

City of Sacramento

APPROVED BUDGET | FISCAL YEAR 2025/26



City of
SACRAMENTO
Finance Department

APPROVED

CITY OF SACRAMENTO

FISCAL YEAR 2025/26 BUDGET

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Mayor

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Councilmember, District 1

ROGER DICKINSON
Councilmember, District 2

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Vice Mayor, District 3

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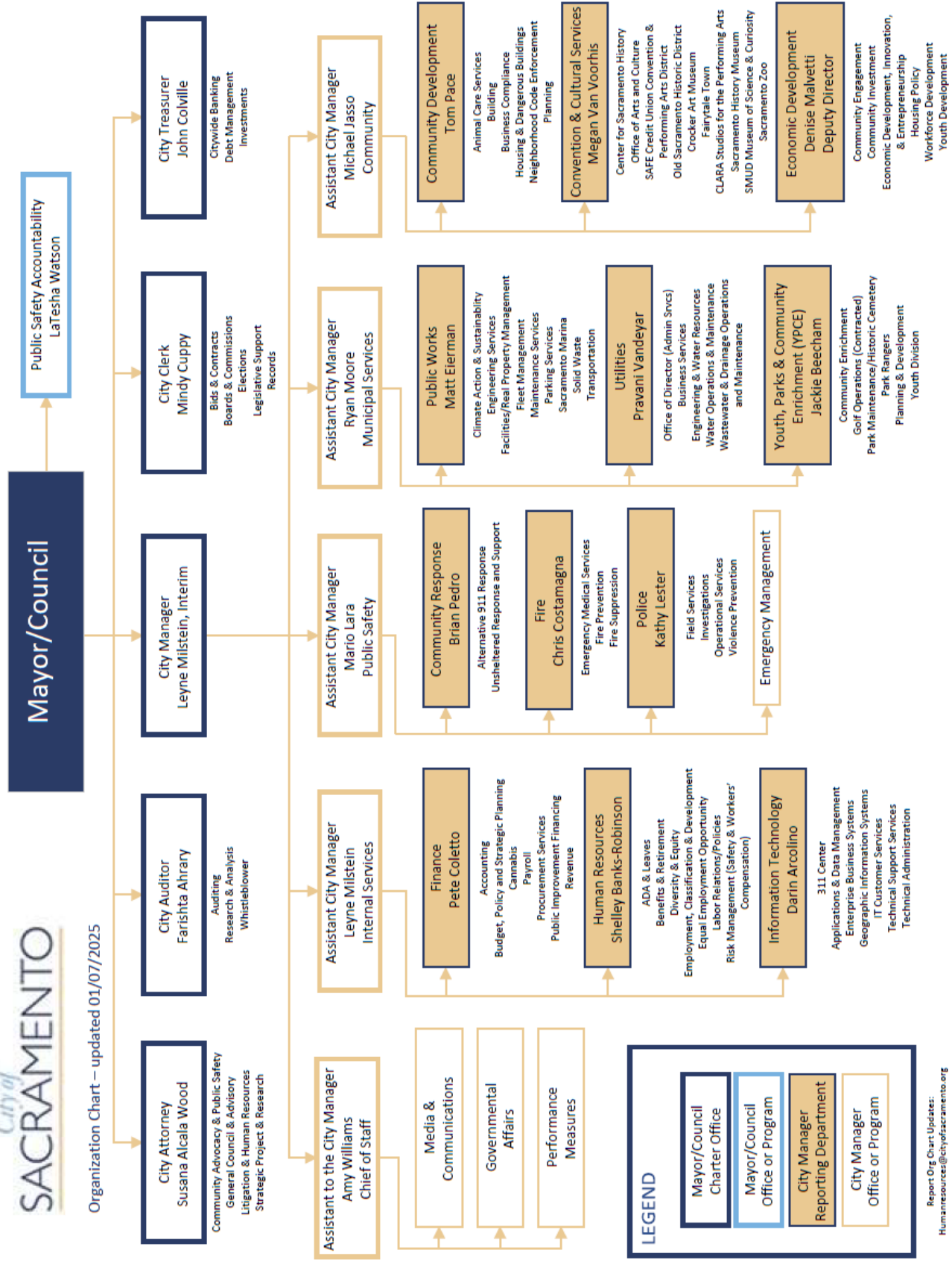


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SECTION - 1

Budget Message

FY2025/26 Approved Budget

City of
SACRAMENTO
Office of the City Manager

Leyne Milstein
Interim City Manager

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

July 1, 2025

Honorable Mayor and City Council
Sacramento, California

Dear Mayor and Members of the City Council:

The City faces significant financial challenges heading into Fiscal Year (FY) 2025/26 as we continue efforts to bring the budget into structural balance amid threats federal funds will be withheld and increasing economic uncertainty. The FY2025/26 Approved Budget (Budget) addresses the ongoing structural imbalance between revenues and expenditures through a combination of the use of one-time funding, increasing revenues/cost recovery, and ongoing spending reductions while minimizing impacts to core City services and continuing to advance Council priorities.

The Budget includes a balanced \$1.7 billion spending plan for City programs and services supporting a workforce of approximately 5,000 employees, closing an estimated \$62.2 million funding gap and reflects input provided by Council, City Departments and the public.

\$s in millions	FY2024/25 Approved	FY2025/26 Approved	Change
All Funds	\$1,578.5	\$1,675.0	\$96.5
General Fund	\$847.3	\$872.5	\$25.2
Full-Time Equivalent Positions	5,029.7	4,984.8	(44.9)

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 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. To bring the City's budget into structural balance,

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Council will need to make decisions, which will increase ongoing revenues and decrease ongoing expenses.

The City partially addressed the structural budget deficit during the FY2024/25 budget process closing a \$66 million gap 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 rolled into the projected FY2025/26 budget gap.

CLOSING THE GAP

The Budget 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 Budget also complies with the financial policies adopted by Council on February 11, 2025, directing prior year savings to balance projected budget deficits and pay down unfunded liabilities while allowing for strategic one-time investments.

As part of the budget development process, Departments were instructed to submit reduction plans that totaled 15% of their discretionary General Fund use and were given a framework designed to protect core services and 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 186 one-time and ongoing revenue-enhancement and expenditure-reduction strategies totaling more than \$137 million in savings. A description of each strategy is included in the Budget document.

All Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	2.00	(\$20,519,704)
1	(52.90)	(9,582,454)
2	(78.90)	(12,217,470)
3	(160.41)	(17,693,659)
4	(196.05)	(33,216,355)
Citywide*	-	(44,335,482)
Non-Categorized	-	(330,000)
Total	(486.26)	(\$137,895,124)

* Includes prior year savings of \$26.8 million

Proposed solutions to close the \$62.2 million funding gap include a combination of one-time and ongoing strategies with \$34.6 million in ongoing reduction strategies and \$35.2 million in one-time solutions. The Budget includes the net elimination of 70.5 vacant full-time equivalent positions and 12.8 filled full-time equivalent positions from the General

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Fund. Two filled full-time equivalent positions are proposed to move from the Measure U Fund to the Community Center Fund and are not proposed to be eliminated.

A summary of the budget balancing strategies in the Budget is in the table below:

	Amount (millions)	Vacant FTE Impact	Filled FTE Impact	Total FTE Impact
Projected Budget Deficit	(\$62.2)			
Budget Balancing				
HHAP-6 Vs Forecast	(\$5.4)	-	-	-
Available Prior Year Savings	\$23.5	-	-	-
Revenue Enhancement	\$20.3	2.0	-	2.0
Level 1 Reductions	\$9.3	(45.9)	(6.0)	(51.9)
Level 2 Reductions	\$6.0	(40.6)	(8.8)	(49.4)
Citywide Strategies	\$7.4	-	-	-
Department Augmentations	(\$1.2)	14.0	-	14.0
Cost Plan, Offset, and Salary Savings Adjustments	\$3.7	-	-	-
Retirement, Insurance, and Other Budget Adjustments	(\$0.9)			
Budget Balancing Total	63.1	(70.5)	(14.8)	(85.3)
Net Surplus / (Deficit)	\$0.5			

BUDGET APPROVAL

During Budget Hearings, Council made adjustments to provide small business relief for increased Fire Prevention fees, funding for the FUEL network, restoration of Office of Diversity & Equity staffing, removal of a new residential parking permit fee, and restoration of Youth Violence Prevention contracts. Council funded these adjustments by redirecting a portion of funding set aside for the Federal Funding Contingency Reserve and Measure L funding for Library capital improvements which freed up General Funds allocations, conducting adjustments to City Attorney's Office staffing, increasing revenues projected from the Treasurer's Office, and eliminating vacant positions. The City was also able to avoid layoffs as filled positions slated for elimination were either vacated during the budget process or individuals in those positions were able to be reassigned to vacant positions.

PENDING FACTORS

The City is facing considerable fiscal challenges as it heads into the new Fiscal Year. Federal Executive Orders have threatened funding for critical City services – including public safety programs to hire more police officers and provide training to prevent and

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respond to terrorist attacks and other threats. In response, the Budget is redirecting FY2025/26 contributions to the Economic Uncertainty Reserve into a new fund to mitigate the impact of delays or withholdings of federal funds.

The City is also closely monitoring the economic situation and potential negative impacts on the City's budget. Trade policies may impact the macroeconomy as well as increase the costs for services and supplies purchased by the City. An economic downturn would cause a reduction in City revenues and significantly worsen the City's budget forecast.

Cost increases from new labor agreements are not included in the City's budget forecast, and every 1% in salary increase would result in \$4.8 million in new General Fund costs. City staff will continue to update expense and revenue forecasts and will inform Council and the public of budgetary impacts.

Finally, 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 \$1.8 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 California Public Employees' Retirement System (CalPERS) latest Actuarial Valuation report.

NEXT STEPS

As Council addresses the City's structural financial challenges, it will be essential to balance current needs with long-term fiscal health. The ongoing strategies utilized to balance the Budget will help 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.

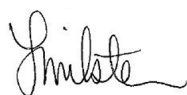
While the challenges of balancing the budget are often front and center, it is important to remember that City continues to make meaningful progress via its strategic investments in several critical areas. Despite a reduction in State homelessness funding, the City is maintaining its 1,350 shelter beds and is exploring new strategies to reduce homelessness. The newly established Transportation Safety Team will further efforts to enhance road and pedestrian safety. Streamline Sacramento initiatives are reducing barriers to developing new housing and improving the City's permitting process. The Old Sacramento waterfront is being improved – increasing the desirability of the City's most popular tourist destination, and the Railyards transformation is continuing with the hospital groundbreaking and the development of the infrastructure for a new soccer stadium. New Library facilities in North and South Sacramento will better serve our community, and the City will soon be allocating the Children's Fund to programs to serve our youth.

I am honored to serve as Interim City Manager and work with Council as they consider difficult decisions needed to balance the budget. I offer a Budget that is balanced and supports the overall vision articulated by the Council and its work to recognize, advance

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and uplift all Sacramento neighborhoods and communities. I would like to thank the Council for their ongoing commitment to resolving the City’s structural deficit while preserving the essential services for all Sacramentans.

Respectfully submitted,



LEYNE MILSTEIN
Interim City Manager

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Operating Budget Excellence Award



The City's FY2024/25 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 FY2025/26 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 2025/26 Operating Budget Excellence Award.

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SECTION - 2

City at a Glance

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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 527,979.¹ The population of the County of Sacramento is estimated at 1,604,745. 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 2024 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, 2025.

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Demographics

The information presented is based on the 2019-2023 American Community Survey (ACS) 1-Year Estimates from the United States Census Bureau.

Population by Sex

Percent female persons	50.3%
Percent male persons	49.7%

Race and Origin

Hispanic or Latino (of any race)	29.9%
White	28.8%
Asian	20.1%
Black or African American	11.3%
Two or more races	7.4%
Native Hawaiian and Other Pacific Islander	1.7%
Some other race	0.6%
American Indian and Alaska Native	0.2%

Age Distribution

0-14 years	17.5%
15-24 years	13.8%
25-64 years	53.8%
65 years and over	14.9%
Median age	36.0

Housing Status

Total	218,721
Occupied	202,421
Owner-occupied	109,037
Renter-occupied	93,384

Average Household Size

Owner-occupied unit	2.75
Renter-occupied unit	2.32

Residential Vacancy Rate

Vacant	16,300
Homeowner vacancy rate	0.3%
Rental vacancy rate	7.2%

Home Values

Median value of owner-occupied units	\$505,800
Occupied units paying rent	90,746
Median gross rent	\$1,779

Commuting to Work

Mean travel time to work in minutes	26.4

Occupation

Management, business, science, and arts occupations	120,869
Service occupations	47,451
Sales and office occupations	50,631
Natural resources, construction, and maintenance occupations	19,469
Production, transportation, and material moving occupations	26,461

Household Income

Total households	202,421
Median household income	\$85,928
Mean household income	\$111,700

Individual Income

Per capita income	\$43,982
Median earnings for workers	\$50,208

Education

Percent high school graduate or higher	87.5%

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Percent bachelor's degree or higher 34.9%

Number of students enrolled in 4th R 2,686

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	113,610
UC Davis Health System	16,075
Sacramento County	13,611
Kaiser Permanente	11,856
US Government	10,699
Sutter Health	10,129
Dignity Health	7,353
San Juan Unified School District	5,346
City of Sacramento	5,075
Intel Corporation	4,300

Operating Indicators

Police:

Citizen initiated calls for service with officer responses 145,370

Fire:

Number of incidents	108,665
Number of structure fires	479
Number of construction inspections/reviews	10,665

Public Works:

Number of traffic investigations completed	898
Residential garbage disposed (in tons)	124,650

Youth, Parks, & Community Enrichment:

Number of students enrolled in START 500

Utilities:

Number of water accounts	149,069
Water distributed/pumped (millions of gallons)	30,724
Number of wastewater accounts	79,424
Wastewater distributed/pumped (millions of gallons)	5,854
Number of storm drainage accounts	151,894
Storm drainage distributed/pumped (millions of gallons)	19,821

Community Development:

Number of building permits issued	20,201
Building permit valuation (in millions of dollars)	\$1,110
Number of animal licenses issued	18,016
Number of animal outplacements	7,318

Convention & Cultural Services:

Number of Community Convention Center events	380
Community Convention Center event attendance	877,152
Number of Zoo attendance	484,733

Capital Asset Statistics

Police:

Number of stations	4
Number of patrol units	278
Number of aircraft	5
Number of watercraft	4

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Fire:

Number of stations	24
Number of fire suppression, support, or prevention vehicles	140
Number of watercraft	5

Public Works:

Miles of streets	3,118
Number of streetlights	40,084
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	235
Park acreage	4,358
Number of community centers	14
Number of swimming pools (including wading pools)	28

Utilities:

Miles of water mains and distribution lines	1,644
Miles of sanitary sewers and storm drainage	1,985

Miscellaneous:

Number of boat harbor slips	475
Number of Golf Courses	6

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SECTION - 3

Budget Overview

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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 2025, the City released its updated financial forecast which projected a \$62.6 million funding gap for Fiscal Year (FY) 2025/26 with deficits increasing in the following FYs. Similar to the FY2024/25 budget process, the City utilized a strategic approach to close the budget deficit by defining core services and taking a strategic approach to revenue enhancements and expenditure reductions 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 FY2025/26 Proposed Budget while minimizing service impacts to residents and without laying off City staff. During deliberations on the Proposed Budget, the City Council made additional adjustments that are included in the Approved Budget.

On June 10, 2025, City Council approved the FY2025/26 Approved Operating and Capital Improvement Program (CIP) Budgets (Budget). The Budget totals \$1.67 billion from all funding sources and supports 4,984.83 authorized full-time equivalent (FTE) positions. This includes \$872 million and 3,735.06 authorized FTE for General Fund operations and capital projects, and \$802 million and 1,249.77 FTE for operations and capital projects for the City's enterprise and other fund activities.

The City Council held four meetings during May and June to review and discuss the Proposed Budget. The budget adjustments approved by Council included approximately \$3.0 million in various reductions, increases to revenue, reductions to the Federal Funding Reserve and use of projected fund balance to restore youth violence contracts, fund the Sacramento Family Unity, Education, and Legal (FUEL) Network, restore an Office of Diversity and Equity analyst, decrease a Fire Prevention fee for small businesses and suspend the initiation of a paid Residential Parking Permit Program. In addition, other budget adjustments increased the General Fund budget by \$264,191 and the budgets of other funds by \$60,224. Adjustments included the add/delete of positions in the City Treasurer's Office, Human Resources and Youth, Parks and Community Enrichment (YPCE), the addition of fully offset positions in YPCE, project reductions, Mayor/Council salary adjustments, continuation of streetscape maintenance, labor adjustments due to timing and other technical adjustments. A technical adjustment included \$11.1 million funding for Homelessness program that was included in the Proposed Budget forecast but needed to be formally added to the Budget.

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

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Council Approved Adjustments

Department	FTE Change	Net Budget Change
General Fund Restoration		
Fire Prevention Fee (Small Business Relief)	-	175,513
FUEL Network	-	500,000
Office of Diversity & Equity Staffing	1.00	112,831
Residential Parking Permit	-	960,882
Youth Violence Prevention Contracts	-	1,300,000
Total	1.00	3,049,226
General Fund Financing for Restoration		
Reflect Current City Attorney Staffing*	-	359,475
Treasurer's Revenue	-	200,000
Vacant City Attorney Investigator	(1.00)	110,806
Vacant Clerk's Office Receptionist	(1.00)	76,873
Vacant Treasurer's Assistant	(1.00)	92,387
Measure L Library Funding	-	1,500,000
Federal Funding Reserve	-	500,000
Use of Projected Fund Balance	-	209,685
Total	(3.00)	3,049,226

*Reverts to higher level classification in FY2026/27

Other Adjustments - General Funds

Department	FTE Change	Net Budget Change
Operating Budget Adjustments	-	377,785
MYOP Adjustments	-	(113,594)
	-	\$ 264,191
Homelessness MYOP*	-	11,092,546
	-	\$ 11,356,737

* Technical adjustment. The Homelessness program was included in the Proposed Budget forecast.

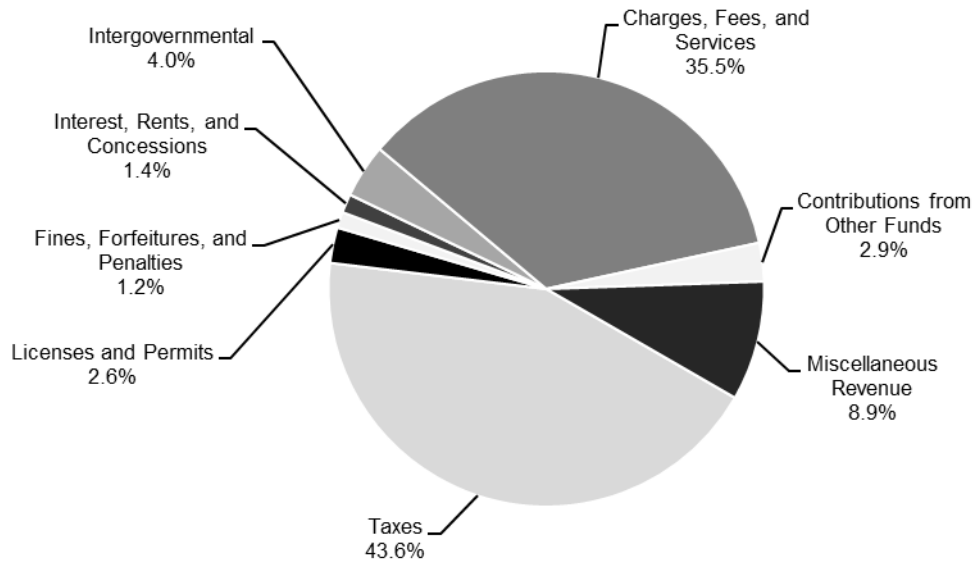
Other Adjustments - Other Funds

Department	FTE Change	Net Budget Change
Operating Budget Adjustments	-	60,224
	-	\$ 60,224

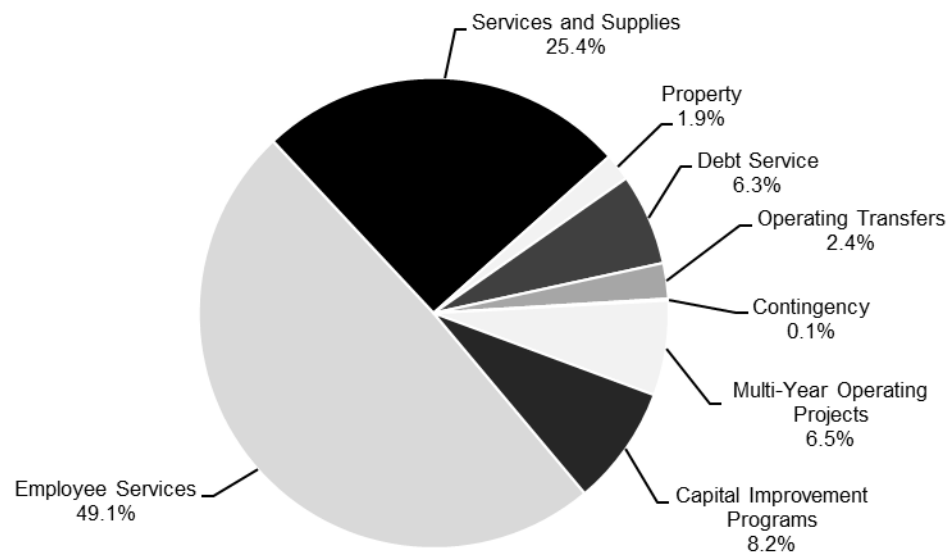
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Total Approved City Budget: \$1.67 Billion

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 30, 2025, 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 FY2025/26 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 \$62.2 million funding gap. The Budget totals approximately \$1.65 billion from all funding sources and supports 4,984.83 full-time equivalent (FTE) positions. This includes \$847 million for General Fund operations and capital projects, and \$800 million for the City's enterprise and other fund activities.

The Budget continues to invest in community needs and preserve mandated and core services.

Structural Deficit

In February, the City released its updated financial forecast which projected a \$62.2 million budget deficit for FY2025/26 with deficits increasing annually throughout the forecast period. The forecast assumed continued economic growth and revealed a fundamental imbalance in the City's budget with expenses outpacing revenues. This imbalance 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. 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. 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.

In summation, 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.

Closing the Budget Gap

The Budget 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. Reduction strategies included in the Budget aim to minimize program and service impacts to the community to the extent possible. Proposed solutions to close the \$62.2 million funding gap include a combination of one-time and ongoing strategies with \$34.6 million in ongoing reduction strategies and \$35.2 million in one-time solutions. The Budget includes the net elimination of 99.30 full-time equivalent (FTE) positions, which includes the elimination of 86.50 vacant FTE positions, the elimination of 12.80 filled FTE positions, the funding shift of 2.0 filled FTE

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positions from the Measure U Fund to the Community Center fund and the addition of 2.00 FTE positions. **More information on the budget balancing process and balancing strategies can be found in Section 4 - Budget Modifications.**

State of the Economy

The City's budget forecast assumes continued economic growth; however, recent events have increased economic uncertainty. On April 2, 2025, the Trump Administration announced a 'reciprocal tariff' strategy that has roiled financial markets and has resulted in prominent economists and business leaders warning of recession. Reduced revenues from an economic downturn and potential supply cost increases would both 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.

Revenue Outlook

The Budget includes modest citywide revenue growth. Property taxes continue to show strength amid sustained increases in residential values, and utility user taxes are projecting growth. However, sales tax revenues continue to struggle and are projected to modestly decline in the coming fiscal year, consistent with the prior fiscal year, before seeing modest growth. More substantial revenue growth is projected for department revenues, which are comprised of various fees and charges for City services. Many department revenues have increased as departments pursue new revenue opportunities and align fees with higher operating costs.

The City's homelessness services are highly reliant on State funding, primarily from the State's Homeless Housing, Assistance, and Prevention Grant (HHAP) program. The FY2025/26 Budget assumes a \$16.1 million HHAP-6 allocation. The \$16.1 million allocation for HHAP-6 represents a 40% decrease compared to the City's HHAP-5 allocation and the first time the City's HHAP allocation has decreased year over year. This decline is primarily due to the City's decrease in the number of homeless identified in the point-in-time count. Future rounds of State funding are in question as the Governor did not include additional HHAP funding in his January Budget proposal. Absent future rounds of HHAP, the City will need to reduce homelessness spending, raise additional revenues for homelessness programs, or reduce other General Fund programs to maintain the current level of homelessness services.

Pending Factors

As the City heads into the new fiscal year, increasing service needs, higher costs and slower revenue growth will continue to create challenges. It's also worth noting that any economic downturn would cause further strain on the City's budget.

The ongoing solutions used to balance the Budget will begin to address our 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.

The City must address its long-term liabilities to ensure its fiscal stability. The five-year CIP identifies approximately \$1.8 billion of unfunded capital projects and deferred

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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 \$200 million in unfunded Other Post-Employment Benefits (OPEB) that primarily consists of retiree health care obligations.

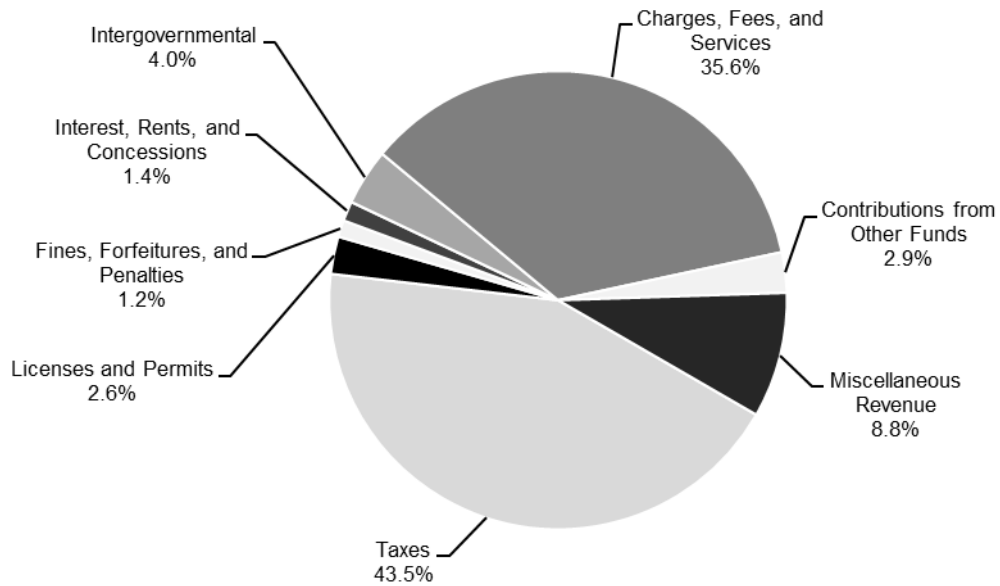
Over the coming months, the City will be negotiating new contracts with most of its labor units. The City's forecast does not include cost increases associated with new labor agreements as those costs are unknown, however, every 1% salary increase citywide will increase General Fund costs by approximately \$4.8 million.

Finally, the City relies on federal funding for critical public safety, infrastructure, economic development, and other programs. The Trump Administration has issued numerous Executive Orders threatening to withhold existing funding and not issue future funding to sanctuary jurisdictions. If federal funding is withheld or rescinded, the City will need to eliminate those programs or find a substitute funding source.

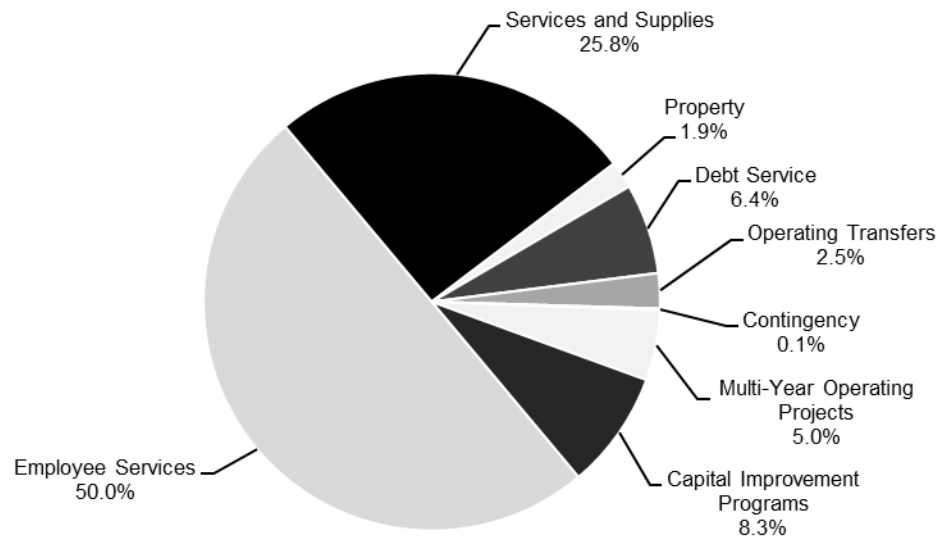
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Total Proposed City Budget: \$1.65 Billion

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 defining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts.

Departments were instructed to submit reduction strategies that totaled 15% of their discretionary General Fund (which includes Measure U Fund, Innovation Growth Fund, and American Rescue Plan Act Fund). Departmental reduction strategies were categorized on a one through four scale based on impact to residents and communities, with one being a low impact and four being resulting in a severe impact. Appointed officers (City Attorney, City Auditor, City Clerk, City Treasurer, and Office of Public Safety Accountability) determined the level of impact for their strategies.

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 186 one-time and ongoing revenue-enhancement and expenditure-reduction strategies totaling about \$137.9 million in savings.

All Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	2.00	(\$20,519,704)
1	(52.90)	(9,582,454)
2	(78.90)	(12,217,470)
3	(160.41)	(17,693,659)
4	(196.05)	(33,216,355)
Citywide*	-	(44,335,482)
Non-Categorized	-	(330,000)
Total	(486.26)	(\$137,895,124)

* Includes prior year savings of \$26.8 million

In addition to budget balancing strategies, the Budget also includes other Citywide revenue adjustments, various expense adjustments and department augmentations that factor into closing the \$62.2 million gap. See detailed table below.

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	Amount (in Millions)	Filled FTE	Vacant FTE
Projected FY2025/26 Surplus/(Deficit)	(\$62.2)		
HHAP 6 Difference	(5.4)		
Available Prior Year Savings*	23.5		
Department Revenue Enhancement Strategies**	20.3		2.00
Level 1 Reduction Strategies***	9.3	(6.00)	(45.90)
Level 2 Reduction Strategies	6.0	(8.80)	(40.60)
Citywide Reduction Strategies	7.4		
Department Augmentations	(1.2)		13.98
Cost Plan, Offset, and Salary Savings Adjustments	3.7		
Retirement, Insurance, and Other Budget Adjustments	(0.4)		
FY2025/26 Proposed Budget Surplus/(Deficit)	\$0.96	(14.80)	(70.52)

* \$23.5M FY2023/24 ending balance approved by Council on February 25, 2025 (Resolution No. 2025-0050).

** Additional FTEs are required to increase revenues.

*** Two filled full-time equivalent positions are proposed to move from the Measure U Fund to the Community Center Fund and are not proposed to be eliminated.

Of the \$137.9 million, the Budget includes \$69.9 million in reduction strategies, with a net reduction of 99.30 FTEs.

Proposed Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	2.00	(\$20,319,704)
1	(51.90)	(9,312,261)
2	(49.40)	(6,017,850)
3	-	-
4	-	-
Citywide*	-	(34,254,782)
Total	(99.30)	(\$69,904,597)

* Includes prior year savings of \$26.8 million and \$3.5 million from ARPA fund balance.

The Budget also includes \$1.3 million in increases and strategic reductions to other funds that were directly tied to the proposed reduction strategies. This included swapping General Fund for other funds and Citywide strategies that not only reduced the impact to General Fund, but also to the other funds.

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Proposed Strategies - Other Funds

Category	FTE Change	Net Budget Change
Revenues	-	\$0
1	-	1,272,103
2	-	-
3	-	-
4	-	-
Citywide	-	(4,101)
Total	-	\$1,268,002

There were \$1.2 million in modifications to General Fund and Innovation and Growth Fund (IGF) for augmentations and position add/deletes. This also included an addition of 13.98 FTEs.

Modifications* - General Fund

Department	FTE Change	Net Budget Change
City Auditor	-	-
City Manager	-	(\$1,450)
Community Development	-	703
Community Response	-	46,718
Finance	-	4,839
Fire	6.00	\$198,576
Human Resources	-	-
Information Technology	-	55,096
Mayor/Council (Mayor)	-	-
Mayor/Council (Office of Public Safety Accountability)	-	-
Public Works	8.00	704,301
Utilities	-	(49,278)
Youth, Parks, and Community Enrichment	(0.02)	(141,384)
Citywide and Community Support	-	412,571
Total	13.98	\$1,230,692

* Includes Augmentation and Add/Deletes

Finally, the Budget includes \$1.5 million in modifications to other funds for augmentations and position add/deletes. There is an increase of 9.75 FTEs.

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Modifications* - Other Funds

Department (Fund)	FTE Change	Net Budget Change
Convention and Cultural Services (Community Center)	-	\$507,129
Human Resources (Workers' Compensation Fund)	-	(19,666)
Information Technology (Community Center)	-	2,385
Information Technology (Parking)	-	920
Information Technology (Solid Waste)	-	4,535
Information Technology (Storm Drainage)	-	2,713
Information Technology (Wastewater)	-	2,149
Information Technology (Water)	-	7,202
Public Works (4th R)	-	59
Public Works (Cal EPA)	-	557,000
Public Works (Community Center)	-	141
Public Works (Fleet Management)	-	3,182
Public Works (Gas Tax)	-	343,185
Public Works (Lighting and Landscaping)	-	500,000
Public Works (Marina)	-	(74,943)
Public Works (Parking)	-	(876,126)
Public Works (Recycling and Solid Waste)	1.00	324,169
Public Works (Risk)	-	5,440
Public Works (Storm Drainage)	-	39,383
Public Works (Wastewater)	-	37,310
Public Works (Water)	-	39,880
Utilities (Recycling and Solid Waste)	-	37
Utilities (Storm Drainage)	8.00	(39,978)
Utilities (Storm Drainage Property Fee)	-	207,362
Utilities (Wastewater)	-	(2,729)
Utilities (Water)	-	(142,088)
Youth, Parks and Community Enrichment (4th R)	0.75	18,457
Citywide and Community Support (Community Center)	-	7,607
Citywide and Community Support (Fleet Management)	-	5,617
Citywide and Community Support (Parking)	-	4,610
Citywide and Community Support (Recycling and Solid Waste)	-	24,977
Citywide and Community Support (Risk)	-	115
Citywide and Community Support (Storm Drainage)	-	12,241
Citywide and Community Support (Wastewater)	-	9,261
Citywide and Community Support (Water)	-	29,001
	9.75	\$1,540,537

* Includes Augmentation and Add/Deletes

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2025-2030 CIP

The Proposed 2025-2030 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 2025-30 CIP totals \$2.3 billion in capital needs with \$0.5 billion in identified funding leaving an unfunded balance of \$1.8 billion. Funded projects in the CIP total \$522.6 million, including \$73.4 million in General Funds. The FY2025/26 CIP budget totals \$137.3 million, including \$15.1 million in General Funds. Additional projects and maintenance beyond the 5-year CIP are estimated to bring the total unfunded capital needs to approximately \$9.8 billion.

A summary of program and service changes included in the CIP is provided below. Citywide projects identified as budget reductions are the Community Neighborhood Improvements Program, Alhambra Navigation Center Project, Parking Facilities Development Program, and the Comprehensive Sitting Plan Location Buildout Project. Community Development increased revenues in the Code Enforcement Division by establishing a Code Technology Fee and Capital Improvement Project. The Information Technology department submitted a one-time budget adjustment to implement a training and development plan to enhance support to the City's technical environment and critical business systems. Public Works increased the Facility Reinvestments Program, adjusted several Solid Waste projects with commercial waste compliance revenues 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
Citywide and Community Support (Various*)	-	(191,906)
Community Development (General)	-	88,600
Information Technology (General)	-	(200,000)
Public Works (Various*)	-	1,806,000
		\$1,502,694

* Various Funds include 4th R Program, ARPA Reinvestment, Cal EPA, Community Center, General Fund, Marina, Measure U, Parking, Recycling and Solid Waste, Risk Management, Storm Drainage, Wastewater, and Water.

Budget Hearings

On May 13, 2025, 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 10, 2025. These meetings provide the Council and public with an opportunity to provide input on the

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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
May 13, 2025	5:00 PM	City Council	(1) FY2025/26 Proposed Budget Overview and (2) Assistant City Manager presentations (Community Services, Internal Services, Municipal Services and Public Safety)
May 19, 2025	5:30 PM	Measure U Community Advisory Commission	FY2025/26 Proposed Budget Overview with Measure U Committee
May 20, 2025	2:00 PM	City Council	(1) 2025-2030 Capital Improvement Program, (2) Citywide Fees and Charges (Public Hearing) (3) Budget Equity Lens (4) AB 2561 Report: Status of Vacancies and Recruitment and Retention efforts
May 20, 2025	5:00 PM	City Council	FY2025/26 Proposed budget deliberations and Council direction
May 27, 2025	5:00 PM	City Council	Additional budget deliberations (if needed)
June 3, 2025	11:00 AM	Budget and Audit Committee	FY2025/26 Final Budget discussion
June 10, 2025	5:00 PM	City Council	Adoption of the FY2025/26 Final Budget (Public Hearing)

On the Horizon – Future Fiscal Challenges

Aside from the forecasted deficits, the City continues to face ongoing challenges such as increasing labor costs 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.

Rising Labor Costs

In FY2025/26, 10 of the 11 contracts of the City's eleven recognized employee organizations (REOs) will expire between July 11, 2025, and January 9, 2026. The Sacramento Police Officers Association (SPOA) already expired on January 24, 2025, and the City is currently in negotiations with SPOA. Future labor cost increases resulting from negotiations are not included as part of the five-year forecast.

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. Since the announcement of a reciprocal tariff policy on April, 2, 2025, equities, commodities, and the dollar have fallen while yields on U.S. Treasuries (which typically would decline in a similar situation) have remained elevated. This is a concerning situation, and the City must continue to monitor this volatile economic climate.

Annual Pension Costs–CalPERS

CalPERS employer retirement contribution rates have increased significantly over the past few FYs due to lowered expectations for future investment returns (discount rate).

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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 \$34.9 million over the term of the forecast, \$30.2 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 70.3% for the Miscellaneous Plan and 64.7% for the Safety Plan. In July 2024, CalPERS announced a preliminary 9.3% net return on investments for the 12-month period ending June 30, 2024. 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 with higher settlements and jury verdicts. Claims that were previously resolved in the \$5 to \$10 million range are now costing \$20 to \$30 million. Public entities, including the City, have seen a dramatic increase in large liability claims since 2012. This has resulted in the excess liability insurance market for public entities tightening nationwide. Insurers are leaving the marketplace and further restricting capacity, leading to increases in insurance premiums for the foreseeable future. Additionally, property insurance costs have been increasing since 2017 due to an increase in the number and cost of natural disasters and the increase in construction costs. The recent fires in Los Angeles will also result in property insurance premium increases. Workers' compensation claims will also continue to see increasing costs due to medical inflation, an aging workforce, and mental health exposures.

Consistent with the Council's adopted Risk Management Funding and Reserve Policy, the General Fund contribution to the GL&AL Fund increased from \$37.9 million in FY2024/25 to \$42.5 million in FY2025/26, a 12% increase. The Forecast section of the Budget provides additional information on GL&AL cost increases. The General Fund contribution to the Workers' Compensation Fund increased from \$14.5 million in FY2024/25 to \$17.3 million in FY2025/26, a 19% increase.

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.

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 UUT 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 will work 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.

- 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.

Council has directed staff to revisit the options to modernize BOT. Staff will work with Council to provide options in the upcoming months.

Conclusion

As the City continues to overcome deficits in FY2025/26 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.

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SECTION - 4

Budget Modifications

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Budget Modifications – Approved

The FY2025/26 Approved Operating and Capital Improvement Program (CIP) Budgets (Budget) were approved by the City Council on June 10, 2025. 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		
Fire Prevention Fee (Small Business Relief)	-	175,513
FUEL Network	-	500,000
Office of Diversity & Equity Staffing	1.00	112,831
Residential Parking Permit	-	960,882
Youth Violence Prevention Contracts	-	1,300,000
Total	1.00	3,049,226
General Fund Financing for Restoration		
Reflect Current City Attorney Staffing*	-	359,475
Treasurer's Revenue	-	200,000
Vacant City Attorney Investigator	(1.00)	110,806
Vacant Clerk's Office Receptionist	(1.00)	76,873
Vacant Treasurer's Assistant	(1.00)	92,387
Measure L Library Funding	-	1,500,000
Federal Funding Reserve	-	500,000
Use of Projected Fund Balance	-	209,685
Total	(3.00)	3,049,226

*Reverts to higher level classification in FY2026/27

Council Approved Operating Budget Adjustments

Department	Fund Name (Number)	Revenue/Offset Adjustment (\$ in 000s)	Expenditure Adjustment (\$ in 000s)	FTE Change	Description
City Attorney	General (1001)	-	(110,806)	(1.00)	Delete one position (1.0 FTE - Investigator) and corresponding services and supplies in the City Attorney's Office.
City Attorney	General (1001)	-	(359,475)	-	One-time change to reflect City Attorney's Office positions to current staffing by deleting five positions (5.0 FTE - Senior Deputy City Attorney) and adding five positions (4.0 FTE - Deputy City Attorney I & 1.0 FTE - Deputy City Attorney II)
City Clerk	General (1001)	-	(76,873)	(1.00)	Delete one position (1.0 FTE - Staff Assistant/Receptionist) for Clerk's Office.
City Treasurer	General (1001)	(200,000)	-	-	Increase revenue in the City Treasurer's Office based on current market conditions.
City Treasurer	General (1001)	-	(92,387)	(1.00)	Delete one position (1.0 FTE - Treasury Assistant) in the City Treasurer's Office.
Citywide and Community Support	General (1001)		(500,000)	-	Reduce Federal Funding Contingency Reserve

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Council Approved Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/Offset Adjustment (\$ in 000s)	Expenditure Adjustment (\$ in 000s)	FTE Change	Description
Citywide and Community Support	Measure U (2401)	-	(1,500,000)	-	Reduce funding allocation for library rehabilitation project contingent on Council's approval of the Sacramento Children's Fund grant award to fund the project with Measure L funds.
Finance	General (1001)	85,319	(85,319)	(1.00)	Delete one position (1.0 - FTE Customer Service Rep) and offset in the Finance Department due to the removal of the Residential Permit Parking fee program.
Fire	General (1001)	175,513	-	-	Reduce Revenue budget for Fire Prevention Division due to a 25% reduction of Fire Prevention fees to provide relief to small businesses.
Human Resources	Measure U (2401)	-	112,831	1.00	Reinstate one position (1.0 FTE - Administrative Analyst) in the Office of Diversity and Equity.
Public Works	General (1001)	1,088,581	(127,699)	-	Remove Residential Permit Parking fee program and corresponding parking fee expenses and offsets.
Total		\$ 1,149,413	\$ (2,739,728)	(3.00)	

Council Approved Multi-year Operating Project Appropriations

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Family and Youth Investments (I11003100)	Measure U (2401)	1,300,000	Reinstate funding for Family & Youth Investments for one year contingent on Council's approval of the Sacramento Children's Fund grant award to fund the library rehabilitation project with Measure L funds.
FUEL Network (I02000800)	General (1001)	500,000	One-time funding to support continued FUEL Network in FY2025/26.
Net Project Changes:		\$ 1,800,000	

Operating Budget Adjustments

Other Adjustments - General Funds

Department	FTE Change	Net Budget Change
Operating Budget Adjustments	-	377,785
MYOP Adjustments	-	(113,594)
	-	\$ 264,191
Homelessness MYOP*	-	11,092,546
	-	\$ 11,356,737

* Technical adjustment. The Homelessness program was included in the Proposed Budget forecast.

Other Adjustments - Other Funds

Department	FTE Change	Net Budget Change
Operating Budget Adjustments	-	60,224
	-	\$ 60,224

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Operating Budget Adjustments

Department	Fund Name (Number)	Revenue/ Offset Adjustment (\$ in 000s)	Expenditure Adjustment (\$ in 000s)	FTE Change	Description
City Manager	General (1001)		(554,198)	(2.00)	Delete two positions (1.0 FTE - Director of Emergency Management and 1.0 FTE - Program Specialist) and corresponding services and supplies as part of a reorganization to move the Office of Emergency Management to the Fire department .
City Treasurer	General (1001)	-	(1)	-	Delete one position (1.0 - FTE Senior Debt Analyst) and add one position (1.0 FTE - Debt Analyst) in the City Treasurer's Office.
Fire	General (1001)	-	554,198	2.00	Add two positions (1.0 FTE - Director of Emergency Management and 1.0 FTE - Program Specialist) and corresponding services and supplies as part of a reorganization to move the Office of Emergency Management to the Fire department.
Fire	General (1001)	126,334	-	-	Remove General Fund offset in the Diversity, Outreach, Recruitment division.
Fire	Measure U (2401)	(126,334)	-	-	Add Measure U offset in the Diversity, Outreach, Recruitment division.
Mayor/Council	General (1001)	-	124,742	-	Mayor/Council salary adjustments based on Compensation and Commission board approval.
Public Works	General (1001)	(300,000)	300,000	-	Increase budget and offset for streetscapes maintenance to maintain current service levels by mowing twice a month.
Youth, Parks, and Community Enrichment	General (1001)	-	(13,931)	-	Delete one position (1.0 FTE - Supervising Landscape Architect) and add one position (1.0 FTE - Senior Landscape Architect)
Youth, Parks, and Community Enrichment	Measure U (2401)	(400,549)	400,549	3.00	Add three positions (1.0 FTE - Program Specialist and 2.0 FTE - Admin Analysts) to support the administrative duties related to related to the Sacramento Children's Fund and associated offset.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	(12)	1.00	Add a position (1.0 FTE - Customer Service Specialist) and reduce services and supplies budget in the Permitting and Events department.
All Depts (Except Utilities and Community Response)	General (1001)/Measure U (2401)	5,309	261,678	-	Due to timing, various labor adjustments (i.e. offsets, labor system technical adjustments).
Total		\$ (695,240)	\$ 1,073,025	4.00	
Human Resources	Risk Management (6502)	-	(101,688)	(1.00)	Delete one position (1.0 FTE - Senior Staff Assistant) from the Environmental Health and Safety department.
Human Resources	Worker's Compensation (6504)	-	41,765	-	Delete one position (1.0 FTE - Staff Assistant) and add one position (1.0 FTE - Personnel Analyst) in Worker's Compensation.

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Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment (\$ in 000s)	Expenditure Adjustment (\$ in 000s)	FTE Change	Description
Public Works	Gas Tax 2106 (2002)	-	300,000	-	Add offset for streetscapes maintenance to maintain current service levels by mowing twice a month.
City Manager, Convention and Community Services, Human Resources, Public Works, Utilities, and Youth, Parks, and Community Enrichment	Various Funds*	-	(179,853)	-	Due to timing, various labor adjustments (i.e. offsets, labor system technical adjustments).
Subtotal:		\$ -	\$ 60,224	(1.00)	
Net Operating Changes:		\$ (695,240)	\$ 1,133,249	3.00	

* 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), 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 Appropriations

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
ARPA Sweep (C15001500 and V15710004)	ARPA Reinvestment (1003)	(113,594)	One time project closure sweep for ARPA projects in FY2025/26.
Community Response (I23000100)	Measure U (2401)	11,092,546	Technical budget adjustment to apply Measure U resources to cover the homeless services shortfall in FY2025/26 as shown in the Proposed Budget Forecast.
Homeless Housing Initiative (I23001000)	Measure U (2401)	11,092,546	Technical budget adjustment to apply Measure U resources to cover the homeless services shortfall in FY2025/26 as shown in the Proposed Budget Forecast.
Net Project Changes:		\$22,071,498	

Budget Modifications – Proposed

(As written on April 30, 2024, with technical adjustments as necessary to reflect Council intent.)

In February 2025, the City released its updated General Fund financial forecast, which projected a \$62.2 million deficit for FY2025/26. 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 FY2025/26, departments were instructed to submit reduction strategies that totaled 15% of their discretionary General Fund (which includes the Measure U Fund, Innovation Growth Fund, and American Rescue Plan Act [ARPA] Fund). 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 158 revenue enhancements and expenditure reductions were submitted by departments. In addition to the proposed department strategies, there were 28 Citywide reduction strategies totaling \$44.3 million (including prior year savings of \$26.8 million and \$3.5 million from ARPA fund balance). 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. Appointed officers (City

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Attorney, City Auditor, City Clerk, City Treasurer, and Office of Public Safety Accountability) determined the level of impact for their strategies.

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 \$137.9 million in strategies were reviewed and considered. Of the 186 proposals, 20 were revenue enhancements and 166 were expenditure reductions. There were 486.26 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	20	\$20.5	-	-	2.00
Level 1 – Low Impact	47	9.6	(46.90)	(6.00)	(52.90)
Level 2 – Moderate Impact	39	12.2	(69.10)	(9.80)	(78.90)
Level 3 – High Impact	30	17.7	(88.06)	(72.35)	(160.41)
Level 4 – Severe Impact	21	33.2	(38.25)	(157.80)	(196.05)
Citywide Strategies*	28	44.3	-	-	-
Non-Categorized	1	0.3	-	-	-
Total	186	\$137.9	(242.31)	(245.95)	(486.26)

* Includes prior year savings of \$26.8 million and \$3.5 million from ARPA fund balance.

Proposed Budget Strategies

The following tables include the details of the General Fund, Measure U, IGF and ARPA Fund revenue enhancements and expenditure reductions in the Budget. Of the \$69.9 million in reductions, \$34.6 million are ongoing reductions (49.6%) and \$35.2 million (50.4%) are one-time reductions.

Proposed Strategies - General Fund

Category	FTE Change	Net Budget Change
Revenues	2.00	(\$20,319,704)
1	(51.90)	(9,312,261)
2	(49.40)	(6,017,850)
3	-	-
4	-	-
Citywide*	-	(34,254,782)
Total	(99.30)	(\$69,904,597)

* Includes prior year savings of \$26.8 million and \$3.5 million from ARPA fund balance.

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Revenue Strategies

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Development	Increase revenue budget for Neighborhood Code Compliance (NCC) based on previous one-time revenue increase and additional estimated revenue.	General Fund	(750,000)	-	-
Community Development	Increase revenue budget for the Business Compliance (BC) Tenant Protection Program (TPP) based on previous one-time revenue increase and additional estimated revenue.	General Fund	(350,000)	-	-
Community Development	Increase revenue budget for Code Enforcement Division to align with actuals in Housing and Dangerous Buildings (HDB), Rental Housing Inspection Program (RHIP), Neighborhood Code Enforcement, and Business Compliance.	General Fund	(808,978)	-	-
Community Development	Increase revenue budget for the Planning Division and increase fees related to plan check inspection. The reason for the budget and fee increases is to adjust the planning revenue budget based on adjustments to the structure of the fees related to the plan check review and inspection process.	General Fund	(400,000)	-	-
Community Development	Increase revenue for the General Plan Updates Project (I22000000) by increasing the maximum building valuation amount subject to the General Plan Maintenance Fee which increases the per-permit fee cap from \$26,000 to \$38,200. Increase Long Range Planning employee offset by allocating additional time to the General Plan Updates Project.	Measure U	-	(100,000)	-
Community Development	Increase revenue budget for Animal Care license fees/revenue increase. This revenue increase is based on increased fees in FY25 budget development along with strengthening partnerships with local veterinary hospitals to secure comprehensive rabies vaccination to increase licensed animals in the city.	General Fund	(50,000)	50,000	-
Community Development	Increase revenue budget for Animal Care license fees/revenue increase. This revenue increase is based on increased fees in FY25 budget development along with strengthening partnerships with local veterinary hospitals to secure comprehensive rabies vaccination to increase licensed animals in the city.	Measure U	-	(50,000)	-
Fire	Increase Revenue for Fire District Reimbursement (Fruitridge/ Pacific and Natomas Fire Districts).	General Fund	(350,000)	-	-
Fire	Increase Revenue budget for Fire Prevention Division.	General Fund	(3,200,000)	-	-
Fire	Increase revenue budget for Emergency Medical Services	General Fund	(2,500,000)	-	-
Fire	Increase revenue budget for Inter-Governmental Transport/ Ground Emergency Medical Transport (IGT/GEMT) of the Emergency Medical Services (EMS) Division.	General Fund	(3,000,000)	-	-
Public Works	Increase revenue and expense budgets for parking meter shop to reflect expanded operations (additional days and new metered spaces) and add two positions (1.0 FTE - Parking Meter Repair Worker and 1.0 FTE - Parking Facilities Maintenance Supervisor) to address expanded meter operating days and increased locations.	General Fund	(600,000)	403,524	2.00
Public Works	Increase revenue budget for parking enforcement to reflect higher anticipated revenues resulting from better hiring and retention strategies for parking enforcement officers and increase parking meter expense budget to replace existing meters with multi-space parking meters to reduce longer term maintenance costs and vandalism.	General Fund	(2,500,000)	525,953	-
Public Works	Establish fees for Residential Permit Parking program to recover costs.	General Fund	(1,088,581)	127,699	-
Public Works	Increase revenue and expense budgets for the Parking Fund to reflect higher ongoing growth in parking garage utilization.	General Fund	(355,463)	303,551	-
Public Works	Increase revenue and expense budgets for parking enforcement related to Automated Parking Enforcement Program and for interim out-of-class pay.	General Fund	(2,392,395)	495,943	-
Public Works	Expand on-street Merchant Parking Permit program to downtown employees to optimize parking use.	General Fund	(46,800)	2,730	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Increase parking meter rates to improve turnover of on-street parking inventory.	General Fund	(3,517,464)	193,461	-
Youth, Parks, and Community Enrichment	Increase Daily Program Fee Rate by 5% for Triple R and Club Refresh Programs in Older Adult Services Division. This fee increase will bring cost recovery to approximately 80%. Scholarships are available for Triple R Program.	General Fund	(40,000)	40,000	-
Youth, Parks, and Community Enrichment	Increase Daily Program Fee Rate by 5% for Triple R and Club Refresh Programs in Older Adult Services Division. This fee increase will bring cost recovery to approximately 80%. Scholarships are available for Triple R Program.	Measure U	-	(40,000)	-
Youth, Parks, and Community Enrichment	Increase revenue budgets in various divisions within the department due to planned and approved fee increases.	General Fund	(322,884)	322,884	-
Youth, Parks, and Community Enrichment	Increase revenue budgets in various divisions within the department due to planned and approved fee increases.	Measure U	-	(322,884)	-
Total Change \$			(22,272,565)	1,952,861	2.00

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Department Strategies – General Fund/IGF

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 1 Reduction						
City Manager	Delete one position (1.0 FTE - Development Project Manager) in the Office of Innovation and Economic Development (OIED) - Economic Development unit.	Measure U	-	(137,281)	(1.00)	-
City Manager	Delete one position (1.0 FTE -Development Project Manager) in the OIED - Community Investment unit.	Measure U	-	(137,281)	(1.00)	-
City Manager	Delete one position (1.0 FTE - Administrative Analyst) in the OIED - Community Engagement unit.	Measure U	-	(115,831)	(1.00)	-
City Manager	Decrease Measure U expense budget through offsets related to the Redevelopment Agency Successor Agency (RASA) Program. Increase revenue/reimbursement for direct programming efforts/staff labor.	Measure U	-	(57,679)	-	-
City Manager	Liquidate one-time funding in the following projects: SEED Corp (I18000200), Sac Dev Academy (I02183000) and Forgivable Loan (I02180400). Return unused dollars to fund balance.	General Fund	-	(15,614)	-	-
City Manager	Liquidate one-time funding in the following projects: SEED Corp (I18000200), Sac Dev Academy (I02183000) and Forgivable Loan (I02180400). Return unused dollars to fund balance.	Innovation and Growth	-	(777,756)	-	-
City Manager	Reduce on-going funding in the following multi-year operating project fund via the Innovation and Growth Fund (2031) I02180900, Inclusive Economic Development. Return unused dollars to fund balance.	Innovation and Growth	-	(162,102)	-	-
Citywide and Community Support	Change funding source for the New Year's Eve fireworks from General Fund to the Community Center Fund.	General Fund	-	(70,000)	-	-
Citywide and Community Support	Change funding source for Visit Sacramento for the continual support of tourism recovery through event support and production from General Fund and Measure U Fund to the Community Center Fund.	Measure U	-	(500,000)	-	-
Community Response	Change funding source for two Neighborhood Resource Coordinator (NRC) FTE positions from Measure U fund to the Fire Opioid Settlement Project for the NRC's time on the City's Street Overdose Response Team (SORT).	Measure U	-	(228,102)	-	-
Convention and Cultural Services	Change funding source for eligible costs for visitor-serving facilities from General Fund and Measure U Fund to the Community Center Fund.	Measure U	-	(347,044)	-	(2.00)
Convention and Cultural Services	Change funding source for History Division administrative support to Old Sacramento from General Fund and Measure U Fund to Community Center Fund.	Measure U	-	(299,673)	-	-
Finance	Decrease funding for the Cannabis multi-year operating project (MYOP). Contribution to the MYOP will have minimal impact on cannabis programming.	General Fund	-	(2,018,300)	-	-
Fire	Delete one position (1.0 FTE - Senior Accountant Auditor) in Fire Fiscal.	General Fund	-	(121,541)	(1.00)	-
Fire	Delete one position (1.0 FTE - Support Services Manager) and add one position (1.0 FTE - Program Specialist) in the EMS Division to support the expansion of services, including Advanced Life Support (ALS) and Basic Life Support (BLS) deployment, the Street Overdose Response Team, Telehealth, and Mobile Integrated Health, ensuring operational efficiency, compliance, and effective resource management.	General Fund	-	(3,113)	0.00	-
Fire	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Administrative Technician) to enhance event related activities in the Fire Prevention Division.	General Fund	-	(4,170)	1.00	(1.00)
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in the HR Administration Division due to reduction in management appointments due to hiring freeze and layoffs.	General Fund	-	(131,918)	-	(1.00)
Human Resources	Delete two positions (1.0 FTE - Senior Staff Assistant and 1.0 FTE - Personnel Technician) and add one position (1.0 FTE - Personnel Analyst) in HR Benefit Services to align the required duties of administering benefits and reconciling benefit costs and payments with the correct job classification.	General Fund	-	(32,002)	(1.00)	-
Human Resources	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE Administrative Officer) in HR Admin which provides department wide support for contracts, and fiscal reconciliation. This will align the correct job classification to the work being performed.	General Fund	-	(870)	1.00	(1.00)

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 1 Reduction (cont.)						
Information Technology	Offset two positions (1.0 FTE - Senior Department Support Specialist and 1.0 FTE - Department Support Specialist I) with revenue received from a proposed Technology Fee in the Community Development Department. These positions are critical for providing applications support for the City's Code Enforcement System. Without these resources, the department will experience delays in issue resolution, which can disrupt critical workflows, reduce operational efficiency, and hinder the department's ability to track enforcement cases.	General Fund	-	(311,400)	-	-
Information Technology	Offset one position (1.0 FTE - Systems Engineer) with one-time funds using Parking Fund. This position maintains the technical infrastructure that supports the City's parking operations including network connectivity, equipment used at parking facilities, and tools mounted on enforcement vehicles. Without Systems Engineer, the entire Parking Division's operations may be at risk for outages and service disruptions which could lead to significant revenue loss. This position will transition to Cost Plan in FY2026/27 and be fully reimbursable by the Parking Fund.	General Fund	-	(138,621)	-	-
Police	Eliminate funding for the Youth & Family Investments program.	Measure U	-	(1,300,000)	-	-
Police	Delete two positions (2.0 FTE - Police Officer) and add one position (1.0 FTE - Police Sergeant) to the Traffic Enforcement Division to supervise the night-time traffic enforcement team.	General Fund	-	(70,615)	(1.00)	-
Police	Delete one position (1.0 FTE - Administrative Analyst) and add one position (1.0 FTE - Media Production Specialist II) to the Public Information Office (PIO). This change better suits the PIO's functions and activities.	General Fund	-	(22,174)	-	-
Police	Offset three positions (3.0 FTE - Community Service Rep I) from Patrol Operations using one-time funds from MYOP 111003300.	General Fund	-	(302,860)	-	-
Public Works	Discontinue parking enforcement and maintenance contracts with the City of West Sacramento to focus limited City resources on City needs.	General Fund	(252,098)	-	-	-
Youth, Parks, and Community Enrichment	Add one position (0.40 FTE - Utility Worker) and decrease funding for service and supplies in the Aquatics Division by absorbing North Natomas Aquatic Complex pool maintenance duties previously contracted out and reduce the scope of contracted custodial services.	Measure U	-	(113,824)	0.40	-
Youth, Parks, and Community Enrichment	Delete four positions (two 0.80 FTE - Program Coordinator, 0.22 FTE - Recreation Aide, and 0.46 FTE - Recreation Aide) and add one position (1.0 FTE - Program Coordinator) in the Youth Workforce Development Division. This will reduce and consolidate Stipend Program staffing.	Measure U	-	(77,355)	(1.28)	-
Youth, Parks, and Community	Discontinue Golf Subsidy. Subsidy is no longer necessary for vendor to continue maintenance services at current levels.	Measure U	(250,000)	-	-	-
Youth, Parks, and Community Enrichment	Decrease funding for Service and Supply Budget in Older Adults Services by reducing cost of Allied Security Services at Hart Senior Center.	Measure U	-	(13,815)	-	-
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Staff Assistant) in the Fiscal Management Division. Staff Assistant position no longer needed after administrative team restructure.	Measure U	-	(75,333)	(1.00)	-
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Senior Accounting Technician) and add one position (1.0 FTE - Accounting Technician). Realign administrative team to accommodate internal restructuring.	Measure U	-	(7,622)	-	-
Youth, Parks, and Community Enrichment	Delete eight positions (two 0.40 FTE - Graduate Student Trainee and six 0.40 FTE - Student Trainee) and add one position (0.40 FTE - Senior Recreation Aide). This reduction will consolidate the Youth Workforce Development Division.	Measure U	-	(104,324)	(2.80)	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 1 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE - Park Maintenance Superintendent) in the Parks Maintenance Division to realign position to meet operational needs in City Cemetery Division and Park Operation Division.	Measure U	-	1,105	0.00	-
Youth, Parks, and Community Enrichment	Delete 12 positions (twelve 0.45 FTE - Utility Worker) in the Park Maintenance Division.	Measure U	-	(205,884)	(5.40)	-
Youth, Parks, and Community Enrichment	Change funding source for forty-five positions from Measure U Fund to START Fund. Move positions funded in Expanded Learning Division to START Division. Positions support the Expanded Learning Opportunities Program (ELOP) expansion of the After School Safety and Education Program operated by the START Division.	Measure U	571,290	(813,075)	(20.70)	-
Youth, Parks, and Community Enrichment	Delete seven positions (0.90 FTE - Program Coordinator and six 0.38 FTE - Recreation Aide) from Expanded Learning Division.	Measure U	-	(156,968)	(3.18)	-
Youth, Parks, and Community Enrichment	Delete three positions (two 0.50 FTE - Program Leader and 0.60 FTE - Program Leader) in Expanded Learning Division.	Measure U	-	(95,340)	(0.60)	(1.00)
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Coordinator) Access Leisure Division.	Measure U	-	(79,901)	(1.00)	-
Youth, Parks, and Community Enrichment	Delete six positions (six 0.15 FTE - Recreation Leader (Adpt Rec)) and add one position (0.47 FTE Recreation Leader (Adpt Rec)) to realign non-career FTEs to fit program needs in Access Leisure Division.	Measure U	-	(16,509)	(0.43)	-
Youth, Parks, and Community Enrichment	Delete thirteen positions (ten 0.80 FTE - Program Leader, two 1.0 FTE - Program Leader, 0.30 FTE - Recreation Aide, three 0.47 FTE - Recreation Aide, and six 0.20 FTE - Recreation Aide) in the Community Center Division.	Measure U	-	(307,171)	(5.71)	-
Youth, Parks, and Community Enrichment	Delete two positions (two 0.60 FTE - Customer Service Assistant) and add one position (1.0 FTE - Program Coordinator). The minimal increase will move the program slightly closer to cost recovery for supplies.	Measure U	-	(9,490)	(0.20)	-
Level 2 Reduction						
Community Development	Delete one position (1.0 FTE - Senior Development Project Manager) in the Building Division.	General Fund	-	(145,668)	(1.00)	-
Community Development	Delete one position (1.0 FTE - Associate Planner) in the Planning Division.	Measure U	-	(117,055)	(1.00)	-
Community Development	Delete one position (1.0 FTE - Support Services Manager) in the Administrative Services Division.	General Fund	-	(145,176)	(1.00)	-
Fire	Delete three positions (1.0 FTE - Program Supervisor, 1.0 FTE - Fire Captain, 1.0 FTE - Firefighter Admin) and add one position (1.0 FTE - Administrative Analyst) in the Diversity, Outreach and Recruitment (DOR) Division.	Measure U	-	(898,460)	1.00	(3.00)
Human Resources	Delete one position (1.0 FTE - Program Specialist) in the HR Employment, Classification, and Development Division, which would reduce Organizational Development programming by 50%.	General Fund	-	(182,077)	-	(1.00)
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in the HR Employment, Classification, and Development Division, which would reduce Organizational Development program by 100%.	General Fund	-	(134,300)	-	(1.00)
Human Resources	Delete one position (1.0 FTE - Administrative Assistant) in the HR Administration Division eliminating administrative support for all HR divisions. Other HR division will have to pick up this work which will result in reduced responses to internal and external customers.	General Fund	-	(99,379)	-	(1.00)
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in the Office of Diversity and Equity reducing internal Diversity, Equity, and Inclusion (DEI) programming and initiatives.	Measure U	-	(112,831)	(1.00)	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 2 Reduction (Cont.)						
Police	Delete one position (1.0 FTE - Account Clerk II) from Fiscal Operations redistributing the department's accounts payables amongst remaining staff and reducing backup support for the division's other functions (e.g., travel, purchasing, asset seizure/forfeiture, alarm billing, etc.).	General Fund	-	(74,773)	(1.00)	-
Police	Offset one position (1.0 FTE - Police Officer) from the Force Investigations Team (FIT) using one-time funds from MYOP I11003300.	General Fund	-	(257,241)	-	-
Police	Delete twenty-three positions (23.0 FTE - Community Service Officer II) reducing the Hiring Pipeline Program to 23.0 FTE - Community Service Officer II positions.	Measure U	-	(2,193,786)	(23.00)	-
Police	Offset one position (1.0 FTE - Police Officer) from the Public Information Office (PIO) using one-time funding from MYOP I11003300.	General Fund	-	(167,894)	-	-
Police	Delete one positions (1.0 FTE - Police Officer) and offset two positions (2.0 FTE - Police Officer) from the Advanced Officer Training (AOT) unit using one-time funds from MYOP I11003300.	General Fund	-	(524,631)	(1.00)	-
Police	Delete one position (1.0 FTE - Senior Staff Assistant) discontinuing executive support for the Deputy Chiefs.	General Fund	-	(84,104)	-	(1.00)
Youth, Parks, and Community Enrichment	Delete ten positions (10.0 FTE - Park Maintenance Worker) in the Park Maintenance Division. These are hard to fill positions and do not impact current maintenance service levels.	Measure U	-	(684,588)	(9.00)	(1.00)
Youth, Parks, and Community Enrichment	Delete three positions (0.15 FTE - Recreation Aide, 0.22 FTE - Recreation Aide, and 0.40 FTE - Recreation Aide) in the Community Recreation Division. Reduce internal hours of operation at 28th and B Skate and Urban Art Park.	Measure U	-	(29,091)	(0.77)	-
Youth, Parks, and Community Enrichment	Delete two positions (0.25 FTE - Recreation Aide and 0.40 FTE - Recreation Aide) in the Community Recreation Division. Discontinue internally operated 28th and B Skate and Urban Art Park open hours and utilize contracted instructors for all programming.	Measure U	-	(28,158)	(0.65)	-
Youth, Parks, and Community Enrichment	Delete six positions (four 0.32 FTE - Youth Aide, 0.42 FTE - Youth Aide, and 0.48 FTE - Youth Aide) in Youth Employment Division. This change will reduce number of available opportunities for youth stipend based programs.	Measure U	-	(80,996)	(2.18)	-
Youth, Parks, and Community Enrichment	Delete one position (0.80 FTE - Custodian II) in Community Center Division.	Measure U	-	(57,642)	-	(0.80)
Total Change \$			69,192	(15,399,303)	(86.50)	(14.80)

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Citywide Strategies

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Citywide and Community Support	Liquidate one-time funding in the Community Investment Program (I02001200). Return unused dollars to fund balance.	General Fund	-	(76,567)	-	-
Citywide and Community Support	Liquidate one-time funding in the Thousand Strong Program (I01000300). Return unused dollars to fund balance.	Measure U	-	(1,500,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the Sacramento Riverfront Program (I02180200). Return unused dollars to fund balance.	General Fund	-	(10,800)	-	-
Citywide and Community Support	Liquidate one-time funding in the Sacramento Zoo Relocation Study Project (I02002100). Return unused dollars to fund balance.	General Fund	-	(35,118)	-	-
Citywide and Community Support	Liquidate one-time funding in the Arts Education and Community Outreach Project (I17001100). Return unused dollars to fund balance.	General Fund	-	(56,618)	-	-
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	General Fund	-	(13,700)	-	-
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Measure U	-	(24,750)	-	-
Citywide and Community Support	Liquidate one-time funding in the Creative Economy Pilot Project (I18000300). Return unused dollars to fund balance.	Innovation and Growth	-	(14,431)	-	-
Citywide and Community Support	Liquidate one-time funding in the Economic Development Initiatives Project (I02181000). Return unused dollars to fund balance.	Measure U	-	(200,650)	-	-
Citywide and Community Support	Liquidate one-time funding in the City Manager Youth Programs Project (I80020800). Return unused dollars to fund balance.	Measure U	-	(157,076)	-	-
Citywide and Community Support	Liquidate one-time funding in the Community Neighborhood Improvements Program (D01000000). Return unused dollars to fund balance.	General Fund	-	(70,137)	-	-
Citywide and Community Support	Liquidate one-time funding in the Community Neighborhood Funding Program (D01000500). Return unused dollars to fund balance.	General Fund	-	(3,438)	-	-
Citywide and Community Support	Liquidate one-time funding in the Broadway/Alhambra Navigation Center Project (C15001100). Return unused dollars to fund balance.	Measure U	-	(4,737)	-	-
Citywide and Community Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund and return unused dollars to the General Fund.	General Fund	(3,454,582)	-	-	-
Citywide and Community Support	Liquidate one-time funding in the Arts and Creative Economy Program (I17609000). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(1,250,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the Code Service Homeless Response Team Project (I21000500). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(7,875)	-	-
Citywide and Community Support	Liquidate one-time funding in the Animal Services for the Homeless Response Team Project (I21008500). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	8,869	-	-
Citywide and Community Support	Liquidate one-time funding in the Vaccine Outreach and Education Project (I02612050). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(12,248)	-	-
Citywide and Community Support	Liquidate one-time funding in the Old Sacramento Improvements Project (I02612030). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(5)	-	-
Citywide and Community Support	Liquidate one-time funding in the ARPA Small Business Support Program (I02612000) for cleaning along corridors, street alley closures and paving, and the City of Festivals	ARPA Reinvestment Fund	-	(92,741)	-	-
Citywide and Community Support	Liquidate one-time funding in the Northgate Economic Recovery Project (I02612080). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(1)	-	-
Citywide and Community Support	Liquidate one-time funding in the ARPA Gang Prevention and Intervention Project (I02000600). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(947)	-	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Citywide and Community Support	Liquidate one-time funding in the Business Compliance Unit Night Team Project (I21000400). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(291,963)	-	-
Citywide and Community Support	Liquidate one-time funding in the Parking Facilities Development Program (V15710000). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(7,501)	-	-
Citywide and Community Support	Liquidate one-time funding in the Comprehensive Siting Plan Location Buildout Project (C15001500). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(106,093)	-	-
Citywide and Community Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund and return unused dollars to the General Fund.	ARPA Reinvestment Fund	3,454,582	-	-	-
Citywide and Community Support	Liquidate one-time funding in the Public Records Staffing Project (I11002800). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(21,309)	-	-
Total Change \$			0	(3,949,836)	0.00	0.00

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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 eighteen proposals totaling approximately \$2.0 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
Citywide	Liquidate one-time funding in the Thousand Strong Program (I01000300). Return unused dollars to fund balance.	Measure U	(1,500,000)	-	-	(426,594)	Only 426,594 is in the CAO's baseline funding for the program.
Citywide	Liquidate one-time funding in the City Manager Youth Programs Project (I80020800). Return unused dollars to fund balance.	Measure U	(157,076)	-	-	-	- Not in Measure L baseline analysis, not applicable.
Fire	Delete three positions (1.0 FTE - Program Supervisor, 1.0 FTE - Fire Captain, 1.0 FTE - Firefighter Admin) and add one position (1.0 FTE - Administrative Analyst) in the Diversity, Outreach and Recruitment (DOR) Division.	Measure U	(898,460)	(2.00)	(3.00)	(478,520)	Measure L Amount equals reduction minus non-youth related activities.
Police	Eliminate funding for the Youth & Family Investments program.	Measure U	(1,300,000)	-	-	(265,895)	Only 265,895 is in the CAO's baseline funding for the program.
Youth, Parks, and Community Enrichment	Delete ten positions (10.0 FTE - Park Maintenance Worker) in the Park Maintenance Division. These are hard to fill positions and do not impact current maintenance service levels.	Measure U	(684,588)	(10.00)	(1.00)	-	- Not in Measure L calculation because there is no effect on youth activities.
Youth, Parks, and Community Enrichment	Delete three positions (0.15 FTE - Recreation Aide, 0.22 FTE - Recreation Aide, and 0.40 FTE - Recreation Aide) in the Community Recreation Division. Reduce internal hours of operation at 28th and B Skate and Urban Art Park.	Measure U	(29,091)	(0.77)	-	(19,229)	Measure L Amount equals reduction less unfilled positions.
Youth, Parks, and Community Enrichment	Delete two positions (0.25 FTE - Recreation Aide and 0.40 FTE - Recreation Aide) in the Community Recreation Division. Discontinue internally operated 28th and B Skate and Urban Art Park open hours and utilize contracted instructors for all programming.	Measure U	(28,158)	(0.65)	-	(18,612)	Measure L Amount equals reduction less unfilled positions.
Youth, Parks, and Community Enrichment	Add one position (0.40 FTE - Utility Worker) and decrease funding for service and supplies in the Aquatics Division by absorbing North Natomas Aquatic Complex pool maintenance duties previously contracted out and reduce the scope of contracted custodial services.	Measure U	(113,824)	0.40	-	(70,833)	Measure L Amount equals reduction less cut to services and supplies.
Youth, Parks, and Community Enrichment	Delete four positions (two 0.80 FTE - Program Coordinator, 0.22 FTE - Recreation Aide, and 0.46 FTE - Recreation Aide) and add one position (1.0 FTE - Program Coordinator) in the Youth Workforce Development Division. This will reduce and consolidate Stipend Program staffing.	Measure U	(77,355)	(1.28)	-	(77,355)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete six positions (four 0.32 FTE - Youth Aide, 0.42 FTE - Youth Aide, and 0.48 FTE - Youth Aide) in Youth Employment Division. This change will reduce number of available opportunities for youth stipend based programs.	Measure U	(80,996)	(2.18)	-	(80,996)	Included in the Measure L calculation.

