

A dark blue silhouette of the Sacramento skyline, including various buildings and the two towers of the Sacramento-San Joaquin River Delta Bridge, set against a light blue background.

# Fiscal Year 2025/26 Budget Hearing

# FY26 Budget Hearing

- Hearings Schedule
- FY26 Budget Overview
- Closing the Budget Gap
- Five-Year Forecast
- Long-Term Funding Challenges
- Reduction Plan Impacts By Program Area
- Next Steps

# Budget Hearings Schedule

Date / Meeting	Subject
April 30, 2025	Release of Proposed Budget
May 13, 2025 – 5:00PM Council	Budget Hearing: <ul style="list-style-type: none"> <li>• Budget Overview</li> <li>• Community Services</li> <li>• Internal Services</li> <li>• Municipal Services</li> <li>• Public Safety</li> </ul>
May 19, 2025 – 5:30PM Measure U Commission	Budget Overview
May 20, 2025 – 2:00PM Council	Budget Hearing: <ul style="list-style-type: none"> <li>• Capital Improvement Program</li> <li>• Budget Equity Tool</li> </ul>
May 20, 2025 – 5:00PM Council	Budget Hearing: <ul style="list-style-type: none"> <li>• Fees &amp; Charges</li> <li>• Deliberations &amp; Direction</li> </ul>
May 27, 2025 – 5:00PM Council	AB2561 Vacancy Report
June 3, 2025 – 11:00AM Budget & Audit Committee	Budget Discussion
June 10, 2025 – 5:00PM Council	Budget Hearing – Budget Adoption

# Budget Challenges

## Immediate

- Balance FY26

## Near-Term

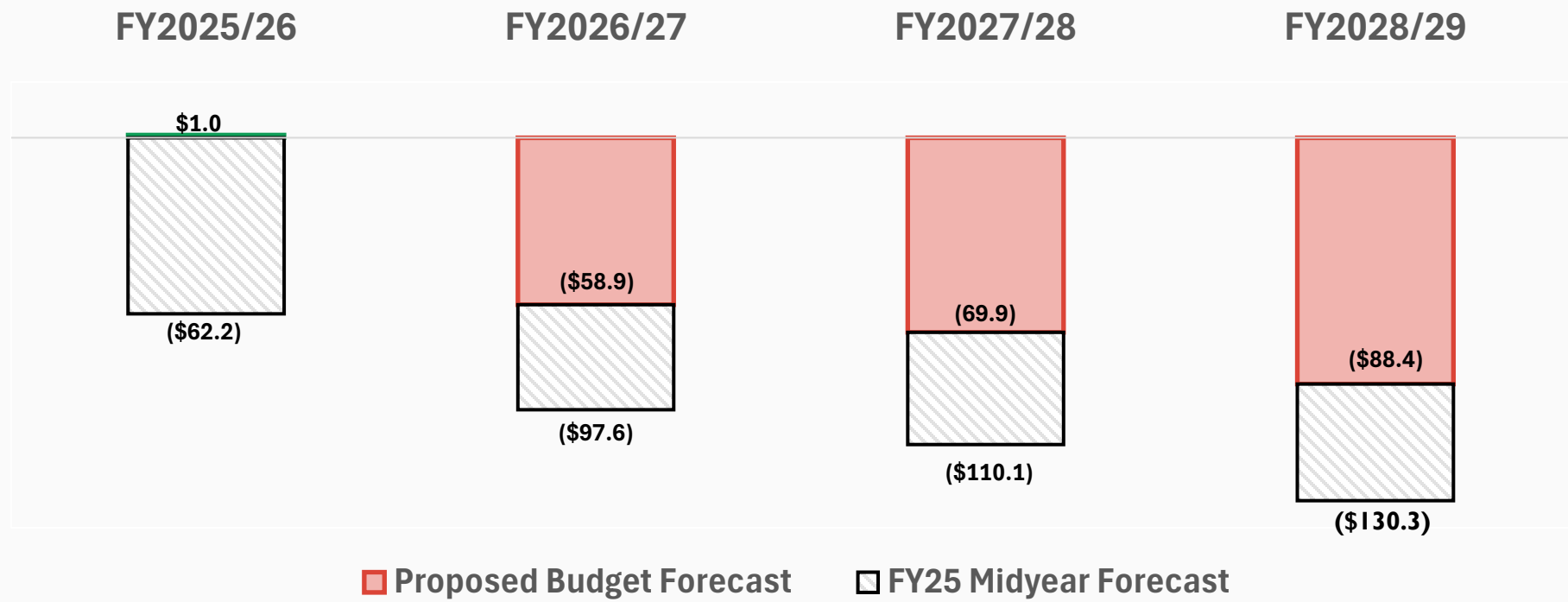
- Correct Structural Imbalance
- Federal Funding Threats
- Economic Risks

## Long-Term

- Unfunded Pension Liabilities
- Unfunded Capital Needs

# Addressing Immediate & Near-Term Challenges

The Proposed Budget is balanced, continues to make progress in solving the City's structural imbalance, and allocates over \$4.2M to create a new federal funding reserve.



# Budget Overview



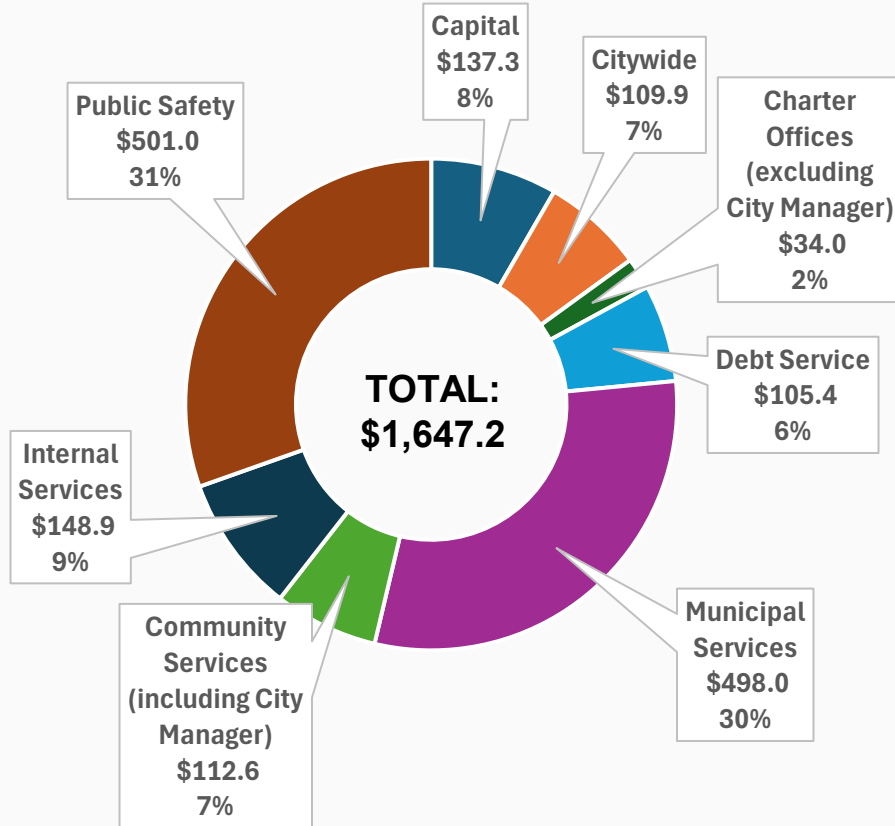
# FY2025/26 Proposed Budget (\$ in millions)

	FY2024/25 Approved	FY2025/26 Proposed	Change
All Funds	\$1,578.5	\$1,647.2	\$68.7
General Fund	\$847.3	\$847.6	\$0.3
Full-Time Equivalent Employees (FTEs)	5,029.7	4,984.8	(44.9)

