35.00)**

City Treasurer	FY2025/26 Amended	FY2026/27 Approved	Change
Administrative Analyst	1.00	1.00	-
Banking Operations Manager	1.00	1.00	-
Chief Investment Officer	1.00	1.00	-
City Treasurer	1.00	1.00	-
Debt Analyst	2.00	2.00	-
Investment Officer	1.00	1.00	-
Investment Operations Analyst	1.00	1.00	-
Senior Debt Analyst	1.00	1.00	-
Senior Investment Officer	1.00	1.00	-
Treasury Analyst	2.00	2.00	-
Treasury Manager	1.00	1.00	-
Total	**13.00**	**13.00**	**-**

Community Development	FY2025/26 Amended	FY2026/27 Approved	Change
Account Clerk II	2.00	2.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	9.00	9.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	5.00	5.00	-
Animal Care Services Manager	1.00	1.00	-
Animal Care Technician	16.00	15.00	(1.00)
Animal Control Officer I	9.00	9.00	-
Animal Control Officer II	3.00	3.00	-
Animal Services Coordinator	6.00	7.00	1.00
Assistant Architect	1.00	-	(1.00)
Assistant Code Enforcement Officer	6.00	6.00	-
Assistant Director	1.00	1.00	-
Assistant Planner	6.00	5.00	(1.00)
Associate Architect	-	1.00	1.00
Associate Civil Engineer	3.00	3.00	-
Associate Planner	18.00	17.00	(1.00)
Building Inspector I	16.00	16.00	-
Building Inspector II	15.00	15.00	-
Building Inspector III	20.00	19.00	(1.00)
Building Inspector IV	13.00	15.00	2.00
Chief Animal Control Officer	1.00	1.00	-
Chief Building Official	1.00	1.00	-
Code Enforcement Manager	1.00	1.00	-
Code Enforcement Officer	25.00	25.00	-
Code and Housing Enforcement Chief	1.00	1.00	-
Crew Leader (Landscape&Learning)	0.50	0.50	-
Customer Service Representative	18.00	19.00	1.00
Customer Service Specialist	8.00	8.00	-
Customer Service Supervisor	3.00	3.00	-
Deputy Chief Building Official	1.00	1.00	-
Development Project Manager	5.00	5.00	-
Development Services Technician I	4.00	3.00	(1.00)
Development Services Technician II	6.00	7.00	1.00
Development Services Technician III	4.00	4.00	-
Director of Community Development	1.00	1.00	-
Junior Planner	2.00	4.00	2.00
Painter	1.00	1.00	-
Permit Services Manager	1.00	1.00	-
Permit Services Supervisor	1.00	1.00	-
Planning Director	1.00	1.00	-
Plans Examiner III	1.00	-	(1.00)
Principal Building Inspector	3.00	3.00	-
Principal Planner	6.00	6.00	-
Program Manager	2.00	2.00	-
Program Specialist	7.00	7.00	-
Public Information Coordinator	1.00	1.00	-

Community Development (continued)	FY2025/26 Amended	FY2026/27 Approved	Change
Registered Veterinary Technician	7.00	7.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	1.00	1.00	-
Senior Animal Care Technician	2.00	2.00	-
Senior Animal Control Officer	2.00	2.00	-
Senior Architect	2.00	2.00	-
Senior Code Enforcement Officer	5.00	5.00	-
Senior Development Project Manager	1.00	1.00	-
Senior Engineer	1.00	-	(1.00)
Senior Painter	1.00	1.00	-
Senior Planner	11.00	11.00	-
Supervising Building Inspector	8.00	8.00	-
Supervising Code Enforcement Officer	2.00	2.00	-
Supervising Engineer	1.00	1.00	-
Supervising Financial Analyst	1.00	1.00	-
Support Services Manager	-	-	-
Urban Design Manager	1.00	1.00	-
Veterinarian	3.00	3.00	-
Youth Aide	0.50	0.50	-
Zoning Investigator	2.00	2.00	-
Total	**315.00**	**315.00**	**-**

*The Animal Control Officer I and II change is due to changes between flex positions.

*The Assistant Architect and Associate Architect change is due to changes between flex positions.

*The Assistant Planner, Associate Planner and Junior Planner change is due to changes between flex positions.

*The Development Services Technician I and II change is due to changes between flex positions.

Community Response	FY2025/26 Amended	FY2026/27 Approved	Change
Accountant Auditor	1.00	1.00	-
Administrative Analyst	6.00	6.00	-
Administrative Assistant	1.00	1.00	-
Administrative Technician	1.00	2.00	1.00
Assistant Director	1.00	1.00	-
Director of Community Response	1.00	1.00	-
Neighborhood Resources Coordinator I	12.00	12.00	-
Neighborhood Resources Coordinator II	7.00	7.00	-
Program Manager	2.00	2.00	-
Program Specialist	4.00	4.00	-
Senior Staff Assistant	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Total	**38.00**	**39.00**	**1.00**

Convention and Cultural Services	FY2025/26 Amended	FY2026/27 Approved	Change
Administrative Analyst	4.50	4.50	-
Administrative Assistant	-	1.00	1.00
Administrative Officer	2.00	2.00	-
Administrative Technician	5.75	5.75	-
Archivist	3.00	3.00	-
Art Museum Registrar	1.00	1.00	-
Arts Administrator	1.00	1.00	-
Arts Program Assistant	2.00	2.00	-
Arts Program Coordinator	2.00	2.00	-
Arts Program Specialist	1.00	1.00	-
Assistant Box Office Supervisor	2.00	2.00	-
Assistant Director	1.00	1.00	-
Associate Curator of Art	1.00	1.00	-
Booking Coordinator	1.00	-	(1.00)
Building Maintenance Worker	1.00	2.00	1.00
Carpenter	-	1.00	1.00
City Historian	1.00	1.00	-
Community Center Attendant I	10.00	10.00	-
Community Center Attendant II	6.00	6.00	-
Contract and Compliance Specialist	1.00	1.00	-
Convention Center General Manager	1.00	1.00	-
Cultural and Creative Economy Manager	1.00	1.00	-
Curator of Art	1.00	1.00	-
Curator of Education	1.00	1.00	-
Curator of History	1.00	1.00	-
Deputy Convention Center General Manager	1.00	1.00	-
Director of Convention and Cultural Services	1.00	1.00	-
Events Associate	14.50	14.50	-
Events Coordinator	5.00	3.00	(2.00)
Events Duty Person	2.30	2.30	-
Events Services Manager	3.00	3.00	-
Events Services Supervisor	12.00	12.00	-
Facilities and Real Property Superintendent	1.00	1.00	-
Marina Aide	1.20	-	(1.20)
Mechanical Maintenance Supervisor	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Office Specialist	1.00	1.00	-
Program Manager	2.00	2.00	-
Program Specialist	2.00	2.00	-
Registrar	1.00	0.50	(0.50)
Senior Building Maintenance Worker	-	1.00	1.00
Senior Stationary Engineer	2.00	2.00	-
Stagehand I	2.00	2.00	-
Stagehand II	2.00	4.00	2.00
Stationary Engineer	6.00	3.00	(3.00)
Supervising Community Center Attendant	4.00	4.00	-
Ticket Seller (Exempt)	6.25	6.25	-
Zoo Attendant I	2.00	2.00	-
Total	**124.50**	**122.80**	**(1.70)**

Economic Development	FY2025/26 Amended	FY2026/27 Approved	Change
Administrative Analyst	-	10.00	10.00
Administrative Technician	-	1.00	1.00
Assistant Director	-	1.00	1.00
City Housing Manager	-	1.00	1.00
Community Engagement Manager	-	1.00	1.00
Development Project Manager	-	8.00	8.00
Economic Development Manager	-	3.00	3.00
Neighborhood Services Area Manager	-	1.00	1.00
Program Specialist	-	1.00	1.00
Senior Development Project Manager	-	5.00	5.00
Total	**-**	**32.00**	**32.00**

Finance	FY2025/26 Amended	FY2026/27 Approved	Change
Account Clerk II	4.00	5.00	1.00
Accountant Auditor	2.00	1.00	(1.00)
Accounting Technician	3.00	2.00	(1.00)
Administrative Analyst	9.00	9.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	2.00	2.00	-
Administrative Technician	7.00	7.00	-
Budget Manager	1.00	1.00	-
Cannabis Manager	1.00	1.00	-
Claims Collector	6.00	6.00	-
Contract and Compliance Specialist	2.00	2.00	-
Customer Service Representative	13.00	13.00	-
Customer Service Specialist	4.00	4.00	-
Customer Service Supervisor	2.00	2.00	-
Development Project Manager	2.00	2.00	-
Director of Finance	1.00	1.00	-
Enforcement and Collections Supervisor	1.00	1.00	-
Finance Manager	3.00	3.00	-
Financial Services Supervisor	-	-	-
Payroll Technician	4.00	4.00	-
Principal Budget Analyst	3.00	3.00	-
Procurement Services Manager	1.00	1.00	-
Program Manager	5.00	5.00	-
Program Specialist	2.00	3.00	1.00
Senior Accountant Auditor	9.00	9.00	-
Senior Accounting Technician	2.00	2.00	-
Senior Budget Analyst	3.00	3.00	-
Senior Claims Collector	1.00	1.00	-
Senior Development Project Manager	4.00	4.00	-
Special Districts Manager	1.00	1.00	-
Supervising Financial Analyst	3.00	3.00	-
Total	**102.00**	**102.00**	**-**

*The Program Specialist is a transfer from IT.

Fire	FY2025/26 Amended	FY2026/27 Approved	Change
Account Clerk II	3.00	3.00	-
Administrative Analyst	10.00	10.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	12.00	12.00	-
Cache Logistics Coordinator	2.00	2.00	-
Contract and Compliance Specialist	1.00	1.00	-
Customer Service Representative	2.00	2.00	-
Deputy Fire Chief	4.00	4.00	-
Emergency Medical Service Trainee	10.00	10.00	-
EMS Coordinator	2.00	2.00	-
Fire Assistant Chief	8.00	7.00	(1.00)
Fire Battalion Chief	12.00	12.00	-
Fire Battalion Chief (Admin)	3.00	3.00	-
Fire Captain	111.00	111.00	-
Fire Captain (Admin)	12.00	12.00	-
Fire Chief	1.00	1.00	-
Fire Engineer	105.00	105.00	-
Fire Engineer (Admin)	4.00	4.00	-
Fire Investigator I	5.00	5.00	-
Fire Investigator II	2.00	2.00	-
Fire Marshal	1.00	1.00	-
Fire Prevention Officer I	2.00	8.00	6.00
Fire Prevention Officer II	11.00	11.00	-
Fire Prevention Officer Trainee	6.00	3.00	(3.00)
Fire Recruit	11.50	11.50	-
Fire Service Worker	3.00	3.00	-
Firefighter	349.00	319.00	(30.00)
Firefighter (Admin)	5.00	11.00	6.00
Investigator	1.00	1.00	-
Media and Communications Specialist	1.00	1.00	-
Office Specialist	6.00	6.00	-
Pick Up Driver	2.00	2.00	-
Program Specialist	4.00	4.00	-
Public Safety Administrative Manager	1.00	1.00	-
Sacramento Fire EMT	20.00	30.00	10.00
Sacramento Fire Paramedic	20.00	30.00	10.00
Senior Fire Prevention Officer	4.00	5.00	1.00
Senior Staff Assistant	1.00	1.00	-
Stores Administrator	1.00	2.00	1.00
Stores Clerk II	4.00	4.00	-
Supervising Fire Service Worker	1.00	1.00	-
Total	**765.50**	**765.50**	**-**

*The Fire Prevention Officer I, II and Fire Prevention Officer Trainee (3.0 FTE) change is due to changes between flex positions.

Human Resources	FY2025/26 Amended	FY2026/27 Approved	Change
Accountant Auditor	1.00	1.00	-
Administrative Analyst	7.00	6.00	(1.00)
Administrative Assistant	-	-	-
Administrative Officer	1.00	1.00	-
Administrative Technician	1.00	2.00	1.00
Director of Human Resources	1.00	1.00	-
Diversity and Equity Manager	1.00	1.00	-
Environmental Health and Safety Manager	1.00	1.00	-
Environmental Health and Safety Officer	1.00	1.00	-
Environmental Health and Safety Specialist	7.00	7.00	-
Equal Employment Manager	1.00	1.00	-
Equal Employment Specialist	1.00	1.00	-
Human Resources Manager (Rep20)	3.00	3.00	-
Labor Relations Adm/EEO Investigatior	2.00	2.00	-
Labor Relations Analyst	1.00	1.00	-
Labor Relations Officer	5.00	5.00	-
Personnel Analyst	8.00	9.00	1.00
Personnel Technician	14.00	13.00	(1.00)
Program Manager	1.00	1.00	-
Program Specialist	-	-	-
Risk Manager	1.00	1.00	-
Senior Personnel Analyst	4.00	4.00	-
Senior Staff Assistant	2.00	1.00	(1.00)
Staff Assistant	1.00	1.00	-
Workers Compensation Claims Assistant I	2.00	2.00	-
Workers Compensation Claims Assistant II	1.00	1.00	-
Workers Compensation Claims Manager	1.00	1.00	-
Workers Compensation Claims Representative	6.00	6.00	-
Workers Compensation Claims Supervisor	2.00	2.00	-
Total	**77.00**	**76.00**	**(1.00)**

Information Technology	FY2025/26 Amended	FY2026/27 Approved	Change
311 Customer Service Agent	32.50	31.50	(1.00)
311 Customer Service Specialist	3.00	3.00	-
311 Customer Service Supervisor	3.00	3.00	-
311 Manager	1.00	1.00	-
Administrative Analyst	3.00	4.00	1.00
Administrative Technician	1.00	1.00	-
Applications Developer	13.00	13.00	-
Assistant Director	1.00	1.00	-
Chief Information Officer	1.00	1.00	-
Department Systems Specialist I	1.00	-	(1.00)
Department Systems Specialist II	3.00	2.00	(1.00)
Geographic Information Systems Specialist I	2.00	2.00	-
Geographic Information Systems Specialist II	8.00	8.00	-
Geographic Information Systems Specialist III	4.00	3.00	(1.00)
Information Technology Manager	5.00	4.00	(1.00)
Information Technology Supervisor	12.00	13.00	1.00
Information Technology Support Specialist I	12.00	11.00	(1.00)
Information Technology Support Specialist II	11.00	10.00	(1.00)
Information Technology Trainee	3.00	4.00	1.00
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	1.00	1.00	-
Principal Applications Developer	12.00	11.00	(1.00)
Principal Systems Engineer	7.00	7.00	-
Program Manager	3.00	3.00	-
Program Specialist	11.00	10.00	(1.00)
Senior Applications Developer	15.00	15.00	-
Senior Department System Specialist	6.00	6.00	-
Senior Information Technology Support Specialist	2.00	2.00	-
Senior Systems Engineer	10.00	9.00	(1.00)
Senior Telecommunications Technician	1.00	1.00	-
Support Services Manager	-	1.00	1.00
Systems Engineer	10.00	9.00	(1.00)
Telecommunications Engineer III	3.00	3.00	-
Telecommunications Technician I	1.00	-	(1.00)
Telecommunications Technician II	-	1.00	1.00
Telecommunications Technician Trainee	-	2.00	2.00
Total	**202.50**	**197.50**	**(5.00)**

*The Department Systems Specialist I and Information Technology Trainee change is due to changes between flex positions.

*The IT Support Specialist I and II (1.0 FTE) change is due to changes between flex positions.

*The Program Specialist change is due to a transfer to Finance.

*The Telecommunications Technician I and II change is due to changes between flex positions.

Police	FY2025/26 Amended	FY2026/27 Approved	Change
Account Clerk II	1.00	1.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	30.00	33.00	3.00
Administrative Officer	5.00	5.00	-
Administrative Technician	14.00	17.00	3.00
Community Service Officer II	23.00	16.00	(7.00)
Community Service Officer III	10.00	5.00	(5.00)
Community Service Representative I	3.00	2.00	(1.00)
Custodian II	5.00	5.00	-
Deputy Police Chief	3.00	3.00	-
Dispatcher I	17.00	19.00	2.00
Dispatcher II	63.00	59.00	(4.00)
Dispatcher III	12.00	12.00	-
Evidence & Property Technician	9.00	9.00	-
Fingerprint Clerk	3.00	2.00	(1.00)
Forensic Investigator I	3.00	3.00	-
Forensic Investigator II	18.00	18.00	-
Governmental Affairs Manager	1.00	-	(1.00)
Governmental Affairs Manager Public Safety	-	1.00	1.00
Media and Communications Specialist	1.00	-	(1.00)
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	2.00	2.00	-
Personnel Transactions Coordinator	1.00	1.00	-
Police Captain	11.00	10.00	(1.00)
Police Chief	1.00	1.00	-
Police Clerk II	17.00	14.00	(3.00)
Police Clerk III	2.00	2.00	-
Police Lieutenant	26.00	25.00	(1.00)
Police Officer	596.00	567.00	(29.00)
Police Records Specialist I	10.00	10.00	-
Police Records Specialist II	46.00	34.00	(12.00)
Police Records Specialist III	3.00	2.00	(1.00)
Police Records Supervisor	7.00	6.00	(1.00)
Police Sergeant	96.00	93.00	(3.00)
Program Specialist	3.00	3.00	-
Public Safety Admin. Manager	1.00	2.00	1.00
Senior Evidence/Property Tech	4.00	4.00	-
Senior Police Records Supervisor	3.00	3.00	-
Senior Staff Assistant	1.00	1.00	-
Special Projects Manager	1.00	1.00	-
Student Trainee (Most Majors)	28.50	27.50	(1.00)
Supervising Dispatcher	3.00	3.00	-
Supervising Forensic Investigator	4.00	4.00	-
Supervising Property Assistant	1.00	1.00	-
Total	**1,092.50**	**1,030.50**	**(62.00)**

*The Dispatcher I and II (3.0 FTE) change is due to changes between flex positions.

Public Works	FY2025/26 Amended	FY2026/27 Approved	Change
Account Clerk II	2.00	2.00	-
Accountant Auditor	3.00	3.00	-
Accounting Technician	6.00	6.00	-
Administrative Analyst	28.00	28.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	6.00	2.00
Administrative Technician	9.00	9.00	-
Arborist/Urban Forester	7.00	7.00	-
Architectural Technician III	1.00	1.00	-
Assistant Architect	2.00	2.00	-
Assistant Civil Engineer	22.00	21.00	(1.00)
Assistant Director	1.00	1.00	-
Associate Architect	1.00	1.00	-
Associate Civil Engineer	6.00	5.00	(1.00)
Associate Electrical Engineer	2.00	2.00	-
Associate Mechanical Engineer	1.00	1.00	-
Associate Planner	3.00	4.00	1.00
Building Inspector IV	1.00	1.00	-
Building Maintenance Worker	9.00	9.00	-
Building Services Manager	2.00	2.00	-
Carpenter	3.00	3.00	-
Code Enforcement Officer	5.00	5.00	-
Concrete Construction Leadworker	2.00	2.00	-
Construction Inspector I	2.00	2.00	-
Construction Inspector II	9.00	10.00	1.00
Construction Inspector III	10.00	9.00	(1.00)
Contract and Compliance Specialist	2.00	2.00	-
Custodian I	4.00	4.00	-
Custodian II	1.00	1.00	-
Customer Service Representative	2.00	2.00	-
Customer Service Specialist	3.00	3.00	-
Development Project Manager	3.00	3.00	-
Development Services Technician II	2.00	2.00	-
Director of Public Works	1.00	1.00	-
Electrical Construction Inspector I	-	2.00	2.00
Electrical Construction Inspector III	2.00	-	(2.00)
Electrician	3.00	4.00	1.00
Electrician Supervisor	1.00	1.00	-
Electronic Maintenance Tech I	1.00	1.00	-
Engineering Manager	2.00	2.00	-
Engineering Technician II	1.00	1.00	-
Engineering Technician III	5.00	5.00	-
Equipment Maintenance Supervisor	4.00	4.00	-
Equipment Mechanic I	12.00	9.00	(3.00)
Equipment Mechanic II	21.00	24.00	3.00
Equipment Mechanic III	7.00	7.00	-
Equipment Serviceworker	22.00	22.00	-
Facilities and Real Property Superintendent	3.00	3.00	-
Facilities Manager	1.00	1.00	-
Fleet Management Technician	3.00	3.00	-
Fleet Manager	1.00	1.00	-
Fleet Service Coordinator	4.00	4.00	-
HVAC Supervisor	1.00	1.00	-
HVAC Systems Mechanic	6.00	6.00	-
Integrated Waste Equipment Operator	132.30	131.30	(1.00)

	FY2025/26 Amended	FY2026/27 Approved	Change
Public Works (continued)			
Integrated Waste General Manager	1.00	1.00	-
Integrated Waste General Supervisor	2.00	2.00	-
Integrated Waste Planning Superintendent	1.00	1.00	-
Integrated Waste Supervisor	10.00	10.00	-
Junior Engineer	-	1.00	1.00
Licensed Land Surveyor	1.00	1.00	-
Locksmith	1.00	1.00	-
Mail Processor II (Legacy)	1.00	1.00	-
Maintenance Worker	16.00	16.00	-
Marina Aide	1.60	1.60	-
Marina Manager	1.00	1.00	-
Marina and Boating Facilities Attendant	3.00	3.00	-
Media and Communications Specialist	1.00	1.00	-
Operations General Supervisor	11.00	13.00	2.00
Painter	3.00	3.00	-
Parking Enforcement Officer	48.00	43.00	(5.00)
Parking Enforcement Supervisor	4.00	4.00	-
Parking Facilities Maintenance Supervisor	2.00	2.00	-
Parking Lot Attendant	19.75	19.75	-
Parking Lot Supervisor	5.00	5.00	-
Parking Manager	1.00	1.00	-
Parking Meter Coin Collector	4.00	4.00	-
Parking Meter Collection Supervisor	1.00	1.00	-
Parking Meter Repair Worker	4.00	4.00	-
Planning Director	1.00	1.00	-
Plumber	4.00	4.00	-
Plumbing Supervisor	1.00	1.00	-
Principal Planner	2.00	2.00	-
Program Manager	5.00	5.00	-
Program Specialist	14.00	10.00	(4.00)
Real Property Agent II	2.00	2.00	-
Real Property Agent III	2.00	2.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	3.00	3.00	-
Senior Architect	2.00	2.00	-
Senior Code Enforcement Officer	1.00	1.00	-
Senior Electronic Maintenance Technician	1.00	1.00	-
Senior Engineer	17.00	17.00	-
Senior Engineering Technician	2.00	2.00	-
Senior HVAC Systems Mechanic	2.00	2.00	-
Senior Integrated Waste Equipment Operator	11.00	11.00	-
Senior Landfill Engineering Technician	1.00	1.00	-
Senior Maintenance Worker	1.00	1.00	-
Senior Office Specialist	5.00	5.00	-
Senior Parking Lot Attendant	5.00	5.00	-
Senior Planner	1.00	2.00	1.00
Senior Staff Assistant	1.00	2.00	1.00
Senior Tree Maintenance Worker	4.00	4.00	-
Senior Tree Pruner	4.00	4.00	-
Senior Parking Enforcement Officer	-	5.00	5.00
Staff Assistant	2.00	2.00	-
Street Construction Equipment Operator	7.00	7.00	-
Street Construction Laborer	31.00	31.00	-
Street Construction Laborer Trainee	11.00	11.00	-
Street Maintenance Supervisor	8.00	8.00	-

	FY2025/26 Amended	FY2026/27 Approved	Change
Public Works (continued)			
Streets Manager	1.00	1.00	-
Structural Maintenance Supervisor	2.00	2.00	-
Supervising Architect	2.00	2.00	-
Supervising Construction Inspector	4.00	4.00	-
Supervising Engineer	8.00	8.00	-
Supervising Financial Analyst	3.00	3.00	-
Supervising Surveyor	1.00	1.00	-
Support Services Manager	2.00	2.00	-
Survey Party Chief	2.00	2.00	-
Survey Technician II	2.00	2.00	-
Telecommunications Engineer I	1.00	1.00	-
Telecommunications Engineer II	1.00	1.00	-
Telecommunications Technician I	1.00	1.00	-
Traffic Control and Lighting Supervisor	3.00	3.00	-
Traffic Control and Lighting Technician I	7.00	6.00	(1.00)
Traffic Control and Lighting Technician II	3.00	3.00	-
Traffic Control and Lighting Technician Trainee	5.00	6.00	1.00
Traffic Investigator I	3.00	5.00	2.00
Traffic Investigator III	4.00	2.00	(2.00)
Traffic Supervisor	3.00	3.00	-
Traffic Worker I	8.00	8.00	-
Traffic Worker II	6.00	6.00	-
Traffic Worker III	2.00	2.00	-
Tree Maintenance Supervisor	1.00	1.00	-
Tree Maintenance Worker	6.00	6.00	-
Tree Pruner II	9.00	10.00	1.00
Tree Pruner Supervisor	2.00	2.00	-
Tree Pruner Trainee	1.00	-	(1.00)
Vehicle Service Attendant	1.00	1.00	-
Total	**780.65**	**782.65**	**2.00**

*The Associate Civil Engineer and Junior Engineer change is due to changes between flex positions.

*The Construction Inspector II and III change is due to changes between flex positions.

*The Electrical Construction Inspector I and II change is due to changes between flex positions.

*The Equipment Mechanic I and II change is due to changes between flex positions.

*The Traffic Control and Lighting Technician I and Trainee change is due to changes between flex positions.

*The Traffic Investigator I and III change is due to changes between flex positions.

*The Tree Pruner II and Trainee change is due to changes between flex positions.

Utilities	FY2025/26 Amended	FY2026/27 Approved	Change
Accountant Auditor	1.00	1.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	32.00	31.00	(1.00)
Administrative Assistant	1.00	1.00	-
Administrative Technician	14.00	14.00	-
Assistant Civil Engineer	14.00	16.00	2.00
Assistant Director	1.00	1.00	-
Assistant Electrical Engineer	1.00	1.00	-
Assistant Water Cross Connection Control Specialist	4.00	4.00	-
Associate Civil Engineer	12.00	11.00	(1.00)
Blacksmith Welder	1.00	1.00	-
Business Services Manager	1.00	1.00	-
Claims Collector	1.00	1.00	-
Construction Inspector II	2.00	2.00	-
Construction Inspector III	1.00	1.00	-
Customer Service Representative	26.00	26.00	-
Customer Service Specialist	8.00	8.00	-
Customer Service Supervisor	4.00	4.00	-
Development Services Technician II	2.00	2.00	-
Development Services Technician III	1.00	1.00	-
Director of Utilities	1.00	1.00	-
Electrical Design Technician	1.00	1.00	-
Electrician	10.00	10.00	-
Electrician Supervisor	2.00	2.00	-
Engineering Manager	1.00	1.00	-
Engineering Technician II	2.00	2.00	-
Engineering Technician III	2.00	2.00	-
Executive Director SAC CCOMWP	1.00	1.00	-
General Repair Worker	1.00	1.00	-
Generator Technician	5.00	5.00	-
Governmental Affairs Manager	1.00	1.00	-
Instrument Technician I	4.00	4.00	-
Instrument Technician II	8.00	8.00	-
Instrumentation Supervisor	1.00	1.00	-
IT Supervisor	2.00	-	(2.00)
Junior Engineer	1.00	-	(1.00)
Junior Plant Operator	11.00	10.00	(1.00)
Machinist	16.00	16.00	-
Machinist Helper	16.00	16.00	-
Machinist Supervisor	4.00	4.00	-
Media and Communications Specialist	1.00	1.00	-
Meter Reader	4.00	4.00	-
Meter Reading Supervisor	1.00	1.00	-
Office Specialist	2.00	2.00	-
Personnel Transactions Coordinator	1.00	1.00	-
Plant Operator	35.00	35.00	-
Process Control Supervisor	-	2.00	2.00
Process Control Systems Specialist	7.00	7.00	-
Program Manager	6.00	6.00	-
Program Specialist	16.00	17.00	1.00
Public Information Coordinator	1.00	1.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Electrician	3.00	3.00	-
Senior Engineer	20.00	20.00	-

Utilities (continued)	FY2025/26 Amended	FY2026/27 Approved	Change
Senior Engineering Technician	1.00	1.00	-
Senior Generator Technician	2.00	2.00	-
Senior Maintenance Worker	2.00	2.00	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Plant Operator	17.00	18.00	1.00
Senior Staff Assistant	5.00	5.00	-
Senior Store Keeper	1.00	1.00	-
Storekeeper	4.00	4.00	-
Stores Administrator	1.00	1.00	-
Student Trainee	0.18	0.18	-
Supervising Construction Inspector	1.00	1.00	-
Supervising Engineer	7.00	7.00	-
Supervising Financial Analyst	1.00	1.00	-
Supervising Generator Technician	1.00	1.00	-
Supervising Plant Operator	8.00	8.00	-
Supervising Water Quality Chemist	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Utilities Locator	7.00	6.00	(1.00)
Utilities Operations and Maintenance Leadworker	78.00	79.00	1.00
Utilities Operations and Maintenance Manager	2.00	2.00	-
Utilities Operations and Maintenance Serviceworker	98.00	99.00	1.00
Utilities Operations and Maintenance Superintendent	8.00	8.00	-
Utilities Operations and Maintenance Supervisor	19.00	19.00	-
Utility Construction Coordinator	2.00	2.00	-
Utility Services Inspector	2.00	2.00	-
Water Conservation Representative	3.00	3.00	-
Water Conservation Specialist	4.00	4.00	-
Water Cross Connection Control Specialist	1.00	1.00	-
Water Quality Chemist	5.00	5.00	-
Water Quality Lab Technician	4.00	4.00	-
Total	**607.18**	**608.18**	**1.00**

*The Assistant Civil Engineer, Associate Engineer and Junior Engineer change is due to changes between flex positions.

Youth, Parks, & Community Enrichment	FY2025/26 Amended	FY2026/27 Approved	Change
Accounting Technician	3.00	3.00	-
Administrative Analyst	12.00	12.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	5.00	5.00	-
Administrative Technician	4.00	4.00	-
Aquatic Specialist	1.80	0.90	(0.90)
Aquatics Recreation Coordinator	4.00	4.00	-
Aquatics Recreation Supervisor	2.00	2.00	-
Assistant Camp Caretaker	0.35	0.35	-
Assistant Camp Chef	1.03	0.33	(0.70)
Assistant Camp Sacramento Supervisor	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant Pool Manager	10.80	10.80	-
Associate Landscape Architect	3.00	3.00	-
Associate Planner	1.00	1.00	-
Building Monitor	13.96	16.69	2.73
Camp Aide	5.00	4.25	(0.75)
Camp Caretaker	0.50	0.50	-
Camp Chef	1.50	1.89	0.39
Camp Host	0.50	0.50	-
Camp Program Director	1.99	1.64	(0.35)
Camp Recreation Leader	1.70	1.45	(0.25)
Camp Sacramento Supervisor	1.00	1.00	-
Cashier (Aquatics)	5.85	5.85	-
Chief Animal Control Officer	1.00	-	(1.00)
Chief Park Ranger	-	1.00	1.00
Community Center Attendant I	2.00	2.00	-
Contract and Compliance Specialist	1.00	1.00	-
Crew Leader (Landscape and Learning)	6.80	6.40	(0.40)
Custodial Supervisor	1.00	1.00	-
Custodian II	15.80	15.80	-
Customer Service Assistant	8.40	6.60	(1.80)
Customer Service Representative	10.00	10.00	-
Customer Service Specialist	2.00	2.00	-
Customer Service Supervisor	1.00	1.00	-
Director of Youth, Parks & Community Enrichment	1.00	1.00	-
General Repair Worker	1.00	1.00	-
Graphic Designer	1.00	1.00	-
Graphics Assistant	1.00	1.00	-
Irrigation Technician	5.00	5.00	-
Junior Landscape Assistant	2.00	2.00	-
Junior Plant Operator	3.00	3.00	-
Lifeguard	17.40	17.40	-
Park Equipment Operator	1.00	1.00	-
Park Maintenance Manager	1.00	1.00	-
Park Maintenance Superintendent	3.00	3.00	-
Park Maintenance Worker	26.00	26.00	-
Park Maintenance Worker I	23.00	23.00	-
Park Maintenance Worker II	43.00	43.00	-
Park Maintenance Worker III	5.00	5.00	-
Park Plan Design and Development Manager	1.00	1.00	-
Park Safety Ranger	10.00	10.00	-
Park Safety Ranger Assistant	2.00	2.00	-
Park Safety Ranger Supervisor	2.00	2.00	-
Parks Supervisor	7.00	7.00	-
Plant Operator	1.00	1.00	-

Youth, Parks, & Community Enrichment (continued)	FY2025/26 Amended	FY2026/27 Approved	Change
Pool Manager	6.05	6.05	-
Program Coordinator	48.45	44.75	(3.70)
Program Coordinator (Adaptive Recreation)	2.00	2.00	-
Program Coordinator (Older Adults)	6.40	6.40	-
Program Developer	19.00	18.00	(1.00)
Program Developer (Older Adults)	2.00	2.00	-
Program Leader	7.55	4.25	(3.30)
Program Manager	1.00	2.00	1.00
Program Specialist	4.00	4.00	-
Program Supervisor	17.00	17.00	-
Program Supervisor (Older Adults)	2.00	2.00	-
Recreation Aide	157.40	150.50	(6.90)
Recreation Aide (Older Adults)	7.05	7.05	-
Recreation General Supervisor	3.00	2.00	(1.00)
Recreation Leader (Adaptive Recreation)	5.05	5.05	-
Recreation Manager	3.00	3.00	-
Recreation Superintendent	4.00	3.00	(1.00)
Senior Accounting Technician	2.00	2.00	-
Senior Landscape Architect	2.00	2.00	-
Senior Lifeguard	21.70	21.70	-
Senior Planner	1.00	1.00	-
Senior Recreation Aide	26.71	20.71	(6.00)
Senior Recreation Aide (Older Adults)	5.64	5.64	-
Support Services Manager	1.00	1.00	-
Utility Worker	6.10	6.10	-
Youth Aide	28.52	28.52	-
Total	**678.00**	**654.07**	**(23.93)**

*The change from the Chief Animal Control Officer to a Chief Park Ranger is due to a reclassification change that was approved in FY2024/25.

29

SECTION - 29
Multi-Year Projects

DESCRIPTION

This section contains information on operating grants and projects. New operating grants and projects are approved by Council and are managed in accordance with Sections 10 through 12 of the Budget Resolution. New appropriations included in the FY2026/27 Operating Budget are included on Schedule 9.