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Department	Description	Fund	Expenditure Change	FTE Change	FTE Filled	Measure L Amount	Reason
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Staff Assistant) in the Fiscal Management Division. Staff Assistant position no longer needed after administrative team restructure.	Measure U	(75,333)	(1.00)	-	-	- Not in Measure L calculation because these positions are vacant.
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Senior Accounting Technician) and add one position (1.0 FTE - Accounting Technician). Realign administrative team to accommodate internal restructuring.	Measure U	(7,622)	0.00	-	-	- Not in Measure L calculation because there is no effect on youth activities.
Youth, Parks, and Community Enrichment	Delete eight positions (two 0.40 FTE - Graduate Student Trainee and six 0.40 FTE - Student Trainee) and add one position (0.40 FTE - Senior Recreation Aide). This reduction will consolidate the Youth Workforce Development Division.	Measure U	(104,324)	(2.80)	-	(104,324)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE - Park Maintenance Superintendent) in the Parks Maintenance Division to realign position to meet operational needs in City Cemetery Division and Park Operation Division.	Measure U	1,105	0.00	-	-	- Not in Measure L calculation because there is no effect on youth activities.
Youth, Parks, and Community Enrichment	Delete 12 positions (twelve 0.45 FTE - Utility Worker) in the Park Maintenance Division.	Measure U	(205,884)	(5.40)	-	-	- Not in Measure L calculation because there is no effect on youth activities.
Youth, Parks, and Community Enrichment	Delete seven positions (0.90 FTE - Program Coordinator and six 0.38 FTE - Recreation Aide) from Expanded Learning Division.	Measure U	(156,968)	(3.18)	-	(156,968)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete three positions (two 0.50 FTE - Program Leader and 0.60 FTE - Program Leader) in Expanded Learning Division.	Measure U	(95,340)	(1.60)	(1.00)	(95,340)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Change funding source for forty-five positions from Measure U Fund to START Fund. Move positions funded in Expanded Learning Division to START Division. Positions support the Expanded Learning Opportunities Program (ELOP) expansion of the After School Safety and Education Program operated by the START Division.	Measure U	(241,785)	(20.70)	-	-	- Not in Measure L calculated because this receives grant funding source
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Coordinator) Access Leisure Division.	Measure U	(79,901)	(1.00)	-	(28,780)	Measure L Amount reflects reduction less time position spent unfilled.
Youth, Parks, and Community Enrichment	Delete six positions (six 0.15 FTE - Recreation Leader (Adpt Rec)) and add one position (0.47 FTE Recreation Leader (Adpt Rec)) to realign non-career FTEs to fit program needs in Access Leisure Division.	Measure U	(16,509)	(0.43)	-	(5,947)	Measure L Amount reflects reduction less time position spent unfilled.
Youth, Parks, and Community Enrichment	Delete one position (0.12 FTE - Recreation Aide) and add one position (0.10 FTE - Senior Recreation Aide) to realign non-career FTE to fit program needs for the Summer Oasis summer camp in Expanded Learning Division.	Measure U	(74)	(0.02)	-	(74)	Included in the Measure L calculation.
Youth, Parks, and Community Enrichment	Delete thirteen positions (ten 0.80 FTE - Program Leader, two 1.0 FTE - Program Leader, 0.30 FTE - Recreation Aide, three 0.47 FTE - Recreation Aide, and six 0.20 FTE - Recreation Aide) in the Community Center Division.	Measure U	(307,171)	(5.71)	-	(126,094)	Measure L Amount reflects portion of cost related to youth activities less unfilled positions.
Youth, Parks, and Community Enrichment	Delete two positions (two 0.60 FTE - Customer Service Assistant) and add one position (1.0 FTE - Program Coordinator). The minimal increase will move the program slightly closer to cost recovery for supplies.	Measure U	(9,490)	(0.20)	-	(3,896)	Measure L Amount reflects reduction less time position spent unfilled.
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Leader) and add two positions (1.0 FTE - Program Leader) to realign career staff to fit program and operational needs in Community Center Division.	Measure U	(9,301)	0.00	-	(3,813)	Measure L Amount reflects reduction less time position spent unfilled.
Youth, Parks, and Community Enrichment	Delete one position (0.80 FTE - Custodian II) in Community Center Division.	Measure U	(57,642)	(0.80)	(0.80)	(23,662)	Measure L Amount reflects reduction less time position spent unfilled.
Total Change			\$ (6,235,787)	(59.32)	(5.80)	\$ (1,986,932)	

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 \$2.0 million in youth program reductions, approximately \$6.2

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million exceeds the baseline funding requirements in the sample assessment. In addition, \$160,000 in youth-related revenue would further offset the \$2.0 million expense reduction.

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 \$1.3 million in increases and strategic reductions to other funds that were directly tied to the proposed General Fund/IGF reduction strategies. This included increases to revenues, swapping General Fund/IGF Fund for other funds and Citywide strategies that not only reduced the impact to General/IGF Fund, but also to the other funds.

Proposed Strategies - Other Funds

Category	FTE Change	Net Budget Change
Revenues	-	-
1	-	1,272,103
2	-	-
3	-	-
4	-	-
Citywide	-	(4,101)
Total	-	\$1,268,002

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Revenue						
Community Development	Increase revenue for the General Plan Updates Project (I22000000) by increasing the maximum building valuation amount subject to the General Plan Maintenance Fee which increases the per-permit fee cap from \$26,000 to \$38,200. Increase Long Range Planning employee offset by allocating additional time to the General Plan Updates Project.	Development Services	(100,000)	100,000	-	-
Level 1 Reduction						
Convention and Cultural Services	Change funding source for eligible costs for visitor-serving facilities from General Fund and Measure U Fund to the Community Center Fund.	Community Center	-	347,430	-	2.00
Convention and Cultural Services	Change funding source for History Division administrative support to Old Sacramento from General Fund and Measure U Fund to Community Center Fund.	Community Center	-	299,673	-	-
Convention and Cultural Services	Change funding source for the New Year's Eve fireworks from General Fund to the Community Center Fund.	Community Center	-	125,000	-	-
Youth, Parks, and Community	Discontinue Golf Subsidy. Subsidy is no longer necessary for vendor to continue maintenance services at current levels.	Golf	-	-	-	-
Youth, Parks, and Community Enrichment	Change funding source for forty-five positions from Measure U Fund to START Fund. Move positions funded in Expanded Learning Division to START Division. Positions support the Expanded Learning Opportunities Program (ELOP) expansion of the After School Safety and Education Program operated by the START Division.	START	(805,245)	805,245	20.70	-
Citywide and Community Support	Change funding source for Visit Sacramento for the continual support of tourism recovery through event support and production from General Fund and Measure U Fund to the Community Center Fund.	Community Center	-	500,000	-	-
Citywide						
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Water	-	(3,100)	-	-
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	-	(1,001)	-	-
Total Change \$			(905,245)	2,173,247	20.70	2.00

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Proposed Budget Modifications

There were \$1.2 million in modifications to General Fund and IGF for augmentations and position add/deletes. This also included an increase of 13.98 FTEs.

Modifications* - General Fund

Department	FTE Change	Net Budget Change
City Auditor	-	-
City Manager	-	(\$1,450)
Community Development	-	703
Community Response	-	46,718
Finance	-	4,839
Fire	6.00	\$198,576
Human Resources	-	-
Information Technology	-	55,096
Mayor/Council (Mayor)	-	-
Mayor/Council (Office of Public Safety Accountability)	-	-
Public Works	8.00	704,301
Utilities	-	(49,278)
Youth, Parks, and Community Enrichment	(0.02)	(141,384)
Citywide and Community Support	-	412,571
Total	13.98	\$1,230,692

* Includes Augmentation and Add/Deletes

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Auditor	Delete one position (1.0 FTE - Assistant City Auditor) and add one position (1.0 FTE - Assistant Director) to improve operational efficiency and effectiveness.	General Fund	-	-	-
City Manager	Add one position (1.0 FTE - Program Manager) and delete one position (1.0 FTE - Program Specialist). The expansion of cannabis programming with newly approved social consumption requires the creation of a new position.	General Fund	-	-	-
City Manager	Transfer one position (1.0 FTE - Administrative Analyst) and corresponding Language Access project (I02000410) from City Manager's Executive Office to OIED Community Engagement. Aligning the position's specialized work efforts to the best suited program area.	General Fund	-	(377,168)	(1.00)
City Manager	Transfer one position (1.0 FTE - Administrative Analyst) and corresponding Language Access project (I02000410) from City Manager's Executive Office to OIED Community Engagement. Aligning the position's specialized work efforts to the best suited program area.	Measure U	-	375,718	1.00
Community Development	Change department management of the ADA Education and Training project (I08000100) from Human Resources to the Community Development Department. This realignment will optimize resource utilization by ensuring the project is managed by the department best positioned to implement training and education programs.	General Fund	(80,000)	80,000	-
Community Development	Delete one position (1.0 FTE - Accountant Auditor) and add one new position (1.0 FTE - Administrative Analyst). This request has zero impact on the General Fund as the supplies and services budget in Administrative Services is being reduced to make this cost-neutral.	General Fund	-	703	-
Community Development	Increase revenue budget in the Code Enforcement Division by establishing a Code Technology Fee and Capital Improvement Project (CIP). The Code Technology Fee would provide a dedicated funding mechanism for technology-related needs, including the offset of two positions (1.0 FTE - Senior Department Systems Specialist and 1.0 FTE - Department Systems Specialist) currently budgeted in the Information Technology (IT) Department.	General Fund	(400,000)	400,000	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Response	Increase funding for three new vehicles for Neighborhood Resource Coordinator (NRC) positions, two to be offset with Opioid Settlement Funds.	Measure U	-	46,718	-
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	-	60	1.00
Finance	Decrease revenue budget for Escheat to estimated actuals. The budget has been overstated for this revenue source.	General Fund	67,000	-	-
Finance	Delete one position (1.0 FTE - Financial Services Supervisor) and add one position (1.0 FTE - Administrative Analyst). The new position better suits the duties currently performed and needed.	General Fund	(51,139)	6,704	-
Finance	Delete two positions (2.0 FTE - Customer Service Representative) and add one position (1.0 FTE Program Specialist). This change will consolidate all tax programs within the Permits and Taxes group, streamline process among all the programs, and create administrative efficiencies.	General Fund	-	(17,786)	(1.00)
Finance	Remove the Innovation and Growth Fund offset for the Senior Development Project Manager Position in the Infrastructure Finance Division. This is related to a reduction strategy in the City Manager's Office.	General Fund	-	175,572	-
Finance	Remove the Innovation and Growth Fund offset for the Senior Development Project Manager Position in the Infrastructure Finance Division. This is related to a reduction strategy in the City Manager's Office.	Innovation and Growth	-	(175,572)	-
Fire	Add one position (1.0 FTE - Firefighter Admin) to conduct the role of an EMS Corps Program Coordinator. The position is grant-funded through the California Employment Development Department for over two years. This grant supports salaries, materials, training, student stipends, and administrative costs ensuring sustainable program delivery and alignment with Sacramento's Racial Equity Statement goals.	General Fund	(168,509)	210,684	1.00
Fire	Add one position (1.0 FTE - Firefighter Admin) to conduct the role of an EMS Corps Program Coordinator. The position is grant-funded through the California Employment Development Department for over two years. This grant supports salaries, materials, training, student stipends, and administrative costs ensuring sustainable program delivery and alignment with Sacramento's Racial Equity Statement goals.	Measure U	-	(42,175)	-
Fire	Add three positions (3.0 FTE - Fire Prevention Officer II) . The addition of these positions will enhance the operations of the Fire Prevention Division.	General Fund	(551,250)	749,826	3.00
Fire	Add two positions (2.0 FTE - Firefighters Administrative). Due to lawsuits filed by various state, local, and tribal governments, the City has been awarded funding to support future opioid abatement initiatives. These two positions will be fully funded through the settlement, and the choice to use a Firefighter Administrative position instead of an Administrative Analyst stems from the specialized knowledge and experience of firefighter paramedics in patient care. They are trained to administer buprenorphine and other vital medications for opioid withdrawal, offering essential interventions in addiction care.	General Fund	(337,018)	337,018	2.00

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Human Resources	Transfer the ADA Education and Training project (I80000100) from Human Resources to Community Development to enhance project efficiency and ensure funding is used in a manner consistent with its intended purpose.	General Fund	80,000	(80,000)	-
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 on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	General Fund	-	55,096	-
Mayor/Council	Delete one position (1.0 FTE - Staff Aide) and add one position (1.0 FTE - Senior Council Representative) as the Staff Aide classification is no longer active.	General Fund	-	-	-
Mayor/Council	Delete three positions (2.0 FTE - Office of Public Safety Accountability (OPSA) Investigator and 1.0 FTE - OPSA Analyst) and add three positions (2.0 FTE - OPSA Senior Investigator and 1.0 FTE - OPSA Community Engagement Coordinator) to fix OPSA positions to the correct classification as approved by City Council on September 12, 2023 (Resolution No. 2023-0293).	Measure U	-	-	-
Public Works	Add one position (1.0 FTE - Supervising Engineer) to oversee the Traffic Operations Center to better direct increased planning and implementation of traffic-related technology and equipment.	General Fund	(200,785)	199,517	1
Public Works	Add six positions (1.0 FTE - Supervising Engineer, 1.0 FTE - Senior Engineer, 2.0 FTE - Assistant Civil Engineers, 1.0 FTE - Traffic Investigator III, and 1.0 FTE - Administrative Analyst) in the Transportation Division to implement transportation safety improvements. Add one vehicle for the Traffic Investigator.	General Fund	(913,417)	911,379	6
Public Works	Conduct various additions and modifications in the Commercial Waste Compliance Division: • Adjust revenue and expense budgets for commercial waste franchise fees and fines to reflect anticipated revenue and expenses. • Increase the annual General Fund contribution toward the Illegal Dumping project (I15200200). • Create a new capital project for Street Maintenance to address street and alley repair needs. • Add one position (1.0 FTE - Senior Integrated Waste Equipment Operator) and one specialized narrow street sweeper. • Reduce annual Measure U contribution to the Illegal Dumping project (I15200200) to fund a greater share from commercial franchise waste fees. • Reduce annual General Fund contribution to the Landfill Site Closure project (Y14000100) and 28th Street Landfill Regulatory project (Y15000100).	General Fund	(256,021)	826,591	1

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Conduct various additions and modifications in the Commercial Waste Compliance Division: • Adjust revenue and expense budgets for commercial waste franchise fees and fines to reflect anticipated revenue and expenses. • Increase the annual General Fund contribution toward the Illegal Dumping project (I15200200). • Create a new capital project for Street Maintenance to address street and alley repair needs. • Add one position (1.0 FTE - Senior Integrated Waste Equipment Operator) and one specialized narrow street sweeper. • Reduce annual Measure U contribution to the Illegal Dumping project (I15200200) to fund a greater share from commercial franchise waste fees. • Reduce annual General Fund contribution to the Landfill Site Closure project (Y14000100) and 28th Street Landfill Regulatory project (Y15000100).	Measure U	-	(570,000)	-
Public Works	Delete one position (1.0 FTE - Account Clerk II) and add one position (1.0 FTE - Accountant Auditor) to provide staffing to address workload for grant accounting and reimbursements.	General Fund	(44,010)	44,379	-
Public Works	Delete one position (1.0 FTE - Architectural Technician III) and add one position (1.0 FTE - Facilities and Real Property Superintendent) in the Facilities Division to manage upcoming major capital projects and support internal construction processes and oversight.	General Fund	(56,907)	56,907	-
Public Works	Delete one position (1.0 FTE - Mail Processor I) and add one position (1.0 FTE - Senior Staff Assistant) in the Facilities Division to provide a greater range of needed services beyond processing mail.	General Fund	-	6,740	-
Public Works	Delete one position (1.0 FTE - Street Construction Laborer) and add one position (1.0 FTE - Street Maintenance Supervisor) to have adequate supervisors to manage multiple job sites in the In-Source Concrete Section.	General Fund	(16,455)	16,455	-
Public Works	Delete one position (1.0 FTE - Survey Technician II) and add one position (1.0 FTE - Supervising Construction Inspector) to oversee inspection staff and consultants working in the City right-of-way.	General Fund	(40,010)	40,426	-
Public Works	Delete three positions (3.0 FTE - Administrative Analyst) and add three positions (3.0 FTE - Associate Planner) to better meet the workload and responsibilities in the Transportation Planning Section.	General Fund	37,543	(37,543)	-
Public Works	Delete two positions (1.0 FTE - Engineering Technician I and 1.0 FTE - Engineering Technician III) and add two positions (2.0 FTE - Assistant Civil Engineer) to increase staff capacity to work on various transportation projects.	General Fund	(59,905)	60,705	-
Public Works	Increase expense budget one-time for Urban Forestry by \$500,000 to address stump removal backlog from 2023 storm. This is being fully offset by Landscape and Lighting funds.	General Fund	(500,000)	500,000	-
Public Works	Increase funding for the Facility Reinvestment CIP (C13900000) to address ongoing cost increases.	Measure U	-	300,000	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	General Fund	-	319,096	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Measure U	-	79,616	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	General Fund	(49,278)	-	-
Youth, Parks, and Community Enrichment	Add 16 New Grounds Maintenance Equipment	Measure U	-	780,600	-
Youth, Parks, and Community Enrichment	Add Three Utility and Transport Equipment	Measure U	-	117,265	-
Youth, Parks, and Community Enrichment	Add Two Specialized Fire Prevention and Renovation Equipment	Measure U	-	464,677	-
Youth, Parks, and Community Enrichment	Delete one position (0.12 FTE - Recreation Aide) and add one position (0.10 FTE - Senior Recreation Aide) to realign non-career FTE to fit program needs for the Summer Oasis summer camp in Expanded Learning Division.	Measure U	-	(74)	(0.02)
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Leader) and add two positions (1.0 FTE - Program Leader) to realign career staff to fit program and operational needs in Community Center Division.	Measure U	-	(9,301)	-
Youth, Parks, and Community Enrichment	Remove 10 Outdated Fleet Equipment from YPCE's FY2025/26 Fleet Replacement Budget	Measure U	-	(1,494,551)	-
Citywide and Community Support	Increase funding to pay the annual software license fee for LaborSoft case management software used by Labor Relations Division in HR to ensure cases are tracked for management of case deadlines, reduction in manual work by staff, and to provide data and analytical reporting. Additionally, increase funding for the annual maintenance of AbsenceSoft software used by the Leave Administration Division in HR to reduce manual work of staff in the program and help ensure employees receive notices timely and all leaves are tracked for compliance.	General Fund	-	90,000	-
Citywide and Community Support	Increase on-going 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	-	322,571	-
Total Change \$			(3,540,161)	4,770,853	13.98

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Proposed Budget Modifications – Other Funds

There were \$1.5 million in modifications to other funds for augmentations and position add/deletes. There is an increase of 9.75 FTEs.

Modifications* - Other Funds

Department (Fund)	FTE Change	Net Budget Change
Convention and Cultural Services (Community Center)	-	\$507,129
Human Resources (Workers' Compensation Fund)	-	(19,666)
Information Technology (Community Center)	-	2,385
Information Technology (Parking)	-	920
Information Technology (Solid Waste)	-	4,535
Information Technology (Storm Drainage)	-	2,713
Information Technology (Wastewater)	-	2,149
Information Technology (Water)	-	7,202
Public Works (4th R)	-	59
Public Works (Cal EPA)	-	557,000
Public Works (Community Center)	-	141
Public Works (Fleet Management)	-	3,182
Public Works (Gas Tax)	-	343,185
Public Works (Lighting and Landscaping)	-	500,000
Public Works (Marina)	-	(74,943)
Public Works (Parking)	-	(876,126)
Public Works (Recycling and Solid Waste)	1.00	324,169
Public Works (Risk)	-	5,440
Public Works (Storm Drainage)	-	39,383
Public Works (Wastewater)	-	37,310
Public Works (Water)	-	39,880
Utilities (Recycling and Solid Waste)	-	37
Utilities (Storm Drainage)	8.00	(39,978)
Utilities (Storm Drainage Property Fee)	-	207,362
Utilities (Wastewater)	-	(2,729)
Utilities (Water)	-	(142,088)
Youth, Parks and Community Enrichment (4th R)	0.75	18,457
Citywide and Community Support (Community Center)	-	7,607
Citywide and Community Support (Fleet Management)	-	5,617
Citywide and Community Support (Parking)	-	4,610
Citywide and Community Support (Recycling and Solid Waste)	-	24,977
Citywide and Community Support (Risk)	-	115
Citywide and Community Support (Storm Drainage)	-	12,241
Citywide and Community Support (Wastewater)	-	9,261
Citywide and Community Support (Water)	-	29,001
	9.75	\$1,540,537

* Includes Augmentation and Add/Deletes

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Convention and Cultural Services	Delete one position (1.0 FTE - Events Duty Person) and add five positions (five 0.20 FTE - Events Duty Person).	Community Center	-	0	0.00
Convention and Cultural Services	Delete three positions (3.0 FTE - Events Associate) and add 30 positions (thirty 0.10 FTE - Events Associate).	Community Center	-	12	0.00
Convention and Cultural Services	Increase funding for security and utility expenses for the Crocker Art Museum.	Community Center	-	357,117	-
Convention and Cultural Services	Increase funding for the activation support for Old Sacramento in the History Division Budget under the Community Center Fund.	Community Center	-	150,000	-
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) and add one position (1.0 FTE - Senior Personnel Analyst) in the HR Leave Administration program to ensure City is abiding by all leave administration laws and policies and reducing Workers' Compensation costs.	Worker's Compensation Fund	-	(14,707)	0.00
Human Resources	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE - Program Manager) in the HR Leave Administration program to ensure that the City is abiding by all leave laws and policies and to improve response time in management of the Citywide leave administration. This would positively impact other departments and reduce long term Workers' Compensation costs.	Worker's Compensation Fund	-	(4,959)	0.00
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Community Center	-	2,385	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Parking	-	920	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Recycling and Solid Waste	-	4,535	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Storm Drainage	-	2,713	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Wastewater	-	2,149	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Water	-	7,202	-
Public Works	Add 1.0 FTE Senior Integrated Waste Equipment Operator to operate front load recycling route to serve newer and planned higher density developments.	Recycling and Solid Waste	-	106,860	1.00
Public Works	Add one position (1.0 FTE - Supervising Engineer) to oversee the Traffic Operations Center to better direct increased planning and implementation of traffic-related technology and equipment.	Gas Tax 2016	159,614	-	-
Public Works	Add six positions (1.0 FTE - Supervising Engineer, 1.0 FTE - Senior Engineer, 2.0 FTE - Assistant Civil Engineers, 1.0 FTE - Traffic Investigator III, and 1.0 FTE - Administrative Analyst) in the Transportation Division to implement transportation safety improvements. Add one vehicle for the Traffic Investigator.	Gas Tax 2016	174,614	46,500	-
Public Works	Delete one position (1.0 FTE - Vehicle Service Attendant) and add one position (1.0 FTE - Fleet Service Coordinator) to address ongoing administrative needs in the shops and free up mechanics to spend more time working on vehicles.	Fleet Management	-	3,182	0.00
Public Works	Delete three positions (3.0 FTE - Administrative Analyst) and add three positions (3.0 FTE - Associate Planner) to better meet the workload and responsibilities in the Transportation Planning Section.	Gas Tax 2016	(37,543)	-	-
Public Works	Increase expense budget one-time for Urban Forestry by \$500,000 to address stump removal backlog from 2023 storm. This is being fully offset by Landscape and Lighting funds.	Landscaping and Lighting	500,000	-	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	4th R Program	-	59	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Community Center	-	141	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Marina	-	57	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Parking	-	1,709	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Recycling and Solid Waste	-	217,309	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Risk Mgmt	-	5,440	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Storm Drainage	-	39,383	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Wastewater	-	37,310	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Water	-	39,880	-
Public Works	Increase merchant parking validation coupon fee to better recover issuance costs and reduce misuse.	Parking	(56,406)	-	-
Public Works	Increase monthly rates at City Parking Garages to reflect increasing costs and remain competitive with surrounding market.	Parking	(101,493)	3,045	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Increase parking garage prepay and online reservation rates to balance market demand.	Parking	(156,314)	4,689	-
Public Works	Increase revenue and expense budget for Marina Special Revenue Fund to reflect implementation of increased berth rates as of 1/1/25 and increased operating costs.	Marina	(150,000)	75,000	-
Public Works	Increase revenue and expense budgets for the Parking Fund to reflect higher ongoing growth in parking garage utilization.	Parking	(550,000)	225,000	-
Public Works	Increase the hourly rates in City parking garages to be consistent with the surrounding market.	Parking	(344,462)	11,294	-
Public Works	Offset one position (1.0 FTE - Systems Engineer) with one-time funds from the Parking Fund. Position will move to the Cost Plan in FY2026/27.	Parking	-	138,621	-
Public Works	Repeal discounted parking rates in City garages for electric vehicles (EVs) as this legacy program is no longer necessary to promote EV adoption.	Parking	(53,411)	1,602	-
Public Works	Replace Kinney Police Facility HVAC system as the system is past end of useful life.	Cal EPA	-	557,000	-
Utilities	Add one position (1.0 FTE - Construction Inspector II) and a Ford Maverick for the Engineering and Water Resources Division. This position will provide resources to provide construction inspection services for expanding Water, Wastewater, and Storm Drainage CIPs.	Water	(238,377)	173,706	1.00
Utilities	Add one position (1.0 FTE - Engineering Technician III) for the Engineering and Water Resources Division. This position will provide resources to support implementation of the expanded Storm Drainage Capital Improvement Program (CIP) and will support the Water, Wastewater, and Private Development projects.	Storm Drainage	(222,066)	119,028	1.00
Utilities	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Storm Drainage	24,175	-	-
Utilities	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Wastewater	33,081	-	-
Utilities	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Water	(57,256)	41,398	1.00
Utilities	Add three positions (1.0 FTE - Utilities O and M Leadworker, 1.0 FTE - Utilities O and M Serviceworker, and 1.0 FTE Administrative Technician) with a Ford F-250 Supercab and Vermeer Tow Trailer for the Wastewater and Drainage O and M Division. These new positions will support the Trash Capture Program as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage	(331,720)	361,230	3.00
Utilities	Add three positions (1.0 FTE - Utilities O and M Leadworker, 1.0 FTE - Utilities O and M Serviceworker, and 1.0 FTE Administrative Technician) with a Ford F-250 Supercab and Vermeer Tow Trailer for the Wastewater and Drainage O and M Division. These new positions will support the Trash Capture Program as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage Property Fee	-	203,000	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Recycling and Solid Waste	4,552	(4,515)	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Storm Drainage	1,313	(1,302)	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Storm Drainage Property Fee	350	(347)	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Wastewater	1,313	(1,302)	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Water	(7,528)	7,538	0.00
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Storm Drainage	23,462	(15,873)	-
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Storm Drainage Property Fee	(12,806)	17,165	-
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Wastewater	7,992	969	-
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Water	(18,648)	44,399	0.00
Utilities	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Storm Drainage	955	(941)	-
Utilities	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Wastewater	1,042	(1,026)	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Utilities	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Water	(1,998)	2,034	0.00
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Storm Drainage	(500,059)	501,820	4.00
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Wastewater	(44,798)	-	-
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Water	136,634	(223,990)	(2.00)
Youth, Parks, and Community Enrichment	Delete ten positions (4.0 FTE - Senior Recreation Aides) and add twelve Positions (0.35 FTE - Recreation Aide and eleven 0.40 FTE - Recreation Aides) in the 4th R Division.	4th R Program	-	18,457	0.75
Citywide and Community Support	Increase on-going 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.	Community Center	-	7,607	-
Citywide and Community Support	Increase on-going 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.	Fleet Management	-	5,617	-
Citywide and Community Support	Increase on-going 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.	Parking	-	4,610	-
Citywide and Community Support	Increase on-going 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.	Recycling and Solid Waste	-	24,977	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide and Community Support	Increase on-going 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.	Risk Mgmt	-	115	-
Citywide and Community Support	Increase on-going 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.	Storm Drainage	-	12,241	-
Citywide and Community Support	Increase on-going 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.	Wastewater	-	9,261	-
Citywide and Community Support	Increase on-going 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.	Water	-	29,001	-
Total Change \$			(1,815,788)	3,356,325	9.75

Budget Reduction Strategies Not Chosen

The following tables include General Fund reduction strategies **not included** in the Budget. If the proposed \$35.3 million in one-time reduction strategies are not used to balance the Budget, ongoing reduction strategies in levels 1-3 (approximately \$22.1 million) and a portion of level 4 (approximately \$13.2 million) would need to be used. The strategies details are listed below.

Strategies Not Chosen - General Fund

Category	FTE Change	Net Budget Change
Revenues	-	(\$200,000)
1	(1.00)	(270,193)
2	(29.50)	(6,199,620)
3	(160.41)	(17,693,659)
4	(196.05)	(33,216,355)
Citywide	-	(10,080,700)
Non-Categorized	-	(330,000)
Total	(386.96)	(\$67,990,527)

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Strategies Not Chosen – General Fund

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Revenue						
City Treasurer	Increase revenue in the City Treasurer's Office based on current market conditions.	General Fund	(200,000)	-	-	-
Level 1 Reduction						
City Auditor	Forgo Community Survey. Since 2018, the Office of the City Auditor has conducted an annual community survey to assess residents' opinions on various aspects of the community, including the economy, mobility, community design, safety, and the natural environment. A community survey was not conducted in 2020 due to the COVID-19 pandemic. Instead, the Office of the City Auditor conducted a survey to assess the impact COVID-19 had on residents and businesses. During its review of the City Auditor's FY2024/25 Work Plan, the City Council directed the Auditor to transition the survey to a biennial schedule. Under this new schedule, the next community survey is planned for FY2025/26. However, if the City Council chooses to forgo the survey in FY2025/26, the City would realize a one-time cost savings of \$34,000. If the City Council decides to discontinue the survey altogether, the cost savings would be ongoing.	General Fund	-	(34,000)	-	-
City Attorney	Eliminate Investigator Position. This position has been vacant due to a retirement. Efforts to replace the position have been unsuccessful.	General Fund	-	(105,806)	(1.00)	-
City Attorney	Additional S&S for eliminated Investigator position.	General Fund	-	(5,000)	-	-
City Clerk	City logo merchandise and giveaways used by council offices. Service level reductions, cost burden could be shifted to council offices.	General Fund	-	(25,000)	-	-
City Clerk	Discontinue ceremonial resolution processing. Service level reductions, cost and staff time burden could be shifted to council offices.	General Fund	-	(8,000)	-	-
City Treasurer	Treasury Assistant: The technological solutions to many clerical activities has made this vacancy not essential at this time.	General Fund	-	(92,387)	-	-
Level 2 Reduction						
City Auditor	Reductions in Training and Purchases: The Office of the City Auditor has a limited non-labor budget that includes funding for services, supplies, computer purchases, travel, training, and professional membership dues. The City Charter requires the Office to conduct audits in accordance with generally accepted government auditing standards, which mandate that audit staff complete 80 hours of continuing professional education every two years, with a minimum of 20 hours annually. To fulfill this requirement, the Office participates in training courses and occasionally attends annual conferences hosted by organizations such as the Association of Local Government Auditors and the Association of Certified Fraud Examiners. The proposed \$25,000 expenditure reduction for FY2025/26 is based on planned reductions in training, travel, and computer purchases.	General Fund	-	(25,000)	-	-
City Attorney	Right-size the CAO labor budget to align the position funding with the actual FTE serving in these positions. Currently CAO is funded for five Senior DCA positions that are filled by DCA I and II attorneys. Recruitments for senior lateral hires has become extremely difficult. It became necessary to hire new admittees and junior lawyers to fill the gap. This would make it difficult to recruit senior experienced lateral hire attorneys because the positions would no longer exist.	General Fund	-	(359,475)	-	-
City Clerk	Hold Vacant 1 Position, Mayor Council Staff Assistant (Receptionist). May impact greeting guests in the lobby, mail delivery, coffee/kitchen clean up.	General Fund	-	(72,262)	-	-
City Clerk	Evaluate city boards and commissions annual workplans and scope. Reduce city advisory body meetings to 4 per year and hold agenda items to core scope.	General Fund	-	(213,000)	-	-
City Clerk	Kitchen supply and maintenance: coffee, tea, cups, cleaning. Service level reduction cost burden and staff time would be shifted to council offices.	General Fund	-	(15,000)	-	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 2 Reduction (cont.)						
City Clerk	Council meeting catering and snacks. Service level reduction cost burden and staff time would be shifted to council offices.	General Fund	-	(25,000)	-	-
City Treasurer	Treasury Analyst: Currently recruiting for two FTE's for this professional level position. One can remain vacant and impact would be moderate. The other is critical to meet the growing needs for public financing solutions, particularly residential development and the use of CFD financings.	General Fund	-	(121,541)	-	-
Mayor/Council: Office of Public Safety and Accountability	Furloughs (weekly rotation): Directly affects all personnel in OPSA financially. Each team member will undergo rotation of mandatory work week furloughs throughout the fiscal year. Furloughs will eliminate personnel from being laid off.	Measure U	-	Unknown	-	-
Police	Eliminate the ShotSpotter program when the contract expires in June of 2025.	General Fund	-	(509,600)	-	-
Police	Eliminate the Downtown Core Overtime program reducing availability of patrol units in the downtown core during peak service hours.	General Fund	-	(200,000)	-	-
Police	Eliminate the Impact Overtime program reducing services from 7 days per week to 5 days per week.	General Fund	-	(607,244)	-	-
Police	Delete five positions (1.0 FTE - Police Sergeant, 4.0 FTE - Police Officer) discontinuing the services of the Mounted Unit.	General Fund	-	(728,464)	(5.00)	-
Police	Delete four positions (4.0 FTE - Police Officer) reducing the Magnet Academy Program to 1.0 FTE - Police Officer position.	General Fund	-	(521,992)	(4.00)	-
Police	Delete five positions (5.0 FTE - Police Officer) discontinuing the services of the Recruiting Unit.	General Fund	-	(652,490)	(5.00)	-
Police	Delete eight positions (8.0 FTE - Police Officer) reducing the services of the Backgrounds Unit.	General Fund	-	(1,043,984)	(8.00)	-
Police	Delete one position (1.0 FTE - Police Lieutenant) from the Personnel Services Division reducing its management team to 1.0 FTE - Police Captain and 1.0 FTE - Administrative Officer positions.	General Fund	-	(269,079)	-	(1.00)
Police	Delete one position (1.0 FTE - Police Sergeant) from the Crime Prevention Through Environmental Design/Court Liaison Unit (CPTED/CLU).	General Fund	-	(206,472)	-	(1.00)
Police	Delete two positions (2.0 FTE - Police Officer) reducing the services of the Emergency Vehicle Operators Course (EVOC) Unit.	General Fund	-	(260,996)	-	(2.00)
Police	Delete one position (1.0 FTE - Police Officer) reducing the services of the K9 unit.	General Fund	-	(130,498)	-	(1.00)
Youth, Parks, and Community Enrichment	Delete eight positions (four 0.25 FTE - Senior Lifeguard and four 0.35 FTE - Assistant Pool Manager). Reduce Programming in the Aquatics Division: Close all four City Wading Pools.	Measure U	-	(117,523)	(2.50)	-
Community Development	Increase labor offset for the Business Compliance Unit (BCU) Night Team overtime to the established American Rescue Plan Act (ARPA) funded project (I21000400). This is to cover overtime costs until allocated funds are fully expended.	Measure U	-	(120,000)	-	-
Level 3 Reduction						
Mayor/Council: Office of Public Safety and Accountability	Layoffs (2 OPSA Investigator FTE Positions) - Directly affects the delivery of oversight and accountability services to the Police Department, Fire Department, and the public. The Police Department and the City Attorney's Office recently hired additional staff per Council direction to achieve compliance with Council objectives. The approved additional personnel by Council resulted from deficiencies discovered from a 2023 public safety audit conducted by OPSA and an assessment of SPD conducted by the California Department of Justice (DOJ). Cutting these two newly created and filled FTEs will result in staffing limitations to fulfill increased job duties and responsibilities and significantly decrease productivity levels.	Measure U	-	(255,607)	-	(2.00)

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 3 Reduction (cont.)						
City Attorney	Keep Paralegal Position Vacant. The vacancy is in our criminal prosecution division and is a high-volume case handler processing all incoming citations from the police department, this position also addresses all public records acts from the police department. The work would get re-distributed to attorneys and remaining paralegal, causing a substantial delay in responding to SPD requests.	General Fund	-	(137,907)	-	-
City Clerk	City suite ticket distribution. Community members would no longer have access to the city suite at the Golden 1 Center.	General Fund	-	(30,000)	-	-
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in the Office of Diversity and Equity reducing DEI external programming and initiatives.	Measure U	-	(131,518)	-	(1.00)
Human Resources	Delete one position (1.0 FTE - Diversity and Equity Manager) in the Office of Diversity and Equity reducing internal DEI programming and initiatives.	Measure U	-	(198,362)	-	(1.00)
Police	Delete two positions (2.0 FTE - Police Officer) discontinuing the services of the Marine Unit.	General Fund	-	(260,996)	(2.00)	-
Police	Eliminate community support funding for the Gang Prevention and Intervention Taskforce (GPIT) grant program eliminating grant funding for community-based organizations.	Measure U	-	(402,921)	-	-
Police	Eliminate community support funding for the Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS) grant program eliminating grant funding for community-based organizations.	Measure U	-	(1,000,000)	-	-
Police	Delete three positions (1.0 FTE - Special Projects Manager, 1.0 FTE - Administrative Analyst, 1.0 FTE - Administrative Technician) discontinuing the services of the Office of Violence Prevention (OVP).	Measure U	-	(387,939)	(1.00)	(2.00)
Police	Delete four positions (1.0 FTE - Police Sergeant, 3.0 FTE - Police Officer) discontinuing the services of the Human Trafficking Unit.	General Fund	-	(598,966)	(3.00)	(1.00)
Police	Delete eight positions (7.0 FTE - Police Clerk II, 1.0 FTE - Police Clerk III) from various assignments throughout the department reducing professional staff.	General Fund	-	(568,421)	(7.00)	(1.00)
Police	Delete thirteen positions (13.0 FTE - Police Records Specialist I/II) from the Records division.	General Fund	-	(957,073)	(13.00)	-
Police	Delete one position (1.0 FTE - Police Captain) from the Research, Development and Training (RDT) Division reducing its management team to 2.0 FTE - Police Lieutenants.	General Fund	-	(322,600)	-	(1.00)
Police	Delete five positions (1.0 FTE - Police Sergeant, 4.0 FTE - Police Officer) discontinuing the services of the night-time traffic enforcement team.	General Fund	-	(717,705)	(4.00)	(1.00)
Police	Delete ten positions (1.0 FTE - Police Sergeant, 9.0 FTE - Police Officer) discontinuing the services of the day-time traffic enforcement team.	General Fund	-	(1,367,384)	(9.00)	(1.00)
Police	Delete eleven positions (1.0 FTE - Police Sergeant, 10.0 FTE - Police Officer) discontinuing the services of the Burglary Investigations Unit.	General Fund	-	(1,530,957)	(10.00)	(1.00)
Police	Delete fourteen positions (2.0 FTE - Police Sergeant, 12.0 FTE - Police Officer) discontinuing the services of the Impact teams that provide operational support to the Homelessness Incident Management Team.	General Fund	-	(2,020,421)	(12.00)	(2.00)
Police	Delete seventeen positions (3.0 FTE - Police Sergeant, 14.0 FTE - Police Officer) discontinuing the services of the Problem-Oriented Policing (POP) teams.	General Fund	-	(2,495,883)	(6.00)	(11.00)

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 3 Reduction (cont.)						
Police	Delete two positions (2.0 FTE - Police Officer) discontinuing the services of the Internet Crimes Against Children (ICAC) unit.	General Fund	-	(284,486)	-	(2.00)
Police	Delete three positions (3.0 FTE - Police Officers) reducing the services of Major Collisions Investigations Unit.	General Fund	-	(401,560)	-	(3.00)
Police	Delete five positions (5.0 FTE - Police Lieutenant) discontinuing the services of all Executive Lieutenant assignments and 1 Watch Commander assignment from the Patrol Division.	General Fund	-	(1,333,995)	-	(5.00)
Police	Delete one position (1.0 FTE - Police Captain) from the Administrative Services Division reducing the division's management team to 1.0 FTE - Police Lieutenant and 2.0 FTE - Administrative Officers.	General Fund	-	(328,672)	-	(1.00)
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Park Safety Ranger Assistant) in the Park Safety Division.	Measure U	-	(89,176)	(1.00)	-
Youth, Parks, and Community Enrichment	Delete three positions (three 0.47 FTE - Recreation Aide) in Older Adult Services Division.	Measure U	-	(53,271)	(1.41)	-
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Customer Service Assistant) in the Older Adult Services Division.	Measure U	-	(70,362)	-	(1.00)
Youth, Parks, and Community Enrichment	Delete one position (1.0 FTE - Program Coordinator) Access Leisure Division.	Measure U	-	(88,791)	-	(1.00)
Youth, Parks, and Community Enrichment	Delete seven positions (five 1.0 FTE - Customer Service Assistant, two 0.80 FTE - Customer Service Assistant) in the Community Center Division. Reduce Community Center paypoint locations to three hub locations.	Measure U	-	(502,594)	-	(6.60)
Youth, Parks, and Community Enrichment	Delete sixteen positions (0.80 FTE - Program Leader, six 1.0 FTE - Program Leader, and nine 0.20 FTE Recreation Aide) and add one position (1.0 FTE - Program Coordinator). The department would be unable to expand the days, hours and capacities in afterschool youth/teen programs and the R.E.C preschool program.	Measure U	-	(448,721)	(1.60)	(5.75)
Youth, Parks, and Community Enrichment	Delete fifty-three positions (five 0.20 FTE - Cashier, 0.25 FTE - Cashier, twenty-three 0.20 FTE - Lifeguard, six 0.40 FTE - Pool Manager, two 0.25 FTE - Senior Lifeguard, six 0.30 FTE - Senior Lifeguard, and four 0.35 FTE - Senior Lifeguard, and six 0.35 FTE - Assistant Pool Manager) and reduce revenue obligation by \$35,308. Reduce programming in the Aquatics Division. Reduce operating schedules to three days per week at neighborhood pools.	General Fund	35,308	(35,308)	-	-
Youth, Parks, and Community Enrichment	Delete fifty-three positions (five 0.20 FTE - Cashier, 0.25 FTE - Cashier, twenty-three 0.20 FTE - Lifeguard, six 0.40 FTE - Pool Manager, two 0.25 FTE - Senior Lifeguard, six 0.30 FTE - Senior Lifeguard, and four 0.35 FTE - Senior Lifeguard, and six 0.35 FTE - Assistant Pool Manager) and reduce revenue obligation by \$35,308. Reduce programming in the Aquatics Division. Reduce operating schedules to three days per week at neighborhood pools.	Measure U	-	(601,048)	(14.05)	-
Youth, Parks, and Community Enrichment	Delete twenty-five positions (25.0 FTE - Park Maintenance Worker) and contract Park Maintenance Services with a third-party vendor.	Measure U	252,666	(358,989)	(3.00)	(22.00)

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction						
City Auditor	Freeze Vacant Position: The Office of the City Auditor experienced a 30 percent vacancy rate during FY2023/24. Since then, the Office has conducted numerous recruitments in an effort to fully staff the Office. As of February 2025, the Office had one vacancy left to fill – a Principal Fiscal Policy Analyst. This key position is critical to ensuring the Office's Performance Auditing Division is successful in completing audits. Another important item to note is that with the passing of Measure L in November 2022, the Office of the City Auditor was tasked with setting the baseline funding for the Sacramento Children's Fund and ensuring the baseline is met every fiscal year. In addition, the Office of the City Auditor is also required to publish the audited Cannabis Business Operations Tax Revenue. The Office did not receive additional resources to conduct this work which effectively reduced one FTE available to conduct other audit work. Freezing this vacant position will further reduce resources available to conduct the Office's work.	General Fund	-	(196,042)	-	-
Information Technology	Delete two positions (1.0 FTE - Senior Telecommunications Tech and 1.0 FTE - Telecommunications Tech I) supporting the Fire Communications Program. The proposed reductions could negatively affect the Fire Department's life safety voice network and infrastructure, which includes portable radios for firefighters, mobile radios in fire vehicles, and fire station alerting dispatch.	General Fund	-	(298,902)	-	(2.00)
Information Technology	Delete three positions (1.0 FTE - Systems Engineer, 2.0 FTE - IT Support Specialist II) supporting the Police Department Patrol Vehicle Technology (PVT) Program. Cuts to the program will negatively impact the department's ability to provide essential support for PVT, including hardware such as rugged laptops, cameras, routers, and modems, ensuring all systems work smoothly for field operations, real-time communication and data exchange. This would also impact the department's ability to support hardware replacement, configuring equipment, managing cellular services, troubleshooting issues, and assessing power management.	General Fund	-	(438,005)	-	(3.00)
Information Technology	Delete three positions (2.0 FTE - GIS Specialist II and 1.0 - GIS Specialist I) supporting citywide Geographic Information System (GIS) operations. Reduction to this program could lead to disruptions in essential services and systems across multiple departments that rely on GIS data analysis, mapping, and location-based information.	General Fund	-	(450,917)	-	(3.00)
Information Technology	Delete one position (1.0 FTE - Telecommunications Engineer III) that plays a critical role in supporting the radio communication infrastructure. If this position is eliminated, the department would be unable to manage the City's Federal Communications Commission (FCC) radio license operations, which covers 4,620 voice radio subscribers. This would impact the Police, 911, Fire, Code Enforcement, Utilities, Public Works, Solid Waste, and several other City departments that rely on voice communications.	General Fund	-	(194,894)	-	(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 supports the Citywide Content Management System (CCM/CARA) that manages over 16 million documents. Eliminating this program could put the City at risk for legal penalties due to state and federal records retention policies. The department would also be unable to support a combination of CCM/CARA tools and automation software that enables document capture, management, storage, and delivery, while automating business processes and reducing manual work.	General Fund	-	(484,293)	-	(3.00)
Information Technology	Delete six positions (6.0 FTE - 311 Customer Service Agents) that supports the 311 Contact Center. After-hours and weekend support for telephone calls and dispatching will have to be transferred back to the departments. This service reduction would require all calls offered to 311 outside of 7:00 a.m. to 7:00 p.m., Monday through Friday. Approximately 16% of all calls or 40,000 calls per year would be routed to the respective department's on-call personnel. Department costs will increase to staff appropriately for their after-hours operations.	General Fund	-	(591,553)	-	(6.00)

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction (cont.)						
Information Technology	Delete two positions (2.0 FTE - IT Support Specialists II) that provide IT Service Desk support. This reduction will significantly impact the ability to quickly resolve urgent technical issues, reducing the operational effectiveness of all departments, including public safety, increasing downtime, and reducing productivity citywide. Departments rely on real-time, direct support to troubleshoot critical problems that hinder their ability to perform their job functions effectively.	General Fund	-	(320,613)	-	(2.00)
Police	Delete two positions (2.0 FTE - Police Officer), reducing the services of the Criminal Intelligence Unit (CIU).	General Fund	-	(260,996)	(2.00)	-
Police	Delete three positions (3.0 FTE - Police Officers) reducing the services of Air Operations Unit (AirOps).	General Fund	-	(430,627)	-	(3.00)
Police	Delete sixteen positions (2.0 FTE - Police Sergeants, 14.0 FTE - Police Officers) discontinuing the services of both Special Weapons and Tactics (SWAT) teams.	General Fund	-	(2,404,848)	-	(16.00)
Police	Delete one position (1.0 FTE - Police Lieutenant) from the Metro Operations Division reducing its management to 1.0 FTE - Police Captain and 3.0 FTE - Police Lieutenants; one of the Police Lieutenant positions is grant-funded.	General Fund	-	(276,512)	-	(1.00)
Police	Delete eight positions (7.0 FTE - Police Officer and 1.0 FTE - Police Sergeant) discontinuing the services of the Special Investigations Unit (SIU) (formerly the Gang Investigations Unit).	General Fund	-	(1,271,644)	-	(8.00)
Police	Delete sixteen positions (14.0 FTE - Dispatcher I/II and 2.0 FTE - Dispatcher III) from the Communications Center limiting the department's ability to maintain mandated all answer times, coordinate timely dispatch of police personnel, and communicate effectively with field units.	General Fund	-	(2,038,692)	(16.00)	-
Police	Delete seven positions (5.0 FTE - Police Officer and 2.0 FTE - Police Sergeant) from the Violent Crime Reduction (VCR) Teams leading to a substantial decrease in services and proactive measures to combat violent crime in the City.	General Fund	-	(1,205,910)	-	(7.00)
Fire	Delete 80 positions (24.0 FTE - Fire Captain, 24.0 FTE - Engineer and 32.0 FTE - Firefighter). The Department is recommending eliminating eight companies.	General Fund	-	(16,526,268)	(5.00)	(75.00)
Youth, Parks, and Community Enrichment	Delete seventeen positions (0.80 FTE - Custodian II, 1.0 FTE - Custodian II, 1.0 FTE - Program Supervisor, four 1.0 FTE - Program Coordinator, and ten 0.20 FTE - Recreation Aide). 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. Teen program would be eliminated from five current locations.	Measure U	-	(670,087)	(3.00)	(5.80)
Youth, Parks, and Community Enrichment	Delete forty-two positions (three 0.20 FTE - Cashier, two 0.25 FTE - Cashier, sixteen 0.20 FTE - Lifeguard, four 0.40 FTE - Pool Manager, two 0.25 FTE - Senior Lifeguard, eight 0.30 FTE - Senior Lifeguard, three 0.35 FTE - Senior Lifeguard, and four 0.35 FTE - Assistant Pool Manager) and reduce revenue obligation by \$182,487. Reduce Programming in the Aquatics Division. Close all neighborhood pools and only open the three hub pools.	General Fund	182,487	(182,487)	-	-
Youth, Parks, and Community Enrichment	Delete forty-two positions (three 0.20 FTE - Cashier, two 0.25 FTE - Cashier, sixteen 0.20 FTE - Lifeguard, four 0.40 FTE - Pool Manager, two 0.25 FTE - Senior Lifeguard, eight 0.30 FTE - Senior Lifeguard, three 0.35 FTE - Senior Lifeguard, and four 0.35 FTE - Assistant Pool Manager) and reduce revenue obligation by \$182,487. Reduce Programming in the Aquatics Division. Close all neighborhood pools and only open the three hub pools.	Measure U	-	(322,285)	(11.25)	-

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Level 4 Reduction (cont.)						
Youth, Parks, and Community Enrichment	Delete twenty-three positions (23.0 FTE - Park Maintenance Worker I) in the Park Maintenance Division and contract with third-party vendor for park maintenance services.	Measure U	-	(516,582)	(1.00)	(22.00)
Community Development	Decrease funding for Residential Development Impact Fees for Affordable Dwelling Units Program. This reduction will impact affordable housing developments, as developers rely on the reduction of impact fees.	Measure U	-	(500,000)	-	-
Community Response	Decrease funding for City Shelter Programs.	Measure U	-	(3,816,685)	-	-
Citywide						
Citywide and Community Support	Eliminate the Sacramento Utility Rate Assistance (SURA) Program.	Measure U	-	(5,400,000)	-	-
Citywide and Community Support	Liquidate one-time funding in the ARPA Workforce Training Project (I02612020). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(3,080,700)	-	-
Citywide and Community Support	Evaluate city boards and commissions annual workplans and scope. Moderate Impact. Reduce city advisory body meetings to 4 per year and hold agenda items to core scope.	General Fund	-	(1,600,000)	-	-
Not Categorized						
City Auditor	Cost Savings - Budgeted vs. Actual for FY2024/25: In addition to the proposed expenditure reductions for FY2025/26, the Office of the City Auditor experienced several staff vacancies during FY2024/25, leading to salary and benefit cost savings while recruitment efforts were underway. Additionally, the Office transitioned the annual community survey to a biennial schedule, making FY2024/25 the first year in which it was not conducted. As a result, the Office anticipates achieving an estimated one-time General Fund savings of \$330,000. These funds can be carried forward to help offset expenditures in the City Auditor's FY2025/26 budget.	General Fund	-	(330,000)	-	-
Total Change \$			270,461	(68,260,988)	(151.81)	(235.15)

There is one reduction strategy funded by the North Natomas Community Facilities District (CDF) that is directly tied to a General Fund reduction strategy and was **not included** in the Budget.

Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Vacant	FTE Filled
Youth, Parks, and Community Enrichment	Delete twenty-five positions (25.0 FTE - Park Maintenance Worker) and contract Park Maintenance Services with a third-party vendor.	N Natomas Lands CFD 3	(252,666)	-	-
Total Change \$		(252,666)	-	-	-

Proposed Budget Augmentations Not Approved

The following tables include requested augmentations in the General Fund not approved for the Budget.

Augmentations Not Approved

Department	FTE Change	Net Budget Change
Fire	-	210,684
Public Works	-	1,150,000
Total	-	\$1,360,684

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Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fire	Add one position (1.0 FTE - Firefighter Admin). Fire EMS adding the EMS Logistic Manager Position to address its critical and growing operational needs.	General Fund	-	210,684	1.00
Public Works	Increase Facilities Division expense budgets to match true costs.	General Fund	-	850,000	-
Public Works	Increase expense budget one-time for streetscapes maintenance to support mowing twice a month and maintain current service levels.	General Fund	-	300,000	-

5

SECTION - 5

Understanding the Budget

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BUDGET INFORMATION

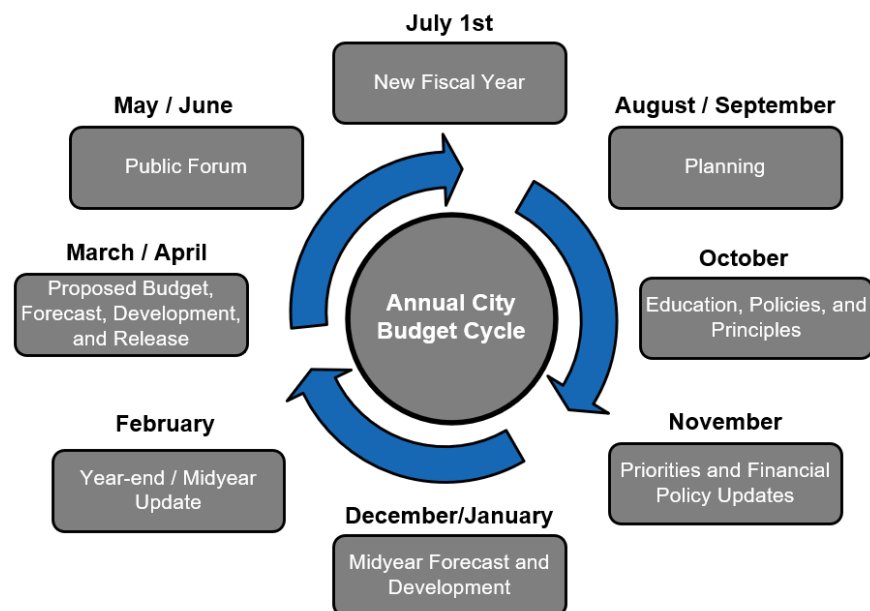
Budget Presentation

The presentation of the Budget includes both the FY2025/26 Approved Operating Budget and the 2025-2030 Approved Capital Improvement Program (CIP) Budget which includes the FY2025/26 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.

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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 2025-2030 CIP.

Council Priorities

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

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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

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- 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
- 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.

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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,

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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:

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- 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 39 surface 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 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.

FY2025/26 Approved Budget

City of Sacramento Budget				
Governmental Funds				
GENERAL FUND	OTHER GOVERNMENTAL FUNDS			
MEASURE U	4 th R Program	Jacinto Creek Plan Area	SHRA CDBG	ENTERPRISE FUNDS
	ARPA Reinvestment	Library Svcs Parcel Tax	So Natomas Comm Improv	Community Center
	Art in Public Places Projects	Major Street Const	So Natomas Facility Benefit	Parking
	Assessment Reg/SDRIS	Marcy Friedman ESC App	So Natomas I-5 Dev Improv	Solid Waste
	Bridge Construction	Marina	Special Districts	Storm Drainage
	Cal EPA	Measure A Traffic Cntrl & Safety	Special Districts-Capital	Wastewater
	CIP Reimbursable	Measure A Safety Streetscape, Bike, & Pedestrian	Special Program Donations	Water
	CIRBS		Special Recreation	
	Citation I-5 Maintenance	Measure A Specific Project	START	
	Citywide Lndspg & Litg Dist.	No Natomas Comm Improv	Sports Commission	
	Citywide Low-Income Housing	No Natomas Financing Plan	State Route #160 Relinq	
	Cultural Services-Other	Operating Grants	Sunset, Meadows A/D Maint	
	Debt Service	Other	Street Cut Fees	
	Development Services	Other – Cultural Services	Sutter Park Sites	
	Downtown Sac Mgmt Dist	Other Capital Grants	Traffic Safety	
	Ethel Macleod Hart Trust	Park Development	Transportation Systems Mgmt	
	Externally Funded Prgrms	Park	Transportation Development	
	Fair Share Contributions	Private Development	Transportation Dev Impact Fee	
	Fairytale Town	Prop 1B-Local Street & Road	Tree Planting Replacement	
	Federal Capital Grant	Quimby Act	Trench Cut Fees	
	Federal CARES Act	Railyard Impact Fee	Wastewater Dev Fees	
	Florin Road Strm & Sanit	Railyards/Richards/Downtown Impact A	Water Dev Fees	
	Gas Tax		Water Planning	
	Golden 1 Center	Redevelopment Bond	Willowcreek Fee Dist	
	Golf Innovation & Growth	River Dist Impact Fee	Zoo	
		Sacramento Museum of History, Science & Tech		
		Sacramento Tourism PBID		
		Sheraton MOPA		
Proprietary Funds				
INTERNAL SERVICE FUNDS				ENTERPRISE FUNDS
			Fleet Management	Community Center
			Risk Management	Parking
			Workers' Compensation	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:
 - FY2022/23 Actuals
 - FY2023/24 Actuals
 - FY2024/25 Approved Budget
 - FY2024/25 Amended Budget (as of February 2025)
 - FY2025/26 Approved Budget
 - Variance

The summary table shows for each year:

- Budgeted expenditures by category
- Funding sources and amounts

- A division level summary budget table:
 - FY2022/23 Actuals
 - FY2023/24 Actuals
 - FY2024/25 Approved Budget
 - FY2024/25 Amended Budget (as of February 2025)
 - FY2025/26 Approved Budget
 - Variance
- A division level summary staffing table:
 - FY2022/23 Actuals
 - FY2023/24 Actuals
 - FY2024/25 Approved Budget
 - FY2024/25 Amended Budget (as of February 2025)
 - FY2025/26 Approved Budget
 - Variance

FY2025/26 Approved Budget

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	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Employee Services	\$11,535,813	\$12,386,859	\$13,686,163	\$13,686,163	\$13,317,022	\$ (369,141)
Other Services and Supplies	63,501,837	64,746,701	61,274,543	60,977,543	72,163,702	11,186,159
City Property	67,296	11,247	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	182,250	182,250	102,250	(80,000)
Transfers	(82,847)	(246,798)	-	-	(99,342)	(99,342)
Labor and Supply Offset	3,398,354	2,450,391	1,863,295	2,160,295	2,862,292	701,997
Total	\$78,420,453	\$79,348,400	\$77,049,451	\$77,049,451	\$88,389,124	\$ 11,339,673

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
General Fund	\$ 4,219,935	\$ 4,712,084	\$ 5,643,675	\$ 5,643,675	\$ 4,822,216	\$ (821,459)
Interdepartmental Service	1,725,737	1,664,044	1,763,967	1,763,967	1,781,869	17,902
Measure U	499,655	481,252	503,285	503,285	557,774	54,489
Marina	-	4,811	4,000	4,000	-	(4,000)
Parking	-	4,811	4,000	4,000	-	(4,000)
Recycling and Solid Waste	150,087	152,226	168,606	168,606	175,965	7,359
Fleet Management	59,614	14,433	16,000	16,000	-	(16,000)
Risk Mgmt	25,969,628	51,460,096	50,031,693	50,031,693	60,056,241	10,024,548
Worker's Compensation Fund	45,795,797	20,854,643	18,914,225	18,914,225	20,956,239	2,042,014
City/Cnty Office-Water Planning	-	-	-	-	38,820	38,820
Total	\$78,420,453	\$79,348,400	\$77,049,451	\$77,049,451	\$88,389,124	\$ 11,339,673

Column 1 – FY2022/23 actual expenditures by category and funding amounts by source.

Column 2 – FY2023/24 actual expenditures by category and funding amounts by source.

Column 3 – FY2024/25 Approved Budget by category and funding amounts by source.

Column 4 – FY2024/25 Amended Budget by category and funding amounts by source (as of February 2025).

Column 5 – FY2025/26 Approved Budget by category and funding amounts by source.

Column 6 – The budget change between the FY2025/26 Approved and the FY2024/25 Amended budget.

FY2025/26 Approved 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	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
HR Administration Division	\$ 1,619,354	\$ 1,724,756	\$ 2,338,888	\$ 2,338,888	\$ 1,983,792	\$ (355,096)
Benefit Services Division	1,214,386	1,203,015	1,300,438	1,300,438	1,223,381	(77,057)
Employment, Classification and Dev Division	1,918,039	2,051,962	2,200,218	2,200,218	1,961,207	(239,011)
Risk Management Administration Division	68,596,996	68,947,834	65,132,325	65,132,325	76,951,907	11,819,582
Workers' Compensation Division	2,855,472	3,083,064	3,519,916	3,519,916	3,636,903	116,987
Labor Relations Division	1,716,481	1,856,449	2,054,381	2,054,381	2,114,914	60,533
Office of Diversity and Equity Division	499,725	481,321	503,285	503,285	517,020	13,735
Total	\$78,420,453	\$79,348,400	\$77,049,451	\$77,049,451	\$88,389,124	\$ 11,339,673

Column 1 - FY2022/23 actual expenditures by division.

Column 2 - FY2023/24 actual expenditures by division.

Column 3 - FY2024/25 Approved Budget by division.

Column 4 - FY2024/25 Amended Budget by division (as of February 2025).

Column 5 - FY2025/26 Approved Budget by division.

Column 6 - The budget change between the FY2025/26 Approved and the FY2024/25 Amended Budget.

FY2025/26 Approved 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	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
HR Administration Division	9.00	9.00	9.00	9.00	7.00	(2.00)
Benefit Services Division	9.00	9.00	9.00	9.00	8.00	(1.00)
Employment, Classification and Dev Divison	15.00	15.00	15.00	15.00	13.00	(2.00)
Risk Management Administration Division	17.00	17.00	17.00	17.00	16.00	(1.00)
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	83.00	83.00	77.00	(6.00)

Column 1 – FTEs by division in FY2022/23.

Column 2 – FTEs by division in FY2023/24.

Column 3 – FTEs by division in the FY2024/25 Approved Budget.

Column 4 – FTEs by division for the FY2024/25 Amended Budget (as of February 2025).

Column 5 – FTEs by division as Approved for FY2025/26.

Column 6 – The budget change in FTEs by division between the FY2025/26 Approved and the FY2024/25 Amended Budget.

FY2025/26 Approved Budget

6

SECTION - 6

The Forecast

FY2025/26 Approved Budget

FY2025/26 Approved Budget

Approved Financial Forecast

General Fund (General Fund and Measure U): The changes to the FY2025/26 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)	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING AVAILABLE FUND BALANCE	12	488	-	-	-
Revenues					
Revenues	838,742	851,643	869,393	885,136	900,669
Other Sources	18,150	15,488	15,181	15,407	15,637
Total Revenues/Resources	856,892	867,131	884,574	900,542	916,306
Expenditures					
Department Operating, Debt, and MYOPs	860,789	868,346	895,763	929,226	948,862
Capital Projects	15,835	15,740	15,211	15,191	15,191
Federal Funding Loss Contingency	3,738	-	-	-	-
EUR Contribution	-	4,396	4,530	4,696	4,792
Total Expenditures/Uses	880,362	888,481	915,504	949,113	968,845
Surplus/(Deficit)	(23,469)	(21,351)	(30,930)	(48,570)	(52,538)
Other Sources/(Uses)					
Reserve for Future Budget Development (FY2023/24)	26,807	-	-	-	-
FY2025/26 Vacancy Factor	6,467	6,596	6,728	6,863	7,000
Total Other Sources/(Uses)	33,274	6,596	6,728	6,863	7,000
Voter-Approved Spending					
Measure L	(9,329)	(9,329)	(9,329)	(9,329)	(9,329)
Total Voter-Approved Spending	(9,329)	(9,329)	(9,329)	(9,329)	(9,329)
Surplus/(Deficit) with Other Sources	476	(24,083)	(33,530)	(51,036)	(54,867)
Homeless Services					
General Fund Support	35,304	11,507	11,555	11,604	11,653
Homeless Housing, Assistance, and Prevention Program (HHAP-6)	12,896	-	-	-	-
Homeless Services Programming	(48,201)	(48,304)	(48,408)	(48,892)	(49,381)
Total Homeless Services	-	(36,797)	(36,853)	(37,288)	(37,728)
Surplus/(Deficit) with Homeless Services	476	(60,880)	(70,383)	(88,325)	(92,595)
ENDING AVAILABLE FUND BALANCE WITH HOMELESS SERVICES	488	(60,392)	(70,383)	(88,325)	(92,595)

Measure U Fund: The changes to the FY2025/26 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 \$161.3 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.

FY2025/26 Approved Budget

Revenues and Expenditures in (\$ in 000s)	FY2025/26 FTE	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
REVENUES		135,005	137,696	142,271	145,351	148,109
EXPENDITURES						
Affordable Housing						
Operations	20.00	1,220	1,247	1,263	1,303	1,307
Multi-Year Operating Projects		3,600	3,600	3,600	3,656	3,600
Affordable Housing Subtotal	20.00	4,820	4,847	4,863	4,959	4,907
Arts/Creative Edge						
Operations	23.95	3,253	3,318	3,374	3,453	3,499
Multi-Year Operating Projects		614	614	614	614	661
Arts/Creative Edge Subtotal	23.95	3,867	3,932	3,988	4,067	4,160
Climate Action						
Operations	4.00	531	543	553	567	575
Climate Action Subtotal	4.00	531	543	553	567	575
Community Investment						
Operations	170.77	20,383	20,794	21,163	21,649	21,974
Multi-Year Operating Projects		686	1,744	925	2,119	733
Capital Improvements		3,075	3,000	3,000	3,000	3,000
Community Investment Subtotal	170.77	24,144	25,538	25,088	26,767	25,707
Community Response						
Operations	131.00	18,181	18,533	18,840	19,263	19,523
Multi-Year Operating Projects		21,166	10,191	11,129	10,170	10,570
Community Response Subtotal	131.00	39,347	28,724	29,969	29,434	30,093
Homelessness						
Operations	6.00	873	892	908	930	944
Multi-Year Operating Projects		13,239	2,146	2,146	2,146	2,146
Homelessness Subtotal	6.00	14,112	3,038	3,054	3,076	3,090
Inclusive Economic Development						
Operations	31.00	6,923	7,059	7,181	7,342	7,448
Inclusive Economic Development Subtotal	31.00	6,923	7,059	7,181	7,342	7,448
Library						
Operations	-	14,272	14,272	14,272	14,272	14,272
Multi-Year Operating Projects		400	400	400	400	400
Library Subtotal	-	14,672	14,672	14,672	14,672	14,672
Public Safety						
Community Development						
Operations	15.00	1,906	1,946	1,982	2,029	2,060
Multi-Year Operating Projects		165	110	43	-	76
Community Development Subtotal	15.00	2,071	2,056	2,024	2,029	2,136
Fire						
Operations	17.00	9,408	9,407	9,597	9,801	9,994
Fire Subtotal	17.00	9,408	9,407	9,597	9,801	9,994
Police						
Operations	61.50	4,961	5,058	5,147	5,260	5,341
Police Subtotal	61.50	4,961	5,058	5,147	5,260	5,341
Youth Parks & Community Enrichment (YPCE)						
Operations	15.00	2,128	2,173	2,213	2,268	2,303
Multi-Year Operating Projects		180	155	244	85	89
YPCE Subtotal	15.00	2,308	2,328	2,457	2,353	2,392
Public Safety Subtotal	108.50	18,748	18,850	19,226	19,444	19,863
Youth						
Operations	311.84	18,822	19,209	19,563	20,013	20,333
Multi-Year Operating Projects		4,462	2,162	2,162	2,207	2,927
Youth Subtotal	311.84	23,283	21,371	21,725	22,219	23,261
Miscellaneous						
Operations	-	6,719	7,457	8,291	9,231	10,300
Multi-Year Operating Projects		4,118	6,000	6,000	6,000	6,000
Miscellaneous Subtotal	-	10,837	13,457	14,291	15,231	16,300
Total Expenditures	807.06	161,284	142,029	144,608	147,778	150,075
Economic Uncertainty Reserve (EUR) Contribution (0.5% of Expenses)		-	706	719	735	746
Net Resources (revenues less expenditures)		(26,278)	(5,039)	(3,056)	(3,162)	(2,712)
Other Sources/Uses						
Beginning Available Fund Balance		(21,239)	-	-	-	-
Reserve for Future Budget Development		(43)	-	-	-	-
Federal Funding Loss Reserve		(183)				
FY2024/25 Vacancy Factor		810	826	843	859	877
Other Spending Increases		604	586	568	549	530
Homeless Services						
Measure U Support		35,304	11,507	11,555	11,604	11,653
Homeless Services Resources (HHAP-6)		12,896	-	-	-	-
Homeless Services Programming		(48,201)	(48,304)	(48,408)	(48,892)	(49,381)
Homeless Services Subtotal		-	(36,797)	(36,853)	(37,288)	(37,728)
Revised Forecast	807.06	\$ (46,329)	\$ (40,424)	\$ (38,499)	\$ (39,042)	\$ (39,033)

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Enterprise Funds: The changes to the FY2025/26 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)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	23,400	26,851	22,080	18,933	16,985	16,257
Revenue	50,159	50,669	52,216	53,813	55,463	57,167
Expenditures	53,776	55,190	55,112	55,511	55,942	56,402
Other Source/(Use)	7,068	(250)	(250)	(250)	(250)	(250)
Ending Funding Balance	26,851	22,080	18,933	16,985	16,257	16,771

Parking Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	3,189	3,853	3,825	2,864	2,924	3,378
Revenue	19,896	20,314	20,720	21,135	21,557	21,989
Expenditures	19,949	20,342	21,682	21,074	21,104	21,168
Other Source/(Use)	717	-	-	-	-	-
Ending Funding Balance	3,853	3,825	2,864	2,924	3,378	4,199

Solid Waste Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	43,365	52,494	60,691	59,893	56,954	53,885
Revenue	99,738	97,935	98,748	99,568	100,395	101,229
Expenditures	91,747	89,738	99,546	102,507	103,464	94,532
Other Source/(Use)	1,138	-	-	-	-	-
Ending Funding Balance	52,494	60,691	59,893	56,954	53,885	60,582

Storm Drainage Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	22,212	22,358	19,607	13,640	12,839	5,032
Revenue	43,223	44,966	41,632	41,661	41,743	41,755
Expenditures	41,426	47,717	47,599	48,662	49,549	50,281
Other Source/(Use)	(1,651)	-	-	6,200	-	-
Ending Funding Balance	22,358	19,607	13,640	12,839	5,032	(3,494)

Storm Drainage Property Fee Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	10,480	23,306	23,740	24,949	20,378	21,951
Revenue	19,788	20,307	20,852	21,277	21,652	22,098
Expenditures	6,962	19,873	19,643	19,648	20,079	20,106
Other Source/(Use)	-	-	-	(6,200)	-	-
Ending Funding Balance	23,306	23,740	24,949	20,378	21,951	23,943

Wastewater Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	25,066	23,955	19,377	7,895	2,517	(1,695)
Revenue	47,589	46,174	46,219	46,237	46,316	46,410
Expenditures	48,087	50,752	57,701	51,615	50,528	48,964
Other Source/(Use)	(613)	-	-	-	-	-
Ending Funding Balance	23,955	19,377	7,895	2,517	(1,695)	(4,249)

Water Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Approved	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	44,762	69,077	30,867	759	(2,985)	(34,868)
Revenue	151,416	138,174	138,008	137,759	138,036	138,032
Expenditures	146,250	176,384	168,116	167,410	169,919	171,237
Other Source/(Use)	19,149	-	-	25,907	-	-
Ending Funding Balance	69,077	30,867	759	(2,985)	(34,868)	(68,073)

Proposed Financial Forecast

(As written on April 30, 2025, with technical adjustments as necessary to reflect Council intent.)

Financial Forecast

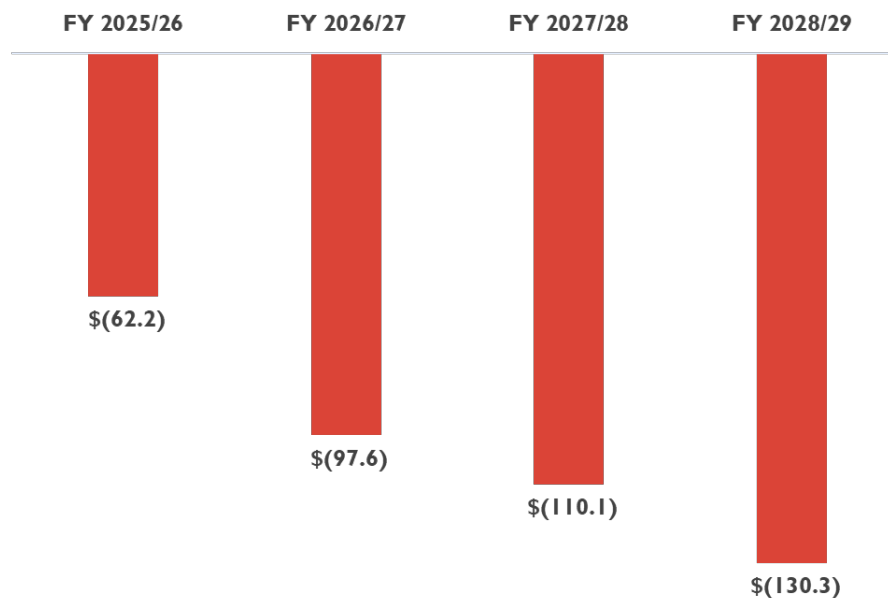
The financial forecast is a fiscal management tool that evaluates current and future fiscal trends and presents estimated information based on past, current, and projected financial conditions. This tool helps identify future revenue and expenditure trends that may have an immediate or long-term influence 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 to the decision-making necessary to maintain both essential community services and fiscal stability.

In February 2025, the City released its updated financial forecast which projected a \$62.2 million funding gap for FY2025/26 with deficits increasing annually throughout the forecast period and reaching over \$130 million by FY2028/29:

February 2025 Forecast



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.

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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.

The Budget addresses the City's structural 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 \$62.2 million funding gap include a combination of one-time and ongoing strategies with \$34.6 million in ongoing reduction strategies and \$35.2 million in one-time solutions. 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 FY2025/26, these efforts do not completely fill the gaps in future fiscal years. The current five-year forecast is presented below.

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5-Year Forecast General Fund (\$ in 000s)	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING AVAILABLE FUND BALANCE	12	962	-	-	-
Revenues					
Revenues	839,806	852,907	870,658	886,400	901,934
Other Sources	16,537	15,488	15,181	15,407	15,637
Total Revenues/Resources	856,343	868,395	885,838	901,806	917,571
Expenditures					
Department Operating, Debt, and MYOPs	837,080	868,626	896,549	930,516	950,758
Capital Projects	15,835	15,740	15,211	15,191	15,191
Federal Funding Loss Contingency	4,238	-	-	-	-
EUR Contribution	-	4,394	4,530	4,698	4,798
Total Expenditures/Uses	857,152	888,759	916,289	950,405	970,747
Surplus/(Deficit)	(810)	(20,365)	(30,451)	(48,599)	(53,176)
Other Sources/(Uses)					
Reserve for Future Budget Development (FY2023/24)	26,807	-	-	-	-
FY2024/25 Vacancy Factor	6,466	6,596	6,728	6,862	6,999
Total Other Sources/(Uses)	33,273	6,596	6,728	6,862	6,999
Voter-Approved Spending					
Measure L	(9,329)	(9,329)	(9,329)	(9,329)	(9,329)
Total Voter-Approved Spending	(9,329)	(9,329)	(9,329)	(9,329)	(9,329)
Surplus/(Deficit) with Other Sources	23,135	(23,098)	(33,052)	(51,065)	(55,505)
Homeless Services					
General Fund Support	13,119	11,507	11,555	11,604	11,653
Homeless Housing, Assistance, and Prevention Program (HHAP-6)	12,896	-	-	-	-
Homeless Services Programming	(48,201)	(48,304)	(48,408)	(48,892)	(49,381)
Total Homeless Services	(22,185)	(36,797)	(36,853)	(37,288)	(37,728)
Surplus/(Deficit) with Homeless Services	950	(59,894)	(69,905)	(88,354)	(93,233)
ENDING AVAILABLE FUND BALANCE WITH HOMELESS SERVICES	962	(58,932)	(69,905)	(88,354)	(93,233)

Additional challenges in the General Fund forecast are detailed below:

- California Public Employees' Retirement System (CalPERS) unfunded liability costs will increase by \$25.7 million (26.9%) over the next four years.
- Liability insurance premiums are estimated to increase by \$32.7 million (69%) over the next four years.
- Uncertainty with future labor costs. Ten of the eleven labor contracts will end before the close of FY2025/26 with one labor contract already expired. The forecast does not include future increases for COLAs or health insurance.
- Approximately \$1.8 billion in unfunded capital needs between 2025 and 2030 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 \$195 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 future labor contract increases and unfunded capital needs, estimates for the above challenges have been included in the forecast as presented.