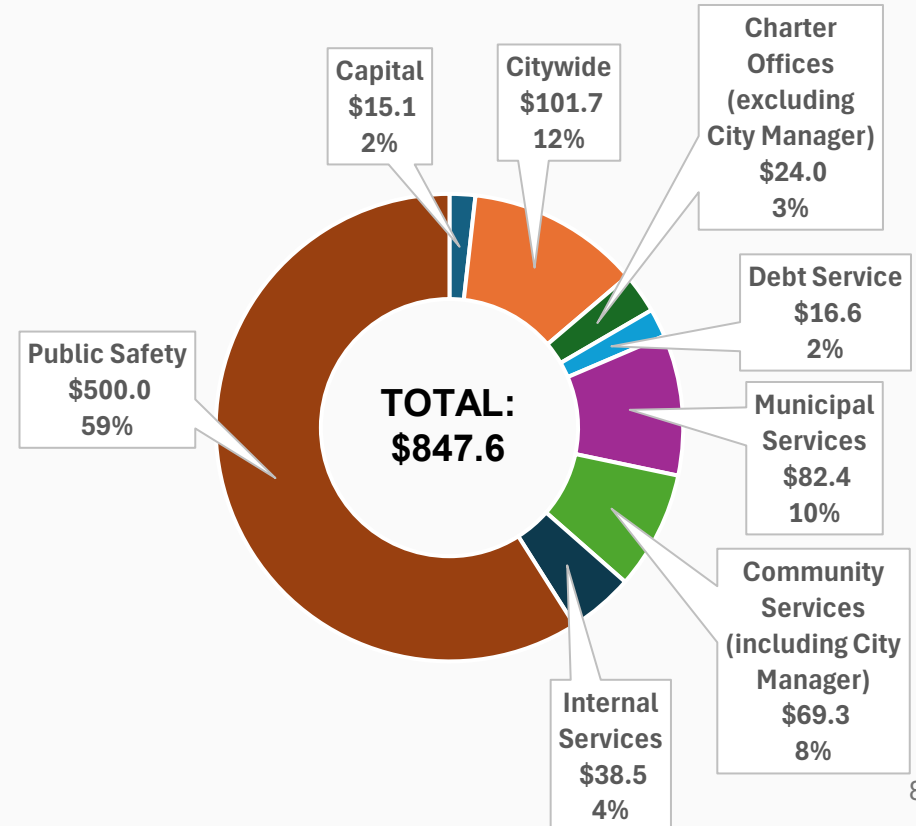
**The Proposed Budget is balanced and closes a \$62.2M funding gap.**

# FY2025/26 Budget – Appropriation by Program Area (millions)

## All Funds

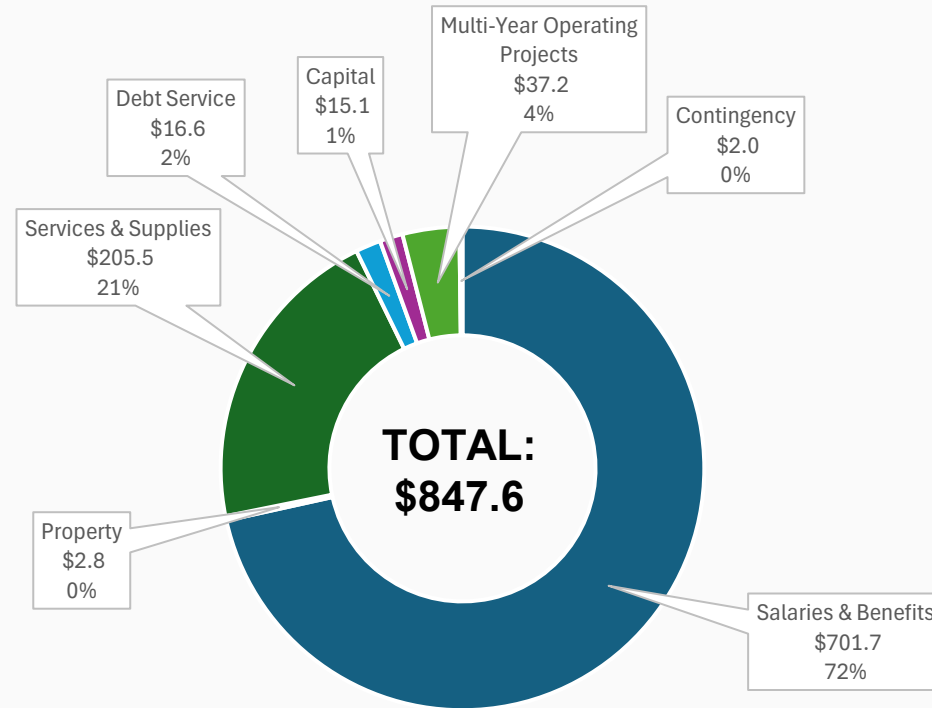


## General Fund



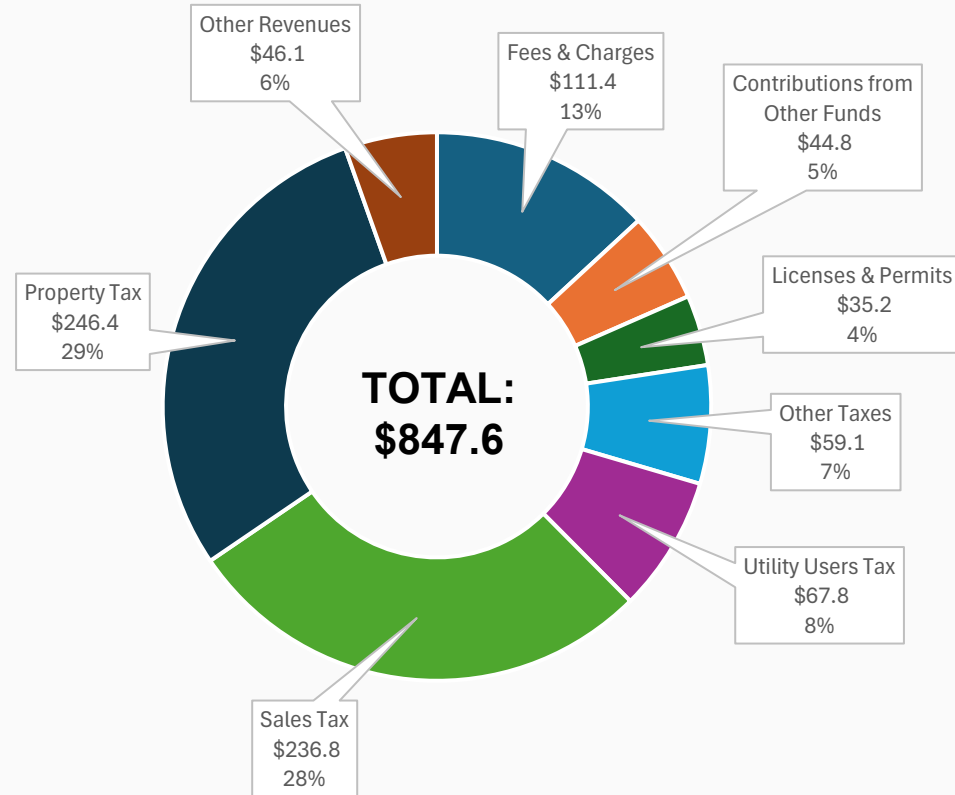


# FY2025/26 Budget – General Fund Appropriation by Spending Category (millions)



Offsets & Transfers: (\$133.3)

# FY2025/26 Budget – General Fund Financing by Revenue Category (millions)



# Budget Gap

# Structural Budget Deficit

The City continues to have a structural budget imbalance with expenses growing faster than revenues. This is **not** due to an economic downturn, but is the result of macroeconomic factors and decisions made by the City and voters over multiple years including:

- Expansion into new service areas;
- Increased costs of new labor contracts;
- Increased staffing levels in some service areas;
- Ballot measures redirecting General Funds; and
- Inflation.