EXISTING OPERATING GRANTS

The following is a list of existing operating grants, the total budget, and available budget based on data available as of April 2026:

Project Description	Project #	Total Budget	Available Budget
General Fund			
CalVIP - Gang Prevention and Intervention Taskforce	G02000700	124,700	-
CalVIP Cohort 3 Grant 2020-23	G02000710	127,158	69,554
CARES Act Program-Great Plates Emergency Food	G02610300	-	-
FY2015/16 Adaptive Sports	G19100400	20,922	-
FY2015/16 Assistance to Firefighters Grant	G12902500	55,943	-
FY2015/16 Off-Highway Vehicle Grant	G11015100	6,459	-
FY2016/17 Off-Highway Vehicle Program	G11015118	16,711	-
FY2017/18 Off-Highway Motor Vehicle Recreation	G11015119	14,613	-
FY2018/19 ASES - SCUSD	G19041290	20,885	-
FY2019/20 SAVE Grant	G11012419	15,404	-
FY2020/21 SAVE Grant	G11012420	17,413	4,360
FY2022/23 Assistance to Firefighters Grant	G12904000	129,544	129,544
FY2022/23 SAVE Grant	G11012423	16,787	633
FY2023/24 Go-Biz Equity Grant	G02420700	750,000	-
FY2023/24 SAVE Grant	G11012425	39,279	-
FY2024/25 Go-Biz Equity Grant	G02420800	750,000	750,000
HHAP Homeless Grant Program	G02000950	880,000	-
Homeless Motel Voucher Program	G02001700	115,672	-
SLP-24-24881-100	G17606110	37,041	19,364
Youth RIV Grant FY19-23	G02001300	24,570	6,000
	General Fund Total	**3,163,101**	**979,455**
Measure U Fund			
CalVIP Cohort 3 Grant 2020-23	G02000710	154,838	60,611
CARES Act Program-Sac Childcare Learn-CLASS	G02610100	733,275	60,699
EDD - EMS Corps	G12904100	33	33
FY2015/1616 Assistance to Firefighters Grant	G12902500	390,000	3,801
FY2022/23 - ASES - SCUSD	G19041340	25,945	1
PWA - Planning	G12904100	391	-
	Measure U Fund Total	**1,304,482**	**125,145**
Other Funds			
Adaptive Sports FY2015/16	G19100400	70,967	-
AR Juvenile Salmonid & Habitat	G14140700	1,343,100	-
ASES SCUSD FY2018/19	G19041290	139,230	-
ASES SCUSD FY2022/23	G19041340	198,906	1

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
ASES SCUSD FY2023/24	G19041350	172,961	181
ASPCA Grants	G21002300	140,000	126,324
Assistance to Firefighters Grant COVID19 Supplemental F	G12903000	174,531	25,393
Assistance to Firefighters Grant FY2015/16	G12902500	723,071	-
Assistance to Firefighters Grant FY2022/23	G12904000	1,453,298	360,308
Board of State and Community Corrections Officer Wellnes	G11018700	480,297	-
Boating Safety & Enforcement Equipment Grant Program (	G11018300	22,001	5,814
Broadband Strategic Plan	G07000100	210,300	-
Brownfields Revolving Loan	G02180100	750,000	374,735
CA Department of Alcoholic Beverage Control FY2019/20	G11017220	100,000	27,324
CA Department of Alcoholic Beverage Control FY2020/21	G11017221	64,429	-
CA Department of Alcoholic Beverage Control FY2021/22	G11017222	97,500	2,150
CA Department of Alcoholic Beverage Control FY2022/23	G11017223	75,000	33,379
CA DOJ Tobacco Grant	G21009000	884,021	878,656
CA Healthy Rivers Prop 68	G14140800	2,257,945	19,906
CA Local Equity Grant	G02420100	1,197,120	12
CA Office of Traffic Safety Bike/Ped FY2016/17	G11015500	125,425	22,476
CA Office of Traffic Safety Bike/Ped FY2017/18	G11016300	75,000	3,886
CA Office of Traffic Safety Grant	G12904200	165,000	1
CA Office of Traffic Safety STEP FY2017/18	G11016200	567,331	182,357
CA Office of Traffic Safety STEP FY2018/19	G11016219	403,304	40,483
CA Office of Traffic Safety STEP FY2019/20	G11016220	375,000	157,359
CA Office of Traffic Safety STEP FY2020/21	G11016221	385,000	155,450
CA Office of Traffic Safety STEP FY2021/22	G11016222	400,000	217,617
CA Office of Traffic Safety STEP FY2022/23	G11016223	390,000	218,476
CA Office of Traffic Safety STEP FY2023/24	G11016224	400,000	241,563
CA Office of Traffic Safety STEP FY2024/25	G11016225	400,000	40,125
CA Office of Traffic Safety STEP FY2025/26	G11016226	-	-
CA OPR - South Sac Fam-Youth	G02000440	2,000,000	-
CAC State and Local Partnership	G17606000	227,250	97,587
CalGang Reduction Intervention and Prevention 4/10-3/12	G11007100	382,639	2,196
California Opportunity Youth Apprenticeship (COYA)	G12904400	684,000	684,000
CALOES Swiftwater/USAR	G12903800	135,960	120,416
CalRecycle SB 1383 Local Assis	G15003300	1,349,680	13,458
CalVIP Cohort 3 Grant 2020-23	G02000710	2,872,842	948,604
CalVIP Gang Prevention and Intervention Taskforce	G02000700	868,700	467,883
Cannabis Tax Fund Grant Program (CTFGP) FY2025/26	G11019000	218,027	211,514
CARES Act Program Great Plates Emergency Food	G02610300	19,777,029	661,574
CARES Act Program Homeless Response Program	G02001700	13,822,694	3,999,412
CARES Act Program Public Safety	G02610500	2,399,636	-
CARES Act Program Sac Childcare Learn CLASS	G02610100	2,365,470	60,699
CARES Act Program US DOJ CESF	G02610400	795,286	518,584
Champlain Tower Collapse	G12704800	127,631	-
CHP (2017-ULWX-0028) FY2016/17	G11017000	1,875,000	-
CHP Grant FY2020/21	G11017021	1,875,000	-

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Citizens Option for Public Safety Growth	G11018100	276,143	12,447
Citizens Option for Public Safety Growth	G11018400	4,015,627	1,330,938
Citizens Option for Public Safety Growth	G11018500	2,839,934	1,843,222
Citizens Option for Public Safety Growth FY2016/17	G11016700	294,826	2,557
Citizens Option for Public Safety Growth FY2017/18	G11016800	754,331	7,924
Citizens Option for Public Safety Growth FY2017/18	G11017400	367,710	67,155
Citizens Option for Public Safety Growth FY2018/19	G11017300	740,696	-
Citizens Option for Public Safety Growth FY2018/19	G11018000	426,297	22,890
Citizens Option for Public Safety Growth FY2019/20	G11017920	436,881	-
City County Fine Fee Justice	G02002000	50,000	32,129
City County Payment FY2020/21	G15302100	125,152	95,152
City County Payment FY2021/22	G15302200	127,305	37,305
City County Payment FY2023/24	G15302400	129,707	2,907
City County Payment FY2024/25	G15302500	129,612	-
City County Payment FY2202/23	G15302300	128,873	1,533
City Homeless Emergency Aid Youth Programs	G02000820	685,433	60,815
City Le Grant (BSCC) FY2016/17	G11015900	168,138	161,209
CNRA 2023 Community Reinvestment Project	G02000430	3,345,000	1,120,000
CNRA 2023 Park Community Improvement Project	G02000450	800,000	550,000
CNRA Community Reinvestment Project	G02000420	15,820,000	6,433,050
Community Benefit Partnership	G02000610	125,000	105,012
Community Emergency Response Training Support	G12903500	15,000	352
Curbside Supplemental Pay 2020	G15312000	177,095	137,901
Curbside Supplemental Pay 2021	G15312100	154,089	133,819
Curbside Supplemental Pay 2022	G15312200	129,848	29,848
Curbside Supplemental Pay 2023	G15312300	131,564	131,564
Curbside Supplemental Pay 2024	G15312400	186,372	186,372
Cybersecurity Grant Program	G07000300	250,000	102,120
Del Oro - Triple R Subsidy	G19090900	6,000	-
Department of Cannabis Control Grant FY2021/22	G02420400	5,786,617	516,797
DWR Flood Maintenance Assistance Program (FMAP) FY2	G14220100	588,023	-
ECE Workforce Training Program	G02180340	394,000	85,934
ECE Workforce Training- SBA	G02180360	850,000	270,648
Economic Mobility Ambassadors	G02002200	400,000	178,755
EEMI FY2021/22	G02002100	95,000	41,012
EJG2G Neighborhood Resilience	G15250100	981,042	35,683
Emergency Rental Assistance Program	G02610600	52,425,290	61,430
Engage Empower Implement Grant	G02180380	480,000	478,470
ERF 3-R Street to Housing	G02610610	5,846,243	201,055
ERF4L Community Response Grant	G23000200	12,353,419	39,177
Fire Radio Equipment	G02000810	180,000	1,105
FitLot AARP Grant	G19090800	11,030	10,544
FLC Floyd Farm Action Plan	G21005100	478,743	227,293
Gang Violence Supp FY2022/23	G11017600	2,199,006	875,286
GO-Biz Equity Grant FY2022/23	G02420600	1,563,723	-

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
GO-Biz Equity Grant FY2023/24	G02420700	1,250,000	-
GO-Biz Equity Grant FY2024/25	G02420800	1,680,778	862,278
Hacket House NTF Nomination	G21005000	14,000	-
Hawaii Wildfires	G12705600	178,500	38,328
HHAP 2	G02000960	3,403,289	16,935
HHAP 3	G02000970	17,066,061	447,643
HHAP 4	G02000980	25,228,337	1,943,941
HHAP 5	G02000990	27,231,518	8,371,579
HHAP Continuum of Care Youth Funding	G23000100	3,400,219	44,626
HHAP Homeless Grant Program	G02000950	14,332,263	-
HazMat Emergency Preparedness Grant FY2024/25	G12904300	11,963	131
HazMat Emergency Preparedness Grant SCBA FY2021/22	G12903700	101,832	2
Homeland Security Fire 2541 FY2004/05	G12901000	95,169	1
Hurricane Fiona Deployment	G12705300	63,000	28,432
Hurricane Florence	G12703700	1,123,200	240,339
Innovation Grant 2019	G21002000	75,000	75,000
Innovations Grant Program	G11017700	134,186	97,717
Invest 94L/TC Imelda	G12706610	28,000	28,000
Justice Assistance Grant 10/08-9/12	G11006518	614,921	-
Justice Assistance Grant FY2017/18	G11017500	252,397	7,916
Justice Assistance Grant FY2018/19	G11017800	524,868	235,967
Justice Assistance Grant FY2019/20	G11017820	220,111	6,603
Justice Assistance Grant FY2020/21	G11017821	248,731	-
Justice Assistance Grant FY2021/22	G11017822	258,140	-
Justice Assistance Grant FY2023/24	G11017824	257,556	47,559
Kentucky Flooding	G12706400	24,500	24,500
Kentucky Floods Department	G12705200	84,000	5,236
Kentucky Tornados	G12705100	23,206	1
Legacy Disposal Site Abatement	G15003100	750,000	-
Levee Debris Removal	G14230100	3,941,435	3,348,958
Marysville & Grand - EPA Grant	G02180110	800,000	738,777
Meadowview Farmers Market	G02180350	500,000	67,031
More Pets and People Together	G21002523	165,215	26,357
NEA Arts Collective Grant	G17607000	75,000	-
Neighborhood Equity Initiative	G02180320	300,000	-
NLCI's Youth Excel Initiative	G19080700	158,820	6,460
Northeast Sacramento	G02001200	300,000	6,642
NSP Capacity Building FY2023/24	G11018800	500,000	140,624
OED ARPA Grant	G17609000	4,121,894	35,890
Off-Highway Motor Vehicle Recreation FY2017/18	G11015119	23,746	612
Off-Highway Vehicle Program FY2015/16	G11015100	24,351	-
Off-Highway Vehicle Program FY2016/17	G11015118	48,037	4,780
Petco Innovation Showdown	G21001800	250,000	49,397
Petco Love 2024	G21002800	80,000	1,732
Petco Love Grant 2025	G21003000	50,000	5,891

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
PS Charities Adoption Prep	G21002900	50,000	47,366
Puerto Rico Earthquake	G12704200	34,019	1
PWA - Planning	G12904100	1,451,820	356,095
RWEP Turf Replacement	G14240100	1,243,194	352,022
S.A.V.E. Program FY2019/20	G11012419	100,600	15,627
S.A.V.E. Program FY2020/21	G11012420	174,134	-
S.A.V.E. Program FY2022/23	G11012423	167,870	5,195
S.A.V.E. Program FY2023/24	G11012425	-	-
SacDA Electronic Suspected Child Abuse Reporting Syste	G11018900	44,881	6,636
Sanitation Grant	G02000900	150,000	-
SASD Watershed Grant FY2025/26	G11019100	31,694	21,720
Sacramento Housing and Redevelopment Agency IPA	G02180200	60,000	4,700
State Homeland Security Program (SHSP) Hazmat FY202(	G12903400	219,482	1
State Homeland Security Program (SHSP) RID FY2022/23	G12903900	137,000	19
State Homeland Security Program (SHSP) FY2021/22	G12903600	140,000	1,908
State Homeland Security Program (SHSP) FY2023/24	G12904500	143,832	143,832
SLP-23-20672-100	G17606100	70,800	67,800
SLP-24-24881-100	G17606110	127,459	71,784
Solar Permitting Platform	G21008000	100,000	74,917
Street Soccer USA Project	G02000410	800,000	-
SYW_BSCC Prop 64-3	G19080800	2,999,915	1,612,268
SYW_BSCC Prop. 64-2	G19080600	999,555	1,285
Texas Flooding	G12706500	42,000	20,753
Tropical Cyclone Dorian	G12704000	623,200	97,086
Tropical Cyclone Douglas	G12704100	525,400	230,077
Tropical Cyclone Francine	G12706100	21,961	640
Tropical Cyclone Helene	G12706200	24,500	10,577
Tropical Cyclone Ida	G12705000	66,000	36,073
Tropical Cyclone Idalia	G12705700	49,000	31,033
Tropical Cyclone Laura/Marco	G12704400	31,558	-
Tropical Cyclone Milton	G12706300	24,500	18,941
Tropical Cyclone Zeta	G12704600	15,400	3,289
Tropical Storm Debby	G12705900	98,000	78,212
UASI Homeland Security 07 11/07-6/10	G11005700	3,336,000	-
UCD CA for All Animals	G21002500	152,000	55,493
Urban Area Security Initiative FY2018/19	G11016919	2,687,737	-
Urban Area Security Initiative FY2019/20	G11016920	2,894,500	-
Urban Area Security Initiative FY2020/21	G11016921	3,097,000	756
Urban Area Security Initiative FY2021/22	G11016922	3,097,000	-
Urban Area Security Initiative FY2022/23	G11016923	3,097,000	471,463
Urban Area Security Initiative FY2023/24	G11016924	2,820,672	1,937,067
Urban Search & Rescue FY2016/17	G12501700	1,254,520	433
Urban Search & Rescue FY2019/20	G12502000	1,270,549	-
Urban Search & Rescue FY2020/21	G12502100	1,514,228	322
Urban Search & Rescue FY2021/22	G12502200	1,490,627	144,878

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Urban Search & Rescue FY2022/23	G12502300	1,568,328	167,431
Urban Search & Rescue FY2023/24	G12502400	1,459,884	193,399
Urban Search & Rescue FY2024/25	G12502410	1,497,311	1,247,205
Urban Search & Resuce CA-TF7	G12501900	1,249,568	-
USDA Urban Forest Grant	G15252000	1,000,000	774,689
Used Oil Payment Program-OPP14	G15003040	69,303	-
Used Oil Payment Program-OPP15	G15003050	71,662	108
Vermont Flooding	G12705500	49,000	19,869
Washington Flood	G12706620	2,249,000	2,128,837
WaterSMART Salmon Habitat	G14240200	845,000	105
WCB Habitat Planning	G14250200	333,000	178
Workforce Innovation and Opportunity Act FY2021/22	G19090220	83,640	7,583
Workforce Innovation and Opportunity Act FY2022/23	G19090230	89,216	16,002
Workforce Innovation and Opportunity Act FY2023/24	G19090240	222,263	631
Workforce Innovation and Opportunity Act FY2024/25	G19090250	222,263	61,370
Workforce Innovation and Opportunity Act FY2025/26	G19090260	180,596	67,328
WPC Augmentation Support	G02001500	-	51,220
Youth RIV Grant FY19-23	G02001300	999,780	79,516
Youth Service Corps	G02180370	5,905,304	2,693,343
	Other Funds Total	**349,075,317**	**56,936,273**
	Total All Funds	**353,542,900**	**58,040,873**

EXISTING OPERATING PROJECTS

The following is a list of existing operating projects, the total budget, and available budget based on data available as of April 2026:

Project Description	Project #	Total Budget	Available Budget
General Fund			
13th / C Housing	I02189060	1,000,000	-
21st Century Skills Grant Prog	I01000400	175,460	460
ADA Grants	I08000100	315,510	294,569
Affordable Housing FY2022/23	I02189050	12,943,880	-
APP Maintenance	I17000500	1,265,033	731,683
Archives East End Project	I17000100	86,350	7,616
Arts and Cultural Plan	I17000900	110,000	53
C19-Economic Relief	I02003000	87,680	-
CA Rural Legal Assistance	I02000800	2,300,000	-
Cesar Chavez Park Maintenance	I19101200	171,076	162,036
City Hall Tech Program	I02001500	124,861	124,861
Citywide Classification Study	I08000400	3,100,000	2,027,391
Citywide Equity Initiative	I02000400	1,927,722	693,769
Citywide Litigation Project	I80310000	7,290,947	2,459,830
Climate Action Initiatives	I15240100	1,386,645	901,232
Comm Outreach & Enhanced Srvcs	I02001100	220,681	13,591
Commercial Waste Compliance	I15220000	5,588,644	4,634,190
Commission Stipends	I04000100	169,050	50,187
Community Investment Program	I02001200	13,433	-
Community Nonprofit Assistance	I02001000	200,000	-
Community Response	I23000100	637,280	216,049
CORE Capital Loan Program	I02420000	2,848,185	217,480
Creative Edge	I02181100	1,951,857	133,263
Crisis Intervention Training	I11002200	173,002	-
Cultural and Economic Vitality	I17001000	505,540	237,938
Cultural Arts Awards	I17000700	3,012,959	11,699
CWTP - City Manager	I02002200	200,000	-
Digital Equity	I07001100	400,000	-
Disability Advisory Commission	I15230200	125,600	6,317
EBCVIDS / DRIP FY2023/24	I11003200	200,000	-
Economic Development Initiatives	I02181000	656,268	214,593
Electrical Safety Program	I13000100	1,030,259	96,499
F.O.C.A.S. (13086)	I13000400	60,500	-
Fairytale Town Expansion	I17006100	609,000	-
Fare Free Transit for Youth	I02181400	750,000	297,333
FEMA Corrective Action Plan	I21004900	400,000	53,984
Financial Empowerment	I02182000	50,000	-
Fine & Fee Justice Initiative	I02181010	100,000	72,460
Fleet City Manager OEM	I06020000	110,115	30,411
Fleet Community Development	I06210000	270,630	82,473
Fleet Fire	I06120000	6,045,188	1,520,804
Fleet Information Technology	I06070000	162,308	103,310
Fleet Police	I06110000	26,803,754	6,505,811
Fleet Public Works	I06150000	3,068,162	918,639
Fund 6021 GF Tax Transfer	I80060010	2,049,212	2,049,212
Gang Prevention & Intervention	I02000600	3,811,114	177,483
Gateway East	I21002600	538,668	538,668

Project Description	Project #	Total Budget	Available Budget
General Fund (continued)			
General Plan Update	I22000000	1,479,873	965,680
Homeless Housing Initiative	I02000200	6,574,108	-
Illegal Dumping	I15200200	3,251,747	797,243
Impact Teams	I11002400	5,194,465	39,942
JFN Emerg. Home Rpr. Pilot	I21000700	200,000	-
Justice for Neighbors (JFN)	I03000100	2,606,518	1,102,322
Laguna Libraries	I19141000	130,000	-
Language Access Program	I02000410	250,000	192,127
Low Income Spay/Neuter Program	I13000600	844,473	93,355
Mayor's Office LT Positions	I01002500	568,720	224,135
Measure U Committee Initiative	I80010000	25,000	-
Mental Wellness Program	I11002600	568,850	262,938
Nextgen Mobile Computer Repl.	I11000100	1,291,292	-
North Sacramento Economic Development Investment	I02180600	900,000	259,923
Northgate Blvd. PBID	I02186000	68,000	13,442
Oak Park Clinic Building Maint	I19101100	386,187	385,187
Oak Park Community Enhancement	I19708000	117,103	17,144
Oak Park Rev. Fund Loan Prog.	I02423100	1,100,000	-
Office of Cannabis Management	I06420000	43,984,113	17,698,959
Office of Violence Prevention (OVP)	I11003000	355,887	30,700
Park Safety	I19160000	431,529	204,549
PD Savings	I11003300	544,113	372,414
PDIT Critical Infrastructure	I11002700	2,388,372	925,664
Police Observation Dvcs (PODs)	I11002300	269,655	24,492
Railyards	I80020500	549,000	88,491
RASA Support	I80005010	1,500,000	498,587
Respite Centers Program	I23002000	1,317,206	1
Sac Valley Station Operations and Management	I15001000	1,618,372	355,445
Sac Zoo Relocation Study	I02002100	239,882	29,427
Sacramento Riverfront	I02180200	665,538	13,470
SEED Corporation	I18000200	34,469	-
ShotSpotter	I11002500	1,723,584	-
Stockton Blvd Housing Dvlpmnt	I02189010	5,000,000	-
Summer Night Lights	I02000700	300,000	-
Summer Night Lights	I11002100	600,000	-
Supplemental Waste Programs	I15230000	1,987,601	-
Thousand Strong	I01000300	2,476,000	188,288
Training and Outreach	I08000300	4,302,447	3,030,353
Transp Mgmt Plan - Update 2024	I15221700	249,999	249,999
Truth, Reform, & Recon Project	I01140100	320,000	320,000
Utility Rate Assistance Program	I14130100	16,366,754	-
Webgrant Restructuring Project	I07000900	1,984,654	125,739
Whole Person Care	I02000900	47,432	6,625
Wong Center Senior Housing	I02189020	2,796,005	-
Youth Engagement	I01000100	400,000	43,848
Youth Pop Up Events	I19143100	2,721,000	211,000
Youth Services Program	I19140000	25,000	-
YPCE Youth Program Scholarship	I19143000	200,000	200,000
	General Fund Total	**216,001,520**	**54,557,383**

Measure U Fund

13th / C Housing	I02189060	600,000	300,000
Affordable Housing	I02189050	4,167,500	-
Artists and Creatives	I02181100	2,640,000	529,518
Broadband Infrastructure	I02180910	9,300,000	4,224,396
CA Rural Legal Assistance	I02000800	1,750,000	-
Children & Youth Services	I19143200	6,926,745	498,071
City Manager Youth Programs	I80020800	92,924	13,658
Commission Stipends	I04000100	96,600	41,800
Community CTR/CH Fee Waiver	I19146000	300,000	-
Community Response	I23000100	42,085,245	20,997,321
Cultural and Economic Vitality	I17001000	47,832	47,832
Cultural Arts Awards	I17000700	2,128,000	684,099
Digital Equity	I07001100	400,000	34
Economic Development Initiatives	I02181000	299,350	8,385
Fare Free Transit for Youth	I02181400	4,250,000	250,000
Financial Empowerment	I02182000	300,000	-
Fire DOR	I12000200	2,087,178	1,391,189
Fleet Community Development	I06210000		190
Fleet Community Development	I06211000	1,042,920	324,439
Fleet Fire	I06121000	351,252	-
Fleet OCR	I06230000	46,718	46,718
Fleet YPCE	I06191100	6,488,100	1,551,061
Forgivable Loan Program	I02180400	1,233,990	-
FY22 M/C City's Racial Equity	I02004000	300,000	261,650
Gang Prevention & Intervention	I02000600	2,397,037	229,063
Homeless & Community Outreach	I23004000	89,067	89,067
Homeless Housing Initiative	I02000200	17,785,626	1
Homeless Housing Initiative	I23001000	11,703,546	11,420,983
Illegal Dumping	I15200200	4,280,000	4,741
JFN Emerg. Home Rpr. Pilot	I21000700	304,000	-
Mayor/Council Economic Development Priorities	I19143300	900,000	610,397
Measure U Committee Initiative	I80010000	1,225,000	18,499
Museum Insurance Reimbursement	I17000100	131,872	131,872
NDAT Community Engagement	I02180290	150,000	59,142
Neighborhood Development Action Team (NDAT)	I22000100	5,639,354	4,209,039
O&E Ctr Hope Coop Operations	I23002000	6,981,355	-
Office of Violence Prevention	I11003000	5,170,016	113,954
Office of Violence Prevention EBCVIDS (DRIP)	I11003200	2,647,825	322,825
PDIT Critical Infrastructure	I11002700	1,559,190	-
Police Observation Devices (PODs)	I11002300	187,000	-
Police Savings	I11003300	808,513	44,729
Public Works Sustainability Program	I15220300	643,987	340,103
Riverfront Properties	I02180200	300,000	-
Sac Municipal Reparations Comm	I01002100	200,000	-
ShotSpotter	I11002500	616,608	-
SPLA Maintenance	I15220100	1,647,664	89,760
Step Up Housing Dev	I02189040	2,925,000	-
Stockton Blvd Anti-Displacemnt	I02189030	5,000,000	1,908,536
Stockton Blvd Housing Development	I02189010	5,000,000	-
Summer Youth and Community Programs	I19141000	263,000	122,711
Thousand Strong	I01000300	1,911,954	-
Utility Rate Assistance Program	I14130100	20,872,720	1,888,624
Webgrant Restructuring	I07000900	48,525	4,908
Whole Person Care	I02000900	150	-
Wong Center Senior Housing	I02189020	703,995	-
Youth & Family Investments	I11003100	5,200,000	556,836
Youth Pop Up Events	I19143100	1,300,000	254,498
Youth Workforce (YPCE)	I02612020	785,299	148,998
YPCE Youth Program Scholarship	I19143000	578,837	171,410
Zero-dollar Rate Program	I21002600	6,000,000	5,756,207
	Measure U Fund Total	**202,891,494**	**59,667,264**

Project Description	Project #	Total Budget	Available Budget
Enterprise Funds			
American River Source Water	I14520400	1,928,465	980,890
Arc Flash Hazard Analysis	I14020100	522,876	522,672
Arts and Cultural Plan	I17000900	111,000	100
Asset Management Program	I14010700	1,607,599	858,202
City of Festivals Program-CCS	I15001211	1,889,000	280,023
Combined Master Plan Program	I14610300	1,766,826	950,753
Condition Assessment Program	I14010800	5,149,328	3,529,909
Conjuntive Use Groundwater Wells	I14510100	3,152,599	1,480,417
CSS Regulatory Compliance	I14120600	6,435,545	470,386
Cultural Arts Awards	I17000700	500,000	17
CWTP - City Manager	I02002200	89,716	1
Drainage Master Plan Program	I14710100	3,520,836	3,244,203
Electrical Equipment Program	I14050200	143,320	143,320
Energy Efficiency Program	I14040200	443,843	443,843
Fleet Acquisitions	I06000999	50,000	50,000
Fleet Convention & Cultural Services	I06147000	51,187,409	5,621,122
Fleet Utilites Solid Waste	I06146100	1,583,000	773,783
Fleet Utilities Sewer Fund	I06146000	9,047,260	2,724,044
Fleet Utilities Storm Drain Fund	I06141000	6,847,338	2,485,973
Fleet Utilities Water Fund	I06145000	10,164,099	3,277,495
Flood Control Planning	I07000900	19,904	-
Flood Control Planning	I14010100	5,003,777	607,004
FY25-IconicEventSupport/Produc	I17700000	2,000,000	2,000,000
Information Technology Program	I14040100	1,134,752	1,045,450
Keep Our Waters Clean Outreach	I14520200	55,233	37,374
Legacy Landfill Operations	I14120100	550,000	428,699
NPDES Stormwater Program	I14010200	23,274,382	3,259,320
Parking Code Updates	I22000000	1,855	-
Sac Valley Station Operations and Management	I15001000	1,747,000	81,125
Sacramento River Source Water	I14520300	2,543,094	925,494
SAFCA Levee Maintenance	I14120300	8,199,219	1,664,640
SCADA Planning Program	I14010900	946,486	200,372
Sewer System Mgmt Plan	I14110100	3,405,517	1,063,729
Solid Waste Containter Replacement	I14120500	21,493,245	2,111,879
Solid Waste Outreach	I14120200	5,711,320	881,343
SSMP Eng/Regulatory Support	I14620100	695,846	428,652
USA Waste of CA	I80310000	640,395	-
Utilities Arborist Program	I14240100	673,000	350,152
Utilities Rate Advisory Comm	I04000100	10,300	6,000
Wastewater Flow Monitoring Hydrology Program	I14610100	746,535	421,009
Wastewater Pipe Cleaning	I14630200	1,931,056	1,325,191
Wastewater Planning Program	I14610200	812,787	321,308
Water Conserv Std. Tech. Study	I15240100	106,693	60,458
Water Conservation	I14120400	15,332,315	1,979,132
Water Master Plan	I14510200	7,276,955	2,359,480
Webgrant Restructuring	I06170100	64,903	6,127
	Enterprise Funds Total	**210,516,629**	**49,401,090**
Internal Service Funds			
Fleet HR Risk Fund	I06081000	243,560	2,948
Fleet Public Works Fleet Fund	I06151000	710,000	607,095
Petrovich 827- K Street	I80310000	15,000,000	-
	Internal Service Funds Total	**15,953,560**	**610,043**
Other Funds			
CRF/LARP Grants	I19101400	15,650,000	11,913,028
#SacYouthWorks	I19143200	720,000	192,518
13th / C Housing	I02189060	1,400,000	-
1515 8th Street Lease	I17001200	250,000	190,000
65th Street Impact Fee Program	I06000600	1,008,228	61,228
Active Transportation Comission	I04000100	19,849	3,725
Affordable Housing	I02189050	18,858,713	-

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Aggie Square EIFD	I06132150	948,000	948,000
Alchemist CDC Site Acquisition	I02180610	900,000	-
ARPA Grant Liason Consulting	I02612060	1,049,943	10,185
ARPA Small Business Support	I02612000	8,401,562	1,880,801
Art in Public Places Maintenance	I17000500	276,462	164,848
Arts & Creative Economy	I17609000	6,500,000	491,248
Basin 6 Drainage	I22200600	7,596,296	596,782
Basin Sewer Master Plan	I14630200	91,776	41,443
Bonded CFD/EIFD Applications	I22310100	2,766,652	284,757
BRLF Program Income	I02180800	1,814,052	931,819
C19-Economic Relief	I02003000	10,148,449	-
Central City Fee District	I06132110	275,000	158,957
CHP Grant	I11002900	4,044,804	-
City Hall Tech Program	I02001500	304,197	-
Citywide Strategic Plan	I02000400	20,000	250
College Square Reimbursement	I22310200	30,000	13,800
Community Response	I23000100	3,611,137	54,909
CORE Capital Loan Program	I02420000	1,749,049	378,157
Council Let Strategic Initiatives	I01002200	550,000	250,740
Creative Economy	I02181100	2,407,800	2,142,405
Creative Economy Pilot Project	I18000300	485,569	-
Cultural and Economic Vitality	I17001000	50,988	49,988
Cultural Art Awards	I17000700	250,000	13,741
D1-Youth Workforce Program	I19142000	244,336	56,710
Delta Shores Fee District	I06132130	5,466,119	1,275,483
Developmnt Software Maintenanc	I21000800	1,700,000	412,867
Digital Equity	I07001100	250,000	-
ELOP Program	I19150000	1,380,829	1,122,271
Enhanced Infrastructure (EIFD)	I02000520	765,000	73,940
ESC Art Maintennance	I17000400	289,516	170,757
Fairytale Town Expansion	I17006100	1,800,000	-
Financial Empowerment	I02182000	3,040,000	417,085
Fire Opioid Abatement	I12000300	7,174,633	6,258,900
Fire Opioid Subdivision	I12000400	1,411,277	1,411,277
Fleet Community Development Landscape & Lighting	I06212000	244,510	11,187
Fleet Public Works Gas Tax Fund	I06152100	15,540,527	1,688,945
Fleet Public Works Landscape & Lighting	I06152000	2,765,774	680,234
Fleet Public Works Solid Waste	I06147000	200,000	-
FOCAS	I13000400	4,597,363	499,073
Food Security Initiatives	I02612070	1,500,000	-
Forgivable Loan Program	I02180400	1,876,250	1,601,501
Gang Prevention & Intervention	I02000600	1,506,553	-
Gateway Mixed Income Housing	I02189010	15,000,000	-
General Plan Update	I22000000	24,166,544	6,028,053
Gobler-Park Trust Cold Storage	I17009100	32,500	32,500
Grant HS Quadrangle	I02187000	200,000	200,000
Hart Trust	I19122000	871,580	328,199
Health & Wellness Profram	I08000200	3,000	3,000
Homeless & Community Outreach	I23004000	4,418,571	4,418,571
Homeless Housing Initiative	I02000200	20,171,964	83,935
Illegal Dumping	I15200200	638,660	-
Inclusive Business Assistance	I02612040	2,448,113	-
Inclusive Economic Development	I02180900	3,837,898	3,536,898
JCPA Asministrative Control	I22205100	678,869	85,033
Kaiser Railyards Medical Complex	I21006700	3,944,650	3,092,472
Kids Play McKinley Maintenance	I19000800	12,870	7,151
Marysville/Del Paso Implement	I22000100	42,200	1,387
MBI	I02180700	995,400	388,309
Measure L Youth Funding	I12000220	1,499,208	1,363,405
Measure L Youth Funding	I80000100	19,295,348	8,431,486
Natomas Central CFD	I22340000	100,000	55,692

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Natomas Landing CFD	I22310500	64,500	55,221
Natomas Meadows CFD	I22310000	62,000	42,329
Neigh Park Maintenance CFD	I22300000	598,056	77,300
NN Youth Workforce Devevelopment Program	I19145000	192,500	31,545
Non-Bonded Service Districts	I22300100	803,986	82,713
North Area Reinvestment Grant	I02612090	4,875,000	157,639
North Natomas Admin Control	I22200100	23,418,533	6,782,918
North Sacramento Code Enforcement & Outreach	I21000600	450,000	416,618
North Sacramento Economic Development Investment	I02180600	197,820	3
Northgate Economic Recovery	I02612080	2,949,294	243,501
O&E Center Hope Coop Operations	I23002000	115,397	-
Oak Park Rev. Fund Loan Prog.	I02423100	1,108,197	1,108,197
Old Sacramento Improvements	I02612030	2,030,291	-
Old Sacto. NRHP Update	I21002700	100,181	45,181
Panhandle Annexation	I22209000	124,990	3,466
Panhandle Fee Program	I06132140	400,000	400,000
PBID/BIA Applications	I22310600	45,000	20,815
PDIT Critical Infrastructure	I11002700	62,696	40,620
Project Pony	I11001900	6,600	5,202
Public Records Staffing	I11002800	3,298,418	-
Railyards	I80020500	16,901,527	1,696,580
Railyards Block 48	I21006300	849,461	263,411
Railyards Fee District	I06132100	2,193,000	101,363
Railyards Soccer Project	I21006200	2,492,985	1,870,496
Recreation Explorer Camp	I19148000	1,003,175	998,175
Regional Community Policing	I11001600	49,871	3,545
River City Fee District	I06132120	178,224	119,214
Sac Ent. Dev. Academy Ph1	I02183000	246,994	-
Sacramento Canopy Hotel	I21006400	439,890	345,185
Sacramento Econ Gardening 3yr	I02184000	4,670,756	1,886,833
Sacramento Innovation Grant	I18000100	5,970,709	1,368,056
Sacramento Police Training Facility	I11002000	46,700	58
Sacramento Railyards	I22208000	740	1
Sacramento Riverfront	I02180200	17,000	7,294
Stockton Blvd Anti-Displacement Program	I02189030	410,000	-
Sutter Medical Office Remodel	I21006800	496,419	309,034
Telegrapher	I21006500	490,445	426,986
TMA Shuttle	I22200700	1,318,200	192,000
Transportation Planning	I15221700	1,250,000	813,776
Vaccine Outreach and Education	I02612050	987,752	-
Wastewater Planning	I14610200	29,203	29,203
Whole Person Care	I02000900	11,596,413	3,625,029
Willowcreek Fee District	I22206000	3,759,498	455,090
Workforce Development Programs	I02612020	14,010,080	5,727,245
Youth Pop Up Events	I19143100	1,300,000	216,787
Youth Program Scholarship	I19147000	1,295,000	1,295,000
Youth Services Program	I19140000	18,300	-
Youth Stipend Program	I19144000	43,900	-
	Other Funds Total	**355,258,289**	**95,773,276**
	Total All Funds	**1,000,621,492**	**260,009,055**