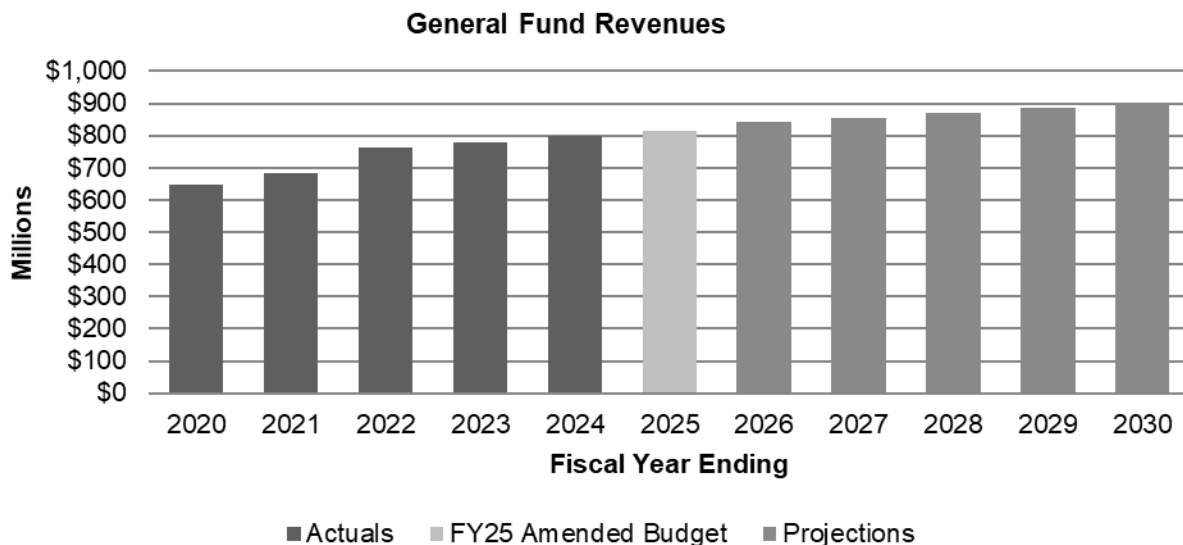
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General Fund Revenues

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 over two-thirds of all General Fund revenues.

Revenue Source (\$ in 000s)	FY2024/25 Amended	FY2025/26 Proposed	FY2026/27 Projected	FY2027/28 Projected	FY2028/29 Projected	FY2029/30 Projected
Property Tax	249,069	256,130	263,014	270,123	277,461	285,036
Sales Tax	235,660	236,843	241,473	249,386	254,765	259,634
Utility User Tax	70,444	67,802	68,141	68,482	68,824	69,168
Other Revenue	259,467	279,031	280,278	282,668	285,349	288,095
Total General/Measure U Revenue	814,641	839,806	852,907	870,658	886,400	901,934

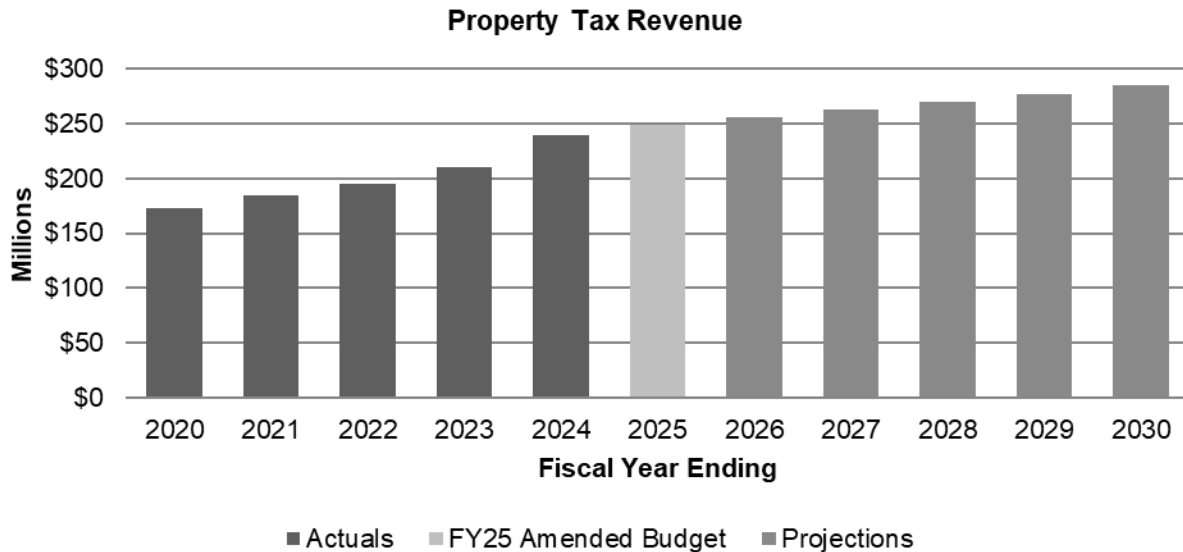
The chart below provides a five-year year look back and forecast of General Fund revenue growth. Property tax and sales tax continue to be the main catalyst for revenue growth within the City. General Fund revenues are projected to increase by 39% from FY2019/20 through the term of the forecast in FY2029/30.



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.

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Mortgage rate predictions for 2025 indicate slight declines compared to the first half of 2024, which could positively impact the real estate market and improve affordability for buyers. As of February 2025, the Mortgage Bankers Association is forecasting the average 30-year fixed rate mortgage to be about 6.5% by the last quarter of 2025. As of March 2025, Fannie Mae is projecting a slightly lower rate, at about 6.3%. According to the Sacramento Business Review January 2025 Report, there is solid demand for homebuying in the region, but it is heavily supported by mortgage rate buydowns and other incentives common to new home supply. As a result, Sacramento's new home market continues to outperform its resale market. However, resale listings grew throughout 2024 and are now up year-over-year, similar to many major housing markets across the country. Other sectors of real estate, including industrial, office, and retail, continue to be relatively stable.

Overall Real Estate Activity for the Sacramento Region

Category	2/2025 vs. 2/2024 % Change
Average Price per Square Foot	1.8%
Median Sales Price	1.9%
Average Days on Market	12.1%
Months of Inventory	82.4%
For Sale	61.6%
Sold	-12.0%

Data compiled by the Sacramento Association of Realtors.

From February 2024 through February 2025, the Sacramento Association of Realtors reported the cost of housing per square foot in the Sacramento region increased from \$333 to \$339 and the median home price increased from \$540,000 to \$550,000. Fannie Mae expects both new and existing home sales volumes to increase by 2.8% and 4.4% respectively in 2025 across the nation. The peak first-time homebuying age for Millennials also continues for a few more years, contributing to sustained demand. Notably, the

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Sacramento Association of Realtors reported an increase in average days on market and in months of inventory year-over-year. While the regional market is still considered a seller's market, these developments suggest a shift toward more balance, providing buyers with more options.

Total assessed value for Sacramento County's FY2024/25 secured and unsecured roll surpassed \$231 billion, an increase of 5.2% countywide. Additionally, the Sacramento County Assessor's (Assessor) 2024 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 4.9% from FY2023/24 to FY2024/25.
- City properties with Proposition 8 assessments (temporary reduction in property taxes due) decreased from 2,910 in April 2024 to 2,820 in April 2025, a 3.1% decrease. However, the total value of those assessments increased by \$616.4 million.

The table below illustrates the assessed roll value that remains to be restored as a result of the housing crash during the Great Recession. Restoration of Proposition 13 values happens annually, while reductions as the result of Proposition 8 appeals can be applied to the tax roll at any time during the year. Therefore, the reduction in pending appeals limits the City's exposure to a reduction in roll value.

Summary of Proposition 8 Assessments by Land Use

Property Type	Proposition 8	Proposition 13	% of Full Value
Commercial	2,520,604,857	3,627,502,616	69.5%
Single-Family Residence	460,329,051	522,183,396	88.2%
Multi-Family Residence	811,529,222	965,421,139	84.1%
Industrial	181,531,234	209,677,501	86.6%
Others	79,383,877	99,220,208	80.0%
City Total	4,053,378,241	5,424,004,860	74.7%

In December 2024, 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. The property tax secured roll forecast for FY2025/26 is 5.8% higher than the FY2024/25 Approved Budget, which included 2.3% growth over FY2023/24 actuals. Estimates over the term of the forecast include 3% from FY2026/27 through FY2029/30, assuming the application of the full 2% for the Proposition 13 growth factor and that Proposition 8 properties will continue to be restored to their Proposition 13 values on the tax roll over time.

Consistent with current Council budget guidelines, property tax growth in the former redevelopment areas accrues to the Innovation and Growth Fund (IGF). In FY2024/25,

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the amount required for the possessory interest tax paid on the Golden 1 Center was shifted from IGF to Transient Occupancy Tax resources for the associated debt service. This shift is continuing into FY2025/26.

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/counties. The Sacramento County Audit-Controller Division provided updated information in late 2024 for FY2024/25 collections and indicated the City would receive an increase of 5.1% in estimated revenues when compared to FY2023/24 collections. After revising the FY2024/25 base upward by \$0.7 million, 3% growth was applied to the new baseline in FY2025/26, with 3% annual growth in over the term of the forecast.

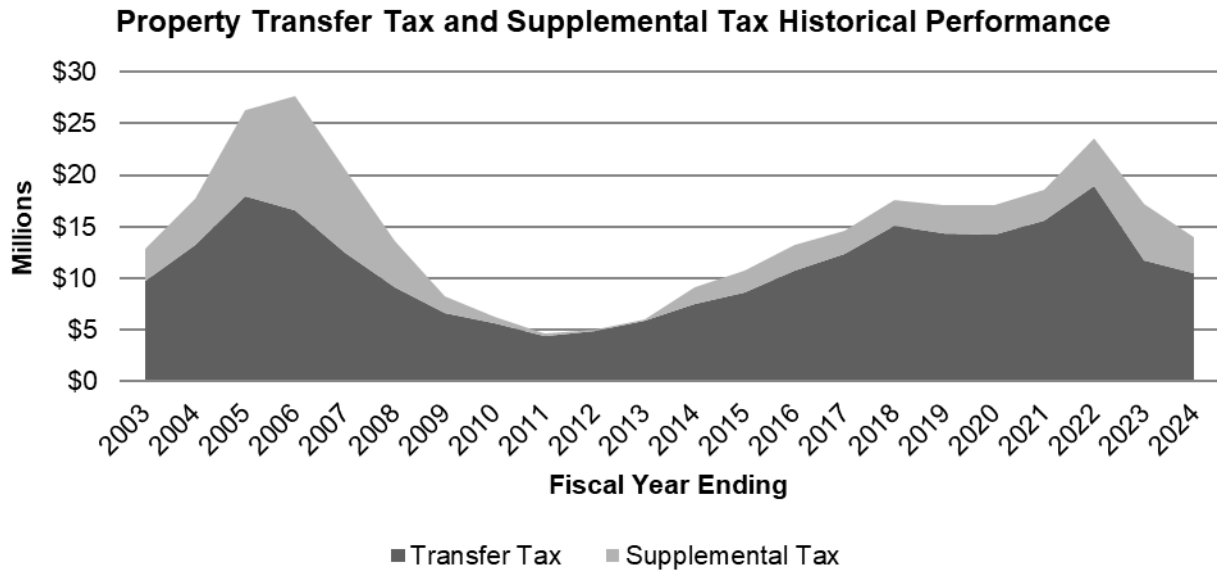
Property Transfer Tax and Supplemental Property Tax

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%). This revenue stream has fluctuated significantly, ranging from as low as \$4.4 million in FY2010/11 during the Great Recession to as high as \$19 million in FY2021/22. 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 as a result 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 low of \$4.6 million in FY2010/11 to a combined high of \$27.7 million in FY2005/06. During the first eight months of FY2024/25, real estate transactions increased by 6.1%, and the value of those transactions increased by 29.2% when compared to the same period in the prior year. Despite these gains year-over-year, it is worth noting that the number of transactions is still down 9.9% compared to the first eight months of FY2022/23 and 46.1% compared to the first eight months of FY2021/22. While inflation has eased, the benchmark 10-year Treasury yield remains elevated, and rates on 30-year fixed-rate mortgages are still hovering around 6-7%. Buyers are reluctant to complete transactions, and sellers are generally not rushing to sell if they are locked in lower interest rates and have few options for an affordable mortgage upon the sale of their current property. Transfer tax revenues are expected to be flat over the term of the five-year forecast, while supplemental tax revenues are expected to decrease by 5% annually over the term of the five-year forecast. Higher interest rates, increased 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.

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Sales Tax

General Sales and Use tax is imposed on all retailers for the privilege of selling tangible personal property in the state, whereas use tax is imposed on the purchase for storage, use, or other consumption of tangible personal property purchased from any retailer within the City. These taxes are collectively referred to as sales taxes. The General Fund receives only 2 cents of every 8.75 cents of sales tax paid per dollar, of which 1 cent is allocated to the General Fund and 1 cent is allocated to the Measure U Fund as approved by voters in November 2018. Sales taxes account for 28% of all General Fund revenues, of which 12% is allocated to the General Fund and 16% is allocated to the Measure U Fund. The Measure U sales tax is a higher percentage of overall General Fund revenue than the general sales tax because it is a destination-based tax, meaning it is applied to transactions based on the buyer's location rather than the seller's location. Sales tax revenues were minimally impacted during the pandemic as consumers shifted their purchasing power away from brick and mortar retail and toward online sales. The table below lists the percentage breakdown of each economic segment of the sales tax forecasted in FY2025/26.

General Fund Sales Tax Breakdown by Economic Segment	
General Retail	23.8%
Food Products	19.2%
Business to Business	18.7%
Transportation	16.1%
Construction	11.9%
County Pool	6.9%
Miscellaneous	3.4%
Total	100.0%

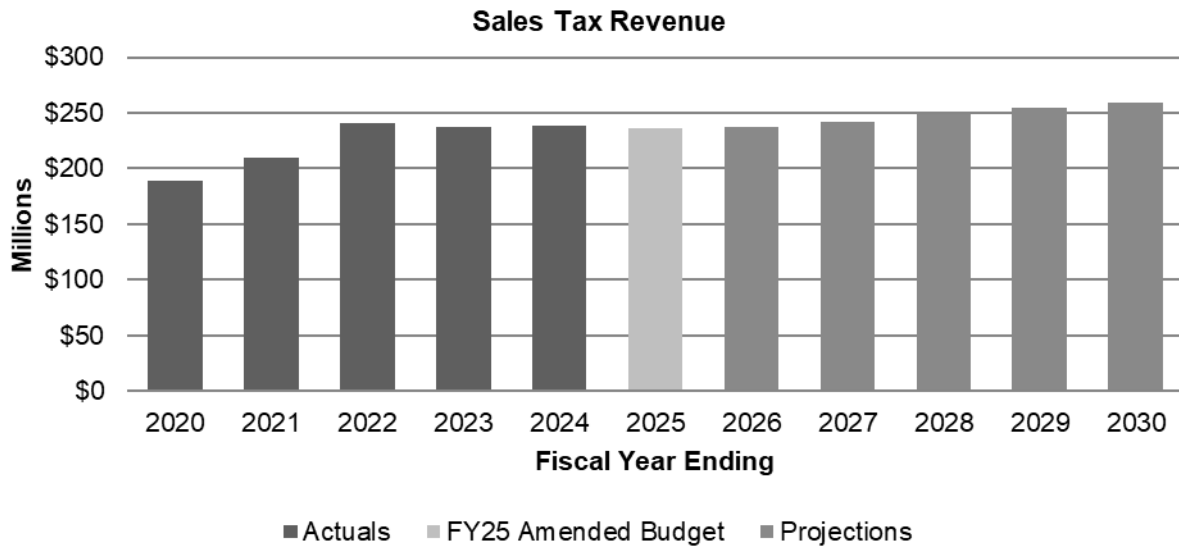
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Nationally, inflation peaked at a 40-year high of 9.1% in June 2022. As of March 2025, inflation is about 2.4%. Although this is only slightly higher than the Federal Reserve's 2% inflation target, there is much economic uncertainty ahead as 2025 unfolds. In March 2025, UCLA Anderson Forecast announced a recession watch due to three main areas of concern over the federal government's recent initiatives: 1) the tariff policy and ensuing trade wars; 2) the spending cuts to federal contractors and grant recipients; and 3) workforce shortages in the construction and agriculture sectors. The uncertainty surrounding these policies in and of itself is damaging to the economy and exacerbated by any potential decline in the financial sector, in which many normal Americans have invested their retirement plans and other assets. The downstream effects of these national events may have an impact on Sacramento households, which may respond to these economic pressures by reducing spending, which would exert downward pressure on sales tax revenues.

The California vehicle market was essentially flat in 2024, with new car registrations down 0.3% and used car registrations down 0.2% compared to 2023. Vehicle affordability continues to be an issue and may worsen as the country experiences more of the effects of the tariffs on Canadian and Mexican auto imports. S&P Global recently estimated that about 22% of all vehicles sold in the United States are imported from Canada and Mexico, and tariffs on these vehicles would increase the prices consumers pay for them. Additionally, recent increases in energy prices will create upward pressure on taxable items via increased transport costs. These trends could further reduce disposable income for restaurants and retail purchases.

Avenu Insights & Analytics (Avenu), the City's sales tax consultant, projected a 1.1% decrease in sales tax revenues in FY2024/25. Based on Avenu's forecasting, the City anticipates that total sales tax revenues will increase by 0.5% in FY2025/26 before then growing by about 2.2% annually through FY2029/30. Over the past few years, sales tax revenues have been affected by a variety of unusual factors including but not limited to the following: the COVID-19 pandemic and recovery; higher than normal inflation; supply chain issues; changes in consumer demand from taxable to non-taxable purchases; a spike in fuel prices; and now new federal tariff policy. All segments of sales tax revenues are expected to remain flat or increase slightly with the exception of transportation, which is projecting a long-term decline as electric vehicle adoption continues and exerts downward pressure on demand for gasoline sales. The FY2025/26 budget is based on Avenu's conservative sales tax scenario. The FY2026/27 projection is also based on Avenu's conservative sales tax scenario, while the years after that increase to a midway point between the conservative scenario and the most likely scenario.

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The table on the following page breaks down the prior four calendar years for the base 1% sales tax excluding Measure U providing a picture of the impact of the pandemic on the City's sales tax revenues.

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General Sales and Use Tax					
(Benchmark Calendar Year)					
	2020	2021	2022	2023	2024
Apparel Stores	2,015,443	3,176,830	3,050,926	2,959,838	2,896,922
Department Stores	5,108,979	5,764,088	6,017,824	5,897,915	6,398,390
Furniture/Appliance	1,888,744	2,384,954	2,584,523	2,433,833	2,267,754
Drug Store	3,008,384	3,073,028	2,602,677	2,283,947	2,170,926
Recreation Products	637,476	776,827	723,348	654,954	619,147
Florist/Nursey	1,023,731	1,132,177	471,310	406,136	410,390
Miscellaneous Retail	3,975,170	5,365,331	5,246,630	4,909,320	4,641,416
General Retail Total	17,657,927	21,673,235	20,697,238	19,545,943	19,404,945
Restaurants	8,733,996	12,052,166	14,408,819	15,503,591	15,605,039
Food Markets	3,468,281	3,625,438	3,791,497	3,830,954	3,976,720
Liquor Stores	508,383	583,557	613,623	636,958	643,410
Food Processing Equipment	411,317	520,251	673,409	638,214	722,071
Food Products Total	13,121,977	16,781,412	19,487,348	20,609,717	20,947,240
Auto Parts/Repair	2,228,223	2,450,104	2,578,025	2,558,234	2,495,181
Auto Sales - New	1,754,888	1,700,174	1,956,052	2,552,494	2,517,070
Auto Sales - Used	2,178,234	3,269,301	3,215,233	2,683,656	2,537,187
Service Stations	4,377,169	5,972,473	7,447,405	6,765,502	6,216,111
Misc. Vehicle Sales	1,940,366	1,886,497	1,766,147	1,564,126	1,425,955
Transportation Total	12,478,880	15,278,549	16,962,862	16,124,012	15,191,504
Building Materials Wholesale	7,969,554	9,445,638	11,781,464	10,414,374	9,764,043
Building Materials Retail	2,564,324	2,791,546	2,728,364	2,679,843	2,498,110
Construction Total	10,533,878	12,237,184	14,509,828	13,094,217	12,262,153
Office Equipment	1,676,315	1,704,470	2,035,187	1,962,698	1,792,962
Electronic Equipment	561,657	627,482	726,473	853,288	774,398
Business Services	559,538	741,135	823,547	857,279	990,158
Energy Sales	1,993,607	3,207,516	4,408,153	3,262,943	1,733,194
Chemical Products	560,864	650,646	841,613	861,524	924,394
Heavy Industry	4,242,637	4,331,159	4,689,408	4,605,455	4,188,911
Light Industry	1,565,531	1,418,972	1,690,152	1,634,516	2,051,565
Leasing	1,128,000	1,400,171	1,594,398	1,752,325	1,864,817
Biotechnology	489,143	606,907	672,053	692,052	470,681
I.T. Infrastructure	426,483	45,538	53,011	66,948	123,983
Green Energy	215,772	243,162	299,793	223,311	65,454
Business To Business Total	13,419,547	14,977,158	17,833,788	16,772,339	14,980,517
Health & Government	837,622	847,035	1,041,883	1,070,264	1,494,336
Miscellaneous Other	689,483	881,513	938,519	1,116,751	1,153,803
Miscellaneous Total	1,527,105	1,728,548	1,980,402	2,187,015	2,648,139
Net Pools/Admin/Adjustments	14,434,212	19,000,767	16,774,177	16,580,659	17,774,694
Total General Fund Receipts	83,173,526	101,676,853	108,245,643	104,913,902	103,209,192

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The table below breaks down the prior four calendar years for the Measure U 1% Transactions and Use Tax providing a picture of the impact of the pandemic on the City's sales tax revenues.

Measure U Transactions and Use Tax

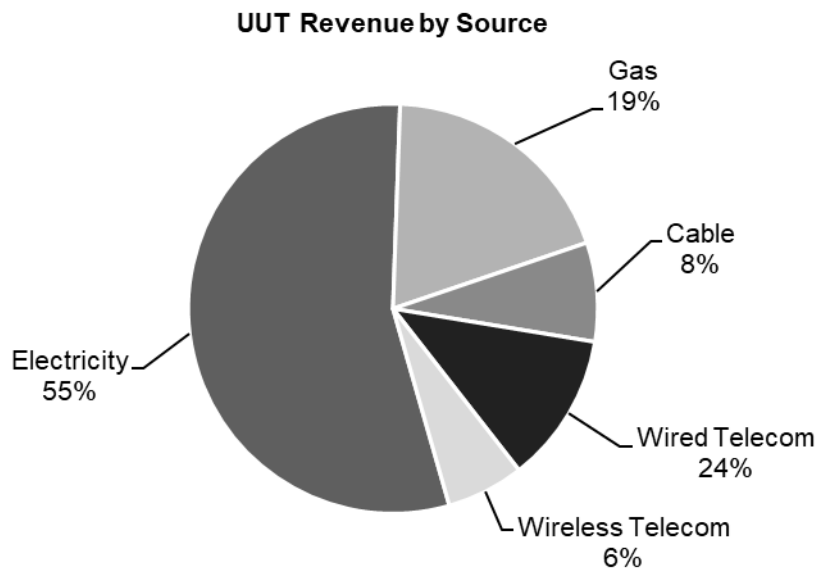
(Benchmark Calendar Year)

	2020	2021	2022	2023	2024
Apparel Stores	3,315,092	4,549,575	4,280,040	4,257,200	4,199,316
Department Stores	6,864,166	7,693,992	7,031,374	6,692,682	7,242,424
Furniture/Appliance	3,324,027	3,820,093	3,719,672	3,150,396	3,024,278
Drug Store	2,833,067	2,969,916	2,603,571	2,158,409	1,954,488
Recreation Products	991,130	1,128,862	1,043,635	1,017,885	943,932
Florist/Nursey	1,108,392	1,243,190	581,785	499,399	489,139
Miscellaneous Retail	12,104,116	14,591,224	14,509,068	14,691,825	14,609,369
General Retail Total	30,539,990	35,996,852	33,769,145	32,467,796	32,462,946
Restaurants	9,169,894	12,782,743	15,237,274	16,332,114	16,418,351
Food Markets	3,565,365	3,629,276	3,845,447	3,923,593	4,034,404
Liquor Stores	541,290	605,774	633,111	678,535	728,036
Food Processing Equipment	648,386	774,447	998,987	917,588	1,025,934
Food Products Total	13,924,935	17,792,240	20,714,819	21,851,830	22,206,725
Auto Parts/Repair	2,770,704	3,050,728	3,228,693	3,649,507	4,187,968
Auto Sales - New	7,322,176	9,562,641	10,098,098	10,844,266	10,486,001
Auto Sales - Used	2,501,787	3,323,306	3,023,925	2,782,506	2,491,174
Service Stations	4,533,258	6,232,643	7,649,517	6,930,536	6,398,164
Misc. Vehicle Sales	1,017,479	952,350	986,374	965,269	914,320
Transportation Total	18,145,404	23,121,668	24,986,607	25,172,084	24,477,627
Building Materials Wholesale	8,797,849	10,324,489	12,360,889	11,774,801	11,521,226
Building Materials Retail	4,979,890	5,382,686	5,284,447	5,117,908	4,833,125
Construction Total	13,777,739	15,707,175	17,645,336	16,892,709	16,354,351
Office Equipment	6,395,944	5,702,603	6,062,251	5,978,395	6,154,745
Electronic Equipment	1,740,702	2,515,280	2,076,865	2,141,258	2,280,965
Business Services	2,138,391	2,274,997	2,646,072	2,615,307	3,270,640
Energy Sales	601,088	922,438	1,306,572	1,149,887	1,064,036
Chemical Products	891,497	878,902	998,659	923,274	968,186
Heavy Industry	4,692,642	5,016,591	5,329,628	5,476,888	4,803,154
Light Industry	6,063,961	6,847,972	7,281,252	7,176,879	7,337,302
Leasing	2,737,646	2,858,764	2,980,153	3,186,015	3,284,924
Biotechnology	164,455	231,588	235,302	223,509	207,392
I.T. Infrastructure	524,902	310,721	364,024	425,838	566,032
Green Energy	148,163	238,680	184,597	143,268	180,563
Business To Business Total	26,099,391	27,798,536	29,465,375	29,440,518	30,117,939
Health & Government	2,200,793	2,949,422	3,107,360	2,593,476	2,556,880
Miscellaneous Other	1,729,914	2,020,634	2,166,695	2,452,685	2,731,962
Miscellaneous Total	3,930,707	4,970,056	5,274,055	5,046,161	5,288,842
Net Pools/Admin/Adjustments	(2,130,293)	1,868,285	444,408	1,970,420	3,820,552
Total Measure U Receipts	104,287,873	127,254,812	132,299,745	132,841,518	134,728,982

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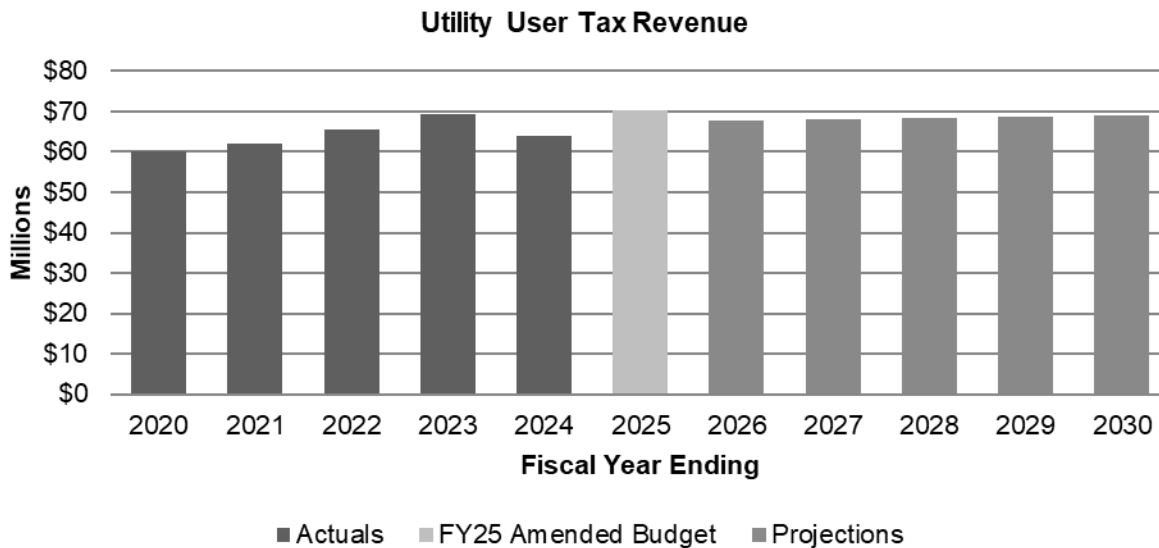
Utility User Tax (UUT)

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). Measure O was approved by the voters in November 2008, reducing the 7.5% tax rate to 7% on telecommunication services, but was expanded to include Voice over Internet Protocol (VoIP), text messaging, and many other previously excluded technologies. The 7.5% tax rate continues to be in effect for gas, electric, and cable services. 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:



Cable, wireless telecommunication, and wired telecommunication revenue components continue to face regulatory and fiscal pressure across their respective industries. The City has reduced UUT revenue projections in previous fiscal years to address these underperforming sectors. Electricity and gas now account for over 75% of all UUT revenue, providing overall growth despite continued losses by the other components. Historically, these segments used to account for about half of UUT revenue since FY1996/97 before growing to 60% of UUT in FY2018/19 and 70% in FY2022/23. However, the dominance of the electricity and gas segments makes the overall revenue stream less diversified and therefore more prone to volatility. For example, in which Sacramento seasons are milder may result in more muted UUT revenue totals as households avoid using air conditioning and heating. The FY2025/26 budget assumes 0.5% growth in UUT annually due to the infighting between UUT segments and the unpredictability of energy usage going forward.

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

Cable Subscriptions – Consumers continue to cancel their cable TV subscriptions, and the pace is quickening. In 2022, an estimated 4.9 million subscriptions were cancelled, followed by another 5.4 million in 2023. In the first three quarters of 2024 alone, an estimated 5.7 million subscriptions were cancelled. Comcast accounted for 79% of the City’s cable UUT receipts in FY2023/24. Avenu Insights and Analytics forecasts an additional 31% decline in cable UUT revenue by FY2028/29. The City’s cable revenue decreased by \$350,000 through the first seven months of FY2023/24, versus the same period in FY2022/23. Cable accounts for \$5.6 million (8%) of all UUT revenue.

Electricity – Energy will continue to be the main catalyst for UUT growth for the foreseeable future. The electricity segment has increased its share of the UUT pie from 39% in FY2007/08 to 55% in FY2023/24. SMUD is the City’s primary source of electricity and continues to face cost pressures for compliance, risk mitigation requirements, technology, and grid investments. SMUD has increased rates four times since January 2024 to address these issues and has recently proposed further rate increases of 3% for January 1, 2026, and January 1, 2027. During the first seven months of FY2024/25, the City’s electricity UUT revenues increased 16.7% compared to the same period in FY2023/24.

Natural Gas – PG&E increased gas rates by 8.6% on January 1, 2025. The cost increase will pay for new investments in safety and reliability, including replacing, inspecting, and strength-testing pipelines and using advanced leak detection technology to quickly find and fix gas leaks to improve safety and reduce methane emissions. UUT gas collections were up 20.7% during the first seven months of FY2024/25 compared to FY2023/24. Gas accounts for 19% of all UUT revenue.

Wired Telecommunications – Wired telecom revenues continue to decline due to competition among providers and the lack of product and service differentiation. Existing residential customers continue to migrate towards less expensive alternatives. Wired UUT revenue

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accounts for approximately 11.9% of the total UUT base. This is down from being over 40% of UUT in the late 1990s. Through the first seven months of FY2024/25 wired telecom revenue is down about 2.9% compared to the same period in FY2023/24.

Wireless Telecommunications – Many wireless providers are generating the majority of their revenue through data services, which are not taxable. On average, this equates to an allocation of approximately 70-85% to data usage. This has caused a 73% decrease in wireless revenues since FY2009/10. During the first seven months of FY2024/25, wireless UUT revenues have increased by about 6.4% versus the same period in FY2023/24. Wireless telecommunications accounts for about 5.7% of all UUT revenue.

Cannabis Business Operations Tax (CBOT)

The California Department of Tax and Fee Administration has reported a decline in taxable sales of cannabis products for three consecutive calendar years, although some of the decline in 2024 is due to an extension in the filing and payment deadline for Los Angeles County businesses as a result of the January 2025 wildfires. The Sacramento cannabis industry has experienced a similar plateauing 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.

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, the FY2025/26 budget is projected to remain flat at \$23.3 million over the term of the five-year forecast until new information becomes available.

Fees and Charges

Local government has the ability to 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.

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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 19.1% 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 2025.

The City is currently conducting a two-year citywide fee study, which started in April 2025. City departments will be 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 just completed a separate fee study, and the Department of Utilities plans to do a separate fee study.

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. In FY2025/26, labor costs are expected to increase by 2.7% compared to the FY2024/25 Approved Budget due to approved salary and benefit increases included in the labor agreements approved by Council in FY2023/24, movement of employees through salary steps, pension cost increases, new position augmentations and position deletions due to reduction strategies.

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 FY2025/26 normal contribution is projected to be approximately \$70.1 million, of which \$60.6 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 FY2025/26 UAL payment is \$115.9 million, of which approximately \$101.9 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

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benefits. The FY2025/26 total employer contribution is projected to be approximately \$186 million, of which approximately \$162.5 million is from the General Fund. The UAL portion of the General Fund's contribution is 68% 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 FY2020/21	Approved FY2021/22	Approved FY2022/23	Approved FY2023/24	Approved FY2024/25	Proposed FY2025/26
Classic	61%	56%	52%	38%	35%	31%
PEPRA	39%	44%	48%	62%	65%	69%

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 2021, the CalPERS Board (Board) adopted new actuarial assumptions based on the recommendations in the November 2021 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 used in the most recent actuarial valuation of the City's defined benefit plans and influenced the required contribution for FY2025/26. In addition, the Board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation, along with the new capital market assumptions and economic assumptions, support a discount rate of 6.8%. This includes a reduction in the price inflation assumption from 2.5% to 2.3%. 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.

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In July 2024, CalPERS announced a preliminary 9.3% 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 17.5% return in FY2023/24. These assets comprise about 41.9% of the total fund. Although the preliminary net return was estimated to be 9.3% for FY2023/24, recent market volatility presents a challenge to achieving the discount rate of 6.8% in FY2024/25. If CalPERS fails to meet its discount rate target in FY2024/25 by a wide enough margin, costs to employers could still increase in the future. Depending on the FY2024/25 results, the five-year forecast will be updated after June 30, 2025.

General Liability, Auto Liability, and Workers' Compensation Insurance

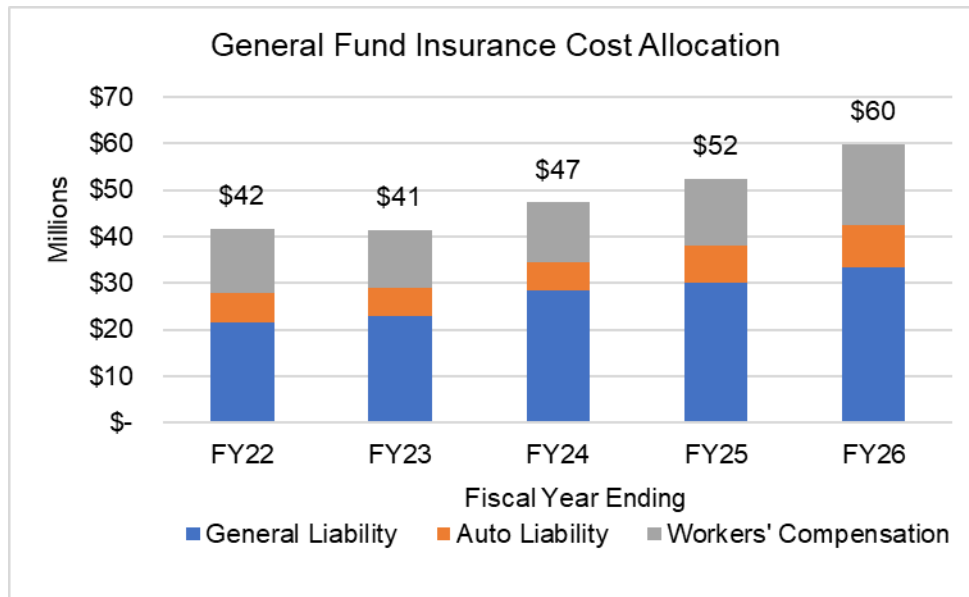
The City contracts with Bickmore Risk Services (Bickmore) to develop an actuarial estimate which establishes the appropriate amount to budget for claim costs for the coming fiscal year as well as the program's liability for outstanding claims. Bickmore utilizes historical City loss data to forecast the upcoming fiscal year's cost of claims and expenses and the City utilizes 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. Consistent with Council's adopted policy to maintain this funding level, the General Fund contribution to the GL&AL Fund was increased from \$37.9 million in FY2024/25 to \$42.5 million or 12% in FY2025/26.

Insurance premiums have been rising in recent years, primarily excess liability and property premiums, and public entities will continue to experience a difficult insurance market in FY2025/26. This is an industry-wide problem, not isolated to the City of Sacramento. Since 2010 there has been an 11% annual increase in liability claim costs. A deterioration in loss experience and fewer insurance carriers willing to write public entity business are driving a tightening insurance market. Simply stated, there has been a dramatic increase in the number and size of extremely large liability losses. Information provided by the City's insurance broker illustrates the dramatic increase in liability costs. The average jury award in 2010 was \$654,000 and the average jury award in 2020 was \$2.5 million, an increase of 274% and an all-time high. The City's loss history, which has seen an increase in large liability losses since FY2011/12, is also contributing to its increasing insurance premiums. Unfortunately, property insurance rates will continue to increase due to the recent fires in Los Angeles and years of catastrophic events such as hurricanes, floods, wildfires, and winter storms. Inflation, labor shortages, and increased materials costs are also contributing to increasing property insurance premiums.

The General Fund contribution to the Workers' Compensation Fund increased from \$14.5 million in FY2024/25 to \$17.3 million in FY2025/26, or 19%. While the number of workers' compensation claims remains stable, besides an increase from COVID-related claims in FY2021/22, costs are increasing. Cost drivers include medical inflation, an aging workforce, mental health exposures, and workplace violence.

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

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Recent information from Public Risk Innovation, Solutions, and Management (PRISM), the member-directed risk sharing pool where the City currently purchases excess liability and workers' compensation insurance, states that public entities and the insurance industry are witnessing dramatic increases in liability loss development in recent years. The increase in size and number of large liability claims continues to create difficult market conditions. The excess liability insurance market for public entities continues to tighten nationwide driven by increases in plaintiff demands, rising jury verdicts and liability settlements, and high inflation. For example, the number of court cases resulting in jury verdicts of \$20 million or more doubled from 2019 to 2023. Additionally, there are many recent jury verdicts or settlements against California public entities more than \$30 million. There has been a large amount of capacity pullbacks and withdrawals by insurance carriers over the past three years. As a result, the number of reinsurers writing public entity business in California had been reduced to about one-third of what it was in 2015, resulting in fewer options for excess insurance and higher premiums. Concerns regarding potential exposure to loss that may have been less concerning until recently will likely yield coverage restrictions, new exclusions, and/or reductions in limits.

Measure U Programming and Forecast - \$137.4 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 \$135 million in revenues for FY2025/26.

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 FY2025/26 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 \$137.4 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.

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FY2025/26 Measure U Programming

Revenues and Expenditures in (\$ in 000s)	FY2025/26 FTE	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
REVENUES		135,005	137,696	142,271	145,351	148,109
EXPENDITURES						
Affordable Housing						
Operations	20.00	1,220	1,251	1,267	1,308	1,312
Multi-Year Operating Projects		3,600	3,600	3,600	3,656	3,600
Affordable Housing Subtotal	20.00	4,820	4,851	4,867	4,964	4,912
Arts/Creative Edge						
Operations	23.95	3,254	3,322	3,378	3,457	3,503
Multi-Year Operating Projects		614	614	614	614	661
Arts/Creative Edge Subtotal	23.95	3,868	3,936	3,992	4,071	4,165
Climate Action						
Operations	4.00	531	543	553	568	576
Multi-Year Operating Projects		-	-	-	-	-
Climate Action Subtotal	4.00	531	543	553	568	576
Community Investment						
Operations	168.77	20,298	20,722	21,090	21,573	21,897
Multi-Year Operating Projects		686	1,744	925	2,119	733
Capital Improvements		3,075	3,000	3,000	3,000	3,000
Community Investment Subtotal	168.77	24,059	25,466	25,014	26,692	25,630
Community Response						
Operations	131.00	18,184	18,550	18,859	19,284	19,544
Multi-Year Operating Projects		10,073	10,191	11,129	10,170	10,570
Community Response Subtotal	131.00	28,257	28,742	29,987	29,454	30,114
Homelessness						
Operations	6.00	873	893	909	932	945
Multi-Year Operating Projects		2,146	2,146	2,146	2,146	2,146
Homelessness Subtotal	6.00	3,019	3,039	3,055	3,078	3,091
Inclusive Economic Development						
Operations	27.00	6,385	6,513	6,625	6,771	6,869
Multi-Year Operating Projects		-	-	-	-	-
Inclusive Economic Development Subtotal	27.00	6,385	6,513	6,625	6,771	6,869
Library						
Operations	-	14,272	14,972	15,472	15,972	16,572
Multi-Year Operating Projects		400	400	400	400	400
Library Subtotal	-	14,672	15,372	15,872	16,372	16,972
Public Safety						
Community Development						
Operations	15.00	1,906	1,948	1,983	2,031	2,062
Multi-Year Operating Projects		165	110	43	-	76
Community Development Subtotal	15.00	2,071	2,058	2,026	2,031	2,138
Fire						
Operations	17.00	9,535	9,539	9,733	9,941	10,137
Fire Subtotal	17.00	9,535	9,539	9,733	9,941	10,137
Police						
Operations	61.50	4,917	5,016	5,105	5,217	5,297
Police Subtotal	61.50	4,917	5,016	5,105	5,217	5,297
Youth Parks & Community Enrichment (YPCE)						
Operations	15.00	2,128	2,175	2,216	2,271	2,305
Multi-Year Operating Projects		180	155	244	85	89
YPCE Subtotal	15.00	2,308	2,330	2,459	2,356	2,395
Public Safety Subtotal	108.50	18,831	18,943	19,323	19,544	19,967
Youth						
Operations	309.84	18,911	19,312	19,670	20,122	20,447
Multi-Year Operating Projects		2,759	1,759	1,759	1,804	2,525
Youth Subtotal	309.84	21,670	21,071	21,429	21,926	22,972
Miscellaneous						
Operations	3.00	7,126	7,874	8,715	9,667	10,742
Multi-Year Operating Projects		4,118	6,000	6,000	6,000	6,000
Miscellaneous Subtotal	3.00	11,244	13,874	14,715	15,667	16,742
Total Expenditures	802.06	137,356	142,349	145,432	149,106	152,009
Economic Uncertainty Reserve (EUR) Contribution (0.5% of Expenses)		-	708	723	741	756
Net Resources (revenues less expenditures)		(2,351)	(5,361)	(3,884)	(4,496)	(4,655)

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FY2025/26 Measure U Programming (continued)

Revenues and Expenditures in (\$ in 000s)	FY2025/26 FTE	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Other Sources/Uses						
Beginning Available Fund Balance		(21,239)	-	-	-	-
Reserve for Future Budget Development		(43)	-	-	-	-
Federal Funding Loss Reserve ¹		(683)				
FY2024/25 Vacancy Factor		803	819	836	852	869
Other Spending Increases		(1,299)	(1,317)	(1,335)	(1,354)	(1,373)
Homeless Services						
Measure U Support		13,119	11,507	11,555	11,604	11,653
Homeless Services Resources (HHAP-6)		12,896	-	-	-	-
Homeless Services Programming		(48,201)	(48,304)	(48,408)	(48,892)	(49,381)
Homeless Services Subtotal		(22,185)	(36,797)	(36,853)	(37,288)	(37,728)
Revised Forecast	802.06	\$ (46,996)	\$ (42,655)	\$ (41,236)	\$ (42,286)	\$ (42,887)

Summary of Measure U Programs:

Affordable Housing – \$4.8 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 – \$3.9 million, 23.95 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 – \$531,000, 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 - \$24.0 million, 168.77 FTE

- Resources for the Sacramento History Museum, Sacramento Utility Rate Assistance (SURA) Program, Facility Reinvestment and Americans with Disabilities Act Compliance Programs as well as fleet acquisitions, park operations, older adult services, golf administration, city cemetery, permitting and events, and fiscal & technological support for the Youth, Parks & Community Enrichment Department (YPCE).

Community Response - \$28.2 million, 131.0 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.

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Homelessness - \$3.0 million, 6.0 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 - \$6.4 million, 27.0 FTE

- Resources for Community Programs, and City departments that promote inclusive economic and community development such as Community Engagement, Community Investment, Economic 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 - \$18.8 million, 108.5 FTE

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

Youth - \$21.7 million, 309.84 FTE

- Resources for programs such as the Mayor/Council Economic Development Priorities, Children and Youth Services Program, Summer Youth and Community Programs, Gang Prevention, Office of Violence Prevention Disruption, Response & Intervention, and Powerhouse Science Center. Resources also include the operation of the City's access leisure, aquatics, community centers, youth employment, youth enrichment, youth expanded learning, Camp Sacramento, Office of Youth Development, and recreation programs.

Miscellaneous - \$11.2 million, 3.00 FTE

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

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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 FY2025/26 Budget for the Enterprise Funds:

Department	Description	Fund	Net Budget Change	FTE Change
Citywide Support	Increase on-going 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.	Parking	4,610	-
Citywide Support	Increase on-going 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.	Water	29,001	-
Citywide Support	Increase on-going 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.	Wastewater	9,261	-
Citywide Support	Increase on-going 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.	Recycling and Solid Waste	24,977	-
Citywide Support	Increase on-going 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.	Community Center	7,607	-

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Department	Description	Fund	Net Budget Change	FTE Change
Citywide Support	Increase on-going 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.	Storm Drainage	12,241	-
Citywide Support	Change funding source for Visit Sacramento for the continual support of tourism recovery through event support and production from General Fund and Measure U Fund to the Community Center Fund.	Community Center	500,000	-
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Water	(3,100)	-
Convention and Cultural Services	Change funding source for eligible costs for visitor-serving facilities from General Fund and Measure U Fund to the Community Center Fund.	Community Center	347,430	2.00
Convention and Cultural Services	Change funding source for History Division administrative support to Old Sacramento from General Fund and Measure U Fund to Community Center Fund.	Community Center	299,673	-
Convention and Cultural Services	Increase funding for security and utility expenses for the Crocker Art Museum.	Community Center	357,117	-
Convention and Cultural Services	Change funding source for the New Year's Eve fireworks from General Fund to the Community Center Fund.	Community Center	125,000	
Convention and Cultural Services	Delete one position (1.0 FTE - Events Duty Person) and add five positions (five 0.20 FTE - Events Duty Person).	Community Center	-	-
Convention and Cultural Services	Delete three positions (3.0 FTE - Events Associate) and add 30 positions (thirty 0.10 FTE - Events Associate).	Community Center	12	-
Convention and Cultural Services	Increase funding for the activation support for Old Sacramento in the History Division Budget under the Community Center Fund.	Community Center	150,000	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Parking	920	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Water	7,202	-

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Department	Description	Fund	Net Budget Change	FTE Change
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Wastewater	2,149	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Recycling and Solid Waste	4,535	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Community Center	2,385	-
Information Technology	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Storm Drainage	2,713	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Community Center	141	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Parking	1,709	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Recycling and Solid Waste	217,309	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Storm Drainage	39,383	-

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Department	Description	Fund	Net Budget Change	FTE Change
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Wastewater	37,310	-
Public Works	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Water	39,880	-
Public Works	Increase the hourly rates in City parking garages to be consistent with the surrounding market.	Parking	(333,168)	-
Public Works	Repeal discounted parking rates in City garages for electric vehicles (EVs) as this legacy program is no longer necessary to promote EV adoption.	Parking	(51,809)	-
Public Works	Increase revenue and expense budgets for the Parking Fund to reflect higher ongoing growth in parking garage utilization.	Parking	(325,000)	-
Public Works	Increase parking garage prepay and online reservation rates to balance market demand.	Parking	(151,625)	-
Public Works	Increase monthly rates at City Parking Garages to reflect increasing costs and remain competitive with surrounding market.	Parking	(98,448)	-
Public Works	Increase merchant parking validation coupon fee to better recover issuance costs and reduce misuse.	Parking	(56,406)	-
Public Works	Offset one position (1.0 FTE - Systems Engineer) with one-time funds from the Parking Fund. Position will move to the Cost Plan in FY2026/27.	Parking	138,621	-
Public Works	Add 1.0 FTE Senior Integrated Waste Equipment Operator to operate front load recycling route to serve newer and planned higher density developments.	Recycling and Solid Waste	106,860	1.00
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Water	25,751	-
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Wastewater	8,961	-
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Storm Drainage	7,589	-

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Department	Description	Fund	Net Budget Change	FTE Change
Utilities	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Storm Drainage Property Fee	4,359	-
Utilities	Add one position (1.0 FTE - Engineering Technician III) for the Engineering and Water Resources Division. This position will provide resources to support implementation of the expanded Storm Drainage Capital Improvement Program (CIP) and will support the Water, Wastewater, and Private Development projects.	Storm Drainage	(103,038)	1.00
Utilities	Add one position (1.0 FTE - Construction Inspector II) and a Ford Maverick for the Engineering and Water Resources Division. This position will provide resources to provide construction inspection services for expanding Water, Wastewater, and Storm Drainage CIPs.	Water	(64,671)	1.00
Utilities	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Water	(15,858)	1.00
Utilities	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Wastewater	33,081	-
Utilities	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Storm Drainage	24,175	-

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Department	Description	Fund	Net Budget Change	FTE Change
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Water	(87,356)	(2.00)
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Wastewater	(44,798)	-
Utilities	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance [OandM] Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Storm Drainage	1,761	4.00
Utilities	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Water	36	-
Utilities	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Wastewater	16	-
Utilities	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Storm Drainage	14	-

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Department	Description	Fund	Net Budget Change	FTE Change
Utilities	Add three positions (1.0 FTE - Utilities O and M Leadworker, 1.0 FTE - Utilities O and M Serviceworker, and 1.0 FTE Administrative Technician) with a Ford F-250 Supercab and Vermeer Tow Trailer for the Wastewater and Drainage O and M Division . These new positions will support the Trash Capture Program as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage	29,510	3.00
Utilities	Add three positions (1.0 FTE - Utilities O and M Leadworker, 1.0 FTE - Utilities O and M Serviceworker, and 1.0 FTE Administrative Technician) with a Ford F-250 Supercab and Vermeer Tow Trailer for the Wastewater and Drainage O and M Division . These new positions will support the Trash Capture Program as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage Property Fee	203,000	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Water	10	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Wastewater	11	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Recycling and Solid Waste	37	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Storm Drainage	11	-
Utilities	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Storm Drainage Property Fee	3	-
Total Change			\$ 1,471,094	11.00

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.

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Fund	Status
Community Center	Transient occupancy tax (TOT) revenues have recovered to pre-pandemic levels, but growth has appeared to slow down. TOT is projected to grow by about 3.5% annually through the five-year forecast. In FY2025/26, about \$1.3 million in ongoing expenses are being shifted to the Community Center Fund from the General Fund as part of addressing the General Fund's structural deficit.
Parking	Rate increases in this model include increasing the hourly and monthly rates to park in City garages as well as the prepay and reservation rates. Revenue from parking fees collected at City garages has shown nearly full recovery from severe declines during the pandemic, projected revenues for FY2024/25 are about 98% of FY2018/19 actual collections. Revenue continues to increase as more events return downtown, which will increase the utilization of the garages.
Solid Waste	The most recent rate adjustment approved by the City Council came into effect on January 1, 2024, with no projected rate adjustments in the forecast. Organics collection and disposal have been implemented to comply with Senate Bill 1383. The new law targets a 50% reduction in the landfill of organic waste in 2024 and a 75% reduction by 2026.
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 FY2028/29. The department anticipates pursuing a rate increase in FY2029/30.
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 challenges the constitutionality of the measure. In FY2023/24, The Department of Utilities started spending proceeds but is holding one year of revenues pending the outcome of the litigation.
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 FY 2027/28. 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.

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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)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	23,400	26,851	22,080	18,933	16,984	16,255
Revenue	50,159	50,669	52,216	53,813	55,463	57,167
Expenditures	53,776	55,190	55,113	55,512	55,942	56,403
Other Source/(Use)	7,068	(250)	(250)	(250)	(250)	(250)
Ending Funding Balance	26,851	22,080	18,933	16,984	16,255	16,770

Parking Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	3,189	3,853	3,825	2,924	3,108	3,751
Revenue	19,896	20,314	20,720	21,135	21,557	21,989
Expenditures	19,949	20,342	21,622	20,951	20,915	20,910
Other Source/(Use)	717	-	-	-	-	-
Ending Funding Balance	3,853	3,825	2,924	3,108	3,751	4,830

Solid Waste Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	43,365	52,494	60,690	59,891	56,952	53,882
Revenue	99,738	97,935	98,748	99,568	100,395	101,229
Expenditures	91,747	89,738	99,547	102,507	103,465	94,533
Other Source/(Use)	1,138	-	-	-	-	-
Ending Funding Balance	52,494	60,690	59,891	56,952	53,882	60,579

Storm Drainage Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	22,212	22,358	19,607	13,640	12,839	5,032
Revenue	43,223	44,966	41,632	41,661	41,743	41,755
Expenditures	41,426	47,717	47,599	48,662	49,549	50,281
Other Source/(Use)	(1,651)	-	-	6,200	-	-
Ending Funding Balance	22,358	19,607	13,640	12,839	5,032	(3,494)

Storm Drainage Property Fee Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	10,480	23,306	23,740	24,949	20,378	21,951
Revenue	19,788	20,307	20,852	21,277	21,652	22,098
Expenditures	6,962	19,873	19,643	19,648	20,079	20,106
Other Source/(Use)	-	-	-	(6,200)	-	-
Ending Funding Balance	23,306	23,740	24,949	20,378	21,951	23,943

Wastewater Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	24,570	23,459	18,880	7,398	2,020	(2,192)
Revenue	47,589	46,174	46,219	46,237	46,316	46,410
Expenditures	48,087	50,752	57,701	51,615	50,528	48,964
Other Source/(Use)	(613)	-	-	-	-	-
Ending Funding Balance	23,459	18,880	7,398	2,020	(2,192)	(4,746)

Water Fund

(\$ in 000s)	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Beginning Fund Balance	44,959	69,274	31,062	954	(2,790)	(34,672)
Revenue	151,416	138,174	138,008	137,759	138,036	138,032
Expenditures	146,250	176,386	168,116	167,410	169,919	171,237
Other Source/(Use)	19,149	-	-	25,907	-	-
Ending Funding Balance	69,274	31,062	954	(2,790)	(34,672)	(67,877)

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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 to 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.

Over two-thirds of fund revenues collected in the Community Center Fund is TOT. For FY2025/26, TOT is projected to be about 3.5% above FY2024/25 collections. The vast majority of 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.

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 38% of total operating expenditures in FY2025/26.

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 FY2025/26 with payments continuing in future years. As of the beginning of FY2024/25, there is a remaining balance of approximately \$4.7 million.

The Oakland Athletics' relocation to West Sacramento for three seasons may have an impact on TOT revenues that is not included in this forecast. However, a pullback in tourism nationally may act as a contravening factor for hotel bookings in the region. Staff will assess the impacts of these trends and incorporate them into future forecasting exercises.

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

	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING FUND BALANCE	23,400	26,851	22,080	18,933	16,984	16,255
REVENUES						
TOT	34,546	34,747	35,960	37,215	38,515	39,860
Charges, Fees, and/or Services	14,163	14,472	14,806	15,148	15,498	15,857
Interest	550	550	550	550	550	550
Other (Facility Fee)	900	900	900	900	900	900
TOTAL REVENUES	50,159	50,669	52,216	53,813	55,463	57,167
EXPENDITURES						
Operating - Employee Services	10,335	11,823	12,060	12,301	12,547	12,798
Operating - Other	18,443	20,730	20,929	21,129	21,332	21,537
Transfers	-	321	327	334	341	348
Debt Service	20,318	20,318	20,320	20,320	20,320	20,317
Multi-Year Operating Projects	2,064	2	2	2	2	2
Capital Improvements	2,616	1,995	1,475	1,425	1,400	1,400
TOTAL EXPENDITURES	53,776	55,190	55,113	55,512	55,942	56,403
ANNUAL SURPLUS/(DEFICIT)	(3,617)	(4,521)	(2,897)	(1,698)	(479)	764
Other Source/Use ⁽¹⁾	7,068	(250)	(250)	(250)	(250)	(250)
ENDING FUND BALANCE	26,851	22,080	18,933	16,984	16,255	16,770

⁽¹⁾ Other Sources in FY2024/25 include additions to fund balance for prior reduction related to outstanding short-term portion of debt liability.

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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 3% as the operation recovers from the impact of the pandemic. The City anticipates parking fees to increase by 5% in FY2025/26 and to increase by about 2% thereafter through FY2029/30. Anticipated rate increases in this model include increasing the hourly, monthly, and prepay reservation rates to park in City garages. The City continues to modify its parking programs to support operational needs and anticipates that growth in parking will continue to gradually increase.

Administrative fee revenue reflects anticipated revenue from the managed locations as well as system hosting services. Rental revenue is based on current and anticipated leases of commercial spaces and projecting a 2% increase in the outyears.

Employee services includes a budgeted labor reduction of \$1 million to account for anticipated vacancies in FY2025/26. This is not included in out-years, but future labor savings are likely to continue due to employee turnover rates. Services and supplies continue to increase due to increased security, repair & maintenance, technical services, utilities, and rental of land and building costs. The forecast includes a flat 1% increase in services and supplies annually for expenses beginning in FY2025/26 through FY2029/30.

Operating transfers in/out include the Citywide cost allocation plan, In Lieu Franchise Tax, In Lieu Property Tax, support to the Office of the Director, and a \$5.3 million support transfer from the Meter Shop. Debt service has a 2% decrease in FY2025/26 as debt obligations continue to decline. Funding for technology systems and upgrades to current parking infrastructure is included in the CIP.

The following chart provides a five-year forecast that reflects signs of pre-pandemic levels being achieved in the Parking Fund which includes increases to the hourly, monthly, and prepay reservation rates to park in City garages. There may be additional parking revenue in the out-years of the forecast due to the Oakland Athletics temporarily relocating to West Sacramento and due to the Governor's order requiring state employees to return to the office four days a week.

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

	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING FUND BALANCE	3,189	3,853	3,825	2,864	2,924	3,378
REVENUES						
Parking Fees	17,549	18,091	18,453	18,822	19,198	19,582
Administrative Fees	1,299	1,263	1,288	1,314	1,340	1,367
Interest (Operating Funds)	425	300	306	312	318	325
Real Property Rental	623	660	673	687	700	714
TOTAL REVENUES	19,896	20,314	20,720	21,135	21,557	21,989
EXPENDITURES						
Operating - Employee Services	5,068	5,556	6,733	6,915	7,102	7,293
Operating - Other	3,887	3,865	3,963	4,062	4,162	4,264
Debt Service	9,781	9,577	9,680	8,783	8,479	8,280
Multi-Year Operating Projects	421	322	387	394	442	410
Capital Improvements	792	1,022	920	920	920	920
TOTAL EXPENDITURES	19,949	20,342	21,682	21,074	21,104	21,168
ANNUAL SURPLUS/(DEFICIT)	(53)	(28)	(962)	61	453	821
Other Source/Use ⁽¹⁾	717		-	-	-	-
ENDING FUND BALANCE	3,853	3,825	2,864	2,924	3,378	4,199

⁽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 FY25/26 for known vacancies; actual budgeted positions would be higher than reflected in this table.

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Solid Waste Fund (6007)

The Solid Waste Fund (6007) relies on user service fees collected for residential solid waste management services. Under the management of the Recycling and Solid Waste (RSW) Division, this fund supervises the collection of garbage, containerized organics, and recyclables. In addition to these services, the division oversees post-closure monitoring of landfills, street sweeping, hazardous waste disposal, and code enforcement. To comply with state waste diversion mandates, RSW conducts public outreach to educate residents on recycling standards, promote composting, and facilitate proper disposal of household hazardous waste.

The accompanying chart presents a five-year forecast for the Solid Waste Fund. The most recent rate adjustment approved by the City Council came into effect on January 1, 2024, with no projected rate adjustments in the forecast.

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

	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING FUND BALANCE	43,365	52,494	60,690	59,891	56,952	53,882
REVENUES						
Charges, Fees, and/or Services	96,798	97,152	96,476	97,296	98,123	98,957
Interest	750	750	750	750	750	750
Other (Intergovernmental)	2,190	33	1,522	1,522	1,522	1,522
TOTAL REVENUES	99,738	97,935	98,748	99,568	100,395	101,229
EXPENDITURES						
Operating - Employee Services	23,394	23,694	24,168	24,651	25,144	25,647
Operating - Other	55,514	58,883	59,439	60,002	60,572	61,149
Debt Service	1,674	1,667	1,667	1,668	1,660	1,659
Multi-Year Operating Projects	9,084	4,920	13,916	15,629	15,343	5,592
Capital Improvements	2,081	575	358	558	746	487
TOTAL EXPENDITURES	91,747	89,738	99,547	102,507	103,465	94,533
ANNUAL SURPLUS/(DEFICIT)	7,991	8,196	(799)	(2,939)	(3,070)	6,696
Other Source/Use ⁽¹⁾	1,138	-	-	-	-	-
ENDING FUND BALANCE	52,494	60,690	59,891	56,952	53,882	60,579

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

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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 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 \$12.0 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.

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- 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

	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING FUND BALANCE	22,212	22,358	19,607	13,640	12,839	5,032
REVENUES						
Charges, Fees, and/or Services	42,288	44,426	41,315	41,404	41,494	41,584
Interest	935	540	317	257	249	171
TOTAL REVENUES	43,223	44,966	41,632	41,661	41,743	41,755
EXPENDITURES						
Operating - Employee Services	20,487	23,490	24,072	24,553	25,044	25,545
Operating - Other	18,130	19,947	20,338	20,724	21,119	21,525
Debt Service	233	232	233	233	235	235
Multi-Year Operating Projects	2,275	4,008	2,956	3,152	3,151	2,976
Capital Improvements	301	39	-	-	-	-
TOTAL EXPENDITURES	41,426	47,717	47,599	48,662	49,549	50,281
ANNUAL SURPLUS/(DEFICIT)	1,797	(2,751)	(5,967)	(7,001)	(7,806)	(8,526)
Other Fund Sources/Uses ⁽¹⁾	(1,651)	-	-	6,200	-	-
ENDING FUND BALANCE	22,358	19,607	13,640	12,839	5,032	(3,494)

⁽¹⁾ Other Sources in FY2024/25 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).

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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 rehabilitation and replacement, regulatory, master planning, asset management, and improvement programs. These varying programs will repair aging and deteriorating storm drainage pipelines and 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 challenges the constitutionality of the measure. In FY2023/24, the City was successful in receiving a judgment that has since been appealed. In June of 2024, DOU released all but one year of revenue for possible reimbursement to ratepayers.

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.

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- 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 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

	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	10,480	23,306	23,740	24,949	20,378	21,951
REVENUES						
Charges, Fees, and/or Services	19,485	20,207	20,612	21,025	21,446	21,876
Interest	303	100	240	252	206	222
TOTAL REVENUES	19,788	20,307	20,852	21,277	21,652	22,098
EXPENDITURES						
Operating - Employee Services	-	-	-	-	-	-
Operating - Other	3,309	5,180	5,502	5,609	5,718	5,830
Debt Service	-	-	-	-	-	-
Multi-Year Operating Projects	1,680	2,453	2,250	2,250	2,250	2,318
Capital Improvements	1,973	12,240	11,891	11,789	12,111	11,958
TOTAL EXPENDITURES	6,962	19,873	19,643	19,648	20,079	20,106
ANNUAL SURPLUS/(DEFICIT)	12,826	434	1,209	1,629	1,573	1,992
Other Fund Sources/Uses	-	-	-	(6,200)	-	-
ENDING FUND BALANCE	23,306	23,740	24,949	20,378	21,951	23,943

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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 (\$10.5 million) and capital (\$3.4 million) reserves associated with the Wastewater Fund represents 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 includes:

- 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 separated 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.

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- 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 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 due to the Wastewater fund being out of its debt service coverage requirement in FY2027/28.

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

	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING FUND BALANCE	24,570	23,459	18,880	7,398	2,020	(2,192)
REVENUES						
Charges, Fees, and/or Services	45,180	44,208	44,309	44,410	44,511	44,614
Interest	1,059	430	328	213	159	117
Other (Intergovernmental)	1,350	1,536	1,582	1,614	1,646	1,679
TOTAL REVENUES	47,589	46,174	46,219	46,237	46,316	46,410
EXPENDITURES						
Operating - Employee Services	14,338	15,148	15,527	15,838	16,155	16,478
Operating - Other	19,792	20,069	20,453	20,807	21,169	21,539
Debt Service	3,910	3,913	3,911	3,909	3,908	3,911
Multi-Year Operating Projects	2,585	3,536	3,889	3,969	3,938	4,036
Capital Improvements	7,462	8,086	13,921	7,092	5,358	3,000
TOTAL EXPENDITURES	48,087	50,752	57,701	51,615	50,528	48,964
ANNUAL SURPLUS/(DEFICIT)	(498)	(4,579)	(11,482)	(5,378)	(4,212)	(2,554)
Other Fund Sources/Uses ⁽¹⁾	(613)	-	-	-	-	-
ENDING FUND BALANCE	23,459	18,880	7,398	2,020	(2,192)	(4,746)

(1) Other Sources in FY2024/25 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 1/24/2023, Motion No. 2023-0028.

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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 (\$26.1 million) and capital (\$31.6 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.
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- 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.
- 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 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, and assumes in FY2027/28 that the capital program of \$25.9 million will be funded from the Capital Reserve. As shown, the fund balance will be negative in FY2027/28 without a rate increase. The Department is pursuing a rate increase in FY2027/28 or will utilize the remaining Capital and Operating Reserves through FY2028/29.

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

	FY2024/25 Estimated	FY2025/26 Proposed	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
BEGINNING FUND BALANCE	44,959	69,274	31,062	954	(2,790)	(34,672)
REVENUES						
Charges, Fees, and/or Services	148,065	136,619	136,927	137,238	137,549	137,861
Interest	2,895	1,365	888	327	290	(29)
Other (Intergovernmental)	456	190	192	195	197	200
TOTAL REVENUES	151,416	138,174	138,008	137,759	138,036	138,032
EXPENDITURES						
Operating - Employee Services	52,980	57,419	58,854	60,031	61,232	62,457
Operating - Other	38,337	37,179	37,921	38,734	39,542	40,375
Debt Service	32,677	35,723	35,710	35,702	36,259	35,732
Multi-Year Operating Projects	2,438	6,631	6,291	7,036	7,386	7,173
Capital Improvements	19,818	39,433	29,340	25,907	25,500	25,500
TOTAL EXPENDITURES	146,250	176,386	168,116	167,410	169,919	171,237
ANNUAL SURPLUS/(DEFICIT)	5,166	(38,212)	(30,108)	(29,651)	(31,883)	(33,205)
Other Sources/Uses ⁽¹⁾	19,149	-	-	25,907	-	-
ENDING FUND BALANCE	69,274	31,062	954	(2,790)	(34,672)	(67,877)

(1) Other Sources in FY2024/25 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 1/24/2023, Motion No. 2023-0028. Other Fund Sources/Uses in FY2027/28 includes the use of the Capital Reserve to fund the FY28 CIP.