Ongoing revenue increases and/or expense decreases are needed to bring the budget back into structural balance.

# Closing The Gap:

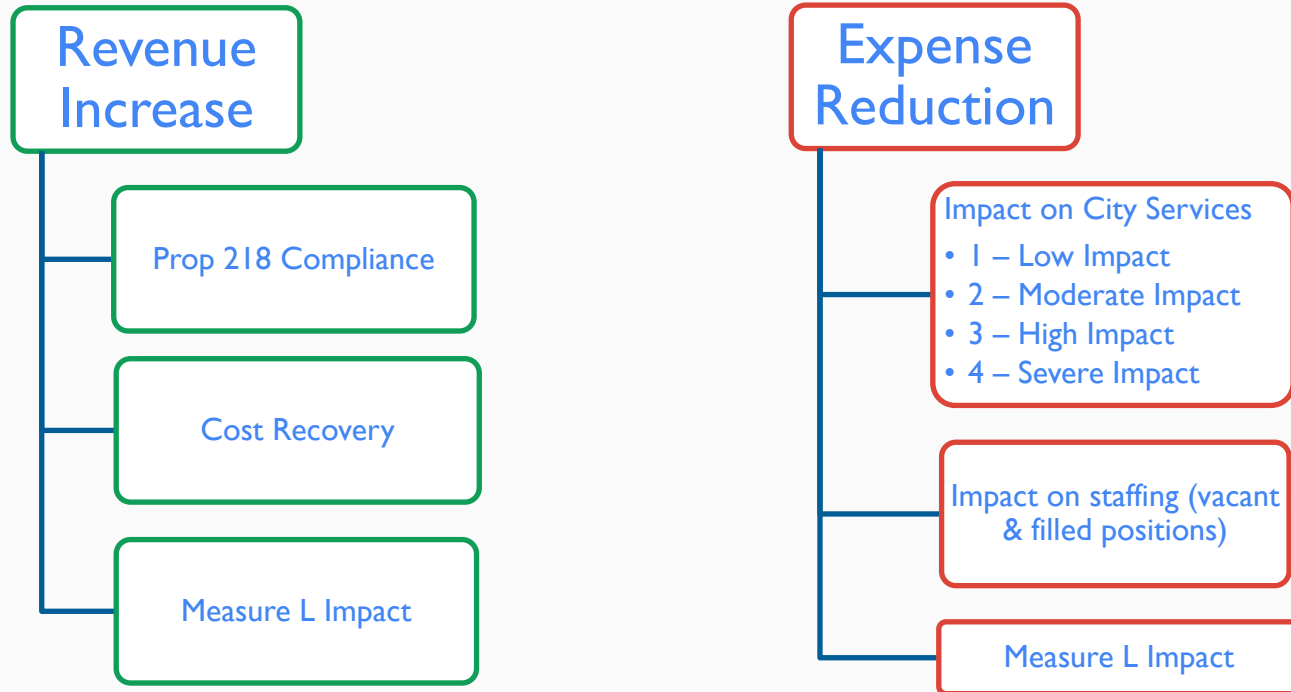
## Strategic Approach Not Across The Board Cuts

Departments instructed to submit reduction plans for 15% net General Fund reduction which are to:

- Define core services;
- Prioritize ongoing savings to address structural deficit; and
- Prioritize reduction strategies to minimize service impacts.

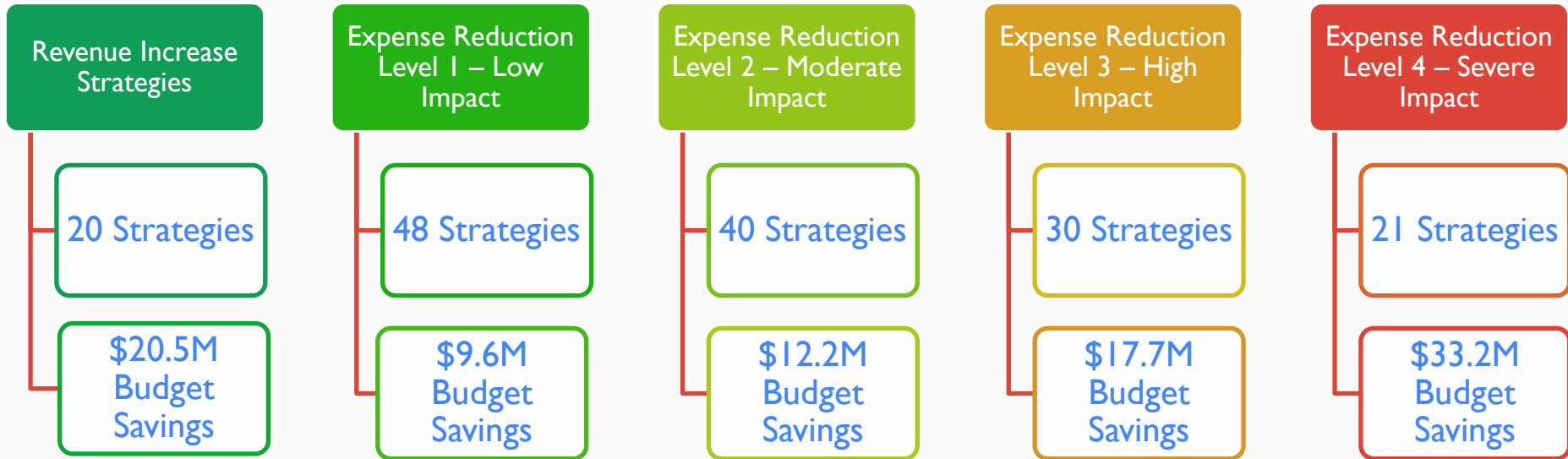
# Analyzing Departmental Strategies

Departments submitted approximately 160 reduction proposals & proposals were analyzed & categorized



# Reduction Strategy Summary

Departmental reduction strategies totaled over \$93M in savings. These strategies were categorized as follows:



# Citywide Strategy Summary



- Staff reviewed allocations to projects and other citywide programs to identify additional balancing strategies – mainly one-time.
- Including prior-year savings, \$44.3M in Citywide Strategies were identified.
- Departmental and Citywide strategies total over \$137M in budget balancing options to address the \$62.2M budget gap.



## Available Reduction Strategies Summary (\$ in millions)

Category	General Fund Savings	Vacant FTE Impact	Filled FTE Impact	Total FTE Impact
Revenue Enhancement	\$20.5	2.0	-	2.0
Level 1 – Low Impact Reduction	\$9.6	(46.9)	(6.0)	(52.9)
Level 2 – Moderate Impact Reduction	\$12.2	(65.1)	(13.8)	(78.9)
Level 3 – High Impact Reduction	\$17.7	(88.1)	(72.3)	(160.4)
Level 4 – Severe Impact Reduction	\$33.2	(38.3)	(157.8)	(196.1)
Non-Categorized	\$0.3	-	-	-
Citywide*	\$44.3	-	-	-
<b>Total</b>	<b>\$137.8</b>	<b>(236.4)</b>	<b>(250.0)</b>	<b>(486.3)</b>

\*Includes prior-year savings that Council directed in February be used for budget balancing.