EXTERNALLY FUNDED PROGRAMS

The following is a list of existing externally funded programs, the total budget, and available budget based on data available as of April 2026:

Project Description	Project #	Total Budget	Available Budget
General Fund			
PHSC Reserve Funding	E18000400	160,000	6,659
Powerhouse Science Center	E18000400	3,000,000	-
Railyards Mediation	E02000100	110,500	7,478
Railyards Project Management	E02000100	496,353	263,450
	General Fund Total	**3,766,853**	**277,587**
Internal Service Funds			
Driver Training Acadmy (SRDTA)	E08000100	1,741,938	488,484
Robla Facility Safety Training	E08000200	1,500	1,500
	Internal Service Funds Total	**1,743,438**	**489,984**
Measure U Funds			
Powerhouse Science Center	E18000400	2,400,000	600,000
	Measure U Fund Total	**2,400,000**	**600,000**
Other Funds			
Academy Activities 7/07-6/11	E11002200	1,003,859	100,599
AFSCME - Anti-Displacement	E02000120	5,000,000	3,660,000
AM/PM POD	E11007132	15,000	2,544
CA TF7 Mobex 2022	E12000200	150,000	150,000
CA-TF7 US&R MOBEX- 2023/2024	E12000300	519,000	124,003
Clean CA Beautification Rt 99	E17001100	115,100	-
DMV Anti-Auto Theft	E11005400	4,285,855	(77,819)
Federal Forfeiture - DOT	E11006900	17,129	0
Federal Forfeiture - Justice	E11008300	65,591	65,591
Federal Forfeiture - Treasury	E11008200	537,204	349,557
Federal Forftr - DOT	E11003200	1,099,987	2,917
FY15 AB109/RCISP	E11006400	147,080	76,115
Los Rios Vocational Training	E11006500	3,770,733	576,843
Phoenix Park PODs	E11007125	36,685	7,328
PODs - Arden Fair Association	E11007118	68,000	4,193
PODs - Beazer Homes & The Cove	E11007129	15,699	2,797
PODs - Housing Authority	E11007127	19,850	7,123
PODs - Jackson Lab	E11007120	75,021	27,636
PODs - MO Florin West	E11007121	9,000	115
PODs - Power Inn Alliance	E11007131	27,996	9,313
PODs - RT	E11007128	37,500	12,221
PODs - Stockton Blvd Partnership	E11007130	7,340	3,012
PODs - Stockton Blvd Partnership	E11007119	13,820	1,205
PODs - The Cove	E11007124	36,700	8,797
PODs Arden Fair FY2020	E11007122	42,500	42,500

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
PODs MO Capital Nursery	E11007123	6,000	-
PODs Providence Place	E11007126	16,657	5,968
Police Observation Devices (PODs)	E11007100	98,712	6,372
Powerhouse Science Center	E18000400	7,050,000	400,000
SAR-Smart Growth Program	E01000100	15,000	-
SMUD Gallery	E17000500	176,000	13,130
State Forfeiture - Health & Safety	E11008000	2,667,679	1,962,965
State Forfeiture - Health & Safety	E11006718	1,089,722	145
State Forfeiture - Health & Safety	E11002800	4,415,816	198
State Forfeiture Drug & Gang Prevention	E11006818	160,522	66,959
State Forfeiture Drug & Gang Prevention	E11008100	596,034	554,526
Vocational Educational Training - Fire	E12000100	9,359,488	1,381,757
	Other Funds Total	**42,768,279**	**9,548,611**
	Total All Funds	**50,678,570**	**10,916,182**

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SECTION - 30
Financial Policies

Budget Control Policy

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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Purpose
Background
Policy
3.1 Annual Budget Development
3.2 Budget Amendments

Related Regulatory References
Council Motion 2016-0121

Effective Date: April 26, 2016

Budget Control Policy

1. PURPOSE

The purpose of this policy is to ensure the City makes informed fiscal decisions that take into account the full costs, in terms of dollars and service impacts, of implementing spending increases during the fiscal year. To maintain a structurally balanced budget, any spending increases must be accompanied by compensatory revenue increases or spending decreases that clearly identify the associated opportunity costs.

2. BACKGROUND

The service plan for the City is based on an annual budget as required by the City Charter and by good financial and operational practices. Budgeting on an annual basis provides time to review all revenue sources, develop solutions to previously identified problems, and to discuss and decide on policies and priorities. An annual budget process also provides time for management to plan and more efficiently and effectively implement changes incorporated into the budget. Making significant mid-cycle changes outside of the orderly budget process can lead to poor decision-making due to incomplete information and to inefficient and ineffective operations or service delivery.

3. POLICY

3.1 Annual Budget Development:

The annual budget process will be the method used by the City to develop its service delivery priorities and the level and type of resources required to fund those services.

Before the City undertakes any changes that would create fixed ongoing expenses, the cost implications of such changes will be projected for current and future years.

3.2 Budget Amendments:

Changes to the budget and to service levels during the fiscal year will be minimized. Changes during the fiscal year will generally be limited to technical adjustments, emergency funding, unforeseen circumstances, time-sensitive opportunities or issues, or new grants or awards. The creation of a new program, a higher service level, or other increases in expenditures, without associated revenues or reimbursements, during mid-budget cycle is discouraged. Changes outside of the annual budget process should only be considered during the midyear budget review.

Unexpected revenue shortfalls or other significant issues that may create a budget shortfall during the fiscal year are to be reported to the Council with recommendations by the City Manager as to whether a midyear budget adjustment should be made.

Budget amendments shall be considered and adopted by the Council except for where authority has been delegated as prescribed within the adopted Budget Resolution.

Debt Management Policy

Scope: CITYWIDE

Administrative Entity
Office of the City Treasurer
(916) 808-5168
JColville@cityofsacramento.org

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Regulatory References
Council Resolution 2023-0111

Effective Date: May 02, 2023

Debt Management Policy

1. Introduction

1.1 *Background*. The City of Sacramento (the "**City**") has a long history of issuing multiple types of debt and working with various residents, businesses, developers, and government agencies to achieve the most-effective financing solutions for necessary capital projects and capital improvements. Debt issuance is one way of financing these projects and improvements in a cost-efficient manner while maintaining generational equity. With its limited fiscal resources, the City will continue to explore the issuance of debt as an equitable means of meeting its infrastructure needs.

1.2 *Purpose*. This Debt-Management Policy (this "**Policy**") sets forth the principles and objectives that should guide the City's decisions to issue debt, and it establishes guidelines for responsibly managing debt. The core objectives of this Policy include the following:

(A) Minimize costs of debt service and issuance.

(B) Maintain access to cost-effective borrowing.

(C) Achieve and maintain the highest practical credit ratings of the various bond and credit types as well as the City's overall credit rating.

(D) Balance pay-as-you-go financing with debt financing.

(E) Ensure full and timely repayment of debt.

(F) Maintain full disclosure and reporting with respect to debt and associated credit ratings, as well as debt that matured or were refunded/defeased within the past three years.

(G) Ensure compliance with federal, state, and local laws and regulations.

(H) Promote the City's best interests and protect the City's financial stability when deciding whether to seek approval to issue debt and how to structure the debt.

(I) Maintain internal-control procedures to ensure that the proceeds of each debt issuance are directed to the intended use.

(J) Maintain a high-level of transparency to debt stakeholders and consistency in debt decision making.

1.3 *Scope of Application*. This Policy applies to debt issued or incurred by the City (including debt issued by means of community facilities districts ("CFDs") and debt the City issues for third parties – conduit financing), the Sacramento City Financing Authority, the Sacramento Public Financing Authority, and the Redevelopment

Agency Successor Agency (collectively, "**City Debt**"). From time to time, however, compelling or extraordinary circumstances may arise that require the City Council, at the recommendation of the City Treasurer or the Debt Manager within the City Treasurer's Office (the "**Debt Manager**"), to make an exception to this Policy. While there may be exceptions to this Policy, such exceptions shall not impair existing City programs, services, or staffing levels as noted in section 3.1(A) of this Policy or impair the City's ability to satisfy existing financial obligations. Certain obligations of the City—such as Other Post-Employment Benefits and debt not involving the issuance of bonds or other long-term obligations (e.g., long-term loans obtained from the State Water Resources Control Boad)—are not subject to this Policy.

2. Governing Authority, Points of Contact, and Responsibility

2.1 *Authority*. The City's debt program for all City funds must be operated in conformance with applicable federal, state, and other legal requirements, including authorizing sections of the City Charter and the City Code, and the various covenants of the City's outstanding debt obligations.

2.2 *Delegation of Authority*. The City Council assigns its responsibility for managing and coordinating all activities related to the structure, issuance, and post-issuance management of all City Debt to the City Treasurer's Office.

2.3 *Point of Contact*. The City Treasurer and the Debt Manager are responsible for maintaining communication to the bond market on the City's behalf, with a policy and practice of full disclosure. This includes communication with rating agencies, bond insurers, investors, and other debt-related service providers about the City's financial condition; the financial condition of enterprise funds that secure the repayment of enterprise revenue bonds; the financial condition of the assessment fund that secures the repayment of the assessment revenue bonds; and the relevant financial information of CFDs that secure special-tax bonds, as applicable. As necessary, the City Treasurer or the Debt Manager will seek guidance from the City Attorney's Office and the City's disclosure counsel on the appropriateness of disclosing certain matters.

2.4 *Responsibilities*. Debt obligations may not be presented to the City Council for authorization without a joint assessment and recommendation by the City Manager's Office and the City Treasurer's Office, except as follows: bonds to issued through CFDs may be presented to the City Council for authorization by the City Treasurer's Office without joint assessment and recommendation. City departments that propose debt-financed capital programs or small-equipment acquisitions must work in close coordination with the City Treasurer's Office, the City Manager's Office, the City Attorney's Office, and the City's Department of Finance by providing information to facilitate the feasibility analysis and due-diligence process before the issuance or incurrence of debt. In preparing and reviewing bond-issuance documents and other related matters, the following roles

serve as general guidance. Roles for a particular financing may differ slightly.

(A) The City Treasurer's Office—

(1) is responsible for selecting the structure, timing, method of issuance (public vs. private placement, negotiated vs. competitive sale), and other terms of debt issuance;

(2) serves as the primary contact between the City and rating agencies, investors, and all other financial market participants;

(3) manages non-attorney members of the financing team (see section 4.6, "Professional Assistance");

(4) leads the development of all necessary financing documents;

(5) presents the financing structure and financing documents to the City Council for approval;

(6) manages the investment of debt proceeds in the acquisition and construction funds, bond-reserve funds, capitalized interest funds, and escrow funds;

(7) manages compliance with post-issuance requirements, including continuing-disclosure requirements (in accordance with the Supplemental Policy on Disclosure), private-activity analysis and remediation, and arbitrage requirements; and

8) conducts periodic reviews of this Policy and brings forward to the City Council any proposed amendments.

(B) The City Manager's Office and appropriate City Departments under the City Manager's purview—

(1) identifies and prioritizes projects through the City's multi-year capital-improvement program;

(2) identifies sources of funds for payment of debt service;

(3) identifies sources of funds for project operations and maintenance;

(4) participates in document preparation and review such as, but not limited to: the preliminary and final official statements, rating agency presentations, and investor roadshows;

(5) participates in conference calls or meetings regarding the debt, e.g., due-diligence reviews, rating-agency presentations, and investor relations;

(6) provides timely information as needed to comply with post-issuance requirements, including tracking expenditures of tax-exempt debt proceeds to comply with arbitrage requirements and annual reporting requirements; and

(7) notifies the City Treasurer's Office before the City enters into (a) any agreements that qualify as "debt obligations" under SEC Rule 15c2-12, such as loans from non-City lenders, equipment leases, and grants; and (b) any amendments of such loans, leases, and grants.

(C) The City Attorney's Office—

(1) provides independent verification of the City's compliance with all applicable laws and regulations with the assistance of outside legal counsel;

(2) selects, retains, and manages outside legal counsel to assist with debt financing (e.g., bond counsel, disclosure counsel);

(3) protects the City's interests;

(4) participates in document preparation and review; and

(5) participates in conference calls or meetings regarding due-diligence review.

(D) The City Council—

(1) takes this Policy into account when, it authorizes the issuance or incurrence of City Debt;

(2) reviews and approves this Policy and, if necessary, reviews and considers the approval of recommendations to amend this Policy brought forward by the City Treasurer's Office; and

(3) reviews and, if appropriate, approves supplemental policies that address various debt and financing instruments (if additional supplemental policies are adopted, then an amended version of Attachment A reflecting those policies must be attached to this Policy).

3. Capital Financing Considerations

3.1 *Constraints.* Except for debt issued through CFDs, new-money debt will affect the long-term affordability of all outstanding and planned new-money debt of the same credit type; the maintenance and operating costs of debt-financed improvements will also affect the City's budget.

(A) The pledge of repayment implicit in the issuance of debt means that any future issuance of debt is limited; hence, when assessing the financial feasibility of financing a proposed project or acquisition, the City Council

must consider (1) the total of all outstanding debt, including overlapping debt and the planned debt; (2) the City's needs for special projects that benefit City constituents; (3) any feasibility report that has been prepared for the financing in accordance with section 3.3(A) or 3.3(B) below; (4) whether issuing debt to finance the proposed project or acquisition will necessitate reductions in the number and types of programs and services the City provides to constituents or reductions in the number of City employees; and (5) whether issuing such debt may impair the City's ability to satisfy unfunded liabilities or other non-discretionary obligations.

(B) Additionally, the necessary maintenance and operating costs of debt-financed projects will constrain the City's budgetary flexibility and should be considered alongside debt capacity when evaluating any proposed financing.

(C) Finally, debt issuances should be coordinated with the City's overall capital-improvement program and budget process to the extent possible.

3.2 *Debt Capacity*. The City's ability to issue new-money debt is constrained by federal and state laws and regulations, the City Charter and the City Code, and the covenants of existing debt. The City Treasurer's Office shall work to ensure that the City Council and the City Manager are aware of outstanding debt levels and of the ramifications if additional new-money debt is issued, including the additional financial constraints the City may face. As needed, the City Treasurer's Office may perform debt-capacity analyses, with assistance by one of the City's underwriters and one of the City's municipal advisors, to evaluate the long-term effects of debt issuance in relation to the City's objectives.

3.3. *Feasibility*. To ensure consistency with this Policy, the City Council shall not undertake or authorize the issuance or incurrence of debt—particularly new-money debt—without an assessment and recommendation of the City Manager's Office and the City Treasurer's Office.

(A) General-Fund or Lease-Revenue Bonds. In conjunction with the City Treasurer's Office, the City's Department of Finance shall prepare, for each long-term financing that will be supported by the general fund, an internal feasibility analysis (formal or informal) of the effect on current and future budgets and the City's overall credit rating of the debt and the costs of operating the capital projects proposed to be financed. This analysis may be performed formally or informally and must also address the reliability of revenues to support debt service of outstanding general-fund obligation and general-fund lease revenue debt, as well as the proposed debt financing. Total annual debt service for all general-fund obligation bonds and general-fund lease-revenue bonds, in each year they are outstanding, must not exceed 6% of annual budgeted general-fund revenues minus revenues that

City departments generate by providing services directly chargeable to City residents and businesses. Examples of such department revenues include the Fire Department's advanced life-support fee, the Police Department's alarm-permitting fee, and the Community Development Department's building permit and general plan fees. See the City Fee Database.

(B) Transient Occupancy Tax Revenues. In conjunction with the City Treasurer's Office, the City's Department of Finance shall prepare, for each long-term financing that will be supported by special revenues, an internal feasibility analysis (formal or informal) that identifies the effect of both the financing and the operating costs of the financed capital projects on the City's current and future budgets and the City's overall credit rating. This analysis must also address the reliability of revenues that support debt service of outstanding special revenue debt, as well as the proposed debt financing. Projected revenues from the transient-occupancy tax (Sacramento City Code chapter 3.28) must equal or exceed 175% of the maximum annual debt service for senior bonds and other senior parity obligations and 115% of the maximum annual debt service for all senior bonds, senior parity obligations, subordinate bonds, and subordinate parity obligations. The debt service coverage ratio of a CFD must equal or exceed 110% of the net special tax revenues (gross special tax revenues less priority administrative expenses) generated in each year the debt is outstanding.

(C) Community Facilities Districts (CFD). The debt service coverage ration of a CFD must equal or exceed 110% of the net special tax revenues (gross special tax revenues less priority administrative expenses) generated in each year the debt is outstanding, inclusive of party obligations. The value to lien ratio shall be, at a minimum, three to one (3:1) taking into account all special tax and special assessment liens applicable to the subject property. Value may be established by reference to the assessed value of the subject property as determined by the Sacramento County Assessor's Office or by an appraisal thereof. Appraisals, when used to establish property values, shall be performed by a state certified real estate appraiser, as defined in subdivision © of Section 11340 pf the California Business and Professions Code selected by the City in accordance with the State of California appraisal standards and the Uniform Standards of Professional Appraisal Practice. Such appraiser shall possess a Member of the Appraisal Institute ("MAI") certification and be selected by the City. The definitions, standards and assumptions to be used in such an appraisal shall be the definitions, standards and assumptions set forth in the California Debt and Investment Advisory Commission's "Appraisal Standards for Land-Secured Financing." May, 1994, revised July, 2004.

A market absorption study may be required for projects that entail the following expected land use types:

- Conventional office – non-owner user multi-tenant occupancy over 350,000 sq. ft. in one or more buildings.
- Medical office – non-owner user, multi-tenant occupancy over 250,000 sq. ft. in one or more buildings.
- Retail – anchored or non-anchored retail centers, multi-tenant occupancy over 100,000 sq. ft. in one or more buildings. Regional malls or retail power center are included in this category.
- Mixed-use developments – anchored or non-anchored developments, multi-tenant occupancy over 250,000 sq. ft. in one or more buildings; and
- Corporate campus developments – typically conventional office research and development governmental or industrial. This land use type is predominantly large owner user profile, 250,000 sq. ft. or more in buildings.

The appraisal and/or absorption study shall be coordinated by, under the direction of, and addressed to the City. All costs associated with the preparation of the appraisal report and/or market absorption study shall typically be paid by the project proponent(s).

The City reserves the right to engage an independent licensed civil engineer or other consultants possessing similar expertise to estimate all land improvement (i.e., infrastructure) costs and summarize findings in a report. The independent licensed civil engineer's report shall be coordinated by, under the direction of, and addressed to the City. All costs associated with the preparation of the independent licensed civil engineer's report shall be paid by the project proponent(s).

With respect to any CFD which is formed after April 1, 2023, the following requirements shall apply:

If the portion of the CFD (or improvement area, as applicable) which is undeveloped property (as defined by reference to the rate and method of apportionment of special tax) is responsible for 20 percent or more of the maximum special tax (as defined by reference to the rate and method of apportionment of special tax) levy in the fiscal year following the fiscal year in which the bonds are issued, the value to lien ration for such undeveloped property. Value may be established by reference to the assessed value of the subject property as determined by the Sacramento County Assessor's Office or by an appraisal thereof. Such appraiser shall possess an MAI certification and be selected by the City.

Of, the value to lien ration required by the foregoing paragraph is not satisfied, prior to the release of the Preliminary Official Statement for the bonds to investors, the owner or owners of the undeveloped property in the CFD (or

improvement area or tax zone, as applicable), shall deliver to the City or the bond trustee, an irrevocable instrument of credit from a financial institution rated “A” or better or otherwise acceptable to the City (a “security”), or cash in-lieu thereof, in an amount equal to two times the maximum special tax that may be levied on such undeveloped property in the fiscal year following the fiscal year in which the bonds are issued.

The security shall name the City, or its designed as a beneficiary and shall provide that the City, or its designee, may draw an amount equal to any delinquencies in payment of semiannual installments of the special taxes levied on such undeveloped property, The amount drawn on the security shall be applied in the same manner and for the same purposes as the delinquent special taxes would have been applied, provided that the payment of a draw under the security will not be deemed to cure the delinquency in payment of the special taxes. If the City draws upon the letter of credit or other irrevocable instrument of credit, owner or owners of the undeveloped property would be required to replenish the letter of credit to the previous letter of credit amount.

The security shall be released when the foregoing undeveloped property is responsible for less than 20 percent of the maximum special tax levy in the CFD (or improvement area or tax zone, as applicable). In the event the security is not renewed to continue to meet the requirements set forth above, the City may draw upon the full amount of the security. Provided that there are not special tax delinquencies on the undeveloped property to which the security relates, the City will return amounts drawn when the security is renewed, replaced or cash in-lieu thereof is provided as set forth herein if such amount are available in the special tax/redemption fund for the CFD (or improvement area, or tax zone, as applicable).

(D) Enterprise Funds. The City Manager’s Office and the City Treasurer’s Office shall evaluate the affordability of new-money debt for enterprise funds. Enterprise rate levels must fully cover debt-service requirements and debt-service-coverage ratios as outlined in the applicable debt covenants, as well as the anticipated costs of operating, maintaining, and administering the capital improvements financed by the debt. At the time of debt issuance, the projected net system revenues of the enterprise fund should be sufficient to maintain a coverage ratio equal to or greater than 120% for parity obligations and bonds and 100% for aggregate parity, subordinate, and unsecured obligations. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City’s process for reviewing and setting rates for utilities services.

(E) Conduit Financing by a Joint-Powers Authority. The City may agree to the issuance of bonds by various joint-powers authorities (e.g., California Enterprise Development Authority, California Municipal Finance Authority, California Statewide Communities Development Authority). When the City is not the issuer of bonds for a project within the City, the City’s policy will be to require the issuer to assume full responsibility for the issuance and on-going

compliance of the bond issue with federal and state laws. City Treasurer's Office staff will rely upon information and documentation provided by the joint-powers authority or the prospective borrower of a project that desires to obtain tax-exempt financing. The City reserves the right to ask follow-up questions and request additional information as part of the review it deems appropriate. When feasible, the City may hold the public hearing required by the Tax Equity and Fiscal Responsibility Act of 1986 (26 U.S.C. § 147(f)(2)) but is not required to do so.

(F) City-Issued Conduit Financing. Occasionally, the City Treasurer's Office may determine that it is in the City's best interest to issue bonds on behalf of another governmental entity or a 501(c)(3) corporation within the City's boundaries. In these instances, neither the City's general fund, nor the City's other funds, nor the City's taxing power will be pledged for repayment of the bonds. In addition, the City will rely on the financial analysis provided by the governmental entity or the 501(c)(3) corporation for purposes of due-diligence review before moving forward on the request to issue debt. The City reserves the right to make its issuance of conduit bonds contingent upon cooperation of the 501(c)(3) corporation and their team with a reasonable due diligence process. The City's preferred method is for a joint-powers authority, of which the City is already a member, to be the issuer of conduit debt.

(G) Small-Equipment Lease Financing. The City may move forward with a small-equipment lease financing at the request of City departments after analysis and due-diligence review by the City Manager's Office, the City Department of Finance, and the City Treasurer's Office. Requests from City departments must demonstrate the need (e.g., legal, environmental, cash flow) for small-equipment lease financing, and the City departments must provide realistic, projected drawdown schedules showing that borrowed funds will be spent in accordance with requirements of the Internal Revenue Service (the "**IRS**"). The City Treasurer's Office will determine whether additional disclosure will be required at the time the financing is entered into and will make the decision based on consultation with the City's disclosure counsel.

3.4 *Capital Expenditure Considerations*. The City will consider the following factors to evaluate pay-as-you-go financing versus debt financing for funding capital expenditures:

(A) Factors favoring pay-as-you-go.

(1) Projected revenues and fund balances are adequate and available to complete the proposed project, or the proposed project can be completed in phases.

(2) Utilizing projected revenues and fund balances to complete the financing of the proposed project may not necessarily materially impact metrics such as days cash on-hand or debt service coverage ratio,

which would not lead to an impairment of the outlook or ratings of any City Debt.

(3) Existing debt levels might adversely affect the City's credit ratings or ratings outlook.

(4) Market conditions are unfavorable or present difficulties in marketing the proposed debt.

(5) The proposed project's useful life is less than five years.

(6) Debt financing would be the preferred method, but circumstances require delaying the financing.

(7) Lack of clarity regarding when funding for improvements would be needed.

(B) Factors favoring debt financing.

(1) Current and projected revenues available for debt service are sufficient and reliable so that financings can be marketed with investment-grade credit ratings.

(2) Market conditions present favorable interest rates and demand for the City's financings.

(3) The proposed project is mandated by federal or state law, by court or administrative order, or by a settlement related to a lawsuit or administrative action, and current resources are insufficient or unavailable to fund the project fully within the time required.

(4) The proposed project is immediately needed to meet or relieve capacity needs or emergency conditions, and current resources are insufficient to fund the project fully within the time required.

4. Debt Issuance

4.1 *Types and Purposes of Debt.*

(A) Long-Term Debt. Long-term new-money debt may be used only to finance capital improvements, such as the costs of acquiring or improving land, infrastructure, facilities, or equipment, and only if it is appropriate to spread these costs over more than one budget year. Portions of long-term new-money debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs that may be legally capitalized. Long-term new-money debt may not be used to fund City operating costs, to fund services or programs or to fund maintenance related costs. The final maturity of long-term debt should not exceed 40 years. The following are the types of long-term debt that may be issued or incurred by the City or on which staff of the City Treasurer's Office may work:

(1) Special-Tax Revenue Bonds. Under the Mello-Roos Community Facilities District Act of 1982, codified at Government Code sections 53311 to 53368.3 (the "**Mello-Roos Act**"), the City may issue special-tax revenue bonds to finance the construction or acquisition of various public improvements identified in the Rate and Method of Apportionment of Special Tax for each CFD. The Mello-Roos Act provides an efficient means of financing certain public capital facilities and services and promotes economic development in areas that lack sufficient infrastructure, such as infill or brownfield areas. Bonds may be issued to fund capital facilities so long as the estimated useful life of the public or non-public capital facilities is at least five years. These bonds must be approved by at least two-thirds of the qualified electors within the CFD.

(2) Marks-Roos Bonds. Under the Marks-Roos Local Bond Pooling Act of 1985, codified at Government Code sections 6584 to 6599.3 (the "**Marks-Roos Act**"), governmental entities, in consort with or as part of a joint-powers authority, may use a "pooled" financing technique for a broad array of public capital improvements. The City has used the Marks-Roos Act to issue refunding bonds for CFDs as well as for three redevelopment project areas when new- money debt was issued concurrently. Voter approval is not required.

(3) Property and Business Improvement District Bonds. Under the Property and Business Improvement District Law of 1994, codified at Streets and Highways Code sections 36600 through 36671, bonds may be issued to finance capital improvements with repayment of the bonds from assessments levied on the real property or businesses that benefit from the improvements financed.

(4) General-Obligation Bonds. These bonds may be issued by governmental entities that have the legal authority to levy ad valorem property taxes and other charges at whatever rate and amount is necessary to pay the debt. Under article XVI, section 18, of the California Constitution, these bonds may only be issued with two-thirds voter approval.

(5) Enhanced Infrastructure Financing District Bonds. These bonds may be approved by a public financing authority ("PFA") established for the purpose of managing the affairs of the EIFD. While the PFA will be comprised of members appointed by the City (certain City Council members and the City Council's public designees), the PFA oversees a separate legal entity. The requirements of the EIFD and issuing EIFD bonds are identified in Government Code sections 53398.5 to 53398.88.

In the event an EIFD desires the City to issue bonds, the Office of the City Treasurer may be asked to handle pre-issuance and issuance related matters on behalf of an EIFD. The Office of City Treasurer will manage the issuance of such EIFD bonds in accordance with this Policy in a manner conducive to obtain the lowest cost of borrowing possible.

(6) Certificates of Participation and Lease-Revenue Bonds. These debt instruments are secured by a lease-leaseback arrangement between the City and another public entity. The City uses its general operating revenues (which are not expressly pledged) to pay rent owed under a lease. The payments are in turn used to pay debt service on lease-revenue bonds issued by a joint-powers authority or on certificates of participation executed and delivered by a trustee. Voter approval is not required because these debt instruments are not subject to the debt limit in article XVI, section 18 of the California Constitution. The City Council must annually appropriate funding for the payment of debt service associated with these types of debt instruments as part of the approval of the City's budget.

(7) Revenue Bonds. These bonds are payable from revenue generated by a City enterprise, such as water and wastewater utilities. Because debt service on revenue bonds is paid solely from enterprise revenues and is not secured by any pledge of tax or general fund revenues, these bonds are not subject to the debt limit in article XVI, section 18 of the California Constitution. Revenue bonds are used for the improvements to the enterprise and are paid by ratepayers that benefit from the service provided by the enterprise. In the case of transient occupancy tax revenue bonds, such bonds are generally payable from the special tax portion of transient occupancy taxes the City collects less the annual transfer to Visit Sacramento.

(8) State Revolving Fund Loans or Other Similar Debt Instruments. An example is the Infrastructure State Revolving Fund Program, which provides financing to public agencies and non-profit corporations sponsored by public agencies; the loan proceeds are used for a variety of infrastructure and economic-development projects. Often the cost of borrowing through the loan programs is lower than the cost of issuing debt in the public market, but the final maturity of the loan may be limited. Additionally, the process to obtain a loan may take longer than publicly-issued bonds. Though generally less cost effective than a loan, bonds may afford the financing of projects with a need for expedited schedules.

(B) Short-Term Debt. Short-term debt may be used as an interim source of funding before the issuance of long-term debt. It may be issued for any governmental purpose for which long-term debt may be issued, including the

payment of capitalized interest and other financing-related costs; it may also be used to address legitimate short-term cash-flow requirements during a given fiscal year, so that the City may continue to fund the operating costs of providing necessary public services; and it may be used to bridge the gap in financing before long-term debt is issued to meet the ongoing capital needs of a project or series of projects. The City will not engage in short-term borrowing solely for the purpose of generating investment returns (arbitrage). Short-term debt usually may not exceed five years.

(1) Tax and Revenue Anticipation Notes ("**TRANs**"). These are short-term notes used to cover cash shortfalls resulting from a mismatch between the timing of revenues and expenditures. The City may issue TRANs when needed to meet general-fund cash-flow needs in a fiscal year. TRANs are secured by the property taxes and other revenues received later in the fiscal year. Voter approval is not required. Federal tax regulations often require that TRANs be repaid in the fiscal year in which they are issued to cover short-term cash-flow shortfalls.

(2) Bond Anticipation Notes ("**BANs**"). These are short-term interest-bearing notes issued in the anticipation of long-term bond issuances. The City may issue BANs as a source of interim financing when the City Treasurer determines that doing so is prudent and advantageous to the City. Voter approval is not required.

(3) Grant Anticipation Notes ("**GANs**"). These are short-term interest-bearing notes issued in anticipation of the receipt of grants. The City may issue GANs as a source of interim financing when the City Treasurer determines that doing so is prudent and advantageous to the City and the upcoming receipt of grants is guaranteed. Voter approval is not required.

(4) Lease-Purchase Financings. These financings may be used for the short-term financing of equipment. The term of a lease- purchase agreement is typically less than 10 years but may be as long as 15 years. Under this type of financing, the City and a bank enter into a master lease agreement for the lease-purchase of equipment up to a certain aggregate amount. The City and the bank then enter into separate "schedules of property" or "lease schedules" for each lease-purchase of equipment, and the City Council annually budgets and appropriates an amount sufficient to pay rent for the equipment under lease during that year; the failure to appropriate will result in termination of the lease-purchase agreement and the potential acquisition by the bank of the financed equipment. Voter approval is not required.

(5) Commercial Paper Notes. These notes serve as a cash-management tool used primarily to provide short-term interim funding of capital expenditures that will ultimately be funded from a long-term bond or loan. Commercial-paper notes can reduce a project's overall interest costs because only the amount needed for interim funding is borrowed, and interest rates on the interim funding are lower than the rates on the "permanent" funding with long-term bonds or loans. As of the date of this Policy, the City has never issued commercial paper notes, but the need for this type of short-term financing could arise in the future.

(C) Other Debt. There may be special circumstances when other forms of debt are appropriate; these will be evaluated on a case-by-case basis. In such case, the City Treasurer's Office may seek guidance from one of the City's municipal advisors.

(D) Refunding. The City Treasurer's Office will periodically review outstanding City Debt to identify refunding opportunities and evaluate the costs and benefits of restructuring or retiring outstanding obligations. Refunding will be considered (within federal tax-law constraints) when it will provide a net economic benefit or when it is needed to achieve City objectives relating to necessary changes in restrictive covenants, call provisions, operational flexibility, tax status, the issuer, debt-service profile, etc. The City may purchase City Debt in the open market for the purpose of retiring the debt when doing so is cost effective.

(1) Only one type of refunding transaction is allowed: a "current refunding," which is when outstanding bonds are optionally redeemed within 90 days after the proceeds of refunding bonds are deposited into an escrow account with the escrow agent (typically the same entity as the trustee).

(2) In general, when the City undertakes a current refunding for net economic benefit, the refunding should produce net-present-value debt-service savings of at least 5%. This 5% threshold is a goal rather than a requirement, as the City may have reasons to refund an issue that generates net-present-value savings of less than 5% (e.g., the refunding will eliminate unduly restrictive debt covenants) or conversely aim for a higher targeted minimum level of savings.

(3) The City may also issue taxable bonds to advance refund tax-exempt bonds with an optional redemption date more than 90 days after the proceeds of the taxable bonds are available. Whether the City moves forward with an advance refunding will depend on several factors, and the City Treasurer's Office will work with one of the City's municipal advisors to evaluate advance-refunding scenarios. In general, the goal will be to achieve net-present-value savings of at least 5%, but this is not a requirement.

(4) When, during periods of economic distress, the City Council determines that annual debt service (i.e., principal and interest payments) for an outstanding issue of bonds might exceed available revenues, the City may issue new bonds to refund and restructure the outstanding bonds even though the net-present-value savings will be negative. Annual debt service on the refunding bonds would be lower than debt service on the refunded bonds in the first few years of the refunded bonds, but the term of the refunded bonds might extend beyond the term of the refunded bonds, thereby increasing overall total interest costs.