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SECTION - 7

Budget Schedules

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Governmental Funds						
General Fund	\$ 569,780	\$ 613,220	\$ 677,718	\$ 678,531	\$ 699,252	\$ 20,721
Measure U	98,605	105,350	154,462	153,488	157,399	3,911
Subtotal Governmental Funds	668,385	718,570	832,180	832,018	856,651	24,632
Enterprise Funds						
Community Center	46,149	40,704	47,768	47,797	53,195	5,398
Parking	16,775	17,553	18,567	18,682	19,320	638
Solid Waste	69,011	70,707	93,293	86,708	89,163	2,455
Storm Drainage	35,142	36,926	43,545	42,036	47,677	5,641
Storm Drainage Property Fee	12	5,455	5,527	5,867	7,633	1,766
Wastewater	33,185	35,983	41,754	40,661	42,666	2,005
Water	112,157	117,171	133,334	132,435	136,951	4,516
Subtotal Enterprise Funds	312,432	324,498	383,789	374,187	396,604	22,417
Internal Service Funds						
Fleet Management	47,816	48,016	66,047	70,069	64,730	(5,339)
Risk Management	87,662	73,203	70,267	70,286	82,324	12,037
Subtotal Internal Service Funds	135,478	121,219	136,314	140,356	147,054	6,698
Other Governmental Funds						
4th R Program	6,161	5,991	5,419	6,720	6,634	(86)
65th Street Area Impact Fee	-	-	15	15	-	(15)
ARPA Reinvestment Fund	-	-	-	-	1,786	1,786
Assessment Reg and SDRIS	4	12	-	-	-	-
CIP Reimbursable	18	-	-	-	-	-
Citation I-5 Maintenance	43	66	40	40	40	-
Citywide Low Income Housing	1,805	3,799	2,970	2,970	2,200	(770)
Cultural Services - Other	151	75	149	149	149	-
Debt Service Funds	4,897	4,566	11,307	11,307	11,497	189
Delta Shores PF Impact Fee	5,986	-	2,500	2,500	2,500	-
Development Services	932	1,126	3,689	3,689	2,800	(889)
Downtown Impact Fee	(645)	(32)	50	50	-	(50)
Downtown Management District	3,908	3,950	4,202	4,202	5,924	1,723
Externally Funded Programs	72	182	-	-	-	-
Fairytale Town	85	80	50	50	50	-
Gas Tax	5,297	3,729	11,769	7,393	8,575	1,182
Golf	344	336	365	365	539	174
Greenbriar Impact Fee	(250)	76	-	-	-	-
Innovation and Growth	(14,038)	4,185	(12,294)	(12,277)	5,082	17,359
Jacinto Creek	152	18	-	-	25	25
Land Park	92	122	122	122	122	-
Landscaping and Lighting	17,386	18,830	20,561	20,146	21,557	1,412
Library Services Parcel Tax	9,200	9,537	9,989	9,989	10,349	360
Marina	2,165	2,382	2,353	2,363	2,586	224
Measure A Maintenance	12,990	14,549	17,830	17,830	16,913	(917)
NMA Safety, Streets, Ped, Bic	-	-	6	6	4	(1)
North Natomas Financing Plan	3,405	174	2,069	2,069	6,768	4,699
Operating Grants	307	468	-	-	-	-
Other	267	333	85	85	49	(36)
Other Capital Grants	41	-	-	-	-	-
Panhandle Impact Fee	-	-	-	-	400	400
Park Development	(3,746)	(216)	824	824	478	(346)
Private Development	187	273	-	-	-	-

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Other Governmental Funds						
Quimby Act	10	4	10	10	10	-
Railyards Impact Fee	(1,372)	-	25	25	-	(25)
Redevelopment Bond Funds	-	-	9	9	9	-
River District Impact Fee	(885)	-	125	125	-	(125)
Sheraton MOPA Project	258	370	-	-	-	-
SHRA CDBG	-	-	29	29	29	-
So Natomas Facility Benefit	17	4	-	-	-	-
Special Districts	26,232	27,109	24,460	24,326	26,908	2,582
Special Districts - Capital	841	1,044	-	-	-	-
Special Program Donations	17	23	250	250	250	-
START	881	659	396	396	560	164
Traffic Safety	253	285	307	307	343	36
Transportation Development Impact Fee	96	20	-	-	-	-
Wastewater Development Fees	(724)	1,999	-	-	-	-
Water Development Fees	(1,118)	(202)	-	-	-	-
Water Planning	1,392	885	1,108	1,111	1,641	530
Willow creek Fee District	49	-	-	-	-	-
Zoo	85	80	50	50	50	-
Subtotal Other Governmental Funds	83,248	106,892	110,837	107,243	136,829	29,586
Total	\$ 1,199,544	\$ 1,271,179	\$ 1,463,121	\$ 1,453,804	\$ 1,537,138	\$ 83,334

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Mayor Offices						
Mayor/Council	\$ 7,901	\$ 8,265	\$ 9,266	\$ 11,111	\$ 9,649	\$ (1,462)
Subtotal Mayor Offices	7,901	8,265	9,266	11,111	9,649	(1,462)
Charter Offices						
City Attorney	12,425	13,237	14,771	14,771	14,505	(266)
City Auditor	1,721	1,723	1,881	1,881	2,057	176
City Clerk	3,207	3,760	4,147	4,140	4,126	(13)
City Manager	11,675	12,420	2,697	2,697	15,101	12,404
City Treasurer	2,334	2,409	3,158	3,158	3,144	(14)
Subtotal Charter Offices	31,363	33,548	26,654	26,647	38,934	12,287
Operating Offices						
Community Development	43,226	47,340	62,893	62,668	60,759	(1,910)
Community Response	3,720	3,941	25,445	25,445	40,101	14,656
Convention and Cultural Services	24,451	25,761	31,767	31,703	36,169	4,465
Finance	12,615	13,691	17,924	18,014	25,363	7,348
Fire	189,036	203,571	219,807	218,521	229,710	11,189
Human Resources	78,420	79,348	77,049	77,049	88,389	11,340
Information Technology	30,301	32,428	35,827	35,769	35,267	(502)
Police	218,358	228,764	250,857	246,552	256,281	9,729
Public Works	178,177	181,785	240,924	232,143	237,587	5,444
Utilities	141,430	153,722	183,449	180,105	194,582	14,477
Youth, Parks, and Community Enrichment	54,483	61,375	67,088	66,246	65,948	(298)
Subtotal Operating Offices	974,217	1,031,727	1,213,030	1,194,216	1,270,155	75,938
Other Offices						
Citywide and Community Support	109,239	119,928	132,630	140,289	139,025	(1,264)
Debt Service	100,057	99,978	105,168	105,168	105,381	213
Non-Appropriated	(23,234)	(22,268)	(23,628)	(23,628)	(26,006)	(2,378)
Subtotal Other Offices	186,062	197,638	214,171	221,829	218,400	(3,429)
Total	\$ 1,199,544	\$ 1,271,179	\$ 1,463,121	\$ 1,453,804	\$ 1,537,138	\$ 83,334

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Amended	Amended	Approved	Amended	Approved	Approved/Amended
Mayor Offices						
Mayor/Council	40.00	46.00	46.00	43.00	43.00	-
Subtotal Mayor Offices	40.00	46.00	46.00	43.00	43.00	-
Charter Offices						
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	70.00	66.00	64.00	64.00	50.00	(14.00)
City Attorney	62.00	64.00	64.00	64.00	63.00	(1.00)
City Clerk	24.00	24.00	24.00	24.00	23.00	(1.00)
City Treasurer	14.00	14.00	14.00	14.00	13.00	(1.00)
Subtotal Charter Offices	180.00	178.00	176.00	176.00	159.00	(17.00)
Operating Offices						
Finance	93.90	94.90	94.00	94.00	102.00	8.00
Information Technology	202.50	208.50	202.50	202.50	202.50	-
Human Resources	83.00	83.00	83.00	83.00	77.00	(6.00)
Police	1,128.96	1,135.16	1,119.50	1,119.50	1,092.50	(27.00)
Fire	729.50	760.50	760.50	760.50	765.50	5.00
Utilities	572.90	582.18	589.18	599.18	607.18	8.00
Public Works	766.15	768.65	769.65	769.65	780.65	11.00
Convention and Cultural Services	123.00	119.00	124.50	124.50	124.50	-
Youth, Parks, and Community Enrichment	737.23	752.72	709.87	709.87	678.00	(31.87)
Community Development	315.00	319.00	318.00	318.00	315.00	(3.00)
Community Response	38.00	37.00	37.00	38.00	38.00	-
Subtotal Operating Offices	4,790.14	4,860.61	4,807.70	4,818.70	4,782.83	(35.87)
Other Offices						
Citywide and Community Support	7.00	6.00	-	-	-	-
Subtotal Other Offices	7.00	6.00	-	-	-	-
Total	5,017.14	5,090.61	5,029.70	5,037.70	4,984.83	(52.87)

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Amended	Amended	Approved	Amended	Approved	Approved/Amended
Governmental Funds						
General						
Mayor/Council	35.00	35.00	35.00	32.00	32.00	-
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	29.00	30.00	30.00	30.00	18.00	(12.00)
City Attorney	62.00	64.00	64.00	64.00	63.00	(1.00)
City Clerk	24.00	24.00	24.00	24.00	23.00	(1.00)
City Treasurer	14.00	14.00	14.00	14.00	13.00	(1.00)
Finance	93.90	94.90	94.00	94.00	102.00	8.00
Information Technology	202.50	208.50	202.50	202.50	202.50	-
Human Resources	44.00	44.00	44.00	44.00	39.00	(5.00)
Police	1,063.46	1,057.66	1,032.00	1,032.00	1,028.00	(4.00)
Fire	711.50	742.50	742.50	742.50	748.50	6.00
Public Works	431.00	432.00	432.00	432.00	442.00	10.00
Convention and Cultural Services	5.00	-	-	-	-	-
Youth, Parks, and Community Enrichment	12.00	14.00	13.00	13.00	13.00	-
Community Development	196.00	197.00	196.00	196.00	194.00	(2.00)
Citywide and Community Support	1.00	-	-	-	-	-
Subtotal General Fund	2,934.36	2,967.56	2,933.00	2,930.00	2,928.00	(2.00)
Measure U						
Mayor/Council	5.00	11.00	11.00	11.00	11.00	-
City Manager	39.00	34.00	32.00	32.00	30.00	(2.00)
Human Resources	3.00	3.00	3.00	3.00	3.00	-
Police	65.50	77.50	87.50	87.50	64.50	(23.00)
Fire	18.00	18.00	18.00	18.00	17.00	(1.00)
Public Works	-	4.00	4.00	4.00	4.00	-
Convention and Cultural Services	19.95	24.95	25.95	25.95	23.95	(2.00)
Youth, Parks, and Community Enrichment	575.89	589.38	547.93	547.93	494.61	(53.32)
Community Development	119.00	122.00	122.00	122.00	121.00	(1.00)
Community Response	38.00	37.00	37.00	38.00	38.00	-
Subtotal Measure U Fund	883.34	920.83	888.38	889.38	807.06	(82.32)
Subtotal Governmental Funds	3,817.70	3,888.39	3,821.38	3,819.38	3,735.06	(84.32)
Enterprise Funds						
Community Center						
Convention and Cultural Services	98.05	94.05	98.55	98.55	100.55	2.00
Parking						
Public Works	61.25	60.75	60.75	60.75	60.75	-
Solid Waste						
Public Works	184.30	183.30	183.30	183.30	184.30	1.00
Storm Drainage						
Utilities	125.36	130.00	125.00	135.00	143.00	8.00
Wastewater						
Utilities	94.18	94.00	94.00	94.00	94.00	-
Water						
Utilities	353.36	358.18	364.18	364.18	364.18	-
Subtotal Enterprise Funds	916.50	920.28	925.78	935.78	946.78	11.00

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Amended	Amended	Approved	Amended	Approved	More/(Less) Approved/Amended
<u>Internal Service Funds</u>						
Fleet Management						
Public Works	83.00	82.00	83.00	83.00	83.00	-
Risk Management Fund						
Human Resources	17.00	17.00	17.00	17.00	16.00	(1.00)
Workers' Compensation Fund						
Human Resources	19.00	19.00	19.00	19.00	19.00	-
Subtotal Internal Service Funds	119.00	118.00	119.00	119.00	118.00	(1.00)
<u>Other Government Funds</u>						
4th R Program						
Youth, Parks, and Community Enrichment	133.10	133.10	132.70	132.70	133.45	0.75
Cty/Cnty Office-Water Planning						
Citywide and Community Support	6.00	6.00	-	-	-	-
Utilities	-	-	6.00	6.00	6.00	-
Innovation and Growth						
City Manager	2.00	2.00	2.00	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	16.24	16.24	36.94	20.70
Subtotal Other Governmental Funds	163.94	163.94	163.54	163.54	184.99	21.45
Total	5,017.14	5,090.61	5,029.70	5,037.70	4,984.83	(52.87)

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

	Total FTE	FY2025/26 Operating	FY2025/26 MYOP*	Total Operating Budget
Mayor Offices				
Mayor/Council	43.00	\$ 9,644	\$ 5	\$ 9,649
Subtotal Mayor Offices	43.00	9,644	5	9,649
Charter Offices				
City Auditor	10.00	2,057	-	2,057
City Manager	50.00	11,767	3,334	15,101
City Attorney	63.00	14,505	-	14,505
City Clerk	23.00	4,118	9	4,126
City Treasurer	13.00	3,143	1	3,144
Subtotal Charter Offices	159.00	35,590	3,344	38,934
Operating Offices				
Finance	102.00	16,630	8,733	25,363
Information Technology	202.50	34,832	435	35,267
Human Resources	77.00	88,287	102	88,389
Police	1,092.50	244,489	11,792	256,281
Fire	765.50	228,500	1,210	229,710
Utilities	607.18	177,963	16,619	194,582
Public Works	780.65	227,695	9,892	237,587
Convention and Cultural Services	124.50	34,705	1,464	36,169
Enrichment	678.00	64,478	1,470	65,948
Community Development	315.00	53,648	7,111	60,759
Community Response	38.00	5,909	34,192	40,101
Subtotal Operating Offices	4,782.83	1,177,135	93,020	1,270,155
Other Offices				
Debt Service	-	105,381	-	105,381
Citywide and Community Support	-	126,302	12,723	139,025
Non-Appropriated	-	(26,006)	-	(26,006)
Subtotal Other Offices	-	205,677	12,723	218,400
Total	4,984.83	\$ 1,428,046	\$ 109,092	\$ 1,537,138

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

FY2025/26 Approved Budget

Schedule 2A

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

	Governmental** Funds	Enterprise Funds	Internal Service Funds	Other Gov't Funds	Gross Total	Net* Total
<u>Current Resources</u>						
Revenues						
Taxes	\$ 610,193	\$ 34,744	-	\$ 37,919	\$ 682,855	\$ 682,855
Licenses and Permits	35,221	145	-	6,050	41,416	41,416
Penalties	14,019	4,101	-	300	18,420	18,420
Concessions	4,265	6,527	1,654	9,388	21,834	20,180
Intergovernmental	20,918	4,294	-	37,367	62,578	62,578
Charges, Fees, and Services	108,984	364,638	9,373	73,045	556,041	546,668
Contributions from Other Funds	44,766	-	-	-	44,766	44,766
Miscellaneous Revenue	375	4,090	134,315	277	139,057	4,742
Total Current Resources	838,742	418,538	145,342	164,345	1,566,968	1,421,626
<u>Current Requirements</u>						
Current Operations						
Employee Services	701,813	137,126	16,386	6,613	861,939	845,553
Other Services and Supplies	205,659	109,250	97,070	38,299	450,278	353,208
City Property	2,829	2,146	26,170	218	31,363	5,193
Multi-Year Operating Projects	61,586	21,872	430	25,203	109,092	108,662
City Debt Service	16,567	71,431	45	17,339	105,381	105,336
Transfers	(34,472)	8,520	1,674	24,279	-	(1,674)
Labor and Supply Offset	(95,033)	11,000	5,279	14,874	(63,879)	(69,159)
Contingency	2,000	-	-	-	2,000	2,000
Operating Transfers	(4,299)	35,258	-	10,006	40,965	40,965
Subtotal Current Operations	856,651	396,604	147,054	136,829	1,537,138	1,390,084
Capital Improvements	15,835	63,390	207	58,414	137,847	137,639
Total Current Requirements	872,485	459,995	147,261	195,244	1,674,985	1,527,723
Other Fund Sources (Uses)	34,219	(250)	1,577	12,622	48,168	46,591
Total Surplus (Deficit)	476	(41,706)	(343)	(18,276)	(59,849)	(59,506)
Beginning Fund Balance	12	221,894	626	262,972	485,504	484,878
Ending Fund Balance	\$ 488	\$ 180,188	\$ 283	\$ 244,696	\$ 425,656	\$ 425,372

*Net Total excludes Internal Service Funds (ISF)

**Governmental Funds reflect General and Measure U Funds combined

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Schedule 2B

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

	Resources		Requirements		Other		Fund Balance	
	Total	Current			Sources	Surplus /		
	Revenues	Operations	CIP	Total	(Uses)	(Deficit)	Beginning	Ending
Governmental Funds								
General Fund	\$ 703,737	\$ 699,252	\$ 12,760	\$ 712,012	\$ 33,842	\$ 25,567	\$ 21,251	\$ 46,817
Measure U	135,005	157,399	3,075	160,474	378	(25,091)	(21,239)	(46,329)
Subtotal Governmental Funds	838,742	856,651	15,835	872,485	34,219	476	12	488
Enterprise Funds								
Community Center	50,669	53,195	1,995	55,190	(250)	(4,771)	26,851	22,080
Parking	20,314	19,320	1,022	20,342	-	(28)	3,853	3,825
Solid Waste	97,935	89,163	575	89,738	-	8,197	52,494	60,691
Storm Drainage	44,966	47,677	39	47,717	-	(2,751)	22,358	19,607
Storm Drainage Property Fee	20,307	7,633	12,240	19,873	-	434	23,306	23,740
Wastewater	46,174	42,666	8,086	50,752	-	(4,578)	23,955	19,377
Water	138,174	136,951	39,433	176,384	-	(38,210)	69,077	30,867
Subtotal Enterprise Funds	418,538	396,604	63,390	459,995	(250)	(41,706)	221,894	180,188
Internal Service Funds								
Fleet Management	64,530	64,730	202	64,932	-	(402)	626	224
Risk Management	80,812	82,324	5	82,329	1,577	60	-	60
Subtotal Internal Service Funds	145,342	147,054	207	147,261	1,577	(343)	626	283
Other Governmental Funds								
4th R Program	6,686	6,634	200	6,834	-	(147)	1,735	1,588
65th Street Area Impact Fee	-	-	-	-	-	-	632	632
Art In Public Places Projects	-	-	-	-	-	-	71	71
Assessment Reg and SDRIS	-	-	-	-	-	-	159	159
Cal EPA	-	-	557	557	-	(557)	585	28
Capital Improv. Revenue Bonds	-	-	-	-	-	-	30	30
CIP Reimbursable	-	-	21	21	21	-	-	-
Citation I-5 Improvements	-	-	-	-	-	-	6	6
Citation I-5 Maintenance	-	40	-	40	-	(40)	576	536
Citywide Low Income Housing	2,200	2,200	-	2,200	-	-	391	391
Cultural Services - Other	155	149	-	149	-	6	1,143	1,149
Debt Service Funds	10,980	11,497	-	11,497	517	-	3,065	3,065
Development Services	4,125	2,800	1,325	4,125	-	-	-	-
Downtown Impact Fee	-	-	-	-	-	-	3,553	3,553
Downtown Management District	5,921	5,924	-	5,924	-	(3)	137	133
Ethel MacLeod Hart Trust	-	-	-	-	-	-	2,053	2,053
Fair Share Contributions	-	-	-	-	-	-	6,239	6,239
Fairytale Town	50	50	-	50	-	-	4	4
Federal Capital Grant	-	-	14,937	14,937	14,937	-	-	-
Florin Road Storm and San	-	-	-	-	-	-	8	8
Gas Tax	14,756	8,575	3,236	11,811	-	2,946	14,296	17,242
Golf	1,000	539	-	539	-	461	(560)	(99)
Greenbriar Impact Fee	-	-	-	-	-	-	3,287	3,287
I-5 Subregional Corridor Mitig	-	-	-	-	-	-	4,098	4,098
Innovation and Growth	15,289	5,082	-	5,082	(5,792)	4,415	10,219	14,634
Jacinto Creek	-	25	-	25	-	(25)	1,872	1,847
Land Park	23	122	-	122	-	(99)	248	149
Landscaping and Lighting	21,344	21,557	2,055	23,613	-	(2,269)	4,891	2,622
Library Services Parcel Tax	10,349	10,349	-	10,349	-	-	-	-
Major Street Construction	2,000	-	2,500	2,500	-	(500)	8,443	7,943
Marina	2,044	2,586	200	2,786	-	(742)	730	(12)
Measure A Construction	-	-	639	639	639	-	-	-
Measure A Maintenance	16,190	16,913	385	17,298	-	(1,108)	10,966	9,858

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Schedule 2B (continued)

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

	Resources		Requirements		Other Sources (Uses)	Surplus / (Deficit)	Fund Balance	
	Total Revenues	Current Operations	CIP	Total			Beginning	Ending
<u>Other Governmental Funds</u>								
NMA Safety, Streets, Ped, Bic	2,379	4	2,620	2,624	-	(245)	1,170	925
NMA Traffic Control & Safety	1,619	-	2,510	2,510	-	(891)	892	1
North Natomas Financing Plan	325	6,768	12	6,779	-	(6,454)	33,583	27,129
Other	-	49	-	49	-	(49)	7,730	7,681
Other Capital Grants	-	-	4,082	4,082	4,082	-	-	-
Park Development	826	478	5,865	6,343	-	(5,517)	31,392	25,875
Quimby Act	100	10	-	10	-	90	4,083	4,173
Railyards Impact Fee	50	-	-	-	-	50	2,283	2,333
Redevelopment Bond Funds	-	9	-	9	-	(9)	6,540	6,531
River District Impact Fee	-	-	-	-	-	-	9,372	9,372
Road Maint and Rehabilitation	13,654	-	13,636	13,636	-	18	4,171	4,189
SHRA CDBG	29	29	-	29	-	-	-	-
So Natomas Comm Improv	-	-	-	-	-	-	57	57
So Natomas Facility Benefit	-	-	-	-	-	-	2,145	2,145
So Natomas I-5 Developer Impr	-	-	-	-	-	-	649	649
Special Districts	27,086	26,908	-	26,908	-	178	15,434	15,611
Special Districts - Capital	-	-	-	-	-	-	2,219	2,219
Special Program Donations	250	250	-	250	-	-	-	-
START	658	560	-	560	-	98	-	98
Sunset, Meadow s A/D Maint	-	-	-	-	-	-	233	233
Traffic Safety	300	343	-	343	-	(43)	44	1
Transportation Development	586	-	603	603	-	(17)	17	-
Fee	1,000	-	-	-	-	1,000	1,728	2,728
Transportation System Management	-	-	-	-	-	-	1	1
Tree Planting Replacement	120	-	120	120	-	-	22	22
Trench Cut Fee	-	-	25	25	-	(25)	50	25
Wastew ater Development Fees	-	-	2,000	2,000	-	(2,000)	10,352	8,352
Water Development Fees	-	-	1,000	1,000	-	(1,000)	42,727	41,727
Water Planning	1,701	1,641	-	1,641	-	59	826	885
Willow creek Fee District	-	-	-	-	-	-	2,407	2,407
Zoo	50	50	-	50	-	-	2	2
Funds	164,345	136,829	58,414	195,244	12,622	(18,276)	262,972	244,696
Total	\$ 1,566,968	\$ 1,537,138	\$ 137,847	\$ 1,674,985	\$ 48,168	\$ (59,849)	\$ 485,504	\$ 425,656

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

	FY2021/22 Approved	FY2022/23 Approved	FY2023/24 Approved	FY2024/25 Approved	FY2025/26 Approved
Governmental Funds*					
Revenues	\$ 665,245	\$ 743,069	\$ 770,820	\$ 813,707	\$ 838,742
Total Resources	665,245	743,069	770,820	813,707	838,742
Expenses					
Operations	666,956	723,702	757,771	832,180	856,651
CIP	14,623	18,096	14,217	15,092	15,835
Total Requirements	681,579	741,799	771,988	847,272	872,485
Other Fund Sources (Uses)	15,913	1,089	893	30,988	34,219
Beginning Fund Balance	589	4,761	731	3,334	12
Ending Fund Balance	168	7,120	457	757	488
Enterprise Funds					
Revenues	330,673	373,458	392,942	405,034	418,538
Total Resources	330,673	373,458	392,942	405,034	418,538
Expenses					
Expenses	318,333	350,316	354,494	383,789	396,604
CIP	41,165	43,527	48,197	35,136	63,390
Total Requirements	359,498	393,842	402,691	418,925	459,995
Other Fund Sources (Uses)	(3,071)	(250)	163	2,560	(250)
Beginning Fund Balance	239,840	248,632	144,975	179,391	221,894
Ending Fund Balance	207,944	227,998	135,388	168,060	180,188
Internal Service Funds					
Revenues	103,762	121,562	123,536	138,952	145,342
Total Resources	103,762	121,562	123,536	138,952	145,342
Expenses					
Expenses	102,598	121,585	122,375	136,314	147,054
CIP	209	202	202	208	207
Total Requirements	102,807	121,787	122,577	136,522	147,261
Other Fund Sources (Uses)	(1,597)	298	(1,231)	(999)	1,577
Beginning Fund Balance	2,646	403	573	527	626
Ending Fund Balance	2,005	476	301	1,957	283
Other Governmental Funds					
Revenues	126,393	138,135	146,735	157,829	164,345
Total Resources	126,393	138,135	146,735	157,829	164,345
Expenses					
Expenses	108,720	121,829	127,274	110,837	136,829
CIP	39,534	70,265	44,754	64,983	58,414
Total Requirements	148,254	192,094	172,029	175,819	195,244
Other Fund Sources (Uses)	(658)	38,007	10,487	5,645	12,622
Beginning Fund Balance	161,403	190,936	195,751	228,173	262,972
Ending Fund Balance	\$ 138,883	\$ 174,984	\$ 180,945	\$ 215,828	\$ 244,696

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

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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	
	FY2024/25	FY2025/26	FY2024/25	FY2025/26	FY2024/25	FY2025/26	FY2024/25	FY2025/26
Enterprise Funds								
Community Center	\$ 2,497	\$ 3,749	\$ 456	\$ 456	\$ 1,707	\$ 2,287	-	-
Parking	1,489	1,523	244	248	1,548	1,809	-	-
Solid Waste	4,377	4,934	-	-	-	-	10,504	10,504
Storm Drainage	2,009	2,888	-	-	-	-	4,400	4,456
Storm Drainage Property Fee	-	-	-	-	-	-	2,178	2,178
Wastewater	1,465	2,156	-	-	-	-	4,669	4,709
Water	7,564	5,929	-	-	-	-	14,429	14,318
Total Enterprise Funds	19,400	21,179	700	704	3,255	4,097	36,180	36,165
Internal Service Funds								
Fleet Management	2,625	2,218	-	-	-	-	-	-
Risk Management	2,103	3,057	-	-	-	-	-	-
Total Internal Service Funds	4,728	5,274	-	-	-	-	-	-
Water Planning Funds								
Water Forum	-	52	-	-	-	-	-	-
Total Water Planning Funds	-	52	-	-	-	-	-	-
GRAND TOTAL	\$ 24,128	\$ 26,506	\$ 700	\$ 704	\$ 3,255	\$ 4,097	\$ 36,180	\$ 36,165

*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. Then these charges are incorporated in non-General Fund departments Budget.

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

Fund	Description	Budget Through 02/2025	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	Total Five-year Funding
1001: General Fund		\$ 208,827	\$ 12,760	\$ 12,740	\$ 12,211	\$ 12,191	\$ 12,191	\$ 62,091
1003: ARPA Reinvestment Fund		4,527	(114)	-	-	-	-	(114)
2001: Sacto Transp.Sales Tax-Cip.		1,029	-	-	-	-	-	-
2002: Gas Tax 2016		24,166	3,236	1,986	1,986	1,986	1,986	11,178
2007: Major Street Construction		23,844	2,500	2,500	2,500	2,500	2,500	12,500
2008: Trench Cut Fee		148	25	25	25	25	25	126
2012: Transportation System Management		380	-	-	-	-	-	-
2013: Transportation Development		3,166	603	640	640	640	640	3,163
2016: Development Services		20,447	1,325	63	1,494	30	1,589	4,501
2019: Citation I-5 Improvements		420	-	-	-	-	-	-
2020: So Natomas Comm Improv		677	-	-	-	-	-	-
2021: So Natomas Facility Benefit		2,820	-	-	-	-	-	-
2023: New Measure A Specific Project		16,837	639	-	-	-	-	639
2025: New Measure A Construction		2,559	-	-	-	-	-	-
2026: New Measure A Maintenance		3,360	385	385	385	385	385	1,925
2028: Prop 1B - Local Street & Road		21	-	-	-	-	-	-
2031: Innovation and Growth		551	-	-	-	-	-	-
2032: Fair Share Contributions		355	-	-	-	-	-	-
2033: I-5 Subregional Corridor Mitig		239	-	-	-	-	-	-
2035: Tree Planting Replacement		1,250	120	120	120	120	120	600
2036: Road Maint and Rehabilitation		33,851	13,636	14,181	14,748	15,338	15,338	73,241
2038: NMA Traffic Control & Safety		10,209	2,510	1,580	1,580	1,580	1,580	8,830
2039: NMA Safety, Streets, Ped, Bic		15,160	2,620	2,620	2,620	2,620	2,620	13,100
2220: Sunset, Meadows A/D Maint		1,600	-	-	-	-	-	-
2230: N Natomas Lands CFD 3		569	-	-	-	-	-	-
2232: Landscaping and Lighting		5,799	2,055	805	805	805	805	5,276
2235: Florin Road Storm and San		90	-	-	-	-	-	-
2245: NW Land Park CFD 2013-02		72	-	-	-	-	-	-
2401: Measure U		50,819	3,075	3,000	3,000	3,000	3,000	15,075
2502: Special Program Donations		287	-	-	-	-	-	-
2504: Special Recreation		842	-	-	-	-	-	-
2507: Land Park		137	-	-	-	-	-	-
2508: Quimby Act		2,880	-	-	-	-	-	-
2601: Old Sac Market		159	-	-	-	-	-	-
2603: Golf		93	-	-	-	-	-	-
2605: Zoo		1	-	-	-	-	-	-
2607: Art In Public Places Projects		-	-	-	-	-	-	-
2608: Marina		807	200	120	120	120	120	680
2700: Block Grant/Housing & Redev		6,091	-	-	-	-	-	-
2701: Disaster Relief Act		3	-	-	-	-	-	-
2703: Externally Funded Programs		669	-	-	-	-	-	-
2801: Cal EPA		-	557	-	-	-	-	557
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		3,623	-	-	-	-	-	-
3005: 2006 CIRB - Taxable		361	-	-	-	-	-	-
3006: 2006 CIRBs Ser C Cap Projs		115	-	-	-	-	-	-
3008: Willow creek Fee District		788	-	-	-	-	-	-

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

Fund	Description	Budget Through						Total Five-year Funding
		02/2025	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	
3201: N. Natomas Financial Plan		171	-	-	-	-	-	-
3202: Railyards/Richards/Downtown		359	-	-	-	-	-	-
3204: Park Development		23,006	5,865	-	-	-	-	5,865
3206: NNFP Public Facilities Fee		236	12	12	12	12	12	58
3215: Transportation Dev Impact Fee		6,336	-	-	-	-	-	-
3216: Greenbriar Impact Fee		18	-	-	-	-	-	-
3314: N Natomas Drng CFD 97-01		418	-	-	-	-	-	-
3317: N Natomas CFD #2 Const		232	-	-	-	-	-	-
3320: NN Westlake CFD 2000-01 Const		379	-	-	-	-	-	-
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		1,569	-	-	-	-	-	-
3701: Sacto Housing & Redev Agency		3,703	-	-	-	-	-	-
3702: CIP Reimbursable		26,631	21	21	21	21	21	105
3703: Federal Capital Grant		84,973	14,937	12,780	-	-	-	27,717
3704: Other Capital Grants		94,360	4,082	2,107	4,314	-	-	10,503
3803: 2006 Army Depot TE		220	-	-	-	-	-	-
5015: Winchester G & Mary Alice Felt		696	-	-	-	-	-	-
6001: Water Development Fees		27,899	1,000	1,000	1,000	1,000	1,000	5,000
6002: Wastewater Development Fees		517	2,000	2,000	-	-	-	4,000
6004: Parking		34,934	1,022	920	920	920	920	4,702
6005: Water		136,472	39,433	29,341	25,908	25,501	25,501	145,684
6006: Wastewater		19,991	8,086	13,923	7,095	5,360	3,003	37,467
6007: Recycling and Solid Waste		33,935	575	358	558	746	487	2,722
6008: Landfill Closure		5,195	-	-	-	-	-	-
6009: Sacramento Marina		874	-	-	-	-	-	-
6010: Community Center		23,818	1,995	1,475	1,425	1,400	1,400	7,695
6011: Storm Drainage		16,101	39	-	-	-	-	39
6012: 4th R Program		467	200	-	-	-	-	200
6021: Storm Drainage Property Fee		21,874	12,240	11,891	11,789	12,111	11,958	59,989
6205: Water Grant Reimbursement		5,780	-	-	-	-	-	-
6206: Wastewater Grant Reimbursement		5,272	-	-	-	-	-	-
6207: Solid Waste Grant Reimbursement		721	-	-	-	-	-	-
6211: Storm Drainage Grant Reimbursement		8,725	-	-	-	-	-	-
6310: Water Revenue Bonds		1,075	-	-	-	-	-	-
6320: Wastewater Revenue Bonds		64	-	-	-	-	-	-
6321: Wastewater Revenue Bonds 2019		2,282	-	-	-	-	-	-
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		9,052	202	202	202	202	202	1,010
6502: Risk Mgmt		309	5	-	-	-	-	5
Total		\$ 1,419,514	\$ 137,847	\$ 116,794	\$ 95,477	\$ 88,611	\$ 87,401	\$526,130

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Schedule 5
Article XIII B 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 XIII B 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 XIII B for each of the fiscal years as shown below.

APPROPRIATION LIMIT (Section 1)	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Prior year limit	\$ 890,747	\$ 945,554	\$ 1,016,435	\$ 1,064,006	\$ 1,104,507
Multiply by:					
Change in CPI or Per Capita Personal Income	1.0573	1.0755	1.0444	1.0362	1.0644
Change in Population	1.0040	0.9995	1.0023	1.0018	1.0031
Total Appropriation Limit	\$ 945,554	\$ 1,016,435	\$ 1,064,006	\$ 1,104,507	\$ 1,179,282

PROCEEDS OF TAXES (Section 2)

Total governmental revenue	\$ 791,638	\$ 881,204	\$ 917,555	\$ 971,536	\$ 1,003,087
Add taxes in enterprise funds:					
Transient Occupancy Tax	18,628	26,359	33,872	34,460	34,661
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(251,937)	(270,816)	(289,279)	(322,568)	(350,331)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(7,793)	(15,454)	(12,177)	(18,882)	(33,360)
Total Proceeds of Taxes	\$ 550,536	\$ 621,293	\$ 649,971	\$ 664,546	\$ 654,057

APPROPRIATIONS SUBJECT TO LIMIT (Section 3)

Total Governmental Funds:					
Operating appropriations	\$ 775,676	\$ 845,531	\$ 885,045	\$ 943,017	\$ 993,480
CIP appropriations	54,157	88,361	58,971	80,066	74,249
Add:					
Enterprise fund tax appropriation	18,628	26,359	33,872	34,460	34,661
User fees in excess of cost	-	-	-	-	-
Current proceeds of taxes appropriated to reserves	7,922	20,970	12,529	19,447	33,716
Deduct:					
Non-proceeds of tax revenue	(251,937)	(270,816)	(289,279)	(322,568)	(350,331)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(7,793)	(15,454)	(12,177)	(18,882)	(33,360)
Total Appropriations Subject to Limit	\$ 596,653	\$ 694,951	\$ 688,961	\$ 735,540	\$ 752,414

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Schedule 6 Revenue Budget (in 000s)

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Governmental Funds					
Taxes					
Property Taxes - Current Secured	\$ 141,959	\$ 151,670	\$ 154,979	\$ 157,615	\$ 163,920
Property Taxes - Current Unsecured	4,832	5,487	4,768	4,768	4,987
Property Taxes - In Lieu VLF	58,863	63,259	65,791	66,512	68,508
Property Taxes - Prior Secured	1,209	1,579	1,203	1,203	1,318
Property Taxes - Prior Unsecured	50	51	80	80	65
Property Taxes - Redevelopment Passthrough	3,101	3,581	2,814	2,814	3,146
Property Taxes - Supplemental	5,405	3,548	3,704	3,704	4,495
Subtotal Property Taxes	215,419	229,176	233,338	236,696	246,439
Business Operations Taxes (BOT)	8,942	10,015	8,775	8,775	8,863
Cannabis Business Operations Tax (CBOT)	22,613	23,352	23,322	24,209	23,322
General Sales and Use Taxes	237,199	238,365	246,322	235,660	236,843
Property Taxes - Resident Development	802	537	916	916	888
Public Safety Sales Tax	8,629	8,350	9,033	9,033	9,412
Real Property Transfer Taxes	11,776	10,446	9,691	12,373	9,691
Transient Occupancy Tax	6,133	6,651	6,892	6,892	6,932
Transient Occupancy Tax - Prior	94	225	-	-	-
Utility Users Tax - Current	69,403	63,993	67,465	70,444	67,802
Utility Users Tax - Prior	126	141	-	-	-
Subtotal Other Taxes	365,717	362,075	372,415	368,303	363,753
Total Taxes	581,135	591,250	605,754	604,999	610,193
Licenses and Permits					
Alley Parking Permit	14	12	-	-	-
Alley Parking Permits	1	-	3	3	3
Animal Licenses	407	503	520	520	570
Building Trades Certification	-	-	1	1	1
Burglar Alarm Permits	919	865	1,000	1,000	1,000
Business Permits and Licenses	415	478	459	459	459
Cellular Revocable Permits	1,633	1,788	1,769	1,769	1,837
Construction Permits	12,048	11,046	12,704	12,704	13,104
Dance Permits	43	37	10	10	10
Emergency Permits	4	2	7	7	7
Excavation Permits	98	33	43	43	43
Home Occupation Permits	192	157	170	170	170
Marijuana Cultivation Permit	1,530	1,654	1,558	1,558	1,558
Marijuana Delivery Permit	632	497	484	484	484
Marijuana Dispensary Permit	575	666	624	624	624
Marijuana Manufacturing Permit	177	165	280	280	280
Marijuana Other Business Permit	706	796	666	666	666
Miscellaneous Licenses and Permits	14	15	10	10	10
Neighborhood Responsibility	114	1	-	-	-
On-Site Plan Review Permit	58	69	87	87	87
Plan Check Fees	9,643	6,166	10,254	10,254	10,254
Sign and Billboard Permit	38	32	63	63	63
Sign and Billboard Permits	271	288	240	240	240

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Governmental Funds					
Licenses and Permits (continued)					
Special Event Permits	441	643	273	273	273
Special Events Permits	-	-	-	-	13
Special Use Permits	1,985	2,223	3,343	3,343	3,343
Street Vendor Permits	27	16	20	20	20
Taxi Permits	22	36	20	20	20
Towing Vehicle Permits	32	36	84	84	84
Subtotal Licenses and Permits	32,037	28,222	34,690	34,690	35,221
Fines, Forfeitures, and Penalties					
Delinquency Charges	99	117	-	-	-
Fines and Penalties	8,980	9,752	9,088	9,088	14,019
Transient Occupancy Tax - Penalty	32	5	-	-	-
Subtotal Fines, Forfeitures, and Penalties	9,112	9,874	9,088	9,088	14,019
Interest, Rents, and Concessions					
Interest on Investments	4,007	5,496	5,750	5,750	3,700
Interest on Receivables	794	1,076	336	336	336
Real Property Rental	537	644	229	229	229
Subtotal Interest, Rents, and Concessions	5,338	7,217	6,315	6,315	4,265
Intergovernmental					
Fire District Reimbursement	6,995	9,834	9,775	9,775	10,125
Miscellaneous Governmental Revenue	6,472	7,265	4,601	4,601	4,561
Miscellaneous Other Federal	10,730	19,263	1,210	1,210	1,210
Other Agency Payments	1,552	1,650	(354)	(354)	1,235
Other County Payments	208	647	425	425	425
Other Recoveries	749	701	183	183	183
Other State Payments	1,004	1,512	127	127	127
P.O.S.T. Reimbursement	55	137	167	167	167
Planning Technology Fee	-	-	-	-	400
Redevelopment Agency Services	430	561	460	460	460
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	1,082	1,066	1,045	1,045	1,045
State Mandated Reimbursement SB 90	386	1,116	212	212	212
State Motor Vehicle In Lieu Tax	533	643	501	501	511
Subtotal Intergovernmental	30,844	45,044	18,609	18,609	20,918
Charges, Fees, and Services					
Administrative Fee	655	734	748	748	725
ALS Fees	28,585	26,284	47,000	47,000	52,500
Animal Shelter Fees and Charge	269	293	340	340	340
Appeal Fees	8	5	-	-	-
City Attorney Fees	2	2	-	-	-
Code Enforcement Fee	3,959	4,541	3,421	3,421	7,674

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Governmental Funds					
Charges, Fees, and Services (continued)					
Community Services Fees	1,188	1,338	2,752	2,752	2,925
Compliance Fee	1,543	1,311	448	448	1,228
Concessions	85	113	68	68	68
Concessions - Golf	2	1	-	-	-
Demolition Charges	456	442	417	417	417
DUI Fees	106	(24)	77	77	77
EIS Fees	6	-	-	-	-
Facility Use Fees	3,283	3,069	2,378	2,378	2,573
Fire Permit Fees	1,124	741	1,326	1,326	1,877
Franchise Fees	9,627	8,758	9,275	9,275	9,520
Housing and Dangerous Buildings	89	88	111	111	111
Jail Booking Fee Recovery	-	-	40	40	40
Miscellaneous Proprietary Revenue	17	55	32	32	32
Other Departmental Service	10,980	10,061	8,805	8,805	7,373
Other Fees	270	344	1	1	1
Other General Fees and Charges	(137)	319	10	10	10
Parking Fees	10	21	347	347	394
Parking Meter Receipts	10,343	10,216	11,523	11,523	16,210
Parking Meter Removal Fees	505	668	520	520	520
Real Property Transfer Penalty	-	2	-	-	-
Recyclables Sales	3	7	-	-	-
Registration Fees	158	178	244	244	244
Service Fees	197	12	100	100	100
Special Assessments - Administ	499	565	230	230	230
Special Assessments - Business	(1)	-	-	-	-
Street Sidewalk and Curb Repair	2,699	3,406	3,063	3,063	3,063
Subdivision Map Processing - Planning	-	2	30	30	30
Swimming Pool Fees	389	425	702	702	702
Third Party Recoveries - Property	1	-	-	-	-
Third Party Recoveries - Vehicle	229	224	-	-	-
Tour Fees	6	1	-	-	-
Vehicle Abatement SAVSA	64	-	-	-	-
Subtotal Charges, Fees, and Services	77,219	74,200	94,007	94,007	108,984
Contributions from Other Funds					
Contributions from Other Funds Accounts	40,644	44,481	43,935	43,935	44,766
Subtotal Contributions from Other Funds	40,644	44,481	43,935	43,935	44,766
Miscellaneous Revenues					
Escheat	223	128	242	242	175
Gifts and Donations	1	1	-	-	-
One-time Budgeted Revenue Adj	-	-	1,066	2,755	200
Sale of Real or Personal Property	227	11	-	-	-
Subtotal Miscellaneous Revenue	451	140	1,308	2,997	375
Total General Funds	\$ 776,781	\$ 800,428	\$ 813,707	\$ 814,641	\$ 838,742

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Enterprise Funds					
Community Center					
Box Office Fees	\$ 1,363	\$ 802	\$ 1,100	\$ 1,100	\$ 1,100
Catering Fees	2,790	3,115	1,602	1,602	3,345
Concessions	197	283	300	300	320
Facility Use Fees	5,624	6,692	3,418	3,418	6,510
Interest on Investments	1,149	1,573	550	550	550
Miscellaneous Governmental Revenue	124	65	80	80	95
Other Fees	862	1,006	900	900	900
Real Property Rental	1,629	1,461	701	701	1,832
Registration Fees	-	2	-	-	-
Royalties	866	850	866	866	850
Service Fees	435	366	641	641	420
Transient Occupancy Tax	30,663	33,253	34,460	34,460	34,661
Transient Occupancy Tax - Penalty	162	(125)	3	3	3
Transient Occupancy Tax - Prior	469	1,126	83	83	83
Subtotal Community Center	46,332	50,468	44,705	44,705	50,669
Parking					
Administrative Fee	735	914	803	803	1,203
Delinquency Charges	3	2	-	-	-
Facility Use Fees	18	18	-	-	-
Interest on Investments	462	459	300	300	300
Miscellaneous Governmental Revenue	(12)	14	-	-	-
Other Fees	64	95	20	20	20
Other General Fees and Charges	55	299	-	-	-
Other Recoveries	56	30	-	-	-
Parking Fees	15,048	16,290	17,229	17,229	18,091
Real Property Rental	716	778	615	615	615
Royalties	75	89	40	40	40
Vehicle or Equipment Rental	49	49	45	45	45
Subtotal Parking	17,268	19,036	19,052	19,052	20,314
Solid Waste					
Delinquency Charges	-	748	-	-	1,070
Facility Use Fees	195	219	182	182	219
Fines and Penalties	(3)	-	-	-	-
Interest on Investments	777	1,399	750	750	750
Miscellaneous Governmental Revenue	139	140	-	-	-
Miscellaneous Proprietary Revenue	26	19	-	-	-
Other Agency Payments	86	77	33	33	33
Other Departmental Services	20	13	-	-	-
Other Fees	-	-	101	101	101
Recyclables Sales	1,098	412	100	100	100
Sale of Real or Personal Property	14	6	-	-	-
Service Fees	158	156	-	-	-
Utility Services Charges	86,095	91,595	95,663	95,663	95,663
Subtotal Solid Waste	88,604	94,785	96,828	96,828	97,935

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Enterprise Funds (continued)					
Storm Drainage					
Compliance Fee	66	59	100	100	70
Delinquency Charges	-	298	400	400	421
Drainage Impact Fee	(17)	(17)	-	-	-
Impact Admin Fees	-	-	2	2	2
Interest on Investments	869	1,268	440	440	540
Interest on Receivables	33	31	-	-	-
Miscellaneous Governmental Revenue	32	13	-	-	-
Miscellaneous Proprietary Revenue	16	8	-	-	-
One-time Budgeted Revenue Adj	-	-	-	-	3,200
Other Agency Payments	5	97	-	-	-
Other Fees	32	20	20	20	34
Other Recoveries	76	30	-	-	-
Plan Check Fees	45	70	85	85	85
Sale of Real or Personal Property	149	-	-	-	-
Service Fees	44	31	-	-	-
Subdivision Map Processing - Engineering	5	4	4	4	4
Utility Services Charges	39,995	40,486	40,100	40,100	40,611
Subtotal Storm Drainage	41,350	42,399	41,150	41,150	44,966
Storm Drainage Property Fee					
Delinquency Charges	-	144	150	150	207
Interest on Investments	145	560	100	100	100
Miscellaneous Proprietary Revenue	-	1	-	-	-
Service Fees	-	5	-	-	-
Utility Services Charges	19,612	19,534	20,000	20,000	20,000
Subtotal Storm Drainage Property Fee	19,757	20,245	20,250	20,250	20,307
Wastewater					
Delinquency Charges	-	643	820	820	1,000
Impact Admin Fees	-	7	93	93	10
Interest on Investments	1,062	1,638	430	430	430
Miscellaneous Governmental Revenue	(14)	-	-	-	-
Miscellaneous Proprietary Revenue	20	21	48	48	30
Other Agency Payments	13	-	-	-	-
Other Recoveries	(10)	8	-	-	-
Regional Sanitation District	1,737	1,645	1,350	1,350	1,536
Service Fees	57	78	75	75	80
Sewer Permits	87	91	97	97	85
Subdivision Map Processing - Engineering	3	4	3	3	3
Utility Services Charges	42,963	43,463	42,639	42,639	43,000
Subtotal Wastewater	45,918	47,598	45,554	45,554	46,174
Water					
Cellular Revocable Permits	78	94	55	55	60
Delinquency Charges	-	829	1,200	1,200	1,400
Fines and Penalties	1	-	-	-	-
Fire Hydrant Use Fee	49	61	50	50	63

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Enterprise Funds					
Water (continued)					
Impact Admin Fees	-	11	160	160	160
Interest on Investments	4,128	6,196	865	865	1,365
Miscellaneous Governmental Revenue	62	19	60	60	30
Miscellaneous Proprietary Revenue	38	29	75	75	75
Other Agency Payments	1,457	1,838	1,600	1,600	2,600
Other Bonds Issued	107	727	-	-	-
Other Fees	33	76	50	50	80
Other Recoveries	33	7	-	-	-
Park Impact Fee	61	-	-	-	-
Public Facilities Impact Fee	(96)	-	-	-	-
Residential Construction Water	135	51	91	91	51
Service Fees	108	107	220	220	220
Special Item Revenue	4,710	-	-	-	-
Subdivision Map Processing - Engineering	3	4	3	3	3
Utility Service Extensions	30	3	20	20	20
Utility Services Charges	127,495	128,525	131,691	131,691	130,691
Water Flow Test Fee	205	197	220	220	220
Water Tap Sales	1,049	1,236	1,135	1,135	1,135
Subtotal Water	139,686	140,010	137,496	137,496	138,174
Total Enterprise Funds	\$ 398,914	\$ 414,540	\$ 405,034	\$ 405,034	\$ 418,538

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Internal Service Funds					
Fleet Management					
Fleet Charges Accident Repair	\$ 378	\$ 1,394	\$ 902	\$ 902	\$ 794
Fleet Charges O & M	21,539	21,547	26,821	26,821	26,419
Fleet Vehicle Revenue	42,325	32,094	27,921	32,008	26,130
Gasoline and Oil Sales	10,252	9,161	10,083	10,083	9,223
Interest on Investments	565	975	200	200	200
Miscellaneous Governmental Revenue	8	3	-	-	-
Miscellaneous Other Federal	110	89	-	-	-
Other Recoveries	21	29	-	-	-
Sale of Real or Personal Property-Salvage	872	1,162	856	856	858
Vehicle or Equipment Rental	926	958	897	897	906
Subtotal Fleet Management	76,995	67,412	67,680	71,767	64,530
Risk Management					
Interest on Investments	2,318	2,949	500	500	500
Interest on Receivables	78	102	54	54	48
Other Departmental Services	1,314	1,067	-	-	-
Risk Fund In-Lieu Insurance	53,900	61,099	70,468	70,468	80,114
Service Fees	-	-	-	(100)	(100)
Third Party Recoveries - Liability	-	40	-	-	-
Third Party Recoveries - Property	730	1,272	250	250	250
Third Party Recoveries - Vehicle	1	-	-	-	-
Third Party Recoveries Workers' Compensation	-	1	-	-	-
Subtotal Risk Management	58,361	66,550	71,272	71,172	80,812
Total Internal Service Funds	\$ 135,356	\$ 133,962	\$ 138,952	\$ 142,939	\$ 145,342

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

	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved
Other Governmental Funds					
4th R Program	\$ 5,885	\$ 6,715	\$ 5,406	\$ 6,686	\$ 6,686
65th Street Area Impact Fee	503	17	-	-	-
ARPA Reinvestment Fund	1,310	1,476	-	-	-
Art In Public Places Projects	8	12	-	-	-
Assessment Reg and SDRIS	3	4	-	-	-
Cal EPA	245	37	-	-	-
Capital Improv. Revenue Bonds	4	5	-	-	-
CIP Reimbursable	18	189	-	-	-
Citation I-5 Improvements	3	1	-	-	-
Citation I-5 Maintenance	12	16	-	-	-
Citywide Low Income Housing	2,846	2,909	2,970	2,970	2,200
Cultural Services - Other	197	206	155	155	155
Debt Service Funds	4,670	5,001	10,707	10,707	10,980
Delta Shores PF Impact Fee	6,695	2,403	500	500	500
Development Services	2,211	6,406	3,921	232	4,125
Downtown Impact Fee	496	308	-	-	-
Downtown Management District	3,899	4,034	4,198	4,198	5,921
Ethel MacLeod Hart Trust	136	109	-	-	-
Externally Funded Programs	72	182	-	-	-
Fair Share Contributions	135	271	-	-	-
Fairytale Town	85	80	50	50	50
Gas Tax	13,676	14,990	14,277	14,277	14,756
Golf	873	896	816	816	1,000
Greenbriar Impact Fee	1,132	1,055	-	-	-
I-5 Subregional Corridor Mitig	3,590	191	-	-	-
Innovation and Growth	13,381	15,405	13,468	13,468	15,289
Jacinto Creek	228	73	-	-	-
Land Park	149	145	23	23	23
Landscaping and Lighting	19,569	20,387	20,770	20,770	21,344
Library Services Parcel Tax	9,200	9,537	9,989	9,989	10,349
Major Street Construction	3,866	2,570	2,500	2,500	2,000
Marcy Friedman ESC APP	1	1	-	-	-
Marina	2,124	2,207	1,894	1,894	2,044
Measure A Maintenance	16,682	17,099	16,490	16,490	16,190
NMA Safety, Streets, Ped, Bic	2,606	2,774	2,429	2,429	2,379
NMA Traffic Control & Safety	1,726	1,793	1,649	1,649	1,619
North Natomas Financing Plan	9,072	9,643	325	325	325
Operating Grants	307	468	-	-	-
Other	891	797	-	-	-
Other Capital Grants	41	-	-	-	-
Park Development	7,972	7,336	826	826	826
Private Development	428	240	-	-	-
Quimby Act	165	1,264	100	100	100
Railyards Impact Fee	536	78	50	50	50
Redevelopment Bond Funds	179	251	-	-	-
River District Impact Fee	4,997	310	-	-	-

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

	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26
	Actuals	Actuals	Approved	Amended	Approved
Other Governmental Funds (continued)					
Road Maint and Rehabilitation	11,983	14,110	13,111	13,111	13,654
Sheraton MOPA Project	258	370	-	-	-
SHRA CDBG	-	-	29	29	29
So Natomas Comm Improv	16	17	-	-	-
So Natomas Facility Benefit	709	627	-	-	-
So Natomas I-5 Developer Impr	11	16	-	-	-
Special Districts	27,542	30,003	25,657	25,657	27,086
Special Districts - Capital	438	3,097	-	-	-
Special Program Donations	17	23	250	-	250
START	893	818	658	658	658
Sunset, Meadows A/D Maint	31	45	-	-	-
Traffic Safety	287	283	300	300	300
Transportation Development	614	69	590	833	586
Transportation Development Impact Fee	3,283	845	2,000	2,000	1,000
Tree Planting Replacement	65	225	120	120	120
Trench Cut Fee	37	25	25	25	-
Wastewater Development Fees	1,933	1,464	-	-	-
Water Development Fees	4,824	3,256	-	-	-
Water Planning	1,359	1,628	1,525	1,525	1,701
Willow creek Fee District	147	71	-	-	-
Zoo	85	80	50	50	50
Other Governmental Funds	\$ 197,353	\$ 196,968	\$ 157,829	\$ 155,414	\$ 164,345

Schedule 7A
Operating Grants - \$166.3 million

This section provides an overview of significant grant activities that departments conduct with federal, state, and local sponsorship to advance City objectives and supplement City programs. Grant payments for non-labor items are charged directly to the grant fund. Grant payments for labor are noted in the grant fund and show as a grant recovery in the General Fund or other funds to which the employees are assigned. This information is not all-inclusive and is intended as a general summary of the City's success in receiving grants. Resources for capital programs are also included in the 2025-2030 CIP. Significant grant amounts that will benefit FY2025/26 are summarized by department below.

CITY MANAGER - \$52,562,243

FY2022/23 California Natural Resource Agency \$17,396,869
Community Reinvestment Project

The 2022-23 State Budget (Assembly Bill [AB] 178) appropriated \$20 million for Community Reinvestment programs and projects within the City of Sacramento. The State's allocation of \$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.

FY2023/24 California Natural Resource Agency \$5,000,000
Community Reinvestment Project

The 2023-24 State Budget (Senate Bill [SB] 104) included \$5 million in appropriations for programs and projects within the City of Sacramento. The State's allocation of \$2,425,000 funds ten city infrastructure projects dedicated to park improvements, street improvements and safety; and \$2,575,000 in grant awards twenty agencies/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.

FY2022/23 Governor's Office of Planning and Research \$1,796,366
South Sacramento Youth Programming

The 2022-23 State Budget (AB 178) included \$2 million in appropriations for South Sacramento Youth Programming within the City of Sacramento. 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.

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FY2023/24 California Natural Resource Agency **\$1,000,000**
Park and Community Improvement Projects

The 2023-24 State Budget (SB 104) included \$1 million in appropriations for programs and projects within the City of Sacramento. The State's allocation of \$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.

FY2024/25 United States Environmental Protection Agency (US EPA) **\$800,000**
Marysville and Grand Multipurpose Grant

United States Environmental Protection Agency Grant funding 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.

FY2024/25 Cities for Financial Empowerment (CFE) Fund, Inc. **\$170,000**
Financial Empowerment Cities Grant

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.

FY2022/23 State Senate Bill 170, California Natural Resources Agency **\$1,849,600**
Planting Justice Tree Nursery

Transform the vacate tree nursery located at 1920 34th Avenue into a nationally significant center for urban agriculture, social entrepreneurship, multifaceted biodiversity, youth mentorship, and farmer training. As part of the Budget Act of 2021 (Senate Bill 170, Chapter 240).

FY2024/25 State of California Workforce Development Board **\$335,680**
SETA California Workforce Highroad Training Partnership

The grant will fund ambassadors participating in monthly and quarterly trainings on economic mobility topics and resources and will conduct outreach to connect Sacramento residents with related local opportunities around small business, workforce training/placement, and financial coaching/wellness.

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FY2024/25 U.S. Department of Housing and Urban Development **\$1,500,000** **Grant for Sacramento River Docks**

These funds will be used to pay for the design and planning of the River Docks component of the Waterfront Reinvestment Program. The City's existing dock system requires deferred maintenance to ensure continued safe public access to the docks and waterfront. The River Docks project will provide the Sacramento community and visitors with the opportunity to experience and reconnect with the Sacramento River in a safe and engaging way.

FY2024/25 California Department of Parks and Recreation **\$4,600,000** **Grant for Riverfront Safety and Pedestrian Access**

Funding for the restoration of the Sacramento Riverfront will allow the city to further the visions, goals, and objectives of the General Plan, the 2003 Sacramento Riverfront Master Plan as approved by the cities of Sacramento and West Sacramento and the Sacramento riverfront priorities set out by the Mayor and City Council. The funding from the state will support the development of the Riverfront, allow the City of Sacramento to accelerate redevelopment of the Old Sacramento Waterfront, and will be used towards eligible projects within the Waterfront Reinvestment Program.

FY2024/25 State of California Volunteers **\$2,800,506** **SacYouth Corps.**

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.

FY2024/25 U.S Small Business Administration **\$300,000** **Sacramento Neighborhood Equity Initiative**

This initiative will contribute to an inclusive economy in Sacramento, including support for women- and minority-owned entrepreneurs and small/micro businesses. Funding is dedicated to business technical assistance, case management, outreach, contracting opportunities, incubation and acceleration, and overall business support activities that contribute to commercial corridor revitalization.

FY2024/25 U.S. Department of Labor **\$368,105** **Early Childhood Education (ECE) Apprenticeship**

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

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apprenticeship program will build childcare center capacity and help improve program quality.

FY2024/25 The California Department of Food and Agriculture **\$429,648**
Meadowview Community Farmers Market

The California Department of Food and Agriculture selected the City of Sacramento to provide oversight to the Meadowview Community Farmers Market. Funding be used to increase access to fresh, healthy food in low-income communities in South Sacramento. In partnership with community organizations, the 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.

FY2024/25 US Business Administration **\$838,834**
ECE Workforce Training Program

The 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.

FY2023/24 California Department of Housing and Community **\$304,544**
Development's (HCD) Pro-housing Incentive Pilot Program

The HCD 2023 Pro-housing Incentive Pilot funding program was designed to incentivize local governments to pursue Pro-housing Designations and rewards those with the Pro-housing Designation with additional funding to accelerate affordable housing production and preservation. This funding was made available as gap financing through SHRA's Multi-Family Lending program to support the City's affordable housing production.

FY2022/23 Homeless Housing, Assistance and Prevention (HHAP) III **\$282,867**

The Homeless Housing, Assistance and Prevention III funding allocation continues existing sheltering programs and expands prevention programming. Requires grantees to expend funds on evidence-based solutions that prevent, reduce and end homelessness. The remaining HHAP-3 grant balance provides Office of Innovation and Economic Development (OIED) Housing funding for administration of this funding.

FY2023/24 Homeless Housing, Assistance and Prevention IV **\$1,049,254**

The Homeless Housing, Assistance and Prevention IV funding allocation continues existing sheltering programs and expands prevention programming. Requires grantees to expend funds on evidence-based solutions that prevent, reduce and end homelessness. HHAP-4 funds permanent supportive housing through OIED-Housing.

FY2024/25 Homeless Housing, Assistance and Prevention V **\$5,893,727**

The Homeless Housing, Assistance and Prevention V funding allocation continues existing sheltering programs and expands prevention programming. Requires grantees to expend funds on evidence-based solutions that prevent, reduce and end

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homelessness. HHAP-5 funds permanent supportive housing, prevention programming, and administration through OIED-Housing.

FY2024/25 Encampment Resolution Funding 3-R **\$5,846,243**

The Encampment Resolution Funding (ERF) Program is a competitive grant available to assist local jurisdictions in providing services and support to people experiencing homelessness in encampments that results in 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.

COMMUNITY RESPONSE - \$46,138,895

FY2024/25 Homeless Housing Assistance and Prevention V **\$20,888,982**

The Homeless Housing, Assistance and Prevention V funding allocation continues support of youth sheltering, the Coordinated Access System, outreach services, and continued operations of the X Street Navigation Center, the Meadowview Navigation Center, the North Fifth Street Navigation Center, the City Motel Program, and Emergency Bridge Housing on Grove Avenue.

FY2025/26 Homeless Housing Assistance and Prevention VI **\$12,896,495**

The Homeless Housing, Assistance and Prevention VI funding allocation continues support of youth sheltering, and continued operations of the X Street Navigation Center, the Meadowview Navigation Center, the North Fifth Street Navigation Center, and Emergency Bridge Housing on Grove Avenue.

Encampment Resolution Funding- Round 4 (ERF-4-L) **\$12,353,418**

The Encampment Resolution Funding will be used to expand the Roseville Road Campus by 100 electrified pallet style homes, provide interim housing with a strong focus on case management and housing navigation, and focus outreach on the Sacramento Northern Parkway Trail.

CONVENTION & CULTURAL SERVICES - \$571,000

State Parks Grant **\$200,000**

The City of Sacramento Office of Arts & Culture (OAC) will seek a \$200,000 grant for additional funds for Natomas Regional Park (applying March 2025) – project to be completed in calendar year 2026.

Bloomberg Foundation Grant **\$100,000**

The City of Sacramento Office of Arts & Culture (OAC) have applied for a \$100,000 grant for additional work on Creative Crosswalks in District 3 (applied Feb 2025) – project to be completed in calendar year 2026.

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National Endowment for the Arts **\$100,000**

The City of Sacramento Office of Arts & Culture (OAC) will seek a \$100,000 grant to support subgranting for arts projects as a local arts agency.

California Arts Council State and Local Partners Grant **\$71,000**

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.

FY2023/24 State Senate Bill 104 **\$50,000**
Creative Crosswalk Project

The City of Sacramento Office of Arts & Culture (OAC) have received a \$50,000 grant for Creative Crosswalks in District 3 – project to be completed in calendar year 2026.

FY2021/22 State Senate Bill 170 **\$50,000**
Sutter's Landing Regional Park Mural Project

The City of Sacramento Office of Arts & Culture (OAC) have received a \$50,000 grant for the American River mural in Sutter's Landing Regional Park – project to be completed in calendar year 2025.

FINANCE - \$7,467,394
FY 2025 Go-Biz Cannabis Equity Grants for Local Jurisdictions **\$1,680,777**

The 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 FY25 grant cycle includes a \$750,000 City match in addition to the grant award, which can include administrative labor and contracts that benefit equity members.

FY2022 Department of Cannabis Control **\$5,786,617**
Local Jurisdiction Assistance Grant

Funding is intended to support local jurisdictions in aiding provisional license holders to meet those requirements that are necessary to attain an annual state license.

FIRE DEPARTMENT - \$1,459,884
Urban Search and Rescue (US&R) **\$1,459,884**

The National US&R system is a cooperative effort between the Department of Homeland Security (DHS), Federal Emergency Management Agency, participating state emergency management agencies, and local public safety agencies across the country. The system is built around a core of sponsoring agencies prepared to deploy US&R task forces immediately and initiate US&R operations at DHS's direction. US&R operational activities

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include locating, extricating, and providing on-site medical treatment to victims trapped in collapsed structures, victims of weapons of mass destruction events, victims of major flooding and, when assigned, performing incident command or other operational activities. California has eight of the 28 US&R Task Forces. The City of Sacramento's Fire Department is the sponsoring agency of California Task Force 7 (CA-TF7). DHS provides financial support in the form of grants/cooperative agreements to each of the sponsoring agencies. The Department is solely responsible for the administrative management of CA-TF7. As required by the cooperative agreement, the Department will use this grant to train task force personnel, maintain a state of readiness and acquire necessary equipment and supplies. Funding is included to staff the following positions: one Battalion Chief, one Administrative Analyst, one Administrative Technician, and two Cache Logisticians. Funding for this program varies annually and is provided on an annual basis from DHS.

INFORMATION TECHNOLOGY - \$38,946,843

FY2024/25 The Sacramento Last Mile Grant **\$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.

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

The City of Sacramento has been awarded a Cal OES Cybersecurity Grant for \$250,000. This funding is part of the State and Local Cybersecurity Grant Program (SLCGP) and is intended to support various cybersecurity initiatives within the city. Specifically, the grant will provide several key cybersecurity training opportunities including cybersecurity skills assessment and specialized training for IT Department Cybersecurity and Network Infrastructure staff. Additionally, the Department of Utilities will also 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.

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POLICE DEPARTMENT - \$12,133,962

FY2022/23 Urban Area Security Initiative **\$3,097,000**

FY2023/24 Urban Area Security Initiative **\$2,820,672**

This program provides 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.

FY2022/23 Citizens' Option for Public Safety **\$800,102**

FY2023/24 Citizens' Option for Public Safety **\$805,643**

FY2024/25 Citizens' Option for Public Safety **\$803,649**

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.

FY2021/22 Citizens' Option for Public Safety – Growth **\$515,637**

FY2022/23 Citizens' Option for Public Safety – Growth **\$689,359**

FY2023/24 Citizens' Option for Public Safety – Growth **\$762,649**

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.

FY2023/24 National Public Safety Partnership – Capacity Building **\$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.

FY2024/25 Gang Violence Suppression **\$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 funds 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.

FY2024/25 Selective Traffic Enforcement Program **\$400,000**

This is a federal grant program, passed through the State of California's Office of Traffic Safety. The grant objectives are to reduce the number of traffic-related injuries and

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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.).

FY2022/23 Edward Byrne Memorial Justice Assistance Program **\$278,035**

FY2023/24 Edward Byrne Memorial Justice Assistance Program **\$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. This grant will support future costs for ShotSpotter technology in the south Sacramento area.

UTILITIES DEPARTMENT - \$4,647,544

Green Means Go Funding Program: DOU City Projects (Basin 111 Drainage Study, Storm Basin 151, 153 and 158 Storm Drainage Master Plan Grant Projects) **\$797,000**

The Green Means Go funding program aims to catalyze infill development that improves housing affordability through non-transportation infrastructure and planning activities in locally adopted Green Zones. The funds are being used to pay for infrastructure improvements and studies, such as drainage facilities, water line extensions, sewer basin capacity analyses, and drainage studies aimed at removing impediments to residential development. The Green Means Go funding program is the newest funding program from the Sacramento Area Council of Governments (SACOG).

Building Resilient Infrastructure and Communities Program Grant: BRIC (Beach Lake N. Levee Project) **\$3,200,544**

This project, funded by the Federal Emergency Management Agency (FEMA) and working in conjunction with the Sacramento Flood Control Agency (SAFCA), will mitigate flooding of 5 interchanges and 3.9 miles of Interstate 5 (I-5), a runway at Sacramento Executive Airport, surface streets, drainage pumps, water and sewer facilities, and 27,000 housing units in South Sacramento. Flood protection will increase from events more frequent than the 100-year event to at least the 200-year event. This will be accomplished by improving approximately 4 miles of the north Morrison Creek and Beach Lake levee, including raising or installing sections of floodwall, building a 750-linear-foot seepage berm, relocating a pump station, installing turf-reinforcement geotextile fabric along the waterside of the levee, and incorporating a riparian woodland barrier to protect against wave erosion and provide resiliency.

Department of the Interior, Bureau of Reclamation WaterSMART Aquatic Ecosystem Restoration Grant (Lower American River Programmatic Study and Design of Juvenile Salmonid Rearing Habitat Restoration Sites Project) **\$650,000**

This project, funded by the Department of Interior, Bureau of Reclamation (USBR), will support Water Forum's objective to preserve and protect the fishery, wildlife, aesthetic and recreational resources of the Lower American River. The goal of activities funded

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under this agreement would be to leverage previous salmon habitat construction planning and design, and ongoing fisheries and physical habitat conditions monitoring data to inform future design of habitat projects. This project would support advancing a portion of Water Forum's previously identified conceptual rearing habitat sites to a "shovel ready" condition, utilizing a proven approach to planning and design that has previously been employed for other Water Forum habitat program work. The project would include a collaborative stakeholder process, background/baseline resource surveys, and a robust alternatives analysis and design process to develop 60% level of design for approximately 30 acres of vitally needed salmonid rearing habitat in the Lower American River.

YOUTH, PARKS, & COMMUNITY ENRICHMENT - \$ 2,404,680

START (Students Today Achieving Results for Tomorrow) \$753,792

START has funding of \$753,792 from the California Department of Education (DOE) After School Education and Safety (ASES) grant for this after-school literacy and enrichment program that serves over 415 elementary school children daily in the Robla Unified School District.

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

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.

Expanded Learning Opportunities Program (ELO-P) \$1,428,625

The City receives DOE Expanded Learning Opportunities Program (ELO-P) funding from Robla School District to support the expansion of the City's existing ASES program by allowing the number of students serviced to be increased as well as additional grade levels (TK and Kindergarten students) to be serviced. The school district is the grantee, and they contract with the City for delivery of the program.

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Schedule 7B City Grant Awards

This section 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 2024 and includes the program's name, grantee, grant amounts, and funding source.

Department		
Grant Program Name	Grantee	Amount Awarded
City Manager		
AI Fresco Dining Grant Program	Various Awardees (approximately 25)	2,000,000
ARPA North Area Façade Pilot	Various Awardees (maximum potential 20)	1,000,000
ARPA Northgate Boulevard Storefront Improvement Grant Program	Various Awardees	200,000
ARPA Reinvestment Fund Grant Small Business Support	Capital Station dba The River District	186,420
	Downtown Sacramento Partnership	1,150,000
	Midtown Association	635,000
ARPA Small Business Assistance Center - PBID Support	Various Awardees	1,185,000
ARPA Transformative Reinvestment Grant Program	Various Awardees (maximum potential 20)	2,570,000
	American Rescue Plan Fund Total	\$ 8,926,420
Economic Gardening	Various Organizations (maximum potential 10)	500,000
Sacramento Innovation Grant	Various Organizations (maximum potential 6)	395,566
	Innovation and Growth Total	\$ 895,566
Brownfields Revolving Loan Fund Grant	Sacramento Housing & Redevelopment Agency	750,000
Community Reinvestment Project	3 Point 0 – Studio T Arts & Entertainment	750,000
	Alchemist Community Development Corporation	300,000
	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
	Our Daughters Destiny	140,000
	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
Early Childhood Education (ECE) Apprenticeship	TBD	394,000
Early Childhood Education (ECE) Workforce Training Program	TBD	850,000
Financial Empowerment Cities Grant	TBD	170,000
Homeless Housing Assistance Prevention (HHAP) 4	TBD	1,049,254
Homeless Housing Assistance Prevention (HHAP) 5	TBD	4,000,000
Marysville and Grand Multipurpose Grant	TBD	800,000
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

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Department	Grant Program Name	Grantee	Amount Awarded
City Manager (cont)			
	Prohousing Incentive Pilot (PIP) Program	Sacramento Housing & Redevelopment Agency	304,544
	Sacramento Employment and Training Agency, A Highroad Training Partnership	Various Awardees (maximum potential 18)	400,000
	Sacramento Neighborhood Equity Initiative	California Capital Small Business Financial Development Center	300,000
	SacYouth Corps.	TBD	2,874,428
	South Sacramento Youth and Family Programs and the Filipino Community Center	Health Education Council	1,200,000
		The Filipino Community of Sacramento and Vicinity	800,000
	Street Soccer USA Sacramento	Street Soccer USA	800,000
		Operating Grant Total	\$ 26,047,644
	Tree Nursery Grant Project Delivery Agreement	Planting Justice Tree Nursery	2,000,000
		Other Capital Grants Total	\$ 2,000,000
		City Manager Total	\$ 37,869,630
Community Response			
	ARPA Outreach Services	Capitol Station dba the River District	125,000
	ARPA Shelter	First Step Communities	3,094,236
		American Rescue Plan Fund Total	\$ 3,219,236
	CA Rural Legal Assistance	CA Rural Legal Assistance	500,000
		General Fund Total	\$ 500,000
	Coordinated Access System	Sacramento Steps Forward	1,000,000
	Women and Family Shelter Project	Saint John's Program for Real Change	1,182,814
		WEAVE	574,565
		Measure U Total	\$ 2,757,379
	ERF-4-L Community Response Grant Project	TLCS Inc., dba Hope Cooperative	467,783
	HHAP 1 Homeless Grant Program	Sacramento Housing Redevelopment Authority (SHRA)	60,986
	HHAP 4 Funding Meadowview Nav Center	Sacramento Housing Redevelopment Authority (SHRA)	1,995,738
	HHAP-3 Motel Shelter	Arden Acres	281,690
		Motel 6 Central	525,822
		Paul & Sons	525,822
		Siyaram Hotels, LLC	300,469
	HHAP-3 Youth Shelter	Waking the Village	832,310
	HHAP-4 Motel Shelter	Arden Acres	514,310
		Motel 6 Central	861,978
		Paul & Sons	861,978
		Siyaram Hotels, LLC	432,531
	HHAP-4 Motel Shelter Services	Step Up on Second Street	437,264
	HHAP-4 Shelter	The Gathering Inn	1,543,593
	HHAP-4 Youth Shelter	Sacramento LGBT Community Center	1,674,001
		Waking the Village	534,250
		Wind Youth Services	1,233,309
	HHAP-5 Street Outreach	Step Up on Second Street	500,000
		Operating Grant Total	\$ 13,583,834
		Community Response Total	\$ 20,060,449
Convention and Cultural Services			
	Arts Journalism Grant Program	Local Media Association as fiscal sponsor for Solving Sacramento	250,000
	Creative Venues Grant	Amatoria Fine Art Books	10,000
		Ambrose Ventures, LLC dba Lucid Winery	20,000
		Axis Gallery	10,000
		Barry Sakata dba b. sakata garo	10,000
		Bo-Ku Partners LLC dba The Rink Studios	25,000
		Café Colonial Entertainment, LLC	25,000
		CASA de ESPANOL LLC	10,000
		Goldfield Trading Post, LLC	25,000
		JimBoCo Presents dba Harlow's	25,000
		Limelight Bar and Café LLC	25,000
		Matchbox K LLC dba Malt & Mash	25,000
		Modrow Bazett, Inc. dba The Golden Bear	25,000
		Money Is Funny Inc. dba Laughs Unlimited Comedy Club and Lounge	25,000
		Sacramento Torch Club, Inc.	25,000
		Stoney's Rockin' Rodeo	25,000
		There & Back Again LLC dba Capital Books	10,000
		We Are Sacramento, LLC dba The Gallery by We Are Sacramento	10,000
		American Rescue Plan Fund Total	\$ 580,000
	Cultural Arts Awards (CAA)	ARTners	5,317
		Balance Dance Project	5,672
		Brazilian Center for Cultural Exchange of Sacramento	6,166
		Calidanza Dance Company	16,482
		California Lawyers for the Arts	19,031
		Camellia Symphony Association	5,000
		Casa de Brazilian Folkloric Arts	14,867
		Chalk It Up to Sacramento	16,267
		Department of Sound	17,718
		Folsom Symphony, Inc	7,330
		Girls Rock Sacramento	15,156
		Hmong Youth and Parents United	17,083
		Iu Mien Community Services	6,040
		Loa'a Foundation	17,415
		Los Rios Community College District AKA Sacramento Shakespeare F	5,000
		Natomas Arts and Education Foundation	6,941

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Department	Grant Program Name	Grantee	Amount Awarded
Convention and Cultural Services (cont)		Rincones de mi Tierra Grupo Folklorico	15,377
		Sacramento Choral Society and Orchestra	5,000
		Sacramento Comedy Spot	18,325
		Sacramento Fine Arts Center	5,000
		Sacramento French Cultural Society DBA Sacramento French Film Fes	6,141
		Sacramento LGBT Community Center	25,870
		Sacramento Master Singers	6,261
		Sacramento Men's Chorus	6,834
		Sacramento Performing Arts Conservatory	6,095
		Sacramento Regional Assoc of Malayalees	5,000
		Sacramento Valley Chapter of Sweet Adelines International	7,481
		Sacramento Youth Symphony	19,013
		Sisters of NIA, Incorporated	5,936
		Strauss Festival of Elk Grove, Inc.	5,000
		The Library of MusicLandria	16,338
		The Regents of the University of California	29,088
		University Enterprises, Inc DBA Sacramento State Sponsored Researc	5,000
		Voices of California, CA Delta Chapter of BHS	5,000
		Wellspring Women's Center	16,601
		Community Center Fund Total	\$ 390,845
	Sacramento Film + Media Grant	4th Wall Filmworks, LLC	10,000
		Access Sacramento	10,000
		Blue Gonella Manley	10,000
		Bright Coast Productions	10,000
		Cecilia Cathy Romo dba Algo Bueno Production	10,000
		Continental Drift Productions, Inc	10,000
		Digital Curanderas	5,000
		Kathy E Kasic dba Metamorph Films, LLC	5,000
		Samuel Napoleon Jones	10,000
		Innovation and Growth Total	\$ 80,000
	Cultural Arts Awards (CAA)	916 Ink	20,480
		Atrium 916	18,113
		B St Theater for Children	34,162
		Big Idea Theatre	5,989
		Broad Room Creative Collective	6,040
		Broadway Sacramento	21,717
		Capital Public Radio	21,717
		Capital Stage Company	21,274
		Celebration Arts	6,541
		Crocker Art Museum Association	34,162
		DDSO	8,302
		Empire Arts Collective	5,582
		Fairytale Town	8,302
		KVIE	17,711
		Latino Center of Art and Culture	28,256
		Mandarins of Sacramento, Inc	32,771
		National Academy Youth Corp (Sojourner Truth)	19,003
		Nu Art Education, Inc DBA NorCal School of the Arts	17,562
		Rincones de mi Tierra Grupo Folklorico	15,377
		Sacramento Ballet	21,717
		Sacramento Children's Museum	19,478
		Sacramento Theatre Company	8,302
		Sol Collective (Freedom Bound Center, Inc)	32,758
		Studio T Urban Dance Academy (3 Point 0)	18,948
		Studios for the Performing Arts (CLARA)	30,439
		Verge Center for the Arts	20,203
		Viewpoint Photographic Art Center	5,000
		Women's Wisdom Art	15,453
		Measure U Total	\$ 515,360
	Arts & Cultural Nonprofits Recovery Program Round 3	Arabic Language Education for Everyone	13,716
		Chautauqua Playhouse	14,844
		Country Dance & Song Society Inc.	11,657
		Elk Grove Musical Theatre Company	12,516
		Grant Drum Line Music Association	15,864
		Hot Jazz Jubilee, Inc.	13,479
		Instituto Mazatlan Bellas Artes de Sacramento	16,276
		Jan Ken Po Gakko	11,626
		Sacramento Baroque Soloists	11,687
		Sacramento Zoological Society	37,932
		SMUD Museum of Science and Curiosity	35,610
		Symphony d'Oro Rancho Cordova	11,257
		Theatre Production and Technical Academy, Inc	19,722
		Village Stage Production, Inc.	10,235
		Washington Neighborhood Center	13,579
	CA Creative Corps Program Grant	3 Point 0 Studio T	300,000
		916 Ink	117,000
		American River Conservancy	117,000
		Arts Benicia	117,000
		Broad Room Creative Collective	117,000

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Department	Grant Program Name	Grantee	Amount Awarded
Convention and Cultural Services (cont)			
		Capital Storytelling	117,000
		Center for Land Based Learning	300,000
		City of Davis	300,000
		Developmental Disabilities Service Organization	117,000
		Freedom Bound Center dba Sol Collective	117,000
		Freedom Bound Center as fiscal sponsor for Community Responsive C	117,000
		Freedom Bound Center as fiscal sponsor Hidden Temple Media	117,000
		Friends of Sacramento Arts as fiscal sponsor for Hangtown Collective	117,000
		Girls Rock Sacramento	117,000
		Latino Center of Art and Culture	117,000
		National Academic Youth Corp. as fiscal sponsor for Sugar Skull Art W	117,000
		National Academic Youth Corps	117,000
		Nu Art dba Nor Cal School of the Arts	300,000
		Shingle Springs Band of Miwok Indians	117,000
		SSCCC/YMO Collective	117,000
		Vallejo Community Arts Foundation	117,000
		Wellspring Women's Center	117,000
		Yxplosion as fiscal sponsor for See the Elephant	117,000
		Operating Grant Total \$	3,673,000
		Convention and Cultural Services Total \$	5,239,204
Police			
	Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS)	All N Together	100,000
		Brother to Brother Mentoring Inc	225,000
		Self Awareness and Recovery	225,000
		General Fund Total \$	550,000
	Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS)	H.O.P.E. Helping Our People Eat	225,000
		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 \$	1,575,000
	Gang Violence Suppression	Brother 2 Brother	10,000
		County of Sacramento	20,000
		County of Sacramento District Attorney's Office	70,000
		La Familia Counseling Center, Inc	10,000
		Sacramento City Unified School District	75,000
		Sacramento County	50,000
		City of Elk Grove	154,850
		City of Rocklin	89,080
		City of West Sacramento	82,000
		El Dorado County	38,000
		Placer County	45,200
		Sacramento County	1,665,875
		Operating Grant Total \$	2,310,005
		Police Total \$	4,435,005
Youth, Parks & Community Enrichment			
	Ann Land & Bertha Henschel Memorial Fund Grant	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
		Josh's 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	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 \$	172,200
	Community Reinvestment (SB 170)	Alchemist CDC OBO Community Connections 95820 Project	50,000
		Gender Health Center	250,000
		Grant Drum Line Music Association Program	75,000
		NeighborWorks Sacramento	250,000

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Department	Grant Program Name	Grantee	Amount Awarded
Youth, Parks & Community Enrichment (cont)		Our Daughter's Destiny	70,000
		Pesticide Action Network North America OBO International Garden of Many Colors	50,000
		Sacramento City College	1,000,000
		Sacramento Girls on the Run	100,000
		Sacramento Hispanic Chamber of Commerce	150,000
		SCUSD - Hiram Johnson High School	1,000,000
		Sojourner Truth Museum	125,000
		Studio T Arts Urban Dance Academy	500,000
		UC Davis Childcare Center	4,380,000
		Yes2Kollege Educational Resources Inc	150,000
		Yisrael Family Farms	50,000
	Lower American River Parkway Public Access Improvements (SB 170)	Sacramento County	3,500,000
		Sacramento Regional Conservation Corps	100,000
		Sacramento Valley Conservancy	3,000,000
		SB 170 - Community Reinvestment Fund Total	\$ 14,800,000
		Youth, Parks & Community Enrichment Total	\$ 14,972,200
		Grand Total	\$ 82,576,488

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.