# Proposed Budget Balancing

# Balancing the Budget (millions)

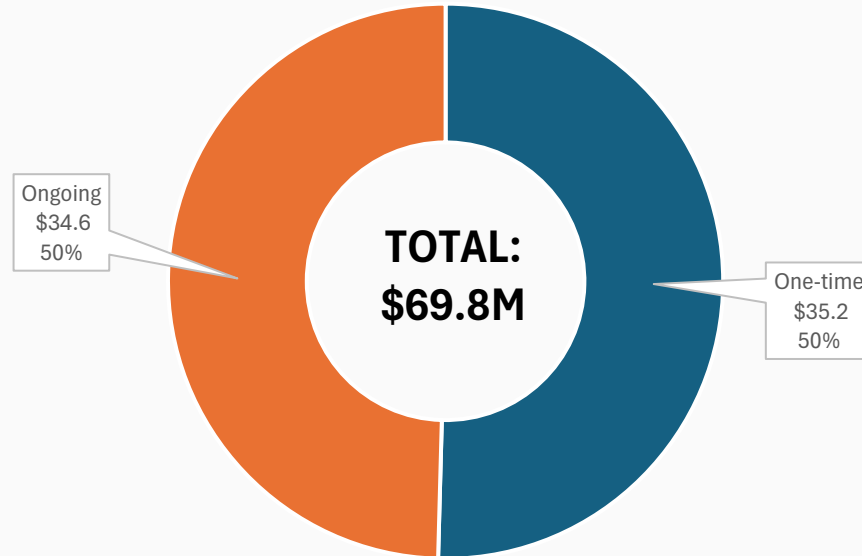
<b>Projected Budget Deficit</b>	<b>(\$62.2)</b>
Lower State Homelessness Funding (HHAP-6)	<b>(\$5.4)</b>
Early Budget Action – Available Prior Year Savings	\$23.5
<b>Remaining Budget Deficit</b>	<b>(\$44.1)</b>

<b>Proposed Budget Strategy</b>	<b>Savings / (Deficit)</b>	<b>Vacant FTE Impact</b>	<b>Filled FTE Impact</b>
Revenue Enhancement	\$20.3	2.0	-
Level One Reductions	\$9.3	<b>(45.9)*</b>	<b>(6.0)</b>
Level Two Reductions	\$6.0	<b>(40.6)</b>	<b>(8.8)**</b>
Citywide Reductions	\$7.4	-	-
Departmental Augmentations	<b>(\$1.2)</b>	14.0	-
Cost Plan, Offset, and Salary Savings Adjustments	\$3.7	-	-
Retirement, Insurance, and Other Budget Adjustments	<b>(\$0.4)</b>	-	-
<b>Proposed Budget Total</b>	<b>\$0.96</b>	<b>(70.5)</b>	<b>(14.8)</b>

\*20.7 positions moving to START Fund and are not being eliminated

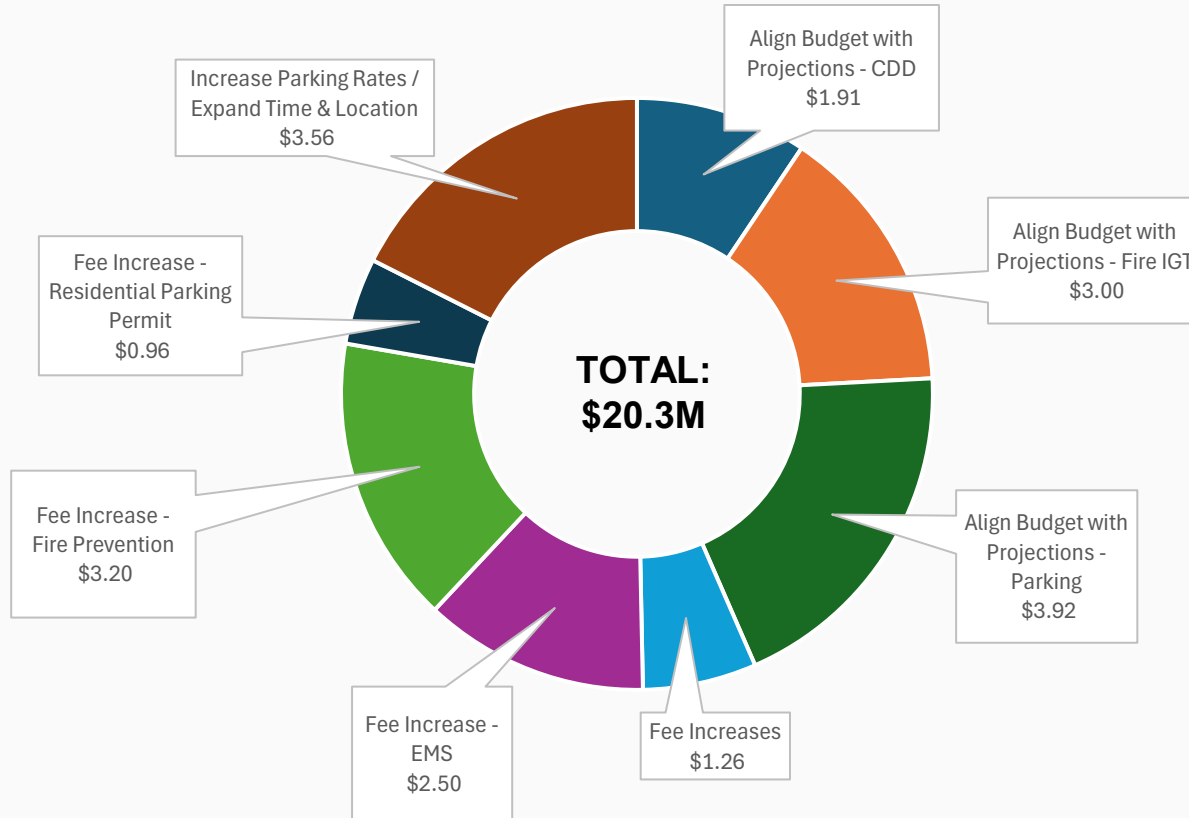
\*\*2.0 positions moving to Community Center Fund and are not being eliminated