4.2 *Public Policy Discussion*. The proceedings to issue debt for projects that are controversial or of high public interest should be conducted with full transparency and public discussion (e.g., through community meetings, public outreach, City Council meetings).

4.3 *Reimbursement of City Expenditures.* If the City intends to reimburse itself from proceeds of tax-exempt debt for City expenditures made before issuance of the debt, then City staff must bring forward to the City Council, as soon as is practicable and in accordance with 26 C.F.R. § 1.150-2, a resolution declaring the City's official intention to reimburse itself.

4.4 *Method of Sale*. Except to the extent a competitive process is required by law, the City Treasurer is responsible for determining the appropriate way method to offer City Debt to prospective investors. A negotiated sale is preferred because it (A) provides the City more flexibility in determining the structure, time, and date of the sale, which is advantageous in a volatile municipal-bond market; (B) permits the schedule for the issuance and sale of bonds to be expedited when necessary to meet the City's goals; and (C) affords the chosen underwriter or senior managing underwriter (in the case of an underwriting syndicate) greater opportunity to premarket the City Debt to potential purchasers, including local investors, before the sale—all of which contributes to the City's goal of achieving the lowest overall cost of borrowing. Criteria (C) is especially important to certain credit types such as special-tax revenue bonds, where there is a need to properly describe the background or the "story" of the particular special-tax revenue bonds for each financing so investors can have a better understanding of the risks of the financing and the project. Other methods of sale, such as competitive sale and private placement, may be considered on a case-by-case basis. For example, private placement debt may be appropriate when pending litigation or other risks or market conditions make a competitive or publicly negotiated sale difficult.

4.5 *Pooled Financing*. The City Treasurer is responsible for determining the appropriate use of third-party "pools" to issue City Debt. The current preferred method of sale is a direct issuance by the City led by one senior managing underwriter or co-senior managing underwriters. The appropriateness of pooled financing depends on the par amount of bonds to be issued, the complexity of the financing, and the need for

greater bond-market penetration (institutional, retail, and high-net-worth individuals).

4.6 *Professional Assistance*. The City Treasurer may periodically select and retain service providers (other than bond and disclosure counsel, which the City Attorney's Office selects and retains with input from the City Treasurer's Office as appropriate) as needed to meet legal requirements and obtain specialized analytical services that facilitate the issuance of City Debt by minimizing borrowing costs. The City Treasurer will make these selections with the goal of achieving an appropriate balance between service (including experience, professional reputation, and market recognition) and cost. The City Treasurer may select service providers through a sole-source process of their choosing unless a competitive or other process is required by law or this Policy.

5. Debt Structure Features

5.1 *Debt Repayment*

(A) Useful Life. City Debt must be structured so that the weighted average maturity of the proposed debt is less than or equal to the weighted average economic or useful life of the capital projects or improvements to be financed.

(B) Level Debt Service Preferred. To the extent possible, the structure of debt-service for long-term debt other than special-tax revenue bonds should have combined annual principal and interest payments that remain relatively constant to maturity, i.e., "level debt service." But in some circumstances non-level debt service may be to the City's advantage or is the norm—such as in the case of special tax revenue bonds where debt service increases by about 2% annually. The City Treasurer's Office will determine the structure of the debt at the time of borrowing after considering pricing, cash flows, and other relevant factors and after consulting with the underwriter of the proposed debt and one of the City's municipal advisors.

5.2 *Credit Quality*. The City should obtain and maintain the highest possible credit ratings when issuing short-term and long-term debt and will only issue bonds, for itself or others, that have a credit rating of "investment grade" or higher.[1*] The City will, however, consider the issuance of non-rated special-tax revenue bonds issued through CFDs, as well as the issuance of other non-rated bonds if circumstances warrant. In the context of non-rated land-secured bonds, the City reserves the right to not move forward with a financing requested by a developer for any reason. At a minimum key information must be provided to the City for

* For Moody's Investor Service, "investment grade" means a rating of **P-3** or higher for short-term debt and **Baa3** or higher for long-term debt. For Standard & Poor's, "investment grade" means a rating of **A-3** or higher for short-term debt and **BBB–** or higher for long-term debt. And for Fitch Ratings, "investment grade" means a rating of **F-3** or higher for short-term debt and **BBB–** or higher for long-term debt.

review and consideration. The items include but are not limited to: a recorded final map on at least the first phase(s) of development, approved tentative maps on the balance of the district, no-redacted purchase and sale agreements for land sales of taxable property within the district within at least the last three years of the request to form the district, and definitive development plans including unit mix, village size and village phasing. Furthermore, the City reserves the right to not move forward with a financing if the development does not have complete or substantially complete backbone infrastructure and street improvements on at least the first phases of development (all in-ground utilities, streets, curbs, gutters, sidewalks), and is in a state of development ready to pull building permits. The City will not seek a rating for bonds unless the City Treasurer's Office determines that the bonds are likely to receive an underlying (i.e. unenhanced) rating of BBB or higher.

The security shall be released when the foregoing undeveloped property is responsible for less than 20 percent of the maximum special tax levy in the CFD (or improvement area or tax zone, as applicable). In the event the security is not renewed to continue to meet the requirements set forth above, the City may draw upon the full amount of the security. Provided that there are not special tax delinquencies on the undeveloped property to which the security relates, the City will return amounts drawn when the security is renewed, replaced or cash-in-lieu thereof is provided as set forth herein if such amount are available in the special tax/redemption fund for the CFD (or improvement area, or tax zone, as applicable).

5.3 *Credit Enhancement*. The City Treasurer's Office will work with one of the City's municipal advisors and with the underwriter of the proposed City Debt (or senior managing underwriter, if there is an underwriting syndicate) to analyze the costs and benefits of obtaining bond insurance on a maturity-by-maturity basis for the proposed debt.

5.4 *Non-Cash Reserve and Reduced Reserve*. The City Treasurer's Office will work with one of the City's municipal advisors and with the underwriter of the proposed City Debt (or senior managing underwriter, if there is an underwriting syndicate) to analyze the costs and benefits of having no reserve, obtaining a surety reserve policy, or incorporating a debt service reserve based on a modified three-prong reserve test (26 C.F.R. § 1.148-2(f)(2))—for example, to 50% of maximum annual debt service or 10% of outstanding principal.

5.5 *Fixed-Rate Debt.* The City's preferred interest-rate mode is fixed-rate.

5.6 *Variable-Rate Debt.* The City may issue variable-rate debt—i.e., debt that pays interest at a rate that resets according to a pre-determined formula or specified index or results from a periodic remarketing of the debt. Although the City might benefit from variable-rate debt in some transactions, issuing variable-rate debt passes an unknown obligation and risk to future City Councils.

5.7 *Derivatives.* Derivatives might be appropriate for certain City borrowing programs. For example, derivatives may be used in connection with the issuance of variable-rate debt. The City Treasurer's Office will evaluate, with a written analysis provided by a municipal advisor, the use of derivatives on a case by-case basis to determine whether the potential benefits are sufficient to offset any potential costs and whether the derivatives are consistent with federal and state law and financially prudent.

5.8 *Call Provisions.* The City Treasurer's Office will determine the call provisions for City Debt at the time of pricing, mindful that call provisions may affect the interest of potential investors and the price of the bonds. The City's preferred structure is optional redemption at par to maintain flexibility for future refunding opportunities. The City will not issue non-callable debt unless it is legally required or unless market conditions dictate otherwise; non-callable debt should not be issued solely to generate additional debt-service savings.

5.9 *Bond Size.* Unless otherwise directed by the City Treasurer in consultation with the City Manager, the minimum amount the City will finance through the issuance of bonds is $10 million unless circumstances justify a lower amount. The City may pursue other financing mechanisms—such as pay-as-you-go financing, inter-fund borrowing, lines of credit, and lease financing—for debt less than $10 million. In the case of special tax revenue bonds, special circumstances may exist that warrant the City Treasurer's consideration of the developer's request to issue bonds in an amount less than $10 million (e.g., if the bonds are for an infill or brownfield development project). The City Treasurer will determine whether to move forward with a debt financing with small par amount.

6 Debt Administration and Regulatory Compliance

6.1 *Policies and Procedures for Post-Issuance Compliance*. The City Treasurer's Office must maintain written policies and procedures that require compliance with debt covenants and with federal, state, and local laws and regulations. The policies and procedures must address continuing-disclosure requirements; arbitrage-rebate requirements, private-use limitations, other tax-compliance requirements; levy enrollment and administration; delinquency and foreclosure management; debt service and other payments; and permitted investments and uses of debt proceeds.

6.2 *Federal Income Tax Compliance*. The City Treasurer's Office is responsible for keeping all records needed to comply with federal requirements for tax-exempt debt.

(A) For each bond issue, the City Treasurer's Office will pay required rebate amounts, if any, no later than 60 days after each five-year anniversary of the issue date of the bonds and no later than 60 days after the last bond of the issue is redeemed.

(1) During the construction of each capital project financed with debt proceeds, the City's arbitrage consultant will typically be requested to prepare an interim arbitrage-rebate report at least once every 12 months until all proceeds deposited in the project fund (or acquisition and construction fund in the case of CFD financing) have been expended; if, however, the proceeds remaining in the project fund (or acquisition and construction fund) are equal to or less than 5% of the proceeds deposited into the project fund, (or acquisition and construction fund), then the City Treasurer's Office may have the arbitrage consultant prepare the interim arbitrage-rebate reports according to the timeframe required by IRS regulations.

(2) After the construction proceeds have been fully expended or the balance in the project fund (or acquisition and construction fund) has fallen below 5% of the proceeds deposited, into the project fund (or the acquisition and construction fund), the City's arbitrage consultant will prepare an interim arbitrage-rebate report on each five-year anniversary of the issue date of the bonds, or more frequently if warranted.

(B) During the term of each issue plus three years, the City Treasurer's Office will retain copies of all arbitrage reports, records relating to the use and investment of tax-exempt proceeds, documentation of private use, and other relevant documents associated with the issue. If the issue is refunded, then the retention period for the refunded issue is the life of the refunding issue plus three years. Training may be provided for all personnel working on the IRS's post-issuance-compliance process. If any potential violations to complying with federal tax laws are discovered, then the City Treasurer or the Debt Manager, after consulting with the City Attorney's Office, will contact bond counsel and determine what, if any, corrective actions are needed (e.g., participation in the IRS's Voluntary Closing Agreement Program).

(C) The City Treasurer or the Debt Manager will periodically review the City's post-issuance compliance policies and procedures and will implement revisions as appropriate after consulting with the City Attorney's Office and, if needed, bond counsel and disclosure counsel.

(D) When bonds (the refunding bonds) are issued to refund outstanding bonds (the refunded bonds), all remaining proceeds of the refunded bonds—e.g., all amounts remaining in the project fund, reserve fund, and other accounts, plus accrued interest—will be considered for purposes of IRS regulations to be "transferred proceeds" of the refunding bonds and, as such, will be subject to the arbitrage calculations for the refunding bonds. In addition, if the transferred proceeds represent more than 5% of the original deposit in the project fund (or acquisition and construction fund) of proceeds from the refunded bonds (see section 6.2(A)(1) above), then interim arbitrage calculations must be performed on an annual basis until the balance of the

transferred proceeds is less than 5% of the original deposit at which point the arbitrage calculations will be completed every five years from the issuance date of the refunding bonds.

6.3 *Use of Proceeds from Tax-Exempt or Taxable Debt and of Assets Financed with Tax-Exempt Debt.* The City Treasurer's Office in conjunction with other City departments is responsible for the following:

(A) Monitoring the use of proceeds from tax-exempt and taxable debt and the use of assets financed or refinanced with tax-exempt debt throughout the term of the debt to ensure compliance with all covenants and restrictions in the documents relating to the debt and to ensure that the proceeds are directed to the intended use.

(B) Consulting with the City Attorney's Office and bond counsel in reviewing contracts or other arrangements involving use of assets financed or refinanced with tax-exempt taxable debt to ensure compliance with all covenants and restrictions in the documents relating to the debt.

(C) Maintaining records for any contracts or other arrangements involving the use of assets financed or refinanced with tax-exempt debt.

(D) Maintaining internal-control procedures related to the management and disbursement of proceeds, such as procedures requiring that proceeds are either (1) held by a third-party trustee or fiscal agent, which will disburse the proceeds to, or upon the order of, the City in accordance with one or more written requisitions; or (2) held by the City and deposited and accounted for in a separate fund or account, with withdrawals and expenditures carefully documented.

Consulting promptly with the City Attorney's Office and bond counsel to develop a course of action to remediate any identified existing or potential violations of restrictions on the use of tax-exempt or taxable proceeds or the use of assets financed or refinanced with tax-exempt or taxable proceeds.

Attachment A
Supplemental Policies

City of Sacramento *Policies and Procedures For Use of Special Assessment and Mello-Roos Community Facilities District Financing For Infrastructure, Public Facilities, Programs and Services* (Adopted on June 29, 1993, by Resolution No. 93-381, updated on August 9, 1994, by Resolution 94-491 and on May 15, 2012)

City of Sacramento *Development Fee Financing Program for Commercial, Industrial and Residential Development Projects* (Adopted January 1997 by Resolution No. 97-002)

California Debt and Investment Advisory Commission *Appraisal Standards for Land-Secured Financings* CDIAC 04-07 (Adopted in May 1994 and revised in July 2004)

City of Sacramento *Debt-Management Policy – Supplemental Policy on Disclosure* (Adopted on June 2, 2011, by Resolution No. 2011-322 and updated on February 7, 2017, by Resolution No. 2017-0046; on June 19, 2018, by Resolution No. 2018-0251; on April 23, 2019, by Resolution No. 2019-0122; and on December 10, 2019, by Resolution No. 2019-0453); on June 30, 2020, by Resolution No. 2020-0189; and on June 1, 2021, by Resolution No. 2021-0314 on November 1, 2022, by Resolution No. 2022-0329 and on May 2, 2023 by Resolution No. 2023-0111)

Debt Management Policy - Disclosure

Supplemental Policy on Disclosure

Scope: CITYWIDE

Administrative Entity
Office of the City Treasurer
(916) 808-5168
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Table of Contents

Regulatory References
Council Resolution 2023-0111

Effective Date: May 02, 2023

Debt Management Policy - Disclosure

1. Introduction

1.1 This Supplemental Policy on Disclosure ("**Policy**") governs the City's discharge fulfillment of its disclosure obligations related to municipal securities issued by the City or by related entities such as the Sacramento City Financing Authority, the Sacramento Public Financing Authority, and the Redevelopment Agency Successor Agency. In the event an Enhanced Infrastructure Financing District ("**EIFD**") formed by the City issues bonds, the City, specifically the Office of the City Treasurer, may be asked to handle post issuance matters including continuing disclosure for EIFD bonds. While an EIFD is a separate legal entity from the City with a separate governing body from the City Council, if City staff is responsible with the continuing disclosure requirements for EIFD bonds, City staff will do so in accordance with this Policy.

(A) The City and its related entities issue obligations in the public capital markets from time to time. When bonds are issued, the City, whether acting for itself or for a related entity, is obligated to disclose all material information in compliance with federal securities laws, including the Securities Act of 1933, the Securities and Exchange Act of 1934, Rule 10b-5 of the Securities and Exchange Commission ("**SEC**"), and Rule 15c2-12 of the SEC. California Government Code sections 8855 and 53359.5 require certain disclosures to the California Debt and Investment Advisory Commission and Government Code sections 12463.2, 53891, 53892, 53892.2, and 53892.3 require certain disclosures to the California State Controller's Office.

(B) Incomplete, inaccurate, or misleading disclosure might have material financial consequences for the City, as well as City officers and employees. For example:

- The SEC could bring civil actions charging that disclosure was negligent, reckless, or intentionally fraudulent; in addition, the SEC could refer cases to the U.S. Department of Justice for criminal prosecution.
- The SEC could impose cumbersome procedures and oversight on the City as conditions for settling civil actions.
- The City could suffer adverse publicity, which might reduce market access.
- The credit rating on the City's debt could be downgraded, resulting in increased costs in future issuances.
- City officials could face personal fines for violations of securities laws.

(C) Sound disclosure practices can provide both tangible and intangible benefits, including the following:

- Enhanced credibility in the municipal-bond marketplace.
- Transparency with rating agencies, bond issuers, investors, and prospective investors.
- Improved decision making for prospective investors.
- Increased numbers of investors who purchase the City's bonds in the primary and secondary markets.
- Demonstrated City commitment to providing timely disclosure to rating agencies, investors, and other stakeholders.
- The potential for a lower overall cost of borrowing.

1.2 Scope of Policy. This policy applies to City information and document, including the following, that a reasonable investor would consider significant or useful when deciding whether to invest in the City's bonds:

(A) Initial-disclosure documents, i.e., preliminary, and final official statements.

(B) Continuing-disclosure documents, i.e., annual financial information and event notices.

(C) Miscellaneous reports and presentations to the public.

2. Governing Authority, Point of Contact, and Responsibility

2.1 Authority. Either the City Treasurer or the Debt Manager within the City Treasurer's Office (the "**Debt Manager**") shall manage the City's disclosure program in conformance with federal, state, and local requirements, including the Sacramento City Charter, the Sacramento City Code, and the City's Debt-Management Policy.

2.2 Point of Contact. Either the City Treasurer or the Debt Manager will be the City's point of contact for disclosure, primarily responsible not only for developing and distributing information but also for determining the materiality of information, based in part by guidance by the City Attorney's Office and the City's disclosure counsel.

2.3 Responsibility,

(A) The City Treasurer or the Debt Manager shall oversee all aspects of disclosure. As such, the City Treasurer or the Debt Manager shall review the form and content of the City's documents and materials prepared, issued, or distributed in connection with the City's disclosure obligations relating to its debt. Those documents and materials include not just preliminary and final official statements following:

- Annual financial information provided to the Municipal Securities Rulemaking Board ("**MSRB**") in accordance with SEC Rule 15c2-12 and any applicable continuing-disclosure agreement or certificate (except that the City Treasurer and the Debt Manager are not responsible for the form and content of the City's annual comprehensive financial report, which is prepared by the City's Accounting Division and reviewed by the City's external auditor).

- Event notices provided to the MSRB in accordance with SEC Rule 15c2-12and any applicable continuing-disclosure agreement or certificate.

- Any other information provided to the MSRB for use by investors in making investment decisions.

Such information and notices will typically be provided through the MSRB's Electronic Municipal Market Access website (known as "EMMA"), which the SEC has designated as the official source for municipal securities data and disclosure documents.

The City reserves the right to utilize certain services provided by a third-party dissemination agent such as the upload of disclosure fillings to EMMA, however as stated in section (c) below, the preparation, review, and final approval of all disclosure filings are the responsibility of the City.

(B) Along with the City Treasurer and their staff, the City Attorney and the City Manager shall serve as integral members of the financing team, each responsible, as appropriate, for ensuring and certifying to the accuracy of information released to the market.

(C) The City is responsible for the content of its disclosure documents. The City Treasurer, City Attorney, and City Manager shall ensure the use of outside professionals for their respective areas of expertise is appropriate and that reliance upon outside professionals is reasonable and not excessive. The City Treasurer's Office is responsible for the accuracy and completeness of information filed with EMMA, except with respect to certain information filed by developers and merchant builders or their respective consultants, in accordance with the respective developer's or merchant builder's limited scope continuing disclosure requirements for certain special-tax revenue bonds.

(D) The City Treasurer or the Debt Manager shall ensure that subject-matter experts, including City staff with relevant knowledge or expertise, are involved in developing and periodically reviewing and updating disclosure documents. For example, when obligations are secured by specific revenues, such as water or wastewater revenues, City staff who are knowledgeable about the relevant enterprise utility must be involved.

(E) The City Treasurer and Debt Manager, in collaboration with the City Attorney, shall arrange for the engagement of disclosure counsel to assist

the City in complying with disclosure requirements, as warranted. The City Treasurer or the Debt Manager shall also arrange for the periodic training of City Council members and City Council members' staff (as determined by the City Treasurer or the Debt Manager), executive management and other employees who may contribute to or have involvement with the City's primary offerings or continuing disclosure obligations, regarding the City's disclosure obligations under federal securities laws.

(F) City officers and employees serving as financing-team members are responsible for reviewing and commenting on draft documents. As part of their review, they must determine whether all material information—including confidential or politically sensitive information—has been included and is both accurate and relevant.

(G) City officers and employees and the officers and employees of related entities shall promptly provide all information, assurance, and certifications that the City Treasurer or the Debt Manager requests for compliance with federal securities laws. The City Manager and the City Attorney shall be required to promptly and fully respond to those requests.

3. Certifications

3.1 In connection with the City Council's approval of preliminary or final official statements for publicly issued debt, as appropriate City officer or employee shall certify in writing, to the best of their knowledge, the documents do not make any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

The City Treasurer or the Debt Manager shall provide offering documents such as preliminary official statements to appropriate City officials (which may include the Mayor and City Council, City Manager, City Attorney, and other City officers and employees) in such a manner as to allow timely, informed decisions regarding disclosure.

Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management Policy

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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Purpose
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Management of Activities in Fund 2016

Related Regulatory References
May 12, 2015 Resolution 2015-0123

DSCR and Development Services Fund Management Policy

1. PURPOSE

The purpose of the DSCR and the Development Services Fund (Fund 2016) is to ensure the prudent management of development funds for the public and the City of Sacramento. The DSCR will be used to bridge gaps between budgeted and actual development revenues in the Community Development Department (CDD) during periods of significant revenue decline.

2. BACKGROUND

The Development Services Fund was established on February 23, 1999 (Reso 99-077), to account for major plan review and building permit projects, cyclical surplus plan review and building permit revenues, and environmental impact review projects. In 1999 the City Council authorized the transfer of General Fund budget surpluses, during periods of high building activity, in the Development Services Department to be transferred to the Development Services Fund. The intent was that the Development Services Fund would be drawn down in years of lower building activity. Over time, these resources were used to fund ongoing workload, without an ongoing revenue stream. When the Fund could no longer support ongoing budgeted expenditures, the authority to carryover surpluses was removed from the annual budget resolution.

A sustainable funding plan for CDD building and planning operations is necessary for the department to be responsive to the economic climate. Establishing a DSCR Policy for Fund 2016 and Management Guidelines will provide the department resources during a downturn in development activity and time to react to those changes.

3. POLICY

The DSCR shall be established as set forth below and any changes to the policy will be presented to and approved by the City Council.

(a) The DSCR goal is one year's worth of building, building plan check, and current planning revenues.

(b) The DSCR will be initially funded with the available fund balance upon completion of the FY2014/15 audited financial statements for Fund 2016.

(c) Beginning with FY2014/15 actual year-end revenues in excess of budget from CDD's Building Inspection, Building Plan Check, Customer Service/Permit Counter, and Planning Operations, provided that the net year-end results (revenue and expenditure budget variance) of CDD are positive, will be transferred to the DSCR.

(d) The DSCR will only be used to bridge gaps between projected and actual development-related revenues in CDD during periods of significant revenue shortfalls.

4. MANAGEMENT OF ACTIVITIES IN FUND 2016

The fund shall be used for the management of development activities, when those activities are intended to be fully offset by revenues as described below and summarized in Attachment 1.

(a) Environmental impact review or planning review in fully reimbursable projects (P2100xxxx)

i. Revenues and expenditures must balance upon closure

ii. Shortfalls in completed projects where recovery efforts are unsuccessful will be covered by a transfer from the DSCR so that the project may be closed with balanced revenues and expenditures

(b) Major development projects (I21xxxxxx) when building valuation is in excess of $50 million, to be adjusted annually according to the Consumer Price Index (e.g., high rise buildings, arenas, theaters in fully reimbursable projects)

i. Revenues and expenditures must balance upon closure

ii. Funds remaining in a completed project will be transferred first to the DSRC until the Reserve level is attained, then to the department's General Fund operating budget

iii. Shortfalls in completed projects will be covered by a transfer from the DSCR so that the project may be closed with balanced revenues and expenditures

(c) Citywide Development Activities (funding provided by a % fee on all permits/plan reviews)

i. Technology for building or planning permitting systems: (e.g., Accela, CitizenServe, or eCAPS) to be managed in the separate capital projects (A21xxxxxx)

ii. General Plan and Community Plan updates: To be managed in a multi-year projects (I22xxxxxx) with separate child projects for the various plans/updates

Emergency Medical Services (EMS) Revenue Recovery and Fee Waiver Policy

Scope: CITYWIDE

Administrative Entity
EMS Division
Fire Department
(916) 808-5352
SFDEMS@sfd.cityofsacramento.org

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Purpose
Background
Policy

Related Regulatory References

July 27, 1993	Resolution 1993-0434
October 2011	AB 678-Ground Emergency Medical Transport
June 26, 2012	Resolution 2012-0214
March 18, 2014	Motion 2014-0053
December 5, 2017	Resolution 2017-0468
December 31, 2022	AB 678-Ground Emergency Medical Transport – Disbanded
January 1, 2023	AB 1705-Plan Provided Ground Emergency Medical Transport

Effective Date: May 16, 2023

EMS Revenue Recovery and Fee Waiver Policy

1) PURPOSE

a) To establish a policy for revenue recovery and fee waiver or reduction of costs associated with providing the City of Sacramento's (City) EMS program.

2) DEFINITIONS

a) Advanced Life Support (ALS): This term is defined in Health and Safety Code section 1797.52.

b) Basic Life Support (BLS): This term is defined in Health and Safety Code section 1797.60.

c) Electronic Patient Care Report (ePCR): A patient care report, as defined in Sacramento County Emergency Medical Agency Policy No. 2305.22, in an electronic format. An ePCR is an electronic health record, within the meaning of Health and Safety Code section 1797.227, created for each patient by Fire Department staff at the time of service. The report is used to relay information between the responding unit and the receiving hospital staff. The report serves as documentation of the treatment provided.

d) Emergency: This term is defined in Health and Safety Code section 1797.70.

e) Emergency Medical Services (EMS): This term is defined in Health and Safety Code section 1797.72. EMS includes Fire Department responses to provide ALS, BLS, and treat-not-transport patient care.

f) Fee Waiver: the forgiveness of all of a patient's owed City Council approved EMS user fees, based on a formalized criteria and processes as outlined in this policy.

g) Fee Reduction: the forgiveness of a portion of a patient's owed City Council approved EMS user fees, based on a formalized criteria and processes as outlined in this policy.

3) BACKGROUND

a) On July 27, 1993 (Resolution 93-434), the City established the ALS program.

As costs for ALS services continue to increase, the revenues generated by fees for service have not grown proportionally. The City is challenged to recover fee for service revenues due to several different reasons, one of them being payer mix. The City's payer mix is currently 40 percent Medicare, 40 percent Medicaid, and 15 percent private insurance with the remainder being from self-insured and uninsured. In addition, there are federally mandated write-offs, which allow the City to collect only a small percentage of the actual billed

amount from Medicare and Medicaid. In an effort to maximize reimbursements and cover direct costs the City has pursued additional recovery options.

b) In October 2011, AB 678 enacted the Ground Emergency Medical Transport (GEMT) program. It provided for the reimbursement of transports of Medi-Cal patients who were not in managed care. On March 18, 2014, the Council authorized an agreement with Sacramento Metropolitan Fire District (Motion No. 2014-0053) to pursue reimbursements through the GEMT program.

c) On June 26, 2012, the Council approved increases to the ALS fees for service (Resolution 2012-214) to increase cost recovery to address a portion of the structural variance between the cost of providing services and the revenue collected for those services.

d) On December 16, 2014, Council authorized the participation in the Rate Range Intergovernmental Transfer (IGT) program. IGT allows local governments to receive a federal reimbursement for transporting Medi-Cal patients that are in managed care.

e) On December 5, 2017, Council approved increased to the ALS fees for service (Resolution 2017-0468) to increase cost recovery to address a portion of the structural variance between the cost of providing services and the revenues collected for those services. The resolution allowed staff yearly to adjust the fees based on a medical Consumer Price Index (CPI).

f) On December 31, 2022, the Ground Emergency Medical Transport (GEMT) program ended.

g) On January 1, 2023, The Department of Health Care Services (DHCS) developed the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer Program (IGT), pursuant to AB 1705, to provide increased reimbursements to emergency medical transports provided by eligible public GEMT Providers through application of an add-on increase.

h) While the City can assure the continuation of fee for service revenues, revenue recovery programs such as GEMT, IGT, and PP-GEMT are subject to the availability of state and federal funding.

4) EMS FEE RECOVERY POLICY

a) The EMS Program shall be fully offset by fees generated by services provided. All revenues recovered for the provision of EMS services shall be used to cover direct and indirect costs to reduce the General Fund subsidy for this program.

b) GEMT, IGT, and PP-GEMT revenues received in excess of the Fire Department's approved General Fund revenue budget, during the fiscal year, shall be committed for future appropriations for the Fire Department.

5) EMS FEE WAIVER POLICY

a) The City Manager or their designee may waive all or a portion of the EMS fees established by City Council as provided herein.

b) In no event shall any person be denied EMS services because of their inability or failure to pay the charges incurred for services provided.

c) Procedures:

   i. Fee Waiver Application:

      1. An applicant or applicant's legal representative may submit a completed Fee Waiver Application with adequate supporting documentation to the Fire Department for review and consideration. The Fee Waiver Application shall be on a form prescribed by the City Manager or their designee.

      2. Fire Department staff, through assistance from a contracted billing company, will use reasonable research methods to confirm the validity of the information provided.

      3. Upon completion of the application review process above, the contracted billing company will notify all applicants as instructed by the Fire Chief or their designee.

      4. Fee waiver applications and supporting documentation will be retained in accordance with the City's Record Retention Policy.

d) Fee Waiver Conditions and Options:

   i. Financial Hardship. A fee waiver may be granted in circumstances where a financial hardship is demonstrated. The determination of a financial hardship shall be based on the most recent Federal Poverty Level (FPL) chart provided by the Department of Health and Human Services (HHS). The Fire Chief may grant a waiver, reduction, or payment plan to applicants that demonstrate a financial hardship.

ii.

2026 Federal Poverty Levels			
Household Size	Poverty Level (100% Waiver)	2X Poverty Level (50% Reduction)	3X Poverty Level (25% Reduction)
1	15,960	31,920	47,880
2	21,640	43,280	64,920
3	27,320	54,640	81,960
4	33,000	66,000	99,000
5	38,680	77,360	116,040
6	44,360	88,720	133,080
7	50,040	100,080	150,120
8	55,720	111,440	167,160
Note: For families/households with more that 8 persons, add $5,680 for each additional person. Poverty levels will be updated annually.			

The current poverty information is available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.

1. Waiver or Reduction: The Fire Chief may approve a full waiver or partial reduction of the remaining balance after all insurance payments have been posted based on the applicant's ability to pay the remaining balance. Reductions may range from 25% to 50% based on the applicant's financial hardship as reflected above.

2. Payment Plan: The Fire Chief may offer a low-cost monthly payment plan in lieu of, or in addition to, a reduction for applicants that have a verified financial hardship.

iii. Services Provided. A waiver may be granted in circumstances where the level of response or services provided do not justify application of the charges incurred. Such determination shall be based on the contents of the applicable ePCR or one or more of the following circumstances:

1. The call for service did not require response by Fire Department apparatus including an ambulance, engine company, or truck company;

2. Treatment or care provided to the applicant was at a lower level than the defined levels of ALS and BLS service;

iv. The applicant did not initiate the call for service, and the applicant refused care.

Fees and Charges Policy

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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1. Purpose
2. Policy
3. Proposition 26

Related Regulatory References
May 8, 2014 Resolution 2014-0111

Effective Date: July 1, 2015

Fees and Charges Policy

1. PURPOSE

The City of Sacramento has the ability to determine the extent to which fees should be used to fund City facilities, infrastructure and services.

There are five main categories of fees that the City currently implements:[2]

- ✓ **Impact/development fees are** typically one-time charges levied by the City against new development to generate revenue for the construction of infrastructure and capital facilities needed to offset the effects of the new development.

- ✓ **Service fees** are charges imposed on persons or property that are designed to offset the cost of providing a government service. Sometimes these services are elective, such as fees for processing voluntary development permit applications, or providing service/recreation programs, while other service fees are not, such as mandatory service fees for trash or utility services. Such fees are typically reasonably related to the cost of providing the service for which the fee is imposed. Otherwise, the fee may constitute a special tax for which voter approval is required by Propositions 13, 62, and 218.

- ✓ **Regulatory fees** are imposed to offset the cost of a regulatory program, such as business regulatory fees, or to mitigate the past, present, or future adverse impact of a fee payer's operations. While payment of a regulatory fee does not necessarily provide any direct benefit from payment of the fee, there must be a "nexus" between the activity and the adverse consequences addressed by the fee. Common examples of regulatory fees include inspection fees and business license fees designed to reimburse a local agency for the cost of monitoring the business and enforcing compliance with City code.

- ✓ **Rental fees** are charged for the rental of public property and include the rental of real property, parking spaces in a public parking lot, or the rental of community facilities such as a recreation or community room or picnic area. Rental fees are not subject to the general rule that the fee must bear a direct relationship to the reasonable cost of providing the service for which the fee is charged however, rental fees must be fair and reasonable.

- ✓ **Penalties/Fines** are payment required for non-compliance or failure to adhere to specific rules and/or requirements.

[2] League of California Cities Website: Spring Meeting May 13-15, 1998Laurence S. Wiener, Esq.City Attorney of Beverly Hills and Westlake Village ***THE CITY ATTORNEY'S ROLE IN EVALUATING FEE STUDIES.***

This document sets forth guidelines for:

- Establishing cost recovery goals;
- Determining the categories of cost recovery levels in which to categorize/organize fees;
- Methods for determining which category a fee falls under; and
- Establishment and modification of fees and charges.

2. POLICY

A. Cost Recovery Goals

In setting user fees and cost recovery levels, the following factors will be considered:[3]

1) The amount of a fee should not exceed the overall cost of providing the facility, infrastructure, or service for which the fee is imposed. In calculating that cost, direct and indirect costs may be included. That is:
    - Costs which are directly related to the provision of the service; and
    - Support costs which are more general in nature but provide support for the provision of the service. For example, service fees can include reimbursement for the administrative costs of providing the service. Development fees can include the cost of administering the program to construct public facilities that are necessary to serve new development.

2) The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.

3) Fees should be sensitive to the “market” for similar services.

In addition, in setting enterprise fund fees and cost recovery levels, the following factors will be considered:

4) The City will set fees and rates at levels which fully cover the total direct and indirect costs, including operations, capital outlay and debt service of the enterprise programs.

5) The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.

B. Categories of Cost Recovery Levels in Which to Categorize/Organize Fees

There are five categories of cost recovery levels in which to classify fees:

[3] Government Finance Officers Association Website, Best Practices in Public Budgeting, City of San Luis Obispo: User Fee Cost Recovery Goals, 2005.

1) **Enterprise:** Full direct and indirect cost recovery (100% of total costs) for enterprise services such as water, sewer, and solid waste, as well as impact/development fees.
2) **High:** Full direct cost recovery (81-100% of total costs).
3) **Medium:** Recovery between 41-80% of direct costs.
4) **Low:** Recovery between 0-40% of direct costs.
5) **Other:** Fees based on market, geography, assessment, project specific, legal limits, or specific Council policy.