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Schedule 9

Multi-year Operating Projects (MYOPs)

This section provides an overview of FY2025/26 appropriations to existing and new MYOPs. Appropriations will be transferred to the respective project July 1, 2025. The information is a general summary of MYOPs in each department by fund, project number, project name, budget as of March 2025, balance as of March 2025, and FY2025/26 funding amount.

Department	Fund	Project Number	Project Name	Total Project Budget as of March 2025	Estimated Balance as of March 2025	FY2025/26 Funding
City Clerk's Office						
General Fund		I04000100	Commission Stipends	48,200	48,200	57,950
Measure A Streetscape, Safety, Pedestrian & Bicycling Fund		I04000100	Commission Stipends	5,500	5,500	5,500
Measure U		I04000100	Commission Stipends	24,100	24,100	34,800
Water		I04000100	Commission Stipends	1,400	1,400	7,700
City Clerk's Office Total				79,200	79,200	105,950
City Manager's Office						
General Fund		I18000200	Business Incentive Program	50,083	15,614	(15,614)
Innovation and Growth		E18000400	Powerhouse Science Center	3,800,000	186,584	400,000
		I02180400	Forgivable Loan Program	1,585,000	1,626,500	(49,750)
		I02180900	Inclusive Economic Development	3,000,000	2,699,000	837,898
		I02182000	Financial Empowerment	450,000	19,841	450,000
		I02183000	SEED Academy	475,000	228,006	(228,006)
		I02184000	Sacramento Economic Gardening	3,730,875	1,456,834	939,881
		I18000100	RAILS - Sac Innovation Grant Program	4,970,709	461,014	1,000,000
City Manager's Office Total				18,061,667	6,693,393	3,334,409
Citywide and Community Support						
ARPA		I02000600	ARPA Gang Prevention and Intervention	-	947	(947)
		I02612000	ARPA Small Business Support	-	92,741	(92,741)
		I02612030	Old Sacramento Improvements	-	5	(5)
		I02612050	Vaccine Outreach and Education	1,000,000	12,248	(12,248)
		I02612080	Northgate Economic Recovery	221,462	1	(1)
		I11002800	Public Records Staffing	-	21,309	(21,309)
		I17609000	Arts and Creative Economy	125,001	1,250,000	(1,250,000)
		I21000400	Business Compliance Unit Night Team	1,473,669	291,963	(291,963)
		I21000500	Code Service Homeless Response Team	205,683	7,875	(7,875)
		I21008500	Animal Services for the Homeless Response Team	529,520	(8,869)	8,869
General Fund		I02001200	Community Investment Program	90,000	76,567	(76,567)
		I02002100	Sacramento Zoo Relocation Study	275,000	35,118	(35,118)
		I02180200	Sacramento Riverfront Program	309,638	10,800	(10,800)
		I04000100	Commission Stipends Program	13,700	13,700	(13,700)
		I17001100	Arts Education and Community Outreach	177,536	56,618	(56,618)
		I80310000	Citywide Litigation Project	1,731,504	1,731,504	500,000
Innovation and Growth		I18000300	Creative Economy Pilot	500,000	14,431	(14,431)
Measure L		I80000100	Measure L Youth Funding	19,024,500	19,024,500	9,328,745
Measure U		I02181400	Fare Free Transit for Youth	4,000,000	250,000	250,000
		E18000400	Powerhouse Science Center	1,800,000	600,000	600,000
		I15220100	SPLA Maintenance Program	1,232,131	117,749	400,000
		I01000300	Thousand Strong	1,500,000	1,500,000	(1,500,000)
		I02181000	Economic Development Initiatives	500,000	200,650	(200,650)
		I04000100	Commission Stipends Program	24,750	24,750	(24,750)
		I14130100	SURA Program	70,149	2,432	5,400,000
		I80020800	City Manager Youth Programs	250,000	157,076	(157,076)
Measure A Streetscape, Safety, Pedestrian & Bicycling Fund		I04000100	Commission Stipends Program	1,001	1,001	(1,001)
Water		I04000100	Commission Stipends Program	3,100	3,100	(3,100)
Citywide and Community Support Total				35,058,344	25,488,216	12,716,714
Community Development						
Development Services Fund		I22000000	General Plan Update	24,798,829	7,127,664	2,800,000
General Fund		I06000999	Fleet Acquisitions	-	-	110,000
		I08000100	ADA Education and Training	523,944	503,603	80,000
		I22000000	General Plan Update	1,243,994	729,801	67,000
Measure U		I06000999	Fleet Acquisitions	-	-	165,000
		I21002600	Zero-Dollar Rate Program	3,000,000	3,000,000	3,000,000
		I22000100	NDAT	5,935,256	4,443,166	600,000
Special Program Donations		I13000400	F.O.C.A.S.	4,233,385	478,203	250,000
Community Development Total				39,735,408	16,282,437	7,072,000

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Department	Fund	Project Number	Project Name	Total Project Budget as of March 2025	Estimated Balance as of March 2025	FY2025/26 Funding
Community Response						
General Fund		I02000800	FUEL Network	1,800,000	-	500,000
Measure U		I06000999	Fleet Acquisitions	-	-	46,718
		I23000100	Community Response MYOP	7,903,911	7,801,493	20,406,538
		I23001000	Homeless Housing Initiative	4,523,720	3,944,196	13,238,546
Community Response Total				14,227,631	11,745,689	34,191,802
Convention and Cultural Services						
Innovation and Growth		I02181100	Creative Edge	-	-	850,000
Measure U		I17000700	Cultural Arts Awards	1,178,000	517,523	614,000
Convention and Cultural Services Total				1,178,000	517,523	1,464,000
Finance						
Aggie Square EIFD		I06132150	Aggie Square EIFD	-	-	948,000
Delta Shores PF Impact Fees		I06132130	Delta Shores Fee District	3,466,119	951,064	2,000,000
Jacinto Creek Planning Area		I22205100	JCPA Administrative Ctrl 3131	653,869	80,379	25,000
NNFP Drainage Fee Fund		I22200100	N Natomas Admin Control	309,940	75,000	25,000
		I22200600	Basin 6 Drainage	4,376,965	466,531	500,000
NNFP Pub Land Acquisition Fee		I22200100	N Natomas Admin Control	727,691	87,000	25,000
NNFP Public Facilities Fee Fund		I22200100	N Natomas Admin Control	9,039,957	1,318,051	4,760,000
NNFP Reg Park Land Acquisition		I22200100	N Natomas Admin Control	125,000	43,849	25,000
NNFP Transit Fee Fund		I22200100	N Natomas Admin Control	140,000	65,310	25,000
Pandhandle Impact Fee		I06132140	Pandhandle Fee District	-	-	400,000
Finance Total				18,839,541	3,087,183	8,733,000
Fire						
General Fund		I06000999	Fleet Acquisitions	-	-	1,210,083
Fire Total				-	-	1,210,083
Human Resources						
Risk		E08000100	Driver Training Program	1,839,000	469,049	100,000
Human Resources Total				1,839,000	469,049	100,000
Information Technology						
Community Center Fund		I07000900	Webgrant Restructuring	-	-	2,385
General Fund		I06000999	Fleet Acquisitions	-	-	100,000
		I07000900	Webgrant Restructuring	1,669,558	62,149	315,096
Parking		I07000900	Webgrant Restructuring	-	-	920
Solid Waste & Recycling		I07000900	Webgrant Restructuring	-	-	4,535
Storm Drainage		I07000900	Webgrant Restructuring	-	-	2,713
Wastewater		I07000900	Webgrant Restructuring	-	-	2,149
Water		I07000900	Webgrant Restructuring	-	-	7,202
Information Technology Total				1,669,558	62,149	435,000
Police						
General Fund		I06000999	Fleet Acquisitions	-	-	6,744,930
		I11003300	FY26 PD MYOP Realignment ¹	-	-	-
		I11002300	Police Observation Devices (PODs)	197,804	(23,820)	32,251
		I11002400	Impact Team	4,587,221	(10,049)	607,244
		I11002500	Shotspotter Gunshot Detection System	1,402,692	(6,292)	320,892
		I11002700	Police Information Technology Infrastructure	2,005,083	1,011,422	383,289
Measure U		I11003300	FY26 PD MYOP Realignment ¹	-	-	-
		I11003100	Family and Youth Investments	2,600,000	434,795	1,300,000
		I11003000	Gang Prevention and Intervention ²	463,412	463,412	1,402,921
		I11003200	OVP - ARPA Replacement	309,067	309,067	1,000,000
Police Total				11,565,279	2,178,535	11,791,527
Public Works						
Fleet		I06000999	Fleet Acquisitions	-	-	330,000
Gas Tax		I06000999	Fleet Acquisitions	-	-	872,536
		I15221700	Transportation Planning	1,000,000	685,362	250,000
General Fund		I06000999	Fleet Acquisitions	-	-	310,000
		I13000100	Electrical Safety Program	930,259	30,261	100,000
		I15001000	SVS Operations and Mgmt	1,567,752	519,149	211,000
		I15200200	Illegal Dumping Program	1,856,860	600,000	1,400,000
		I15230200	Disability Advisory Commission (DAC)	79,000	(3,737)	21,600
Landscaping & Lighting		I06000999	Fleet Acquisitions	-	-	446,663
Measure U		I15200200	Illegal Dumping Program	970,000	(107,224)	400,000
		I15220300	PW Sustainability Program	623,987	386,386	300,000
Parking		I15001000	SVS Operations and Mgmt	1,526,000	80,902	221,000
		I15001211	City of Festivals Program	1,689,000	206,136	100,000
Solid Waste & Recycling		I06000999	Fleet Acquisitions	-	-	2,715,264
		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				16,041,150	5,126,459	9,878,063

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Department	Fund	Project Number	Project Name	Total Project Budget as of March 2025	Estimated Balance as of March 2025	FY2025/26 Funding
Utilities						
Storm Drainage		I06000999	Fleet Acquisitions	-	-	1,794,527
		I14100000	Storm Drainage Planning and Management	25,234,000	4,253,662	2,211,652
Storm Drainage Property Related Fee		I06000999	Fleet Acquisitions	-	-	203,000
		I14100000	Storm Drainage Planning and Management	1,250,000	1,135,398	2,250,000
Wastewater		I06000999	Fleet Acquisitions	-	-	1,600,352
		I14600000	Wastewater Planning and Management	24,680,075	6,536,274	1,933,270
Water		I06000999	Fleet Acquisitions	-	-	2,067,906
		I14400000	Water Planning and Management	38,002,622	5,801,833	4,551,000
Utilities Total				89,166,697	17,727,168	16,611,707
Youth, Parks, and Community Enrichment						
General Fund		I19101100	Oak Park Clinic Bldg Maint	326,007	325,007	60,180
		I19101200	Cesar Chavez Park Maintenance	136,414	127,374	34,662
Measure U		I19146000	Community Center/Clubhouse Fee Waiver	300,000	79,171	300,000
		I06000999	Fleet Acquisitions	-	-	852,622
		I19143000	YPCE Youth Program for Scholarship Fund	370,000	252,247	200,000
Youth, Parks, and Community Enrichment Total				1,132,421	783,799	1,447,464
Grand Total				248,593,896	90,240,800	109,091,719

¹ New MYOP funded through \$1,064,000 in one-time transfers of savings from other PD MYOPs

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

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

Fund Type	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
<u>Governmental Funds</u>					
General Fund	\$ 16,567	\$ 16,631	\$ 16,858	\$ 16,902	\$ 16,903
Subtotal Governmental Funds	16,567	16,631	16,858	16,902	16,903
<u>Enterprise Funds</u>					
Community Center	20,318	20,320	20,320	20,320	20,317
Parking	9,577	9,680	8,783	8,479	8,280
Solid Waste	1,667	1,667	1,668	1,660	1,659
Storm Drainage	232	233	233	235	235
Wastewater	3,913	3,911	3,909	3,908	3,911
Water	35,723	35,710	35,702	36,259	35,732
Subtotal Enterprise Funds	71,431	71,520	70,616	70,861	70,133
<u>Internal Service Funds</u>					
Fleet Management	45	45	45	47	48
Worker's Compensation Fund	(48)	(42)	(36)	(30)	(25)
Subtotal Internal Service Funds	(3)	3	9	17	23
<u>Other Governmental Funds</u>					
2006 CIRBs, Series B (CRCIP)	312	241	-	-	-
2015 Golden 1 Center Revenue Bonds	205	(159)	465	480	390
Golf	435	435	435	434	434
Marina	1,257	1,257	1,257	1,282	1,282
NNFP Public Facilities Fee	577	579	582	603	606
NNFP Reg Park Land Acquisition	831	834	838	869	872
Sacramento TID	2,742	2,739	2,743	2,740	2,744
Subtotal Other Governmental Funds	6,359	5,926	6,321	6,409	6,328
Total	\$ 94,353	\$ 94,080	\$ 93,804	\$ 94,189	\$ 93,386

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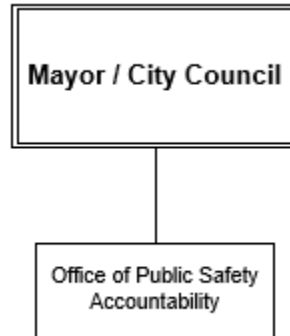
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Mayor and City Council

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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:
 - Office of Public Safety Accountability:

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.

The mission of the Office of Public Safety Accountability 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 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

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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.

- Sponsor and/or organize community events such as movie nights, musical entertainment, holiday celebrations, cultural celebrations, community resources, and farmer's 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.
- 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

- Utilizing the 311 system and integrated constituent management system to support constituents in tracking neighborhood complaints and requests for service.
- Welcomed two new Councilmembers and Mayor to the City Council, as well their supporting staff to the City.

OBJECTIVES FOR FY2025/26

- 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 the student in obtaining full-time employment.

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- 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 three positions (2.0 FTE - Office of Public Safety Accountability (OPSA) Investigator and 1.0 FTE - OPSA Analyst) and add three positions (2.0 FTE - OPSA Senior Investigator and 1.0 FTE - OPSA Community Engagement Coordinator) to fix OPSA positions to the correct classification as approved by City Council on September 12, 2023 (Resolution No. 2023-0293).	Measure U	-	-	-
Office of the Mayor	Delete one position (1.0 FTE - Staff Aide) and add one position (1.0 FTE - Senior Council Representative) as the Staff Aide classification is no longer active.	General Fund	-	-	-
Total Change			-	-	-

Department Budget Summary

Mayor/Council Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$7,049,644	\$7,477,235	\$8,359,770	\$8,359,770	\$8,374,333	\$14,563
Other Services and Supplies	1,034,458	949,211	1,020,859	2,865,432	1,268,082	(1,597,350)
City Property	21,678	32,914	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	4,950	4,950	4,950	-
Transfers	(87,099)	1,416	-	-	-	-
Labor and Supply Offset	(118,020)	(195,408)	(121,114)	(121,114)	-	121,114
Total	\$7,900,660	\$8,265,368	\$9,266,465	\$11,111,038	\$9,649,365	\$ (1,461,673)

*The Amended FY2024/25 Budget includes carryover of unspent FY2023/24 Budget and/or transfers to capital projects.

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$5,537,918	\$5,689,949	\$5,945,473	\$7,790,046	\$6,014,719	\$ (1,775,327)
Interdepartmental Service	1,503,943	1,477,587	1,440,510	1,440,510	1,605,029	164,519
Measure U	858,799	1,097,832	1,880,482	1,880,482	2,029,617	149,135
Total	\$7,900,660	\$8,265,368	\$9,266,465	\$11,111,038	\$9,649,365	\$ (1,461,673)

*The Amended FY2024/25 Budget includes carryover of unspent FY2023/24 Budget and/or transfers to capital projects.

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Division Budget Summary

Mayor/Council Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the Mayor	\$1,878,192	\$2,061,182	\$ 853,992	\$ 2,160,477	\$2,079,042	\$ (81,435)
Mayor Council Operations Division	-	-	1,880,885	-	-	-
City Council District 1	772,159	673,986	672,449	812,581	692,589	(119,992)
City Council District 2	510,497	535,830	308,206	1,158,702	692,589	(466,113)
City Council District 3	621,023	566,506	672,449	941,091	692,589	(248,502)
City Council District 4	668,808	761,188	308,206	699,693	692,589	(7,104)
City Council District 5	667,848	571,717	672,449	873,449	692,589	(180,860)
City Council District 6	681,298	662,576	672,449	832,414	692,589	(139,825)
City Council District 7	616,630	657,284	672,449	931,319	692,589	(238,730)
City Council District 8	625,407	677,267	672,449	820,830	692,589	(128,241)
Office of Public Safety Accountability Division	858,799	1,097,832	1,880,482	1,880,482	2,029,617	149,135
Total	\$7,900,660	\$8,265,368	\$9,266,465	\$11,111,038	\$9,649,365	\$ (1,461,673)

Staffing Levels

Mayor/Council Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the Mayor	15.00	15.00	15.00	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	5.00	11.00	11.00	11.00	11.00	-
Total	40.00	46.00	46.00	43.00	43.00	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Community Response			
MYOP	Commission Stipends	-	4,950
Operations	Office of Public Safety Accountability	11.00	2,024,667
Grand Total		11.00	\$ 2,029,617

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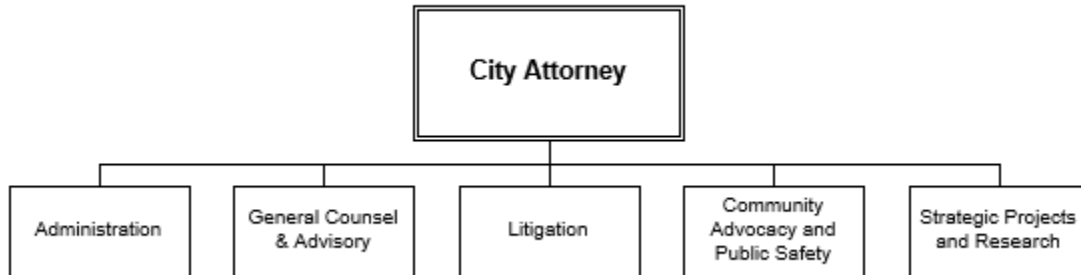
SECTION - 9

City Attorney

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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.

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- Community Advocacy & Public Safety Division (CAPS):
 - Strategic Projects & Research Division (SPR):

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.

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 Procurement staff to update and consolidate the City's contracting rules to ease implementation while also maintaining transparency and fairness in the City's contracting process. This project involved updates to the city code, procurement policies, and the city's contract templates for the purchase of goods, non-professional services, professional services, and public projects
- Assisted staff and the Sacramento Children's Fund Planning and Oversight Commission with the development and approval of the City's first Strategic Investment Plan, consistent with Measure L.
- Advised Department of Utilities (DOU) staff on updated development fees for water, separated sewer, combined sewer, and a new storm drainage fee. Drafted an authorizing ordinance for the storm drainage fee. Reviewed nexus studies and compliance with authorizing statutes and advised staff on the fee adoption process and requested exemptions. Despite significant developer opposition, litigation threats, and headwinds presented by state housing laws, DOU successfully obtained the requested fee levels.
- Successfully defended several lawsuits, including a challenge to an 800-residential-unit project on Bercut Drive and a preliminary lawsuit challenging the Airport South Industrial project.
- Assisted in the drafting of the City's missing middle housing interim ordinance. By adopting this ordinance, the City became the first jurisdiction in the state to allow multi-unit housing in every neighborhood.

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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 developmental 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 were 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

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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'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 propose a threat to either themselves or the public at large.

Strategic Projects & Research

- *Affordable Housing.* Assisted the Office of Innovation and Economic Development in establishing the City's new street-to-housing program, which utilized \$5 million in State funding to house 100 homeless households currently residing along the Sacramento Northern Parkway in Council District 2.
- *Greenbriar Community Facilities District Special Tax Bonds.* Advised the City Treasurer on the \$36 million bond issuance to finance the costs of acquisition and construction of public facilities in Council District 1, including improvements for schools, utilities, roadways, landscaping, and parks.
- *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.
- *Emergency Medical Services (EMS) Corps.* Assisted the Fire Department in establishing an EMS Corps program at McClellan Park. The program provides at-risk youth with training to become emergency medical technicians.
- *Limited Entertainment Permits.* Assisted the Office of Nighttime Economy on amending the Sacramento City Code to create a new limited entertainment permit that will enable small businesses to provide entertainment, increase the vibrancy of our commercial corridors citywide, and create more opportunities for local musicians and other entertainers.

DEPARTMENT EFFICIENCIES

- Optimized budget savings by keeping vacant positions open.
 - Conducted trials of legal research tools which would provide significant savings over current platform to address ongoing budget reductions for FY2025/26.
 - Contracted for the destruction of over 2,140 cubic feet of case files and other office records which were past retention creating a net savings of \$70,000 over the next 7 ½ years.
-

OBJECTIVES FOR FY2025/26

- Implement the processes put in place to enhance the office 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, Memorandums, 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 through City U courses 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.

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BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Attorney	Delete one position (1.0 FTE - Investigator) and corresponding services and supplies in the City Attorney's Office.	General Fund	-	(110,806)	(1.00)
City Attorney	Delete five positions (5.0 FTE - Senior Deputy City Attorney) and add five positions (4.0 FTE - Deputy City Attorney I and 1.0 FTE - Deputy City Attorney II) as a one-time change to reflect City Attorney's Office positions to current staffing.	General Fund	-	(359,475)	-
Total Change			-	(470,281)	(1.00)

Department Budget Summary

City Attorney Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$13,288,417	\$13,952,444	\$15,534,095	\$15,534,095	\$15,254,790	\$ (279,305)
Other Services and Supplies	550,723	549,265	529,589	529,589	524,276	(5,313)
City Property	18,121	22,040	13,750	13,750	13,750	-
Labor and Supply Offset	(1,432,265)	(1,286,975)	(1,306,153)	(1,306,153)	(1,287,885)	18,268
Total	\$12,424,996	\$13,236,774	\$14,771,281	\$14,771,281	\$14,504,931	\$ (266,350)

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ 9,470,193	\$10,722,075	\$11,520,990	\$11,520,990	\$ 9,280,896	\$ (2,240,094)
Interdepartmental Service	2,426,557	1,983,763	2,652,049	2,652,049	4,576,187	1,924,138
Measure U	254,564	245,789	279,402	279,402	326,924	47,522
Water	161,472	168,238	181,739	181,739	176,508	(5,231)
Wastewater	52,000	54,178	54,203	54,203	57,766	3,563
Storm Drainage	46,526	48,475	73,333	73,333	77,022	3,689
City/Cnty Office-Water Planning	13,684	14,257	9,565	9,565	9,628	63
Total	\$12,424,996	\$13,236,774	\$14,771,281	\$14,771,281	\$14,504,931	\$ (266,350)

Division Budget Summary

City Attorney Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
City Attorney Division	\$12,424,996	\$13,236,774	\$14,771,281	\$14,771,281	\$14,504,931	\$ (266,350)
Total	\$12,424,996	\$13,236,774	\$14,771,281	\$14,771,281	\$14,504,931	\$ (266,350)

Staffing Summary

City Attorney Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
City Attorney Division	62.00	64.00	64.00	64.00	63.00	(1.00)
Total	62.00	64.00	64.00	64.00	63.00	(1.00)

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MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Community Response Operations	City Attorney Department	-	326,924
Grand Total		-	\$ 326,924

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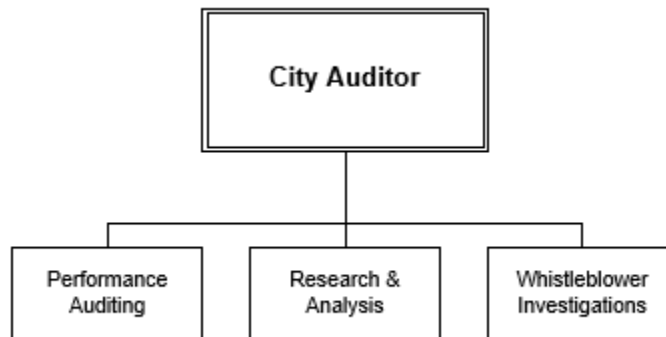
SECTION - 10

City Auditor

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City Auditor

The mission of the Office of the City Auditor is to provide a catalyst for improvements of 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.

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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.
- Successfully passed a triennially-required peer review in accordance with Generally Accepted Government Auditing Standards.
- Issued the City Auditor's FY2023/24 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 FY2023/24.
- Issued the FY2023/24 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 FY2023/24.
- Issued Diversity Review of City Employment Applications, Hires, and Separations: February 1, 2021, through January 31, 2024. This report is conducted on a triennial basis and analyzes the gender and ethnic diversity of City job applicants, new employees, promoted employees, and separated employees and compares the results to the demographics of the City of Sacramento residents.
- Issued Department of Utilities' Wastewater Fund Report. This report assessed the fiscal stability of the City's wastewater system.
- Issued Department of Utilities' Water Fund Report. This report assessed the fiscal stability of the City's water system.
- Issued the Audit of the Sacramento Ethics Commission.
- Issued the Performance Audit of the City of Sacramento's Animal Care Services Division.
- Issued the City Auditor's FY2023/24 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 to help evaluate future project timelines and budgets.
-

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- Developed three new dashboards to assess the gender and ethnic diversity of City employment applications, hires, and separations: Applicants Diversity, Hires Diversity, and Separations Diversity.
- 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 FY2025/26

- 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	Delete one position (1.0 FTE - Assistant City Auditor) and add one position (1.0 FTE - Assistant Director) to improve operational efficiency and effectiveness.	General Fund	-	-	-
Total Change			-	-	-

Department Budget Summary

City Auditor Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$1,758,400	\$1,744,788	\$ 1,900,098	\$1,900,098	\$2,063,103	\$ 163,005
Other Services and Supplies	115,470	97,223	163,581	163,581	163,581	-
City Property	12,231	8,236	5,000	5,000	5,000	-
Labor and Supply Offset	(164,783)	(127,517)	(187,255)	(187,255)	(174,356)	12,899
Total	\$1,721,317	\$1,722,729	\$ 1,881,424	\$1,881,424	\$2,057,328	\$ 175,904

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$1,124,998	\$1,146,719	\$ 1,277,477	\$1,277,477	\$1,312,676	\$ 35,199
Interdepartmental Service	476,696	427,958	440,589	440,589	570,861	130,272
Water	74,166	91,792	101,282	101,282	97,323	(3,959)
Wastewater	23,925	29,611	32,672	32,672	33,020	348
Storm Drainage	21,532	26,649	29,404	29,404	43,448	14,044
Total	\$1,721,317	\$1,722,729	\$ 1,881,424	\$1,881,424	\$2,057,328	\$ 175,904

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Division Budget Summary

City Auditor	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
Budget Summary	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Performance Auditing Division	\$1,205,084	\$ 1,195,660	\$1,235,006	\$1,235,006	\$1,409,877	\$ 174,871
Research & Analysis Division	516,233	527,069	646,418	646,418	647,451	1,033
Total	\$1,721,317	\$ 1,722,729	\$1,881,424	\$1,881,424	\$2,057,328	\$ 175,904

Staffing Levels

City Auditor	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
Budget Summary	Actuals	Actuals	Approved	Amended	Approved	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	-

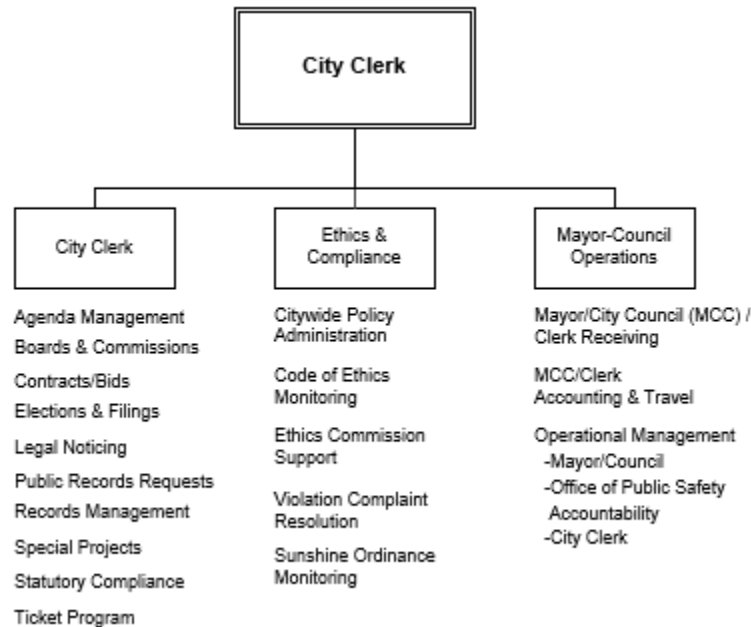
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SECTION - 11
City Clerk

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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 Record 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 Fair Political Practices Commission requirements, and serves as the official custodian of the City Seal.

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- **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 FY2025/26.
- 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.

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 to both internal and external customers with the goal of increasing transparency in government.
- Provided training opportunities to 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

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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 3,900 California Public Records Act requests.
- Received the California Municipal Clerks Association President's Award of Distinction for Innovative Program of the Year for 2025.

OBJECTIVES FOR FY2025/26

- 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.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Clerk	Delete one position (1.0 FTE - Staff Assistant - Mayor Council) for the Clerk's office.	General Fund	-	(76,873)	(1.00)
Total Change			-	(76,873)	(1.00)

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Department Budget Summary

City Clerk Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$2,678,876	\$3,074,830	\$3,517,146	\$3,517,146	\$3,496,897	\$ (20,249)
Other Services and Supplies	451,037	647,193	625,682	618,932	619,032	100
City Property	75,617	33,953	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	1,750	1,750	8,500	6,750
Labor and Supply Offset	1,850	3,557	-	-	-	-
Total	\$3,207,381	\$3,759,533	\$4,146,578	\$4,139,828	\$4,126,429	\$ (13,399)

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$2,200,642	\$2,618,484	\$3,153,125	\$3,146,375	\$2,879,466	\$ (266,909)
Interdepartmental Service	1,006,739	1,141,049	993,453	993,453	1,246,963	253,510
Total	\$3,207,381	\$3,759,533	\$4,146,578	\$4,139,828	\$4,126,429	\$ (13,399)

Division Budget Summary

City Clerk Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
City Clerk Division	\$3,100,372	\$3,568,074	\$3,867,813	\$3,861,063	\$3,847,664	\$ (13,399)
Office of Ethics & Compliance Division	28,460	78,779	189,045	189,045	189,045	-
Mayor-Council Operations Division	78,548	112,680	89,720	89,720	89,720	-
Total	\$3,207,381	\$3,759,533	\$4,146,578	\$4,139,828	\$4,126,429	\$ (13,399)

Staffing Levels

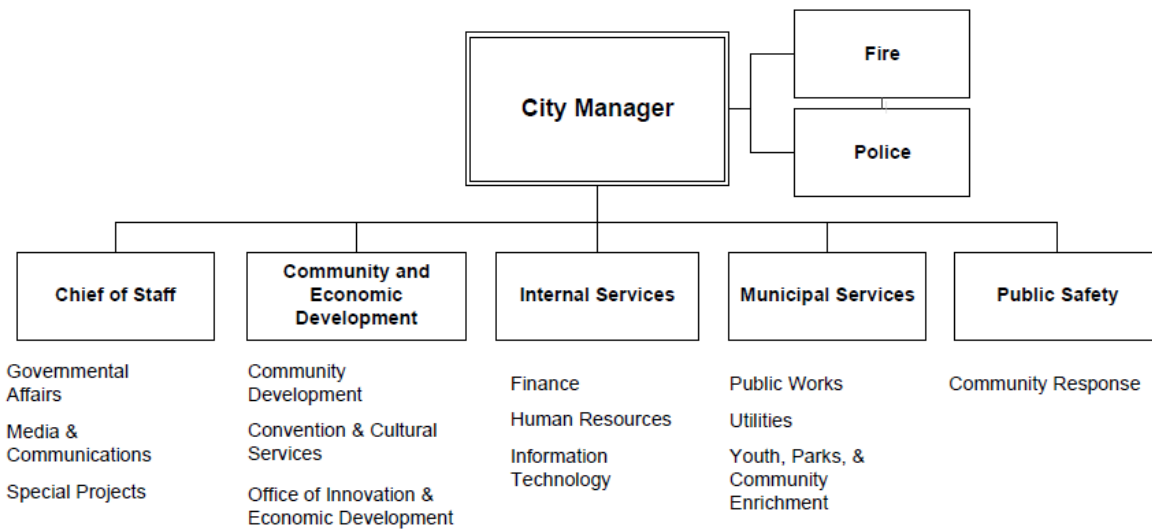
City Clerk Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
City Clerk Division	24.00	24.00	24.00	24.00	23.00	(1.00)
Total	24.00	24.00	24.00	24.00	23.00	(1.00)

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SECTION - 12 City Manager

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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: Innovation and Economic Development, Media and Communications, Governmental Affairs, Emergency Management, and Special Projects.

The City currently is facing a second year of a significant structural budget deficit, with expense growth outpacing revenue growth. This structural deficit is not driven by an overall recession in the economy. During and following the pandemic, choices were made to provide as many resources as we could to our community, and these resources were largely paid for by one-time federal relief funding. In addition, the City's bottom line has also been affected by an expansion of City positions, compensation increases for employees, overall inflationary increases and voter-approved measures that have committed monies in the City's General Fund to specific purposes. With the proposed budget for FY2025/26, 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

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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 all Fair Political Practice 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 coordinates with all departments to share key information and engage residents in City services, projects, and initiatives. In 2024, major efforts included announcing the new soccer stadium, supporting the Old Sacramento Waterfront revitalization, promoting new housing and homelessness services, and launching a branded New Year's Eve event in Old Sacramento. The team also managed media and communications for the opening of Del Rio Trail, Broadway Complete Streets, and the Roseville Road Shelter and Service Campus, and press around Paul Thomas Anderson filming a Leonardo DiCaprio movie in Sacramento.
- The Special Projects unit leads and supports one-time and ongoing initiatives that provide accountability and drive 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 helping departments transition their grant programs to the City's Grants Management System (GMS) so that all data on City grant programs are available in a centralized system. In addition, the unit continues to maintain the Homelessness Response Dashboard that is updated weekly and the Measure U Budget Dashboard that is updated quarterly.

Community and Economic Development

- The Office of Innovation and Economic Development (OIED) 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 Food Access; Al Fresco Dining; Small Business Technical Assistance; Workforce Development; Childcare, Housing Development, Commercial Corridor Support; Financial Empowerment Center Expansion; and Outreach and Engagement.
- Continued work towards increasing affordable housing development including completing agreements for new residential units, applied for housing grant funds through the State, supported the zero dollar impact fee program, completed an exclusive right to negotiate agreement for City surplus property, supported on the disposition of City property, awarded \$5.8 million in State Encampment Resolution Fund grant to pilot a street to housing program, contracted with the State for the 5th round of Homeless Housing, Assistance and Prevention (HHAP) program funding (\$27 million) and began preparations for the 6th round of HHAP funding.

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- In addition to completing the construction of Aggie Square, OIED 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/SHRA funding supporting a total of 800 new units along Stockton Boulevard; and finalizing contracts totaling \$2.4 million for Aggie Square Anti-displacement and Housing Stabilization program. This program has assisted 1,700 households and prepared 24 households for homeownership.
- Completed a storefront study of the social, economic and employment contributions of hospitality establishments in the central city that analyzed sales, taxes, and employment to quantify the contributions of our social economy.
- Facilitated amending the City code to create the new Limited Entertainment Permit (LEP) to eliminate barriers and reduce costs to encourage smaller businesses to provide entertainment. Also facilitated adding a City code to establish entertainment zones to increase economic activity and enhance customer experience.
- Completed the third cohort of the Economic Gardening Program 2.0 which assisted 10 small businesses by pairing them with business experts who worked with them to develop and implement growth strategies. A total of 26 businesses have now completed the Economic Gardening Program 2.0 and have reported approximately 38% in revenue growth.
- Received Council approval of a term sheet to bring a new 12,000-seat soccer stadium and live music venue to the Railyards. In addition, the year saw the opening of the Wong Center senior residence and groundbreaking for the new Kaiser hospital in the Railyards.
- Launched a Waterfront Reinvestment Program which will include rehabilitation of the Docks, the boardwalks, the barge, new life for the Public Market buildings and an Old Sacramento marketing campaign.
- Funded 256 events under the City of Festivals grant program with over 15,000 attendees, funded 17 Al Fresco grants and leveraged over \$1,096,000 in total expenditures for the Shop916 program to support small businesses.
- Continued the expanded Neighborhood Development Action Team (NDAT) Community Ambassador Program with 18 ambassadors to bring more trusted messengers to the community. The 18 ambassadors spoke 19 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.

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- Partnered with 28 community-based organizations to train and employ 632 youth and young adults through the #CaliforniansForAll Youth and Young Adult Workforce grant.
- 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 1,500 clients. This resulted in an average savings of \$2,578 per client, with an overall savings of \$830,201 and an average reduction in debt of \$3,237, which resulted in over \$3 million reduced debt.
- Launched the Small Business Assistance Center Pilot, a program dedicated to helping City of Sacramento small businesses start, grow, and thrive through technical assistance and microgrants.

OBJECTIVES FOR FY2025/26

- With a focus on equity and inclusion, continue to implement innovative approaches to strengthening Sacramento's workforce, neighborhoods, and commercial corridors.
- Create processes for department engagement and capacity building, while strengthening community collaboration.
- Continue to advance catalytic projects, like Aggie Square, The Railyards and the 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.
- Collaborate with departments citywide that award grants to update policies and implement improvements to the City's Grant Management System.
- Review performance measures and data practices within departments to align those measures with citywide strategic goals and operational priorities.

REORGANIZATION

- As part of the FY2025/26 Budget, the Office of Cannabis Management consisting of 9.0 FTE positions and associated budgets were moved from the City Manager's Office to the Finance Department and the Office of Emergency Management consisting of 2.0 FTE positions and associated budgets were moved from the City Manager's Office to the Fire Department. In addition, 4.0 FTE positions and associated budgets were realigned within the organization. The Language Access Coordinator (1.0 FTE) was moved from the Executive Office to Community Engagement and 3.0 FTE positions

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were moved from the Economic Development unit to the newly created Workforce Development unit.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Executive Office	Transfer one position (1.0 FTE - Administrative Analyst) and corresponding Language Access project (I02000410) from City Manager's Executive Office to OIED Community Engagement. Aligning the position's specialized work efforts to the best suited program area.	General Fund	-	(377,168)	(1.00)
Office of Innovation and Economic Development	Transfer one position (1.0 FTE - Administrative Analyst) and corresponding Language Access project (I02000410) from City Manager's Executive Office to OIED Community Engagement. Aligning the position's specialized work efforts	Measure U	-	375,718	1.00
Office of Innovation and Economic Development	Delete one position (1.0 FTE - Development Project Manager) in the Office of Innovation and Economic Development (OIED) - Economic Development unit.	Measure U	-	(137,281)	(1.00)
Office of Innovation and Economic Development	Delete one position (1.0 FTE -Development Project Manager) in the OIED - Community Investment unit.	Measure U	-	(137,281)	(1.00)
Office of Innovation and Economic Development	Delete one position (1.0 FTE - Administrative Analyst) in the OIED - Community Engagement unit.	Measure U	-	(115,831)	(1.00)
Office of Innovation and Economic Development	Decrease Measure U expense budget through offsets related to the Redevelopment Agency Successor Agency (RASA) Program. Increase revenue/reimbursement for direct programming efforts/staff labor.	Measure U	-	(57,679)	-
Office of Innovation and Economic Development	Liquidate one-time funding in the following projects: SEED Corp (I18000200), Sac Dev Academy (I02183000) and Forgivable Loan (I02180400). Return unused dollars to fund balance.	General Fund	-	(15,614)	-
Office of Innovation and Economic Development	Liquidate one-time funding in the following projects: SEED Corp (I18000200), Sac Dev Academy (I02183000) and Forgivable Loan (I02180400). Return unused dollars to fund balance.	Innovation and Growth	-	(777,756)	-
Office of Innovation and Economic Development	Reduce on-going funding in the following multi-year operating project fund via the Innovation and Growth Fund (2031) I02180900, Inclusive Economic Development. Return unused dollars to fund balance.	Innovation and Growth	-	(162,102)	-
Total Change			-	(1,404,994)	(3.00)

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Department Budget Summary

City Manager Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$10,698,655	\$11,431,966	\$12,422,510	\$12,422,510	\$10,542,785	\$ (1,879,725)
Other Services and Supplies	1,459,315	1,486,758	2,544,466	2,544,466	2,049,774	(494,692)
City Property	62,180	48,506	24,326	24,326	19,326	(5,000)
Multi-Year Operating Projects	-	-	(12,030,278)	(12,030,278)	3,334,409	15,364,687
Transfers	(214,241)	(73,906)	-	-	(212,016)	(212,016)
Labor and Supply Offset	(72,857)	(102,644)	(264,131)	(264,131)	(633,117)	(368,986)
Operating Transfers	(257,604)	(370,355)	-	-	-	-
Total	\$11,675,447	\$12,420,325	\$ 2,696,893	\$ 2,696,893	\$15,101,161	\$ 12,404,268

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ 4,891,570	\$ 5,986,721	\$ 7,445,425	\$ 7,445,425	\$ 3,458,955	\$ (3,986,470)
Interdepartmental Service	1,639,182	1,536,200	1,557,424	1,557,424	1,561,937	4,513
Innovation and Growth	(15,147,276)	395,788	(13,319,764)	(13,319,764)	4,246,037	17,565,801
Measure U	5,291,971	4,501,616	6,975,558	6,975,558	5,795,981	(1,179,577)
Block Grant/Housing & Redev	-	-	29,250	29,250	29,250	-
2003 North Sac TE TABS	-	-	9,000	9,000	9,000	-
Risk Mgmt	15,000,000	-	-	-	-	-
Total	\$11,675,447	\$12,420,325	\$ 2,696,893	\$ 2,696,893	\$15,101,161	\$ 12,404,268

Division Budget Summary

City Manager Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the City Manager Division	\$ 4,026,210	\$ 4,660,212	\$3,841,669	\$3,841,669	\$ 4,234,670	\$ 393,001
Office of Cannabis Management Division	1,343,743	1,424,344	3,727,240	3,727,240	-	(3,727,240)
Office of Climate Action Initiatives Division	324,014	-	-	-	-	-
Office of Innovation and Economic Dev Division	4,206,954	5,166,805	(6,474,410)	(6,474,410)	10,000,955	16,475,365
Office of Emergency Management Division	434,374	549,816	691,322	691,322	-	(691,322)
Office of Media & Communications Division	528,083	619,148	911,072	911,072	865,536	(45,536)
Office of Youth Development	812,070	-	-	-	-	-
Total	\$11,675,447	\$12,420,325	\$2,696,893	\$2,696,893	\$15,101,161	\$ 12,404,268

Staffing Levels

City Manager Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the City Manager Division	13.00	13.00	12.00	12.00	12.00	-
Office of Cannabis Management Division	9.00	9.00	9.00	9.00	-	(9.00)
Office of Climate Action Initiatives Division	2.00	-	-	-	-	-
Office of Innovation and Economic Dev Division	34.00	36.00	34.00	34.00	32.00	(2.00)
Office of Emergency Management Division	3.00	3.00	3.00	3.00	-	(3.00)
Office of Media & Communications Division	4.00	5.00	6.00	6.00	6.00	-
Office of Youth Development	5.00	-	-	-	-	-
Total	70.00	66.00	64.00	64.00	50.00	(14.00)

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MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Affordable Housing			
Operations	Housing	2.00	364,317
Inclusive Economic Development			
Operations	Community Engagement	8.00	1,414,934
	Community Investment	6.00	1,081,944
	Economic Development	7.00	1,244,012
	Economic Development Administration	4.00	1,277,481
	Workforce Development	3.00	413,294
Grand Total		30.00	\$ 5,795,982

PERFORMANCE MEASURES

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of businesses in the city*	21,136	22,384	21,876	21,874	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**

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of jobs in the city	286,896	285,037	287,118	282,839	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**

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Employment rate (calendar year)	95%	95.4%	95.3%	95%	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.

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Total investments made in Sacramento, by building permit valuation	\$1.35 billion	\$1.19 billion	\$1.13 billion	\$1.11 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.

**ERSI is an international supplier of geographic information software system, geodatabase management, and business analytics data. ERSI extracts its business data from Dunn & Bradstreet.

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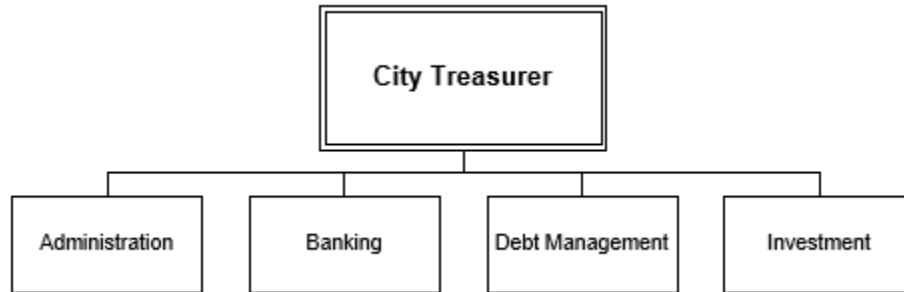
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SECTION - 13 City Treasurer

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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

- Terminated the Public Bank project due to a lack of budget, after releasing a second RFQ for consulting services to prepare a Business Plan.
- Implemented the setup of Virtual Reference Numbers to be used to streamline reconciliation
- Worked with the City's Bank, IT and participating Lines of Business to develop a project plan for the city-wide implementation of a Service Fee Program. After Council approval of the service fee program, staff will begin implementation.
- Assisted business units (City Clerk, Parking, Revenue) 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 Delta Shores Community Facilities District (Delta Shores Community Facilities District) No. 2019-01 Improvement Area No. 1 Special Tax Bonds, Series 2024. The issuance of these bonds allowed for the City's acquisition of about \$12.1 million in public improvements from the master developer of the Delta Shores Community Facilities District.
- Completed the issuance of Greenbriar Community Facilities District (Greenbriar CFD) No. 2018-03 Improvement Area No. 2 Special Tax Bonds, Series 2024. The issuance of these bonds allowed for the City's acquisition of about \$30.8 million in public improvements from the master developer of the Greenbriar Community Facilities District.

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- Managed the cash flow for the City, Sacramento City Employees' Retirement System (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 almost \$2 billion.
- SCERS Plan achieved over 101% funding status in a year where continued high inflation led to larger than anticipated participants balance increases. Staff continues to demonstrate disciplined investment strategies in both positive and negative market environments, ensuring our almost 750 plan participants will receive the benefits they are entitled to. A fully funded plan reduces the necessity of large annual City Contributions into the plan.

DEPARTMENT EFFICIENCIES

- Automated the daily cash flow process that links the 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 FY2025/26

- 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 DSS 4.0.01 requirements into PCI Policies and Procedures.
- Implement a citywide Service Fee program to eliminate the city's subsidy of merchant fees for credit card payments made to the city by passing them on to the customers. The project aims to implement through a phased approach with most Lines of Businesses adopting by Summer 2025
- Work on the issuance of bonds for Aggie Square Community Facilities District 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 2025 Transient Occupancy Tax Revenue Bonds to finance projects included in the Waterfront Reinvestment Program.

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- Work with the Finance Department and the City Attorney's Office on the formation of the Innovation Park Community Facilities District and the Innovation Park Enhanced Infrastructure Financing District. The formation of both districts will enable future bond issuances for the City's acquisition of public improvements from the Innovation Park developers.
- Continue to work with the Department of Public Works and other City departments on the development of the Sacramento Valley Station Governance Study.
- Work with the City Manager's Office 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. Bring on an additional Investment Officer for a vacant FTE in investments to start this process.
- Work with Banking Manager and Finance to onboard more vendors into the City's Single Use Account and Automated Clearing House 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 revenue in the City Treasurer's Office based on current market conditions.	General Fund	(200,000)	-	-
City Treasurer	Delete one position (1.0 FTE - Treasury Assistant) in the City Treasurer's Office.	General Fund	-	(92,387)	(1.00)
City Treasurer	Delete one position (1.0 - FTE Senior Debt Analyst) and add one position (1.0 FTE - Debt Analyst) in the City Treasurer's Office.	General Fund	-	(1)	-
Total Change			(200,000)	(92,388)	(1.00)

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Department Budget Summary

City Treasurer Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Employee Services	\$2,165,534	\$2,266,233	\$2,898,455	\$2,898,455	\$2,871,866	\$ (26,589)
Other Services and Supplies	177,228	218,813	253,111	253,111	266,240	13,129
City Property	1,820	1,818	5,000	5,000	5,000	-
Multi-Year Operating Projects	-	-	1,000	1,000	1,000	-
Labor and Supply Offset	(10,360)	(77,976)	350	350	-	(350)
Total	\$2,334,222	\$2,408,888	\$3,157,916	\$3,157,916	\$3,144,106	\$ (13,810)

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
General Fund	\$1,171,003	\$1,179,479	\$1,753,719	\$1,753,719	\$1,593,242	\$ (160,477)
Interdepartmental Service	1,163,219	1,229,409	1,404,197	1,404,197	1,550,864	146,667
Total	\$2,334,222	\$2,408,888	\$3,157,916	\$3,157,916	\$3,144,106	\$ (13,810)

Division Budget Summary

City Treasurer Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
City Treasurer Division	\$2,334,222	\$2,408,888	\$3,157,916	\$3,157,916	\$3,144,106	\$ (13,810)
Total	\$2,334,222	\$2,408,888	\$3,157,916	\$3,157,916	\$3,144,106	\$ (13,810)

Staffing Levels

City Treasurer Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
City Treasurer Division	14.00	14.00	14.00	14.00	13.00	(1.00)
Total	14.00	14.00	14.00	14.00	13.00	(1.00)

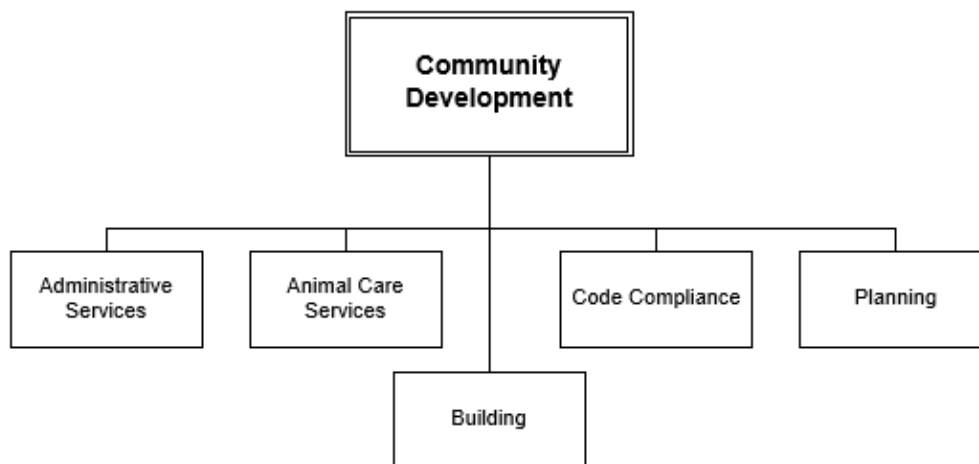
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SECTION - 14
Community Development

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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/

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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 monitored over \$93 million in fee credits.
 - Animal Care Services Homeless Outreach and Assistance Program has provided vaccinations, veterinary care, and spay/neuter services to 1,509 animals owned by 832 residents.
 - Building Division launched Streamline Sacramento, a cross-departmental effort to examine the City's procedures for reviewing and approving development projects, with an emphasis on housing. The objective is to refine or establish internal processes that accelerate project approval timelines.
 - The Building Division completed 23,297 plan reviews and 71,942 inspections in FY2023/24. A kiosk at the public counter was launched to assist customers.
 - Code Compliance Division conducted a North Area graffiti sweep at the request of several community partners in the midtown/Downtown areas. Over 800 cases were opened due to identified violations, Code Compliance collaborated closely with the property owners to gain compliance.
 - Over 4,500 vehicles were towed citywide by Code Compliance, and an additional 625 hazardous or abandoned recreational vehicles and/or trailers were towed and destroyed.
 - The Tenant Protection Program was extended to 2029.
 - The Planning Division facilitated the adoption of an interim ordinance to permit Missing Middle Housing allowing for multiple residential units, previously single-unit zones, and is processing new applications for this newly permitted type of housing. As of March 2025, 11 applications for new, Missing Middle Housing are in-process.
 - Planning staff is on-track to process approximately 521 private development applications by the end of FY2024/25. Projects range from construction of new residential mixed-use buildings, ministerial housing review, and retail
-

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development to tentative maps to subdivide land for future development. Notable projects this year have included: Residential and commercial development in the Panhandle, Railyards, and Delta Shores areas.

DEPARTMENT EFFICIENCIES

- Animal Care Services had a backlog of 772 spay and neuter surgeries in September of 2024, due to veterinary staffing shortages in the Division and outside veterinarian vendors. By March 2025, that number has been reduced to 398, due to the hiring of two shelter 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.
- The Building Division initiated the remote building inspections program, allowing for convenient virtual inspections for minor residential building permits. This program will increase the number of inspections that can be conducted daily.
- The Code Compliance Division modified the Tenant Protection Program to clarify requirements of the code and to extend the sunset date to December 2029. The Tenant Protection unit created interactive forms and revamped the webpage to streamline processes that increased the program's accessibility.
- The Planning Division published how-to guides for all tasks performed by Planning counter staff. This has resulted in greater consistency in shared tasks and improved succession planning by minimizing the amount of time to train new staff.

OBJECTIVES FOR FY2025/26

- The Administrative Services Division will lead a fee study for various fees with each division.
- Recruit and improve the retention of staff for all sections of the animal shelter.
- Complete implementation of Streamline Sacramento, a cross-departmental effort to examine the City's procedures for reviewing and approving development projects, with an emphasis on housing.
- 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.

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- Implement a new code enforcement case management and reporting system that will be used by several departments.
- Amend the Planning and Development Code to implement the Missing Middle Housing and other land use policies of the 2040 General Plan.

REORGANIZATION

- As part of the FY2025/26 budget, the ADA Education and Training project (I08000100) will move from the Human Resources department and managed by the Community Development Department. This realignment will optimize resource utilization by ensuring the project is managed by the department best positioned to implement training and education programs.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration	Delete one position (1.0 FTE - Accountant Auditor) and add one new position (1.0 FTE - Administrative Analyst). This request has zero impact on the General Fund as the supplies and services budget in Administrative Services is being reduced to make this cost neutral.	General Fund	-	703	-
Administration	Delete one position (1.0 FTE - Support Services Manager) in the Administrative Services Division.	General Fund	-	(145,176)	(1.00)
Animal Care	Increase revenue budget for Animal Care license fees/revenue increase. This revenue increase is based on increased fees in FY25 budget development along with strengthening partnerships with local veterinary hospitals to secure comprehensive rabies vaccination to increase licensed animals in the city.	General Fund	(50,000)	50,000	-
Animal Care	Increase revenue budget for Animal Care license fees/revenue increase. This revenue increase is based on increased fees in FY25 budget development along with strengthening partnerships with local veterinary hospitals to secure comprehensive rabies vaccination to increase licensed animals in the city.	Measure U	-	(50,000)	-
Building	Delete one position (1.0 FTE - Senior Development Project Manager) in the Building Division.	General Fund	-	(145,668)	(1.00)
Building	Change department management of the ADA Education and Training project (I08000100) from Human Resources to the Community Development Department. This realignment will optimize resource utilization by ensuring the project is managed by the department best positioned to implement training and education programs.	General Fund	(80,000)	80,000	-
Code Compliance	Increase revenue budget for Neighborhood Code Compliance (NCC) based on previous one-time revenue	General Fund	(750,000)	-	-
Code Compliance	Increase revenue budget for the Business Compliance (BC) Tenant Protection Program (TPP) based on previous one-time revenue increase and additional estimated revenue.	General Fund	(350,000)	-	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Code Compliance	Increase revenue budget in the Code Enforcement Division by establishing a Code Technology Fee and Capital Improvement Project (CIP). The Code Technology Fee would provide a dedicated funding mechanism for technology-related needs, including the offset of two positions (1.0 FTE - Senior Department Systems Specialist and 1.0 FTE - Department Systems Specialist) currently budgeted in the Information Technology (IT) Department.	General Fund	(400,000)	400,000	-
Code Compliance	Increase revenue budget for Code Enforcement Division to align with actuals in Housing and Dangerous Buildings (HDB), Rental Housing Inspection Program (RHIP), Neighborhood Code Enforcement, and Business Compliance.	General Fund	(808,978)	-	-
Planning	Delete one position (1.0 FTE - Associate Planner) in the Planning Division.	Measure U	-	(117,055)	(1.00)
Planning	Increase revenue budget for the Planning Division and increase fees related to plan check inspection. The reason for the budget and fee increases is to adjust the planning revenue budget based on adjustments to the structure of the fees related to the plan check review and inspection process.	General Fund	(400,000)	-	-
Planning	Increase revenue for the General Plan Updates Project (I22000000) by increasing the maximum building valuation amount subject to the General Plan Maintenance Fee which increases the per-permit fee cap from \$26,000 to \$38,200. Increase Long Range Planning employee offset by allocating additional time to the General Plan Updates Project.	Measure U	-	(100,000)	-
Planning	Increase revenue for the General Plan Updates Project (I22000000) by increasing the maximum building valuation amount subject to the General Plan Maintenance Fee which increases the per-permit fee cap from \$26,000 to \$38,200. Increase Long Range Planning employee offset by allocating additional time to the General Plan Updates Project.	Development Services	(100,000)	100,000	-
Total Change			(2,938,978)	72,804	(3.00)

Department Budget Summary

Community Development Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$35,273,739	\$37,392,910	\$44,507,820	\$44,621,085	\$44,906,881	\$ 285,796
Other Services and Supplies	10,903,029	12,331,808	12,467,545	12,354,405	11,657,865	(696,540)
City Property	240,908	129,838	181,641	181,516	181,516	-
Multi-Year Operating Projects	-	-	8,488,400	8,263,400	7,110,700	(1,152,700)
Transfers	327,838	402,428	328,418	328,418	704,606	376,188
Labor and Supply Offset	(3,519,826)	(2,916,694)	(3,080,429)	(3,080,429)	(3,802,821)	(722,392)
Operating Transfers	-	39	-	-	-	-
Total	\$43,225,689	\$47,340,329	\$62,893,395	\$62,668,395	\$60,758,747	\$ (1,909,648)

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	\$31,236,205	\$31,731,433	\$37,553,279	\$37,553,279	\$38,288,590	\$ 735,311
Development Services	158,088	-	3,688,700	3,688,700	2,800,000	(888,700)
Landscaping and Lighting	206,913	258,827	262,600	262,600	269,165	6,565
Measure U	10,166,525	11,915,904	18,168,816	17,943,816	16,950,993	(992,823)
Special Program Donations	-	-	250,000	250,000	250,000	-
Citywide Low Income Housing	1,804,605	3,799,207	2,970,000	2,970,000	2,200,000	(770,000)
Risk Mgmt	(346,647)	(365,041)	-	-	-	-
Total	\$43,225,689	\$47,340,329	\$62,893,395	\$62,668,395	\$60,758,747	\$ (1,909,648)

Division Budget Summary

Community Development Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Administration Division	\$ 2,477,410	\$ 3,097,526	\$ 3,775,562	\$ 3,775,562	\$ 2,614,766	\$ (1,160,796)
Animal Care Services Division	7,763,511	8,152,789	9,233,229	9,193,229	9,436,277	243,048
Building Division	14,918,893	13,942,000	19,224,400	19,224,400	18,816,454	(407,946)
Planning Division	6,959,083	9,547,286	15,917,285	15,917,285	14,791,627	(1,125,658)
Code Compliance Division	11,106,793	12,600,729	14,742,919	14,557,919	15,099,622	541,703
Total	\$43,225,689	\$47,340,329	\$62,893,395	\$62,668,395	\$60,758,747	\$ (1,909,648)

Staffing Levels

Community Development Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Administration Division	18.00	19.00	19.00	19.00	18.00	(1.00)
Animal Care Services Division	61.00	63.00	63.00	63.00	63.00	-
Building Division	90.00	90.00	89.00	89.00	88.00	(1.00)
Planning Division	54.00	55.00	55.00	55.00	54.00	(1.00)
Code Compliance Division	92.00	92.00	92.00	92.00	92.00	-
Total	315.00	319.00	318.00	318.00	315.00	(3.00)

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MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Affordable Housing			
MYOP	NDAT	-	600,000
	Zero-Dollar Rate Program	-	3,000,000
Operations	Long Range	13.00	446,465
	Zoning	5.00	409,138
Community Development			
MYOP	Fleet Acquisitions	-	165,000
Community Response			
MYOP	Commission Stipends	-	7,500
Operations	Animal Care Administration	14.00	1,182,748
	Animal Care/Shelter	34.00	5,005,104
	Neighborhood Code Compliance	40.00	4,228,855
Public Safety - Community Development			
Operations	Animal Enforcement/Field Services	15.00	1,906,182
Grand Total		121.00	\$ 16,950,992

PERFORMANCE MEASURES**Animal Care Services Division**

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of animals that are adopted, transferred, sent to rescue, or returned to owner (live release rate).	85%	87%	81.9%	90%	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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of development inspections performed on the day scheduled.	99%	98%	96%	96%	97%

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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of residential building permits issued within two days	85%	87%	86%	85%	85%

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.

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Code Compliance Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Vehicle cases closed w ithin 21 days	52%	64%	53%	78%	60%

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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of Site Plan and Design Review (DR) Files completed w ithin 90-days.	72%	59%	56%	46%	55%

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 the staff or Director level.

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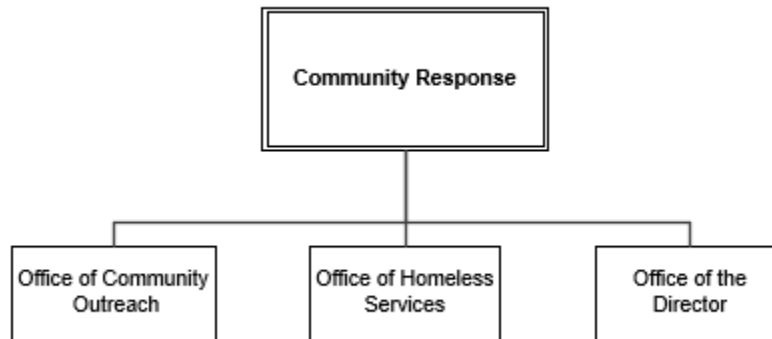
SECTION - 15

Community Response

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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. The goal of DCR is to provide an alternative response to divert entry into jails and emergency rooms by connecting individuals in need with appropriate services and treatment options to better resolve issues.

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 address the homelessness crisis.

DCR is comprised of the following three offices:

- **Office of Community Outreach (OCO):** 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.
- **Office of Homeless Services (OHS):** 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 housing projects.

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- 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.

PROGRAMS/SERVICE HIGHLIGHTS

- In 2024, City-funded shelters provided shelter to 4,769 individuals including 1,248 children. In 2024, 3,288 individuals exited City-funded shelters including 741 (23%) who exited to permanent housing and 792 (24%) who exited to an improved housing destination.
- In the second year of the Incident Management Team (IMT), DCR continued to maintain and coordinate a collaborative approach to address City code violations while also connecting unhoused community members to services and shelter. In collaboration with the Sacramento Police Department, Fire Department, Code Compliance, Animal Control, City Park Rangers and other contracted providers, the IMT accomplished the following in calendar year 2024:
 - Responded to and closed more than 57,000 calls, including 39,157 which involved compliance/outreach and 18,732 pertaining to trash/cleanup, resulting in over 9 million pounds of trash removed.
 - Generated more 14,000 client engagements for various services.
 - Obtained more than 5,900 instances of compliance and enforcement.
- DCR continued to coordinate implementation of the City-County Partnership. Providing a framework for robust coordination between City and County personnel, the partnership agreement has resulted in 4,922 Homeless Management Information System (HMIS) enrollments, 84,022 services being provided, and over 1,200 people being placed into rapid placement shelter sites. The collaboration between the City and County also resulted in the opening of the Stockton Boulevard Safe Stay shelter with a capacity for 175 individuals. The partnership leverages existing revenue streams and funded programs to achieve significant success without additional costs. The cumulative success of this partnership is a driving factor behind the nearly 30 percent drop in unsheltered homelessness observed in the biennial 2024 Point-In-Time Count.
- The Office of Community Outreach applied for and received a grant from the State's Encampment Resolution Fund - Round 4 (ERF 4L) in an amount of \$12.4 million. ERF 4L funds actionable, person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments and demonstrate clear pathways to permanent housing. DCR's proposal focuses outreach directly on the Sacramento Northern Parkway Trail and surrounding neighborhoods. The funded program will expand the Roseville Road Shelter and Service Campus by 100 pallet style homes, adding electricity, and providing high intensity outreach and services and enhanced shelter and housing support to program participants.

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- In collaboration with the Office of the City Manager, DCR launched a 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.
- The Office of 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.

DEPARTMENT EFFICIENCIES

- The Office of the Director continued to work on strategic planning, management of fiscal/budget, and HR solutions. OOD has refined DCR recruitment, selection, and hiring processes to support all programs and operations. In FY2023/24, DCR successfully recruited and hired a Senior Staff Assistant and an Administrative Analyst, promoted two employees to Program Specialists and promoted one employee from Interim Director to Director.
- The Office of Homeless Services renegotiated contracts for the City Motel program and security services at shelters, saving the City \$3.7 million annually.
- The Office of Homeless Services strengthened its monitoring of City Sheltering programs to include new performance analytics.
- The Office of Community Outreach streamlined the operations and implementation of the City Weather Respite Program to quickly stand-up respite centers as needed.
- The Office of Community Outreach continued to enhance efficiencies created through its collaborative work with IT on the Salesforce platform, which organizes department and customer response to 311 calls for services regarding homelessness.

OBJECTIVES FOR FY2025/26

- Develop solutions to address funding issues by reducing costs across sheltering contracts while improving performance through increased focus on key performance indicators.
 - Develop and pilot innovative “ultra-affordable” Micro Community program 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).
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- Conduct monthly reviews of shelter performance analytics.
- Finalize and launch Customer 360 Phase 2 in collaboration with IT on Salesforce. This update to the 311-customer interface is expected to drive more cost and time efficient response and improved customer service.
- 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
Community Outreach	Increase funding for three new vehicles for Neighborhood Resource Coordinator (NRC) positions, two to be offset with Opioid Settlement Funds.	Measure U	-	46,718	-
Community Outreach	Change funding source for two Neighborhood Resource Coordinator (NRC) FTE positions from Measure U fund to the Fire Opioid Settlement Project for the NRC's time on the City's Street Overdose Response Team (SORT).	Measure U	-	(228,102)	-
Total Change			-	(181,384)	-

Department Budget Summary

Community Response Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$3,244,449	\$3,457,932	\$ 4,858,122	\$ 4,858,122	\$ 5,279,352	\$ 421,230
Other Services and Supplies	464,484	412,070	682,583	682,583	755,280	72,697
City Property	11,346	3,169	322,790	322,790	285,830	(36,960)
Multi-Year Operating Projects	-	-	19,581,070	19,581,070	34,191,802	14,610,732
Transfers	-	71,223	-	-	-	-
Labor and Supply Offset	-	(3,523)	-	-	(411,442)	(411,442)
Total	\$3,720,279	\$3,940,871	\$25,444,565	\$25,444,565	\$40,100,822	\$ 14,656,257

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Measure U	3,720,279	3,940,871	25,444,565	25,444,565	39,600,822	14,156,257
Total	\$3,720,279	\$3,940,871	\$25,444,565	\$25,444,565	\$40,100,822	\$ 14,656,257

Division Budget Summary

Community Response Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of Director - DCR Division	\$1,128,301	\$1,188,362	\$ 1,051,385	\$ 1,051,385	\$ 1,355,286	\$ 303,901
Office of Community Outreach Division	1,823,302	2,152,052	13,095,929	13,095,929	24,133,772	11,037,843
Office of Homeless Services Division	768,676	600,456	11,297,251	11,297,251	14,611,764	3,314,513
Total	\$3,720,279	\$3,940,871	\$25,444,565	\$25,444,565	\$40,100,822	\$ 14,656,257

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Staffing Levels

Community Response Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Office of Director	8.00	7.00	6.00	7.00	7.00	-
Office of Community Outreach Division	24.00	24.00	25.00	25.00	25.00	-
Office of Homeless Services Division	6.00	6.00	6.00	6.00	6.00	-
Total	38.00	37.00	37.00	38.00	38.00	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Community Response	MYOP	-	20,406,538
	Fleet Acquisitions	-	46,718
	Operations	25.00	3,680,516
	Office of Director	7.00	1,355,286
Homelessness	MYOP	-	13,238,546
	Operations	6.00	873,219
	Office of Homeless Services		
Grand Total		38.00	\$ 39,600,823

PERFORMANCE MEASURES**Community Response**

	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
311 Calls Responded To [1]	20,768	28,397	66,455	54,060	52,000
[1] Refers to the total number of 311 calls responded to and closed by DCR staff, in coordination with Sacramento PD's IMPACT team, Park Rangers, Hope Cooperative, and Forensiclean. Calls include the following service types; Homeless Encampment Trash, Homeless Encampment Concern, Homeless Encampment 500ft from School, Homeless Encampment Blocking Sidewalk and Unhoused					

	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Unique Clients Served by Street Outreach [2]	n/a	n/a	4,483	4,694	4,000
Works.					

	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
HMS Enrollments [3]	n/a	397	4,809	4,754	4,700
[3] Count of individuals enrolled into DCR Partnerships Program or the City of Sacramento – Sacramento County Collaboration program within HMS.					

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Community Response (continued)

	FY22	FY23	FY24	FY25	FY26
	Actuals	Actuals	Actuals	Estimate	Target
Rapid Placements [4]	n/a	621	1,089	1,086	1,600
[4] 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.					

	FY22	FY23	FY24	FY25	FY26
	Actuals	Actuals	Actuals	Estimate	Target
City Funded Shelter Sites	16	17	18	18	17
City Funded Shelter Beds	1,068	1,135	1,375	1,375	1,475
Individuals Sheltered in City Funded Shelter Beds	2,754	3,725	4,364	5,496	5,700

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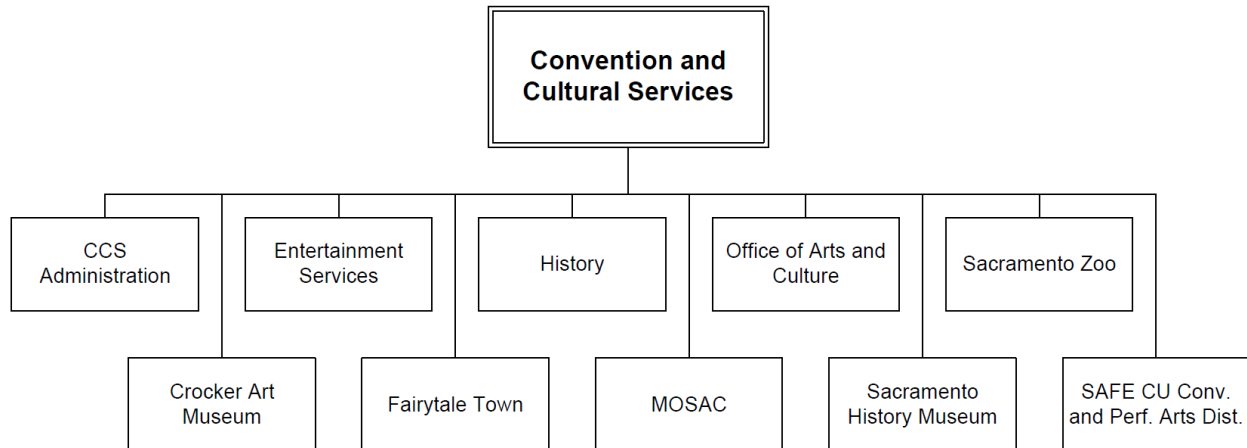
SECTION - 16

Convention and Cultural Services

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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 accessible arts, leisure, and educational experiences to enrich people's lives and enhance the metropolitan area.



The **Convention and Cultural Services Department (CCS)** provides exceptional cultural, artistic, and leisure opportunities that enrich the quality of life and contribute to a vibrant metropolitan region. As key contributors to the region's quality of life, our many arts, culture and entertainment venues serve both residents and visitors. Significant economic impact can be attributed directly to the numerous educational, cultural, and recreational events offered. These experiences are provided by our divisions and nonprofit partners. The Department includes the following operations and programs/services:

- **CCS Administration:** Provides overall Department policy, oversees financial transactions, 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.

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- Entertainment Services:

The Entertainment Services Division consolidates all entertainment-related permitting (film, special events, and entertainment venue permits) into a single division. The division serves as a single point of entry for applicants producing entertainment activities in the City of Sacramento, ensuring that the entertainment is safe while trying to minimize the impacts to the overall community. In addition to permitting, the division works to attract people to produce and engage in entertainment across the entire city. Collectively these entertainment activities add to the diversity of Sacramento's cultural portfolio, encourage residents and visitors to gather socially, and stimulate the local economy.
 - Fairytale Town:

At Fairytale Town, children and families enjoy a magical, safe place to imagine, play, and learn. This nonprofit storybook park and education center promotes the imagination, creativity, and education of children. More than 250,000 visitors laugh and learn in a typical year at this Sacramento icon, and 7,500 youth benefit from hands-on exploration at its satellite Sacramento Adventure Playground located in South Sacramento.
 - History:

The Center for Sacramento History (CSH) is the official repository and research center for City and County historical collections. The Center collects, organizes, and preserves the region's vast cultural heritage, and makes it available to the public, academics, students, genealogists, filmmakers, and more. The division also serves as the administrator for the Old Sacramento Riverfront Historic District, which is the City's largest tourist attraction. Center staff creates interpretive materials and displays for the district and creates original programs and events in Old Sacramento, including the annual Day of the Dead event in October every year. The Center's collections are displayed in exhibitions created by Center staff at City Hall and other locations in the City.
 - Museum of Science and Curiosity:

The SMUD Museum of Science and Curiosity (MOSAC) is a premier institution for informal science education for people of all ages in
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Sacramento and the Northern California Region. The Museum piques curiosity and sparks imagination with hands-on interactive exhibits and programming that explore the wonders of science, technology, engineering, the arts, and math. The new state-of-the-art exhibits address vital global issues presented through a local lens, with topics relating to sustainability/energy, water, nature, space, design engineering, and early learning. The entertaining science demonstrations bring science to life with live presenters. The digital dome theater screens films and other digital content, and hosts live star shows created by our planetarium staff. The museum and its ever-changing programming will continually bring new experiences and ideas to the Sacramento region.

- Office of Arts and Culture: The City of Sacramento's Office of Arts and Culture (OAC) is the City's chief point of interface with the creative community. OAC is dedicated to supporting, promoting, and advancing arts, culture, and creativity throughout Sacramento. Together with other city and civic partners, OAC is developing a vibrant and just creative economy, with *Creative Edge: Sacramento's Arts, Culture and Creative Economy Plan* as its guiding policy framework. OAC is responsible for creative economy grantmaking and educational programming, as well as the City's Art in Public Places program, Poet Laureate program, Emerging Curators Fellowships, and citywide cultural tourism initiatives. OAC serves as a source of information on the state and impact of the creative economy.
 - Sacramento History Museum: The Sacramento History Museum is dedicated to sharing and making accessible, the stories of Sacramento's 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,
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- 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 one of the region's top attractions, with an annual attendance of more than 500,000. The Zoo's collection consists of more than 400 animals, diverse botanical life, and several specialized gardens.
- **SAFE Credit Union Convention and Performing Arts District:** Located in the heart of downtown, the SAFE Credit Union Convention and Performing Arts District includes the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium. This district is the venue for a variety of events including major conventions, trade shows, sporting events, seminars, performing arts, concerts, comedy, commencements, weddings, and galas.