## Reduction Plan – One-Time & Ongoing Strategies

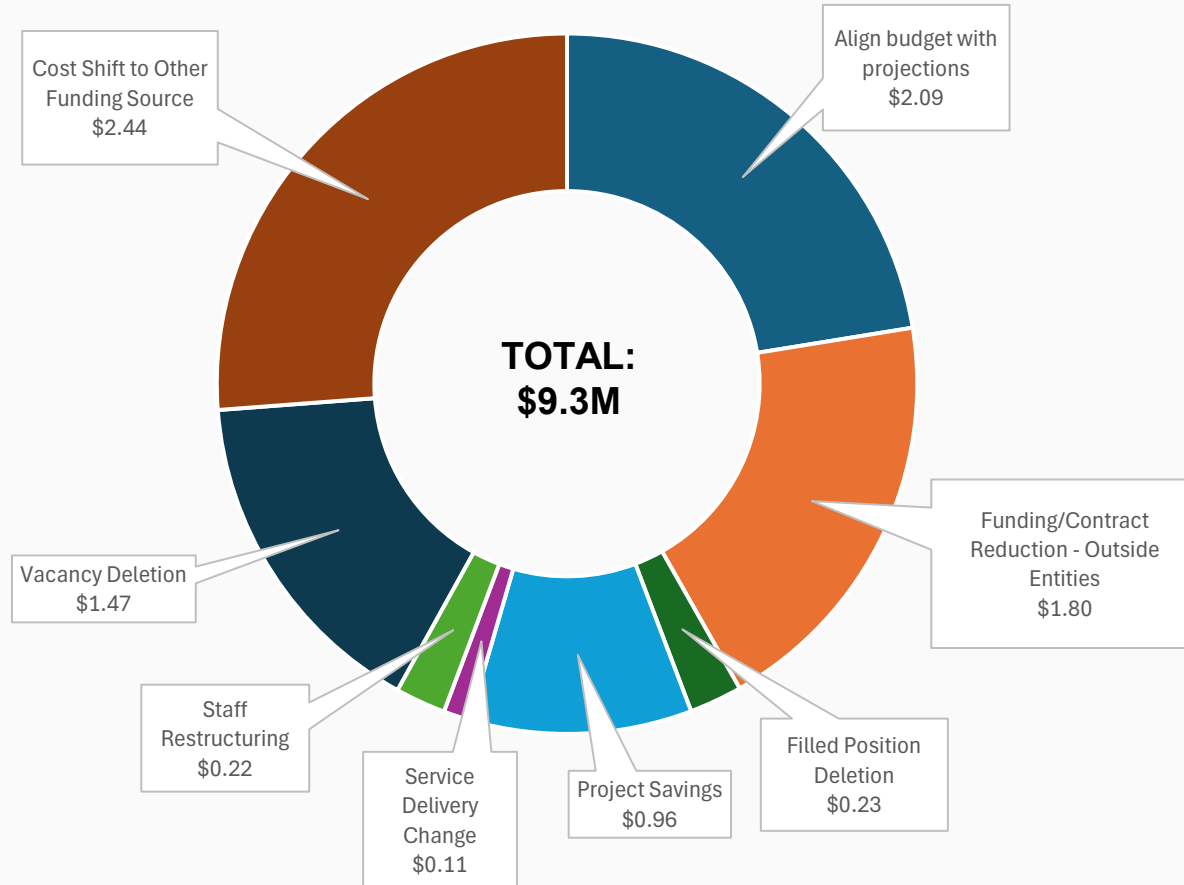


One-time balancing strategies will need to be covered in the following Fiscal Year

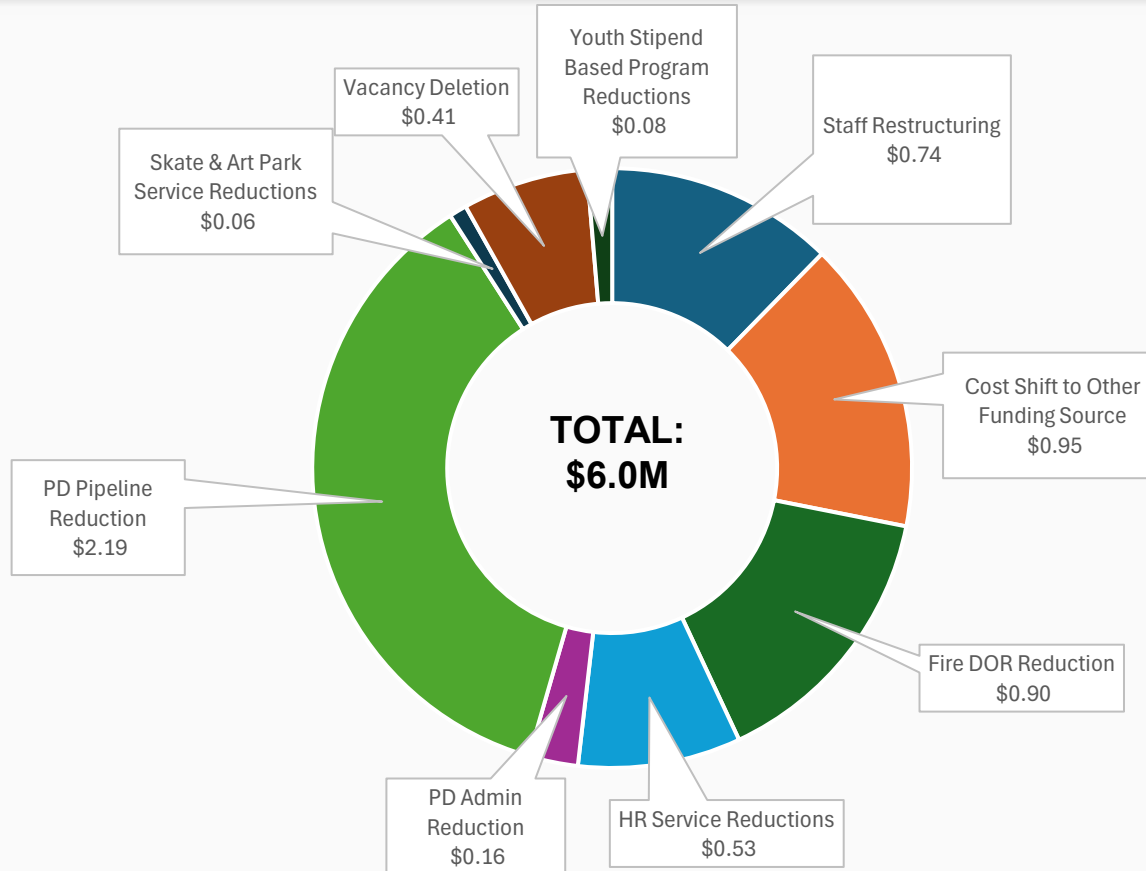
# Revenue Enhancements (millions)



# Level 1 Reductions (millions)



## Level 2 Reductions (millions)



# Vacant Position Impacts

Department	Net Change Vacancies	Impacted Classifications
City Manager	(3)	Admin Analyst, Development Project Manager
Community Development	(3)	Support Services Manager, Associate Planner, Sen. Development Project Manager
Finance	1	Customer Service Rep to Support Parking
Fire	6	Fire Prevention, Fire Admin for Opioid Prevention, EMS Corps
Human Resources	(1)	Senior Staff Assistant & Personnel Technician reclass to Personnel Analyst
Police	(26)	Community Service Officer, Police Officer, Account Clerk II
Public Works	10	Transportation Safety, Commercial Waste Compliance, Parking
Youth Parks, Community Enrichment – Fund Shift	(20.7)	Shift of positions supporting Expanding Learning Opportunities Program to START Fund
YPCE Eliminated	(33.8)	Youth Aide, Recreation Aide, Park Maintenance Worker, Customer Service Assistant, Staff Assistant, Student & Graduate Student Trainee, Utility Worker, Program Coordinator, Program Leader
<b>TOTAL</b>	<b>(70.5)</b>	



# Filled Position Impacts

Department	Net Change Filled	Impacted Classifications
Convention & Cultural Services – Fund Shift	(2)	Zoo Attendant to Community Fund
Fire	(4)	Program Supervisor, Fire Captain*, Firefighter, Customer Service Rep*
Human Resources	(5)	Admin Analyst, Admin Assistant*, Program Specialist*
Police	(1)	Senior Staff Assistant*
YPCE	(2.8)	Custodian*, Program Leader, Park Maintenance Worker*
<b>TOTAL</b>	<b>(14.8)</b>	

\*Position has been vacated during budget process.

Some filled positions have vacated during the budget process. There are 7 employees in filled positions – 2 in Fire, 3 in HR, and 2 in YPCE.

# Citywide Strategies

- Total \$7.4M used in Proposed Budget.
- Primarily prior year savings and reallocation of completed or not yet started projects.
- All Citywide strategies in the Proposed Budget are one-time balancing strategies.

Strategy	Savings	Impact
ARPA Available Funds	\$3.5M	Funds not available for other uses
Thousand Strong	\$1.5M	Funds not available for other uses
Completed Projects	\$1.2M	Funds not available for other uses
Creative Economy Program	\$1.2M	Reallocation part of broader reimagining of workforce development investment programs
<b>TOTAL</b>	<b>\$7.4M</b>	

Available Citywide reduction strategies that would have a large impact on residents – such as elimination of the SURA program supporting low-income residents’ ability to pay utility bills – were **NOT** included as part of the Proposed Budget.