The City may choose, for policy reasons, to set fees at less than full recovery. For example, fees based on market, geography, assessment, project specific, statutory/legal limits, or specific Council policy. In some cases, the City will acknowledge that a subsidy is acceptable, or even necessary to ensure program access and viability.

C. Methods for Determining Which Category a Fee Falls Under

Implementation of higher cost recovery levels is appropriate under the following conditions (up to 100% of the cost of the service or program):

- The service is regulatory in nature (e.g., building permits, plan check fees);
- The service is similar to services provided through the private sector;
- Other private or public sector alternatives could or do exist for the delivery of the service;
- Over-use of the service is specifically discouraged (e.g., police responses to disturbances or false alarms might fall into this category); and
- Over-use of the service or facility is a specialized use that could be provided at a lower cost if not for specific nature or service (e.g., lighted fields).

Lower cost recovery levels are appropriate under the following conditions:

- There is no intended relationship between the amount paid and the benefit received. (It is likely that some recreation and human service programs fall into this category as it is expected that these programs will be subsidized by funds);
- Collecting fees is not cost-effective or will significantly affects the accessibility to the service;
- The service is non-recurring, generally delivered on a peak demand or emergency basis, cannot be planned for and is not readily available from a private sector source (e.g., public safety services); and
- Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City.

Other:

- Market pricing requires that there be a direct relationship between the amount paid and the level and cost of the service received or a direct relationship to actual prices being charged for the service in the current market.
- Legal specifications and/or limitations to the amount that is charged.
- Adopted Council Policy setting specific fee.

Factors to Consider

The extent to which the total cost of service should be recovered through fees depends upon the following factors:

- ✓ The nature of the facilities, infrastructure or services;
- ✓ The nature and extent of the benefit to the fee payer;
- ✓ The effect of pricing on the demand for services; and
- ✓ The feasibility of collection and recovery.

The chart below reflects these factors and the potential options for higher or lower cost recovery:[4]

	The Nature of the Facilities, Infrastructure or Services	The Nature and Extent of the Benefit to The Fee Payers	Effect of Pricing on the Demand for Services	Feasibility of Collection and Recovery
Higher Cost Recovery	In the case of fees for facilities, infrastructure and proprietary services[5], total cost recovery may be warranted.	When a particular facility or service results in substantial, immediate and direct benefit to fee payers, a higher percentage of the cost of providing the facility or service should be recovered by the fee.	Because the pricing of services can significantly affect demand, full cost recovery for services is more appropriate when the market for the services is strong and will support a high level of cost recovery.	In the case of impact fees, which can be collected at the time of issuance of a building permit, ease of collection is generally not a factor.
Lower Cost Recovery	In the case of governmental services[6], it may be appropriate for a substantial portion of the cost of such services to be borne by the City's taxpayers, rather than the individual users of such services.	When a particular facility or service benefits not only the fee payer but also a substantial segment of the community, lower cost recovery is warranted.	If high levels of cost recovery affect accessibility to or negatively affect the delivery of services to lower income groups, this should be considered based on the overall goals of the program being implemented.	Some fees may prove to be impractical for the City to utilize if they are too costly to administer.

[4] Government Finance Officers Association Website, Best Practices in Public Budgeting, City of Fort Collins, CO: User Fee Policies, 2005.

[5] Proprietary services are those which are provided for the benefit and enjoyment of the residents of the City

[6] Governmental services are those which are provided by the City for the public good such as regulating land use, maintaining streets, and providing police and fire protection.

D. Establishment and Modification of Fees and Charges

Fees will be reviewed and updated on an ongoing basis as part of the annual budget process to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. At the beginning of the budget process each department will submit a list of proposed adjustments to their section of the master fee schedule. Each service must be assigned a target cost recovery level as defined above.

Maintaining competitive status and comparability with other cities should be considered when determining new fee levels. Those fees that are proposed for adjustment should be benchmarked against neighboring jurisdiction fee schedules or appropriate service markets. The benchmark analysis should be taken into consideration when making final pricing decisions.

However, the City may choose, for policy reasons, to set fees at less than full recovery. (for example, fees based on market, geography, assessment, project specific, statutory/legal limits or specific Council policy). As stated above, in some cases, the City will acknowledge that a subsidy is acceptable, or even necessary to ensure program access and viability. Where appropriate, fees that have not been increased in some time should have increases phased in over several years to avoid ‘sticker shock’ increases.

If a particular fee is not adjusted in the budget process, to the extent feasible and/or appropriate, it should be increased biennially by a CPI factor to keep pace with inflation. Beginning in FY2014/15 the City will use the State of California Department of Industrial Relations Consumer Price Index (CPI) which is the same index used by the County Assessor to adjust the annual property tax roll for inflation.

Biennially, the Finance Department shall determine the percentage change in this index and apply the increase or decrease to the master fee schedule, rounding up to the nearest whole dollar. Certain fees are exempt from an index adjustment, such as fees set by the State of California, percentage-based fees or those that have been identified as inappropriate for indexed fee increases (e.g., feasibility or fees that are based on market for services). Exempt fees are noted in the master fee schedule. Council may consider fee issues outside of the annual budget process on a case-by-case basis.

The City should conduct a comprehensive cost of service analysis every five to seven years to ensure fees and charges are set appropriately. Generally, fees may be adjusted based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery. For example, changes in processes and technology change the staff time required to provide services to the public. A cost-of-service study will identify and quantify these changes.

3. Proposition 26

Proposition 26, the "Stop Hidden Taxes Initiative," was passed by the voters on November 2, 2010, to amend Article XIII C of the State Constitution. According to the ballot measure, the intent of the measure is to ensure the effectiveness of Propositions 13 and 218 by providing a definition of a "tax" for state and local purposes "so that neither the Legislature nor local governments can circumvent these restrictions on increasing taxes by simply defining new or expanded taxes as 'fees." Accordingly, under Proposition 26 a tax has been very broadly defined.

Tax Defined:
"Tax" now means "any levy, charge, or exaction of any kind imposed by a local government, except for the following seven categories of charges:

Exception 1 – Benefit Conferred or Privilege Granted
A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

Examples:

- Residential parking permit fees
- Professional licenses
- Business improvement assessments

Exception 2 – Government Service or Product

A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

Examples:

- User fees for park and recreation programs
- Weed abatement fees
- Sidewalk curb repairs

Exception 3 – Licenses and Permits

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

Examples:

- Building inspections
- Cardroom license
- Business licenses

Exception 4 – Use of City property

A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.

Examples:

- City-owned parking lots
- Swimming pools
- Convention Center rentals
- Golf green fees

Exception 5 – Fines and Penalties

A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law.

Examples:

- City Code fines and penalties (e.g., 1.28.020)
- Parking fines

Exception 6 – Property Development Charges

A charge imposed as a condition of property development.

Example:

- Development impact fees

Exception 7 – Proposition 218 Fees

Assessments and property related fees imposed in accordance with the provisions of Proposition 218, Article XIII D.

Examples:

- Utility fees for water, sewer, drainage, and solid waste
- Street lighting assessments

Burden of Proof:

The paragraph following the seven enumerated exceptions states:

“The local government bears the burden of proving by a preponderance of the evidence [1] that a levy, charge, or other exaction is not a tax, [2] that the amount is no more than necessary to cover the reasonable costs of the government activity, and [3] that the manner in which those costs are allocated to a payor bears a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” The latter two requirements only apply to the first three exceptions.

Thus, with the burden of proof now shifted to the City, that requires each department to take into consideration how it aims to prove that a proposed fee or fee increase is not a tax. The following analytical framework can assist in this regard.

Burden of Proof: A 3-step Analysis

1. The City must make a threshold determination whether one of the exceptions applies.
    - If none apply, it is a tax subject to voter approval.
2. If Exceptions 1, 2, or 3 apply, the City must also show that the fee revenue will not exceed the reasonable costs of providing the related governmental activity (at the aggregate level).
3. Finally, the City must show that the costs are fairly allocated to the individual payors.

General/Measure U (G/MU) Fund Economic Uncertainty Reserve (EUR) Policy

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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2. Background
3. Policy

3.1 Minimum and Target Reserve Levels
3.2 Methods to Achieve Funding Levels
3.3 Criteria for Expenditure of Reserve Funds
3.4 Timeline for Replenishment of the EUR

Related Regulatory References

April 26, 2016	Council Motion 2016-0122
June 11, 2019	Resolution 2019-0248

Effective Date: July 1, 2019

General/Measure U (G/MU) Fund Economic Uncertainty Reserve (EUR) Policy

1. PURPOSE

To establish the targeted level of G/MU Fund operating reserves, a basic component of a financially strong city. Adequate reserves help sustain City operations when adverse or unexpected circumstances affect the City, providing resources to minimize service disruption in the event of temporary revenue shortfalls or unpredicted one-time expenditures. This policy establishes the amounts the City will strive to maintain in its Economic Uncertainty Reserve (EUR) and the conditions under which the reserve may be used.

2. BACKGROUND

Financial reserves strengthen the City's financial status and provide valuable resources for unexpected events. Every fund of the City represents a stand-alone financial set of accounts and has its own operating characteristics, financial capabilities, and constraints. The level of reserves needed should be based on the financial and operating characteristics of each fund. In June 2011, the City Council adopted a goal of establishing a General Fund EUR equivalent to 10% of annual General Fund revenues.

According to the Government Finance Officers Association (GFOA), it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) in order to protect taxpayers and employees from unexpected changes in financial conditions.

GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain an unrestricted budgetary fund balance in their General Fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures (http://www.gfoa.org/appropriate-level-unrestricted-fund-balance-general-fund).

This policy establishes 10% of annual G/MU Fund budgeted revenues as the minimum level of funding in the City's EUR and establishes two months of operating expenditures as a target reserve level. The policy also outlines the methods the City will utilize to achieve the target reserve level, defines the conditions under which these funds can be used and describes how the City's expenditure and/or revenue levels will be adjusted to match any new economic realities that are causing the use of fund balance reserves as a financing bridge.

3. POLICY

3.1 Minimum and Target Reserve Levels

The City will maintain an EUR at a minimum of 10% of budgeted G/MU Fund revenues. The City will seek to achieve and maintain a G/MU Fund EUR equal to two months of regular ongoing G/MU Fund expenditures, including transfers (i.e., 17% of G/MU Fund expenditures).

The EUR shall be reported as a commitment of fund balance in the G/MU Fund for external financial reporting. Appropriations from the EUR may only be made by a vote of the City Council to meet a critical, unpredictable financial need.

3.2 Methods to Achieve Funding Levels

The annual budget will include a minimum fund balance of 0.50% of total budgeted expenditures. If these resources are not required during the fiscal year this amount shall be transferred to the EUR. Additionally, unbudgeted one-time G/MU Fund revenues received in a fiscal year, which are not required to balance the budget as part of the midyear review or fiscal year-end close, shall be added to the EUR until the target reserve level is met.

During the budget process, staff shall review the current and five-year projected reserves to ensure that they are appropriate given the economic and financial risk factors the City faces.

3.3 Criteria for Expenditure of Reserve Funds

The EUR is intended to contend with significant short-term issues, inclusive of unexpected revenue shortfalls, higher than anticipated expenditures, or declared emergencies.

It is the intent of the Council to limit use of the EUR to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. The EUR may, however, be used strategically to allow time for the City to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of a Council-adopted long-term plan.

3.3 Timeline for Replenishment of the EUR

If the EUR is drawn down below the minimum level, a plan will be developed and implemented to replenish the reserve, generally from future surpluses. Replenishing the EUR will be a priority use of one-time resources. Generally, the City should seek to replenish the EUR to the minimum reserve level within one to three years.

Interfund Loans

Scope: CITYWIDE

Administrative Entity
Department of Finance
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2. Background
3. Policy
   - 3.1 Long-term Loans
   - 3.2 Short-term Loans
   - 3.3 Prohibited Uses

Related Regulatory References
Council Motion 2015-0141

Interfund Loans Policy

1. PURPOSE

The City's Interfund Loan Policy documents the methods used by the City to demonstrate prudent financial management over interfund loans. The policy:

- Requires City Council approval of interfund loans, except for short-term working capital loans,
- Permits short-term interfund loans for working capital to cover Council-approved reimbursable grants and projects and other temporary timing differences in cash flows, and
- Prohibits interfund loans from being used to solve ongoing structural budget issues or hindering the accomplishment of any function or project for which the lending fund was established.

2. BACKGROUND

Interfund loans are the lending of cash from one City fund to another for a specific purpose and with a requirement for repayment. The practice of interfund loans is a recognized and necessary aspect of municipal finance. Such loans are typically short-term in nature and constitute the allocation of resources between individual funds for working capital purposes.

3. POLICY

3.1 Long-term Loans

Interfund loans, other than short-term working capital loans, must be approved by the City Council. Council approval will include the following terms of the loan:

- Purpose of Interfund Loan
- Identification of the source fund
    - Availability of unrestricted funds in the source fund
    - Review of multi-year plans for use of source fund cash
    - Analysis of legal or contractual restrictions
- Repayment of Interfund Loan
    - Repayment must have a payment source and funding stream
    - Specific repayment schedule
    - Interest imposed at a rate equal to at least investment earnings if loan did not occur

- Other Considerations
    - Feasibility of repayment
    - Internal controls to monitor repayment

3.2 Short-term Loans

Short-term interfund loans for working capital to provide cash for Council-approved reimbursable grants and projects, are permitted. Short-term working capital loans are also permitted for temporary timing differences in cash flows when expenditures are incurred before revenue is collected. The source funds for working capital interfund loans are the Risk Fund and the General Fund.

3.3 Prohibited Uses

- Interfund loans will not be used to solve ongoing structural budget issues.
- Interfund loans will not hinder the accomplishment of any function or project for which the lending fund was established.

Investment Policy

Scope: CITYWIDE

Administrative Entity
Office of the City Treasurer
(916) 808-5168
JColville@cityofsacramento.org

Regulatory References
Council Resolution 2020-0236

Effective Date: July 28, 2020

Investment Policy

The purpose of this document is to set forth the investment and operational policies for the management of the public funds of the City of Sacramento. These policies are designed to ensure the prudent management of public funds under management by the Sacramento City Treasurer.

Although the Sacramento City Charter generally provides the City Treasurer with the authority to deposit and invest funds in the City Treasury, undertaking of the investment activities by the City Treasurer is subject to the annual delegation of investment authority from the City Council as the body being primarily responsible for the investment of City funds. Accordingly, these policies are applicable to the management of City treasury funds as that task may be delegated to the City Treasurer.

A copy of this policy statement will be provided to all investment brokers and dealers and others in related fields doing business with the City of Sacramento, and will be provided to other interested parties on request. In addition, this policy statement will be posted to the City Treasurer's page of the City's internet website.

An entity retained to provide investment-related services to the City of Sacramento shall not render services unless and until it confirms, in writing, that it has received and reviewed this policy statement, and is prepared to implement its terms, as applicable to the services to be provided by the entity.

I. Governing Authority; Scope

Section 73 of the Sacramento City Charter vests the City Treasurer with authority to deposit and invest funds of the City treasury, subject to the annual delegation of investment authority from the City Council to the City Treasurer pursuant to Government Code section 53607. These policies shall apply to the City Treasurer's investment of City treasury funds.

The City Treasurer investment program for all treasury funds shall be operated in conformance with applicable federal, state, and other legal requirements. This policy statement is intended to conform to Government Code sections 53600, et seq, and interpretation of these policies shall be consistent with those statutes.

II. Objectives

A. Primary Objectives

The primary objectives of investment activities, in order of priority, are safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk. Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer.

The City will minimize credit risk by:

(a) Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer.

The City minimize credit risk by:

i. Limiting investments to the types of securities listed in Section VI of this Investment Policy

ii. Re-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section IV.

iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

(b) Interest Rate Risk. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The City will minimize interest rate risk by:

i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity

ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, the Local Agency Investment Fund ("LAIF") managed by the State of California, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or LAIF which offer same day liquidity for short-term funds.

The staff of the City Treasurer's Office shall (i) monitor the City's budget formation and approval process and (ii) actively engage with City staff to assess and manage cash flow needs of the City.

3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the low level of risk being assumed.

Securities shall generally be held until maturity with the following exceptions:

(a) A security with declining value may be sold early to minimize loss of principal.

(b) A security swap would improve the quality, yield, or target duration in the portfolio.

(c) Liquidity needs of the portfolio require that the security be sold.

(d) Where the sale of the security to realize capital, gains is advisable in the judgment of the investment officers.

B. Other Objectives

1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds proportionately based on their respective participation and in accordance with generally accepted accounting principles. The pooling of funds shall have no effect on the legal character of the pooled funds, i.e. funds whose use is restricted by law shall remain restricted and cannot be used as part of the City's general fund.

2. Local Considerations

Where possible, as a secondary objective, funds may be invested for the betterment of the local economy. The City Treasurer may accept a proposal from an eligible institution that provides for a reduced rate of interest provided that such institution documents the use of deposited funds for local community development projects.

- An eligible local community institution is defined as being headquartered in counties in and around Sacramento, including but not limited to Placer, El Dorado, Sutter, and Yolo.
- To be recognized as an eligible local community institution the entity must have had a 5 star "Superior" Rating from either Bauer Financial or IDC Financial Publishing for the past 4 consecutive quarters. Eligible institutions must submit their quarterly ratings to the City Treasurer's office and maintain their 5-star rating continuously. If an eligible local community institution drops below the required 5-star rating, they will have 1 quarter to cure the deficiency. If in the following quarter the institution does not re-achieve a 5-star rating with the same independent rating company, the City may withdraw funds allocated to that institution.
- Institutions who receive deposits from the City as part of a local community investment not eligible for FDIC insurance must be secured by collateral of 110% as described in California Government Code Section 53651 and 53652.
- Institutions who receive deposits from the City as part of a local community investment must commit to invest 50% of the deposits in the local community,

within the City of Sacramento City limits.

- Institutions must provide a detailed semi-annual report to the City Treasurer's Office that shows evidence that the institution is meeting the 50% local community investment mandate on the City's deposits. If an institution cannot provide evidence that it has met the 50% local community investment criteria, the City may withdraw its deposits from the institution.

- As a matter of prudence, the amount the City Treasurer may invest in eligible local community institutions will be limited to 3.5% of the institution's total assets, as determined by the quarterly independent financial reports. If, during the course of an investment with an eligible local institution, the City exceeds the maximum 3.5% deposit level, the City may withdraw any funds in excess of the limit to cure the deficiency.

- The city may place deposits with eligible local community institutions up to a total of 10% of the total in the City's portfolio. If this amount is exceeded the City may withdraw funds from any institution to reduce the total community investment back below the maximum.

Although an eligible local community institution may meet all of the above stated criteria, it is not a guarantee that the City will maintain deposits. The City Treasurer retains the right to make deposit and withdrawal decisions based on the Primary Objectives of the Investment Policy stated above.

3. *Favored Investments*

Investments are encouraged in entities that have demonstrated significant commitment and cooperation (a) with foreclosure prevention efforts, including, without limitation, temporary moratoriums on foreclosures, renegotiation of the principle mortgage balances to reflect current values, and other good faith negotiations with homeowners in regard to delinquent mortgages, and/or (b) in offering free or low-cost banking services to low- and moderate-income residents who are part of the traditionally "unbanked" or "under-banked" population. The City Treasurer may take into consideration the level of effort an entity expends in either the foreclosure relief or community banking areas, or both, when considering competing investments. If the City Treasurer is satisfied with the record of an entity in regard to such efforts, then the Treasurer's investment staff may invest in the securities of the entity, provided that the investment is otherwise consistent with the requirements of this Investment Policy statement.

III. Standards of Care

A. *Prudence*

In accordance with Government Code section 53600.3, the standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures developed by the City Treasurer and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided extraordinary deviations from expectations are reported by subordinate investment

officers to the City Treasurer in a prompt fashion and that the sale of securities is carried out in accordance with the terms of this policy.

Pursuant to the "prudent person" standard, investment officers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Funds shall be managed not for speculation where the sole goal of a transaction is to increase principal balances, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income to be derived. Despite that investment transactions are undertaken with care pursuant to the “prudent person” standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

B. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment officers shall file State Fair Political Practices Commission’s Statement of Economic Interests and make the disclosures required by the City’s conflict of interest policies.

C. *Delegation of Authority*

Authority to manage the City treasury investment program is granted to the City Treasurer pursuant to Sacramento City Charter section number 73, unless the Charter specifically indicates otherwise, subject to annual delegation of investment authority by the City Council pursuant to Government Code section 53607. Pursuant to the City Charter, the City Treasurer also is authorized to appoint deputies and employees, as prescribed by Council resolution, to implement the investment program. The City Treasurer and those employees appointed by the Treasurer to perform investment activities pursuant to these policies shall be referred to herein collectively as “investment officers.”

Investment officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy (“Investment Procedures Manual”). Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures manual. The investment officers shall be responsible

for all transactions undertaken and shall establish a system of controls to regulate their activities.

IV. Authorized Financial Institutions, Depositories, and Broker/Dealers

A. *Selection*

Financial institutions and depositories involved in implementing the City Treasurer's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the City Treasurer in his or her discretion, with the objective of obtaining the quality of services necessary to serve the best interests of the City and relevant stakeholders, with services performed at competitive fees and rates. Such processes may occur from time to time by the City Treasurer's Office whether at the time the City Treasurer contracts for the general banking services or otherwise. The firm or firms providing investment-related services may or may not be, at the discretion of the City Treasurer, the same firm providing general banking services. Among the factors that the City Treasurer may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the City Treasurer; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the City Treasurer's Office; and (viii) other attributes as may be determined by the City Treasurer from time to time. The City Treasurer may determine the number and nature of firms to be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the City shall do so in a good faith manner and in the best interests of the City, and shall disclose to and advise the investment officers of material facts that bear upon the pricing of a given transaction order given by investment officers. All financial institutions executing investment transactions shall satisfy the requirements of Government Code section 53601.5. All depositories shall satisfy the institutional qualifications and security requirements described in Government Code sections 53648 et seq.

B. *Performance Review*

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the City Treasurer, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The City Treasurer, at his or her discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the City.

V. Safekeeping and Custody

A. *Delivery vs. Payment*

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

B. *Safekeeping*

Securities will be held by an independent third-party custodian selected by the City Treasurer. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls in accordance with Statement on Standards for Attestation Engagements No. 18, or SSAE 18.

C. *Internal Controls, Investment Procedures Manual*

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to guide the activities of the investment officers to ensure that the assets of the City are protected from loss, theft or misuse. Details of the internal controls system shall be documented in the Investment Procedures Manual and shall be reviewed and updated annually, as needed. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure shall address the following points:

1. Prevention of collusion
2. Separation of transaction authority from accounting and recordkeeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the City Treasurer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the City annual independent audit.

VI. Suitable and Authorized Investments

A. *Investment Types*

Allowable investments of funds not required for the immediate use by the City are limited to those described in Government Code sections 16429.1 (Local Agency Investment Fund), 53601 (investment of surplus), 53601.8 (certificates of deposit),

53635 (purchase of commercial paper by pools) and 53638 (bank deposits), as such statutes may be amended or renumbered from time to time. These allowable investments, and their permitted amounts and attributes, are set forth in a summary prepared and updated from time to time by the California Debt and Investment Advisory Commission ("CDIAC") entitled, "Allowable Investment Instruments Per State Government Code, Applicable To All Local Agencies," included CDIAC's "Local Agency Investment Guidelines" publication that may be located at http://www.treasurer.ca.gov/cdiac/LAIG/guideline.pdf

B. *Extended Maturities*

The investment officers will observe the maximum maturity term of five years on various of the allowable investments. However, where a particular investment is found by the investment officers to be advantageous and consistent with these policies, but for a nominal exceedance of a 5-year maximum maturity caused by effect of the security's issuance and maturity dates, or the settlement date of the transaction, or both, they are authorized to invest in the following obligations with remaining maturities of five (5) years, plus not more than thirty (30) calendar days: U.S. Treasury obligations, obligations of California or other states, California local agency obligations, U.S. Agency obligations and medium-term notes. The City Treasurer will provide notice to the City Council of such investments within periodic investment reports made to the Council. See, Section VIII.A. Pursuant to Government Code section 53601, investment officers shall not make investments in instruments with maturities longer than five (5) years, plus thirty (30) calendar days, without prior approval of the City Council.

C. *Securities Lending*

The investment officers at their discretion may engage in securities lending activities pursuant to securities lending agreements (as defined in Government Code section 53601(j)(5)(D)) provided that the following are satisfied:

1. Securities lending transactions are to be governed by agreements entered into by the City Treasurer and the agent or agents the City Treasurer engages to perform such transactions provided that such agreements

   (a) comply with the requirements of Government Code section 53601(j), and

   (b) require the payment of cash collateral equal to or greater than 102% of the market value of the loaned security at the time of the loan.

2. The securities lending agreements may allow for the use of cash collateral for the reinvestment in securities that

   (a) comply with the requirements of Government Code section 53601(j)(3)(D), and

   (b) are securities whose direct investment is authorized by Government Code section 53601 and these policies,

   (c) provided that nothing herein shall preclude the City Treasurer from entering into securities lending agreements that reduces the scope of

investments made with cash collateral to something less than that allowed under subsections (a) and (b) above.

VII. Investment Parameters

A. *Diversification*

The City shall diversify its investment portfolio. To minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of securities, all cash and cash equivalent assets in all City funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised on an ongoing basis by the investment officers for all funds covered by these investment policies. In establishing specific diversification strategies, these investment policies shall apply. The investment officers shall emphasize that portfolio maturities will be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

B. *Cash Management Funds*

1. Liquidity shall be assured through practices ensuring that the payroll dates and dates of large disbursements are covered through maturing investments or marketable U.S. Treasury bills.

2. Positions in securities having potential default risk shall be limited in size pursuant to the maximum limits set forth in Government Code section 53601. See Attachment A. Such securities include the following: Commercial paper; negotiable certificates of deposit, and Banker's Acceptances.

3. Risks of market price volatility shall be controlled through maturity diversification.

4. Liquidity risk: Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LAIF, money market funds, overnight repurchase agreements, and/or marketable securities that can be sold to raise cash in one day's notice, to ensure that appropriate liquidity is maintained to meet ongoing obligations.

C. *Competitive Bids*

The investment officers shall obtain competitive bids from at least two brokers or financial institutions on all purchases and sales of investment instruments executed on the secondary market for consideration in excess of $15 million per purchase transaction.

VIII. Reporting

A. *Investment Reports*

The City Treasurer shall present to the City Council, the City Manager and the City's internal auditor monthly investment reports that include the transactions as required by Government Code section 53607.

B. *Marking to Market*
For purposes of preparation of the investment reports, the market value of the portfolio shall be calculated. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

C. *Performance Standards*
The investment portfolio will be managed in accordance with the parameters specified within established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken.

IX. Policy Considerations

A. *Exemption*
Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that the City Treasurer may take steps he or she deems appropriate to address non-compliant investments in the best interest of the City and pool participants. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. *Amendments*
This policy shall be reviewed annually by the investment officers. Any change must be approved by the City Treasurer, followed by review and consideration by the City Council pursuant to Section X of these policies.

X. City Council Consideration of Investment Policy

This policy shall be reviewed and considered by the City Council on an annual basis pursuant to Government Code section 53646(a)(2).

XI. Miscellaneous

A. Statutory References
All statutory references cited in these policies shall refer to the statute as it may be amended or renumbered from time to time.

Other Post-Employment Benefits (OPEB)

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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Purpose
Background
Policy

Effective: February 16, 2016

Other Post-Employment Benefits (OPEB) Policy

1. PURPOSE

In order to assure that the City's Other Post-Employment Benefits (OPEB) program is financially sustainable, the program should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. The City's OPEB Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to City employees and retirees. The policy also:

- Demonstrates prudent financial management practices;
- Promotes long-term and strategic thinking;
- Provides guidance in making annual budget decisions;
- Reassures bond rating agencies; and
- Demonstrates to employees and the public how OPEB will be funded to ensure adequate funding for negotiated benefits.

2. BACKGROUND

The City provides OPEB benefits to active employees hired before specific dates based on negotiated labor agreements and the unrepresented resolution. The City's OPEB benefits consist of a cash contribution benefit for retiree medical and dental benefits and subsidized premiums resulting from blending retirees and active employees in the same risk pool. For police and miscellaneous employees, the cash benefit amount is $300 per month for retirees only and $365 per month for retirees with dependents. Police employees hired after September 3, 2013, and miscellaneous employees hired after June 30, 2012, are not eligible for OPEB benefits. For fire employees hired before January 14, 2015, the cash benefit amount is the total of the lowest cost $25 co-pay health plan premium for one plus an additional 5.28 percent of that cost; the lowest cost PPO dental plan for one; and $25.

Fire employees hired on or after January 14, 2015, are eligible for a cash benefit amount up to $774 monthly from the date of retirement until the retiree reaches Medicare eligibility age, and up to $387 monthly from the date the retiree reaches Medicare eligibility. Fire employees pay $45 per month, with a City match of $45 per month, deposited to a separate trust fund to pay for the benefit.

The City's OPEB cash benefit is prorated based on years of service – 50 percent for employees with ten to fifteen years of service, 75 percent for employees with fifteen to twenty years of service and 100 percent for employees with twenty years of service or more.

Currently, the City has $363 million in underfunded long-term liabilities associated with retiree medical benefits from all funding sources, $309 million attributable to the General Fund. While the benefit was historically funded on a pay-as-you-go (pay-go) basis, paying only the actual cost of the benefit for retirees in the current fiscal year, financial accounting standards require the City to account for the benefit as if it were actuarially funded. If the City does not replace the current plan of pay-go combined with minimal contributions to the City's relatively new OPEB trust fund, the City's pay-go obligation will continue to grow, consuming resources that would otherwise pay for vital programs and services.

Consistent with best practices, in January 2013 Council authorized the establishment of an irrevocable trust with an initial General Fund investment of $2 million. Another $2 million was contributed to the trust in FY2013/14. The FY2014/15 and FY2015/16 approved budgets each included a $1 million contribution to the trust, bringing the total funding for the trust to $6 million. The approved FY2014/15 and FY2015/16 Budget Resolutions also included authority to direct available budgetary resources in the pension budget accounts at the end of the fiscal year to the OPEB Trust.

3. POLICY

3.1 OPEB Actuarially Determined Contribution (ADC)

The City will engage an OPEB actuary to determine the City's ADC based on biennial actuarial valuations. The ADC will include the normal cost for current service and amortization of the unfunded liability. The normal cost[1] will be calculated using the entry age normal cost method using appropriate economic and non-economic assumptions approved by the City.

The City will review the actuarial valuations to validate the completeness and accuracy of the employee census data and the reasonableness of the actuarial assumptions. Actuarial valuations involve estimates and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

3.2 Funding the ADC

The City will continue to appropriate in the annual budget for contributions to the OPEB Trust and the pay-go costs of OPEB for current retirees, as well as use one-time savings in pension contributions to make additional contributions to the OPEB Trust.

1 Normal Cost – the current year cost of the program to provide the benefit for current employees in the future.

The City will fully fund the ADC within 10 years, or by Fiscal Year 2025-26, by reducing the gap between its current OPEB funding and the ADC with a combination of City contributions, employee contributions, and OPEB plan changes.

The City will achieve "full funding" of its OPEB plan within 30 years, or by Fiscal Year 2045-46, with a 20-year amortization of the unfunded liability after the 10-year ramp-up period. Full funding of the OPEB plan is defined as funding 100 percent of the accrued liability on an actuarial basis.

3.3 Transparency and Reporting

Funding of the City's OPEB should be transparent to all parties including City employees, retirees, recognized employee organizations, the City Council and Sacramento residents. In order to achieve this transparency, the following information shall be available:

a. Copies of the biennial actuarial valuations for the City's OPEB plan shall be made available to the City Council.

b. The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's OPEB plan, contributions to the OPEB Trust, and the funded status of the plan.

c. The City's annual operating budget shall include appropriations for contributions to the OPEB Trust and pay-go costs.

3.4 Review of Funding Policy

Funding OPEB requires a long-term plan. The City will review this policy at a minimum biennially, coincident with preparation of the actuarial valuations, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.

Pension Funding

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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1. Purpose
2. Background
3. Policy
   3.1 CalPERS ADC
   3.2 SCERS ADC
   3.3 Transparency and Reporting
   3.4 Review of Funding Policy

Related Regulatory References
Council Motion 2015-0095 (May 5, 2015)
CalPERS
SCERS

Pension Funding Policy

1. PURPOSE

The City's Pension Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants. The policy also:

- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

2. BACKGROUND

The City provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS) and the Sacramento City Employees' Retirement System (SCERS). CalPERS is a multiple-employer public employee defined benefit pension plan. SCERS is a single-employer defined benefit pension plan.

All full-time and certain part-time City employees hired after January 28, 1977 and City safety employees, regardless of date of hire, are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance.

All full-time, non-safety employees hired before January 29, 1977, were eligible to participate in SCERS. SCERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by the City Charter.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the City will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

Pension Funding: A Guide for Elected Officials, issued by eleven national groups including the U.S. Conference of Mayors, the International City/County Management Association, and the Government Finance Officers Association, established the following five general policy objectives for a pension funding policy:

1. **Actuarially Determined Contributions.** A pension funding plan should be based upon an actuarially determined contribution (ADC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.

2. **Funding Discipline**. A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.

3. **Intergenerational equity**. Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.

4. **Contributions as a stable percentage of payroll**. Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.

5. **Accountability and transparency**. Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

3. POLICY

3.1 CalPERS ADC

CalPERS actuaries will determine the City's ADC to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any under-funded amount. The normal cost will be calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration.

The City will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

3.2 SCERS ADC

The City will determine its ADC to SCERS using the following principles:

a. The ADC will be calculated by an enrolled actuary and will include the normal cost for current service and amortization to collect any under-funded amount.

b. The normal cost will be calculated using the entry age normal cost method using the following assumptions:

i. Economic assumptions such as the investment rate of return and average salary increase will be reviewed with the actuary to confirm reflection of the best anticipated experience.

ii. Non-economic assumptions, such as rates of separation, disability, retirement, mortality, etc. shall be determined by City management in consultation with the actuary to reflect current experience.

c. The un-funded actuarial accrued liability, or the difference between the accrued liability and actuarial value of assets, will be amortized over a declining number of years given the closed status of the plan.

d. The actuarial value of assets will be determined using a 3-year smoothed market value to minimize volatility of the City's ADC.

e. The City's ADC to SCERS will be stated in an annual contribution amount, rather than as a percentage of pay, given the closed status of the plan.

3.3 Transparency and Reporting

Funding of the City's pension plans should be transparent to vested parties including plan participants, annuitants, the SCERS Administrative, Investment, and Fiscal Management (AIFM) Board, the City Council and Sacramento residents. In order to achieve this transparency, the following information shall be available:

a. Copies of the annual actuarial valuations for the City's CalPERS plans shall be made available to the City Council.

b. A copy of the annual actuarial valuation for SCERS shall be made available to the City Council and the SCERS AIFM Board.

c. The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's annual contributions to the pension systems and their funded status.

d. The City's annual operating budget shall include the City's contributions to SCERS and CalPERS.

3.4 Review of Funding Policy

Funding a defined benefit pension plan requires a long-term horizon. As such, the City will review this policy at least every five years to determine if changes to this policy are needed to ensure adequate resources are being accumulated.