PROGRAMS/SERVICE HIGHLIGHTS

- The SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium collectively hosted 380 events and performances, served 843,754 attendees, and contributed over \$165 million in economic impact to the Sacramento Region. SodexoLive!, our exclusive in-house food and beverage provider, donated over 16,000 pounds of food to the "Works of Mercy" Homeless Outreach program, which is distributed throughout the Sacramento region.
 - Last fall, the Center for Sacramento History produced an exhibition in partnership with Mark Twain Elementary School with support from the Office of Mayor Pro Tempore Eric Guerra. The fifth and sixth grade students at Tallac Village's Mark Twain Elementary School considered the relationship between their family history and the objects that surround them. The students each selected an object and wrote about its significance. These objects are presented with label text written by the students themselves. Special thanks to Principal Dominic Campos, Fifth Grade Teacher Jason Hartin, and Sixth Grade Teacher Christine Plumb-Hanifen.
 - A partnership with the nonprofit Sol Collective yielded a Dia de los Muertos (Day of the Dead) celebration in Old Sacramento, bringing over 2,000 visitors to Old Sacramento for the one-day event. A partnership with the Sacramento County Office of Education served 226 students through the National History Day competition. The annual Archives Crawl invited over 300 attendees to engage with exhibitions of original historical resources. The Center's History of Racism film series continues to be used in schools and universities throughout California.
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- The Center for Sacramento History is completing its move into a new secondary storage area at McClellan Park. The new space is 16,000 square feet with compact and static shelving in and meets insurance requirements for climate control. This area will be shared with the Crocker Art Museum.
 - OAC continued to advance the goals of the Creative Edge Plan. With American Rescue Plan Act (ARPA) funding, OAC awarded: \$750,000 to CLTRE Club for EveryDay Creative, an eight-month program where Sacramento creative entrepreneurs and businesses access mentorship, training, storefront access, and direct financial support; \$410,000 in Creative Venues Grant funding to 22 local independent venues throughout Sacramento, providing aid to impacted industries and supporting economic recovery; and \$250,000 to Solving Sacramento for an Arts Journalism Grant, including goals 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. From 2022 through 2024, with General Funds and funding from Sacramento County, OAC awarded \$2.7 million in multi-year general operating support to 67 organizational Cultural Arts Award recipients throughout the County. Art in Public Places oversaw the completion of several significant projects, including public art works and wayfinding installations along Del Rio Trail, and Hanami Line artwork at Robert T. Matsui Waterfront Park. With several community partners, OAC celebrated the completion of Florin Road Community Beautification Project, a placemaking initiative funded through a \$1.2 million CalTrans Clean California Grant which supported 3,426 square feet of murals, 26 large metal sculptures, 37 banners designed by area youth, and landscaping, clean-up, engagement activities.
 - The City's nonprofit partners collectively welcomed hundreds of thousands of visitors, supported school outreach and out of school programs for thousands of youth, 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 181,000 community members in FY2023/24 including 24,339 individuals through sponsored free admission programs. The Museum hosted two free family festivals—For the People/By the People: A Printmaking Festival at Southside Park and the Black History Month Festival at the Crocker—which engaged 3,600 youth and adults with enriching performances, art activities, and community building experiences. The Art Ark, the Crocker's mobile art education center, visited 18 regional schools and inspired nearly 22,000 area grade-school students. Museum curators organized ten exhibitions including the first-ever museum exhibition of AI-generated art, Black Artists in America: From Civil Rights to the Bicentennial, and Black & Gold: Traditional and Contemporary Japanese and Chinese Ceramics. In the last year the Museum contributed to the regional creative economy by supporting 1,153 artists through acquisition of artwork and public program involvement, and showcased dozens more local arts organizations, musicians, performers, and community partners through paid programming engagements.
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- Fairytale Town welcomed over 200,000 visitors, carried out 125 educational classroom visits with live animals, and provided learning opportunities for 1,500 summer camp participants.
- SMUD Museum of Science and Curiosity had a total attendance of more than 183,000 and served more than 32,000 youth through field trips, camps, school and scout programs.
- Sacramento History Museum engaged in collaborative partnerships with local cultural groups to develop relevant community-driven exhibitions that reflect the diversity of the Sacramento region. They also offered four free public programming events and free admission days as well as participated in programs such as Museums for All, Discover & Go, and Blue Star programs which provide free admission to participants.

DEPARTMENT EFFICIENCIES

- OAC continued the development of more uniform approaches to grant and public art commissioning processes, such as improved evaluation rubrics, support for applicants, and panelists (including recruitment, intake, training, and the panel adjudication process). An internal working group continued to streamline and support the division's overall marketing and communications strategies. Efforts to better document the division's administrative, financial, and programmatic processes continue, while new efforts to bring clarity and efficiency to city arts-related policies and procedures have begun.
- Fairytale Town opened a new Welcome Center adding new restrooms for guests, introducing a gift shop to the park, and providing long-overdue professional office space for park staff.
- The Entertainment Services Division has worked with the Information Technology Department on creating a needs assessment for building IT tools, including a new website and online permitting portal, to provide potential applicants to go to one location to obtain information and processes on all three entertainment-related permits (film, special events, and entertainment venue permits) and to apply for them.

OBJECTIVES FOR FY2025/26

- Continue to promote the SAFE Credit Union Convention and Performing Arts District, particularly the Memorial Auditorium and Performing Arts Center, by exploring new business strategies and community partnerships that expand facility usage and contribute to neighborhood vibrancy.
- The Center for Sacramento History staff to launch a new tour program in Old Sacramento for three new tours including African Americans in Early Sacramento, Women in Early Sacramento, and Redevelop and the creation of the Old Sacramento. This is in partnership with UC Davis and Sacramento State to create

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the tours. These programs are being created as part of the Department's plans to enhance history interpretation in the district.

- Continue to partner with the Arts, Culture, and Creative Economy Commission in addressing the goals of the Creative Edge Plan; implementing American Rescue Plan Act support for the Creative Economy; delivering projects and initiatives focused on creative entrepreneurs and small businesses, individual artists and culture bearers, arts organizations of all sizes; and support for arts journalism as well as creative venues throughout the city. OAC will explore initiatives that address arts education and life-long learning; space-related challenges for individual artists and arts organizations; and the intersection of arts, health, and wellbeing. Major projects will continue through Art in Public Places.
- Work with our nonprofit partners to advance the City's broader race and cultural equity objectives, streamline their engagement with City offices, and further shared goals.
- Integrate the Crocker Art Museum's new Director into the community and complete a new long-range plan.
- Fairytale Town objectives for the coming year include planning new playsets that introduce cultural influences not yet represented; widening the age range for children served via programs that appeal to older children; and strengthening ties across the community by outreach in multiple languages and new relationships with multicultural organizations.
- The Sacramento History Museum will continue to cultivate and engage with local cultural and history partners to illuminate community stories through exhibitions and free public programming.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
CCS Administration	Change funding source for the New Year's Eve fireworks from General Fund to the Community Center Fund.	Community Center	-	125,000	-
Crocker Art Museum	Increase funding for security and utility expenses for the Crocker Art Museum.	Community Center	-	357,117	-
History	Change funding source for History Division administrative support to Old Sacramento from General Fund and Measure U Fund to Community Center Fund.	Measure U	-	(299,673)	-
History	Change funding source for History Division administrative support to Old Sacramento from General Fund and Measure U Fund to Community Center Fund.	Community Center	-	299,673	-
History	Increase funding for the activation support for Old Sacramento in the History Division Budget under the Community Center Fund.	Community Center	-	150,000	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
SAFE Credit Union Convention and Performing Arts District	Delete one position (1.0 FTE - Events Duty Person) and add five positions (five 0.20 FTE - Events Duty Person).	Community Center	-	-	-
SAFE Credit Union Convention and Performing Arts District	Delete three positions (3.0 FTE - Events Associate) and add 30 positions (thirty 0.10 FTE - Events Associate).	Community Center	-	12	-
Various	Change funding source for eligible costs for visitor- serving facilities from General Fund and Measure U Fund to the Community Center Fund.	Measure U	-	(347,044)	(2.00)
Various	Change funding source for eligible costs for visitor- serving facilities from General Fund and Measure U Fund to the Community Center Fund.	Community Center	-	347,430	2.00
Total Change			-	632,515	-

Department Budget Summary

Convention and Cultural Services Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$ 9,345,950	\$ 10,825,433	\$ 14,467,078	\$ 14,467,078	\$ 14,989,570	\$ 522,492
Other Services and Supplies	10,379,483	10,692,489	11,607,769	11,607,769	13,690,036	2,082,267
City Property	77,455	16,638	69,000	69,000	56,000	(13,000)
Multi-Year Operating Projects	-	-	1,528,000	1,464,000	1,464,000	-
Transfers	(56,278)	(122,037)	-	-	42,750	42,750
Labor and Supply Offset	1,633,936	1,501,193	1,933,084	1,933,084	3,337,510	1,404,426
Operating Transfers	3,070,274	2,847,625	2,162,500	2,162,500	2,588,766	426,266
Total	\$24,450,820	\$25,761,342	\$31,767,431	\$31,703,431	\$36,168,632	\$ 4,465,201

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ (4,799,908)	\$ 1,092,622	\$ 796,808	\$ 796,808	\$ 809,808	\$ 13,000
Innovation and Growth	-	-	850,000	850,000	850,000	-
Old Sacto Maint Dist	67,220	66,715	66,719	66,719	66,731	12
Measure U	3,653,275	4,718,880	4,167,868	4,167,868	3,596,558	(571,310)
Old Sac Market	85,219	58,693	104,000	104,000	104,000	-
H Street Theater	65,855	16,205	45,000	45,000	45,000	-
Zoo	84,865	79,687	50,000	50,000	50,000	-
Fairytale Town	84,865	79,687	50,000	50,000	50,000	-
Winchester G & Mary Alice Felt	85,000	92,493	85,000	85,000	48,699	(36,301)
Community Center	25,124,428	19,556,361	25,552,036	25,488,036	30,547,836	5,059,800
Total	\$24,450,820	\$25,761,342	\$31,767,431	\$31,703,431	\$36,168,632	\$ 4,465,201

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Division Budget Summary

Convention and Cultural Services Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
CCS Administration Division	\$ 2,109,695	\$ 1,644,465	\$ 2,205,409	\$ 2,205,409	\$ 2,446,543	\$ 241,134
SAFE CU Conv. & Perf. Arts Dist. Division	15,998,198	17,696,481	20,562,430	20,498,430	24,091,021	3,592,591
Crocker Art Museum Division	2,298,352	2,214,238	2,413,360	2,413,360	2,662,338	248,978
Fairytale Town Division	99,793	96,516	62,245	62,245	62,245	-
History Division	2,570,895	2,704,153	2,753,030	2,753,030	3,071,170	318,140
Sacramento Office of Arts and Culture Division	714,050	731,584	2,100,718	2,100,718	2,111,122	10,404
Powerhouse Science Center Division	145,337	145,337	145,337	145,337	145,337	-
Sacramento History Museum Division	143,595	149,828	143,528	143,528	143,528	-
Sacramento Zoo Division	370,906	378,741	356,401	356,401	356,995	594
Entertainment Services Division	-	-	1,024,973	1,024,973	1,078,333	53,360
Total	\$24,450,820	\$25,761,342	\$31,767,431	\$31,703,431	\$36,168,632	\$ 4,465,201

Staffing Levels

Convention and Cultural Services Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
CCS Administration Division	8.00	8.00	9.50	9.50	9.50	-
SAFE CU Conv. & Perf. Arts Dist. Division	90.05	86.05	84.05	84.05	84.05	-
Crocker Art Museum Division	5.00	5.00	5.00	5.00	5.00	-
History Division	8.95	8.95	8.95	8.95	8.95	-
Sacramento Office of Arts and Culture Division	9.00	9.00	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	-
Total	123.00	119.00	124.50	124.50	124.50	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Arts/Creative Edge	MYOP	-	614,000
	Operations	3.00	(80)
	Arts Education and Outreach	1.00	98,528
	Creative Economy and Grants	2.00	231,895
	Entertainment Services Division	7.00	1,058,333
	History	8.95	1,277,103
	Office of Arts and Culture Admin	2.00	316,779
Grand Total		23.95	\$ 3,596,558

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PERFORMANCE MEASURES

Convention Center Complex Division

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Total events and performances	174	393	380	402	425
Number of tickets sold	119,624	129,766	237,409	249,300	265,000

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Total revenue of in-house vendors	\$8,218,022	12,908,515	14,705,193	15,440,452	\$16,212,475

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Attendance	147,256	187,324	181,475	200,000	210,000
Membership	12,380	12,253	11,864	12,115	12,500

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. We are currently pacing to surpass FY25 estimated attendance.

Center for Sacramento History Division

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Number of Researcher Interactions (In Person, Online, By	N/A	665	750	820	800
Number of Users Accessing Online Records	147,962	207,398	325,219	375,000	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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Number of items listed in collection's databases	130,377	132,515	154,393	177,056	185,000

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,

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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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Number of Permits Issued	82	73	80	100	120
Number of Film Days	176	159	143	160	180
Total Amount of Production Company Spending in Sacramento	\$2,735,645	\$2,005,342	\$6,469,485	\$3,000,000	\$3,500,000
Number of Local Hires	729	411	929	600	700
Number of Hotel Nights	637	836	4,347	850	900

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Number of exhibitions produced	4	4	4	4	4
Number of artworks conserved, maintained, or repaired	10	10	8	7	5
Number of public art projects completed (installed)	21	2	20	5	5
Number of permanent public art projects in progress	21	21	20	17	5
Special events, workshops, lectures	15	10	10	10	10

The Art in Public Places program is funded through an ordinance that requires at least two percent of eligible City and County capital improvement project budgets be set aside for public art. Several of the objects in the City and County 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 and County public art collection includes more than 675 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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Number of arts education school assemblies organized	14	50	148	98	120
Number of participants reached through above events	4,250	17,500	32,500	24,000	26,000
Number of professional development events for artists and classroom teachers	4	6	8	10	12
Number of artists and classroom teachers served in professional development	83	61	220	100	150
Number of students served in six- or 10-week residencies	1,200	3,710	4,320	4,060	4,000

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.

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Cultural Arts Awards (CAA) Program

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Number of Cultural Arts Award (CAA) grantees	69	66	64	63	75
CAA grant allocation	\$950,000	\$933,905	\$902,164	\$895,828	\$950,000
In Person Attendance	1,189,134	1,466,952	Not yet available	Not yet available	Not yet available
Digital Attendance	660,931	690,702	Not yet available	Not yet available	Not yet available
Total Expenditures	\$144,544,996	\$123,259,317	Not yet available	Not yet available	Not yet available
Total Paid Positions (FT, PT, Independent Contractors)	3,543	3,559	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.

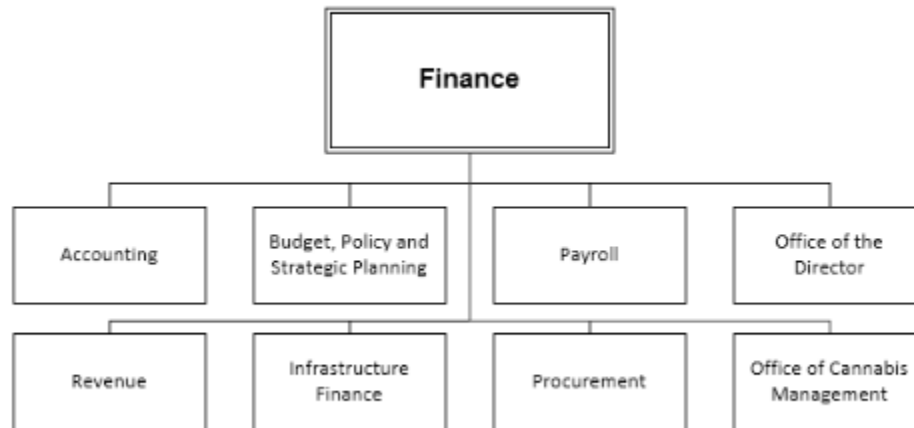
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SECTION - 17
Finance

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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.

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- **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 coordination and collection of citywide citations, fees, permits, and fees and taxes for the administration of the Business Operation Tax (BOT) and special business permit programs for over 22,000 businesses.
- **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.
- 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 \$64 million of special district revenue to construct and maintain infrastructure, support business districts, and increase tourism within the city and supported OIED in the expansion of the Railyards EIFD.
- 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.

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- 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 130,000 payments to employees and retirees.
- Awarded over \$1.1 million in grants to CORE cannabis businesses.

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 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 FY2025/26

- Establish financing structures to facilitate development of Innovation Park (former Sleeptrain Arena site), the Sacramento Valley Station Master Plan area, the Railyards, the Panhandle, Delta Shores, and the Airport South Industrial project.
- Implement new accounting and financial reporting standards including Governmental Accounting Standards Board (GASB) Statements No. 101 – Compensated Absences.
- Completing the Annual Comprehensive Report, Sacramento City Employee's 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.

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- 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 City-wide cashiering system, increasing online payment access for customers.

REORGANIZATION

- As part of the FY2025/26 Budget, the Office of Cannabis Management consisting of 9.0 FTE positions and associated budgets were moved from the City Manager's Office to the Finance Department.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Accounting	Delete one position (1.0 FTE - Financial Services Supervisor) and add one position (1.0 FTE - Administrative Analyst). The new position better suits the duties currently performed and needed.	General Fund	(51,139)	6,704	-
Accounting	Decrease revenue budget for Escheat to estimated actuals. The budget has been overstated for this revenue source.	General Fund	67,000	-	-
Infrastructure Finance	Remove the Innovation and Growth Fund offset for the Senior Development Project Manager Position in the Infrastructure Finance Division. This is related to a reduction strategy in the City Manager's Office.	General Fund	-	175,572	-
Infrastructure Finance	Remove the Innovation and Growth Fund offset for the Senior Development Project Manager Position in the Infrastructure Finance Division. This is related to a reduction strategy in the City Manager's Office.	Innovation and Growth	-	(175,572)	-
Office of Cannabis Management	Add one position (1.0 FTE - Program Manager) and delete one position (1.0 FTE - Program Specialist). The expansion of cannabis programming with newly approved social consumption requires the creation of a new position.	General Fund	-	-	-
Office of Cannabis Management	Decrease funding for the Cannabis multi-year operating project (MYOP). Contribution to the MYOP will have minimal impact on cannabis programming.	General Fund	-	(2,018,300)	-
Revenue	Delete two positions (2.0 FTE - Customer Service Representative) and add one position (1.0 FTE Program Specialist). This change will consolidate all tax programs within the Permits and Taxes group, streamline process among all the programs, and create administrative efficiencies.	General Fund	-	(17,786)	(1.00)
Total Change			15,861	(2,029,382)	(1.00)

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Department Budget Summary

Finance Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Employee Services	\$12,219,902	\$13,343,824	\$13,762,241	\$13,762,241	\$15,578,056	\$ 1,815,815
Other Services and Supplies	1,407,754	1,248,012	2,482,016	2,572,761	2,941,947	369,186
City Property	41,199	25,724	44,400	44,400	49,400	5,000
Multi-Year Operating Projects	-	-	2,885,000	2,885,000	8,733,000	5,848,000
Transfers	61,909	75,288	64,003	64,003	(538,931)	(602,934)
Labor and Supply Offset	(1,116,172)	(1,001,467)	(1,314,101)	(1,314,101)	(1,400,746)	(86,645)
Total	\$12,614,592	\$13,691,381	\$17,923,559	\$18,014,304	\$25,362,726	\$ 7,348,422

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
General Fund	\$ 8,224,507	\$ 9,044,055	\$10,314,831	\$10,405,576	\$11,846,900	\$ 1,441,324
12th Street Maint Benefit Area	2,937	1,693	1,693	1,693	1,728	35
16th St PBID	2,690	2,669	2,673	2,673	2,681	8
2006 CIRB - Tax Exempt	350	-	-	-	-	-
65th Street Area Impact Fee	-	-	15,000	15,000	-	(15,000)
Aggie Square EIFD	-	-	-	-	948,000	948,000
Central Midtown Restaurant BID	70,189	85,694	244,854	244,854	269,080	24,226
City/County Office-Water Planning	39,000	39,000	39,000	39,000	-	(39,000)
Curtis Park CFD 2013-03	3,241	2,039	2,089	2,089	2,122	33
Del Paso Nuevo Landscaping CFD	3,086	2,041	2,057	2,057	2,061	4
Del Paso Prop & Business Imprv	2,828	2,781	2,804	2,804	2,815	11
Delta Shores PF Impact Fee	-	-	2,000,000	2,000,000	2,000,000	-
Downtown Impact Fee	-	-	50,000	50,000	-	(50,000)
Downtown Management District	3,450	3,380	3,418	3,418	3,433	15
Franklin Blvd PBID	79,141	31,726	-	-	-	-
Franklin Boulevard PBID	2,738	2,709	2,720	2,720	2,729	9
Greater Broadway PBID	2,857	2,839	2,870	2,870	2,883	13
Greenbriar Impact Fee	8,021	7,032	-	-	-	-
Handle BID No 2011-04	239,516	318,039	256,555	256,555	281,834	25,279
Innovation and Growth	-	175,572	175,572	175,572	-	(175,572)
Interdepartmental Service	2,840,770	2,818,449	2,864,296	2,864,296	3,010,948	146,652
Jacinto Creek	-	-	-	-	25,000	25,000
Laguna Creek Maint Dist	8,028	5,862	6,013	6,013	6,189	176
Landscaping and Lighting	349,857	503,429	520,361	520,361	535,800	15,439
Mack Road PBID	2,755	2,715	2,726	2,726	2,736	10
Midtown Sacramento PBID	3,640	3,534	3,597	3,597	3,616	19
N Nat Landscp 99-02	29,556	20,764	22,535	22,535	25,332	2,797
N Natomas Lands CFD 3	55,672	68,545	72,136	72,136	74,238	2,102
N Natomas Transp Mgmt Assoc	46,381	47,050	49,137	49,137	51,942	2,805
Natomas Crossing CFD 2013-01	866	2,076	2,094	2,094	23,643	21,549
Neighborhood Lighting Dist	10,869	3,370	3,455	3,455	3,516	61
Neighborhood Park Maint CFD	46,996	52,048	54,883	54,883	58,161	3,278
Neighborhood Water Quality Dist	10,373	4,270	4,428	4,428	4,559	131
NNFP Drainage Fee	-	-	400,000	400,000	525,000	125,000
NNFP Public Facilities Fee	-	-	150,000	150,000	4,760,000	4,610,000
NNFP Public Land Acquisition Fee	-	-	90,000	90,000	25,000	(65,000)
NNFP Reg Park Land Acquisition	-	-	15,000	15,000	25,000	10,000
NNFP Transit Fee	-	-	15,000	15,000	25,000	10,000
Northside Subdiv Maint Dist	5,288	1,651	1,683	1,683	1,712	29
NW Land Park CFD 2013-02	10,027	5,711	6,211	6,211	6,465	254

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Oak Park PBID	2,778	2,741	2,757	2,757	2,767	10
Old Sacto Maint Dist	2,840	3,345	3,341	3,341	3,329	(12)
Panhandle Impact Fee	-	-	-	-	400,000	400,000
Parkebridge CFD 2014-07	9,125	7,238	5,577	5,577	6,089	512
Pow er Inn Area Prop & Business	3,321	3,194	3,281	3,281	3,307	26
Pow er Inn Rd Md 2003-01	3,565	1,169	1,179	1,179	1,196	17
Railyards Impact Fee	-	-	25,000	25,000	-	(25,000)
Railyards Maint CFD No 2014-04	8,205	6,539	5,748	5,748	7,444	1,696
River District Impact Fee	-	-	125,000	125,000	-	(125,000)
Sac Services CFD 2018-05	9,866	7,415	6,909	6,909	9,518	2,609
Sac Tourism Marketing District	152,197	171,071	72,908	72,908	72,908	-
SacMaintCFD2014-04 Annex Areas	19,300	9,607	10,855	10,855	10,998	143
SacMaintCFD2014-04 Area 01	16,820	5,613	7,775	7,775	7,963	188
So Natomas Facility Benefit	17,095	3,858	-	-	-	-
Special District Info/Rpt Sys	4,336	11,788	-	-	-	-
Stockton Blvd BIA	37,139	19,959	-	-	-	-
Stockton Blvd PBID	2,779	2,771	2,792	2,792	2,802	10
Subdiv Lndscpng Maint Dist	28,622	13,827	14,270	14,270	14,809	539
Sutter Business Imprvmt Area	158,900	143,941	220,000	220,000	242,000	22,000
The River District PBID	2,947	2,879	2,917	2,917	2,954	37
Tow nship 9 CFD No. 2012-06	10,143	2,382	1,751	1,751	2,371	620
Village Garden N.-Mtce Dist #1	6,663	1,791	1,880	1,880	1,914	34
Willow creek Assmnt Md	6,590	4,080	4,283	4,283	4,458	175
Willow creek Lndscpng CFD	5,733	5,430	5,645	5,645	5,776	131
Total	\$12,614,592	\$13,691,381	\$17,923,559	\$18,014,304	\$25,362,726	\$ 7,348,422

Division Budget Summary

Finance Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Accounting Division	\$ 2,863,661	\$ 3,055,935	\$ 3,476,768	\$ 3,557,513	\$ 3,427,666	\$ (129,847)
Budget Office Division	1,559,451	1,561,231	1,663,344	1,663,344	1,744,570	81,226
Office of the Director Division	513,592	636,763	757,965	767,965	775,271	7,306
Office of Cannabis Management Division	-	-	-	-	1,708,147	1,708,147
Revenue Division	3,717,658	4,128,864	4,671,807	4,671,807	4,842,013	170,206
Payroll Division	1,305,910	1,348,573	1,367,317	1,367,317	1,413,395	46,078
Procurement Division	1,060,346	1,225,220	1,350,154	1,350,154	1,346,908	(3,246)
Infrastructure Finance Division	1,593,975	1,734,796	4,636,204	4,636,204	10,104,757	5,468,553
Total	\$12,614,592	\$13,691,381	\$17,923,559	\$18,014,304	\$25,362,726	\$ 7,348,422

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Staffing Levels

Finance Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Accounting Division	20.00	20.00	20.00	20.00	20.00	-
Budget Office Division	8.00	7.00	7.00	7.00	7.00	-
Office of the Director Division	3.00	3.00	3.00	3.00	3.00	-
Office of Cannabis Management Division	-	-	-	-	9.00	9.00
Revenue Division	40.90	40.90	40.00	40.00	39.00	(1.00)
Payroll Division	9.00	9.00	9.00	9.00	9.00	-
Procurement Division	7.00	8.00	8.00	8.00	8.00	-
Infrastructure Finance Division	6.00	7.00	7.00	7.00	7.00	-
Total	93.90	94.90	94.00	94.00	102.00	8.00

PERFORMANCE MEASURES

Accounting Division

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percent of vendors paid within 30 days	82%	81%	84	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	\$82,365	\$112,162	132,000	100,000	110,000
"Prompt Payment" discounts lost	\$39,788	\$18,789	30,000	10,000	10,000
Percent of discounts taken	69%	88%	73%	90%	92%

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Obtain unmodified audit opinion on Annual Comprehensive Financial Report	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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 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.

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Revenue Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of business operations tax certificates issued	23,001	18,933	21,586	21,500	22,000

Any person or entity engaging in business in or with the City of Sacramento must pay the City's Business Operations Tax (BOT) and obtain a business operations tax certificate (BOTC). Trends in the number of BOTC's is an indication of business growth in the City, as well as the City's efforts to keep businesses in compliance with City code as it relates to the BOT.

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SECTION - 18

Fire

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Fire

Committed to excellence in enhancing and protecting life, property, and the environment.



The **Fire Department** began serving Sacramento residents in 1850 as a volunteer organization. By 1872, the Department became the first paid professional fire department west of the Mississippi. This year marks the Department's 175th anniversary of safeguarding Sacramento's citizens. The Department responds to a variety of emergencies including fires, emergency medical calls, hazardous materials incidents, and specialized rescues, such as water, vertical, confined space, and animal. This year also marks a significant change to the Department's emergency medical services, with the integration of Street Overdose Response Teams (SORT), single-role medic units and a partnership with Medic Ambulance all aimed at providing a range of medical services to the public. Additionally, the Department provides emergency services, fire code enforcement, public education, and fire investigations.

- **Fire Administrative Services:** Responsible for managing the department's budget, revenue, accounts payable, procurement, contracts, council reports and grants. Provides personnel services including hiring, payroll, workers' compensation, and testing.
- **Fire/Emergency Medical Services (EMS):** Responds to fires, technical (e.g., Urban Search & Rescue, water, and structural collapse), rescues, hazardous materials incidents, wildland fires, and other emergencies. Provides emergency medical services including advanced life support and transportation.
- **Office of the Chief** Manages the Fire Department, sets its vision, ensures operational effectiveness, and aligns divisions with goals and community needs. The Chief oversees resources, personnel, emergency strategies, policies, and

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	collaboration, ensuring high standards of service and safety.
• Technical 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. 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.
• Training/Professional Standards:	Responsible for essential fire recruit training including in-service, continuing education, and outreach/recruitment. Provides oversight and investigative services related to personnel and civilian complaints and disciplinary actions.

PROGRAMS/SERVICE HIGHLIGHTS

- The Sacramento Fire Department (SFD) ran 108,578 incidents last year, averaging approximately 300 per day. The department managed 491 structure fires, which equate to about 1.34 per day. Including grass, dumpsters, vehicles, and other fires, the total number of incidents was 5,109, or 14 per day.
 - Continues to keep the public informed on multiple media platforms, including local media outlets, being responsive to media inquiries and keeping the public informed of emergencies and events within our community.
 - Over 450 fires were investigated where 45% of fires investigated were incendiary in nature, leading to a 27 percent arrest rate.
 - Over 15,200 fire and life safety inspections were performed and over 3000 plan reviews.
 - Five EMS Trainees successfully completed their Paramedic Internships and have been hired as either Sacramento Fire Service Paramedics or Fire Recruit Paramedics. Additionally, ten EMS Trainees are currently progressing through various phases of paramedic training.
 - Sacramento EMS Corps: In collaboration with Public Works Alliance, Youth Forward, and other community-based organizations, SFD was awarded a \$1.4 million grant to provide EMT training directly within the community.
 - Implementation of two Street Overdose Response Teams (SORT), enabling EMS to provide alternative responses.
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- Implementation of a tiered EMS response model by entering a public/ private contract with Medic Ambulance to provide BLS ambulance response.
- Development and implementation of the Fire Service EMT and Paramedic Program.
- Office of Emergency Management (OEM) coordinates internal and allied agency communication, planning, preparedness, response, and recovery during largescale hazards affecting the city, including leading activations of Crisis Action Teams and the Emergency Operations Center. During the last fiscal year, staff responded to several storm-related incidents. Staff coordinated closely with FEMA to complete the disaster recovery process following the 2023 Winter Storms, recouping around \$7.9 million dollars for the city. Additionally, staff facilitated a largescale utility-centered exercise and updated several internal and interagency plans, notably the 2025 All-Hazards Emergency Operations Plan and memorandums of understanding (MOU) to improve cohesion and unified response with other government agencies and non-government organizations

DEPARTMENT EFFICIENCIES

- Transitioned to Image Trend, a new emergency management software, aligning better with county standards.
 - Started a department-wide fee study to assess and optimize cost recovery.
 - Hired six Fire Prevention Trainees to fill vacancies due to retirements.
 - Implementation of a new fire inspection record management system and field inspection technology.
 - Transitioned the Sacramento Area Girls Camp from Fall to Spring to better align with other DOR programs launching in the Summer.
 - Relocated the Sacramento Fire Reserves Program and the EMS Internship Program to provide expanded space and dedicated classroom facilities.
 - The EMS Division consistently fulfills federal, state, and county requirements for reporting, training, education, incident review, and infection control.
 - We have collaborated with our regional EMS partners to develop a strategy for managing EMS-related incidents based on urgency and severity.
 - The EMS Division continues to use the City-wide Telehealth program.
 - Continue to collaborate with the fleet division to ensure the management of the fire equipment replacement cycle. At the same time, addressing supply chain and vehicle parts issues.
 - Implementation of Image Trend software – Computer-based software to replace our aging Records Management System.
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- The SFD Continues to recruit community members for EMT, while we also have an upgrade program for current EMT's to Paramedic. This upgrade enhances our program's diversity.
- 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 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.
- The department is committed to continuing to train and support the next generation of fire recruits, Emergency Medical Technicians, and paramedics, fostering an inclusive and diverse workforce while ensuring high standards of service. This dedication to diversity and excellence not only enriches our team but also enhances the quality of emergency services provided to our community.

OBJECTIVES FOR FY2025/26

- Expand the Fire Service EMT and Paramedic Program to enhance emergency response capabilities.
 - Full roll out and expand the Transport to Alternative Destination (TAD) Program.
 - Initiate a Tactical Emergency Medical Service (TEMS) Program in collaboration with SPD and DCR.
 - Launch a Mobile Integrated Health (MIH) Program to enhance community services.
 - Explore opportunities to modernize our delivery service and replace aging assets within the divisions.
 - Expand the scope of work and staffing of the Health and Wellness Coordinator to provide therapeutic interventions, preventative maintenance & limit workers 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 a public safety career.
 - Continued evaluations of all divisions to determine cost-effective measures to provide good community service.
 - Continue to work with Sacramento Regional Fire Dispatch (SRFECC) to ensure seamless communication and coordination during emergencies, while maintaining
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crew accountability. Also, continue efforts to reduce call volume and improve the dispatch process and efficiencies, making the department's assets available for the most complex fire and medical emergencies.

REORGANIZATION

- As part of the FY2025/26 Budget, the Office of Emergency Management consisting of 2.0 FTE positions and associated budgets were moved from the City Manager's Office to the Fire Department

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Diversity, Outreach & Recruitment	Delete three positions (1.0 FTE - Program Supervisor, 1.0 FTE - Fire Captain, 1.0 FTE - Firefighter Admin) and add one position (1.0 FTE - Administrative Analyst) in the Diversity, Outreach and Recruitment (DOR) Division.	Measure U	-	(898,460)	(2.00)
Fire Administrative Services	Delete one position (1.0 FTE - Senior Accountant Auditor) in Fire Fiscal.	General Fund	-	(121,541)	(1.00)
Fire Ops/EMS	Increase Revenue for Fire District Reimbursement (Fruitridge/ Pacific and Natomas Fire Districts).	General Fund	(350,000)	-	-
Fire Ops/EMS	Delete one position (1.0 FTE - Support Services Manager) and add one position (1.0 FTE - Program Specialist) in the EMS Division to support the expansion of services, including Advanced Life Support (ALS) and Basic Life Support (BLS) deployment, the Street Overdose Response Team, Telehealth, and Mobile Integrated Health, ensuring operational efficiency, compliance, and effective resource management.	General Fund	-	(3,113)	0.00
Fire Ops/EMS	Add two positions (2.0 FTE - Firefighters Administrative). Due to lawsuits filed by various state, local, and tribal governments, the City has been awarded funding to support future opioid abatement initiatives. These two positions will be fully funded through the settlement, and the choice to use a Firefighter Administrative position instead of an Administrative Analyst stems from the specialized knowledge and experience of firefighter paramedics in patient care. They are trained to administer buprenorphine and other vital medications for opioid withdrawal, offering essential interventions in addiction care.	General Fund	(337,018)	337,018	2.00
Fire Ops/EMS	Increase revenue budget for Emergency Medical Services	General Fund	(2,500,000)	-	-
Fire Ops/EMS	Add one position (1.0 FTE - Firefighter Admin) to conduct the role of an EMS Corps Program Coordinator. The position is grant-funded through the California Employment Development Department for over two years. This grant supports salaries, materials, training, student stipends, and administrative costs ensuring sustainable program delivery and alignment with Sacramento's Racial Equity Statement goals.	General Fund	(168,509)	210,684	1.00
Fire Ops/EMS	Add one position (1.0 FTE - Firefighter Admin) to conduct the role of an EMS Corps Program Coordinator. The position is grant-funded through the California Employment Development Department for over two years. This grant supports salaries, materials, training, student stipends, and administrative costs ensuring sustainable program delivery and alignment with Sacramento's Racial Equity Statement goals.	Measure U	-	(42,175)	-
Fire Ops/EMS	Increase revenue budget for Inter-Governmental Transport/Ground Emergency Medical Transport (IGT/GEMT) of the Emergency Medical Services (EMS) Division.	General Fund	(3,000,000)	-	-
Fire Prevention	Add three positions (3.0 FTE - Fire Prevention Officer II). The addition of these positions will enhance the operations of the Fire Prevention Division.	General Fund	(551,250)	749,826	3.00
Fire Prevention	Increase Revenue budget for Fire Prevention Division.	General Fund	(3,200,000)	-	-
Fire Prevention	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Administrative Technician) to enhance event related activities in the Fire Prevention Division.	General Fund	-	(4,170)	0.00
Total Change			(10,106,777)	228,069	3.00

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Department Budget Summary

Fire Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$168,531,220	\$182,934,784	\$187,447,945	\$187,447,945	\$198,777,163	\$ 11,329,218
Other Services and Supplies	20,304,862	21,565,356	31,248,463	31,248,463	31,463,466	215,003
City Property	691,349	461,207	522,038	522,038	522,038	-
Multi-Year Operating Projects	4,270	-	1,286,444	-	1,210,083	1,210,083
Transfers	(11,733)	31,237	-	-	-	-
Labor and Supply Offset	(484,008)	(1,421,877)	(697,636)	(697,636)	(2,263,094)	(1,565,458)
Total	\$189,035,960	\$203,570,707	\$219,807,254	\$218,520,810	\$229,709,656	\$ 11,188,846

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$179,549,979	\$193,528,267	\$208,976,786	\$207,690,342	\$219,617,355	\$ 11,927,013
Interdepartmental Service	-	-	-	-	184,059	184,059
Measure U	8,985,980	9,542,440	10,330,468	10,330,468	9,408,242	(922,226)
Risk Mgmt	500,000	500,000	500,000	500,000	500,000	-
Total	\$189,035,960	\$203,570,707	\$219,807,254	\$218,520,810	\$229,709,656	\$ 11,188,846

Division Budget Summary

Fire Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the Fire Chief Division	\$ 1,363,544	\$ 1,688,076	\$ 900,881	\$ 900,881	\$ 941,412	\$ 40,531
Fire Ops/EMS Division	151,922,655	162,283,720	178,584,387	178,584,387	188,402,771	9,818,384
Training/Professional Standards Division	9,027,268	10,027,260	9,767,936	9,767,936	9,169,637	(598,299)
Tech Services Division	24,797,668	27,617,757	28,395,260	27,108,816	29,447,501	2,338,685
Fire Administrative Services Division	1,924,825	1,953,894	2,158,790	2,158,790	1,748,335	(410,455)
Total	\$189,035,960	\$203,570,707	\$219,807,254	\$218,520,810	\$229,709,656	\$ 11,188,846

Staffing Levels

Fire Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the Fire Chief Division	3.00	3.00	3.00	3.00	3.00	-
Fire Ops/EMS Division	615.00	644.00	644.00	644.00	649.00	5.00
Training/Professional Standards Division	45.50	45.50	45.50	45.50	44.50	(1.00)
Tech Services Division	52.00	54.00	54.00	54.00	57.00	3.00
Fire Administrative Services Division	14.00	14.00	14.00	14.00	12.00	(2.00)
Total	729.50	760.50	760.50	760.50	765.50	5.00

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MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Public Safety - Fire Operations	Diversity/Outreach/Recruitment	17.00	3,039,285
	Fire Suppression	-	6,368,957
Grand Total		17.00	\$ 9,408,242

PERFORMANCE MEASURES**Emergency Operations Division**

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Average Response Time	5 minutes 30 seconds	5 minutes 30 seconds	5 minutes 30 seconds	5 minutes 30 seconds	6 minutes 45 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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Unit Hour Utilization (UHU)	0.50	0.45	0.45	0.53	0.49

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 amount 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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percent of fire plan review s completed on time	96.61%	97.44%	95%	95%	97.56%

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Development Services Fire Inspections Conducted	9,550	6,316	8,000	8,500	7,500

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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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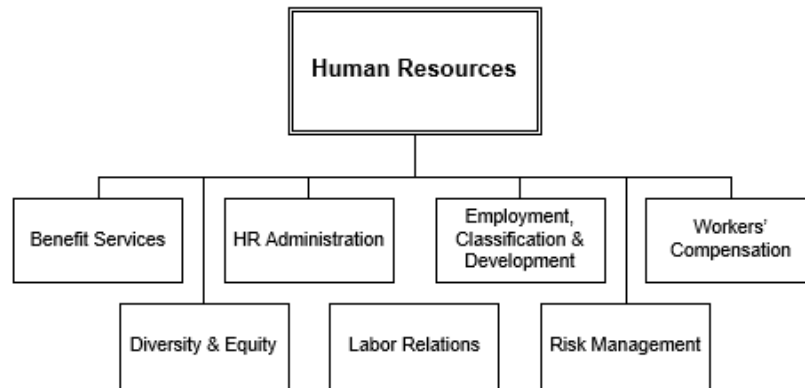
SECTION - 19

Human Resources

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Human Resources

The Department of Human Resources delivers programs and services to customers which result in a positive experience.



The **Department of Human Resources (HR)** is responsible for providing responsive employment and personnel services to the City's managers and employees as well as providing information and assistance to external customers and job applicants. The department is responsible for comprehensive human resources services and programs to enhance efficiency and effectiveness of the organization.

- **Benefit Services:** Provide employee and retiree benefit administration, new 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, citywide leave policies, equal employment opportunity (EEO), Americans with Disabilities Act (ADA) coordination for employees, applicants, and program participants, and development of citywide policies and procedures.
- **Employment, Classification & Development:** Provide employment services, recruiting, testing, classification and compensation studies, and citywide training and organizational development.

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- Risk Management/
Workers' Compensation: Provide environmental health and safety, insurance, workers' compensation, and liability claims management.
- Diversity & Equity Provide ongoing training on equity, inclusion, and belonging applying department equity assessments, and monitor performance measures in operationalizing department goals in racial equity with a particular focus on workforce equity.

PROGRAMS/SERVICE HIGHLIGHTS

- Implemented the Workplace Violence Prevention Program and the Indoor Heat Illness Prevention Program per new Cal/OSHA workplace safety requirements.
- Supported the Emergency Vehicle Operations Course (EVOC) driver safety training program through effective recommendations based on collision data analysis, which have been used to integrate elements into the training program to focus on key areas and create more training opportunities.
- Workers' Compensation managed 735 reports including Exposures, First Aids, Incidents, Future Medical Care, Indemnity and Medical Only claims, of which 295 were active claims requiring benefits for City employees and achieved a claim closing ratio of 115%, surpassing the annual goal of 100%, reducing financial impact, and ensuring timely employee care.
- Employment, Classification, and Development completed a comprehensive review and implementation of driver's license requirements for over 6,300 City positions to ensure compliance with Senate Bill 1100.
- The Office of Diversity and Equity (ODE) launched the Developing Equity Leadership Through Action training program, a reimagined version of the Equity and Inclusion Leadership Series. ODE, along with the City Council, City Manager's Office, and Racial Equity Alliance, helped to pass the Sacramento Centered on Racial Equity Resolution 2024-0354 to operationalize equity through the City government.

DEPARTMENT EFFICIENCIES

- Implemented new software program to streamline management of the Citywide Leave Administration program.
 - Workers' Compensation introduced a new automated text messaging system to simplify the prescription filling process for employees. The system provides pharmacy locations, a map feature, and other useful information to enhance accessibility during the prescription filling process.
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- Launched a digital reporting solution (Origami) that streamlines the submission, review, data collection, and recordkeeping process for vehicle collisions and employee injuries, and added Safety Data Sheets (SDS) and inspection checklists into the Origami platform for easier access to resources and more efficient tracking of records.
- Employment, Classification, and Development has enhanced self-identification options within the City's human resources management system, eCAPS, to include a broader range of gender identities and veteran identification options. This update enables us to better understand the diverse makeup of our workforce and ensure our policies and practices are inclusive and equitable for all employees.

OBJECTIVES FOR FY2025/26

- Transition the eight retiree health reimbursement plans to a new recordkeeper to reduce investment fees paid by participants and enhance administrative support to the City.
- Continue to refine recruitment, selection, and hiring processes to remove barriers and increase efficiency, and implement a citywide on-boarding process to engage candidates from time of offer to time of hire to improve the City's reputation as a preferred employer.
- Continue to advance and update the City's Race & Gender Equity Action Plan (RGEAP) and begin phase 1 of implementing the SCORE resolution (2024-0354) to operationalize racial equity citywide.
- Implement a new Workers' Compensation Claims Administration system to enhance operational efficiency and improve the management of workers' compensation claims.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Benefit Services	Delete two positions (1.0 FTE - Senior Staff Assistant and 1.0 FTE - Personnel Technician) and add one position (1.0 FTE - Personnel Analyst) in HR Benefit Services to align the required duties of administering benefits and reconciling benefit costs and payments with the correct job classification.	General Fund	-	(32,002)	(1.00)
Employment, Classification, and Development	Delete one position (1.0 FTE - Program Specialist) in the HR Employment, Classification, and Development Division, which would reduce Organizational Development programming by 50%.	General Fund	-	(182,077)	(1.00)
Employment, Classification, and Development	Delete one position (1.0 FTE - Administrative Analyst) in the HR Employment, Classification, and Development Division, which would reduce Organizational Development program by 100%.	General Fund	-	(134,300)	(1.00)

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
HR Administration	Delete one position (1.0 FTE - Administrative Analyst) in the HR Administration Division due to reduction in management appointments due to hiring freeze and layoffs.	General Fund	-	(131,918)	(1.00)
HR Administration	Delete one position (1.0 FTE - Administrative Assistant) in the HR Administration Division eliminating administrative support for all HR divisions. Other HR division will have to pick up this work which will result in reduced responses to internal and external customers.	General Fund	-	(99,379)	(1.00)
HR Administration	Transfer the ADA Education and Training project (180000100) from Human Resources to Community Development to enhance project efficiency and ensure funding is used in a manner consistent with its intended purpose.	General Fund	80,000	(80,000)	-
Labor Relations	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE Administrative Officer) in HR Admin which provides department wide support for contracts, and fiscal reconciliation. This will align the correct job classification to the work being performed.	General Fund	-	(870)	-
Office of Diversity and Equity	Delete one position (1.0 FTE - Administrative Analyst) in the Office of Diversity and Equity reducing internal Diversity, Equity, and Inclusion (DEI) programming and initiatives.	Measure U	-	(112,831)	(1.00)
Workers' Compensation	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE - Program Manager) in the HR Leave Administration program to ensure that the City is abiding by all leave laws and policies and to improve response time in management of the Citywide leave administration. This would positively impact other departments and reduce long term Workers' Compensation costs.	Workers' Compensation Fund	-	(4,959)	-
Workers' Compensation	Delete one position (1.0 FTE - Administrative Analyst) and add one position (1.0 FTE - Senior Personnel Analyst) in the HR Leave Administration program to ensure City is abiding by all leave administration laws and policies and reducing Workers' Compensation costs.	Workers' Compensation Fund	-	(14,707)	-
Total Change			80,000	(793,043)	(6.00)

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Department Budget Summary

Human Resources Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$11,535,813	\$12,386,859	\$13,686,163	\$13,686,163	\$13,317,022	\$ (369,141)
Other Services and Supplies	63,501,837	64,746,701	61,274,543	60,977,543	72,163,702	11,186,159
City Property	67,296	11,247	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	182,250	182,250	102,250	(80,000)
Transfers	(82,847)	(246,798)	-	-	(99,342)	(99,342)
Labor and Supply Offset	3,398,354	2,450,391	1,863,295	2,160,295	2,862,292	701,997
Total	\$78,420,453	\$79,348,400	\$77,049,451	\$77,049,451	\$88,389,124	\$ 11,339,673

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ 4,219,935	\$ 4,712,084	\$ 5,643,675	\$ 5,643,675	\$ 4,822,216	\$ (821,459)
Interdepartmental Service	1,725,737	1,664,044	1,763,967	1,763,967	1,781,869	17,902
Measure U	499,655	481,252	503,285	503,285	557,774	54,489
Marina	-	4,811	4,000	4,000	-	(4,000)
Parking	-	4,811	4,000	4,000	-	(4,000)
Recycling and Solid Waste	150,087	152,226	168,606	168,606	175,965	7,359
Fleet Management	59,614	14,433	16,000	16,000	-	(16,000)
Risk Mgmt	25,969,628	51,460,096	50,031,693	50,031,693	60,056,241	10,024,548
Worker's Compensation Fund	45,795,797	20,854,643	18,914,225	18,914,225	20,956,239	2,042,014
Cty/Cnty Office-Water Planning	-	-	-	-	38,820	38,820
Total	\$78,420,453	\$79,348,400	\$77,049,451	\$77,049,451	\$88,389,124	\$ 11,339,673

Division Budget Summary

Human Resources Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
HR Administration Division	\$ 1,619,354	\$ 1,724,756	\$ 2,338,888	\$ 2,338,888	\$ 1,983,792	\$ (355,096)
Benefit Services Division	1,214,386	1,203,015	1,300,438	1,300,438	1,223,381	(77,057)
Employment, Classification and Dev Division	1,918,039	2,051,962	2,200,218	2,200,218	1,961,207	(239,011)
Risk Management Administration Division	68,596,996	68,947,834	65,132,325	65,132,325	76,951,907	11,819,582
Workers' Compensation Division	2,855,472	3,083,064	3,519,916	3,519,916	3,636,903	116,987
Labor Relations Division	1,716,481	1,856,449	2,054,381	2,054,381	2,114,914	60,533
Office of Diversity and Equity Division	499,725	481,321	503,285	503,285	517,020	13,735
Total	\$78,420,453	\$79,348,400	\$77,049,451	\$77,049,451	\$88,389,124	\$ 11,339,673

Staffing Levels

Human Resources Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
HR Administration Division	9.00	9.00	9.00	9.00	7.00	(2.00)
Benefit Services Division	9.00	9.00	9.00	9.00	8.00	(1.00)
Employment, Classification and Dev Division	15.00	15.00	15.00	15.00	13.00	(2.00)
Risk Management Administration Division	17.00	17.00	17.00	17.00	16.00	(1.00)
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	83.00	83.00	77.00	(6.00)

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MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Inclusive Economic Development			
Operations	Office of Diversity and Equity	3.00	517,019
Miscellaneous			
Operations	HR Administration	-	40,754
Grand Total		3.00	\$ 557,773

PERFORMANCE MEASURES

HR Administration Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of EEO and ADA complaints resolved without a substantiated finding of a policy violation or a monetary settlement	57%	67%	86%	75%	75%

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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of grievances that come to the Department and are resolved internally	66%	78%	80%	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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of vehicle-related liability claims filed against the City.	145	132	132	120	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 on-line 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.

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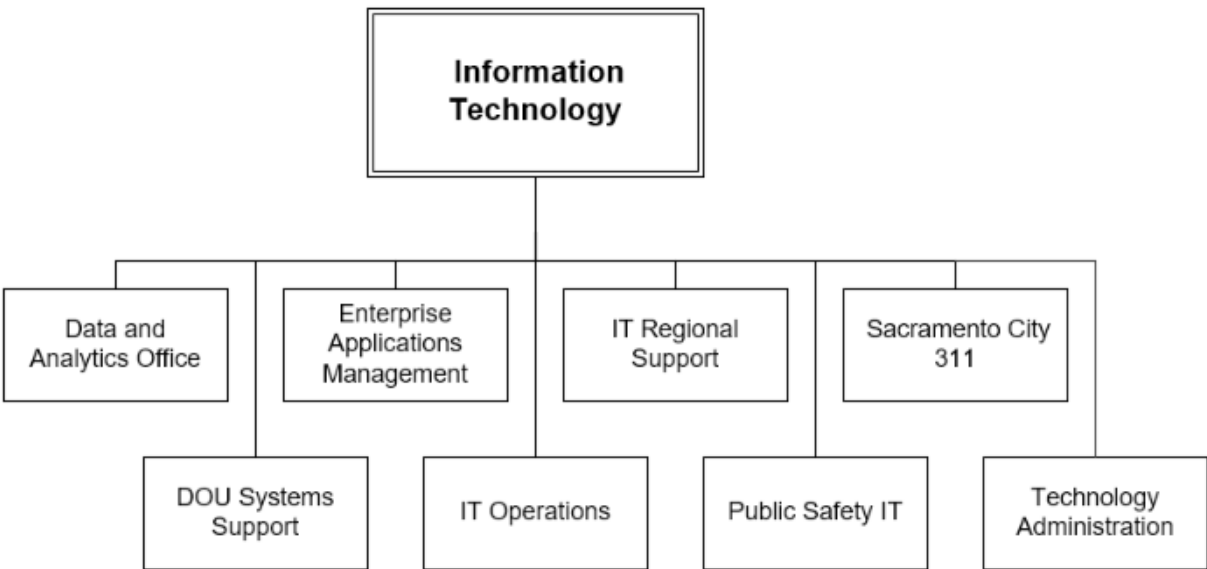
SECTION - 20

Information Technology

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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 eight areas:

- **Data and Analytics Office:** Responsible for providing database administrative services, developing a citywide data strategy and governance plan, creating departmental data-driven decision-making processes, providing Business Intelligence analytics and dashboards, and creating an AI strategy.
- **Department of Utilities IT Systems Support:** Responsible for providing a full range of IT services to support the Department of Utilities.
- **Enterprise Applications Management:** Responsible for the development and management of citywide software systems, data, and applications.

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- **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

- Launched the redesigned City of Sacramento public website to better engage with citizens and fulfill our commitment to digital service and transparency. The new website is designed to provide visitors with enhanced user experience, mobile-friendly design, improved search capabilities, topic-based navigation, and a fresh, modern look. The department also enhanced compliance with the Americans with Disabilities Act and made it easier for visitors to find the information they need. As part of the website launch, the department implemented a domain name change from www.cityofsacramento.org to www.cityofsacramento.gov, with a goal to improve security, credibility, search engine optimization and branding.
 - 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 was able to accomplish this important work while working remotely.
 - The Digital Equity Response program was expanded through partnerships with telecommunications providers, Economic Development, and Community-Based Organizations to address digital access gaps in underserved communities. It provides computers, prepaid mobile hotspots, and crucial knowledge to help
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Sacramento residents access community, education, medical, and government services. The program utilizes both City and private funding to support these initiatives.

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. By consolidating the enterprise and public safety IT network environments, it will simplify technical support, maintenance and operations, leading to cost savings for the City.
- Upgraded the City's firewalls for 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. Artificial Intelligence feature enables callers to receive services without waiting to speak with a 311 agent. The system efficiently addresses hundreds of daily calls, such as 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.
- Upgraded the City's Cashiering System from an outdated point-of-sale system to a state-of-the-art cloud-based cashiering solution that accepts payment from a wide range of services, programs, fees, and charges. The new enterprise revenue and cashiering system seamlessly integrates with the City's critical enterprise applications, including the Accela Permitting System, Customer Care and Billing, Business Operation Tax System, and Finance System. This integration enables streamlined automation and enhanced efficiency across different processes.
- 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.
- Automated and streamlined internal administrative processes such as the Personnel Action Request (PAR) process used for staff hire and re-hire actions, pay changes, separations, promotions, and transfers. These new online based

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processes resulted in increased productivity, more accurate information, and improved transparency.

- Expand the use of multi-factor authentication technology on enterprise applications across the organization to reduce the risk of security vulnerabilities and improve the user experience. Single Sign-On simplifies user authentication by allowing users to access multiple applications and services with just one set of credentials, enhancing convenience, productivity, and higher user satisfaction.

OBJECTIVES FOR FY2025/26

- 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, integrating with enterprise business systems. Transitioning to a cloud solution will enhance efficiency, accessibility, security, and compliance, fostering greater transparency and cost-effectiveness.
 - Replace and migrate the outdated and unsupported Police Department Human Resource Information System with the City's Finance and Human Resources System. This integration will consolidate essential Human Resource functions into a unified system, enabling the standardization of business processes across the organization, enhancing transparency, improving efficiency, and reducing costs.
 - 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.
 - Modernize the Information Technology job classifications and organizational structure under the Citywide Classification Study to reflect the critical work the department performs.
 - 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, integrating data from various internal systems with the 311 systems. The goal is to provide citizens with a clear view of their interactions throughout the service request lifecycle, aiming to improve transparency.
 - Enhance and expand the Customer Relationship Management (CRM) system and AI-based IVR system to reduce the 311 call wait time. Additional departments will transition to the CRM system to automate business processes, set service levels and standard turnaround times, increase communication on case status and resolutions with citizens. These initiatives will significantly improve the customer
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service level and transparency while reducing the operating cost for the department.

- Implement a cloud-based code enforcement case management 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 IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	General Fund	-	55,096	-
Citywide IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Parking	-	920	-
Citywide IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Water	-	7,202	-
Citywide IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Wastewater	-	2,149	-
Citywide IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Recycling and Solid Waste	-	4,535	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Community Center	-	2,385	-
Citywide IT Systems	Increase on-going funding for the City's Adobe Experience Manager (AEM) license upgrade. The City's website and mass communication system, powered by AEM, serves as a central platform for providing information, services, and fostering engagement with residents, businesses, and visitors. Adobe is transitioning away from its standard basic license and hosting services, moving all customers to the Enterprise subscription, which offers additional features.	Storm Drainage	-	2,713	-
Enterprise Applications Management	Offset two positions (1.0 FTE - Senior Department Support Specialist and 1.0 FTE - Department Support Specialist I) with revenue received from a proposed Technology Fee in the Community Development Department. These positions are critical for providing applications support for the City's Code Enforcement System. Without these resources, the department will experience delays in issue resolution, which can disrupt critical workflows, reduce operational efficiency, and hinder the department's ability to track enforcement cases.	General Fund	-	(311,400)	-
IT Operations	Offset one position (1.0 FTE - Systems Engineer) with one-time funds using Parking Fund. This position maintains the technical infrastructure that supports the City's parking operations including network connectivity, equipment used at parking facilities, and tools mounted on enforcement vehicles. Without Systems Engineer, the entire Parking Division's operations may be at risk for outages and service disruptions which could lead to significant revenue loss. This position will transition to Cost Plan in FY2026/27 and be fully reimbursable by the Parking Fund.	General Fund	-	(138,621)	-
IT Operations	Offset one position (1.0 FTE - Systems Engineer) with one-time funds using Parking Fund. This position maintains the technical infrastructure that supports the City's parking operations including network connectivity, equipment used at parking facilities, and tools mounted on enforcement vehicles. Without Systems Engineer, the entire Parking Division's operations may be at risk for outages and service disruptions which could lead to significant revenue loss. This position will transition to Cost Plan in FY2026/27 and be fully reimbursable by the Parking Fund.	Parking	-	-	-
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	-	-	-
Total Change			-	(375,021)	-

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Department Budget Summary

Information Technology Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$29,325,537	\$31,569,052	\$34,243,986	\$34,243,986	\$35,518,413	\$ 1,274,427
Other Services and Supplies	3,254,048	2,034,322	2,414,813	2,414,813	1,176,395	(1,238,418)
City Property	(570,376)	416,456	369,195	369,195	369,195	-
Multi-Year Operating Projects	-	-	518,000	460,000	435,000	(25,000)
Transfers	(894,834)	(918,092)	(793,076)	(793,076)	(1,426,896)	(633,820)
Labor and Supply Offset	(812,907)	(673,449)	(925,934)	(925,934)	(804,931)	121,003
Total	\$30,301,469	\$32,428,288	\$35,826,984	\$35,768,984	\$35,267,176	\$ (501,808)

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$18,643,125	\$20,941,027	\$21,347,351	\$21,289,351	\$21,182,950	\$ (106,401)
Interdepartmental Service	9,240,302	9,049,522	6,466,909	6,466,909	6,021,778	(445,131)
Gas Tax 2016	163,957	166,053	188,806	188,806	190,296	1,490
Measure U	518,773	509,218	751,819	751,819	450,685	(301,134)
START	5,000	5,000	5,000	5,000	5,000	-
Parking	18,414	16,283	20,039	20,039	20,247	208
Water	151,299	181,928	1,902,449	1,902,449	2,423,527	521,078
Wastewater	62,435	58,233	1,161,888	1,161,888	1,017,109	(144,779)
Recycling and Solid Waste	1,236,111	1,265,473	2,561,131	2,561,131	2,374,664	(186,467)
Community Center	-	-	-	-	2,385	2,385
Storm Drainage	82,511	39,550	1,210,291	1,210,291	1,168,869	(41,422)
4th R Program	16,000	16,000	16,000	16,000	16,000	-
Storm Drainage Property Fee	-	-	-	-	209,175	209,175
Worker's Compensation Fund	163,541	180,001	195,301	195,301	184,491	(10,810)
Total	\$30,301,469	\$32,428,288	\$35,826,984	\$35,768,984	\$35,267,176	\$ (501,808)

Division Budget Summary

Information Technology Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Citywide GIS Support Division	\$ 1,780,237	\$ 1,954,747	\$ 2,212,438	\$ 2,212,438	\$ 2,222,318	\$ 9,880
Data and Analytics Office Division	-	-	949,192	949,192	911,627	(37,565)
DOU Systems Support Division	4,245,422	4,662,925	5,030,419	5,030,419	5,228,719	198,300
Enterprise Applications Management Division	4,120,618	4,963,438	5,539,993	5,539,993	5,415,545	(124,448)
IT Regional Support Division	2,783,367	2,812,311	2,610,883	2,552,883	2,722,956	170,073
Technology Administration Division	3,514,283	3,469,901	4,249,882	4,249,882	2,939,298	(1,310,584)
Public Safety IT Division	4,636,419	4,992,310	5,419,133	5,419,133	5,583,101	163,968
Sacramento City 311 Division	3,774,874	4,056,113	4,498,177	4,498,177	4,857,826	359,649
IT Operations Division	5,446,248	5,516,542	5,316,867	5,316,867	5,385,785	68,918
Total	\$ 30,301,469	\$ 32,428,288	\$ 35,826,984	\$ 35,768,984	\$ 35,267,176	\$ (501,808)

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Staffing Levels

Information Technology Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Citywide GIS Support Division	13.00	13.00	12.00	12.00	12.00	-
Data and Analytics Office Division	-	-	5.00	5.00	4.00	(1.00)
DOU Systems Support Division	27.00	27.00	27.00	27.00	27.00	-
Enterprise Applications Management Division	33.00	36.00	37.00	38.00	36.00	(2.00)
IT Regional Support Division	20.00	22.00	16.00	16.00	16.00	-
Technology Administration Division	7.00	7.00	7.00	7.00	7.00	-
Public Safety IT Division	31.00	32.00	31.00	31.00	31.00	-
Sacramento City 311 Division	41.50	41.50	41.50	41.50	43.50	2.00
IT Operations Division	30.00	30.00	26.00	25.00	26.00	1.00
Total	202.50	208.50	202.50	202.50	202.50	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Community Response			
Operations	Sacramento City 311	-	377,238
Miscellaneous			
Operations	IT Regional Support	-	35,000
	PD Systems Support	-	38,447
Grand Total		-	\$ 450,685

PERFORMANCE MEASURES

IT 311 Division

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percent of 311 calls that are answered	73.0%	73.9%	77.2%	80.0%	85.0%

The percentage 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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Respondents rating the quality of IT service as good or excellent	99.0%	98.3%	97.9%	98.0%	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.

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IT Operations Division

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Enterprise database system available	99.9%	99.9%	99.0%	99.5%	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.

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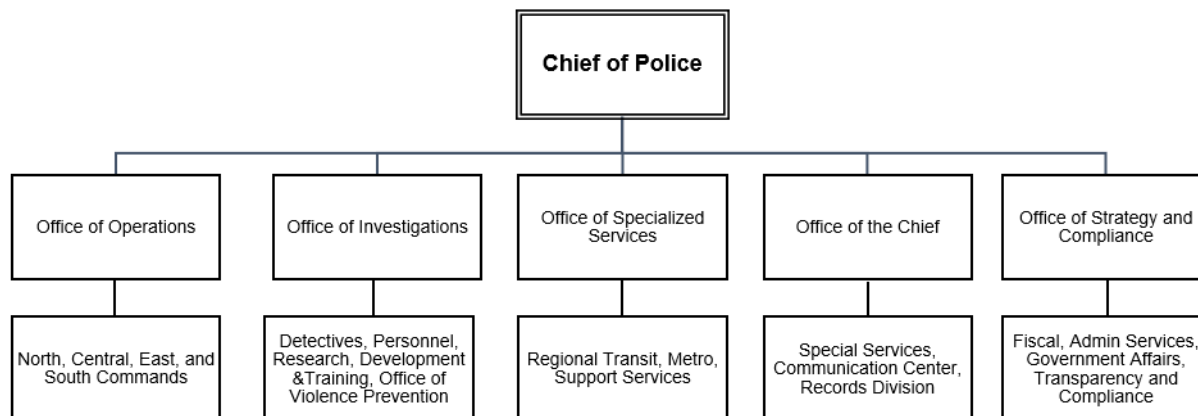
SECTION - 21

Police

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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. The PD is comprised of 733 sworn positions and 359.5 professional staff positions. We are focused on data-driven strategies to identify trends, allocate resources efficiently, and to prevent crime in our community. The PD continues to foster strong community partnerships, being vigilant in our efforts to proactively address crime and apprehend criminals. The PD values diversity of the public we serve and strives to provide a strong fabric of public safety through the implementation of best practices and dedicated service.
- Office of Investigations:** Responsible for a broad scope of responsibilities to include investigating crimes, maintaining evidence and additional critical city-wide administrative functions. This office encompasses the following divisions: Forensics; Evidence and Property; Office of Violence Prevention; Personnel Services; Recruiting and Backgrounds; Employee Services; Natomas School Resource Officers; 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.

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- **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 Government Affairs, Professional Standards, Finance, Fleet Management, Public Safety Information Technology; Transparency, Compliance and Strategy.

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 our use of effective technologies, and maintaining our efforts with community-based organizations to apply evidence-based community violence interruption, disruption, and suppression strategies. During 2024, while working collaboratively with our Federal Partners, we seized over 2,000 pounds of narcotics and no less than 200 firearms. These seizures were the culmination of months-long investigations by our officers and our partner agencies. These seizures serve to disrupt criminal activity and contribute to the deterrence of violent crime in our 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 2024, the team investigated 65 separate human trafficking cases, which resulted in the recovery of 37 persons.

The Office of Violence Prevention is integral to these efforts, and they work with community-based organizations to reduce community violence. Focused on community partnerships, this office administers gang prevention and intervention programs and strategies, such as the Gang Prevention & Intervention Task Force (GPIT) and the Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS) multi-year operating projects. With the advent of the implementation of these new strategies, the PD has seen a decline in violent crimes over the past five years.

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Year-End Crime Statistics 2020 - 2024							
Citywide Totals							
	2020	2021	2022	2023	2024	5-Yr Avg	%
CRIMINAL HOMICIDE	44	58	54	40	45	48	-6.60%
RAPE	113	159	174	132	104	136	-23.80%
ROBBERY	873	991	1,243	1,190	1,016	1,063	-4.40%
AGGRAVATED ASSAULT	2,493	2,896	3,187	2,852	2,396	2,765	-13.30%
BURGLARY	2,829	2,547	2,763	2,775	2,180	2,619	-16.80%
LARCENY-THEFT	8,996	9,745	10,247	8,995	8,432	9,283	-9.20%
MOTOR VEHICLE THEFT	2,516	3,167	3,587	3,742	2,766	3,156	-12.30%

- **National Public Safety Partnership (PSP):** In October 2022, the Sacramento Police Department 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 stop gaps and accelerating time-sensitive investigations through upgrading digital forensic solutions.
- **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

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- 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 will report 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.

- **Transparency and Community Engagement:** The PD has bolstered transparency efforts by encouraging inclusion, keeping residents better informed about major incidents, while fostering engagement and collaboration between the Department and community-based organizations. Examples include notification of armored vehicle deployment to the community and Mayor and Council; MEU Purchase notification; the establishment of a Community Advisory Council and the future Community Policy Advisory Board. The PD will continue to support community engagement efforts to include:
 - Active Shooter Training
 - Shop with a COP
 - National Night Out
 - Polar Plunge
 - MLK March
 - PBID Partnerships
 - Neighborhood Association engagement by all area Commands
 - Oak Park Peace Walks
 - 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

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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 mock orals in preparation for the Oral Assessment
- The Female Fitness Challenge
- Community Academy Day

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 146 PODs are strategically located throughout the city and in 2024 they enabled officers to respond to and investigate nearly 967 POD generated calls-for-service. Officers use POD data to conduct follow-up on criminal investigations.
 - **License Plate Reader (ALPR):** License Plate Reader (ALPR) technology was added to the PD's technological resources. The PD began outfitting patrol vehicles with the new Fleet 3 in-car-camera Technology which is equipped with ALPR technology and 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
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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.

- **Online Reporting:** The PD is currently building out a new community online reporting system. The new system will allow community members to effortlessly submit their report via web or mobile app and receive automatic updates, enabling flexible communication through a multilingual process. It utilizes a powerful conversational AI system that listens, asks questions and adapts throughout the virtual investigation, submitting a report with zero wait time. In 2024, the community filed 13,579 online reports.
 - **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 call process by leveraging technology to assist with call triaging, redirecting, translation and locations 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 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.
 - **SPIDR Tech (Community Connect):** The PD uses SPIDR Tech for several purposes, primarily focused on improving community engagement and customer service. SPIDR Tech is a customer service satisfaction survey program that sends surveys to Sacramento residents who have had contact with city officers. These surveys help gather feedback on the interactions and are audited bi-monthly to ensure compliance with relevant regulations. Additionally, SPIDR Tech is integrated into the department's reporting system. It provides updates to community members on the status of certain calls for service and police reports submitted to the Investigations Division. This technology helps maintain accountability and transparency within the department, ensuring that residents are kept informed about the progress of their reports and interactions with the police.
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- **Traffic Enforcement:** After a successful reduction in collision fatalities in 2024, the Traffic Section has expanded its enforcement efforts this year. This will include a nighttime traffic team, working the evening commute and weekend hours to address DUI and sideshow issues, and continuing the data-driven approach to deployment. 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 2024, the PD conducted 21,944 traffic stops and issued 6836 citations (24% increase). Additionally, the city saw a reduction of 31% fatal collisions and 38% fewer traffic deaths.

OBJECTIVES FOR FY2025/26

For FY2025/26, PD priorities are:

- Operational Readiness and Response
 - Crime Reduction
 - Employee Investment
 - Quality Police Service
 - Strategic Governance
- **Operational Readiness and Response: The PD**
 - Will maintain a constant state of readiness and preparedness to respond to the everyday needs of our city but also exceptional situations.
 - Will continue to invest in cutting-edge technology and training to enhance our personnel's ability to respond swiftly and effectively to emergencies.
 - By optimizing our resource allocation, we will ensure that the PD is strategically positioned to prevent and deter crime.
 - **Crime Reduction: The PD**
 - Will employ data-driven strategies to identify trends and allocate resources to prevent and mitigate crime.
 - By fostering strong community partnerships, we will empower residents to be active participants in crime prevention efforts.
 - Will remain vigilant in our efforts to proactively address crime and apprehend criminals.
 - **Employee Investment: The PD**
 - Is dedicated to creating a positive and supportive work environment that values both our professional staff and officers' contributions.
 - By providing opportunities for professional development and advancement, we will empower our officers and professional staff to reach their full potential.
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- Will prioritize mental health and wellness programs to support the overall well-being of our 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: The PD**
 - Will strive to build trust and positive relationships with the community through transparent and accountable policing practices.
 - By actively listening to community concerns and feedback, we will tailor our policing strategies to meet the specific needs of our diverse population.
 - Will continue to uphold the highest standards of ethical conduct and integrity while promoting great customer service to our community members.
- **Strategic Governance: The PD**
 - Will develop and implement comprehensive strategic plans to guide our department's future direction.
 - By leveraging data analytics, we will make informed decisions that drive positive outcomes.
 - Will foster a culture of innovation and continuous improvement to ensure that our department remains adaptable to evolving challenges.

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BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fiscal Operations	Delete one position (1.0 FTE - Account Clerk II) from Fiscal Operations redistributing the department's accounts payables amongst remaining staff and reducing backup support for the division's other functions (e.g., travel, purchasing, asset seizure/forfeiture, alarm billing, etc.).	General Fund	-	(74,773)	(1.00)
Force Investigations Team	Offset one position (1.0 FTE - Police Officer) from the Force Investigations Team (FIT) using one-time funds from MYOP I11003300.	General Fund	-	(257,241)	-
Office of the Chief	Delete one position (1.0 FTE - Senior Staff Assistant) discontinuing executive support for the Deputy Chiefs.	General Fund	-	(84,104)	(1.00)
Operations	Offset three positions (3.0 FTE - Community Service Rep I) from Patrol Operations using one-time funds from MYOP I11003300.	General Fund	-	(302,860)	-
Personnel	Delete twenty-three positions (23.0 FTE - Community Service Officer II) reducing the Hiring Pipeline Program to 23.0 FTE - Community Service Officer II positions.	Measure U	-	(2,193,786)	(23.00)
Public Information Office	Delete one position (1.0 FTE - Administrative Analyst) and add one position (1.0 FTE - Media Production Specialist II) to the Public Information Office (PIO). This change better suits the PIO's functions and activities.	General Fund	-	(22,174)	-
Public Information Office	Offset one position (1.0 FTE - Police Officer) from the Public Information Office (PIO) using one-time funding from MYOP I11003300.	General Fund	-	(167,894)	-
Research, Development and Training	Delete one positions (1.0 FTE - Police Officer) and offset two positions (2.0 FTE - Police Officer) from the Advanced Officer Training (AOT) unit using one-time funds from MYOP I11003300.	General Fund	-	(524,631)	(1.00)
Traffic Enforcement	Delete two positions (2.0 FTE - Police Officer) and add one position (1.0 FTE - Police Sergeant) to the Traffic Enforcement Division to supervise the night-time traffic enforcement team.	General Fund	-	(70,615)	(1.00)
Youth, Parks, and Community Enrichment	Eliminate funding for the Youth & Family Investments program.	Measure U	-	(1,300,000)	-
Total Change			-	(4,998,078)	(27.00)

Department Budget Summary

Police Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$212,238,836	\$220,149,548	\$230,831,061	\$230,831,061	\$234,067,608	\$ 3,236,547
Other Services and Supplies	13,992,002	14,093,333	13,597,950	13,597,950	14,147,308	549,358
City Property	445,878	519,616	513,119	513,119	513,119	-
Multi-Year Operating Projects	6,988	1,362	9,279,008	4,974,395	11,791,527	6,817,132
Transfers	(256,811)	(260,168)	-	-	(270,000)	(270,000)
Labor and Supply Offset	(8,068,677)	(5,740,071)	(3,364,488)	(3,364,488)	(3,968,618)	(604,130)
Total	\$218,358,216	\$228,763,621	\$250,856,650	\$246,552,037	\$256,280,944	\$ 9,728,907

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$211,994,199	\$221,995,035	\$238,807,619	\$234,503,006	\$246,549,713	\$ 12,046,707
Measure U	5,847,342	6,251,478	11,475,308	11,475,308	9,156,810	(2,318,498)
Risk Mgmt	516,675	517,108	573,723	573,723	574,421	698
Total	\$218,358,216	\$228,763,621	\$250,856,650	\$246,552,037	\$256,280,944	\$ 9,728,907

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Division Budget Summary

Police Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the Chief Division	\$ 5,979,910	\$ 6,295,082	\$ 6,632,769	\$ 6,632,769	\$ 6,833,434	\$ 200,665
Office of Strategy & Compliance	35,132,875	17,219,259	27,826,592	23,521,979	31,159,677	7,637,698
Office of Investigations Division	50,216,985	59,051,529	65,215,975	65,215,975	63,791,541	(1,424,434)
Office of Specialized Services Division	41,246,730	43,162,949	46,845,531	46,845,531	48,349,863	1,504,332
Office of Operations Division	85,781,716	103,034,802	104,335,783	104,335,783	106,146,429	1,810,646
Total	\$218,358,216	\$228,763,621	\$250,856,650	\$246,552,037	\$256,280,944	\$ 9,728,907

Staffing Levels

Police Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Office of the Chief Division	28.00	30.00	25.00	25.00	25.00	-
Office of Strategy & Compliance	143.80	52.00	50.00	50.00	49.00	(1.00)
Office of Investigations Division	276.50	329.50	330.50	330.50	304.50	(26.00)
Office of Specialized Services Division	255.66	263.66	263.00	263.00	264.00	1.00
Office of Operations Division	425.00	460.00	451.00	451.00	450.00	(1.00)
Total	1,128.96	1,135.16	1,119.50	1,119.50	1,092.50	(27.00)

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Public Safety - Police			
Operations	Hiring Pipeline - MU	61.50	4,960,617
Youth			
MYOP	Family and Youth Investments	-	1,300,000
	Gang Prevention and Intervention	-	1,402,941
	OVP - ARPA Replacement	-	1,000,000
Operations	Violence Prevention	3.00	493,272
Grand Total		64.50	\$ 9,156,830

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PERFORMANCE MEASURES

Department-wide

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Part 1 Crimes Reported per 1,000 Residents	43.76	37.43	33.94	30.07	32.01

Ranking	City	Estimated Population *	Total PIC **	Part 1 Crimes Reported per 1,000 Residents
1	Oakland	425,093	58,692	138.07
2	San Francisco	843,071	50,603	60.02
3	Bakersfield	411,109	17,420	42.37
4	Fresno	546,971	20,880	38.17
5	Sacramento	520,407	19,678	37.81
6	Los Angeles	3,814,318	139,003	36.44
7	Long Beach	458,813	16,221	35.35
8	Anaheim	340,160	10,724	31.53
9	San Jose	969,491	24,271	25.03
10	San Diego	1,385,379	30,868	22.28

*<https://dof.ca.gov/forecasting/demographics/estimates-e1/> (as of 1/1/2024)

**<https://openjustice.doj.ca.gov/exploration/crime-statistics/crimes-clearances> (2023)

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Part 1 Crimes Reported per Sworn FTE Position	29.94	28.83	26.65	24.18	25.42

Workload Measure Ranking	City	Filled Sworn *	Estimated **	Total PIC ***	Sworn Per 1,000 Residents	Part 1 Crimes per Filled Sworn
1	Oakland	680	425,093	58,692	1.60	86.31
2	Bakersfield	454	411,109	17,420	1.10	38.37
3	Sacramento	650	520,407	19,678	1.25	30.27
4	San Francisco	1,801	843,071	50,603	2.14	28.10
5	Anaheim	400	340,160	10,724	1.18	26.81
6	Long Beach	644	458,813	16,221	1.40	25.19
7	Fresno	850	546,971	20,880	1.55	24.56
8	San Jose	1,001	969,491	24,271	1.03	24.25
9	San Diego	1,820	1,385,379	30,868	1.31	16.96
10	Los Angeles	8,602	3,814,318	139,003	2.26	16.16

*<https://post.ca.gov/Agency-Statistics> (retrieved 3/24/2025)

**<https://dof.ca.gov/forecasting/demographics/estimates-e1/> (as of 1/1/2024)

***<https://openjustice.doj.ca.gov/exploration/crime-statistics/crimes-clearances> (2023)

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 21, 2024.