# Department Augmentations

Departments also had budget adjustments that impacted the G/MU fund and staffing outside of reduction strategies. Augmentations were to cover higher operational costs. Staffing changes were primarily to reallocate existing resources:

## **General Fund Augmentations – Total \$1.2M**

- Facilities Maintenance: \$0.3M
- Increased Fleet Costs: \$0.4M
- Fire Prevention: \$0.2M
- Software License Cost Increases: \$0.5M

## **General Fund Augmentations Staffing Adjustments – 14.0 FTE Impact**

- Transportation Safety Team: 6.0 FTE
- Traffic Operations Center: 1.0FTE
- Commercial Waste Compliance: 1.0FTE
- Fire Prevention: 3.0FTE
- Fire Admin for Opioid Abatement: 1.0FTE
- Residential Parking Permit program: 1.0FTE
- EMS Corps Coordinator: 1.0FTE

## Cost Shifts from General Fund to Community Center Fund (millions)

Fiscal Year	Strategy	Amount
2024/25	GIC Possessory Interest Tax	\$1.10
2024/25	Crocker Art Museum Support	\$2.20
2024/25	Sacramento Zoo	\$0.03
2024/25	SMUD MOSAC Funding	\$0.13
2024/25	Sacramento History Alliance Funding	\$0.09
<b>Total 2024/25 Budget</b>		<b>\$3.55</b>
2025/26 Proposed	Fairytale Town	\$0.01
2025/26 Proposed	Sacramento History Museum	\$0.13
2025/26 Proposed	History Division Admin for Old Sac	\$0.30
2025/26 Proposed	New Years Eve Fireworks	\$0.07
2025/26 Proposed	Visit Sacramento Events Support	\$0.50
2025/26 Proposed	Sacramento Zoo	\$0.21
<b>Total 2025/26 Proposed</b>		<b>\$1.22</b>

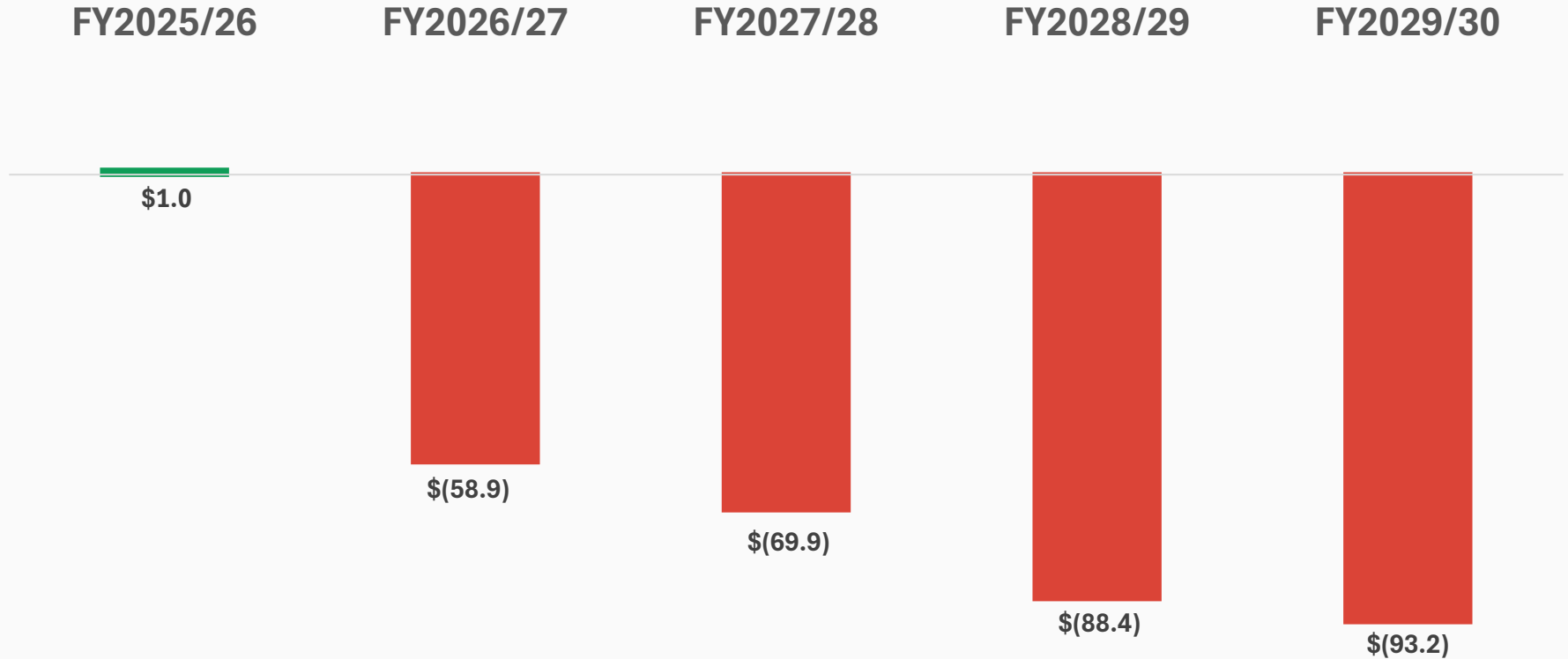
All funding shifts ongoing and total \$4.8M annually between shifts in the FY25 budget and the FY26 Proposed Budget

# Proposed Budget Forecast

# Forecast Assumptions

- Continued economic growth
- No loss of threatened federal funding
- No State HHAP funding beginning FY2026/27
- No additional costs from new labor contract (each 1% salary increase adds \$4.8M in General Fund costs)

## Proposed Budget – General Fund 5-Year Forecast (millions)



# Long-Term Challenges





# Unfunded Liabilities

In addition to the structural budget deficit, the City has unfunded liabilities including:

- \$1.5 billion unfunded pension liability;
- \$0.2 billion OPEB liability; and
- \$1.8 billion unfunded capital & deferred maintenance needs.

Council has already taken steps to address these long-term challenges:

- Prior year savings policy balances budget needs, revenue growth, and creating a funding source for unfunded liabilities.
- Capital plan identifying unfunded needs allows Council to adopt policies around prioritization and funding.

Staff will continue to support Council in addressing unfunded liabilities to ensure the fiscal health and stability of the City.

# Pending Factors

- Economic Uncertainty / Risk of Recession.
- Threats to federal funding.
- Future of HHAP program.
- Economic/federal funding impact on City partners.
- Economic Uncertainty Reserve funding status.

# Reduction Plan Impacts By Program Area



# Community Services



# Community Services Departments



**Michael Jasso**  
Assistant City  
Manager  
Community Services



**Megan Van Voorhis**  
Convention and  
Cultural Services  
(CCS) Director



**Denise Malvetti**  
Office of Innovation  
and Economic  
Development (OIED)  
Deputy Director



**Tom Pace**  
Community  
Development  
Department (CDD)  
Director

# Community Services Departmental Savings Strategies

- Community Services departmental savings strategies in the Proposed Budget total \$5.5M
- 2.0 reduction in filled positions  
– **Positions shifted from General Fund to Community Center Fund**
- 6.0 FTE reduction in vacant positions

	Savings Amount	Vacant FTE Impact	Filled FTE Impact
Revenue Enhancements	\$2.5	-	-
Level 1 Reductions	\$2.6	(3.0)	(2.0)
Level 2 Reductions	\$0.4	(3.0)	-
<b>Total</b>	<b>\$5.5</b>	<b>(6.0)</b>	<b>(2.0)</b>

## Community Services Reduction Strategies – Revenues (millions)

Strategy	Dept	Savings	Service Impact
Align Neighborhood Code Compliance revenue budget with projections	CDD	\$0.75	None
Align Business Compliance Tenant Protection revenue budget with projections	CDD	\$0.35	None
Align Code Enforcement revenue budget with projections	CDD	\$0.80	None
Align Animal Care license revenue budget with projections	CDD	\$0.05	None
Increase plan check inspection fees	CDD	\$0.40	None
Increase building permit cap	CDD	\$0.10	None
<b>Total</b>		<b>\$2.46</b>	