Prior Year Savings Guideline Policy

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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Policy
3.1 Criteria for Prior Year Savings Guideline Policy
3.2 Funding Priorities

Related Regulatory References
Council Motion 2025-0045

Effective Date: February 11, 2025

Prior Year Savings Guideline Policy

3. PURPOSE

The purpose of this policy is to create a new funding mechanism to address the City's long-term liabilities and long-term fiscal challenges.

4. BACKGROUND

The City is facing significant financial challenges. The City's budget is facing a structural deficit with the pace of expense growth exceeding revenue growth in the Fiscal Year (FY) 2024/25 Approved five-year forecast. In addition, the City has significant unfunded liabilities including $1.4 billion in unfunded pension liabilities, $1.4 billion in unfunded capital and deferred maintenance needs over the next five years, and $0.2 billion in unfunded Other Post Employment Benefits (OPEB) liabilities for retirees. To support budget balancing and provide dedicated funding to address the City's long-term liabilities,

3. POLICY

3.1 Criteria for Prior Year Savings:
Prior year savings include net positive year-end budgetary results from the General Fund, Measure U Fund and/or any future general-purpose fund.

3.2 Funding Priorities:

- 1st Priority – Budget balancing if there is a projected deficit in the coming budget year. Council may consider strategic one-time investments.

- 2nd Priority – Restore Economic Uncertainty Reserve to the minimum balance established by Council policy (currently 10% of General/Measure U revenues) if there is no projected budget deficit in the coming budget year.

- 3rd Priority – If the first two priorities are met, any remaining prior year savings will be allocated as follows:
  - One-third – To a new special fund for capital projects and deferred maintenance.
  - One-third – To a new special fund for unfunded pension liabilities and/or OPEB liabilities.
  - One-third – Discretionary.

Rental Housing Inspection Program (RHIP) Reserve and Project Management Policy

SCOPE: CITYWIDE

Policy Contact
Department of Community Development
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Purpose
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Regulatory References

March 4, 2008	Ordinance No. 2008-0012 (Section 8.120) Resolution 2008-0135
March 25, 2008	Resolution 2008-0173
November 25, 2008	Ordinance No. 2008-0055 Section 8.120.210 (Amendment) Section 8.120.220 through 8.120.270 (Added)
June 23, 2009	Resolution 2009-0411
May 28, 2013	Ordinance No. 2013-0013 (Section 8.120 Amended) Resolution 2013-0171
May 14, 2024	Resolution 2024-0153
April 15, 2026	Resolution 2026-0084

RHIP Reserve and Project Management Policy

1. PURPOSE

The purpose of the RHIP Reserve and Project Management Policy is to ensure the prudent management of RHIP reserve funds for the public and City of Sacramento. The reserve will be used for two purposes: 1) to bridge gaps between budgeted and actual RHIP revenues in the Community Development Department (CDD) during periods of revenue decline; and 2) to cover one-time expenses as program growth continues to increase.

2. BACKGROUND

On July 27, 2004, the Sacramento Housing and Redevelopment Commission's Task Force recommended to the Sacramento City Council that a housing inspection program be established in the City to improve the residential rental housing stock by bringing standard rental properties into compliance with health and safety standards and codes.

Between May and September 2005, the Code Enforcement Department conducted several stakeholder meetings coordinated by the Sacramento Mediation Center. During this process the stakeholders group reviewed and discussed a draft rental inspection ordinance.

In March 2006, the City Council approved the implementation of a pilot program. It initially focused on inspection efforts in areas of the city that reflected a combination of factors including, but not limited to, areas that showed higher concentrations of housing and dangerous building cases, neighborhood code enforcement cases, and police and fire calls for service. The key features of the proposed pilot program included: that no fees would be charged to property owners for initial inspection; the program would generate revenue to cover costs of the program; the program would be implemented quickly; its implementation was under existing authority and did not require an ordinance; and the pilot program would allow staff to evaluate the program, track the progress of proactive residential rental inspections, and report back findings and future recommendations.

In March 2008, Council adopted an ordinance by adding Chapter 8.120 of the Sacramento City Code related to rental housing inspections. Council also approved Resolution 2008-0135 approving fees, staffing, and resources for RHIP as defined in Sacramento City Code 8.120.050. Later in the month of March 2008, Council approved Resolution 2008-0173 approving a $284,920 adjustment to the FY2007/08 approved budget for 10.5 FTE staff to begin implementation of RHIP.

In November 2008, Council adopted an ordinance amendment to Section 8.120.210 of the Sacramento City Code; added Sections 8.120.220 through 8.120.270 relating to the collection of unpaid fees, costs, or charges; and amended Section 8.120.050 related to the establishment of fees.

In June 2009, Council adopted an amendment to Resolution 2008-0135 and established Resolution 2009-0411 authorizing the carryover of FY2008/09 excess revenues for the program provided that full cost of the current year operations for RHIP had been recovered and provided clarification of the original intent of the original ordinance and resolution that RHIP be self-sustaining.

In May 2013, Council adopted an Ordinance 2013-0013 amendment to Section 8.120 of the Sacramento City Code and passed Resolution 2013-0171 establishing the fees and penalties relating to RHIP.

In May 2024, Council adopted Resolution 2024-0153 approving an increase in fees and penalties related to RHIP.

3. POLICY

The RHIP Reserve shall be established as set forth below and any changes to the policy will be presented to and approved by City Council.

(a) The RHIP costs shall be fully offset by direct revenues.

(b) All revenues recovered for the provision of RHIP shall be used to cover direct and indirect costs to ensure there is no General Fund subsidy for this program.

(c) The RHIP reserve goal is one year's worth of RHIP revenues.

(d) Beginning with FY2025/26, if full cost of current-year operating for the program has been received, then excess revenues for that program will be recognized in CDD's operating budget and the expenditure budget will be adjusted in the RHIP Reserve project (180000200) in tandem up to the amount equal to one year's revenue budget for the program.

(e) The RHIP reserve will be used to bridge gaps between budgeted and actual RHIP operating variance and one-time purchases as determined by the City Manager or Designee.

Risk Management Funding and Reserve Policy

Scope: CITYWIDE

Administrative Entity
Department of Finance
(916) 808-5845
Finance@cityofsacramento.org

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1. Purpose
2. Background
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Related Regulatory References
Motion: 2015-0094 (May 15, 2015)

Risk Management Funding and Reserve Policy

1. PURPOSE

The City's Risk Management Funding Policy documents the City's approach to providing adequate financial resources to fund the City's General and Auto Liability and Workers Compensation Programs and establishing and maintaining adequate reserves in the Risk Management Internal Service Fund.

2. BACKGROUND

The City has been self-insured for workers' compensation and for general and auto liability since 1971 and 1976, respectively. The General and Auto Liability and Workers Compensation Programs charge City Departments and funds for the costs of providing for claims, as well as for the cost of administering the claims.

3. POLICY

(a) In order to methodically and consistently measure the City's projected claims, the City will contract with a professional outside actuary to prepare annual actuarial valuation reports for both categories of claims. Program funding will be based on the annual actuarial valuation reports.

(b) The City's funding policy will provide program funding at the 80 percent confidence level, including recognition of anticipated investment income. Confidence level is used by actuaries to determine the realistic possibilities that a given funding rate will be sufficient to cover all claims that might be incurred in any one program year. An 80 percent confidence level indicates that the funding rate should be adequate eight out of 10 years.

(c) The City shall maintain a Risk Management Reserve dedicated to mitigation of the risk of loss arising from potential claims and lawsuits against the City for general and auto liability as well as workers' compensation claims. The Risk Management Reserve shall be funded at the following levels:

General and Auto Liability – In addition to annual funding of projected claims at the 80 percent confidence level, the City shall maintain a reserve equal to two Self-Insured Retention allotments.

Workers' Compensation – In addition to annual funding of projected claims at the 80 percent confidence level, the City shall maintain a reserve equal to two SIR allotments.

If the SIR amount changes in future years, the two SIR allotments will continue to be the reserve requirement for both programs.

If either program maintains a balance above the minimum funding and reserve requirement, the excess reserves will be used to subsidize City contributions over a 1-5 year period depending upon the amount of the excess and the City's economic condition.

If either program has excess claims requiring additional contributions to the fund, the City will increase contributions over a 1-3 year period depending on the amount of the shortfall and the City's economic condition to get to the minimum funding and reserve requirement.

If one program has excess reserves and the other program has a shortfall, transfers between programs may be implemented to reduce or eliminate the program shortfall.

Sacramento City Employees' Retirement System (SCERS) Investment Policy

Scope: CITYWIDE

Administrative Entity
Office of the City Treasurer
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JColville@cityofsacramento.org

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2. Investment Philosophy
3. Investment Goals and Objectives
4. General Investment Policies
5. Suitable and Authorized Investments
6. Authorized Financial Institutions, Depositories, Broker/Dealer
7. Safekeeping and Custody
8. Reporting
9. Policy Considerations

Regulatory References
Council Resolution 2020-0236

Effective Date: July 28, 2020

Sacramento City Employees' Retirement System (SCERS) Investment Policy

1. INTRODUCTION

This Investment Policy encompasses the investment goals, objectives and policies of the Sacramento City Employees' Retirement System ("SCERS" or "System"). The purpose of the Investment Policy is to assist the Administration, Investment and Fiscal Management Board ("AIFM Board" or "Board") and its Investment Managers[1] to effectively supervise and monitor SCERS' investment program.

Pursuant to Section 383 of the Sacramento City Charter ("Charter"), the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. Also, pursuant to Section 383 of the Charter, the Board has adopted, and the Sacramento City Council has approved, this Investment Policy, which governs the investment activity undertaken by the Board.

This Investment Policy addresses the following issues:

- The investment goals of SCERS' investment program; and
- The general investment policies for the management of funds of the System.

The Investment Policy is designed to provide sufficient flexibility to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

2. INVESTMENT PHILOSOPHY

The Board believes that its investment policies, in aggregate, are to be the most important determinants of its investment success. Compliance with investment policies should therefore be monitored rigorously. The Board also believes that performance of the total portfolio and individual asset classes, as well as the performance of any retained Investment Manager, should be monitored and compared to appropriate, predetermined performance benchmarks.

The Board believes that prudent management of risk is a central element of the investment function. Toward this end, the Board believes that diversification among asset classes will reduce risk and enhance returns of the overall investment portfolio in the long term.

The Board believes that market efficiency and opportunities vary among asset classes and may change over extended periods of time. Therefore, the Board believes that SCERS' portfolio management strategies should adapt over time to reflect the changing nature of capital markets.

[1] "Investment Managers" are financial or investment advisers and consultants retained by the Board to assist in the management and investment of the System's funds.

AIFM BOARD'S MISSION STATEMENT

The Board's primary mission in managing the System's funds is described as follows:

- To ensure that sufficient funds will be available to provide participants and their beneficiaries with all benefits due as specified in SCERS' retirement plan documents

- To give priority to the financial interests of participants and beneficiaries over all other financial interests;

- To comply with all applicable fiduciary standards; and,

- To reduce the cost of funding benefits for both the City of Sacramento, as the participating employer, and the individual participants of SCERS.

3. INVESTMENT GOALS AND OBJECTIVES

In accordance with Board's Mission Statement, the overarching goal of SCERS' investment program is to generate adequate long-term returns that, when combined with employer and employee contributions, will result in sufficient assets to pay the present and future obligations of SCERS.

The following objectives are intended to assist in achieving this goal:

- SCERS should earn, on a long-term average basis, a total real rate of return in excess of SCERS' actuarial assumed rate of real return

- SCERS' assets will be managed on a total return basis, which takes into account the considerable importance of the preservation of capital. Additionally, SCERS follows the principle that different degrees of investment risk exist and each generally is rewarded with a varying degree of return.

- The Board will operate in an efficient manner that fulfills its fiduciary responsibility and contributes to the overall effectiveness of the System.

It is the purpose of the SCERS' investment program to assure that sufficient financial assets are available to provide SCERS' participants and their beneficiaries with all benefits due as specified in the System's governing provisions set forth in the Charter. Therefore, the participants' and beneficiaries' financial interests shall take precedence over all other financial interests.

To achieve these objectives, SCERS allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

4. GENERAL INVESTMENT POLICIES

FIDUCIARY DUTIES

The Board's investment activity on behalf of SCERS is mandated by the Sacramento City Charter. Section 383 of the Charter establishes the broad requirement that all investments must be permissible by law for investment of trust funds pursuant to Section 16040 of the California Probate Code. Accordingly, the Board, in discharging its duties to the System, acts as a fiduciary governed by requirements imposed on trustees. In the context of the System, the Board is required to model and manage the System's investment program based on principals outlined under the prudent person standard.

Pursuant to the "prudent person" standard, the Board and its Investment Managers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the System, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the System. Funds shall be managed not for speculation, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income or return to be derived. Despite that investment transactions are undertaken with care pursuant to the "prudent person" standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

The fiduciary duties of the Board shall be carried forward by retained Investment Managers. The policies expressed in this Investment Policy shall be as applicable to and binding upon the Investment Managers as they are to the Board.

AUTHORITY TO INVEST AND DELEGATION THEREOF

Pursuant to Section 383 of the Charter, the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. The Board is authorized by Sections 382 and 383 of the Charter to engage the services of one or more financial or investment advisors and consultants to assist it in the management and investment of the System's funds, collectively referenced herein as the "Investment Managers." As such, the Board from time to time may select and retain professionals within the investment and financial field to implement the SCERS investment program. Once retained, such professionals must acknowledge in writing their fiduciary responsibility to the System and agree that SCERS' investment objectives and policies as expressed in this Investment Policy will be followed. It is expected that such professionals will at all times conduct themselves as fiduciaries in the same manner as does the Board.

PERFORMANCE MEASUREMENT

The performance of professionals retained to implement the SCERS investment program shall be reported and measured against, on an absolute basis, the actuarial assumed rate of return, and, on a relative basis, one or more market benchmarks customized as appropriate to the nature, type and extent of the investments held by the System pursuant to these policies. To the extent the Board retains Investment Managers to execute specific objectives (as opposed to broad investment objectives), such benchmarks shall be appropriate to the stated objectives.

The Board shall retain the services of a consultant to determine appropriate performance benchmarks and to report on the investment performance of the System's funds against such benchmarks. Such reports shall be made not less than on a quarterly basis and shall cover varying time periods as directed by the Board, e.g. performance over the current fiscal year, the past 12-months, one or more past calendar or fiscal years, or since inception, as appropriate with the long-range investment goals of the System's funds.

DIVERSIFICATION

The Board shall diversify holdings in the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. In addition, the diversity of the portfolio among various sectors of the marketplace will minimize the impact of potential losses from any one sector. Such sectors may be demarked by market capitalization of issuers (e.g. small, middle and large capitalization corporations), by location (e.g. domestic vs. foreign corporations), by industry, and by public or private issuers of debt.

LIQUIDITY REQUIREMENTS OF THE SYSTEM

SCERS' funds shall be managed and invested in a manner to provide liquidity sufficient to pay the ongoing expenses of the System and the payment of benefits to retirees when due. To the extent feasible, the Board shall raise funds to cover expenses and benefits in an orderly and efficient manner, while minimizing adverse effects on investment strategies implemented by the Board from the untimely forced liquidation of investments.

As part of the SCERS investment program, the liquidity needs of the System shall be addressed in accordance with the following practices:

(a) Setting aside cash generated from (i) the liquidation of securities to accomplish Board-approved asset allocations or other Board directive; (ii) the liquidation of securities in the normal course of managing the investment portfolios pursuant to this policy; and (iii) the maturity or redemption of securities as may occur from time to time within the investment portfolios; and (iv) the receipt of dividends and interest.

(b) Structuring the investment portfolio so that securities mature to meet

cash requirements of the System, thereby avoiding disadvantageous sales of fixed income securities prior to maturity.

(c) Investing liquid funds required to pay current expenses and benefits in the City's Pool A treasury pool to be managed in accordance with investment policies adopted by the City Council.

ASSET ALLOCATION AND RISK MANAGEMENT OF INVESTMENTS

Strategic Asset Allocation

The Board annually shall review and determine the allocation of investments to various broad asset classes. The asset allocation policy shall be structured for not less than a one- year period. The asset allocation policy shall be developed with the assistance of the Investment Manager, and shall address the following considerations:

- Historical and anticipated capital market performance (returns and risks) of various asset classes;
- The expected correlation of returns among various asset classes;
- Inflation, interest rates, and other economic assumptions;
- The difference between the current and the projected asset values of the Plan; and,
- The actuarial rate of return.

The allocation of investments to various asset classes shall be reviewed annually and reflected in duly adopted resolutions of the Board. The objective of the Board's annual review of the overall asset allocation policy for the System's funds is to provide a sound, fiduciary structure to the investment process. The asset allocation target exposures are established after thorough review and analysis of the System's fund's expected rates of return opportunities and the associated risk of attempting to achieve the targeted return. The asset allocation policy identifies the asset classes to be used and designates the percentage allocation to each asset class in the System's investment portfolio. If necessary to fulfill its fiduciary obligations to the System, the Board may revise the asset allocation policy at any time it determines that circumstances justify such revision.

As its primary risk management tool, the Board shall allocate the investment portfolio between broad asset classes, such as between fixed income assets (notes, bonds, other debt instruments, and secured real estate mortgages) and equity assets (such as stocks)("First Tier Allocations"). Within each broad asset class, the Board may also provide allocations between investments within those broad classes of assets ("Second Tier Allocations"). An example of this is the allocation of equity investments amongst shares of foreign corporations, shares of large capitalization corporations and the selection of shares of corporations providing attractive dividend yields.

The Board formulates the overall risk profile of the investment pool by considering the above factors and establishing the First Tier Allocations. However, at any point in time, the actual First Tier Allocations may vary from the Board-approved percentage allocations by plus or minus 5.0% without altering the intended risk profile. In establishing any Second Tier Allocations, the Board, by resolution, may establish variances of allocations to allow the Board and Investment Managers greater flexibility in making advantageous investments that otherwise are consistent with the requirements of this Investment Policy. The discretion to shift funds within the limits of such variances in First and Second Tier Allocations may be exercised in order to take advantage of market dynamics, to preserve capital, to avoid liquidating investments at inopportune times, or for such other reason as to further the prudent investment of the System's funds.

In the selection of specific investments, the Board and its Investment Managers shall adhere to the asset allocations and variances duly established by the Board, while adhering to the overriding prudent person standard.

Rebalancing of Portfolios

The target allocations and variances will guide the decision as to which asset class should receive contributions when available and how the investments are rebalanced from time to time. Rebalancing is an effective tool used to maintain the risk profile of the total fund and to potentially enhance returns. Risk is controlled by calling cash to reduce portfolio values in over-allocated asset categories and providing cash to increase portfolio values to under- allocated asset categories to maintain target asset allocation policy weights. This rebalancing shall be performed periodically, as necessary, but not less than biannually, to redistribute assets to achieve the target allocations within any established variance.

5. SUITABLE AND AUTHORIZED INVESTMENTS

AUTHORIZED INVESTMENTS

Allowable investments of SCERS' funds shall be consistent with the requirements of this Investment Policy and Sacramento City Charter Section 383. Specific allowable investment types are set forth below. As used in this Section V, exchange traded funds ("ETF's") may include (a) leveraged ETF's that result in enhanced price movements over that generated by the underlying assets held by the ETF's, (b) inverse ETF's that incorporates a contrary or short position in the underlying assets, and (c) ETF's that combine both leveraged and inverse strategies.

INVESTMENT TYPES

Domestic Equity

Investments may include equity investments provided the equity is a common or preferred stock of a domestic corporation and sold on a public or registered stock exchange within the United States. At the discretion of the Board and Investment

Managers, investments may be made in mutual funds and exchange traded funds whose assets consist of such domestic equities.

International Equity

Investments may include equity investments provided the equity is a common or preferred stock of a foreign corporation provided (a) the resident country of the corporation has an operative financial exchange or over-the-counter market, a convertible currency, and a political, economic and investment structure which facilitates the availability of securities to foreign investors, and (b) the ownership of such shares are represented by American Depository Receipts (ADR) sold on a public or registered stock exchange within the United States. At the discretion of the Board and Investment Managers, investments in foreign corporations may be made in dollar-denominated mutual funds and exchange traded funds whose assets consist of such foreign equities.

Domestic Fixed Income

SCERS' funds may be invested in debt securities, including convertible bonds, issued by solvent domestic corporations or by local, state or federal governments, political subdivisions, or public agencies, including, without limitation, the City of Sacramento and Sacramento Redevelopment Agency through the City of Sacramento Financing Authority. At the discretion of the Board and Investment Managers, investments in the debt of domestic corporations may be made in individual issues and dollar-denominated mutual funds and/or exchange traded funds whose assets consist of such domestic debt securities.

International Fixed Income

SCERS' funds may be invested in investment grade foreign debt securities issued by a solvent foreign corporation or by foreign sovereignties. At the discretion of the Board and Investment Managers, investments in the debt of foreign corporations may be made in individual issues and dollar-denominated mutual funds and/or exchange traded funds whose assets consist of such foreign debt securities.

Commodities

SCERS' funds may be invested in commodities, including, without limitation, precious metals, agricultural products, oil and natural gas. Such investments may be in the form of dollar-denominated exchange traded funds that track the price changes of targeted commodities.

SECURITIES LENDING

The Board may engage in a securities lending program to provide the System with an opportunity to earn incremental income and offset administrative expenses. The program may be managed by the custodian (see Section VII.B), and/or a qualified third-party securities lending agent. The lending program should remain transparent to the Board

and should not impede the SCERS investment program.
The securities lending program consists of two separate functions. The first function is the lending of SCERS' eligible portfolio securities (domestic and international equities and bonds) to approved and qualified borrowers through an agent, subject to the terms and conditions specified in SCERS' securities lending contract. Domestic loans must have a minimum initial collateralization level of 102% and international loans must have an initial collateralization level of at least 105%.

The second function is the reinvestment of cash proceeds generated by the lending of SCERS' portfolio securities. This function is an investment management function, and as a result is governed by the same prudent person rules employed by the Board and its Investment Manager. Accordingly, the investment of cash collateral shall be in securities permitted by the Board as satisfying the prudent person standard. Cash and non-cash collateral may be invested in commingled funds or in separately managed accounts.

OPTION STRATEGIES

Utilization of options is allowed as a prudent way to take advantage of certain market dynamics in order to increase the overall returns of the investment portfolio without incurring undue risk, and/or to protect positions in a declining market. By Board Resolution 09-003, dated October 26, 2009, the Board has authorized the writing and selling of call options on existing security positions and the purchase of put options to protect existing security positions. Pursuant to Resolution 09-003, the following limitations are placed on the use of such authorized options: (1) The fair market value of securities underlying existing and proposed option contracts may not exceed 30 percent of the market value of the investment portfolio measured at the time each new option contract is evaluated, and (2) the time from the inception of an option position to its expiration date shall not exceed 90 days.

REAL ESTATE MORTGAGES

SCERS' funds may be lent to owners of real property provided the Board is satisfied with the credit worthiness of the borrower, the attributes of the real property, the suitability of the loan-to-value ratio, the interest rate on the loan, the reliability of the source of debt service funds, among other factors bearing on the desirability of the loan. No loans shall be made unless it is secured by a first position deed of trust, junior only to taxes and assessments entitled to priority by state statute, and supported by appropriate title insurance.

6. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, BROKER/DEALER SELECTION

Financial institutions and depositories involved in implementing the Board's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the Board in its discretion, with the objective of obtaining the quality of services necessary to serve the best interests of SCERS and its members,

with services performed at competitive fees and rates.

Among the factors that the Board may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the Board; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the Board; and (viii) other attributes as may be determined by the Board from time to time. The Board may determine the number and nature of firms to be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the System shall do so in a good faith manner and in the best interests of the System, and shall disclose to and advise the Board of material facts that bear upon the pricing of a given transaction order given by investment officers.

In lieu of conducting its own competitive process for the selection of supporting financial institutions, the Board may utilize the custodians, banks, brokers, dealers and other financial institutions utilized by the City in the management and investment of its funds. Such institutions must be duly selected and approved by the City Council. Prior to engaging any City-approved institution, the Board must be satisfied with the selection process used by the City.

PERFORMANCE REVIEW

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the Board, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The Board, in its discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the System.

7. SAFEKEEPING AND CUSTODY

DELIVERY VS. PAYMENT

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

CUSTODY OF SYSTEM ASSETS

SCERS shall contract to utilize the services of a master custodian that shall transfer assets to and from the System’s funds as directed by the Board and/or the Investment Managers. Also, the custodian shall settle purchases and sales of securities, collect income, and disperse funds for approved expenditures or investments. Other services provided by the custodian include, but are not limited to, cash management, portfolio

transition services, securities lending services, compliance monitoring services and information/accounting services. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls in accordance with Statement on Standards of Attestation Engagements, No. 18 (SSAE No. 18).

INTERNAL CONTROLS

The Investment Managers shall establish and maintain an internal control structure designed to guide the activities of investment officers to ensure that the assets of the System are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure shall address the following points:

- Prevention of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

8. REPORTING

INVESTMENT REPORTS

The Investment Manager shall present to the Board monthly investment transaction reports and quarterly performance reports.

MARKING TO MARKET

For purposes of preparation of the investment reports, the market value of the portfolio shall be calculated.

9. POLICY CONSIDERATIONS

ETHICS AND CONFLICTS OF INTEREST

Board members, the Investment Manager, and all other persons materially involved in the selection of investments (collectively, “Involved Persons”) shall refrain from personal business activity that could conflict with the proper execution and management of the SCERS investment program, or that could impair their ability to make impartial decisions. All Involved Persons shall disclose any material interests in financial institutions with which they conduct business or invest in. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. All Involved Persons shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the System.

All Involved Persons shall file State Fair Political Practices Commission’s Statement of Economic Interests and make the disclosures required by the City’s conflict of interest policies.

EXEMPTION

Any investment held at the time these policies are duly adopted that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that as soon as practicable the Board and its Investment Manager shall take appropriate steps to address non-compliant investments in the best interest of the System. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

AMENDMENTS

This policy shall be reviewed annually by the Board. The Investment Managers may recommend changes to the Board for its consideration. Any changes adopted by the Board must be approved by the City Council.

CITY COUNCIL CONSIDERATION OF INVESTMENT POLICY

This policy shall be reviewed and approved by the City Council pursuant to Section 383 of the Charter.

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SECTION - 31
Resources

Glossary

Account - The primary accounting field in the budget used to describe the type of financial transaction.

Actual - Actual level of expenditures/FTE positions approved for fiscal year as noted.

Amended - Level of expenditures/FTE positions reflecting adjustments made during the current fiscal year.

Appropriation - An authorization by the Council, which permits officials to incur obligations and expend City resources, for a specific purpose within a fiscal year.

Assessment - Revenue collected for City services that benefit properties in specific areas or districts.

Assessment District - A separate local government agency formed to provide specific services. Property owners within the Assessment District boundary pay the district in proportion to the benefits or services they receive.

Balanced Budget - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

Beginning/Ending Fund Balance - Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand (also refer to Fund Balance).

Budget - An annual financial plan consisting of Proposed/Approved expenditures for specified purposes and the Proposed/Approved means of financing them.

California Public Employees' Retirement System (CalPERS) – The nation's largest public pension fund, providing health and retirement benefits to more than 2 million state, public school, and local public agency employees, retirees, and their families. The City contracts for retirement benefits only.

Capital Assets - Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period (fiscal year).

Capital Improvement - A specific undertaking involving procurement, construction or installation of facilities or related equipment that improves, preserves, enhances, or modernizes the City's provision of municipal services, has a useful life of at least five years, and costs in excess of $20,000. CIPs may include construction or major repair of City buildings and facilities such as streets, roads, storm drains, traffic signals, parks, community centers, etc.

Capital Improvement Program (CIP) - An ongoing five-year plan of single and multiple-year capital expenditures which is updated annually.

Carryover - Appropriated funds remaining unspent at the end of the fiscal year, which can be retained by the project to which they were appropriated so that they may be expended in the next fiscal year.

Charter Offices - City Attorney, City Auditor, City Clerk, City Manager, and City Treasurer.

Citywide and Community Support - Program costs that do not relate to any one department, but represent costs of a general citywide nature, such as debt service.

Combined Sewer System (CSS) - Sewers that are designed to collect rainwater runoff, domestic sewage, and industrial wastewater in the same pipe. Combined sewer systems transport their wastewater to a sewage treatment plant, where it is treated and then discharged to a water body.

Community Facilities District (CFD): The Mello-Roos Act (1982) allows any county, city, special district, school district, or joint powers authority to establish a CFD that allows for financing of public improvements (e.g., sewers, streets) and services. To establish a CFD, voters within the district must approve its creation by two-thirds.

Debt Financing - Issuance of bonds and other debt instruments to finance municipal improvements and services.

Debt Service - The costs of paying the principal and interest on borrowed money according to a predetermined payment schedule.

Department – "Department" refers to the Council; City Manager; City Attorney; City Auditor, City Clerk; City Treasurer; Convention and Cultural Services; Community Development; Community Response; Finance; Fire; Human Resources; Information Technology; Police; Public Works; Utilities; Youth, Parks, & Community Enrichment; and Citywide and Community Support.

Dept ID - A sub-unit of a department or division.

Division - A roll-up of units within a department. There are one or more units within a division.

Employee Services - The personnel costs of a City program, including wage/salary, direct and indirect benefits, such as health insurance, social security costs, retirement contribution, workers' compensation, unemployment insurance, etc.

Enterprise - A governmental facility or service that is self-supporting through fee and charge revenue.

Enterprise Funds - These funds are used to account for operations for which it is the stated intent that the costs of providing services to the public on a continuing basis be financed or recovered primarily through user charges and space rentals, e.g., Water Fund, Wastewater Fund (also known as the Sewer Fund).

Equipment - Capital outlay for tangible property of a relatively permanent nature, such as vehicles or equipment with a unit cost of $20,000 or more.

Expenditure Class - A roll-up of accounts: employee services, services and supplies, property, debt service, and interdepartmental transfers.

Expenditure - The actual spending of funds authorized by an appropriation. Expenditures are divided into the following "classes" of individual line items:

- Employee Services
- Services and Supplies
- Equipment
- City Property
- Multi-Year Operating Projects
- Debt Service
- Labor, Service and Supplies, or Central Offset
- Capital Improvements

Externally Funded Program - Program revenues provided by external agencies which are restricted to a specified purpose.

Fiscal Year (FY) - A time period designated by the City signifying the beginning and ending period for recording financial transactions. Sacramento has a fiscal year from July 1 through June 30, referred to as FY2025/26 or FY26.

Full-Time Equivalent (FTE) - A unit indicating the workload of a position in order to distinguish workloads comparable to a full-time position. An FTE of 1.0 means that the position is equivalent to a full-time workload, while an FTE of 0.50 signals that the position is half-time.

Fund - A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives.

Fund Balance - The total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

General Fund - The City's principal operating funds (General Fund and Measure U Fund), which are supported by taxes and fees and which, generally, has no restrictions on its use. Expenditures may be described as discretionary and non-discretionary.

- Discretionary - That portion of the General Fund for which there are no restrictions on the use of the fees or taxes collected.

- Non-discretionary - Expenditure of revenues which are collected by users of a program to offset the cost of the program. State law requires that fees charged cannot exceed the cost of the service.

Grant - Contributions of cash or other assets provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Growth Rate - Level at which expenditures and revenues are expected to increase annually.

Impact - Effects on the service level provided by a particular program due to budget changes.

Indirect Costs - Those elements of cost necessary in the performance of a service that are not readily identified to the unit of service, such as administration, supplies, etc.

Internal Service Fund (ISF) - An ISF provides services to all City departments and bills the various other funds for services rendered. ISFs are self-supporting. Only the expenditure by the ISF is counted in budget totals; the internal transfer from the department to the ISF is excluded to avoid double-counting expenditures.

Internal Service Fund Transfer - A transfer from operating funds to an ISF, e.g., Risk Management or Fleet Management.

Labor/Supply Offset (CIP/Grant/Labor) - Amounts for employee salaries and benefits expected to be charged to a CIP or grants, thus reimbursing the operating budget for these costs.

Measure U Fund – This fund was established to account for revenues collected from the transactions and use tax voted in on November 6, 2018 and took effect on April 1, 2019. Measure U was approved as a general tax and can be used for any general government purpose. This one-cent tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside the City and delivered to a location within the City.

Multi-year Operating Project (MYOP) – A project/program with funding for internal operations (e.g., community outreach, fleet acquisitions, grants, rebates, and studies) that do not result in capital assets.

Operating Budget - Annual appropriation of funds for ongoing program costs, including employee services, other services and supplies, equipment, and debt service.

Operating Transfers - Moving dollars from a fund receiving revenue to a fund which will expend the resources.

Ordinance - A law or regulation made by a city or town government.

Other Governmental Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, e.g., Gas Tax Fund, Traffic Safety Fund, Operating Grant Fund.

Other Post-Employment Benefits (OPEB) - Benefits that an employee will begin to receive at the start of retirement, not including pension benefits.

Proposition 218 - Passed by California voters in 1996, Proposition 218 specifies requirements for how utility rates for water, sewer, drainage, and solid waste services are set and how the funds generated by those rates are used. Some of the requirements include:

- Holding a public hearing prior to any rate changes for water, sewer, drainage, or solid waste services and notifying rate payers of that hearing via mail at least 45 days in advance.
- Using funds generated by a particular rate, such as water rates, for water operations and projects.

Project, Child: - A project that falls under the budget appropriation authority of a parent project. Child projects are not required of a parent project.

Project, Parent: - A project that has budget appropriation authority given by Council. Parent project numbers usually end in zero-zero (00).

Resolution - A formal declaration by Council.

Resources - Total dollars available for appropriation during the fiscal year, including estimated revenues, fund transfers, and beginning fund balances.

Revenues - Income received from seven categories:

- Taxes - Revenue including sales tax, property tax, utility user tax, etc., collected to fund general operating City programs.
- Charges for Fees and Services - Fees charged to the user of any specific service provided by the City not supported by the General Fund. The fee cannot exceed the cost of providing the service.
- Licenses and Permits - Revenues collected for construction, maintenance, and/or operation of designated equipment, businesses, buildings, and private property including animals.
- Use of Money and Property - Interest earned on City investments or county-held funds.
- Inter-Governmental - Revenue disbursements from other agencies, such as State Motor Vehicle In-Lieu Tax and State Homeowners Property Tax Relief, and revenue reimbursement for services provided to other agencies.

- Fines, Forfeitures, and Penalties - Revenues collected for violations of City ordinances, late payments, etc.
- Miscellaneous Revenues - Revenues not categorized above.

Revenues can also be classified as operating or non-operating in the enterprise activities. Operating revenues are directly related to the fund's primary service activity and consist primarily of user fees and charges. Non-operating revenues are incidental to, or by-products of the enterprise's primary service, such as interest income or the Transient Occupancy Tax for the Community Center Fund.

Services and Supplies - Costs of contractual or outside services, office supplies, and equipment.

Special Revenue Funds - These funds are used to account for activities supported by specific taxes or other revenue sources. These funds are generally required by statute, charter, or ordinance to finance specific government functions.