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Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percentage sworn SPD employees who are women or minorities	43%	46%	47%	48%	48%
Percentage of new hires into sworn or Hiring Pipeline Program vacancies that are women or minorities	76%	81%	83%	77%	80%

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Key Measure in minutes					
Median response time for priority 2 and 3 calls (mm:ss)	12:09	12:17	11:56	11:48	11:52

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percentage of 911 calls answered within 15 seconds	92%	87%	84%	86%	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.

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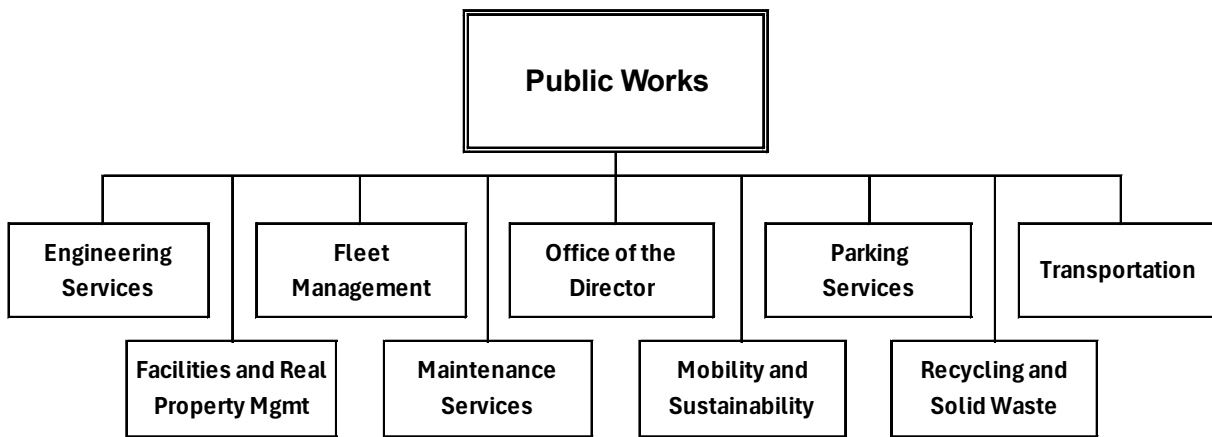
SECTION - 22

Public Works

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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, design management and construction, real estate, Americans with Disabilities Act (ADA) barrier removal, multi-use building management, 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, directing key sustainability and

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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 curb management, 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, recycle, 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 and traffic signals, entitlements, traffic studies and investigations, traffic control devices, and active transportation design for traffic safety.

PROGRAMS/SERVICE HIGHLIGHTS

- The Parking Division's implementation of 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.
- The Parking Division 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 Parking Division 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.
- 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 of at least half an inch 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 Department 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,

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- an Active Transportation Grant for Northgate Boulevard, and safety improvement grants.
 - The Mobility and Sustainability Division completed the Truxel Bridge Concept and Feasibility Study with an extensive and diverse community engagement effort, including early input from the United Auburn Indian Community to help guide the future phases of the bridge implementation.
 - The Department continued implementation of the EV Blueprint, installed and 13 level 2 electric vehicle charging sites at City parks, community centers, and libraries. Partnered with the Sacramento Metropolitan Air Quality Management District to launch Our Community Car Share Program at the South Area Corporation Yard.
 - The Mobility and Sustainability Division completed the Streets for People: Neighborhood Connections Plan, paving the way for planned traffic calming and active transportation investments in Sacramento's neighborhoods.
 - The Fleet Maintenance Division completed over 15,000 work orders on over 2,600 vehicles and equipment.
 - The Recycling and Solid Waste Division implemented the Neighborhood Clean-up Grant Program offering up to \$800 to recognized organizations for eligible clean- up programs; 22 projects awarded totaling \$5,094 in granted funds.
 - The Recycling and Solid Waste Division distributed over 5,000 food waste collection bins to City of Sacramento residents to support the City's organics recycling program totaling over 40,000 since June 2022.
 - The Facilities and Real Property Division oversees maintenance for over 400 city facilities. Recent projects include Roof and Siding Repair on the Steamers Building in Old Sacramento, replaced the flooring at Fire station 2 and 17, and updated the interior to the Winn Park building.
 - The Department completed the Broadway Complete Streets Project, Dixieanne Clean & Green Alleys Project, 21st Avenue Beautification, Memorial Auditorium Sidewalk, Highway Safety Improvement Program (HSIP) Florin Road Signals, Norwood Access Improvements, and the Audible Signals Phase 1 Project.
 - The Engineering Services Division completed 4,240 plan reviews for \$133,914,000 in private development investments throughout the city and completed 96.8% reviews on time. With the recordation of 45 final maps/parcel maps, there is potential for 1,165 new single family residential lots, 4 new city parks and several new condominiums and apartments.
 - The Engineering Services Division successfully issued and provided construction oversight for nearly 6,000 temporary encroachment permits.
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DEPARTMENT EFFICIENCIES

- The Department implemented assertive recruitment strategies, such as organizing and attending career fairs within the community, recruitment marketing via social media, partnering with the Human Resources Department to create continuous hiring lists, and adjusting interview protocols that resulted in the reduction of vacancies from 42% in March 2023 to 22% in March 2025.
 - The Parking Division implemented hiring incentives for Parking Enforcement Officers, enabling the division to hire and retain nine new officers. This has strengthened our enforcement capabilities, allowing the Parking division to better serve the community.
 - The implementation of a new parking guidance system for Memorial Parking Garage was 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 successfully reduced vendor costs by \$200,000 by adjusting streetscape maintenance services to twice a month.
 - The Department completed the first stage of a Governance Study to identify a more effective governance and financing model for the regional Sacramento Valley Station and surrounding district.
 - 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.
 - The Fleet Management Division partnered with the telematics provider to transmit data to the state repository for smog testing to reduce fleet technicians completing the tests manually. This gives the technicians more flexibility to assist with vehicle maintenance and repairs.
 - The Fleet Management Division installed 6 new vehicle lifts to provide a safer shop environment; reviewed clean-up time in the maintenance shops which provided over 4,000 additional hours of billable time; Advanced Clean Fleet Regulations are underway to reduce emissions by increasing heavy duty electric vehicles and an administrative analyst was hired to research and ensure reporting compliance.
 - 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 purchased the City's first electric side-loading collection vehicle as a test pilot, with the goal of reducing carbon emissions and fuel expenses.
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- The Engineering Services Division updated the Construction Administration & Inspection Training Manual and started training the inspection team and created a new database in CMIS to develop and track change orders for all city construction projects.
- 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.

OBJECTIVES FOR FY2025/26

- 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.
- Complete the Electric Vehicle Blueprint, installing public chargers at key parks, libraries, and community centers, expanding electric car share with the Sacramento Metropolitan Air Quality District, and managing the e-bike lending program with the Sacramento Public Library.
- Complete the Streets for People Plan, Vision Zero Action Plan Update, Active Transportation Plan update, SacAdapt Transportation Infrastructure Adaptation Plan, Urban Forest Plan, update of the Transportation Systems Management Program (TSMP), and update to modernize the City's Street Design Standards.
- Repair and replace diesel exhaust systems in fleet maintenance shops.
- Continue to implement AB 43 speed reduction measures to reduce speed limits in specified locations to address safety concerns.
- 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 construction for the Martin Luther King Jr. Library and begin construction for the North Sacramento Hagginwood library which are funded through "Building Forward, Library Infrastructure" state grants.
- Replace the Air Conditioning Units at the Sacramento History Museum and replace the Roof and the Uninterruptable Power Supplies at the 911 communication Center.
- 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.

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- Commence construction to cap and close the final seven acres of the old City landfill site at Sutter's Landing (28th Street) pending final regulatory approval.
- Commence construction of the I Street Bridge Replacement project.
- Complete environmental review of the Regional Bus Mobility Center at the Sacramento Valley Station.
- Establish a Project Dashboard for all transportation projects which will give internal and external customers a view of transportation projects to enhance project coordination and collaboration of all parties in the public right of way.
- Create a Project Management Database to streamline reviews and approvals to make project delivery more efficient.
- Explore a flat fee for private development projects to make development more predictable.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering Services	Delete two positions (1.0 FTE - Engineering Technician I and 1.0 FTE - Engineering Technician III) and add two positions (2.0 FTE - Assistant Civil Engineer) to increase staff capacity to work on various transportation projects.	General Fund	(59,905)	60,705	-
Engineering Services	Delete one position (1.0 FTE - Account Clerk II) and add one position (1.0 FTE - Accountant Auditor) to provide staffing to address workload for grant accounting and reimbursements.	General Fund	(44,010)	44,379	-
Engineering Services	Delete one position (1.0 FTE - Survey Technician II) and add one position (1.0 FTE - Supervising Construction Inspector) to oversee inspection staff and consultants working in the City right-of-way.	General Fund	(40,010)	40,426	-
Facilities and Real Property	Delete one position (1.0 FTE - Architectural Technician III) and add one position (1.0 FTE - Facilities and Real Property Superintendent) in the Facilities Division to manage upcoming major capital projects and support internal construction processes and oversight.	General Fund	(56,907)	56,907	-
Facilities and Real Property	Delete one position (1.0 FTE - Mail Processor I) and add one position (1.0 FTE - Senior Staff Assistant) in the Facilities Division to provide a greater range of needed services beyond processing mail.	General Fund	-	6,740	-
Facilities and Real Property	Replace Kinney Police Facility HVAC system as the system is past end of useful life.	Cal EPA	-	557,000	-
Facilities and Real Property	Increase funding for the Facility Reinvestment CIP (C13900000) to address ongoing cost increases.	Measure U	-	300,000	-
Fleet	Delete one position (1.0 FTE - Vehicle Service Attendant) and add one position (1.0 FTE - Fleet Service Coordinator) to address ongoing administrative needs in the shops and free up mechanics to spend more time working on vehicles.	Fleet Management	-	3,182	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	General Fund	-	319,096	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Measure U	-	79,616	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Marina	-	57	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Community Center	-	141	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Parking	-	1,709	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Recycling and Solid Waste	-	217,309	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Storm Drainage	-	39,383	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Wastewater	-	37,310	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Water	-	39,880	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	4th R Program	-	59	-
Fleet	Increase funding one-time in the Fleet Facilities CIP (B13000100) for repairs and replacement of outdated equipment to ensure workers safety and improve efficiency.	Risk Mgmt	-	5,440	-
Maintenance Services	Delete one position (1.0 FTE - Street Construction Laborer) and add one position (1.0 FTE - Street Maintenance Supervisor) to have adequate supervisors to manage multiple job sites in the In-Source Concrete Section.	General Fund	(16,455)	16,455	-
Maintenance Services	Increase expense budget one-time for Urban Forestry by \$500,000 to address stump removal backlog from 2023 storm. This is being fully offset by Landscape and Lighting funds.	General Fund	(500,000)	500,000	-
Maintenance Services	Increase expense budget one-time for Urban Forestry by \$500,000 to address stump removal backlog from 2023 storm. This is being fully offset by Landscape and Lighting funds.	Landscaping and Lighting	500,000	-	-
Parking Services	Increase revenue and expense budgets for parking meter shop to reflect expanded operations (additional days and new metered spaces) and add two positions (1.0 FTE - Parking Meter Repair Worker and 1.0 FTE - Parking Facilities Maintenance Supervisor) to address expanded meter operating days and increased locations.	General Fund	(600,000)	403,524	2.00
Parking Services	Increase revenue budget for parking enforcement to reflect higher anticipated revenues resulting from better hiring and retention strategies for parking enforcement officers and increase parking meter expense budget to replace existing meters with multi-space parking meters to reduce longer term maintenance costs and vandalism.	General Fund	(2,500,000)	525,953	-
Parking Services	Discontinue parking enforcement and maintenance contracts with the City of West Sacramento to focus limited City resources on City needs.	General Fund	(252,098)	-	-
Parking Services	Increase revenue and expense budgets for the Parking Fund to reflect higher ongoing growth in parking garage utilization.	General Fund	(355,463)	303,551	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Parking Services	Increase the hourly rates in City parking garages to be consistent with the surrounding market.	Parking	(344,462)	11,294	-
Parking Services	Repeal discounted parking rates in City garages for electric vehicles (EVs) as this legacy program is no longer necessary to promote EV adoption.	Parking	(53,411)	1,602	-
Parking Services	Increase revenue and expense budgets for parking enforcement related to Automated Parking Enforcement Program and for interim out-of-class pay.	General Fund	(2,392,395)	495,943	-
Parking Services	Expand on-street Merchant Parking Permit program to downtown employees to optimize parking use.	General Fund	(46,800)	2,730	-
Parking Services	Increase revenue and expense budgets for the Parking Fund to reflect higher ongoing growth in parking garage utilization.	Parking	(550,000)	225,000	-
Parking Services	Increase parking garage prepay and online reservation rates to balance market demand.	Parking	(156,314)	4,689	-
Parking Services	Increase monthly rates at City Parking Garages to reflect increasing costs and remain competitive with surrounding market.	Parking	(101,493)	3,045	-
Parking Services	Increase merchant parking validation coupon fee to better recover issuance costs and reduce misuse.	Parking	(56,406)	-	-
Parking Services	Increase revenue and expense budget for Marina Special Revenue Fund to reflect implementation of increased berth rates as of 1/1/25 and increased operating costs.	Marina	(150,000)	75,000	-
Parking Services	Increase parking meter rates to improve turnover of on-street parking inventory.	General Fund	(3,517,464)	193,461	-
Parking Services	Offset one position (1.0 FTE - Systems Engineer) with one-time funds from the Parking Fund. Position will move to the Cost Plan in FY2026/27.	Parking	-	138,621	-
Recycling and Solid Waste	Add 1.0 FTE Senior Integrated Waste Equipment Operator to operate front load recycling route to serve newer and planned higher density developments.	Recycling and Solid Waste	-	106,860	1.00
Recycling and Solid Waste	Conduct various additions and modifications in the Commercial Waste Compliance Division: • Adjust revenue and expense budgets for commercial waste franchise fees and fines to reflect anticipated revenue and expenses. • Increase the annual General Fund contribution toward the Illegal Dumping project (I15200200). • Create a new capital project for Street Maintenance to address street and alley repair needs. • Add one position (1.0 FTE - Senior Integrated Waste Equipment Operator) and one specialized narrow street sweeper. • Reduce annual Measure U contribution to the Illegal Dumping project (I15200200) to fund a greater share from commercial franchise waste fees. • Reduce annual General Fund contribution to the Landfill Site Closure project (Y14000100) and 28th Street Landfill Regulatory project (Y15000100).	General Fund	(256,021)	826,591	1.00

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Recycling and Solid Waste	Conduct various additions and modifications in the Commercial Waste Compliance Division: • Adjust revenue and expense budgets for commercial waste franchise fees and fines to reflect anticipated revenue and expenses. • Increase the annual General Fund contribution toward the Illegal Dumping project (I15200200). • Create a new capital project for Street Maintenance to address street and alley repair needs. • Add one position (1.0 FTE - Senior Integrated Waste Equipment Operator) and one specialized narrow street sweeper. • Reduce annual Measure U contribution to the Illegal Dumping project (I15200200) to fund a greater share from commercial franchise waste fees. • Reduce annual General Fund contribution to the Landfill Site Closure project (Y14000100) and 28th Street Landfill Regulatory project (Y15000100).	Measure U	-	(570,000)	-
Transportation	Delete three positions (3.0 FTE - Administrative Analyst) and add three positions (3.0 FTE - Associate Planner) to better meet the workload and responsibilities in the Transportation Planning Section.	General Fund	37,543	(37,543)	-
Transportation	Delete three positions (3.0 FTE - Administrative Analyst) and add three positions (3.0 FTE - Associate Planner) to better meet the workload and responsibilities in the Transportation Planning Section.	Gas Tax 2016	(37,543)	-	-
Transportation	Add one position (1.0 FTE - Supervising Engineer) to oversee the Traffic Operations Center to better direct increased planning and implementation of traffic-related technology and equipment.	General Fund	(200,785)	199,517	1.00
Transportation	Add one position (1.0 FTE - Supervising Engineer) to oversee the Traffic Operations Center to better direct increased planning and implementation of traffic-related technology and equipment.	Gas Tax 2016	159,614	-	-
Transportation	Add six positions (1.0 FTE - Supervising Engineer, 1.0 FTE - Senior Engineer, 2.0 FTE - Assistant Civil Engineers, 1.0 FTE - Traffic Investigator III, and 1.0 FTE - Administrative Analyst) in the Transportation Division to implement transportation safety improvements. Add one vehicle for the Traffic Investigator.	General Fund	(913,417)	911,379	6.00
Transportation	Add six positions (1.0 FTE - Supervising Engineer, 1.0 FTE - Senior Engineer, 2.0 FTE - Assistant Civil Engineers, 1.0 FTE - Traffic Investigator III, and 1.0 FTE - Administrative Analyst) in the Transportation Division to implement transportation safety improvements. Add one vehicle for the Traffic Investigator.	Gas Tax 2016	174,614	46,500	-
Total Change			(12,329,588)	6,193,511	11.00

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Department Budget Summary

Public Works Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Employee Services	\$ 76,078,697	\$ 79,729,909	\$ 99,888,317	\$ 99,888,317	\$102,866,077	\$ 2,977,760
Other Services and Supplies	97,011,576	99,579,687	108,007,294	108,074,959	111,223,068	3,148,109
City Property	12,245,053	12,615,406	28,447,183	31,672,585	26,667,984	(5,004,601)
Multi-Year Operating Projects	-	361	17,912,803	5,838,905	9,891,963	4,053,058
Transfers	(174,510)	112,239	400,655	400,655	1,424,749	1,024,094
Labor and Supply Offset	(19,134,708)	(23,634,633)	(26,029,095)	(26,029,095)	(27,047,873)	(1,018,778)
Operating Transfers	12,151,077	13,381,787	12,296,500	12,296,500	12,560,800	264,300
Total	\$178,177,185	\$181,784,754	\$240,923,657	\$232,142,826	\$237,586,768	\$ 5,443,942

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
General Fund	\$ 24,372,911	\$ 24,559,858	\$ 28,211,584	\$ 26,833,725	\$ 32,657,482	\$ 5,823,757
Interdepartmental Service	2,388,982	1,664,763	1,901,512	1,901,512	1,835,479	(66,033)
Gas Tax 2016	5,128,829	3,558,953	11,579,972	7,203,893	8,384,723	1,180,830
Traffic Safety	253,425	285,000	306,882	306,882	343,304	36,422
Citation I-5 Maintenance	43,349	66,454	40,000	40,000	40,000	-
New Measure A Maintenance	12,990,297	14,549,100	17,829,804	17,829,804	16,913,236	(916,568)
NMA Safety, Streets, Ped, Bic	-	-	5,500	5,500	5,500	-
Power Inn Rd Md 2003-01	9,920	9,842	11,732	11,732	13,031	1,299
Neighborhood Lighting Dist	25,009	25,009	27,510	27,510	30,261	2,751
Northside Subdiv Maint Dist	2,153	1,532	6,500	6,500	6,500	-
Subdiv Lndscpng Maint Dist	334,410	348,237	356,147	356,147	418,141	61,994
Laguna Creek Maint Dist	51,346	51,580	51,580	51,580	103,132	51,552
12th Street Maint Benefit Area	9,200	11,500	19,860	19,860	25,916	6,056
Neighborhood Water Quality Dist	34,649	38,442	63,215	63,215	83,122	19,907
N Nat Lndscp 99-02	676,974	655,380	754,301	754,301	896,526	142,225
Willow creek Assmnt Md	16,546	24,047	38,000	38,000	38,000	-
Willow creek Lndscpng CFD	120,000	120,000	125,000	125,000	130,000	5,000
N Natomas Lands CFD 3	732,827	615,000	733,750	733,750	871,354	137,604
Village Garden N.-Mtce Dist #1	25,539	24,654	34,558	34,558	41,488	6,930
Landscaping and Lighting	12,564,081	13,684,835	15,239,772	14,824,772	16,095,963	1,271,191
Del Paso Nuevo Landscaping CFD	19,500	13,703	24,700	24,700	24,873	173
Township 9 CFD No. 2012-06	-	-	2,000	102,000	2,000	(100,000)
Railyards Maint CFD No 2014-04	129,469	144,639	226,520	226,520	299,556	73,036
Parkebridge CFD 2014-07	64,000	73,000	88,330	88,330	126,433	38,103
SacMaintCFD2014-04 Annex Areas	36,758	40,559	133,713	133,713	133,713	-
SacMaintCFD2014-04 Area 01	98,750	98,750	132,750	132,750	132,750	-
Sac Services CFD 2018-05	-	-	42,758	42,758	58,898	16,140
Measure U	-	454,700	1,832,491	1,832,491	1,231,190	(601,301)
Land Park	3,015	32,850	32,850	32,850	32,850	-
Marina	1,013,069	1,187,446	1,142,047	1,142,047	1,329,081	187,034
Cal EPA	216	-	-	-	-	-
Transportation Development Impact Fee	95,956	20,428	-	-	-	-
Parking	6,315,923	7,279,374	8,672,824	8,672,824	9,641,503	968,679
Water	-	-	55,849	55,849	-	(55,849)
Wastewater	-	-	55,850	55,850	-	(55,850)
Recycling and Solid Waste	62,734,776	64,062,725	84,881,531	78,207,831	80,798,383	2,590,552
Storm Drainage	406,000	387,877	461,850	461,850	305,926	(155,924)
Fleet Management	47,479,308	47,694,517	65,800,415	69,762,222	64,536,454	(5,225,768)
Total	\$178,177,185	\$181,784,754	\$240,923,657	\$232,142,826	\$237,586,768	\$ 5,443,942

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Division Budget Summary

Public Works Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Climate Action and Sustainability Division	\$ -	\$ 454,700	\$ -	\$ -	\$ -	\$ -
Engineering Services Division	(603,446)	(482,236)	34,584	(203,790)	(83,759)	120,031
Office of the Director	2,152,743	2,157,915	2,465,716	2,465,716	2,634,153	168,437
Parking Services Division	20,215,721	21,180,357	26,263,911	25,723,911	29,442,923	3,719,012
Maintenance Services Division	25,003,595	25,673,884	30,880,086	28,467,257	30,536,955	2,069,698
Mobility and Sustainability Division	-	-	2,103,747	2,103,747	2,183,953	80,206
Transportation Division	11,021,150	11,125,277	14,739,033	12,565,783	12,208,624	(357,159)
Fleet Management Division	47,479,308	47,694,517	65,800,415	69,762,222	64,496,463	(5,265,759)
Facilities & Real Property Mgmt Division	8,416,271	7,488,283	7,873,194	7,840,859	10,194,606	2,353,747
Recycling & Solid Waste Division	64,491,844	66,492,057	90,762,971	83,417,121	85,972,850	2,555,729
Total	\$178,177,185	\$181,784,754	\$240,923,657	\$232,142,826	\$237,586,768	\$ 5,443,942

Staffing Levels

Public Works Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Climate Action and Sustainability Division	-	4.00	-	-	-	-
Engineering Services Division	80.00	79.00	79.00	79.00	79.00	-
Office of the Director	13.00	12.00	11.00	11.00	10.00	(1.00)
Parking Services Division	130.85	132.35	131.35	131.35	133.35	2.00
Maintenance Services Division	123.00	124.00	121.00	121.00	121.00	-
Mobility and Sustainability Division	-	-	16.00	16.00	17.00	1.00
Transportation Division	72.00	72.00	65.00	65.00	72.00	7.00
Fleet Management Division	83.00	82.00	83.00	83.00	83.00	-
Facilities & Real Property Mgmt Division	73.00	72.00	72.00	72.00	72.00	-
Recycling & Solid Waste Division	191.30	191.30	191.30	191.30	193.30	2.00
Total	766.15	768.65	769.65	769.65	780.65	11.00

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Climate Action			
Operations	Climate Action and Sustainability	4.00	531,189
Community Response			
MYOP	PW Sustainability Program	-	300,000
	Illegal Dumping Program	-	400,000
Grand Total		4.00	\$ 1,231,189

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PERFORMANCE MEASURES

Facilities & Real Property Management Division

Key Measure	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percent of all facility work order requests completed within a 30-day performance standard	53%	51%	60%	59%	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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percent of City vehicles available at 6:00 AM	92%	92%	92%	95%	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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percent of alternative fuel vehicles purchased	59%	61%	67%	75%	53%

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percentage of roads with a Pavement Condition Index above 70 (good rating)	24%	23%	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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percentage of 311 service requests for potholes responded	92%	93%	93%	93%	95%

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	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Estimate	FY26 Target
Percentage of tree inventory pruned per annual cycle	75%	58%	60%	80%	80%

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.

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Parking Services Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Revenue generated per parking meter	\$1,317	\$1,600	\$1,744	\$2,002	\$2,158

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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Marina slips occupancy rate	87%	87%	84%	86%	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 percent occupancy rate, however during the Great Recession the occupancy rate dipped to as low as 44 percent.

Recycling & Solid Waste Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of City collected waste diverted from landfill	42%	46%	47%	47%	48%

California State law requires that at least 50 percent 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 shown above), as a jurisdiction, the City government collection rate meets the state requirement at 50 percent 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 percent reduction from 2014 levels. Educating customers on proper recycling is central to seeing these percentages grow. Over 50 percent of the Division's annual outreach expenditures are spent on increasing diversion.

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of complaints of missed pickups (per 1,000 refuse accounts)	11	10	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.

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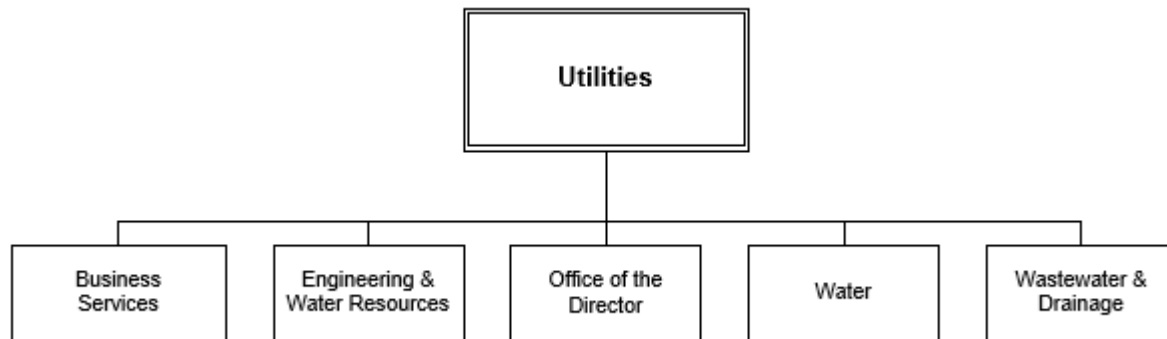
SECTION - 23

Utilities

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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 and 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

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- 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, 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 six (6.0) 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 with cost-share partners.

PROGRAMS/SERVICE HIGHLIGHTS

- In December 2024, the Auditor's office completed an independent review of the water and wastewater funds to determine the fiscal stability of the funds. The fund reviews were presented to the City Council and Utility Rate Advisory Committee. The water and wastewater fund reviews documented the capital and operating needs and outlined the rate adjustments needed to meet these needs at varying levels.
- Completed and submitted the City's water system lead inventory in October 2024 as required by the US Environmental Protection Agency's (EPA) Lead and Copper Rule Revisions (LCRR) including creating an interactive GIS map for our customers. The State Water Resources Control Board, Division of Drinking Water, accepted our inventory in February 2025.
- Completed an update of Americas Water Infrastructure Act risk and resilience assessment. Conducting an update every five years is a regulatory requirement. 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.
- Completed and submitted the Combined Sewer System (CSS) Report of Waste Discharge, Water Quality Assessment, and 2024 Long-Term Control Plan Update to the California Regional Water Quality Control Board in September 2024 as required by our CSS.
- Filed City protest to Delta Conveyance Project (tunnels), reached consensus on significant provisions in Water Forum 2.0 Agreement, successfully included language in Proposition 4 ballot measure that would favor DOU projects.

DEPARTMENT EFFICIENCIES

- In 2025 DOU will take over the management of the cross-connection tracking and reporting function from Sacramento County. The Cross Connection program team is importing data for a new public facing tracking and reporting software interface allowing private backflow device owners and testers to purchase tester tags. This creates an efficient means to improve follow up communication with private device owners and best supports the City's responsibility to ensure that backflow devices are tested annually to ensure safety of water quality. DOU also updated City codes for cross-connection control standards and discontinuance of water service for violation of cross-connection control standards.
 - Asset Management (AM) Program continues to support long-term DOU efficiencies and the AM Strategic Plan. An asset management framework document was prepared to describe data, analyses, reporting, and decision-
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making to mitigate risk and optimize the cost of managing water assets. This framework was used to initiate development of an asset management plan for water reservoirs and will act as a template for use with other DOU asset types. A failure risk model was developed and implemented for one wastewater force main and is a tool available for future pressurized pipe risk assessments. Additional data-management initiatives include the following: review and update of select drainage system asset inventories, review and update of water treatment plant asset inventories, and analysis of asset attributes and data schema in support of future GIS Utility Network implementation.

- The City Council approved an amendment to the DOU designated reserve fund policy. This resulted in a release of funds from the restricted rate stabilization reserves for the water and wastewater funds and increased the capital reserve for water by \$8.4 million and wastewater by \$2.2 million.
- Completed automation of the routing sequence for meter readers by plotting all meter location sequences using GIS mapping instead of paper plots and maps. This improves and reduces data upload time from a manual weekly process to a one-day process.

OBJECTIVES FOR FY 2025/26

- Deliver the FY2025/26 CIP water, wastewater, and drainage infrastructure programs on schedule and within budget.
- Work with the auditor's office to complete an energy audit. The audit will evaluate the feasibility of DOU operations moving to 100% electric. This will include a cost-benefit analysis of DOU's solar power purchase agreements, evaluating use of solar shares, cost-benefit analysis of participating in SMUD's automated demand response program, and review of the impacts of fleet electrification on department operations and emergency responses.
- Support the auditor's office in their independent financial review of the Storm Drainage Fund (6011) and the Storm Drainage Property Fee Fund (6021).
- Work 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.
- Complete implementation of \$7 million grant funded groundwater projects no later than December 31, 2025. The funds will be used towards construction of capacity enhancements of existing wells which will allow for groundwater production during drier hydrologic years.

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BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Business Services	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Water	(7,528)	7,538	-
Business Services	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Wastewater	1,313	(1,302)	-
Business Services	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Recycling and Solid Waste	4,552	(4,515)	-
Business Services	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Storm Drainage	1,313	(1,302)	-
Business Services	Delete one position (1.0 FTE - Customer Service Representative) and add one position (1.0 FTE - Customer Service Specialist) for the Business Services Division. This position will support the additional duties related to Control 1 Dispatching Operations and the Customer Service Quality Assurance program.	Storm Drainage Property Fee	350	(347)	-
Engineering & Water Resources	Add one position (1.0 FTE - Engineering Technician III) for the Engineering and Water Resources Division. This position will provide resources to support implementation of the expanded Storm Drainage Capital Improvement Program (CIP) and will support the Water, Wastewater, and Private Development projects.	Storm Drainage	(222,066)	119,028	1.00
Engineering & Water Resources	Add one position (1.0 FTE - Construction Inspector II) and a Ford Maverick for the Engineering and Water Resources Division. This position will provide resources to provide construction inspection services for expanding Water, Wastewater, and Storm Drainage CIPs.	Water	(238,377)	173,706	1.00
Engineering & Water Resources	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Water	(1,998)	2,034	-
Engineering & Water Resources	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Wastewater	1,042	(1,026)	-
Engineering & Water Resources	Delete one position (1.0 FTE - Senior Maintenance Worker) and add one position (1.0 FTE - General Repair Worker) for the Engineering and Water Resources Division. The classification for the General Repair Worker more closely aligns with the duties required in the Logistics Tool Room as compared to the Senior Maintenance Worker.	Storm Drainage	955	(941)	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of the Director	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Water	(18,648)	44,399	-
Office of the Director	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Wastewater	7,992	969	-
Office of the Director	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Storm Drainage	23,462	(15,873)	-
Office of the Director	Delete one position (1.0 FTE - Program Manager) and add one position (1.0 FTE - Government Affairs Manager) in the Office of the Director Government Affairs Section. The Government Affairs Program is expanding to include Sustainability, Security and Emergency Preparedness, and Department of Utilities (DOU) Department Support Programs.	Storm Drainage Property Fee	(12,806)	17,165	-
Wastewater & Drainage	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Water	(57,256)	41,398	1.00
Wastewater & Drainage	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Wastewater	33,081	-	-
Wastewater & Drainage	Add one position (1.0 FTE - Instrument Technician II) and a Ford Maverick Crew Hybrid vehicle for the Wastewater and Drainage OandM Division. This position will provide resources for the implementation of new software/hardware systems for the DOU Security Master Plan.	Storm Drainage	24,175	-	-
Wastewater & Drainage	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance OandM Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	General Fund	(49,278)	-	-
Wastewater & Drainage	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance OandM Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Water	136,634	(223,990)	(2.00)

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Wastewater & Drainage	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance OandM Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Wastewater	(44,798)	-	-
Wastewater & Drainage	Delete two positions (2.0 FTE - Utilities Locator) and add two positions (2.0 FTE - Utilities Operations and Maintenance OandM Leadworkers); and add two positions (2.0 Utilities OandM Serviceworkers) for the Wastewater and Drainage OandM Division's Homeless Encampment Program. Current FTE in the division are used for encampment clean up, which reduces the team's ability to maintain other regulatory requirements, citizen and council requests, and other underground infrastructure needs.	Storm Drainage	(500,059)	501,820	4.00
Wastewater & Drainage	Add three positions (1.0 FTE - Utilities O and M Leadworker, 1.0 FTE - Utilities O and M Serviceworker, and 1.0 FTE Administrative Technician) with a Ford F-250 Supercab and Vermeer Tow Trailer for the Wastewater and Drainage O and M Division . These new positions will support the Trash Capture Program as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage	(331,720)	361,230	3.00
Wastewater & Drainage	Add three positions (1.0 FTE - Utilities O and M Leadworker, 1.0 FTE - Utilities O and M Serviceworker, and 1.0 FTE Administrative Technician) with a Ford F-250 Supercab and Vermeer Tow Trailer for the Wastewater and Drainage O and M Division . These new positions will support the Trash Capture Program as a result of the Storm Drainage Capital Improvement Program.	Storm Drainage Property Fee	-	203,000	-
Total Change			(1,249,665)	1,222,991	8.00

Department Budget Summary

Utilities Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$ 70,773,928	\$ 77,264,711	\$ 90,434,679	\$ 91,134,312	\$ 96,308,495	\$ 5,174,183
Other Services and Supplies	38,864,297	41,899,334	48,646,003	48,610,964	52,028,387	3,417,423
City Property	2,250,779	1,741,902	2,213,953	2,224,953	2,051,493	(173,460)
Multi-Year Operating Projects	3,791	-	11,043,308	8,297,151	16,619,407	8,322,256
City Debt Service	-	18,396	-	-	-	-
Transfers	(586,473)	(1,010,879)	-	-	-	-
Labor and Supply Offset	6,372,813	7,666,743	5,435,426	4,161,860	1,913,380	(2,248,480)
Operating Transfers	23,750,646	26,141,786	25,675,900	25,675,900	25,661,000	(14,900)
Total	\$141,429,781	\$153,721,994	\$183,449,269	\$180,105,140	\$194,582,162	\$ 14,477,022

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	\$ 79,642	\$ 67,203	\$ 79,410	\$ 79,410	\$ -	\$ (79,410)
Northside Subdiv Maint Dist	-	8,000	8,000	8,000	8,000	-
Neighborhood Water Quality Dist	-	-	3,000	3,000	3,000	-
Willow creek Assmnt Md	25,900	19,537	20,774	20,774	20,774	-
N Natomas Lands CFD 3	258,957	223,892	300,000	300,000	300,000	-
Landscaping and Lighting	64,837	83,337	98,000	98,000	98,000	-
Tow nship 9 CFD No. 2012-06	-	317	9,000	9,000	9,000	-
Parkebridge CFD 2014-07	-	-	10,000	10,000	10,000	-
SacMaintCFD2014-04 Annex Areas	-	-	36,500	36,500	36,500	-
SacMaintCFD2014-04 Area 01	-	-	298,120	298,120	298,120	-
Golf	5,694	4,541	8,550	8,550	-	(8,550)
Water Development Fees	-	476	-	-	-	-
Parking	1,906	1,993	1,359	1,359	-	(1,359)
Water	74,934,026	79,334,552	94,939,711	93,871,522	97,992,326	4,120,804
Wastew ater	28,994,642	31,659,788	36,335,895	35,243,287	37,468,269	2,224,982
Recycling and Solid Waste	2,999,667	3,143,300	3,465,053	3,465,053	3,720,327	255,274
Community Center	4,983	4,983	4,983	4,983	-	(4,983)
Storm Drainage	34,031,131	35,819,425	41,245,511	39,722,179	45,603,048	5,880,869
Storm Drainage Property Fee	11,666	3,332,091	5,527,109	5,867,109	7,423,713	1,556,604
Fleet Management	16,729	13,824	-	-	-	-
Cty/Cnty Office-Water Planning	-	-	384,513	384,513	751,809	367,296
Habitat Management Element	-	4,735	673,781	673,781	839,276	165,495
Total	\$141,429,781	\$153,721,994	\$183,449,269	\$180,105,140	\$194,582,162	\$ 14,477,022

Division Budget Summary

Utilities Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amende
Business Services Division	\$ 9,054,326	\$ 9,765,909	\$ 10,506,991	\$ 10,452,804	\$ 11,548,892	\$ 1,096,088
Engineering & Water Resources Division	7,894,696	8,712,228	11,811,941	11,094,013	10,883,813	(210,200)
Office of the Director	49,941,782	53,011,548	69,845,751	69,472,294	72,362,594	2,890,300
Wastew ater & Drainage Ops & Maint Division	40,075,146	44,161,128	49,254,452	47,497,710	54,285,634	6,787,924
Water Operations & Maintenance Division	34,463,830	38,071,181	42,030,134	41,588,319	45,501,229	3,912,910
Total	\$141,429,781	\$153,721,994	\$183,449,269	\$180,105,140	\$194,582,162	\$ 14,477,022

Staffing Levels

Utilities Budget Summary	FY2022/23	FY2023/24	FY2024/25	FY2024/25	FY2025/26	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Business Services Division	67.00	68.00	70.00	70.00	70.00	-
Engineering & Water Resources Division	77.72	83.00	83.00	88.00	91.00	3.00
Office of the Director	32.18	34.18	42.18	42.18	41.18	(1.00)
Wastew ater & Drainage Ops & Maint Division	223.00	223.00	223.00	228.00	234.00	6.00
Water Operations & Maintenance Division	173.00	174.00	171.00	171.00	171.00	-
Total	572.90	582.18	589.18	599.18	607.18	8.00

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PERFORMANCE MEASURES**Business Services Division**

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
City Manager Goal = 3:00 minutes or less	8:23	2:02	1:50	2:26	3:00

The Departments 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 Departments 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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
% water conservation achieved (year-over-year)	33%	38%	35%	25%	30%

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 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 SBX7-7.

Operations & Maintenance Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
# of sewage spills	3.00 per 100	3.00 per 100	4.15 per 100	2.50 per 100	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.

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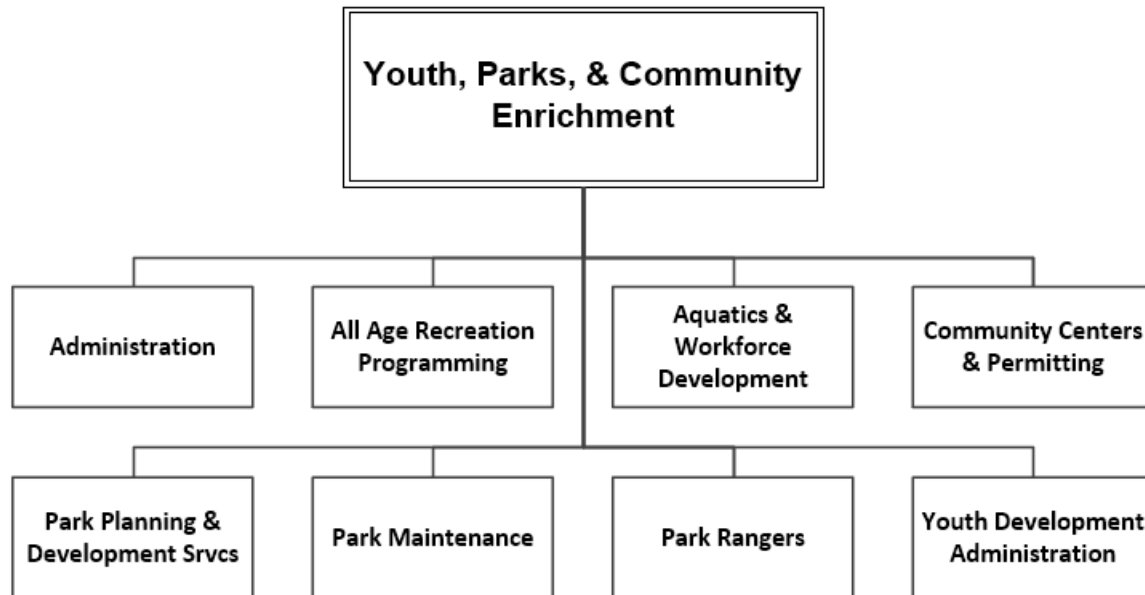
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SECTION - 24
Youth, Parks, & Community
Enrichment

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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.

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- Aquatics and Workforce Development:

Responsible for 17 city pools including the regional North Natomas Aquatics Complex, 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 throughout 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 provides work-based learning programs and paid work experiences for youth ages 10-18, incorporating youth development strategies into stipend based and paid work experience opportunities. More than 800 youth registered for the 22 cohorts of stipend-based programs at community centers throughout the city. Provided employment opportunities for 300 youth, completing 30 thousand hours of work at various parks, community centers, local businesses and schools. This accounts for over \$1.1M dollars in direct youth investment.
- The Expanded Learning section continued to partner with Robla School District, Twin Rivers Unified School District and Natomas Unified School District to receive Expanded Learning Opportunity Program funding to support increased participation in afterschool programs and to provide out of school time camps. The additional funding and partnerships will serve almost 1,000 students in the 2024/25 school year.
- The Aquatics section opened 11 neighborhood pools and four standalone wading pools for the 2024 summer season, while also operating the 10-month regional North Natomas Aquatics Complex and year-round community center. Core service program participation increased and included the following: Recreation swim provided a safe place to swim for over 98,000 visitors; over 650 aquatic classes were offered that served over 3,800 registrations in programs such as swim lessons, and basic water safety classes for drowning prevention; aquacise and lap swimming provided health and wellness opportunities to over 18,000 visitors to City run pools. Over \$45,000 in swim safe and lifeguard training scholarships were awarded to youth with financial need to participate in aquatics programs. Additionally, the Aquatics section hosted several special events, including a floating pumpkin patch, an underwater egg hunt, and doggie dip days at City Pools. The North Natomas Community Center hosted 89 private facility rentals for events including non-profit fundraisers, community fairs, birthday parties, quinquennia's, wedding receptions, high school proms, and celebrations of life.
- Older Adult Services (OAS) provided respite for 143 family caregivers through the Triple-R Adult Day Program with approximately 9,100 units of service. Financial support to allow respite for family caregivers was provided to 33% of the participants in the Triple-R program. OAS staff answered 9,872 calls or visits for Resource and Referral services at the Hart Senior Center, gave out over 8,000 Meals on Wheels meals and delivered 58,680 units of service with in-person and virtual activities. New programs this year include intergenerational programming, grief support classes and the Hart Center Parking Permit program.
- Community Centers provided programming opportunities and access to safe space for over 20,798 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

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program offerings for older adults across the city, serving 13,114 meals in partnership with Meals on Wheels. Centers had over 34,000 senior visits and 31,000 fitness room visits.

- The Reservations office issued over 700 youth and adult sports field permits with over \$4,300 waived through the sports field fee waiver program, and over 3,000 picnic reservation permits. Community Centers supported over \$220,000 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 23 park projects across the city and currently has 66 active park projects with an estimated budget of \$39M. YPCE Park Planning team has also completed over \$24M in deferred maintenance projects since FY2019/20. Improvements include accessibility improvements, court resurfacing projects, playground replacements, restroom repairs and replacements. Recent deferred maintenance projects include Airport Little League Field Improvements, Chorley and Danny Nunn Park playground replacements, Ninos Site furnishings and soccer field renovations, Sport Court resurfacing at Woodlake, Ninos, and Glenbrook Parks.
- The Youth Development Administration team has supported \$14M in grant programs and initiatives since FY2023/24, with over 80% being funded by Measure U. These grants support community based organizations and city-led programming in addressing the priorities of youth safety, violence prevention, workforce development, child-care and economic development in under resourced communities.
- In FY2024/25, the Park Maintenance Division assumed maintenance responsibilities for seven new parkland facilities to include: Fong Ranch Park, Robert T. Matsui Waterfront Park, Westshore Park, Vine Park, Del Rio Trail, Oakbrook Community Garden, and Wood Park Community Garden.
- Adopted the Parks Plan 2040 on August 20, 2024, and began implementation of the key directions identified in the plan.

DEPARTMENT EFFICIENCIES

- Park Planning and Development continues to engage with communities and pursue grant funding to supplement City funding as a mechanism to further address deferred maintenance.

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- Community Centers continue serving residents across the city, providing critical community resources, programs, services and expanding operation and front counter operations, focused on quality and streamlined registrations. Centers also continue to provide emergency response support through activation of clean air, warming and cooling centers.
- 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 around sports and occasional or drop-in sports.
- The Park Ranger team plays a key role in supporting the city’s Incident Management Team and rapid response efforts to address the impact of homelessness in our parks, responding to over 3,000 calls last year. Park Rangers have also implemented a conversion to Salesforce data collection software program, allowing Rangers to respond to over 4,000 311 calls for service last year.
- Park Maintenance utilized nearly 30,000 volunteer hours in our parks in 2024, with a comparable wage value of over \$1 million dollars. This is an enhancement to standard maintenance operations across all city parks.
- YPCE launched the updated Scholarship Program (restructured the Sports Field Fee Waiver/Reduction program to the Youth Program Scholarship Fund). The Youth Program Scholarship Fund now provides financial assistance to youth participants and organizations that qualify to enroll in a variety of recreation programs, reduced sports field fees and community center rental fees.
- Streamlined roles and responsibilities within the administrative team to enhance workflow efficiency, ensuring consistent and high-quality customer service across the department. Implemented clear accountability, cross-training, and standardized processes to improve responsiveness and service delivery.

OBJECTIVES FOR FY2025/26

- Our department operations continue to support the goals of creating pathways for youth development, quality parkland and recreation facilities, lifelong recreation and learning, and community livability and strong neighborhoods, and excellence in our service to our Sacramento community.
 - The Youth Development Administration team will continue Sacramento Children’s Fund (Measure L) implementation. This work includes contract awards, annual report development, program management, and fiscal oversight.
 - Continue to market, inform and assist community with accessing programs that remove financial barriers to participation such as the Youth Scholarship Program Scholarship and other scholarship and fee waiver and reduction programs, and monitor effectiveness and accessibility.
-

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- Complete the Southside pool resurfacing and repair project to be able to open and operate during the summer of 2025 season and offer recreational swimming, swim lessons, and lap swimming.
- Explore funding options for additional stand-alone wading pool conversions to splash pads. Mama Marks splash pad will be open for the 2025 season. Design will begin on the Robertson Wading pool conversion this year.
- Continue to strengthen YPCE VIP volunteer program and recruit volunteers across the department to enhance community efforts in park and program engagement and support.
- Continue to streamline evaluation services and performance measures departmentwide to reflect core services through a diversity and equity lens.
- Continue to address deferred maintenance projects citywide, and recruit, hire and train staff to support all YPCE programs and operations.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration and Park Rangers	Discontinue Golf Subsidy. Subsidy is no longer necessary for vendor to continue maintenance services at current levels.	Measure U	(250,000)	-	-
Administration and Park Rangers	Discontinue Golf Subsidy. Subsidy is no longer necessary for vendor to continue maintenance services at current levels.	Golf Fund	-	-	-
Administration and Park Rangers	Delete one position (1.0 FTE - Staff Assistant) in the Fiscal Management Division. Staff Assistant position no longer needed after administrative team restructure.	Measure U	-	(75,333)	(1.00)
All Ages Recreation Programming	Delete seven positions (0.90 FTE - Program Coordinator and six 0.38 FTE - Recreation Aide) from Expanded Learning Division.	Measure U	-	(156,968)	(3.18)
All Ages Recreation Programming	Delete three positions (two 0.50 FTE - Program Leader and 0.60 FTE - Program Leader) in Expanded Learning Division.	Measure U	-	(95,340)	(1.60)
All Ages Recreation Programming	Increase Daily Program Fee Rate by 5% for Triple R and Club Refresh Programs in Older Adult Services Division. This fee increase will bring cost recovery to approximately 80%. Scholarships are available for Triple R Program.	General Fund	(40,000)	40,000	-
All Ages Recreation Programming	Increase Daily Program Fee Rate by 5% for Triple R and Club Refresh Programs in Older Adult Services Division. This fee increase will bring cost recovery to approximately 80%. Scholarships are available for Triple R Program.	Measure U	-	(40,000)	-
All Ages Recreation Programming	Delete one position (1.0 FTE - Program Coordinator) Access Leisure Division.	Measure U	-	(79,901)	(1.00)
All Ages Recreation Programming	Delete six positions (six 0.15 FTE - Recreation Leader (Adpt Rec)) and add one position (0.47 FTE Recreation Leader (Adpt Rec)) to realign non-career FTEs to fit program needs in Access Leisure Division.	Measure U	-	(16,509)	(0.43)
All Ages Recreation Programming	Increase revenue budgets in various divisions within the department due to planned and approved fee increases.	General Fund	(13,884)	13,884	-
All Ages Recreation Programming	Increase revenue budgets in various divisions within the department due to planned and approved fee increases.	Measure U	-	(13,884)	-
All Ages Recreation Programming	Delete three positions (0.15 FTE - Recreation Aide, 0.22 FTE - Recreation Aide, and 0.40 FTE - Recreation Aide) in the Community Recreation Division. Reduce internal hours of operation at 28th and B Skate and Urban Art Park.	Measure U	-	(29,091)	(0.77)

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
All Ages Recreation Programming	Delete two positions (0.25 FTE - Recreation Aide and 0.40 FTE - Recreation Aide) in the Community Recreation Division. Discontinue internally operated 28th and B Skate and Urban Art Park open hours and utilize contracted instructors for all programming.	Measure U	-	(28,158)	(0.65)
All Ages Recreation Programming	Decrease funding for Service and Supply Budget in Older Adults Services by reducing cost of Allied Security Services at Hart Senior Center.	Measure U	-	(13,815)	-
All Ages Recreation Programming	Change funding source for forty-five positions from Measure U Fund to START Fund. Move positions funded in Expanded Learning Division to START Division. Positions support the Expanded Learning Opportunities Program (ELOP) expansion of the After School Safety and Education Program operated by the START Division.	Measure U	571,290	(813,075)	(20.70)
All Ages Recreation Programming	Change funding source for forty-five positions from Measure U Fund to START Fund. Move positions funded in Expanded Learning Division to START Division. Positions support the Expanded Learning Opportunities Program (ELOP) expansion of the After School Safety and Education Program operated by the START Division.	START	(805,245)	805,245	20.70
All Ages Recreation Programming	Delete one position (0.12 FTE - Recreation Aide) and add one position (0.10 FTE - Senior Recreation Aide) to realign non-career FTE to fit program needs for the Summer Oasis summer camp in Expanded Learning Division.	Measure U	-	(74)	(0.02)
All Ages Recreation Programming	Delete ten positions (4.0 FTE - Senior Recreation Aides) and add twelve Positions (0.35 FTE - Recreation Aide and eleven 0.40 FTE - Recreation Aides) in the 4th R Division.	4th R Program	-	18,457	0.75
Aquatics and Workforce Development	Increase revenue budgets in various divisions within the department due to planned and approved fee increases.	General Fund	(309,000)	309,000	-
Aquatics and Workforce Development	Increase revenue budgets in various divisions within the department due to planned and approved fee increases.	Measure U	-	(309,000)	-
Aquatics and Workforce Development	Add one position (0.40 FTE - Utility Worker) and decrease funding for service and supplies in the Aquatics Division by absorbing North Natomas Aquatic Complex pool maintenance duties previously contracted out and reduce the scope of contracted custodial services.	Measure U	-	(113,824)	0.40
Aquatics and Workforce Development	Delete four positions (two 0.80 FTE - Program Coordinator, 0.22 FTE - Recreation Aide, and 0.46 FTE - Recreation Aide) and add one position (1.0 FTE - Program Coordinator) in the Youth Workforce Development Division. This will reduce and consolidate Stipend Program staffing.	Measure U	-	(77,355)	(1.28)
Aquatics and Workforce Development	Delete six positions (four 0.32 FTE - Youth Aide, 0.42 FTE - Youth Aide, and 0.48 FTE - Youth Aide) in Youth Employment Division. This change will reduce number of available opportunities for youth stipend based programs.	Measure U	-	(80,996)	(2.18)
Aquatics and Workforce Development	Delete eight positions (two 0.40 FTE - Graduate Student Trainee and six 0.40 FTE - Student Trainee) and add one position (0.40 FTE - Senior Recreation Aide). This reduction will consolidate the Youth Workforce Development Division.	Measure U	-	(104,324)	(2.80)
Community Centers & Permitting	Delete thirteen positions (ten 0.80 FTE - Program Leader, two 1.0 FTE - Program Leader, 0.30 FTE - Recreation Aide, three 0.47 FTE - Recreation Aide, and six 0.20 FTE - Recreation Aide) in the Community Center Division.	Measure U	-	(307,171)	(5.71)
Community Centers & Permitting	Delete two positions (two 0.60 FTE - Customer Service Assistant) and add one position (1.0 FTE - Program Coordinator). The minimal increase will move the program slightly closer to cost recovery for supplies.	Measure U	-	(9,490)	(0.20)
Community Centers & Permitting	Delete one position (0.80 FTE - Custodian II) in Community Center Division.	Measure U	-	(57,642)	(0.80)

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Centers & Permitting	Delete one position (1.0 FTE - Senior Accounting Technician) and add one position (1.0 FTE - Accounting Technician). Realign administrative team to accommodate internal restructuring.	Measure U	-	(94,157)	(1.00)
Community Centers & Permitting	Delete one position (1.0 FTE - Program Leader) and add two positions (1.0 FTE - Program Leader) to realign career staff to fit program and operational needs in Community Center Division.	Measure U	-	(9,301)	-
Community Centers & Permitting	Add a position (1.0 FTE - Customer Service Specialist) and reduce services and supplies budget in the Permitting and Events department.	Measure U	-	(12)	1.00
Community Enrichment	Delete one position (1.0 FTE - Senior Accounting Technician) and add one position (1.0 FTE - Accounting Technician). Realign administrative team to accommodate internal restructuring.	Measure U	-	86,535	1.00
Park Maintenance and Planning	Remove 10 Outdated Fleet Equipment from YPCE's FY2025/26 Fleet Replacement Budget	Measure U	-	(1,494,551)	-
Park Maintenance and Planning	Add 16 New Grounds Maintenance Equipment	Measure U	-	780,600	-
Park Maintenance and Planning	Add Two Specialized Fire Prevention and Renovation Equipment	Measure U	-	464,677	-
Park Maintenance and Planning	Add Three Utility and Transport Equipment	Measure U	-	117,265	-
Park Maintenance and Planning	Delete ten positions (10.0 FTE - Park Maintenance Worker) in the Park Maintenance Division. These are hard to fill positions and do not impact current maintenance service levels.	Measure U	-	(684,588)	(10.00)
Park Maintenance and Planning	Delete 12 positions (twelve 0.45 FTE - Utility Worker) in the Park Maintenance Division.	Measure U	-	(205,884)	(5.40)
Park Maintenance and Planning	Delete one position (1.0 FTE - Program Specialist) and add one position (1.0 FTE - Park Maintenance Superintendent) in the Parks Maintenance Division to realign position to meet operational needs in City Cemetery Division and Park Operation Division.	Measure U	-	1,105	-
Park Maintenance and Planning	Delete one position (1.0 FTE - Supervising Landscape Architect) and add one position (1.0 FTE - Senior Landscape Architect) supporting Park Development Services.	General Fund	-	(13,931)	-
Youth Development Administration	Add three positions (1.0 FTE - Program Specialist and 2.0 FTE - Admin Analysts) to support the administrative duties related to related to the Sacramento Children's Fund and associated offset.	Measure U	(400,549)	400,549	3.00
Total Change			(1,247,388)	(1,887,057)	(31.87)

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Department Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Employee Services	\$38,740,212	\$43,068,954	\$45,775,945	\$47,055,945	\$46,650,786	\$ (405,159)
Other Services and Supplies	21,802,005	21,149,434	21,250,683	21,017,077	21,242,909	225,832
City Property	177,358	620,133	276,490	276,490	276,490	-
Multi-Year Operating Projects	-	-	1,873,536	1,075,036	1,469,814	394,778
City Debt Service	56,556	384,659	-	-	-	-
Transfers	(146,803)	326,881	-	-	-	-
Labor and Supply Offset	(2,170,445)	(3,105,221)	(2,088,984)	(3,178,254)	(3,692,151)	(513,897)
Operating Transfers	(3,976,175)	(1,069,748)	-	-	-	-
Total	\$54,482,707	\$61,375,092	\$67,087,670	\$66,246,294	\$65,947,849	\$ (298,445)

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
General Fund	\$ 3,231,429	\$ 4,210,277	\$ 5,744,261	\$ 5,447,261	\$ 6,184,485	\$ 737,224
Laguna Creek Maint Dist	150,000	101,000	129,707	129,707	120,000	(9,707)
Neighborhood Water Quality Dist	30,000	30,000	31,101	31,101	57,000	25,899
N Natomas Lands CFD 3	1,644,743	1,805,031	1,890,000	1,656,394	2,055,000	398,606
Landscaping and Lighting	4,200,000	4,300,000	4,440,000	4,440,000	4,558,500	118,500
Neighborhood Park Maint CFD	1,882,000	1,982,000	2,232,000	2,232,000	2,400,000	168,000
Natomas Crossing CFD 2013-01	-	-	-	-	27,600	27,600
NW Land Park CFD 2013-02	132,068	136,654	247,022	247,022	252,437	5,415
Township 9 CFD No. 2012-06	175	283	2,000	2,000	1,000	(1,000)
Railyards Maint CFD No 2014-04	-	-	7,500	7,500	1,500	(6,000)
Parkebridge CFD 2014-07	-	28,905	57,000	57,000	57,000	-
SacMaintCFD2014-04 Annex Areas	-	-	1,200	1,200	-	(1,200)
Sac Services CFD 2018-05	38,539	99,334	150,000	150,000	200,000	50,000
Measure U	39,945,066	42,319,119	45,556,462	43,965,692	42,213,480	(1,752,212)
START	870,586	649,151	386,202	386,202	550,622	164,420
Land Park	89,000	89,000	89,000	89,000	89,000	-
Quimby Act	9,886	3,949	10,000	10,000	10,000	-
Golf	(97,160)	(103,650)	(78,368)	(78,368)	104,370	182,738
Disaster Relief Act	-	4,594	-	-	-	-
Park Development	(3,746,090)	(215,531)	823,641	823,641	477,907	(345,734)
4th R Program	6,102,465	5,934,976	5,368,942	6,648,942	6,587,947	(60,995)
Total	\$54,482,707	\$61,375,092	\$67,087,670	\$66,246,294	\$65,947,849	\$ (298,445)

Division Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Administration & Park Rangers Division	\$ 4,877,497	\$ 5,768,015	\$ 5,684,333	\$ 5,684,333	\$ 7,074,993	\$ 1,390,660
All Ages Recreation Programming	11,041,336	10,754,673	11,190,321	11,678,051	11,205,854	(472,197)
Aquatics and Workforce Development	9,093,171	10,065,169	10,978,344	10,858,344	10,497,744	(360,600)
Community Centers and Permitting	9,519,776	10,265,874	12,137,455	12,082,455	11,345,372	(737,083)
Youth Development Administration Division	-	1,082,602	957,194	957,194	960,030	2,836
Park Maintenance & Planning Division	19,950,928	23,438,758	26,140,023	24,985,917	24,863,856	(122,061)
Total	\$54,482,707	\$61,375,092	\$67,087,670	\$66,246,294	\$65,947,849	\$ (298,445)

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Staffing Levels

Youth, Parks, and Community Enrichment Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Administration & Park Rangers Division	31.00	34.00	33.00	33.00	40.00	7.00
All Ages Recreation Programming	238.24	234.47	229.69	229.69	221.19	(8.50)
Aquatics and Workforce Development	164.94	173.01	154.27	154.27	148.01	(6.26)
Community Centers and Permitting	152.25	152.44	140.51	140.51	131.40	(9.11)
Youth Development Administration Division	-	6.00	6.00	6.00	9.40	3.40
Park Maintenance & Planning Division	150.80	152.80	146.40	146.40	128.00	(18.40)
Total	737.23	752.72	709.87	709.87	678.00	(31.87)

MEASURE U

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

Funding Category	Program Name	FTE	FY2025/26 Approved
Community Investment			
MYOP	Commission Stipends	-	13,550
	Fleet Acquisitions	-	672,622
Operations	Fiscal and Management Services	20.00	3,233,977
	Historic City Cemetery	2.00	279,260
	Older Adult Services	28.03	1,903,730
	Park Operations Administration	113.00	14,241,033
	Permitting and Events	7.74	666,916
	Technology Service	-	57,638
Public Safety - YPCE			
Operations	Park Rangers	15.00	2,127,614
Youth			
MYOP	Commission Stipends	-	8,800
	Fleet Acquisitions	-	180,000
	Mayor Council Economic Development Priorities	-	300,000
	YPCE Youth Program for Scholarship Fund	-	200,000
Operations	Access Leisure	8.05	511,937
	Aquatics	78.70	4,797,763
	Camp Sacramento	14.57	14,099
	Community Centers	123.66	7,483,137
	Community Recreation Services	11.74	536,828
	Recreation Administration	5.00	1,203,865
	Youth Development Administration	9.40	960,030
	Youth Employment	54.74	2,793,574
	Youth Expanded Learning	2.98	27,104
Grand Total		494.61	\$ 42,213,477

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PERFORMANCE MEASURES

Parks Operations Division

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Park maintenance cost per acre	\$6,446	\$6,139	\$6,058	\$6,106	\$6,150

Currently, the Park Maintenance Division maintains more than 3,439 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.

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of developed park acres maintained per FTE	24.31	19.55	23.71	30.08	30.50

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 26 acres. Any increase to park acreage, given existing staffing, has a direct negative impact on service levels.

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of volunteer hours managed per developed park acre	10.88	8.63	8.40	8.50	9.0

Over 3000 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

	FY22	FY23	FY24	FY25	FY26
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of safety calls responded to per Park Ranger	284	275	277	944	963

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. A full-time ranger can handle 450 calls per year. As we add more staff, it will help distribute the workload. In FY24 the division transitioned from using 311 to track calls for service and implemented new Salesforce software to more accurately track calls for service.

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SECTION - 25

Citywide and Community Support

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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 (\$5.2 million - \$4.8 million in the General Fund and \$0.5 million in the Measure U [MU] Fund):
 - Employee leave payouts authorized by labor contracts; and
 - Vacation/sick leave termination payoffs;

Budget authority is transferred from this program to departments to reimburse actual costs incurred. Reimbursements are done on a proportional basis if the actual costs incurred by departments exceed the available resources in Citywide.

- Salary Savings (-\$6.5 million – -\$5.7 million in the General Fund and -\$0.8 million in the MU Fund) – A salary saving factor of 1.1% 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. 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) (\$47.5 million - \$42.5 million in the General Fund and \$5.0 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 (\$10.9 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.
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- 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 (\$278 million as of June 30, 2023). The balance in the CERBT was approximately \$116.9 million as of April 17, 2024. 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) (\$0.2 million - \$0.1 million in the General Fund) – In FY2022/23, the SCERS fund was fully funded and the City stopped making contributions. However, based on the Foster & Foster SCERS Actuarial Valuation Report dated June 30, 2023, the valuation of the fund will require additional contributions for the next four years. There were 739 participants (1 active) as of June 30, 2024.
- California Public Employees' Retirement System (CalPERS) (\$182.5 million - \$148.6 million in the General Fund and \$10.8 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 (-\$3.8 million). Costs are budgeted in the managing department's budgets.

Citywide Maintenance Contracts and Utilities

- Information Technology Maintenance and Support Contracts (\$5.6 million - \$4.1 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 \$0.9 million for computer software maintenance.
- Multi-tenant City-owned Buildings (\$6.0 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 \$4.5 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.

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Multi-Year Operating Projects (MYOPs)

Citywide includes \$12.7 million in MYOPs. Of the \$12.7 million, \$9.3 million is the City's obligation to the Children's Fund as required by Measure L. The General Fund is \$0.3 million, and the MU Fund is \$4.8 million. There are -\$1.7 million in reductions from ARPA Fund, Innovation and Growth Fund, New Measure A Fund and Water Fund. 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 \$0.4 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 \$200,000 in revenue for staff support provided by the City Attorney's Office, Finance, and other departments.

Miscellaneous

- Elections (\$550,000) – 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 (\$516,282) – 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.

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- Membership, Licenses and Dues (\$450,000)

Citywide Revenues

An in-depth review of FY2025/26 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 \$18.5 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 \$2.8 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 \$2.2 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 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

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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, 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 L 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 FY2024/25, the City's libraries require at least \$2 million for essential capital improvements, primarily focused on exterior upgrades such as parking lot maintenance and ADA enhancements. Additional interior maintenance needs will be addressed in future years as funding becomes available. A substantial investment of over \$33.6 million from both the City and the State is dedicated to enhancing Sacramento's library infrastructure. Through the State of California's Building Forward: Library Infrastructure Grant Program, approximately \$15.1 million in grants have been awarded, requiring a City match of around \$7.6 million. In addition, the City has committed an extra \$10.9 million to fully support these critical projects. This significant funding will support 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 and Review Building to expand the North Sacramento – Hagginwood Library (NSHL), with an investment of \$14.3 million. The remaining \$3.5 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 will address increasing construction, material, and furnishing costs while ensuring modern, inclusive, and accessible spaces that serve all residents.

City staff will continue to work with Library staff to identify opportunities to address the structural gap between revenues and expenditure needs.

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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 FY2025/26 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.

Due to the funding gap in FY2024/25, the FY2024/25 EUR transfer to the reserve at year-end was 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, approximately \$3.7 million will be placed in a Federal Funding reserve to partially help the City if the federal government withholds or rescinds federal revenues.

Due to various uses, the EUR balance is estimated to be \$76.4 million on July 1, 2025, which is approximately 8.9% of budgeted FY2025/26 General Fund revenues and below the target by \$7,487,921.

Other Sources and Uses

Other sources and uses in the governmental, enterprise, internal and other governmental funds total \$48.2 million.

Beginning Fund Balances

Beginning fund balances of the governmental, enterprise, internal, and other governmental funds total \$485.5 million which represent available resources from the FY2023/24 Annual Comprehensive Financial Report (ACFR) and anticipated activity in FY2024/25. 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 \$425.7 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.

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BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Increase on-going 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.	Various*	-	93,429	-
Citywide Support	Increase funding to pay the annual software license fee for LaborSoft case management software used by Labor Relations Division in HR to ensure cases are tracked for management of case deadlines, reduction in manual work by staff, and to provide data and analytical reporting. Additionally, increase funding for the annual maintenance of AbsenceSoft software used by the Leave Administration Division in HR to reduce manual work of staff in the program and help ensure employees receive notices timely and all leaves are tracked for compliance.	General Fund	-	90,000	-
Citywide Support	Change funding source for the New Year's Eve fireworks from General Fund to the Community Center Fund.	General Fund	-	(70,000)	-
Citywide Support	Change funding source for Visit Sacramento for the continual support of tourism recovery through event support and production from General Fund and Measure U Fund to the Community Center Fund.	Measure U	-	(500,000)	-
Citywide Support	Change funding source for Visit Sacramento for the continual support of tourism recovery through event support and production from General Fund and Measure U Fund to the Community Center Fund.	Community Center	-	500,000	-
Citywide Support	Liquidate one-time funding in the Community Investment Program (I02001200). Return unused dollars to fund balance.	General Fund	-	(76,567)	-
Citywide Support	Liquidate one-time funding in the Thousand Strong Program (I01000300). Return unused dollars to fund balance.	Measure U	-	(1,500,000)	-
Citywide Support	Liquidate one-time funding in the Sacramento Riverfront Program (I02180200). Return unused dollars to fund balance.	General Fund	-	(10,800)	-
Citywide Support	Liquidate one-time funding in the Sacramento Zoo Relocation Study Project (I02002100). Return unused dollars to fund balance.	General Fund	-	(35,118)	-
Citywide Support	Liquidate one-time funding in the Arts Education and Community Outreach Project (I17001100). Return unused dollars to fund balance.	General Fund	-	(56,618)	-
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	General Fund	-	(13,700)	-
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Measure U	-	(24,750)	-
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	Water	-	(3,100)	-
Citywide Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	NMA Safety, Streets, Ped, Bic	-	(1,001)	-
Citywide Support	Liquidate one-time funding in the Creative Economy Pilot Project (I18000300). Return unused dollars to fund balance.	Innovation and Growth	-	(14,431)	-
Citywide Support	Liquidate one-time funding in the Economic Development Initiatives Project (I02181000). Return unused dollars to fund balance.	Measure U	-	(200,650)	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Liquidate one-time funding in the City Manager Youth Programs Project (I80020800). Return unused dollars to fund balance.	Measure U	-	(157,076)	-
Citywide Support	Liquidate one-time funding in the Arts and Creative Economy Program (I17609000). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(1,250,000)	-
Citywide Support	Liquidate one-time funding in the Code Service Homeless Response Team Project (I21000500). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(7,875)	-
Citywide Support	Liquidate one-time funding in the Animal Services for the Homeless Response Team Project (I21008500). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	8,869	-
Citywide Support	Liquidate one-time funding in the Vaccine Outreach and Education Project (I02612050). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(12,248)	-
Citywide Support	Liquidate one-time funding in the Old Sacramento Improvements Project (I02612030). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(5)	-
Citywide Support	Liquidate one-time funding in the ARPA Small Business Support Program (I02612000) for cleaning along corridors, street alley closures and paving, and the City of Festivals grant. Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(92,741)	-
Citywide Support	Liquidate one-time funding in the Northgate Economic Recovery Project (I02612080). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(1)	-
Citywide Support	Liquidate one-time funding in the ARPA Gang Prevention and Intervention Project (I02000600). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(947)	-
Citywide Support	Liquidate one-time funding in the Business Compliance Unit Night Team Project (I21000400). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(291,963)	-
Citywide Support	Liquidate one-time funding in the Community Neighborhood Improvements Program (D01000000). Return unused dollars to fund balance.	General Fund	-	(70,137)	-
Citywide Support	Liquidate one-time funding in the Community Neighborhood Funding Program (D01000500). Return unused dollars to fund balance.	General Fund	-	(3,438)	-
Citywide Support	Liquidate one-time funding in the Broadway/Alhambra Navigation Center Project (C15001100). Return unused dollars to fund balance.	Measure U	-	(4,737)	-
Citywide Support	Liquidate one-time funding in the Parking Facilities Development Program (V15710000). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(7,501)	-
Citywide Support	Liquidate one-time funding in the Comprehensive Siting Plan Location Buildout Project (C15001500). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(106,093)	-
Citywide Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund and return unused dollars to the General Fund.	General Fund	(3,454,582)	-	-
Citywide Support	Liquidate remaining available fund balance in the American Rescue Plan Act (ARPA) Reinvestment Fund and return unused dollars to the General Fund.	ARPA Reinvestment Fund	3,454,582	-	-
Citywide Support	Liquidate one-time funding in the Public Records Staffing Project (I11002800). Return unused dollars to fund balance.	ARPA Reinvestment Fund	-	(21,309)	-

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BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Increase on-going 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	-	322,571	-
Total Change			-	(3,517,937)	-

* 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	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Employee Services	\$ 18,270,106	\$ 20,897,266	\$ 9,491,135	\$ 16,682,082	\$ 11,075,554	\$ (5,606,528)
Other Services and Supplies	90,838,470	100,485,291	103,853,287	104,051,888	112,396,420	8,344,532
City Property	539,285	526,135	300,000	300,000	300,000	-
Multi-Year Operating Projects	-	-	16,830,996	17,185,896	12,723,314	(4,462,582)
Transfers	261,315	219,548	-	-	375,141	375,141
Labor and Supply Offset	168,776	169,715	154,634	154,634	-	(154,634)
Contingency	-	-	2,000,000	1,914,453	2,000,000	85,547
Operating Transfers	(838,984)	(2,369,849)	-	-	154,634	154,634
Total	\$109,238,969	\$119,928,106	\$132,630,052	\$140,288,953	\$139,025,063	\$ (1,263,890)

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ 52,522,239	\$ 58,251,636	\$ 72,567,792	\$ 78,775,947	\$ 75,685,647	\$ (3,090,300)
Interdepartmental Service	2,072,984	2,150,168	2,643,036	2,643,036	2,559,655	(83,381)
ARPA Reinvestment Fund	-	-	-	-	1,786,362	1,786,362
Development Services	774,190	1,125,894	-	-	-	-
Private Development	186,558	272,794	-	-	-	-
Sheraton MOPA Project	257,604	370,355	-	-	-	-
Innovation and Growth	9,589	2,513,938	-	17,162	(14,431)	(31,593)
NMA Safety, Streets, Ped, Bic	-	-	-	-	(1,001)	(1,001)
Downtown Plaza PBID	81,483	60,764	76,230	76,230	83,853	7,623
Old Sacramento PBID	157,871	152,253	145,530	145,530	160,083	14,553
Franklin Blvd PBID	54,720	56,488	95,288	95,288	104,817	9,529
Del Paso PBID	44,423	32,304	47,009	47,009	51,710	4,701
Stockton Blvd BIA	69,836	64,651	74,705	74,705	82,175	7,470
Oak Park PBID	328,117	327,631	357,386	357,386	368,108	10,722
Franklin Boulevard PBID	206,083	209,519	228,152	228,152	239,560	11,408
Del Paso Prop & Business Imprv	495,476	484,824	551,095	551,095	567,628	16,533
Downtown Management District	3,904,081	3,946,866	4,198,181	4,198,181	5,920,809	1,722,628
The River District PBID	671,791	703,808	751,570	751,570	789,149	37,579
N Natomas Transp Mgmt Assoc	1,740,746	1,892,525	1,970,000	1,970,000	2,100,000	130,000
Stockton Blvd PBID	408,653	412,411	447,745	447,745	461,177	13,432
Power Inn Area Prop & Business	534,253	568,659	615,386	615,386	640,001	24,615
Greater Broadway PBID	431,474	486,481	451,101	451,101	473,656	22,555
Midtown Sacramento PBID	1,772,964	1,809,375	1,897,592	1,897,592	1,959,039	61,447

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Library Services Parcel Tax	9,200,279	9,536,971	9,989,149	9,989,149	10,349,473	360,324
Mack Road PBID	684,398	708,067	752,038	752,038	774,599	22,561
Sac Tourism Marketing District	7,457,635	8,382,486	3,568,492	3,568,492	3,568,492	-
Sacramento TID	442,000	-	-	-	-	-
16th St PBID	185,248	183,730	194,344	194,344	202,118	7,774
Measure U	18,862,853	19,578,736	27,095,919	27,936,842	26,079,832	(1,857,010)
START	5,821	4,487	4,704	4,704	4,626	(78)
Marina	-	7,508	-	9,240	-	(9,240)
Parking	159,922	173,708	88,609	203,693	81,633	(122,060)
Water	873,095	946,758	615,515	784,268	537,693	(246,575)
Wastewater	300,885	320,998	202,880	202,880	176,425	(26,455)
Recycling and Solid Waste	551,837	718,242	542,407	631,260	426,724	(204,536)
Community Center	1,767,851	1,863,719	1,892,352	1,985,432	2,326,255	340,823
Storm Drainage	361,988	429,458	292,233	306,352	246,689	(59,663)
4th R Program	42,514	39,629	33,773	54,951	29,701	(25,250)
Fleet Management	214,706	246,947	185,790	246,120	148,745	(97,375)
Risk Mgmt	28,562	24,979	16,293	27,616	16,162	(11,454)
Worker's Compensation Fund	34,552	41,357	36,143	43,920	36,300	(7,620)
Cty/Cnty Office-Water Planning	481,219	443,287	1,613	4,537	1,599	(2,938)
Habitat Management Element	858,466	383,695	-	-	-	-
Total	\$109,238,969	\$119,928,106	\$132,630,052	\$140,288,953	\$139,025,063	\$ (1,263,890)

Division Budget Summary

Citywide and Community Support Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Citywide Support Division	\$ 40,122,939	\$ 47,422,175	\$ 67,391,293	\$ 67,746,193	\$ 73,361,461	\$ 5,615,268
Community Support Division	39,356,678	40,316,540	44,577,757	44,776,056	46,886,591	2,110,535
County Property Taxes & Charges	2,971,308	3,308,017	5,120,000	5,120,000	4,476,011	(643,989)
Major Tax Revenues Division	7,938,373	9,044,268	500,000	500,000	500,000	-
Reserves/Fund Contingency Division	-	-	2,000,000	1,914,453	2,000,000	85,547
Retired/Transfer Emp Benefit 1530	18,849,671	19,837,105	13,041,002	20,232,251	11,801,000	(8,431,251)
Total	\$109,238,969	\$119,928,106	\$132,630,052	\$140,288,953	\$139,025,063	\$ (1,263,890)

Staffing Levels

Citywide and Community Support Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change
						More/(Less) Approved/Amended
Community Support Division	7.00	6.00	-	-	-	-
Total	7.00	6.00	-	-	-	-

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MEASURE U

The following chart summarizes the Measure U programs in Citywide and Community Support.