# Community Services Reduction Strategies – Level 1 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Eliminate Vacant Economic Development Project Development Manager	City Manager	\$0.14	The elimination of the three positions collectively result in decreased reach and presence in the community, slower response times to community requests including slower review of grant applications and payment.	(1.0)
Eliminate Vacant Community Investment Project Development Manager	City Manager	\$0.14		(1.0)
Eliminate Vacant Community Engagement Administrative Analyst	City Manager	\$0.12		(1.0)
Additional Reimbursement from RASA for eligible costs	City Manager	\$0.06	No impact.	-
Reduction in SEED Corp, Sac Dev Academy and Forgivable Loan projects	City Manager	\$0.79	No impact, programs have closed or have adequate funding for next fiscal year.	-
Reduction in Innovation & Growth MYOP	City Manager	\$0.16	Minimal impact this fiscal year because of remaining funds.	-
Shift of New Year's Eve fireworks cost to Community Center Fund	CCS	\$0.07	Available capacity in Community Center Fund.	-
Shift of Visit Sac funding to Community Center Fund	CCS	\$0.50	Available capacity in Community Center Fund.	-
Shift of visitor-serving facilities support to Community Center Fund	CCS	\$0.35	Available capacity in Community Center Fund.	(2.0)
Shift of History Division administrative support to Old Sac to Community Center Fund	CCS	\$0.30	Available capacity in Community Center Fund.	-
<b>TOTAL</b>		<b>\$2.6</b>		<b>(5.0)</b>

## Community Services Reduction Strategies – Level 2 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Eliminate vacant Senior Development Project Manager in Building Division	CDD	\$0.15	Reduced building permit support for projects valued greater than \$1 million.	(1.0)
Eliminate vacant Associate Planner in Planning Division	CDD	\$0.12	Reduced support of cannabis and other projects seeking planning entitlements.	(1.0)
Eliminate vacant Support Services Manager in Administrative Services Division	CDD	\$0.14	Reduced support for the Administrative Services Division.	(1.0)
<b>Total</b>		<b>\$0.41</b>		<b>(3.0)</b>

# Community Services Budget Highlights

The Fiscal Year 2025/26 Proposed Budget maintains funding for key priorities including:

- Zero dollar rate for city impact fees for affordable housing development.
- Financial Empowerment Center and the Small Business Economic Gardening Programing.
- Support for Old Sacramento Waterfront revitalization, D2 and D3 façade and business improvement grant programs.
- Support for The Railyards, Aggie Square, and North Natomas Innovation Center.
- Neighborhood Development Action Team
- Launch of Small Business Assistance Center.
- Cultural Arts Awards funding for nonprofit arts and cultural organizations throughout the City and County.
- Neighborhood arts and cultural projects, including Community Murals Sacramento programming, Del Paso Blvd and Stockton Blvd.
- Strategic investments to address the issue of access to affordable space in the creative community.
- Entertainment Services Division.

# Community Services Budget Challenges

Upcoming challenges include:

- Economic uncertainty and trade impacts on Building/Planning revenues.
- Reduced Federal grant support for implementation of the Climate Action and Adaptation Plan (support for existing building electrification).
- Inadequate capacity to support expanding nighttime economy with non-police safety response (vendor enforcement, entertainment venue safety, major event safety/noise compliance).
- Uncertainty regarding State and Federal funding for small business, workforce development, and creative economy programs.
- Increased financial needs from the cultural and creative communities due to reduced Federal funding opportunities..
- Economic uncertainty reducing resources available to cultural partners and impact on City venues.

# Internal Services



# Internal Services Departments



**Leyne Milstein**  
Interim City Manager



**Pete Coletto**  
Director of Finance



**Shelley Banks-  
Robinson**  
Director of Human  
Resources



**Darin Arcolino**  
Director of  
Information  
Technology

# Internal Services Departmental Savings Strategies

- Internal Services departmental savings strategies in the Proposed Budget total \$3.2M
- 5.0 reduction in filled positions
- 1.0 reduction in vacant positions

	Savings Amount	Vacant FTE Impact	Filled FTE Impact
Revenue Enhancements	-	-	-
Level 1 Reductions	\$2.6	-	(2.0)
Level 2 Reductions	\$0.5	(1.0)	(3.0)
<b>Total</b>	<b>\$3.2</b>	<b>(1.0)</b>	<b>(5.0)</b>

## Internal Services Reduction Strategies – Level 1 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Align cannabis MYOP with projections	Finance	\$2.02	No impact on cannabis programming	-
Eliminate filled Admin Analyst in Administration	HR	\$0.13	Reduced service and increased response time to Director and internal and external customers	(1.0)
Align Benefit Services staffing with operational needs	HR	\$0.03	None	(1.0)
Reclassify position in Administration to align with needs	HR	\$0.00	None	-
Offset eligible costs with Code Enforcement funds	IT	\$0.31	None	-
Offset eligible costs with Parking funds	IT	\$0.14	None	-
<b>TOTAL</b>		<b>\$2.6</b>		<b>(2.0)</b>



## Internal Services Reduction Strategies – Level 2 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Eliminate filled position in Employment, Classification and Development	HR	\$0.18	Reduce organizational development programming by 50%	(1.0)
Eliminate filled position in Employment, Classification and Development	HR	\$0.13	With reduction above, would eliminate organizational development programming	(1.0)
Eliminate filled position in Administration	HR	\$0.10	Reduced response time to internal & external customers	(1.0)
Eliminate vacancy in Office of Diversity and Equity	HR	\$0.11	Reduction in internal DEI initiatives	(1.0)
<b>TOTAL</b>		<b>\$0.5</b>		<b>(4.0)</b>

# Internal Services Budget Highlights

The Fiscal Year 2025/26 Proposed Budget maintains funding for key priorities including:

- Policy and technology modernization efforts to lower administrative workload and streamline service delivery to residents.
- Permitting all City businesses and administering Utility Users, Business Operations, and Transient Occupancy Tax programs
- Operating and improving 311 by allowing phone, web, mobile app and email reporting and integrating a virtual agent to improve service.
- Connecting residents to high-speed internet with the Last Mile Project.

# Internal Services Budget Challenges

Upcoming challenges include:

- Supporting the long-term fiscal health of the City in the context of rising costs including, but not limited to, retirement, software, insurance.
- Future rounds of labor negotiations.
- Increased workload for remaining staff.
- Replacement of key operating systems including the Finance and Budget systems.

# Municipal Services



# Municipal Services Departments



**Ryan Moore**  
Assistant City  
Manager  
Municipal Services



**Matt Eierman**  
Public Works  
Director



**Pravani Vandeyar**  
Utilities Director



**Jackie Beecham**  
Youth, Parks, and  
Community  
Enrichment Director

# Municipal Services Departmental Savings Strategies

- Municipal Services departmental savings strategies in the Proposed Budget total \$11.7M
- 2.8 reduction in filled positions
- 52.5 net reduction in vacant positions – The two new vacant FTEs needed to collect additional revenue

	Savings Amount	Vacant FTE Impact	Filled FTE Impact
Revenue Enhancements	\$8.8	2.0	-
Level 1 Reductions	\$2.0	(41.9)	(1.0)
Level 2 Reductions	\$0.9	(12.6)	(1.8)
<b>Total</b>	<b>\$11.7</b>	<b>(52.5)</b>	<b>(2.8)</b>

# Municipal Services Reduction Strategies–Revenues (millions)

Strategy	Dept	Savings	Service Impact
Align parking revenue budget with projections	PW & YPCE	\$2.35	None
Increased enforcement revenue associated with the Automated Parking Enforcement program	PW	\$1.90	Enhances safety
Increased meter rates and expended meter and merchant locations to improve turnover of on-street parking	PW	\$3.56	Provides better parking turnover and traffic circulation
Cost recovery fees for Residential Permit Parking program	PW	\$0.96	Allows City to maintain program
Increase Daily Program Fee for Triple R & Club Refresh Programs	YPCE	\$0.04	Scholarships available for Triple R Program
<b>Total</b>		<b>\$8.8</b>	