Successor Agency - Pursuant to operation of California state law, the Redevelopment Agency was dissolved. Effective February 1, 2012, former activities and affairs of the Sacramento Redevelopment Agency were transformed to the City of Sacramento as the Successor Agency. The Successor Agency is authorized by law to accept and maintain the legal title, custody and dominion of records that were created by another agency.

Surplus - An excess of total current resources over total current requirements.

Total City Budget - The City's total fiscal year expenditure budget (operating and capital) as approved by the Council.

Trust Funds - These funds are used to account for assets and activities restricted to a specific purpose in accordance with a trust agreement, e.g., Ethel MacLeod Hart Trust Fund.

User Charges/Fees - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Variance - Change in expenditures or staffing levels between fiscal years.

ACRONYMS

A.B.	Assembly Bill
ABCDs	Automated Bids, Contracts, and Digital Signatures
ACFR	Annual Comprehensive Financial Report
ACH	Automated Clearing House
ADA	Americans with Disabilities Act
ALF	American Leadership Forum
ALM	Asset Liability Management
ALS	Advanced Life Support
ARP	American Rescue Plan 2021
ARRA	American Recovery and Reinvestment Act
ASES	After School Education and Safety
AWMP	Accelerated Water Meter Program
AWWA	American Water Works Association
BID	Business Improvement District
BOE	Board of Education
BOT	Business Operations Tax
BWC	Body Worn Camera
CAA	Cultural Arts Awards
CalPERS	California Public Employees' Retirement System
CASH	Community Against Sexual Harm
CA-TF7	California Task Force 7
CBOT	Cannabis Business Operations Tax
CCM	Citywide Content Management
CCOMWP	City/County Office of Metropolitan Water Planning
CCPI	CA Consumer Price Index
CCR	Consumer Confidence Report
CCS	Convention and Cultural Services
CDD	Community Development Department
CDTFA	CA Department of Tax and Fee Administration
CE	Cultural Equity
CEQA	California Environmental Quality Act
CERBT	California Employers' Retiree Benefit Trust
CFD	Community Facilities District
CIO	Chief Information Officer
CIP	Capital Improvement Program or Project
CIRBs	Capital Improvement Revenue Bonds
CIS	Customer Information System
CIT	Crisis Intervention Training
CLASS	Childcare Learning and Student Support
CMO	City Manager's Office
CNG	Compressed Natural Gas
CO2e	Carbon Dioxide equivalent
COLA	Cost of Living Adjustment
COPS	Community Oriented Policing

CORE	Cannabis Opportunity Reinvestment and Equity
CPI	Consumer Price Index
CRCIP	Community Reinvestment Capital Improvement Program
CRS	Community Rating System
CSH	Center for Sacramento History
CSS	Combined Sewer System
CSUS	California State University Sacramento
DACs	Disadvantaged Area Communities
DCR	Department of Community Response
DDW	Department of Drinking Water
DHS	Department of Homeland Security
DISTRICT	SCU Convention & Performing Arts District
DMAs	District Metered Areas
DOE	Department of Education
DOU	Department of Utilities
DSCR	Development Stabilization Contingency Reserve
DSP	Downtown Sacramento Partnership
DUI	Driving Under the Influence
DWR	Department of Water Resources
eCAPS	Electronic Citywide Accounting and Personnel System
EEO	Equal Employment Office
EGUSD	Elk Grove Unified School District
EIFD	Enhanced Infrastructure Financing District
EIR	Environmental Information Regulation
ELAP	Environmental Laboratory Accreditation Program
EMS	Emergency Medical Services
EOC	Emergency Operations Center
ERP	Enterprise Resource Planning
EUR	Economic Uncertainty Reserve
EVOC	Emergency Vehicle Operations Course
F.O.C.A.S.	Friends of the City's Animal Shelter
FDIC	Federal Deposit Insurance Corporation
FEC	Financial Empowerment Center
FEMA	Federal Emergency Management Agency
FMAP	Flood Maintenance Assistance Program
FTE	Full-time equivalent
FUEL	Family, Unity, Education, and Legal Network
FY	Fiscal Year
G1C	Golden 1 Center
GARE	Government Alliance on Race and Equity
GASB	Governmental Accounting Standards Board
GL&AL	General Liability and Auto Liability
HHAP	Homeless Housing, Assistance and Prevention
HR	Human Resources
ICMA	International City/County Management Association

IRS	Internal Revenue Service
ISA	International Society of Arboriculture
IST	Inspection and Standards Team
IT	Information Technology
JPA	Joint Powers Agreement
LAFCo	Sacramento Local Agency Formation Commission
LDI	Liability Driven Investment
LMA	Local Maintaining Agencies
LPRs	License Plate Readers
MG	Million Gallons
MICC	Mobile Incident Command Center
MOE	Maintenance of Effort
MOFIE	Mayor's Office of Innovation and Entrepreneurship
MOSAC	SMUD Museum of Science and Curiosity
MYOP	Multi-year Operating Project
NACHA	National Automated Clearing House Association
NPDES	National Pollutant Discharge Elimination System
OAC	Office of Arts and Culture
OCM	Office of Cannabis Management
OEG	Office of Economic Growth
OEM	Office of Emergency Management
OPEB	Other Post-Employment Benefits
PAR	Personnel Action Request
PARCS	Parking Access and Revenue Control System
PBIDs	Property and Business Improvement Districts
PCI	Payment Card Industry
PCI DSS	Payment Card Industry Data Security Standard
PCR	Patient Care Reports
PD	Police Department
PELLET-B	Police Entry Level Law Enforcement Test
PEPRA	Public Employees' Pension Reform Act
PERS	California Public Employees' Retirement System
PG&E	Pacific Gas and Electric
PODs	Police Observation Devices
POP	Problem Oriented Policing
POS	Point-of-Sale
POST	Peace Officers Standard and Training
PPE	Personal Protective Equipment
PPP	Public-Private Partnerships
PRAs	Public Records Act
PRISM	Public Risk Innovation, Solutions, and Management
PTTVC	Prime-Time Teen Virtually Connected
RAILS	Rapid Acceleration, Innovation & Leadership
RASA	Redevelopment Agency Successor Agency
REO	Recognized Employee Organization

RFP	Request for Proposal
RGEAP	Race and Gender Equity Action Plan
RSW	Recycling and Solid Waste Division
SACOG	Sacramento Area Council of Governments
SAFER	Staffing for Adequate Fire & Emergency Response Grants
SAMS	Software Asset Management System
SASD	Sacramento Area Sewer District
SAVSA	Sacramento Abandoned Vehicle Service Authority
S.B.	Senate Bill
SCADA	Supervisory Control and Data Acquisition
SCERS	Sacramento City Employees' Retirement System
SCMS	Security Camera Monitoring System
SCU	SAFE Credit Union
SCUSD	Sacramento City Unified School District
SCVB	Sacramento Convention and Visitors Bureau
SCXEA	Sacramento City Exempt Employees Association
SETA	Sacramento Employment and Training Agency
SFD	Sacramento Fire Department
SHRA	Sacramento Housing and Redevelopment Agency
SMAC	Sacramento Metropolitan Arts Commission
SMHST	Sacramento Museum of History, Science, and Technology
SMUD	Sacramento Municipal Utility District
SPCA	Society for the Prevention of Cruelty to Animals
SPLA	Sacramento Public Library Authority
SRCSD	Sacramento Regional County Sanitation District
SRF	State Revolving Fund
SSO	Sanitary Sewer Overflows
START	Students Today Achieving Results for Tomorrow
STEAM	Science, Technology, Engineering, Art, and Mathematics
SURA	Sacramento Utility Rate Assistance
SUV	Sport Utility Vehicle
SWA	Solid Waste Authority
SWAT	Special Weapons and Tactics
SWRCB	State Water Resources Control Board
TOT	Transient Occupancy Tax
UAL	Unfunded Accrued Liability
UAS	Unmanned Aerial System
UHU	Unit Hour Utilization
URAC	Utility Rate Advisory Commission
US&R	Urban Search & Rescue
UUT	Utility User Tax
VLF	Vehicle License Fee
VoIP	Voice over Internet Protocol
VPN	Virtual Private Network
WC	Workers' Compensation

YDPM	Youth Development Program Manager
YPCE	Youth, Parks, and Community Enrichment

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SECTION - 32
Resolution

RESOLUTION NO 2026-0159

Adopted by the Sacramento City Council

June 09, 2026

Approving the Fiscal Year 2026/27 Operating and Capital Improvement Program Budgets

BACKGROUND

A. Article IX, section 111, of the City Charter requires the City Manager to present a balanced budget to the Mayor and City Council no less than 60 days before the beginning of each fiscal year.

B. The City of Sacramento, through the leadership and direction of the Mayor and City Council, has maintained a sustainable budget philosophy. Given this concept of fiscal sustainability, the City Council adopted the following core budget policies and budget guidelines on February 14, 2017 (Resolution No. 2017-0078):

Core Budget Policies

1. City Council must adopt a balanced budget.
2. Funding decisions should be consistent with Council-adopted policies.
3. The Economic Uncertainty Reserve shall be maintained at a minimum of 10% of budgeted General Fund revenues. Resources must be added to maintain this level through the budget and midyear processes, as necessary.

Budget Guidelines

1. Maintain a fiscally sustainable, balanced budget.
2. The Mayor and Council’s priorities, based on community input, should drive the budget creation.
3. Continue a community-based budget process where city residents are engaged and educated on budget processes and provide feedback on budget priorities.
4. Look for ways to grow the reserve beyond its current goal.
5. All budget actions must be considered in a five-year context, with new revenues not counted or spent until realized. One-time resources should be used for one-time needs, not ongoing expenses.
6. Do not make spending decisions in isolation. Avoid spending money on one-off projects or without looking at the big picture. Understand long-term consequences and opportunity costs.
7. Keep City Council informed on the fiscal condition of the City and conduct continuous evaluations for efficiencies and effectiveness.

8. The City must consistently look for opportunities to proactively grow revenues instead of simply being reactive.

9. Make every effort to identify private financing or federal and state grant opportunities before using City resources. Pursue new and enhance existing revenue sources.

10. Before new expenditures are made, identify return on investments and impacts, fiscal and social benefits.

11. Address unfunded long-term liabilities.

12. Remain a full-service City.

C. On June 11, 2019, the City's Economic Uncertainty Reserve (EUR) Policy was amended to include Measure U resources in determining the amount to be set aside in reserves (Resolution No. 2019-0248) as directed by the City Council on February 5, 2019 (Resolution No. 2019-0047).

D. The FY2026/27 Approved Budget (which includes the Operating Budget and the Capital Improvement Program [CIP] Budget) is consistent with City Charter requirements and the City Council's adopted Core Budget Policies and Budget Guidelines.

E. The Mayor and Council conducted budget discussions during May and June 2026 to discuss and consider the City's FY2026/27 Budget.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Preliminary Matters.

1.1. The Budget changes attached as Exhibit A and the Summary of FTE attached as Exhibit B are hereby approved.

1.2. The FY2026/27 Operating and CIP Budgets (collectively the Approved Budget), as defined in section 3.2 below, and attached as Exhibits C and D are hereby approved.

1.3. The 2026-2031 CIP, which provides a comprehensive five-year plan for the City's capital project expenditures and attached as Exhibit D, is hereby approved.

1.4. Sections 2 through 20 below, which define the authority and responsibilities of the City Manager in implementing the Approved Budget, are hereby approved.

1.5. The City Manager is authorized to incorporate final decisions of the Council, and to refine and add content, as may be needed to meet Government Finance Officers Association and/or California Society of Municipal Finance Officers budgeting-award requirements into the Approved Operating and CIP Budgets to create the FY2026/27 Approved Budget.

1.6. The attached Exhibits A through D are part of this resolution.

1.7. The City's Debt service must be limited to 6% of total General Fund (includes Measure U Fund) revenues, excluding Department revenues.

1.8. The City Treasurer shall conduct a financial stress test on the General Funds before the issuance of any bonds.

1.9. Available resources in the Innovation and Growth Fund (Fund 2031) shall be transferred to the General Fund as needed to offset projected deficits shown in the General Fund five-year forecast included in the Approved Budget.

(A) Expand the usage of the Innovation and Growth Funds consistent with either ScaleUp Sacramento: An Inclusive Economic Action Agenda (Motion No. 2021-0022) or sections one through five of the Inclusive Economic Development Investment Funding Guidelines (Motion No. 2019-0307).

Section 2. Scope.

This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget and supersedes Resolution No. 2025-0162.

Section 3. Definitions.

3.1. "Account" is the primary accounting field in the budget used to describe the nature of the financial transaction (overtime, professional services, debt, etc.).

3.2. "Approved Budget" means the Approved Operating Budget (Operating Budget) and the Approved Capital Budget (CIP Budget), which are attached as Exhibits C and D and reflects the FY2026/27 Proposed Operating and CIP Budgets, as amended by the Council to incorporate the approved Budget Changes attached as Exhibit A, and a summary of position changes as displayed in Exhibit B.

3.3. "City Manager" means the City Manager or, if so designated, the Director of Finance.

3.4. "Department" means Mayor and City Council; City Manager; City Attorney; City Auditor; City Clerk; City Treasurer; Community Development; Community Response; Convention and Cultural Services; Finance; Fire; Human Resources; Information Technology; Police; Public Works; Utilities; Youth, Parks, and Community Enrichment; and Citywide and Community Support.

3.5. "Full Time Equivalent" and "FTE" mean the decimal equivalent of a position, e.g., one full-time position is 1.00 FTE and one quarter-time position is 0.25 FTE.

Section 4. Approved Budget Appropriations, FTEs, and Adjustments.

4.1. The City Manager is authorized to make any expenditure and resource adjustments to the Operating Budget based on final Council action to adopt the Operating Budget.

4.2. The City Manager is authorized to establish the appropriations and FTE as shown in Schedules 1A, 1B, 1C, 1D, and 1E and the fund summaries, including transfers, as shown in Schedules 2A, 2B, and 2C, as displayed in Exhibit C.

4.3. The City Manager is authorized to modify FTE classifications by Department as necessary to implement the reclassifications and studies authorized by Schedule 8, as displayed in Exhibit C.

4.4. The City Manager is authorized to revise any appropriation made in the Approved or Amended Budget where the revision is of a technical nature and is consistent with the Council's intent.

4.5. The City Manager may authorize the use of the Old Sacramento Public Market Fund (Fund 2601) for the development, repair, and maintenance of the north and south public markets.

4.6. The City Manager is authorized to make annual loan payments to the Risk Fund from the Community Center Fund subject to the availability of funds. As of June 30, 2025, the balance of the Risk Fund loan to the Community Center Fund totaled approximately $4.6 million.

4.7. The City Manager is authorized to pay off a $15 million loan from the Risk Fund as a result of the legal settlement with year-end budgetary surplus from the General Fund (Fund 1001). The current balance is $15 million.

4.8. Following budget adoption, the City Manager is authorized to do the following:

(A) Transfer appropriations from the operating budget and establish or adjust revenue and expenditure budgets for externally funded programs (EFPs), multi-year operating projects (MYOPs), and operating grants as shown in Schedule 9 displayed in Exhibit C.

(B) Adjust any appropriation made in the Approved Budget to reflect changes from amounts budgeted for updated labor (for example, changes in retirement rates, payroll taxes, health benefits), fleet (including accident recovery costs), utilities in Citywide Support, 311 Call Center (reimbursements based on call data), cost plan, and risk-management changes, from available fund balance or reserves for the respective funds.

(C) Adjust budgets to reflect all required debt service and related payments, including adjustments to rate stabilization reserves, pursuant to City debt agreements.

(D) Revise and establish indirect cost rates to be applied to hourly salary rates in order to achieve full cost recovery of services; and adjust the Operating Budget to reflect the indirect cost rate plan for FY2026/27.

Section 5. Economic Uncertainty Reserve Policies and Transfers from Contingency and Reserve Funds.

5.1. The Council-adopted EUR Policy as amended on June 11, 2019 (Resolution No. 2019-0248) establishes a minimum reserve level equal to 10% of annual General/Measure U Fund revenues and a target reserve level equal to two months of regular ongoing General Fund and Measure U Fund expenditures, including transfers (17% of General Fund and Measure U Fund expenditures). Resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources available to the General/Measure U Fund.

5.2. The General/Measure U Fund EUR is maintained to bridge the gap between projected revenue and expenditures during periods of significant revenue declines, expenditure growth, or both. Consistent with Governmental Accounting Standards Board Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions), the Council-adopted parameters for using the EUR are as follows:

(A) The City Manager may recommend a release from the EUR when the gap between projected revenue and expenditures is greater than $1 million in the proposed budget.

(B) Any release from the EUR requires the Council's approval.

(C) These parameters may be changed only by resolution of the Council.

5.3. The City Manager is authorized to maintain an EUR reserve below the minimum threshold prescribed in the Council-adopted EUR Policy in FY2026/27. In the FY2024/25 and FY2025/26 Operating Budgets, General Fund and Measure U Fund EUR contributions were redirected to balance the FY2024/25 budget and create a Federal Funding Reserve in FY2025/26 to protect the City against the federal government withholding or rescinding revenues.

5.4. The City Manager is authorized to make appropriation changes (increases or decreases) less than $250,000 by fund from available fund balance. Appropriation changes, whether increases or decreases, of $250,000 or more require Council approval, except for payments to employees for vacation and sick leave payouts. Payments to employees for vacation and sick leave payout may be approved by the City Manager.

5.5. The City Manager is authorized to make appropriation changes (increases or decreases) less than $250,000 to any Department or project from Administrative Contingency established in the General Fund. Appropriation changes (increases and decreases) more than and including $250,000 to the Department or project require Council approval.

5.6. Transfers must not be made from an available fund balance or Administrative Contingency if the transfer will result in a negative balance.

5.7. The City Manager is authorized to release the General Fund (Fund 1001) and Measure U (Fund 2401) commitments of fund balance for future budget development as needed to submit a balanced budget.

5.8. Use of committed fund balance reserves, except as authorized in section 5.7, requires the Council's approval by resolution.

Section 6. Appropriation Increases and Decreases.

6.1. All appropriation changes (increases or decreases) $250,000 or more to the Approved Budget require Council approval by resolution.

6.2. The City Manager is authorized, upon completion of the audited financial statements for FY2025/26, to adjust FY2026/27 fund contingencies by the amount of net changes in available fund balance. The available fund balance in the General Fund must be included and explained in the report to the Council accompanying the Annual Comprehensive Financial Report (ACFR).

6.3. Residual balances from unexpended debt proceeds will revert to the appropriate fund and be used for the lawful purposes as specified in the conditions of the debt issuance. The City Manager is authorized to establish appropriations and account for the expenditure of these unexpended proceeds.

Section 7. Appropriation Transfers.

7.1. Operating appropriation transfers within the same Department and the same fund, including the Department's established fleet MYOP, require the City Manager's approval.

7.2. Appropriation transfers between two or more Departments, less than $250,000, must be approved by the City Manager. Such transfers more than and including $250,000 requires Council approval by resolution.

Section 8. Staffing Changes.

8.1. Any increase or decrease in FTE by department or by fund as authorized in the Operating Budget, by subsequent approval of the Council, or by the City Manager in accordance with this resolution, is subject to approval by the Council except for renewals or expansion of fully offset grants or EFPs as specified in section 8.2.

8.2. The City Manager is authorized to adjust staffing levels for renewals, expansions, or reductions to fully offset Council-approved operating grants or EFPs. Grant/EFP positions must be terminated upon completion or cancellation of the grant/EFP unless specifically continued by a Council resolution that includes a source of replacement funding. Any existing positions approved on the assumption that the City would receive a grant or other reimbursements must have continued funding verified before filling the position.

8.3. Any reassignment of authorized FTE and employee-services funding associated with the FTE, within a Department and within the same fund, may be made at

the discretion of the Department director with the approval of the City Manager as long as there is no net change to authorized FTE and funding levels.

8.4. The City Manager is authorized to modify any authorized FTE classification as necessary to reflect current incumbent status based on the established flexibly staffed classifications included in Council-approved labor contracts.

8.5. All new job classifications or classification changes (as identified in Exhibit C, Schedule 8) are subject to classification review and approval by the Director of Human Resources.

8.6. The City Manager is authorized to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.

8.7. The Director of Human Resources is authorized to establish non-budgeted positions (NBPs) for the following:

(A) Mayor and Council Offices, to be funded from their existing operations budgets.

(B) Departments as needed to reflect address critical staffing circumstances. Departments must have sufficient labor savings to cover the cost of NBPs, and none of the NBPs may be used for more than one year. Departments will seek budget authority to convert NBPs to authorized FTE positions or the NBPs will be eliminated during the budget process.

8.8. The City Manager is authorized to create an Economic Development Department in FY2026/27 and to adjust staffing levels within other departments based on the new Citywide organizational structure. The City Manager is authorized to conduct necessary classification changes of existing positions for the new Economic Development Department.

Section 9. Revenue Budget.

9.1. The FY2026/27 revenue budget is summarized in Exhibit C, Schedule 6.

9.2. Any increase or decrease greater than (and including) $250,000 by fund in estimated revenue by Department to the Approved Budget requires the Council's approval.

9.3. The City Manager is authorized to implement biennial Consumer Price Index increases if the increases are warranted based on the adopted Fees and Charges Policy.

9.4. Proceeds from the sale of General Fund and Redevelopment Agency Successor Agency surplus land, unless otherwise specified, will be budgeted in the Innovation and Growth Fund (Fund 2031).

9.5. Unbudgeted one-time general revenue received in a fiscal year, which is not required to balance the budget as part of the midyear review or fiscal year-end close, will be added to the General Fund/Measure U EUR.

9.6. The City Manager is authorized to adjust General Fund revenues supporting Measure U department operations to actuals received and to adjust the appropriate transfers between the funds.

Section 10. Capital Improvements.

10.1. Capital projects and/or appropriations will be used for the following:

(A) Repairs, maintenance, improvements, or acquisitions with a total cost of at least $20,000 and a useful life that exceeds one fiscal year; and

(B) Community/Neighborhood projects as approved in separate resolutions by the Council.

10.2. Council approval is required for the establishment or cancellation (without completion) of a CIP, except as provided below:

(A) The City Manager is authorized to approve and establish one or more capital projects for internal City operations related to improvements and minor construction of existing City-owned or occupied buildings if the total cost to deliver each project is less than $250,000. Projects will be managed in the City Facility Improvement (C15100000) project.

(B) Capital projects may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further Council action.

(C) Projects established for agreements the City Manager executes in accordance with Sacramento City Code chapter 18.18. The City Manager is authorized to make all necessary budgetary adjustments when the City accepts improvements constructed under these agreements.

10.3. Capital appropriations must be used solely for the originally approved project or projects except as provided in this section.

10.4. Completed and inactive projects will be closed annually, except for projects that have existing litigation or payment disputes. An inactive project is one where transaction activity is less than $1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and the City Manager are each authorized to process the necessary documentation to close inactive projects.

10.5. Each fiscal year, all multi-year CIP projects in existence on June 30 will be continued except as provided otherwise in section 10.4. The FY2026/27 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit C and on Schedule 4 as displayed in Exhibit D.

10.6. Each fiscal year, unobligated appropriations for all inactive projects, as defined in section 10.4, will expire on June 30 following the third full year of the last appropriation to the project. Projects requiring continuing appropriations will

require Council action through programming within the CIP or through a separate appropriation to the project authorized by resolution of the Council.

10.7. Each fiscal year, on June 30, the balance of each CIP project must be zero or have a positive balance by fund. Projects with spending in excess of available budget from all funding sources (i.e., with negative balance) will be treated as follows:

(A) If the CIP balance exceeds budget by less than $250,000, the CIP must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the CIP manager's Operating Budget (all transfers less than $250,000 must be made as provided for in section 6.1).

(B) If expenditures exceed the budget by more than and including $250,000, a corrective plan of action must be submitted to the Council for approval by resolution.

10.8. Community/Neighborhood projects and appropriations established with one-time funding sources under Resolution No. 2004-551 (6/29/04) and associated staff report, is governed by the following procedures:

(A) Savings of up to and including $50,000 due to lower-than-expected costs or the securing of alternative funding sources may be administratively reprogrammed into other projects within the same Council District at the request of the Council District Office and with the approval of the City Manager.

(B) Savings above $50,000 may be reprogrammed upon approval by resolution of the Council.

10.9. Except as provided in section 10.8, the City Manager is authorized to transfer appropriations less than $250,000 as follows:

(A) General, Measure U, and Capital Bond Funds:

(1) From a project that has not been completed, if a revised project estimate confirms that upon completion there will be project savings.

(B) All other funds from Project A to Project B if:

(1) Project A is complete and has savings; or

(2) Project A has not been completed and a revised project estimate confirms that there will be project savings upon completion.

10.10. Upon completion and closure of a capital project, the City Manager is authorized to transfer any remaining project balance as follows:

(A) To the available fund balance of the respective fund, the Capital Projects Base Reserve in the Utilities CIP or, in the case of the General Fund, Administrative Contingency; or in the case of capital grants, to amend the

revenue and expenditure budgets to actual revenues received and expenditures incurred.

(B) As provided for in section 10.9.

10.11. Except for projects covered by section 10.10, the City Manager is authorized to increase or decrease project budget appropriations by less than $250,000 for each project. Appropriation changes more than and including $250,000 in total for any project must be approved by resolution of the Council. The City Manager's administrative authority to adjust budgets for capital projects will be reset after budgetary actions are authorized by the Council. If the appropriation is from available fund balance, it is subject to the provisions in section 5.

10.12. Projects funded by New Measure A Project Construction Sales Tax are included within the CIP Budget for planning purposes. Work on CIP projects funded by New Measure A Project Construction Sales Tax (Fund 2023) is done before receiving funding, and project funding and authorization for these projects must be as follows:

(A) Fund 2023 revenue and expenditure budgets will not be loaded into the City's financial system until STA Board approval and Council appropriation through separate Council action.

10.13. Projects funded by reimbursable (grant) funds are included within the Operating and CIP Budgets for planning purposes. Work on CIPs funded by these sources is done before receiving funding, and project funding and authorization for these projects must be as follows:

(A) Funds 2700, 3702, 3703, 3704, 6205, 6206, 6207, and 6211. Revenue and expenditure budgets will not be loaded into the City's financial system until agreements (Program Supplements/E-76s, Individual Project Agreements, Cooperative Agreements, etc.) have been executed by the City and the funding authority.

(B) Funds 3703 and 3704. The City is eligible to receive federal or state funding, or both, for certain transportation projects through the California Department of Transportation (Caltrans). Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and Fund Transfer Agreements must be executed by Caltrans before such funds can be claimed. The City Manager is authorized to execute on the City's behalf all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and Fund Transfer Agreements, and any amendments thereto.

The City Manager is authorized to transfer matching funds as specified in the approved CIP from the state and federal Grant Match (T15007200) CIP, and to enter the revenue and expenditure budgets as reflected in the grant agreement, only if the amount differs by less than $250,000 from what was reflected in the Approved CIP Budget that authorized the project funding. Project agreements that differ by more than and including

$250,000 from the anticipated budget require the Council's approval by resolution.

(C) For projects in funds 6205, 6206, and 6211 that result from an existing Operations and Maintenance Agreement for facilities maintained by the City but are owned or co-owned with Regional San and Sacramento Area Flood Control Agency, the City Manager or designee is authorized to do the following:

(1) Establish and/or adjust revenue and expenditure budgets of up to $250,000 for any emergency repair or replacement projects; and

(2) Adjust revenue and expense budget based on actuals for project closure.

10.14. The 2026-2031 CIP Budget (Schedule 4, Exhibits C and D) includes projects that are directly supported by user and developer fees and utility rebates. The City Manager is authorized to adjust department revenue budgets and CIP expenditure budgets for projects as identified in the General Government section of the CIP that are directly supported by fees and rebates based on the actual fees and rebates collected, less any operating costs associated with delivering the service.

10.15. The City Manager is authorized to adjust revenue and expenditure budgets to reflect actual revenues received and expenditures incurred in compliance with the original grant award and any amendments. If the grant is not renewed or is changed by more than and including $250,000, the managing department must return to the Council for corrective action.

Section 11. Operating Grants.

11.1. Council approval is required for the establishment or cancellation (without completion) of an operating grant except as follows:

(A) Where the operating grant is less than $250,000 and does not require any of the following:

(1) any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the Council or the City Manager in accordance with this resolution;

(2) matching funds from City resources; or

(3) any ongoing service or funding by the City.

(B) The City Manager is authorized to establish operating grants and authorize spending and allocation of resources more than and including $250,000 in advance of formal agreements in response to governmental requests for public-safety assistance related to homelessness, disasters and national-security risks. The department responding to these events shall report to the Council within 60 days after receiving formal program

documents from the requesting governmental agency or agencies to obtain approval to enter into agreements and accept reimbursements.

(C) Operating grants may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further Council action.

11.2. The City Manager is authorized to adjust FTE and associated service and supplies budget, in accordance with section 8.2, for renewals or expansions of fully offset grants previously approved by the Council.

11.3. If a grantor requires Council action as a condition of funding the grant, the establishment of the grant requires Council approval regardless of the grant amount.

11.4. Each fiscal year, all multi-year operating grant budgets in existence on June 30 will be continued in the next fiscal year.

11.5. The City Manager is authorized to adjust revenue and expenditure budgets for renewals, up to the amount previously approved by the Council, and augmentations less than $250,000 of fully offset grants.

11.6. The City Manager is authorized to establish revenue and expenditure budgets for federal or state grant-funded youth programs and parks-and-recreation programs based on the prior year award before receipt of signed agreements. Project funding and appropriations must be adjusted based on the final grant agreement. If the grant is not renewed or is changed by more than and including $250,000, the managing department must return to the Council for corrective action.

11.7. Each fiscal year, on June 30, the balance of each grant budget must be zero or have a positive balance by fund. Grants in excess of the budget from all funding sources (total budget has a negative balance) will be treated as follows:

(A) If the Grant balance exceeds budget by less than $250,000, the Grant must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the Grant manager's Operating Budget (all transfers of less than $250,000 must be made as provided for in section 6.1).

(B) If the project balance exceeds budget by more than and including $250,000, a corrective plan of action must be submitted to the Council for approval by resolution.

11.8. The City Manager is authorized to adjust grant and operating expenditure budgets to account for Council-approved grant match and retention obligations.

11.9. The City Manager is authorized to adjust revenue and expenditure operating grant budgets to reflect actual revenues received and expenditures incurred upon closure of a project in compliance with the original grant award and any amendments.

11.10. Award and Distribution of City Grants.

(A) Council approval is required: (1) to award grants to an individual, non-profit, business, or community-based organization that applies for a City grant more than and including $250,000; and (2) to execute contracts with the grantees for the services to be provided.

(B) Consistent with Council direction, the City Manager is authorized: (1) to award grants to an individual, non-profit, business, or community- based organization that applies for a City grant in amounts less than $250,000; and (2) to execute contracts with the grantees for the services to be provided.

(C) The award and distribution of grants must comply with any Citywide Grant Distribution Policy.

(D) Before grant funds are distributed, the City and the grantee must execute a City contract that outlines the public benefit, timelines, and reporting requirements.

(E) For grant contracts of any amount, the City Manager is authorized to execute amendments consistent with the authority granted to the City Manager in section 3.04.020 of the City Code and related policies.

(F) The annual budget must list all grants awarded the previous calendar year.

Section 12. Externally Funded Programs (EFP).

12.1. Council approval is required for the establishment or cancellation (without completion) of an EFP, except as follows:

(A) Where the EFP is less than $250,000 and does not require any of the following:

(1) any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the Council or by the City Manager in accordance with this resolution;

(2) matching funds from City resources; or

(3) any ongoing service or funding by the City.

(B) EFPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further Council action.

12.2. Each fiscal year, all multi-year EFP budgets in existence on June 30 will be continued in the next fiscal year.

12.3. The City Manager is authorized to adjust revenue and expenditure budgets for EFP renewals, up to the amount previously approved by Council, and augmentations less than $250,000.

12.4. Each fiscal year, on June 30, the balance of each EFP budget must be zero or have a positive balance by fund. EFPs in excess of the budget from all funding sources (total budget has a negative balance) will be treated as follows:

(A) If the EFP balance exceeds budget by less than $250,000, the EFP must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the EFP manager's Operating Budget (all transfers of less than $250,000 must be made as provided for in section 6.1).

(B) If the project balance exceeds budget by more than and including $250,000, a corrective plan of action shall be submitted to the Council for approval by resolution.

12.5. EFPs with existing contracts approved by the Council, funding ongoing operations and studies, can be adjusted annually (revenues and expenditures) based on the actual revenues received.

Section 13. Multi-Year Operating Projects (MYOP).

13.1. A MYOP is used for the following:

(A) Economic Development Assistance and Development Programs (e.g., inclusionary housing).

(B) Planning, audit, and other consultant studies that will take more than one fiscal year to complete.

(C) Department fleet (vehicle or equipment) acquisition charges.

(D) Other projects and activities that are multi-year in nature and are not capital improvement projects.

13.2. Council approval is required for the establishment or cancellation (without completion) of a MYOP, except as provided in section 13.7.

13.3. MYOPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project without further Council action.

13.4. Each fiscal year unobligated appropriations in existence on June 30 for existing MYOPs will be continued in the next fiscal year except as noted in sections 13.10, 13.11, and 18.11.

13.5. MYOPs must be used solely for the originally approved program or study. Completed or inactive MYOPs will be closed annually. An inactive project is one where transaction activity is less than $1,000 over the prior three years. Closures are the responsibility of the designated project manager. The

managing department and the City Manager each have the authority to process the necessary documentation to close inactive projects.

13.6. The Police and Fire Departments are authorized to use Measure U MYOPs savings from vacancies for background investigations, recruit academies, and overtime associated with restored programs and operations.

13.7. The City Manager is authorized to establish and adjust budgets for private development activities (Funds 2016 and 2018) managed in MYOPs that are fully offset by development fees.

13.8. Each fiscal year, on June 30, the balance of each MYOP must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources (total budget has a negative balance) will be treated as follows:

(A) If the MYOP balance exceeds budget by less than $250,000, the MYOP must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the MYOP manager's Operating Budget (all transfers of less than $250,000 must be made as provided for in section 6.1).

(B) If the MYOP balance exceeds budget by more than and including $250,000, a corrective plan of action must be submitted to the Council for approval by resolution.

13.9. The City Manager is authorized to increase or decrease MYOP budget appropriations by less than $250,000 for each project. Transfers that exceed and including $250,000 in total for any MYOP require Council approval by resolution.

13.10. The City Manager is authorized to review MYOPs on an annual basis and return excess funds to the fund balance or contingency of the respective fund (e.g., Fleet, Measure U, Utility Rate Assistance).

13.11. The Utility Box Artwork (I17000800) MYOP General Fund budget can be amended up to $450,000 ($50,000 for each Councilmember and the Mayor) based on requests and resources provided from the operations budgets of the elected official initiating the request.

13.12. MYOPs with existing contracts approved by the Council funding ongoing operations and studies, can be adjusted annually (revenues and expenditures) based on the actual revenues received.

13.13. The City Manager or designated project manager is authorized to administer and manage the Sacramento Utility Rate Assistance (SURA) Program (I14130100) up to the annual budget of $5.4 million.

13.14 Expand program goals in the Workforce Development Framework (I02180900; Reso 2022-0169, Section 1) to include all ages under the priority population criteria.

Section 14. In-Lieu Property Taxes and In-Lieu Franchise Fee.

An in-lieu property tax and in-lieu franchise fee are hereby imposed on the Community Center (Fund 6010) and Parking (Fund 6004) Funds in the amounts provided in Schedule 3 as displayed in Exhibit C. The Council finds that the in-lieu property tax as detailed in Schedule 3 represents the property-tax revenue that would be received by the General Fund if the real and personal property owned by these enterprises were taxable under private ownership. The in-lieu franchise fee as detailed in Schedule 3 represents the franchise fees that the City would receive from private entities as a rental or a toll for the use of city streets and rights-of-way.

Section 15. Appropriation Limits.

The appropriation limit and the appropriations subject to the limit are hereby amended in accordance with article XIIIB of the California Constitution for FY2026/27, as detailed in Schedule 5 as displayed in Exhibit C.

Section 16. Midyear Report.

16.1. The City Manager shall present a Midyear Budget Report including a revised estimate of the financial condition of all funds, estimated revenues and expenditures, and recommendations for eliminating any projected fund deficits to the Council.

16.2. The Council will act on any projected fund deficits as part of the midyear review.

Section 17. Adjustments for Revenue Offset Programs and Services.

17.1. The City Manager is authorized to adjust revenue and expenditure budgets in special revenue funds based on actual revenues collected to provide appropriation authority for operating costs associated with delivering the service. If there are forecasted budget deficits in the future fiscal years, the City Manager is authorized to commit non-mandated General Fund revenues and positive net year-end results to future budget development reserves.

17.2. The City Manager is authorized to make the following adjustments to Department Operating Budgets or fund balance:

(A) Adjust Fire Department revenue and expenditure budgets based on actual revenues received for Department strike-team services provided throughout California.

(B) Adjust operating department revenue and expenditure budgets based on actual revenues received for providing reimbursable services to the Golden 1 Center as outlined in the City's agreement to provide services.

(C) Adjust the revenue budget for the Sacramento Police Department's Secondary Employment Program to reflect actual revenues received and adjust the expenditure budget by a like amount for providing reimbursable services as outlined in the City's Secondary Employment Agreement.

(D) Adjust the revenue and expenditure budgets for facility maintenance and repair services provided to outside agencies and entities (15004521-338020), for private property concrete maintenance and sidewalk repairs (15001641-343010), and private property hollow sidewalk repairs (15001191) to reflect actual revenues received for these services.

(E) Increase the revenue (Account 391320) and fleet-replacement expenditure (Account 474210) budgets in the Fleet Fund (Fund 6501) based on departmental fleet purchasing changes (additional or early replacement) approved by the Council during the fiscal year and upon completion of audited financial statements to allow the continued purchasing of prior-year-funded replacement vehicles.

(F) Transfer excess parking meter revenue from the General Fund (Fund 1001) to cover eligible costs that are incurred in the Parking Fund (Fund 6004) if the full costs of the current fiscal year operations for parking meters has been recovered and the department has positive net year-end results.

(G) The Rental Housing Inspection Program Fees are established to recover the costs of the program. If the full cost of the current-year operations for that program have been recovered, then excess revenues for the program will be committed to fund a reserve equal to one year's revenue budget for the program.

If these operations do not achieve the budgeted revenues or if program costs exceed the program budget, then resources must be transferred from the commitment of fund balance for the Rental Housing Inspection Program to cover the shortfall.

(H) Increase the revenue and expenditure budgets in the Garcia Bend Park (L19703600) CIP based on the actual revenues received from increased boat launch ramp fees at Garcia Bend Park, provided that the Department has positive net revenues after all Parking Services Division costs related to the Garcia Bend launch ramp are paid.

(I) Adjust the Police Department revenue and expenditure budgets based on actual revenues received for mutual aid provided to other jurisdictions.

(J) Establish Department of Utilities revenue and expenditure budgets for any projects that result from an existing operations and maintenance agreements for facilities maintained by the City, but owned or co-owned with an outside agency for less than $250,000 in the Water Grant Reimbursement Fund (Fund 6205), the Wastewater Grant Reimbursement Fund (Fund 6206), and the Storm Drainage Grant Fund (Fund 6211) for an agency's share and to adjust revenue and expense budget based on actuals for project closure.

(K) Adjust the revenue and expenditure budgets for the SB 720 Red Light Camera Fund (Fund 2040) based on actual citation revenues collected.

(L) Adjust the revenue and expenditure budgets in Animal Care Services Capital Campaign Fund (Fund 3705) based on actual revenues donated.

17.3. The City Manager is authorized to make the following adjustments between Department operating budgets and CIPs or MYOPs:

(A) Adjust the revenue budget for the City Attorney's Office and the expenditure budget in the Justice for Neighbors (JFN) (I03000100) MYOP based on the actual fees, penalties, and other revenues collected from third parties for Public Nuisance, Social Nuisance, and JFN actions brought by the City Attorney.

(B) Adjust the Community Development Department operating budget for spay/neuter and unaltered pet-licensing revenue accounts (Account 341380 [Program Code 13006] and 351020) and increase the Animal Care Low Income Spay/Neuter Program (I13000600) MYOP expenditure budget in the General Fund (Fund 1001) to reflect 50% of the penalty fees and 50% of unaltered pet-licensing fees collected in accordance with Sacramento City Code section 9.44.215.D.

(C) Adjust the revenue budget for the Convention and Cultural Services Department franchise fee to reflect actual revenues received and increase the expenditure budget by a like amount in the Old Sacramento Service Courts & Support Facilities (M17700000) CIP.

(D) Adjust the Convention and Cultural Services revenue budget for Memorial Auditorium Facility Fee revenues and the Memorial Auditorium Improvements (M17101000) CIP expenditure budget based on actual fees collected, less any operating costs associated with delivering this service.

(E) Adjust the Convention and Cultural Services revenue budget for SAFE Credit Union Performing Arts Center Facility Fee revenues and the Performing Arts Center Improvements (M17101800) CIP expenditure budget based on the actual fees collected, less any operating costs associated with delivering this service.

(F) Adjust the Public Works Department revenue budget to reflect actual revenues received and the Sacramento Valley Station Operations and Management (I15001000) MYOP expenditure budget by a like amount.

(G) Increase the Public Works Department revenue and expenditure budgets for launch-ramp activities to reflect actual revenues received and transfer any resulting year-end savings for these activities to the Harbor Dredging (M17500000) CIP if the Department has positive net year-end results.

(H) Adjust the Public Works Department revenue budget and the expenditure budget in the Shared-Rideable Implementation (K15195100) CIP based on the actual revenues received from the Shared-Rideable permit fees,

except for the portion of the fee assessed to offset parking-meter-revenue loss.

(I) Adjust the Public Works Department revenue budget (15001021) and the expenditure budget in the Tree Planting and Replacement (R15188500) CIP based on actual revenues received in the Tree Planting and Replacement Fund (Fund 2035).

(J) Adjust the Youth, Parks, and Community Enrichment Department revenue budget for recreation-program fees and increase the expenditure budget in the Recreation Facility Improvement (L19800200) CIP if the full cost of the current fiscal-year operations for this CIP have been recovered and the Department has positive net year-end results.

(K) Adjust appropriations made in the Approved Budget for fleet replacements from amounts budgeted for updated fleet-replacement costs less than $250,000 by department and by fund and transfer expenditure budgets from department operating budgets to the Fleet Acquisitions (I06000999) MYOP if the department is projecting expenditure savings in excess of the transfer.

(L) Increase the transfer from the Community Center Fund (Fund 6010) to the General Fund (Funds 1001/2401) to offset the annual budget provided for in Schedule 9 for the Powerhouse Science Center (E18000400) EFP as authorized by Council through December 2048, if Transient Occupancy Tax revenues exceed budget by an amount up to $600,000 at year-end and if the Community Center Fund has positive year-end available fund balance.

(M) Increase the Youth, Parks, and Community Enrichment Department revenue budget for the all-weather sport field facility fees received and increase the expenditure budget in the Granite All Weather Field (L19806000) CIP, provided that the Department has positive net year-end General Fund (Funds 1001/2401) results.

(N) Adjust the Transportation CIP budget to meet the City's SB 1 Maintenance of Effort (MOE) requirements.

(O) Adjust Community Development Department's revenue budget for the Housing Trust and Housing Impact administrative fees to reflect actual revenues received and increase the expenditure budget by a like amount in the General Plan Update (I22000000) MYOP.

17.4. The City Manager is authorized to make the following adjustments to CIPs and MYOPs:

(A) Adjust the revenue and expenditure budgets in the Old Sacramento Service Courts (M17700000), Old Sacramento District Improvements (M17700100), and the Joe's Crab Shack Repairs and Maintenance (B18119000) CIPs based on actual rent proceeds available after

payment of all fees to the State of California and funding of annual required maintenance costs.

(B) Adjust revenue and expenditure budgets in the Energy Reinvestment Program (C13001900) CIP to reflect actual energy rebates and incentives received.

17.5. The City Manager is authorized to implement the following fiscal transactions as needed to properly manage and account for the City's cannabis revenues and expenditures:

(A) Adjust the Citywide revenue budgets for all Business Operations Taxes relative to Cannabis activities based on actual revenues received and increase the expenditure budget in the Cannabis Policy and Enforcement (I06420000) MYOP as necessary to cover costs.

(B) Adjust the revenue budget for the City Manager's Office of Cannabis Management operations (02001101) to reflect actual revenues received and increase or decrease the expenditure budget in the operating budget by a like amount. At year-end excess resources must be transferred to I06420000 to offset the cost of enforcement. If there are inadequate revenues available, resources must be transferred from I06420000 to cover the actual operating costs incurred in 02001101.

(C) Establish or increase the revenue budget(s) for fines and administrative penalties collected in accordance with Sacramento City Code section 8.132, relating to the cultivation of cannabis, in the department where collected and increase the expenditure budget in I06420000 to support enforcement activities based on actual revenues received.

(D) Adjust the revenue budget for Housing and Dangerous Building fines, fees, and penalties collected by the Community Development Department and the expenditure budget in I06420000 at year-end based on actual revenues received.

(E) Transfer expenditure budgets between I06420000 and the Cannabis Opportunity, Reinvestment and Equity (CORE) (I02420000) MYOP to support CORE program operations.

(F) Transfer expenditure budgets between I06420000 and the Youth Cannabis Outreach & Education program (I06420500) MYOP to support prevention workload in the Office of Youth Development.

17.6. The City Manager is authorized to implement the following fiscal transactions as needed to properly manage and account for the City's efforts toward reducing homelessness:

(A) Adjust the revenue and expenditure budgets to reflect actual contributions received from external partners in the Homeless Housing Initiatives (I23001000) MYOP to support homeless-services programs.

(B) Each fiscal year, unobligated General Fund (Funds 1001/2401) appropriations in existence in the Department of Community Response Office of the Director (23001011) on June 30 must be transferred to the Homeless Housing Initiatives (I23001000) MYOP if the Department has positive net year-end results.

(C) Each fiscal year, unobligated General Fund (Funds 1001/2401) appropriations in existence in the Office of Community Outreach (23001021) on June 30 must be transferred to the Community Response (I23000100) MYOP if the Department has positive net year-end results.

(D) Each fiscal year, unobligated General Fund (Funds 1001/2401) appropriations in existence in the Office of Homeless Services (23001031) on June 30 must be transferred to the Homeless Housing Initiatives (I23001000) MYOP if the Department has positive net year-end results.

(E) Each fiscal year, unobligated General Fund (Funds 1001/2401) appropriations in existence in the Office of Violence Prevention (11001491) on June 30 must be transferred to the Gang Prevention and Intervention (I11003000) MYOP if the Department has positive net year-end results.

17.7. The City Manager is authorized to implement any necessary financial transactions for the administration of revolving loan fund programs authorized by the Council.

17.8. The City Manager is authorized to use Emergency Medical Services Revenue Recovery funds (Intergovernmental Transfer - Ground Emergency Medical Transport and Public Provider – Ground Emergency Medical Transport) to cover overages from the Single Role program and related equipment and vehicles as necessary.

Section 18. Year-End Process and Carryover Authority.

18.1. Each fiscal year, all purchase-order commitments outstanding on June 30, and associated appropriations, are hereby continued.

18.2. If there is not a budgetary surplus in the General Fund (Funds 1001/2401) at year-end, the City Manager shall suspend the General Fund transfers and carryovers authorized in this section. If there is a budgetary surplus in the General Fund and there are forecasted budget deficits in the future fiscal years, the City Manager is authorized to commit non-mandated General Fund revenues and positive net year-end results to future budget development reserves.

18.3. Each fiscal year, unobligated appropriations in existence on June 30 for the Council operations budget will be carried over to the next fiscal year.

18.4. Each fiscal year, unobligated General Fund appropriations in existence in the Arts Stabilization budget (80001065) on June 30 must be transferred to the

Cultural and Economic Vitality (I17001000) MYOP if the department has positive net year-end General Fund results.

18.5. Each fiscal year, revenues in excess of budget in Building Inspection, Building Plan Check, Customer Service/Permit Counter, and Planning Operations areas of the Community Development Department must be transferred to the Development Stabilization Contingency Reserve (DSCR), consistent with the adopted DSCR policy, if the Department has positive net year-end results.

If these operations do not achieve the budgeted revenues or if program costs exceed the program budget, then resources must be transferred from the DSCR to these areas of the Community Development Department to cover the shortfall.

18.6. Each fiscal year, unobligated General Fund appropriations in existence in the Human Resources Department on June 30 must be transferred to the Training and Outreach (I08000300) MYOP if the Department has positive net year-end General Fund results.

18.7. Each fiscal year, unobligated net appropriations in existence on June 30 in the Information Technology (IT) Department operations General Fund budget and the citywide IT budget in Citywide and Community Support must be transferred to the IT Critical Infrastructure (A07000700) CIP to create a funding mechanism for future citywide technology initiatives, which the City Manager will review annually.

18.8. Each fiscal year, unobligated appropriations in the City's California Public Employees' Retirement System budget account(s) (413170/413172) that are not required to balance the budget must be transferred to the City's other post-employment benefit trust.

18.9. Each fiscal year, if the START Fund (Fund 2501) has a deficit, unobligated General Fund (Funds 1001/2401) appropriations in existence in the Youth, Parks, and Community Enrichment Department on June 30 must be transferred to Fund 2501 to cover any deficit associated with the general- and auto-liability insurance premiums if the Department has positive net year-end General Fund results.

18.10. Each fiscal year, the Fleet Acquisitions (I06000999) MYOP will be reviewed, and excess funds will be returned to the fund of origin.

18.11. Each fiscal year, unobligated net appropriations in existence on June 30 in the Public Works Department (15005861) must be transferred to the Commercial Waste Compliance (I15220000) MYOP.

18.12. Each fiscal year, any unspent Measure U Fund (Fund 2401) appropriations in the Youth, Parks, and Community Enrichment Department on June 30 must be transferred to the Measure U Park Improvements (L19706000), Citywide Pool Assess/Repair (L19706500), or Recreation Facility Improvements (L19800200) CIPs until the backlog of deferred maintenance, for existing projects within the programs, are completed.

18.13. The City Manager is authorized to make all necessary budgetary adjustments to account for the interfund Loan from the Risk Fund (Fund 6502) to the General Fund (Fund 1001) related to the agreement with the City and the Natomas Basin Conservancy Loan.

18.14. Each fiscal year, transfer up to $500,000 of available operating grant resources to the Public Safety Capital Improvement Program (F11101000) for specialty vehicle and equipment purchases.

18.15. Each fiscal year, any unspent Measure U Fund (Fund 2401) appropriations in the Diversity, Outreach and Recruitment (DOR) program on June 30 must be transferred to the Fire – Diversity, Outreach and Recruitment Program (I12000200) MYOP as long as any Fire Department year-end deficits can be covered with available year-end General Fund (Funds 1001/2401) budgetary surplus.

18.16 Each fiscal year, a portion of unspent appropriations in the Youth Sports Field Permit Program MYOP (I19143000) on June 30 may be transferred to the Measure U Park Improvements (L19706000), to be used to address the backlog of deferred maintenance for sports fields.

18.17 The City Manager or their designee is authorized to make all necessary budgetary and accounting adjustments related to the Zero-dollar Rate Program (I21002600) to the various impact fees affected by the Reduced Residential Development Impact Fees for Affordable Dwelling Units Program.

Section 19. Year-End Reporting.

19.1. Each fiscal year, after any adjustments specifically provided for in other sections of this resolution, all appropriations in the Operating Budget that remain unspent and unencumbered (unobligated) on June 30 will revert to the available fund balances of the respective funds. Any budgetary surplus in the General Fund (Funds 1001/2401), determined as part of the fiscal year-end close process, will be reported in the ACFR as Assigned for Next Year's Budget, Unassigned, or as specifically directed below or in a subsequent resolution.

19.2. All unrealized investment gains determined as part of the fiscal year-end close process will be reported in the ACFR as Assigned for Unrealized Investment Gains, as those gains are not available for appropriation.

Section 20. Miscellaneous Controls and Considerations.

20.1. Expenditures by fund at the department level must not exceed the Operating Budget as amended by any subsequent approval by the Council or the City Manager in accordance with this resolution.

20.2. Subject to the City Manager's approval, projected fund deficiencies in any department must be corrected as follows in accordance with the sections of this resolution governing transfers and appropriations by reducing expenditures in the department (e.g., restricting purchase orders, freezing vacant positions) or

by an appropriation transfer from Administrative Contingency or available fund balance, or both, subject to the provisions of section 5.

20.3. The City Manager is authorized to eliminate funds as required for proper accounting and fiscal management when the purpose of a fund has expired, and its fund balance has been expended.

20.4. In all staff reports that come before the Council, net budgetary impacts on all funds, including indirect impacts, must be stated clearly and concisely so that the Council has a full understanding of the financial consideration and impacts of its decisions.

20.5. The City Manager shall begin using an equity lens in the review of all budgetary recommendations to Council including the annual budget, midyear budget and staff reports as soon as practical after development of a shared definition of equity in coordination with the community, development of associated outcomes and measures and Council's creation and adoption of an Equity Resolution.

Resolution Exhibits:

Exhibit A – Budget Changes
Exhibit B – Staffing Summary
Exhibit C – FY2026/27 Approved Operating Budget
Exhibit D – 2026-2031 Approved Capital Budget

Adopted by the City of Sacramento City Council on June 9, 2026, by the following vote:

Ayes: Members Dickinson, Guerra, Jennings, Maple, Pluckebaum, Talamantes, and Mayor McCarty

Noes: Members Kaplan and Vang

Abstain: None

Absent: None

Attest:

Mindy Cuppy 06/17/2026

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Exhibit A

FY2026/27 BUDGET CHANGES

Operating Budget Adjustments

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
City Attorney	General (1001)	-	368,029	One-time restoration of one position (1.0 FTE Assistant City Attorney) in the City Attorney's Office.
City Attorney	General (1001)	-	76,253	One-time removal of an add/delete. A 1.0 FTE Deputy City Attorney I will return back to a 1.0 FTE Senior Deputy City Attorney in the Community Advocacy & Public Safety division.
City Manager's Office	General (1001)/Measure U (2401)	205,300	(5,721,231)	Delete 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Citywide	General (1001)	-	(1,452,690)	One-time reduction to Economic Uncertainty Reserve Contribution.
Citywide	General (1001)	-	441,000	Technical adjustments to correctly allocate Information Technology's operating and CIP funds.
Citywide	General (1001)/Measure U (2401)	(1,169,989)	1,169,989	Increase Labor Negotiations placeholder for Local 522 and offset with FY2024/25 Year-End results and fund balance.
Community Development	General (1001)	(50,000)	-	Realign Home Occupation Permit revenues budget between the Revenue Division in the Finance Department and Planning Division in the Community Development Department.
Economic Development	General (1001)/Measure U (2401)	(205,300)	5,721,231	Add 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Finance	General (1001)	(43,600)	43,600	Delete one position (1.0 FTE Administrative Analyst) and add two positions (2.0 FTE Account Clerks). Increase Delinquency Recovery revenue to offset costs.

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Finance	General (1001)	50,000	-	Realign Home Occupation Permit revenues budget between the Revenue division in the Finance department and Planning division in the Community Development department.
Fire	General (1001)	(212,999)	212,999	Add one position (1.0 FTE Firefighter) and offset with Ground Emergency Medical Transport fees.
Fire	General (1001)	-	(3,460,373)	Technical adjustment to correctly allocate Fire's operating and CIP funds.
Information Technology	General (1001)	(217,360)	210,123	Delete one position (1.0 FTE Systems Engineer) and add one position (1.0 FTE IT Support Specialist II) and conduct associated offset changes in the Information Technology department.
Office of Public Safety Accountability (OPSA)	Measure U (2401)	-	(227,483)	Freeze one position (1.0 FTE Director of Public Safety) and use labor savings to create a new project for OPSA investigations
Public Works	General (1001)	-	(556,036)	Freeze seven positions (7.0 FTE Parking Enforcement Officers).
Public Works	General (1001)	(1,000,000)	996,643	Increase parking meter revenue budget to align with projections, add corresponding services and supplies and offset three positions (1.0 FTE Administrative Analyst, 1.0 FTE Associate Planner and 1.0 Senior Planner) funded by the Gas Tax Fund or capital projects to meet SB1 maintenance of effort.
Public Works	General (1001)	261,099	(161,361)	Move revenue from Senate Bill 720, Safer Streets Act (Red Light Camera implementation) and associated expenses from General Fund (1001) to Red light Camera Fund (2040). Offset one position (1.00 FTE Senior Planner).
Youth, Parks, and Community Enrichment	Measure U (2401)	-	(200,000)	One-time reduction to labor by offsetting the park maintenance work conducted in District 1 by YPCE staff with Sacramento Service CFD funds.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	132,435	One-time restoration of three positions (1 at 1.0 FTE - Program Supervisor, 1 at 0.47 FTE - Recreation Aide) from Youth Employment Division, and (1 at 0.40 FTE - Senior Recreation Aide) from Youth Development Administration Division to support to the Youth Commission capacity building training and Summer and Semester at City Hall program.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	273,893	One-time restoration of four positions (2 at 1.0 FTE, 1 at 0.8 FTE and 1 at 0.6 FTE - Program Coordinator Older Adults) to support staffing the Hart Senior Center.

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Youth, Parks, and Community Enrichment	Measure U (2401)	-	107,150	One-time restoration of two positions (1.0 FTE - Program Coordinator, and 0.46 FTE - Recreation Aide) in the Youth Employment Division. Restore reductions to Prime Time Teen, Young Leaders of Tomorrow, and Jr. Rec Aide programs.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	567,428	One-time restoration of twenty-six positions (26 - 1.0 FTE Park Maintenance Worker) in the Park Maintenance Division.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	117,520	One-time restoration of eight positions (2 at 0.25 FTE and 2 at 0.30 FTE - Senior Lifeguard and 4 at 0.35 FTE - Assistant Pool Manager). Keep all four City wading pools open.
Youth, Parks, and Community Enrichment	Measure U (2401)	(35,308)	499,728	One-time restoration to fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager) to restore recreation swim Hours and aquatic programming.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	(5,264)	Cost difference from reclassification of 1.0 FTE Chief Park Ranger as approved in the FY2024/25 Approved Budget.
All Depts (except Utilities)	General (1001)/Measure U (2401)	-	(689,206)	Due to timing, various labor adjustments (i.e. offsets, labor negotiations adjustments, labor system technical adjustments).
	Total	**$ (2,418,157)**	**$ (1,535,623)**	
City Manager's Office	Interdepartmental Service (1002)	-	(791)	Move cost plan costs associated with the Office of Emergency Management from City Manager's Office to Fire department due to a reorganization in FY2025/26.
City Manager's Office	Various Funds[1]	29,250	(3,433,077)	Delete 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Community Development	Development Services Fund (2016)	(4,126,622)	-	Technical adjustment to correct revenues based on fund balance.

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Economic Development	Various Funds[1]	(29,250)	3,433,077	Add 32 positions (10.00 FTE Administrative Analyst, 1.00 FTE Administrative Technician, 1.00 FTE Assistant Director, 1.00 FTE City Housing Manager, 1.00 FTE Community Engagement Manager, 8.00 FTE Development Project Manager, 3.00 FTE Economic Development Manager, 1.00 FTE Neighborhood Services Area Manager, 1.00 FTE Program Specialist, and 5.00 FTE Senior Development Project Manager) and corresponding services and supplies as part of a reorganization to move the Office of Innovation Economic Development to the new Economic Development department.
Fire	Interdepartmental Service (1002)	-	791	Move cost plan costs associated with the Office of Emergency Management from City Manager's Office to Fire department due to a reorganization in FY2025/26.
Information Technology	Parking Fund (6004)		155,048	Offset associated with add/delete in the Information Technology department.
Public Works	Red Light Camera (2040)	(261,099)	161,361	Move revenue from Senate Bill 720, Safer Streets Act (Red Light Camera implementation) and associated expenses from General Fund (1001) to Red light Camera Fund (2040).
Public Works	Fleet Management (6501)	(16,243,322)	11,488,994	Update Fleet Management fund revenues and expenses that was not included in Proposed Budget.
Public Works	Gas Tax 2016 (2002)	-	(408,451)	Increase parking meter revenue budget to align with projections, add corresponding services and supplies and offset three positions (1.0 FTE Administrative Analyst, 1.0 FTE Associate Planner and 1.0 Senior Planner) funded by the Gas Tax Fund or capital projects to meet SB1 maintenance of effort.
Utilities	Storm Drainage (6011)	-	(182,907)	Move services and supplies in the Drainage Engineering division from Storm Drainage Fund to Storm Drainage Property Fee Fund to lessen the administrative burden of conducting fund reimbursements.
Utilities	Storm Drainage Property Fee (6021)	-	182,907	Move services and supplies in the Drainage Engineering division from Storm Drainage Fund to Storm Drainage Property Fee Fund to lessen the administrative burden of conducting fund reimbursements.
Youth, Parks, and Community Enrichment	4th R Program (6012)	(370,000)	370,000	Add 23 positions (23 - 0.40 FTE Recreation Aide Positions) and other costs for the new Expanded Learning Opportunity Program (ELO-P) beginning in August 2026. Grant funding received in May 2026.
Youth, Parks, and Community Enrichment	4th R Program (6012)	-	8,672	Technical adjustment to correct expenditures based on fund balance.
Youth, Parks, and Community Enrichment	Children's Fund (1004)	-	(64,464)	Conduct technical change to charge 50% of 1.0 FTE Administrative Technician to the Children's Fund project (I80000101) instead of the Children's Fund directly.

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment	Expenditure Adjustment	Description
Youth, Parks, and Community Enrichment	Sac Services CFD 2018-05 (2255)	-	200,000	Funding source to offset park maintenance work conducted by YPCE staff.
Youth, Parks, and Community Enrichment	START (2501)	-	(807,846)	Technical adjustment to correct expenditures based on fund balance.
Convention and Cultural Services, Economic Development, Human Resources, Public Works, Utilities and Youth, Parks, and Community Enrichment	Various Funds[2]	-	1,406,126	Due to timing, various labor adjustments (i.e. offsets, labor negotiations adjustments, labor system technical adjustments).
	Subtotal:	**$ (21,001,043)**	**$ 12,509,440**	
	Net Operating Changes:	**$ (23,419,200)**	**$ 10,973,817**	

[1] Innovation and Grow th (2031), Block Grant/Housing and Redevelopment (2700), and Redevelopment Bond Funds (3813)

[2] Innovation and Grow th (2031), START (2501), Marina (2608), Parking (6004), Water (6005), Wastew ater (6006), Recycling and Solid Waste (6007), Community Center (6010), Storm Drainage (6011), 4th R Program (6012), Storm Drainage Property Fee (6021), Fleet Management (6501), Risk Management (6502), Worker's Compensation Fund (6504), and City/County Office-Water Planning (7103)

Multi-year Operating Project and Capital Improvement Project Adjustments

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Advanced Life Support Equipment program (F12000200)	General Fund (1001)	3,460,373	Technical adjustment to correctly allocate Fire's operating and CIP funds.
Community Center/Clubhouse Fee Waiver (I19143300)	Measure U (2401)	(300,000)	Funding for Community Center/Clubhouse Fee Waiver project ended in FY2025/26. Removing ongoing funding added in FY2026/27 Proposed Budget.
Community Response MYOP (I23000100)	Measure U (2401)	(1,325,904)	One-time reduction of project funding to conduct Council's one-time restorations. Programming will not be reduced and will be covered by HHAP-6 funding.
Community Response MYOP (I23000100)	Measure U (2401)	(500,000)	One-time reduction to homeless services.
Gang Prevention & Intervention Taskforce (I11003000)	Measure U (2401)	1,300,000	One-time restoration of funding for Gang Prevention & Intervention Taskforce project.
Neighborhood Development Action Team (NDAT) (I22000100)	Measure U (2401)	(108,000)	One-time reduction to Community Ambassador Program.
North Sac Economic Development (I02180600)	General (1001)	259,923	One-time restoration of funding for North Sac Economic Development project.
North Sac Code Enforcement (I21000600)	General (1001)	200,579	One-time restoration of funding for North Sac Code Enforcement project.
OPSA Audit (I80010100)	Measure U (2401)	227,483	New project for OPSA investigations and audits.
Office of Violence Prevention (OVP) (I02000600)	Measure U (2401)	275,000	One-time restoration of funding for OVP project.
	Subtotal:	**$3,489,454**	
SVS Economic Development MYOP (I15003000)	Red Light Camera (2040)	(200,000)	Move SVS Economic Development MYOP from Red Light Camera Fund (2040) to Parking Fund (6004).
SVS Economic Development MYOP (I15003000)	Parking Fund (6004)	200,000	Move SVS Economic Development MYOP from Red Light Camera Fund (2040) to Parking Fund (6004).
	Subtotal:	**$0**	
	Net Project Changes:	**$3,489,454**	

Exhibit B

CITYWIDE STAFFING SUMMARY (By Department)

Department	FY2025/26 Amended	FY2026/27 Proposed	FY2026/27 Changes	FY2026/27 Approved
Mayor/Council	43.00	39.00	-	39.00
City Auditor	10.00	10.00	-	10.00
City Attorney	63.00	60.00	1.00	61.00
City Clerk	23.00	21.00	-	21.00
City Manager	50.00	47.00	(32.00)	15.00
City Treasurer	13.00	13.00	-	13.00
Community Development	315.00	315.00	-	315.00
Community Response	38.00	39.00	-	39.00
Convention and Cultural Services	124.50	122.80	-	122.80
Economic Development	-		32.00	32.00
Finance	102.00	101.00	1.00	102.00
Fire	765.50	764.50	1.00	765.50
Human Resources	77.00	76.00	-	76.00
Information Technology	202.50	197.50	-	197.50
Police	1,092.50	1,030.50	-	1,030.50
Public Works	780.65	782.65	-	782.65
Utilities	607.18	608.18	-	608.18
Youth, Parks, and Community Enrichment	678.00	593.94	60.13	654.07
Total	**4,984.83**	**4,821.07**	**63.13**	**4,884.20**

Exhibit B

CITYWIDE STAFFING SUMMARY (By Fund)

	FY2025/26 Amended	FY2026/27 Proposed	FY2026/27 Changes	FY2026/27 Approved
General Fund				
Mayor/Council	32.00	32.00	-	32.00
City Auditor	10.00	10.00	-	10.00
City Attorney	63.00	60.00	1.00	61.00
City Clerk	23.00	21.00	-	21.00
City Manager	18.00	15.00	-	15.00
City Treasurer	13.00	13.00	-	13.00
Community Development	194.00	195.00	-	195.00
Finance	102.00	101.00	1.00	102.00
Fire	748.50	764.50	1.00	765.50
Human Resources	39.00	38.00	-	38.00
Information Technology	202.50	197.50	-	197.50
Police	1,028.00	979.00	-	979.00
Public Works	442.00	444.00	-	444.00
Youth, Parks, and Community Enrichment	13.00	13.00	-	13.00
Subtotal General Funds	**2,928.00**	**2,883.00**	**3.00**	**2,886.00**
Measure U				
Mayor/Council	11.00	7.00		7.00
City Manager	30.00	30.00	(30.00)	-
Community Development	121.00	120.00	-	120.00
Community Response	38.00	39.00	-	39.00
Convention and Cultural Services	23.95	22.25	-	22.25
Economic Development	-	-	30.00	30.00
Fire	17.00	-	-	-
Human Resources	3.00	3.00	-	3.00
Police	64.50	51.50	-	51.50
Public Works	4.00	4.00	-	4.00
Youth, Parks, and Community Enrichment	494.61	430.15	50.93	481.08
Subtotal General Funds	**807.06**	**706.90**	**50.93**	**757.83**
Enterprise Funds				
Community Center				
Convention & Cultural Services	100.55	100.55	-	100.55
Parking				
Public Works	60.75	60.75	-	60.75
Solid Waste				
Public Works	184.30	184.30	-	184.30
Storm Drainage				
Utilities	143.00	130.00	-	130.00
Storm Drainage Property Fee				
Utilities	-	14.00	-	14.00
Wastewater				
Utilities	94.00	94.00	-	94.00
Water				
Utilities	364.18	365.18	-	365.18
Subtotal Enterprise Funds	**946.78**	**948.78**	**-**	**948.78**

Exhibit B

CITYWIDE STAFFING SUMMARY (By Fund) (continued)

Internal Service Funds				
Fleet Management				
Public Works	83.00	83.00	-	83.00
Risk Management				
Human Resources	16.00	16.00	-	16.00
Workers' Compensation				
Human Resources	19.00	19.00	-	19.00
Subtotal Internal Service Funds	**118.00**	**118.00**	**-**	**118.00**
Other Governmental Funds				
4th R Program				
Youth, Parks, and Community Enrichment	133.45	134.55	9.20	143.75
City/County Office-Water Planning				
Utilities	6.00	5.00	-	5.00
Innovation and Growth				
City Manager	2.00	2.00	(2.00)	-
Economic Development	-	-	2.00	2.00
Marina				
Public Works	6.60	6.60	-	6.60
START				
Youth, Parks, and Community Enrichment	36.94	16.24	-	16.24
Subtotal Other Governmental Funds	**184.99**	**164.39**	**9.20**	**173.59**
TOTAL	**4,984.83**	**4,821.07**	**63.13**	**4,884.20**

Exhibit C

FY2026/27 APPROVED OPERATING BUDGET

(will be added after Budget Adoption)

Exhibit D

APPROVED 2026-2031 CAPITAL IMPROVEMENT PROGRAM

(will be added after Budget Adoption)

CITY OF SACRAMENTO FACTS

- The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.
- In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.
- The City is divided into eight districts.
- Elected members of the City Council serve a four-year term.
- The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.
- The Mayor and other Councilmembers have an equal vote in all matters.
- The City of Sacramento currently encompasses approximately 100 square miles.
- The City of Sacramento population is estimated at 539,765.

KEVIN MCCARTY
Mayor

LISA KAPLAN
Councilmember, District 1

ROGER DICKINSON
Councilmember, District 2

KARINA TALAMANTES
Vice Mayor, District 3

PHIL PLUCKEBAUM
Councilmember, District 4

CAITY MAPLE
Councilmember, District 5

ERIC GUERRA
Mayor Pro Tem, District 6

RICK JENNINGS, II
Councilmember, District 7

MAI VANG
Councilmember, District 8

CityofSacramento.org