# Municipal Services Reduction Strategies – Level 1 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Discontinue parking enforcement contract with West Sacramento	PW	\$0.25	Enhances level of service in Sacramento	-
Reduction of contracted services and subsidies	YPCE	\$0.38	Minimal impact; adding 0.4FTE to reduce contracted services related to pool maintenance and security. Discontinue golf course subsidy.	0.4
Shift of eligible costs to START fund	YPCE	\$0.24	Reduced ability to fund additional services in START fund	(20.7)
Reduction of vacant positions in Community Enrichment and Youth programs	YPCE	\$0.92	Minor impact to programming and department operations. Will reduce year end savings that support program expansion and fund overtime and deferred maintenance.	(17.2)
Reduction of vacant seasonal positions in Park Maintenance	YPCE	\$0.20	Minor impact in core service delivery for parks; seasonal positions are difficult to fill. May result in delayed response time for special project requests.	(5.4)
<b>TOTAL</b>		<b>\$2.0</b>		<b>(42.9)</b>



# Municipal Services Reduction Strategies – Level 2 Reductions (Edited)

Strategy	Dept	Savings	Service Impact	Staffing Impact
Eliminate vacant Park Maintenance Worker positions	YPCE	\$0.68	No anticipated impact to core service delivery. Park Maintenance working on key operational efficiencies to mitigate impact of reduction.	(10.0)
Eliminate vacant positions in Community Enrichment and Youth programs.	YPCE	\$0.20	No impact to current program levels and services; reductions will eliminate ability to meet demand for expansion of youth and senior programming.	(4.4)
<b>TOTAL</b>		<b>\$0.9</b>		<b>(14.4)</b>

# Municipal Services Budget Highlights

**The Fiscal Year 2025/26 Proposed Budget maintains funding for key priorities including:**

- Continuation of SURA program of low-income utility rate payers.
- DPW and DOU will maintain current service levels.
- Maintains funding for new Quick Build traffic safety program.
- Maintains Community Center & Aquatic programming and hours of operation.
- Continuation of youth, older adult, and workforce programs.
- Continuation of Youth Program Scholarship Fund.

# Municipal Services Budget Challenges

## Upcoming challenges include:

- Addressing & funding the City's large deferred maintenance backlog.
- Ongoing funding needs to support capital improvements, particularly given implications of new federal policies.
- The need for a utility rate increase
- Implementation of Advance Clean Fleet regulations
- Staffing recruitment and retention

# Public Safety



# Public Safety Departments



**Mario Lara**  
Assistant City  
Manager  
Public Safety



**Brian Pedro**  
Director  
Department of  
Community  
Response



**Chris Costamagna**  
Fire Chief



**Kathy Lester**  
Police Chief

# Public Safety Departmental Savings Strategies

- Public Safety departmental savings strategies in the Proposed Budget total **\$15.3M**
- 5.0 reduction in filled positions
- 25.0 FTE reduction in vacant positions

	Savings Amount	Vacant FTE Impact	Filled FTE Impact
Revenue Enhancements	\$9.0	-	-
Level 1 Reductions	\$2.1	(1.0)	(1.0)
Level 2 Reductions	\$4.2	(24.0)	(4.0)
<b>Total</b>	<b>\$15.3</b>	<b>(25.0)</b>	<b>(5.0)</b>

## Public Safety Reduction Strategies – Revenues (millions)

Strategy	Dept	Savings	Service Impact
Increase Intergovernmental Transfer(IGT) Revenue for Emergency Medical Services (EMS)	Fire	\$3.00	These funds will not be available for other eligible EMS costs such as equipment or increased staffing.
Increase in Emergency Medical Services fees	Fire	\$2.50	Higher costs for users of these services in line with higher costs to provide these services.
Increase in Fire Prevention Program fees	Fire	\$3.20	Higher costs for users of these services in line with higher costs to provide these services.
Increase in reimbursements from Fire Districts	Fire	\$0.35	None
<b>Total</b>		<b>\$9.0</b>	

# Public Safety Reduction Strategies – Level 1 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Shift eligible costs to Opioid Settlement Funds	DCR	\$0.23	Little to no impact	-
Eliminate vacant position in Fire fiscal	Fire	\$0.12	Little to no impact	(1.0)
Staffing realignment	Fire	\$0.01	Little to no impact	-
Eliminate Youth & Family Investments program	Police	\$1.3	Reduce city-funded youth pop-up events.	-
Consolidation of nighttime traffic staffing	Police	\$0.07	Re-org - fewer officers/better supervision.	(1.0)
Reorganization of Public Information Office	Police	\$0.02	Better alignment of work with position.	-
Shift eligible Patrol Operations costs to unspent project funds	Police	\$0.30	Forego projects	-
<b>Total</b>		<b>\$2.1</b>		<b>(2.0)</b>



# Public Safety Reduction Strategies – Level 2 Reductions

Strategy	Dept	Savings	Service Impact	Staffing Impact
Reduction in Diversity, Outreach and Recruitment Division	Fire	\$0.90	Fire Reserve Program & Recruitment and Outreach Program will no longer be supported.	(2.0)
Consolidation of fiscal operations	Police	\$0.08	Service delays to internal and external customers.	(1.0)
Shift of Force Investigations Team to unspent project funds.	Police	\$0.26	Forego project to preserve critical unit for transparency and oversight.	-
Reduction in Hiring Pipeline Program	Police	\$2.19	Reduced customer service and response capacity for non-emergency calls for services.	(23.0)
Shift of PIO costs to unspent project funds.	Police	\$0.17	Forego project to preserve critical staff for meeting video release mandates.	-
Reduction and cost shift of Advanced Officer Training Unit	Police	\$0.52	Reduce staffing and capacity to deliver high-quality training.	(1.0)
Eliminate filled administrative support position	Police	\$0.08	Reduced staff support for entire executive team.	(1.0)
<b>Total</b>		<b>\$4.2</b>		<b>(28.0)</b> 65

# Public Safety Budget Highlights

The Fiscal Year 2025/26 Proposed Budget maintains funding for key priorities including:

- Ensuring that we have the necessary professional staff to maintain critical daily operations.
- Preservation of functions such a specialized crime reduction teams in Police Department, Homelessness response teams in DCR, and Fire Department prevention capabilities.
- Leverage revenue and external funding sources and seek out efficiencies to place departments on a more sustainable path.

# Public Safety Budget Challenges

Upcoming challenges include:

- Recruitment of qualified personnel in all positions, sworn and professional
- Ensure adequate funding for support divisions (Logistics & Communications) that align with the department's core mission.
- Addressing deferred maintenance and constructing additional fire stations to help reduce the call volume on the workforce and aging infrastructure.

# Budget Hearings Schedule

Date / Meeting	Subject
April 30, 2025	Release of Proposed Budget
May 13, 2025 – 5:00PM Council	Budget Hearing: <ul style="list-style-type: none"> <li>• Budget Overview</li> <li>• Community Services</li> <li>• Internal Services</li> <li>• Municipal Services</li> <li>• Public Safety</li> </ul>
May 19, 2025 – 5:30PM Measure U Commission	Budget Overview
May 20, 2025 – 2:00PM Council	Budget Hearing: <ul style="list-style-type: none"> <li>• Capital Improvement Program</li> <li>• Budget Equity Tool</li> </ul>
May 20, 2025 – 5:00PM Council	Budget Hearing: <ul style="list-style-type: none"> <li>• Fees &amp; Charges</li> <li>• Deliberations &amp; Direction</li> </ul>
May 27, 2025 – 5:00PM Council	AB2561 Vacancy Report
June 3, 2025 – 11:00AM Budget & Audit Committee	Budget Discussion
June 10, 2025 – 5:00PM Council	Budget Hearing – Budget Adoption