Funding Category	Program Name	FTE	FY2025/26 Approved
Arts/Creative Edge			
Operations	Arts Stabilization	-	270,833
Inclusive Economic Development			
Operations	Community Programs	-	974,393
Library			
MYOP	SPLA Maintenance Program	-	400,000
Operations	Library JPA	-	14,271,661
Miscellaneous			
MYOP	Powerhouse Science Center		600,000
	Thousand Strong		(1,500,000)
	Economic Development Initiatives		(200,650)
	Commission Stipends Program		(24,750)
	SURA Program		5,400,000
	City Manager Youth Programs		(157,076)
Operations	Citywide IT Maintenance and Support	-	289,684
	Employee Development	-	(737,255)
	Gen Insurance/Termination	-	5,363,020
	Retired/Transfer Employee Benefits	-	879,972
Youth			
MYOP	Fare Free Transit for Youth		250,000
Grand Total		-	\$ 26,079,832

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SECTION - 26

Debt Financing

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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 Services (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 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.

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Debt Limit

The City has approximately \$761 million in General Fund lease obligations (inclusive of required principal and interest payments) as of June 30, 2025, 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, 2024, the City had no General Fund Obligation Bonds outstanding and had a total debt limit of approximately \$10.71 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.
- **2015 Refunding Revenue Bonds** - Refunded (1) 2002 CIRB Series A which financed City Hall and SHRA CIPs, (2) 2003 CIRB which financed the 911 call center and other CIPs, (3) 2005 Refunding Revenue Bonds for solid waste, redevelopment and master lease program facilities, and (4) 2006 CIRB Series A & C which included General Fund backed lease revenue bonds to finance CRCIP projects (*three new libraries, four community center renovations, regional park improvements, a new cattery building, and improvements to Fairytale Town, Discovery Museum, neighborhood/community lighting and transportation facilities*) for the City and SHRA CIPs.
- **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

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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. Cashflow 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. Cashflow 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. Cashflow 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.
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Department Budget Summary

Debt Service Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
Other Services and Supplies	\$ 35,054	\$ 34,968	\$ -	\$ -	\$ -	\$ -
City Debt Service	100,022,293	99,853,237	105,168,181	105,168,181	105,380,686	212,505
Labor and Supply Offset	-	89,800	-	-	-	-
Total	\$100,057,347	\$99,978,004	\$105,168,181	\$105,168,181	\$105,380,686	\$ 212,505

Funding Summary by Fund/Special District	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
General Fund	\$ 16,871,890	\$16,811,881	\$ 16,578,414	\$ 16,578,414	\$ 16,566,564	\$ (11,850)
Innovation and Growth	1,100,000	1,100,000	-	-	-	-
Sacramento TID	2,721,149	2,690,894	2,742,250	2,742,250	2,741,750	(500)
Golf	435,367	435,252	435,087	435,087	434,933	(154)
Marina	1,151,565	1,182,235	1,207,235	1,207,235	1,257,235	50,000
NNFP Public Facilities Fee	585,777	587,446	573,171	573,171	577,045	3,874
NNFP Reg Park Land Acquisition	843,481	845,886	825,331	825,331	830,908	5,577
CFD-Dev Fee	-	1,660	-	-	-	-
2006 CIRBs, Series B (CIRCIP)	1,737,520	1,356,318	1,512,650	1,512,650	1,510,059	(2,591)
2006 CIRBs (Refunding), Series E	257,336	238,057	231,037	231,037	231,156	119
2015 Golden 1 Center Revenue Bonds	2,214,684	2,276,470	8,889,286	8,889,286	9,086,258	196,972
2015 Refunding Revenue Bond	14,127	25,730	-	-	-	-
2016 Lease Financing-H Street	673,618	669,203	674,515	674,515	669,250	(5,265)
Parking	10,279,935	10,076,516	9,780,506	9,780,506	9,576,631	(203,875)
Water	36,049,899	36,497,046	32,677,464	32,677,464	35,723,284	3,045,820
Wastewater	3,915,667	3,489,386	3,910,458	3,910,458	3,913,157	2,699
Recycling and Solid Waste	1,677,781	1,676,733	1,674,299	1,674,299	1,666,892	(7,407)
Community Center	19,072,753	18,863,763	20,318,486	20,318,486	20,318,464	(22)
Storm Drainage	235,021	235,205	232,860	232,860	232,486	(374)
Water Revenue Bonds	(5,960)	42,098	2,860,241	2,860,241	-	(2,860,241)
Water Revenue Bonds Ser. 2017	315	1,926	-	-	-	-
Water Rev Ref Bonds Ser 2020	814	4,168	-	-	-	-
Water Rev Ref Bonds Ser 2023	-	(23,030)	-	-	-	-
Wastewater Revenue Bonds	(805)	429,270	-	-	-	-
Wastewater Revenue Bonds 2019	199	1,140	-	-	-	-
Wastewater Rev Ref Bonds Ser 2020	113	539	-	-	-	-
2018 TOT Revenue Bonds, Tax Exempt	37,298	117,417	(696,666)	(696,666)	(214)	696,452
2018 TOT Revenue Bonds, Taxable	119,356	246,530	696,715	696,715	-	(696,715)
2019 STID Revenue Bonds	22,691	52,192	-	-	-	-
Fleet Management	45,755	46,073	44,842	44,842	44,828	(14)
Total	\$100,057,347	\$99,978,004	\$105,168,181	\$105,168,181	\$105,380,686	\$ 212,505

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Division Budget Summary

Debt Service Budget Summary	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Approved	FY2024/25 Amended	FY2025/26 Approved	Change More/(Less) Approved/Amended
2018 TOT Revenue Bonds	\$ 18,979,407	\$18,977,710	\$ 18,968,535	\$ 18,968,535	\$ 18,968,250	\$ (285)
2017 Water Revenue Bonds	3,380,982	3,379,824	3,375,663	3,375,663	3,376,288	625
2020 Water Revenue Refinance Bonds	6,982,969	6,619,504	5,200,307	5,200,307	9,091,004	3,890,697
2023 Water Revenue Refinance Bonds	-	807,854	1,259,100	1,259,100	3,282,000	2,022,900
2015 G1C Lease Revenue Bonds Division	12,114,684	11,976,470	18,289,286	18,289,286	18,286,258	(3,028)
2015 Refunding Revenue Bonds	9,930,402	9,922,524	9,925,687	9,925,687	9,898,312	(27,375)
2019 STID Revenue Bonds Division	2,743,839	2,743,086	2,742,250	2,742,250	2,741,750	(500)
2013 Water Revenue Bonds	5,724,694	5,719,874	5,719,500	5,719,500	-	(5,719,500)
2013 Wastew ater Revenue Bonds	826,789	828,072	-	-	-	-
2019 Wastew ater Revenue Bonds	2,116,289	2,117,576	2,116,375	2,116,375	2,116,375	-
2020 Wastew ater Revenue Refinance Bonds	926,341	928,612	1,749,241	1,749,241	1,751,954	2,713
2006 CIRBs Series B, D, E Division	24,533,572	24,065,122	23,954,435	23,954,435	23,965,207	10,772
Miscellaneous Division-Debt Service	11,797,378	11,891,775	11,867,802	11,867,802	11,903,288	35,486
Total	\$100,057,347	\$99,978,004	\$105,168,181	\$105,168,181	\$105,380,686	\$ 212,505

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SECTION - 27

Staffing

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Citywide Staffing Summary

Department	FY2024/25 Amended	FY2025/26 Proposed	FY2025/26 Changes	FY2025/26 Approved
Mayor/Council	43.00	43.00	-	43.00
City Auditor	10.00	10.00	-	10.00
City Attorney	64.00	64.00	(1.00)	63.00
City Clerk	24.00	24.00	(1.00)	23.00
City Manager	64.00	52.00	(2.00)	50.00
City Treasurer	14.00	14.00	(1.00)	13.00
Community Development	318.00	315.00	-	315.00
Community Response	38.00	38.00	-	38.00
Convention and Cultural Services	124.50	124.50	-	124.50
Finance	94.00	103.00	(1.00)	102.00
Fire	760.50	763.50	2.00	765.50
Human Resources	83.00	77.00	-	77.00
Information Technology	202.50	202.50	-	202.50
Police	1,119.50	1,092.50	-	1,092.50
Public Works	769.65	780.65	-	780.65
Utilities	599.18	607.18	-	607.18
Youth, Parks, and Community Enrichment	709.87	674.00	4.00	678.00
Total	5,037.70	4,984.83	-	4,984.83

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Mayor/Council	FY2024/25 Amended	FY2025/26 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	13.00	-
Mayor	1.00	1.00	-
OPS Accountability Analyst	2.00	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	4.00	2.00	(2.00)
OPSA Senior Investigator	-	2.00	2.00
Senior Advisor to the Mayor	3.00	3.00	-
Senior Council Representative	8.00	9.00	1.00
Special Assistant to the Mayor	1.00	1.00	-
Staff Aide MCS	1.00	-	(1.00)
Total	43.00	43.00	-

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	FY2024/25	FY2025/26	
City Attorney	Amended	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	-	4.00	4.00
Deputy City Attorney II	3.00	4.00	1.00
Investigator	1.00	-	(1.00)
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	6.00	-
Paralegal Technical Support	1.00	1.00	-
Senior Deputy City Attorney	29.00	24.00	(5.00)
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	64.00	63.00	(1.00)

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City Auditor	FY2024/25	FY2025/26	Change
	Amended	Approved	
Assistant City Auditor	1.00	-	(1.00)
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	-

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City Clerk	FY2024/25	FY2025/26	Change
	Amended	Approved	
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	8.00	-
Program Specialist	3.00	3.00	-
Senior Deputy City Clerk	3.00	3.00	-
Staff Assistant-Mayor Council	1.00	-	(1.00)
Total	24.00	23.00	(1.00)

FY2025/26 Approved Budget

City Manager	FY2024/25	FY2025/26	Change
	Amended	Approved	
Accountant Auditor	1.00	-	(1.00)
Administrative Analyst	16.00	13.00	(3.00)
Administrative Officer	2.00	1.00	(1.00)
Administrative Technician	4.00	1.00	(3.00)
Assistant City Manager	4.00	4.00	-
Assistant Director	1.00	1.00	-
Assistant to the City Manager	1.00	1.00	-
Cannabis 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	10.00	8.00	(2.00)
Director of Emergency Management	1.00	-	(1.00)
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	2.00	-
Neighborhood Services Area Manager	1.00	1.00	-
Program Specialist	4.00	2.00	(2.00)
Senior Development Project Manager	4.00	4.00	-
Special Projects Manager	2.00	2.00	-
Total	64.00	50.00	(14.00)

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City Treasurer	FY2024/25	FY2025/26	Change
	Amended	Approved	
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	1.00	2.00	1.00
Investment Officer	1.00	1.00	-
Investment Operations Analyst	1.00	1.00	-
Senior Debt Analyst	2.00	1.00	(1.00)
Senior Investment Officer	1.00	1.00	-
Treasury Analyst	2.00	2.00	-
Treasury Assistant	1.00	-	(1.00)
Treasury Manager	1.00	1.00	-
Total	14.00	13.00	(1.00)

FY2025/26 Approved Budget

	FY2024/25	FY2025/26	
Community Development	Amended	Approved	Change
Account Clerk II	2.00	2.00	-
Accountant Auditor	1.00	-	(1.00)
Accounting Technician	5.00	5.00	-
Administrative Analyst	8.00	9.00	1.00
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	16.00	-
Animal Control Officer I	4.00	9.00	5.00
Animal Control Officer II	8.00	3.00	(5.00)
Animal Services Coordinator	6.00	6.00	-
Assistant Architect	1.00	1.00	-
Assistant Code Enforcement Officer	6.00	6.00	-
Assistant Director	1.00	1.00	-
Assistant Planner	8.00	6.00	(2.00)
Associate Civil Engineer	3.00	3.00	-
Associate Planner	18.00	18.00	-
Building Inspector I	16.00	16.00	-
Building Inspector II	15.00	16.00	1.00
Building Inspector III	20.00	19.00	(1.00)
Building Inspector IV	13.00	13.00	-
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	18.00	-
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	6.00	4.00	(2.00)
Development Services Technician II	4.00	6.00	2.00
Development Services Technician III	4.00	4.00	-
Director of Community Development	1.00	1.00	-
Junior Planner	1.00	2.00	1.00
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	-

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	FY2024/25	FY2025/26	
Community Development (continued)	Amended	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	2.00	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	1.00	-	(1.00)
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	318.00	315.00	(3.00)

*The Animal Control Officer I and II change is due to changes between flex positions.

*The Assistant Planner, Associate Planner and Junior Planner (2.0 FTE) change is due to changes between flex positions.

*The Building Inspector II and III change is due to changes between flex positions.

*The Development Services Technician I and II change is due to changes between flex positions.

FY2025/26 Approved Budget

Community Response	FY2024/5	FY2025/26	Change
	Amended	Approved	
Accountant Auditor	1.00	1.00	-
Administrative Analyst	6.00	6.00	-
Administrative Assistant	1.00	1.00	-
Administrative Technician	1.00	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	38.00	-

FY2025/26 Approved Budget

	FY2024/25	FY2025/26	
Convention and Cultural Services	Amended	Approved	Change
Administrative Analyst	4.50	4.50	-
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	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	5.00	-
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	1.00	-
Senior Stationary Engineer	2.00	2.00	-
Stagehand I	2.00	2.00	-
Stagehand II	2.00	2.00	-
Stationary Engineer	6.00	6.00	-
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	124.50	-

FY2025/26 Approved Budget

Finance	FY2024/25	FY2025/26	Change
	Amended	Approved	
Account Clerk II	4.00	4.00	-
Accountant Auditor	1.00	2.00	1.00
Accounting Technician	3.00	3.00	-
Administrative Analyst	6.00	9.00	3.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	2.00	1.00
Administrative Technician	4.00	7.00	3.00
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	15.00	13.00	(2.00)
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	1.00	-	(1.00)
Payroll Technician	4.00	4.00	-
Principal Budget Analyst	3.00	3.00	-
Procurement Services Manager	1.00	1.00	-
Program Manager	4.00	5.00	1.00
Program Specialist	1.00	2.00	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	94.00	102.00	8.00

FY2025/26 Approved Budget

Fire	FY2024/25	FY2025/26	Change
	Amended	Approved	
Account Clerk II	3.00	3.00	-
Administrative Analyst	9.00	10.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	11.00	12.00	1.00
Cache Logistics Coordinator	2.00	2.00	-
Contract and Compliance Specialist	1.00	1.00	-
Customer Service Representative	3.00	2.00	(1.00)
Deputy Fire Chief	3.00	3.00	-
Director of Emergency Mangement	-	1.00	1.00
Emergency Medical Service Trainee	10.00	10.00	-
EMS Coordinator	2.00	2.00	-
Fire Assistant Chief	9.00	9.00	-
Fire Battalion Chief	12.00	12.00	-
Fire Battalion Chief (Admin)	3.00	3.00	-
Fire Captain	111.00	111.00	-
Fire Captain (Admin)	13.00	12.00	(1.00)
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	1.00	2.00	1.00
Fire Prevention Officer II	13.00	11.00	(2.00)
Fire Prevention Officer Trainee	2.00	6.00	4.00
Fire Recruit	11.50	11.50	-
Fire Service Worker	3.00	3.00	-
Firefighter	349.00	349.00	-
Firefighter (Admin)	3.00	5.00	2.00
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	1.00	3.00	2.00
Program Supervisor	1.00	-	(1.00)
Public Safety Administrative Manager	1.00	1.00	-
Sacramento Fire EMT	20.00	20.00	-
Sacramento Fire Paramedic	20.00	20.00	-
Senior Accountant Auditor	1.00	-	(1.00)
Senior Fire Prevention Officer	4.00	4.00	-
Senior Staff Assistant	1.00	1.00	-
Stores Administrator	1.00	1.00	-
Stores Clerk I	1.00	-	(1.00)
Stores Clerk II	3.00	4.00	1.00
Supervising Fire Service Worker	1.00	1.00	-
Support Services Manager	1.00	-	(1.00)
Total	760.50	765.50	5.00

*The Fire Prevention Officer I, II and Fire Prevention Officer Trainee (5.0 FTE) change is due to changes between flex positions.

*The Stores Clerk I and Store Clerk II change is due to changes between flex positions.

FY2025/26 Approved Budget

	FY2024/25	FY2025/26	
Human Resources	Amended	Approved	Change
Accountant Auditor	1.00	1.00	-
Administrative Analyst	10.00	7.00	(3.00)
Administrative Assistant	1.00	-	(1.00)
Administrative Officer	-	1.00	1.00
Administrative Technician	1.00	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 Investigator	2.00	2.00	-
Labor Relations Analyst	1.00	1.00	-
Labor Relations Officer	5.00	5.00	-
Personnel Analyst	6.00	8.00	2.00
Personnel Technician	15.00	14.00	(1.00)
Program Manager	-	1.00	1.00
Program Specialist	3.00	-	(3.00)
Risk Manager	1.00	1.00	-
Senior Personnel Analyst	3.00	4.00	1.00
Senior Staff Assistant	4.00	2.00	(2.00)
Staff Assistant	2.00	1.00	(1.00)
Workers Compensation Claims Assistant I	3.00	2.00	(1.00)
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	83.00	77.00	(6.00)

*The Worker's Compensation Claims Assistant I and II change is due to changes between flex positions.

FY2025/26 Approved Budget

Information Technology	FY2024/25	FY2025/26	Change
	Amended	Approved	
311 Customer Service Agent	32.50	32.50	-
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	3.00	-
Administrative Technician	1.00	1.00	-
Applications Developer	8.00	13.00	5.00
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	3.00	-
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	4.00	-
Information Technology Manager	5.00	5.00	-
Information Technology Supervisor	12.00	12.00	-
Information Technology Support Specialist I	6.00	12.00	6.00
Information Technology Support Specialist II	8.00	11.00	3.00
Information Technology Trainee	17.00	3.00	(14.00)
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	1.00	1.00	-
Principal Applications Developer	12.00	12.00	-
Principal Systems Engineer	7.00	7.00	-
Program Manager	3.00	3.00	-
Program Specialist	11.00	11.00	-
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	10.00	-
Senior Telecommunications Technician	1.00	1.00	-
Systems Engineer	10.00	10.00	-
Telecommunications Engineer III	3.00	3.00	-
Telecommunications Technician I	1.00	1.00	-
Total	202.50	202.50	-

*The Applications Developer, Information Technology Support Specialist I and II and Information Technology Trainee change is due to changes between flex positions

FY2025/26 Approved Budget

Police	FY2024/25	FY2025/26	Change
	Amended	Approved	
Account Clerk I	1.00	-	(1.00)
Account Clerk II	1.00	1.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	31.00	30.00	(1.00)
Administrative Officer	5.00	5.00	-
Administrative Technician	14.00	14.00	-
Community Service Officer II	46.00	23.00	(23.00)
Community Service Officer III	10.00	10.00	-
Community Service Representative I	3.00	3.00	-
Custodian II	5.00	5.00	-
Deputy Police Chief	3.00	3.00	-
Dispatcher I	11.00	17.00	6.00
Dispatcher II	69.00	63.00	(6.00)
Dispatcher III	12.00	12.00	-
Evidence & Property Technician	9.00	9.00	-
Fingerprint Clerk	3.00	3.00	-
Forensic Investigator I	8.00	3.00	(5.00)
Forensic Investigator II	13.00	18.00	5.00
Governmental Affairs Manager	1.00	1.00	-
Media and Communications Specialist	1.00	1.00	-
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	1.00	2.00	1.00
Personnel Transactions Coordinator	1.00	1.00	-
Police Captain	11.00	11.00	-
Police Chief	1.00	1.00	-
Police Clerk II	17.00	17.00	-
Police Clerk III	2.00	2.00	-
Police Lieutenant	26.00	26.00	-
Police Officer	599.00	596.00	(3.00)
Police Records Specialist I	23.00	10.00	(13.00)
Police Records Specialist II	33.00	46.00	13.00
Police Records Specialist III	3.00	3.00	-
Police Records Supervisor	7.00	7.00	-
Police Sergeant	95.00	96.00	1.00
Program Specialist	3.00	3.00	-
Public Safety Admin. Manager	1.00	1.00	-
Senior Evidence/Property Tech	4.00	4.00	-
Senior Police Records Supervisor	3.00	3.00	-
Senior Staff Assistant	2.00	1.00	(1.00)
Special Projects Manager	1.00	1.00	-
Student Trainee (Most Majors)	28.50	28.50	-
Supervising Dispatcher	3.00	3.00	-
Supervising Forensic Investigator	4.00	4.00	-
Supervising Property Assistant	1.00	1.00	-
Total	1,119.50	1,092.50	(27.00)

*The Dispatcher I and II change is due to changes between flex positions.

*The Forensic Investigator I and II change is due to changes between flex positions.

*The Police Records Specialist I and II change is due to changes between flex positions.

FY2025/26 Approved Budget

	FY2024/25	FY2025/26	
	Amended	Approved	Change
Public Works			
Account Clerk II	3.00	2.00	(1.00)
Accountant Auditor	2.00	3.00	1.00
Accounting Technician	6.00	6.00	-
Administrative Analyst	30.00	28.00	(2.00)
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	4.00	-
Administrative Technician	9.00	9.00	-
Arborist/Urban Forester	7.00	7.00	-
Architectural Technician III	2.00	1.00	(1.00)
Assistant Architect	1.00	2.00	1.00
Assistant Civil Engineer	17.00	22.00	5.00
Assistant Director	1.00	1.00	-
Assistant Electrical Engineer	1.00	-	(1.00)
Associate Architect	2.00	1.00	(1.00)
Associate Civil Engineer	7.00	6.00	(1.00)
Associate Electrical Engineer	1.00	2.00	1.00
Associate Mechanical Engineer	1.00	1.00	-
Associate Planner	-	3.00	3.00
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	1.00	2.00	1.00
Construction Inspector II	9.00	9.00	-
Construction Inspector III	11.00	10.00	(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 II	2.00	2.00	-
Electrician	3.00	3.00	-
Electrician Supervisor	1.00	1.00	-
Electronic Maintenance Tech I	1.00	1.00	-
Engineering Manager	2.00	2.00	-
Engineering Technician I	2.00	-	(2.00)
Engineering Technician II	-	1.00	1.00
Engineering Technician III	6.00	5.00	(1.00)
Equipment Maintenance Supervisor	4.00	4.00	-
Equipment Mechanic I	8.00	12.00	4.00
Equipment Mechanic II	25.00	21.00	(4.00)
Equipment Mechanic III	7.00	7.00	-
Equipment Serviceworker	22.00	22.00	-
Facilities and Real Property Superintendent	2.00	3.00	1.00
Facilities Manager	1.00	1.00	-
Fleet Management Technician	3.00	3.00	-
Fleet Manager	1.00	1.00	-
Fleet Service Coordinator	3.00	4.00	1.00

FY2025/26 Approved Budget

	FY2024/25	FY2025/26	
	Amended	Approved	Change
Public Works (continued)			
HVAC Supervisor	1.00	1.00	-
HVAC Systems Mechanic	6.00	6.00	-
Integrated Waste Equipment Operator	132.30	132.30	-
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	-
Licensed Land Surveyor	1.00	1.00	-
Locksmith	1.00	1.00	-
Mail Processor I (Legacy)	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	11.00	-
Painter	3.00	3.00	-
Parking Enforcement Officer	48.00	48.00	-
Parking Enforcement Supervisor	4.00	4.00	-
Parking Facilities Maintenance Supervisor	1.00	2.00	1.00
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	3.00	4.00	1.00
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	14.00	-
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	16.00	17.00	1.00
Senior Engineering Technician	2.00	2.00	-
Senior HVAC Systems Mechanic	2.00	2.00	-
Senior Integrated Waste Equipment Operator	9.00	11.00	2.00
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	1.00	-
Senior Staff Assistant	-	1.00	1.00
Senior Tree Maintenance Worker	4.00	4.00	-
Senior Tree Pruner	4.00	4.00	-
Staff Assistant	2.00	2.00	-

FY2025/26 Approved Budget

	FY2024/25 Amended	FY2025/26 Approved	Change
Public Works (continued)			
Street Construction Equipment Operator	7.00	7.00	-
Street Construction Laborer	34.00	31.00	(3.00)
Street Construction Laborer Trainee	9.00	11.00	2.00
Street Maintenance Supervisor	7.00	8.00	1.00
Streets Manager	1.00	1.00	-
Structural Maintenance Supervisor	2.00	2.00	-
Supervising Architect	2.00	2.00	-
Supervising Construction Inspector	3.00	4.00	1.00
Supervising Engineer	6.00	8.00	2.00
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	3.00	2.00	(1.00)
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	2.00	7.00	5.00
Traffic Control and Lighting Technician II	5.00	3.00	(2.00)
Traffic Control and Lighting Technician Trainee	8.00	5.00	(3.00)
Traffic Investigator I	1.00	3.00	2.00
Traffic Investigator II	3.00	-	(3.00)
Traffic Investigator III	2.00	4.00	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	8.00	9.00	1.00
Tree Pruner Supervisor	2.00	2.00	-
Tree Pruner Trainee	2.00	1.00	(1.00)
Vehicle Service Attendant	2.00	1.00	(1.00)
Total	769.65	780.65	11.00

*The Assistant Architect and Associate Architect change is due to changes between flex positions.

flex positions.

*The Construction I and III change is due to changes between flex positions.

*The Engineering Technician I and II (1.0 FTE) change is due to changes between flex positions.

*The Equipment Mechanic I and II change is due to changes between flex positions.

*The Street Construction Laborer and Trainee (2.0 FTE) change is due to changes between flex positions.

*The Traffic Investigator I, II and III (3.0 FTE) change is due to changes between flex positions.

*The Tree Pruner II and Trainee change is due to changes between flex positions.

FY2025/26 Approved Budget

Utilities	FY2024/25	FY2025/26	Change
	Amended	Approved	
Accountant Auditor	1.00	1.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	32.00	32.00	-
Administrative Assistant	1.00	1.00	-
Administrative Technician	13.00	14.00	1.00
Assistant Civil Engineer	13.00	14.00	1.00
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	12.00	-
Blacksmith Welder	1.00	1.00	-
Business Services Manager	1.00	1.00	-
Claims Collector	1.00	1.00	-
Construction Inspector II	1.00	2.00	1.00
Construction Inspector III	1.00	1.00	-
Customer Service Representative	27.00	26.00	(1.00)
Customer Service Specialist	7.00	8.00	1.00
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	1.00	2.00	1.00
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	3.00	4.00	1.00
Instrument Technician II	8.00	8.00	-
Instrumentation Supervisor	1.00	1.00	-
IT Supervisor	2.00	2.00	-
Junior Engineer	2.00	1.00	(1.00)
Junior Plant Operator	11.00	11.00	-
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 Systems Specialist	7.00	7.00	-
Program Manager	7.00	6.00	(1.00)
Program Specialist	16.00	16.00	-
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	-

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Utilities (continued)	FY2024/25	FY2025/26	Change
	Amended	Approved	
Senior Engineering Technician	1.00	1.00	-
Senior Generator Technician	2.00	2.00	-
Senior Maintenance Worker	3.00	2.00	(1.00)
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Plant Operator	17.00	17.00	-
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	9.00	7.00	(2.00)
Utilities Operations and Maintenance Leadworker	75.00	78.00	3.00
Utilities Operations and Maintenance Manager	2.00	2.00	-
Utilities Operations and Maintenance Serviceworker	91.00	98.00	7.00
Utilities Operations and Maintenance Serviceworker Apprentice	4.00	-	(4.00)
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	599.18	607.18	8.00

*The Assistant Civil Engineer and Junior Engineer change is due to changes between flex positions.

*The Instrument Technician I, II (1.0 FTE) change is due to changes between flex positions.

*The Utilities Operation and Maintenance Serviceworker and Serviceworker Apprentice (4.0 FTE) change is due to changes between flex positions.

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Youth, Parks, & Community Enrichment	FY2024/25	FY2025/26	Change
	Amended	Approved	
Accounting Technician	2.00	3.00	1.00
Administrative Analyst	10.00	12.00	2.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	5.00	5.00	-
Administrative Technician	4.00	4.00	-
Aquatic Specialist	1.80	1.80	-
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	1.03	-
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	13.96	-
Camp Aide	5.00	5.00	-
Camp Caretaker	0.50	0.50	-
Camp Chef	1.50	1.50	-
Camp Host	0.50	0.50	-
Camp Program Director	1.99	1.99	-
Camp Recreation Leader	1.70	1.70	-
Camp Sacramento Supervisor	1.00	1.00	-
Cashier (Aquatics)	5.85	5.85	-
Chief Animal Control Officer	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	6.80	-
Custodial Supervisor	1.00	1.00	-
Custodian II	16.60	15.80	(0.80)
Customer Service Assistant	9.60	8.40	(1.20)
Customer Service Representative	10.00	10.00	-
Customer Service Specialist	1.00	2.00	1.00
Customer Service Supervisor	1.00	1.00	-
Director of Youth, Parks & Community Enrichment	1.00	1.00	-
General Repair Worker	1.00	1.00	-
Graduate Student Trainee	0.80	-	(0.80)
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	2.00	3.00	1.00
Park Maintenance Worker	36.00	26.00	(10.00)
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	-

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Youth, Parks, & Community Enrichment (continued)	FY2024/25	FY2025/26	Change
	Amended	Approved	
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	-
Pool Manager	6.05	6.05	-
Program Coordinator	48.95	48.45	(0.50)
Program Coordinator (Adaptive Recreation)	3.00	2.00	(1.00)
Program Coordinator (Older Adults)	6.40	6.40	-
Program Developer	19.00	19.00	-
Program Developer (Older Adults)	2.00	2.00	-
Program Leader	11.95	7.55	(4.40)
Program Manager	1.00	1.00	-
Program Specialist	4.00	4.00	-
Program Supervisor	17.00	17.00	-
Program Supervisor (Older Adults)	2.00	2.00	-
Recreation Aide	160.06	157.40	(2.66)
Recreation Aide (Older Adults)	7.05	7.05	-
Recreation General Supervisor	3.00	3.00	-
Recreation Leader (Adaptive Recreation)	5.48	5.05	(0.43)
Recreation Manager	3.00	3.00	-
Recreation Superintendent	4.00	4.00	-
Senior Accounting Technician	3.00	2.00	(1.00)
Senior Landscape Architect	1.00	2.00	1.00
Senior Lifeguard	21.70	21.70	-
Senior Planner	1.00	1.00	-
Senior Recreation Aide	30.21	26.71	(3.50)
Senior Recreation Aide (Older Adults)	5.64	5.64	-
Staff Assistant	1.00	-	(1.00)
Student Trainee (Most Majors)	2.40	-	(2.40)
Supervising Landscape Architect	1.00	-	(1.00)
Support Services Manager	1.00	1.00	-
Utility Worker	11.10	6.10	(5.00)
Youth Aide	30.70	28.52	(2.18)
Total	709.87	678.00	(31.87)

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SECTION - 28 Multi-Year Projects

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FY2025/26 Approved Budget

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 FY2025/26 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 2025:

Project Description	Project #	Total Budget	Available Budget
General Fund			
2016 AFG Source Capture Grant	G12902500	55,943	0
2023 AFG	G12904000	129,544	129,544
C19-Great Plates Emerg Food	G02610300	0	0
CalVIP - GPITF	G02000700	124,700	0
CalVIP Cohort 3 Grant 2020-23	G02000710	127,158	69,554
FY15/16 OHV Grant	G11015100	6,459	(0)
FY16 Adaptive Sports	G19100400	20,922	0
FY19 - ASES - SCUSD	G19041290	20,885	0
FY2016/17 OHV Program	G11015118	16,711	0
FY2017/18 State OHMVR Grant	G11015119	14,613	0
FY2019/20 S.A.V.E. Program	G11012419	15,404	(0)
FY2020/21 SAVE GRANT	G11012420	17,413	4,360
FY23 SAVE Grant	G11012423	16,787	16,787
FY24 GO-Biz Equity Grant	G02420700	750,000	513,026
HHAP Homeless Grant Program	G02000950	880,000	0
LGBTQ+ Historic Experience	G21000800	34,400	34,400
Youth RIV Grant FY19-23	G02001300	24,570	6,000
General Fund Total		2,255,509	773,672
Measure U			
2016 AFG Source Capture Grant	G12902500	390,000	3,801
CalVIP Cohort 3 Grant 2020-23	G02000710	154,838	60,611
FY23 - SCUSD ASES	G19041340	25,945	1
Measure U Total		570,783	64,413
Enterprise Funds			
RW Efficiency Acceleration GP	G14110200	265,543	148,349
Enterprise Funds Total		265,543	148,349
Other Funds			
2016 AFG Source Capture Grant	G12902500	723,071	0
2017 CHP (2017-ULWX-0028)	G11017000	1,875,000	0
2017 Urban Search & Rescue	G12501700	1,254,520	433
2018 OTS BIKE/PED (PS18013)	G11016300	75,000	3,886
2019 OTS STEP (PT19103)	G11016219	403,304	40,483
2019 UASI	G11016919	2,687,737	0
2020 AFG COVID-19 Supplemental	G12903000	174,531	25,393
2020 OTS STEP (PT20148)	G11016220	375,000	157,359
2020 UASI	G11016920	2,894,500	(8,592)
2020 Urban Search and Rescue	G12502000	1,270,549	0
2021 CHP Grant	G11017021	1,875,000	491,128

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Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
2021 UASI	G11016921	3,097,000	(11,056)
2021 Urban Search and Rescue	G12502100	1,514,228	107,910
2022 JAG	G11017822	258,140	0
2022 SHSGP	G12903600	140,000	1,908
2022 Urban Search and Rescue	G12502200	1,490,627	230,289
2023 UASI (2023-0042)	G11016923	3,097,000	2,926,384
2023 Urban Search and Rescue	G12502300	1,422,956	95,747
2024 NSP Capacity Building	G11018800	500,000	500,000
2024 Urban Search and Rescue	G12502400	1,459,884	1,194,520
2025 STEP (PT25216)	G11016225	400,000	400,000
Annual Funds for CA-TF7, US&R	G12501900	1,249,568	0
AR Floodplain & Side-Channel	G14140400	1,662,598	1,310
ASPCA Grants	G21002300	16,000	4,005
Brownfields Revolving Loan	G02180100	750,000	363,380
BSCC Officer Wellness	G11018700	480,297	480,297
C19-Great Plates Emerg Food	G02610300	19,777,029	665,574
C19-Homeless Response Prgm	G02001700	252,552	(0)
C19-US DOJ CESF	G02610400	795,286	518,584
CA Healthy Rivers Prop 68	G14140800	131,680	19,844
CA OPR - South Sac Fam-Youth	G02000440	2,000,000	0
CAC State and Local Partnershi	G17606000	43,250	8,379
CalCompass Grant	G19090910	350,000	9,611
CalGRIP Safe Comm 4/10-3/12	G11007100	382,639	2,196
California Local Equity Grant	G02420100	1,197,120	12
CalRecycle SB 1383 Local Assis	G15003300	1,349,680	1,349,680
CalVIP - GPITF	G02000700	868,700	467,883
CalVIP Cohort 3 Grant 2020-23	G02000710	2,718,004	887,993
CERT Support Grant Program	G12903500	15,000	352
Champlain Tower Collapse	G12704800	127,631	0
Citizens Option	G11018100	276,143	12,447
Citizens Option	G11018400	339,210	338,285
Citizens Option - Growth	G11018500	326,221	326,221
City/County Fine=Fee Justice	G02002000	50,000	32,129
CNRA - Cmnty Reinvst Proj.	G02000420	2,089,582	2,058,090
Community Benefit Partnership	G02000610	125,000	105,000
CY20 Curbside Supplemental Pay	G15312000	177,095	138,601
CY21 Curbside Supplemental Pay	G15312100	154,089	152,669
CY22 Curbside Supplemental Pay	G15312200	129,848	79,848
CY23 Curbside Supplemental Pay	G15312300	131,564	131,564
DEL ORO - TRIPLE R SUBSIDY	G19090900	6,000	0
ECE Workforce Training Program	G02180340	394,000	132,987
ECE Workforce Training- SBA	G02180360	850,000	635,729
Economic Mobility Ambassadors	G02002200	400,000	316,606
EJG2G Neighborhood Resilience	G15250100	981,042	36,618
ERF 3-R Street to Housing	G02610610	5,846,243	201,055
ERF4L Community Response Grant	G23000200	8,885,636	8,885,636
FIRE FY05 HOMELND SECURITY2541	G12901000	95,169	1
FitLot_AARP_Grant	G19090800	7,020	7,020
FY 2021 JAG	G11017821	248,731	0
FY 2021/22 ABC Grant	G11017222	97,500	2,150
FY15/16 OHV Grant	G11015100	24,351	0
FY16 Adaptive Sports	G19100400	70,967	0
FY1617 Citizen's Option Growth	G11016700	294,826	2,557
FY17 OTS - Bike/Ped	G11015500	125,425	22,476
FY18 Citizen's Option	G11016800	754,331	7,924
FY18 Citizen's Option Growth	G11017400	367,710	67,155
FY18 JAG (2018-DJ-BX-0855)	G11017500	252,397	7,916
FY18/19 Citizen's Option Grwth	G11018000	426,297	22,890
FY19 - ASES - SCUSD	G19041290	139,230	0

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Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
FY19 Citizen's Option	G11017300	740,696	0
FY19 JAG (2019-DJ-BX-0685)	G11017800	246,833	1,644
FY20 CitzOpt Growth	G11017920	436,881	0
FY20 JAG (2020-DJ-BX-0740)	G11017820	220,111	6,603
FY2016/17 CITY LE GRANT (BSCC)	G11015900	168,138	161,209
FY2016/17 OHV Program	G11015118	48,037	4,780
FY2017/18 State OHMVR Grant	G11015119	23,746	612
FY2019/20 S.A.V.E. Program	G11012419	100,600	15,627
FY2020 ABC Grant	G11017220	100,000	27,324
FY2020/21 ABC GRANT	G11017221	64,429	(10,444)
FY2020/21 SAVE GRANT	G11012420	174,134	(506)
FY20-21 City-County Payment	G15302100	125,152	95,152
FY2021 OTS STEP	G11016221	385,000	155,450
FY21 DBW BSEE	G11018300	22,001	5,814
FY21-22 City-County Payment	G15302200	127,305	37,305
FY22 - EEMI	G02002100	95,000	41,012
FY22 - WIOA	G19090220	83,640	7,972
FY22 DCC Grant	G02420400	5,786,617	4,823,301
FY22 OTS STEP (PT22190)	G11016222	400,000	217,617
FY22 UASI	G11016922	3,097,000	528,946
FY22-23 City-County Paymen	G15302300	128,873	1,833
FY23 - SCUSD ASES	G19041340	172,961	0
FY23 - WIOA	G19090230	89,216	16,002
FY23 ABC	G11017223	75,000	33,379
FY23 Go-Biz Equity Grant	G02420600	1,563,723	0
FY23 OTS STEP (PT23162)	G11016223	390,000	218,476
FY23 SAVE Grant	G11012423	167,870	14,718
FY23-24 City-County Payment	G15302400	129,707	16,867
FY24 - SCUSD ASES	G19041350	172,961	181
FY24 - WIOA	G19090240	222,263	631
FY24 GO-Biz Equity Grant	G02420700	1,250,000	0
FY25 - WIOA	G19090250	222,263	127,337
Gang Violence Supp - Parent	G11017600	475,322	475,322
Hawaii Wildfires	G12705600	178,500	38,328
HHAP 2	G02000960	388,111	32,249
HHAP 3	G02000970		(33,990)
HHAP Homeless Grant Program	G02000950	12,715,816	0
Homeless Emergency Aid Program	G02000820	154,562	4,562
Hurricane Fiona Deployment	G12705300	63,000	28,432
Hurricane Florence	G12703700	1,123,200	240,339
Innovation Grant 2019	G21002000	75,000	0
Innovations Grant Program	G11017700	134,186	97,717
JAG 10/08-9/12	G11006518	614,921	0
Kentucky Floods Deployment	G12705200	84,000	5,236
KY Tornadoes	G12705100	23,206	1
Legacy Disposal Site Abatement	G15003100	750,000	644,453
LGBTQ+ Historic Experience	G21000800	66,667	0
Marysville & Grand - EPA Grant	G02180110	800,000	799,962
Meadowview Farmers Market	G02180350	500,000	4,133
More Pets and People Together	G21002523	165,215	41,271
NEA ARP Grant	G17608000	487,500	0
NEA Arts Collective Grant	G17607000	75,000	45,000
Neighborhood Equity Initiative	G02180320	300,000	0
New Mexico Wildfire Deployment	G12705800	49,000	(22,588)
NLCI's Youth Excel Initiative	G19080700	158,820	6,460
Northeast Sacramento	G02001200	300,000	6,642
OED ARPA Grant	G17609000	4,200,000	172,769
OTS FY18 STEP (PT18072)	G11016200	567,331	182,357
OTS FY2024 STEP (PT24166)	G11016224	400,000	202,418

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Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
OTS Grant	G12904200	165,000	1
Petco Innovation Showdown	G21001800	250,000	50,285
Petco Love 2024	G21002800	80,000	32,456
PS Charities Adoption Prep	G21002900	30,000	30,000
Puerto Rico Earthquake	G12704200	34,019	1
RW Efficiency Acceleration GP	G14110200	148,350	0
SacDA eSCARS	G11018900	44,881	6,636
Sanitation Grant	G02000900	150,000	0
SHRA IPA (B -18-MC-06-0003)	G02180200	60,000	4,700
SLP-23-20672-100	G17606100	70,800	67,800
SLP-24-24881-100	G17606110	62,959	62,959
Solar Permitting Platform	G21008000	100,000	72,544
Street Soccer USA Project	G02000410	800,000	0
SYW_BSCC Prop 64-3	G19080800	2,999,915	1,612,268
SYW_BSCC Prop. 64-2	G19080600	999,555	1,285
Tropical Cyclone Dorian	G12704000	623,200	97,086
Tropical Cyclone Douglas	G12704100	525,400	230,077
Tropical Cyclone Ida	G12705000	66,000	36,073
Tropical Cyclone Idalia	G12705700	49,000	31,033
Tropical Cyclone Laura/Marco	G12704400	31,558	0
Tropical Cyclone Zeta	G12704600	15,400	3,289
Tropical Storm Debby	G12705900	73,500	73,500
UASI Hmland Sec 07 11/07-6/10	G11005700	3,336,000	(0)
UCDavis Grants	G21002500	5,000	0
USDA Urban Forest Grant	G15252000	1,000,000	832,523
Used Oil Payment Program-OPP14	G15003040	69,303	38,103
Vermont Flooding	G12705500	49,000	19,869
Youth RIV Grant FY19-23	G02001300	999,780	(37,669)
Youth Service Corps	G02180370	2,874,428	2,756,088
Other Funds Total		142,813,270	40,199,283
Total All Funds		145,905,104	41,185,717

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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 2025:

Project Description	Project #	Total Budget	Available Budget
General Fund			
13th / C Housing	I02189060	1,000,000	1,000,000
21st Century Skills Grant Prog	I01000400	175,460	460
ADA Education & Training	I08000100	523,944	503,603
APP Maintenance	I17000500	1,265,033	882,615
Archives East End Project	I17000100	86,350	11,268
Arts and Cultural Plan	I17000900	110,000	53
Arts Ed and Community Outreach	I17001100	177,536	56,618
CA Rural Legal Assistance	I02000800	1,800,000	0
Cesar Chavez Park Maintenance	I19101200	136,414	127,374
Citywide Classification Study	I08000400	3,100,000	2,027,391
Citywide Litigation Project	I80310000	1,731,504	1,731,504
Citywide Strategic Plan Pjt,	I02000400	489,035	300,864
Climate Action Initiatives	I15240100	255,389	245,389
Comm Outreach & Enhanced Svcs	I02001100	200,000	20
Commercial Waste Compliance	I15220000	6,808,814	6,808,814
Commission Stipends	I04000100	13,700	13,700
Community Investment Program	I02001200	90,000	76,567
Community Nonprofit Assistance	I02001000	200,000	0
Community Response	I23000100	421,231	321,231
CORE	I02420000	1,956,285	847,720
Creative Edge	I02181100	200,000	0
Crisis Intervention Training	I11002200	173,002	0
Cultural and Economic Vitality	I17001000	505,540	252,938
Cultural Arts Awards	I17000700	3,050,000	45,140
CWTP - City Manager	I02002200	200,000	0
Digital Equity	I07001100	400,000	0
Disability Advisory Commission	I15230200	79,000	(4,827)
Electrical Safety Program	I13000100	930,259	30,261
F.O.C.A.S. (13086)	I13000400	60,500	0
Fairytale Town Expansion	I17006100	609,000	0
Fare Free Transit for Youth	I02181400	750,000	297,333
FEMA Corrective Action Plan	I21004900	400,000	61,865
Financial Empowerment	I02182000	50,000	0
Fine & Fee Justice Initiative	I02181010	100,000	100,000
Fund 6021 GF Tax Transfer	I80060010	2,049,212	2,049,212
FY23 Affordable Housing	I02189050	12,943,880	0

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Project Description	Project #	Total Budget	Available Budget
General Fund (continued)			
Gang Prev & Intervention - GF	I02000600	547,191	177,483
Homeless Housing Initiative	I02000200	874,620	487,456
Illegal Dumping	I15200200	1,856,860	600,000
Impact Teams	I11002400	4,587,221	(11,085)
JFN Emerg. Home Rpr. Pilot	I21000700	200,000	0
Justice for Neighbors (JFN)	I03000100	2,606,518	1,194,177
Language Access Program	I02000410	250,000	250,000
Low Income Spay/Neuter Program	I13000600	656,396	9,091
Major League Soccer	I80020500	549,000	3,715
Mayor's Office LT Positions	I01002500	568,720	224,135
Measure U Committee Initiative	I80010000	25,000	0
Mental Wellness Program	I11002600	568,850	262,938
Nextgen Mobile Computer Repl.	I11000100	1,291,292	(0)
Northgate Blvd. PBID	I02186000	68,000	17,442
Oak Park Clinic Building Maint	I19101100	326,007	325,007
Oak Park Community Enhancement	I19708000	117,103	17,144
Oak Park Rev. Fund Loan Prog.	I02423100	1,100,000	0
OCM - Cannabis Program	I06420000	18,766,766	18,766,516
Office of Violence Prevention	I11003000	169,881	164,881
Park Safety	I19160000	431,529	296,601
PDIT Critical Infrastructure	I11002700	2,005,083	1,011,422
Police Observation Dvcs (PODs)	I11002300	197,804	(23,820)
RASA Support	I80005010	1,500,000	702,718
Respite Centers Program	I23002000	500,729	135,272
Sac Zoo Relocation Study	I02002100	275,000	64,545
Sacramento Riverfront	I02180200	309,638	0
SEED Corporation	I18000200	50,083	15,614
ShotSpotter	I11002500	1,402,692	(6,292)
Stockton Blvd Housing Dvpmnt	I02189010	5,000,000	0
Summer Night Lights	I02000700	300,000	0
Summer Night Lights	I11002100	600,000	0
Supplemental Waste Programs	I15230000	792,976	0
SVS Operations and Mgmt	I15001000	1,567,752	519,149
Thousand Strong (ETP Pilot)	I01000300	345,902	1
Training and Outreach	I08000300	3,738,334	2,590,540
Truth, Reform, & Recon Project	I01140100	320,000	320,000
UTILITY RATE ASST PRGM	I14130100	210,047	(35)
Webgrant Restructuring Project	I07000900	1,669,558	53,344
Whole Person Care	I02000900	19,006	1
Wong Center Senior Housing	I02189020	2,796,005	0
Youth Pop Up Events	I19143100	2,721,000	211,000
Youth Services Program	I19140000	25,000	0
General Fund Total		104,948,650	46,166,073
Measure U			
13th / C Housing	I02189060	600,000	600,000
CARural Legal Assistance	I02000800	1,750,000	0
City Manager Youth Programs	I80020800	250,000	170,734
Commission Stipends	I04000100	24,750	24,750
Community CTR/CH Fee Waiver	I19146000	300,000	79,171
Community Response	I23000100	7,903,911	7,801,493
Cultural and Economic Vitality	I17001000	6,431	6,431
Cultural Arts Awards	I17000700	1,178,000	660,477
Digital Equity	I07001100	600,000	400,000
EBCVIDS (DRIP)	I11003200	309,067	309,067
ED Initiatives	I02181000	500,000	209,035
Fare Free Transit for Youth	I02181400	4,000,000	250,000
Financial Empowerment	I02182000	300,000	0
Fire - DOR Program	I12000200	609,895	609,895
Forgivable Loan Program	I02180400	1,233,990	0

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Project Description	Project #	Total Budget	Available Budget
Measure U (continued)			
FY22 M/C City's Racial Equity	I02004000	300,000	300,000
FY23 Affordable Housing	I02189050	3,000,000	0
Gang Prev & Intervention - GF	I02000600	234,062	229,062
Homeless & Community Outreach	I23004000	89,067	89,067
Homeless Housing Initiative	I02000200	4,523,720	3,944,196
Homeless Housing Initiative	I23001000	10,313,358	10,313,358
JFN Emerg. Home Rpr. Pilot	I21000700	304,000	0
M/C Econ Dev Priorities	I19143300	600,000	600,000
Measure U Committee Initiative	I80010000	209,000	2,593
NDAT	I22000100	605,896	605,896
Office of Violence Prevention	I11003000	463,412	463,412
PDIT Critical Infrastructure	I11002700	1,559,190	0
Police Observation Dvcs (PODs)	I11002300	187,000	7,971
PW Sustainability Program	I15220300	623,987	386,386
Sac Municipal Reparations Comm	I01002100	200,000	151,732
ShotSpotter	I11002500	616,608	0
SPLA Maintenance	I15220100	1,179,500	65,118
Step Up Housing Dev	I02189040	2,925,000	0
Stockton Blvd Anti-Displacemnt	I02189030	5,000,000	2,141,536
Stockton Blvd Housing Dvlpmnt	I02189010	5,000,000	0
Summer Youth and Community Pgm	I19141000	8,000	8,000
Thousand Strong (ETP Pilot)	I01000300	1,500,000	1,500,000
UTILITY RATE ASST PRGM	I14130100	70,149	2,432
Webgrant Restructuring Project	I07000900	48,525	4,908
Whole Person Care	I02000900	150	0
Wong Center Senior Housing	I02189020	703,995	0
Youth & Family Investments	I11003100	2,600,000	434,795
Youth Pop Up Events	I19143100	1,300,000	254,498
YPCE Youth Program Scholarship	I19143000	370,000	252,248
Zero-dollar Rate Program	I21002600	3,000,000	3,000,000
Measure U Total		67,100,663	35,878,263
Enterprise Funds			
American River Source Water	I14520400	789,165	380,111
Arc Flash Hazard Analysis	I14020100	373,275	373,071
Arts and Cultural Plan	I17000900	111,000	100
Asset Management Program	I14010700	458,202	458,202
City of Festivals Program-CCS	I15001211	1,689,000	206,136
Combined Master Plan Program	I14610300	1,149,663	716,866
Commission Stipends	I04000100	3,100	3,100
Condition Assessment Program	I14010800	1,884,720	1,696,292
CONJUNCTIVE USE-GRNDWTR WELLS	I14510100	527,599	405,096
CSS Management Plan	I14630200	439,806	221,267
CSS REGULATORY COMPLIANCE	I14120600	5,902,279	394,208
Cultural Arts Awards	I17000700	500,000	17
CWTP - City Manager	I02002200	89,716	1
DOU Arborist Program	I14240100	600,000	444,701
Drainage Master Plan Program	I14710100	1,046,085	1,018,126
Electrical Equipment Program	I14050200	93,320	93,320
Energy Efficiency Program	I14040200	293,843	293,843
Fleet Acquisitions	I06000999	130,000	130,000
Fleet-DOU Sewer Fund	I06146000	597,000	597,000
Fleet-DOU Water Fund	I06145000	276,000	276,000
FLOOD CONTROL PLANNING	I14010100	2,620,260	659,595
Flow Monitoring/Hydrology Prog	I14610100	198,535	196,966
FY25-IconicEventSupport/Produc	I17700000	2,000,000	2,000,000
Information Technology Program	I14040100	973,789	884,487
Keep Our Waters Clean Outreach	I14520200	23,535	23,358
LEGACY LANDFILL OPERATIONS	I14120100	550,000	428,699
NPDES STORMWATER PRGM	I14010200	11,206,920	1,721,687

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Project Description	Project #	Total Budget	Available Budget
Enterprise Funds (continued)			
Sacramento River Source Water	I14520300	1,183,894	357,112
SAFCA LEVEE MAINTENANCE	I14120300	43,281	7,849
SCADA Planning Program	I14010900	403,409	305,615
Sewer System Mgmt Plan	I14110100	2,977,226	823,678
SOLID WASTE OUTREACH	I14120200	3,868,834	852,699
SSMP Eng/Regulatory Support	I14620100	544,545	237,696
Storm Drainage Planning & Mgmt	I14100000	2,250,000	2,250,000
SVS Operations and Mgmt	I15001000	1,526,000	78,719
SW CONTAINER REPLACEMENT	I14120500	1,929,458	1,875,002
Wastewater Planning Prog	I14610200	933,492	801,397
WATER CONSERVATION	I14120400	642,368	553,133
WATER MASTER PLAN PROGRAM	I14510200	283,284	211,053
Water Meter Replacement Prgm	I14010500	7,315,820	(0)
Enterprise Funds Total		58,428,424	21,976,202
Other Funds			
13th / C Housing	I02189060	1,400,000	1,400,000
2021 CHP Grant	I11002900	4,044,804	(12,634)
65th Street Impact Fee Program	I06000600	1,008,228	61,228
905 S Street	I21006600	318,975	264,042
Alchemist CDC Site Acquisition	I02180610	900,000	0
American River Source Water	I14520400	969,800	529,279
Animal Svcs for Homeless Resp	I21008500	529,520	(8,868)
APP Maintenance	I17000500	276,462	164,890
ARPA Grant Liaison Consulting	I02612060	1,049,943	10,185
Arts & Creative Economy Prog	I17609000	125,001	125,001
Arts and Cultural Equity Grant	I17000600	500,000	14,988
Arts Ed and Community Outreach	I17001100	310,180	72,380
Basin 6 Drainage	I22200600	7,096,296	466,531
BONDED CFD/AD APPLICATIONS	I22310100	2,555,317	516,403
BRLF Program Income	I02180800	1,775,758	1,052,860
Busins Complnc Unit Night Team	I21000400	1,473,669	304,128
CENTRAL CITY FEE DISTRICT	I06132110	275,000	158,957
City Hall Tech Program	I02001500	304,197	0
Citywide Strategic Plan Pjt,	I02000400	20,000	250
Code Service Homeless Rsp Team	I21000500	205,683	7,875
COLLEGE SQUARE REIMBURSEMENT	I22310200	30,000	13,800
Commission Stipends	I04000100	1,001	1,001
Community Response	I23000100	971,351	971,351
CONJUNCTIVE USE-GRNDWTR WELLS	I14510100	500,000	500,000
CORE	I02420000	(1,050,000)	0
Council-Led Strategic Init.	I01002200	250,000	250,000
County COVID-19 Testing & Vac	I12000100	398,363	72,354
Creative Economy Pilot Project	I18000300	500,000	14,431
CRF/LARP Grants	I19101400	450,000	450,000
CSS Management Plan	I14630200	46,776	46,776
Cultural and Economic Vitality	I17001000	36,000	35,000
Cultural Arts Awards	I17000700	250,000	22,255
D1-Youth Workforce Program	I19142000	100,000	58,349
Delta Shores Fee District	I06132130	3,466,119	951,064
Developmnt Software Maintenanc	I21000800	1,550,000	912,287
Digital Equity	I07001100	250,000	0
ELOP Program	I19150000	1,380,829	1,122,271
Enhanced Infrastructure (EIFD)	I02000520	465,000	65,092
ESC Art Maintenance	I17000400	189,516	129,516
F.O.C.A.S. (13086)	I13000400	3,005,110	334,629
Fairytale Town Expansion	I17006100	1,800,000	0
Financial Empowerment	I02182000	2,205,000	140,002
Fire Opioid Settlement	I12000300	1,687,394	1,588,371
FLOOD CONTROL PLANNING	I14010100	56,202	0

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Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Forgivable Loan Program	I02180400	1,751,500	1,626,500
FY23 Affordable Housing	I02189050	0	0
FY24 ELOP Program	I19150100	1,428,625	561,585
FY25 - ELOP Program	I19150200	1,428,625	685,822
Gang Prev & Intervention - GF	I02000600	7,500	0
General Plan Update	I22000000	14,148,601	906,543
Gobler-Park Trust Cold Storage	I17009100	32,500	32,500
Grant HS Quadrangle	I02187000	200,000	200,000
Hart Trust Proj Fund - FY22-26	I19122000	205,763	205,763
Health & Wellness Program	I08000200	3,000	3,000
Homeless & Community Outreach	I23004000	4,418,571	4,418,571
Homeless Housing Initiative	I02000200	5,240,589	228,402
Illegal Dumping	I15200200	638,660	(0)
Inclusive Business Assistance	I02612040	2,230,414	0
Inclusive Economic Development	I02180900	3,000,000	2,699,000
JCPA ADMINISTRATIVE CTRL 3131	I22205100	653,869	80,379
Kaiser Railyards Med. Complex	I21006700	895,295	709,252
Keep Our Waters Clean Outreach	I14520200	26,698	19,016
KIDS PLAY MC KINLEY-MAINT 4711	I19000800	12,870	7,151
Major League Soccer	I80020500	600,000	600,000
MBI	I02180700	995,400	393,912
Measure L Youth Funding	I80000100	19,024,500	19,024,500
N NATOMAS ADMIN CONTROL	I22200100	16,897,844	1,579,775
NATOMAS CENTRAL CFD 2006-02	I22340000	100,000	55,692
NATOMAS LANDING CFD2008-01	I22310500	64,500	55,221
NATOMAS MEADOWS CFD	I22310000	62,000	42,329
NEIGH PARK MAINT CFD 4815	I22300000	598,056	77,300
NN Youth Workforce Dev Prog	I19145000	191,000	110,799
NON-BONDED SERVICE DIST APPLS	I22300100	803,986	82,713
North Area Economic Recovery	I02612090	75,000	75,000
Northgate Economic Recovery	I02612080	221,462	215,608
NPDES STORMWATER PRGM	I14010200	0	0
NSacto Code Enforce. & Outreach	I21000600	450,000	433,574
Oak Park Rev. Fund Loan Prog.	I02423100	1,108,197	1,108,197
PANHANDLE ANNEXATION 4811	I22209000	124,990	3,466
PBID/BIA APPLICATIONS	I22310600	45,000	20,815
PDIT Critical Infrastructure	I11002700	43,797	43,797
PROJECT PONY 2112	I11001900	6,600	5,202
RAILYARDS FEE DISTRICT	I06132100	2,193,000	108,863
Regional Community Policing In	I11001600	49,871	3,545
RIVER DISTRICT FEE DISTRICT	I06132120	178,224	62,943
Sac Ent. Dev. Academy Ph1	I02183000	475,000	228,006
Sacramento Canopy Hotel	I21006400		(0)
Sacramento Econ Gardening 3yr	I02184000	3,730,875	1,456,835
Sacramento Innovation Grant	I18000100	4,970,709	461,014
SACRAMENTO RAIL YARDS 2006 FINP	I22208000	740	1
Sacramento River Source Water	I14520300	918,700	247,882
Sacramento Riverfront	I02180200	12,379	0
SAFCA LEVEE MAINTENANCE	I14120300	7,355,938	1,491,797
SOLID WASTE OUTREACH	I14120200	737,041	(5,001)
SPD TRAINING FACILITY 2157	I11002000	46,700	58
Stockton Blvd Anti-Displacemnt	I02189030	60,000	0
Telegrapher	I21006500	490,445	446,735
TMA SHUTTLE	I22200700	1,318,200	192,000
Transportation Planning MYOP	I15221700	1,000,000	681,642
Vaccine Outreach and Education	I02612050	1,000,000	12,248
Wastewater Planning Prog	I14610200	29,203	29,203
Water Forum 2.0	I80240100	1,141,000	48,676
WATER MASTER PLAN PROGRAM	I14510200	1,026,847	1,020,168

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Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Whole Person Care	I02000900	8,159,022	3,000,000
WILLOWCREEK FEE DISTRICT	I22206000	3,759,498	455,990
Youth Pop Up Events	I19143100	1,300,000	216,787
Youth Services Program	I19140000	18,300	0
Youth Stipend Program	I19144000	43,900	0
Other Funds Total		161,428,499	59,276,817
Total All Funds		391,906,235	163,297,354

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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 2025:

Project Description	Project #	Total Budget	Available Budget
General Fund			
Powerhouse Science Center	E18000400	3,000,000	0
Railyards Project Management	E02000100	496,353	263,450
General Fund Total		3,496,353	263,450
Measure U			
Powerhouse Science Center	E18000400	1,800,000	600,000
Measure U Total		1,800,000	600,000
Internal Service Funds			
Driver Training Acadmy (SRDTA)	E08000100	1,635,573	452,425
Robla Facility Safety Training	E08000200	1,500	1,500
Internal Service Funds Total		1,637,073	453,925
Other Funds			
2023/2024 CA-TF7 US&R MOBEX	E12000300	519,000	128,311
Academy Activities 7/07-6/11	E11002200	1,003,859	100,599
AFSCME - Anti-Displacement	E02000120	5,000,000	3,660,000
AM/PMPOD	E11007132	15,000	2,544
CA TF7 Mobex 2022	E12000200	150,000	150,000
Clean CA Beautification Rt 99	E17001100	115,100	0
DMV ANTI-AUTO THEFT	E11005400	(61,563)	(64,688)
Federal Forfeiture - DOT	E11006900	17,129	0
Federal Forfeiture - Justice	E11008300	62,284	62,284
Federal Forfeiture - Treasury	E11008200	331,952	331,952
Federal Forfr - DOT	E11003200	1,099,987	2,917
FY15 AB109/RCISP	E11006400	147,080	76,115
Los Rios Vocational Trng	E11006500	830,625	830,625
Phoenix Park PODs	E11007125	36,685	7,328
PODs - Arden Fair Assoc.	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	48,256	19,367
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 Patnshp.	E11007130	7,340	3,012
PODs - Stockton Blvd Prtnshp	E11007119	13,820	1,205
PODs - The Cove	E11007124	36,700	8,797
PODs Arden Fair FY2020	E11007122	42,500	42,500
PODs MO Capital Nursery	E11007123	6,000	0
PODs Providence Place	E11007126	16,657	5,968
Police Observation Devices	E11007100	98,712	6,372
Powerhouse Science Center	E18000400	6,650,000	400,000
SAR-Smart Growth Program	E01000100	15,000	0
State Forfeiture - H & S	E11008000	1,736,580	1,715,007
State Forfeiture - Hlth & Sfty	E11006718	1,089,722	145
State Forfeiture Drug&GangPrev	E11006818	160,522	58,205
State Forfeiture Drug&GangPrev	E11008100	528,655	523,655
State Forfr - Hlth & Sfty	E11002800	4,415,816	154
VOCATIONAL ED TRAINING - FIRE	E12000100	6,997,041	1,255,322
Other Funds Total		31,308,504	9,363,459
Grand Total		38,241,930	10,680,835

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SECTION - 29

Financial Policies

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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

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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 Board)—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
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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;

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- (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

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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

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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:

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- 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 ratio 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 ratio 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

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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
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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,
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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:

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- (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.

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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
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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.

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- (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.
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- (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
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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.

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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.
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- 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.

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- (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
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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

JColville@cityofsacramento.org

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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.

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- (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:

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- 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 15c2-12 and 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 filings 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
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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.

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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

Background

Policy

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.

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- (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

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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

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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.

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2025 Federal Poverty Levels			
Household Size	Poverty Level (100% Waiver)	2X Poverty Level (50% Reduction)	3X Poverty Level (25% Reduction)
1	15,650	31,300	46,950
2	21,150	42,300	63,450
3	26,650	53,300	79,950
4	32,150	64,300	96,450
5	37,650	75,300	112,950
6	43,150	86,300	129,450
7	48,650	97,300	145,950
8	54,150	108,300	162,450
Note: For families/households with more than 5 persons, add \$5,500 for each additional person. Poverty Levels will be updated annually.			

ii.

The current poverty information is available at: <https://aspe.hhs.gov/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.

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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, 1998 Laurence S. Wiener, Esq. City Attorney of Beverly Hills and Westlake Village **THE CITY ATTORNEY'S ROLE IN EVALUATING FEE STUDIES.**

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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.

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- 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.

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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

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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.

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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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 - 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.

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Interfund Loans



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 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

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- 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.

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Investment Policy



Scope: CITYWIDE

Administrative Entity

Office of the City Treasurer

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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:

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- (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.

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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,

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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

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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

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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.

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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),

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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

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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.

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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.

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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.

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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 cost¹ 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.

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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:

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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:

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- 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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Purpose

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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.



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
3. Policy

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

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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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1. Introduction
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 Managers¹ 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.

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.

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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.

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.

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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
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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.

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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

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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 Depositary 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

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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, DEPOSITORY, 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,

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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

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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

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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 - 30
Resources

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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.

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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.

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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
- Debt Service
- CIP or Grant Labor 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 is 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.

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- **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.

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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 of 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.
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- 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.

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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

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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 Resources 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

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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	Police 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

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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	Supervising 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 Math
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

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YDPM	Youth Development Program Manager
YPCE	Youth, Parks, and Community Enrichment

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SECTION - 31 Resolution

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RESOLUTION NO 2025-0162

Adopted by the Sacramento City Council

June 10, 2025

**Approving the Fiscal Year 2025/26 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.

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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 FY2025/26 Approved Budget (which includes the Operating Budget and the Capital Improvement Program [CIP] Budget) are 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 2025 to discuss and consider the City's FY2025/26 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 FY2025/26 Operating and CIP Budgets (collectively the Approved Budget), as defined in section 3.2 below, and attached as Exhibit C and D are hereby approved.
- 1.3. The 2025-2030 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 FY2025/26 Approved Budget.

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- 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. 2024-0193.

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 FY2025/26 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.

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- 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, 2024, the balance of the Risk Fund loan to the Community Center Fund totaled approximately \$4.7 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). As of June 30, 2025, the repayment 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 FY2025/26.

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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 FY2025/26 and forgo \$3.7 million in EUR contributions from the FY2025/26 General Fund and Measure U Fund to appropriate in a Federal Funding Reserve 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, including \$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.

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- 5.7. The City Manager is authorized to release the General Fund (Fund 1001) and Measure U (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 FY2024/25, to adjust FY2025/26 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 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

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- 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.

Section 9. Revenue Budget.

- 9.1. The FY2025/26 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.

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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 FY2025/26 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

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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.

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- 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
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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 2025-2030 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.

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- (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.
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- (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.
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- 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.

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- 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.
 - 13.15. Contingent on Council approving the Children's Fund Commission's recommendation to fund the North Sacramento Library renovation project totaling \$1,500,000 from the Children's Fund, authorize the City Manager to
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utilize FY2025/26 General Funds previously allocated to the project to conduct a one-time restoration of the Family & Youth Investments project (I11003100) totaling \$1,300,000.

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 FY2025/26, 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 actuals 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

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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) and for private property concrete maintenance and sidewalk repairs (15001641-343010) 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

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(Fund 6211) for an agency's share and to adjust revenue and expense budget based on actuals for project closure.

- 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,

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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 Garbage Service Courts (M17700000), Old Sacramento District Improvements (M17700100), and the Joe's Crab Shack & Rio City Café Repairs and Maintenance (B18119000) CIPs based on actual rent

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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 were 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 (I02000200) MYOP to support homeless-services programs.

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- (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

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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.
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- 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

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- 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 – FY2025/26 Approved Operating Budget
- Exhibit D – 2025-2030 Approved Capital Budget

FY2025/26 Approved Budget

Adopted by the City of Sacramento City Council on June 10, 2025, 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:



06/26/2025

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.

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Exhibit A
FY2025/26 BUDGET CHANGES
Operating Budget Adjustments

Department	Fund Name (Number)	Revenue/ Offset Adjustment (\$ in 000s)	Expenditure Adjustment (\$ in 000s)	Description
City Attorney	General (1001)	-	(110,806)	Delete one position (1.0 FTE - Investigator) and corresponding services and supplies in the City Attorney's Office.
City Attorney	General (1001)	-	(359,475)	One-time change to reflect City Attorney's Office positions to current staffing by deleting five positions (5.0 FTE - Senior Deputy City Attorney) and adding five positions (4.0 FTE - Deputy City Attorney I & 1.0 FTE - Deputy City Attorney II)
City Clerk	General (1001)	-	(76,873)	Delete one position (1.0 FTE - Staff Assistant/Receptionist) for Clerk's Office.
City Manager	General (1001)		(554,198)	Delete two positions (1.0 FTE - Director of Emergency Management and 1.0 FTE - Program Specialist) and corresponding services and supplies as part of a reorganization to move the Office of Emergency Management to the Fire department .
City Treasurer	General (1001)	(200,000)	-	Increase revenue in the City Treasurer's Office based on current market conditions.
City Treasurer	General (1001)	-	(92,387)	Delete one position (1.0 FTE - Treasury Assistant) in the City Treasurer's Office.
City Treasurer	General (1001)	-	(1)	Delete one position (1.0 - FTE Senior Debt Analyst) and add one position (1.0 FTE - Debt Analyst) in the City Treasurer's Office.
Citywide and Community Support	General (1001)		(500,000)	Reduce Federal Funding Contingency Reserve
Citywide and Community Support	Measure U (2401)	-	(1,500,000)	Reduce funding allocation for library rehabilitation project contingent on Council's approval of the Sacramento Children's Fund grant award to fund the project with Measure L funds.
Finance	General (1001)	85,319	(85,319)	Delete one position (1.0 - FTE Customer Service Rep) and offset in the Finance Department due to the removal of the Residential Permit Parking fee program.
Fire	General (1001)	175,513	-	Reduce Revenue budget for Fire Prevention Division due to a 25% reduction of Fire Prevention fees to provide relief to small businesses.
Fire	General (1001)	-	554,198	Add two positions (1.0 FTE - Director of Emergency Management and 1.0 FTE - Program Specialist) and corresponding services and supplies as part of a reorganization to move the Office of Emergency Management to the Fire department.

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Exhibit A

Operating Budget Adjustments (continued)

Department	Fund Name (Number)	Revenue/ Offset Adjustment (\$ in 000s)	Expenditure Adjustment (\$ in 000s)	Description
Fire	General (1001)	126,334	-	Remove General Fund offset in the Diversity, Outreach, Recruitment division.
Fire	Measure U (2401)	(126,334)	-	Add Measure U offset in the Diversity, Outreach, Recruitment division.
Human Resources	Measure U (2401)	-	112,831	Reinstate one position (1.0 FTE - Administrative Analyst) in the Office of Diversity and Equity.
Mayor/Council	General (1001)	-	124,742	Mayor/Council salary adjustments based on Compensation and Commission board approval.
Public Works	General (1001)	1,088,581	(127,699)	Remove Residential Permit Parking fee program and corresponding parking fee expenses and offsets.
Public Works	General (1001)	(300,000)	300,000	Increase budget and offset for streetscapes maintenance to maintain current service levels by mowing twice a month.
Youth, Parks, and Community Enrichment	General (1001)	-	(13,931)	Delete one position (1.0 FTE - Supervising Landscape Architect) and add one position (1.0 FTE - Senior Landscape Architect)
Youth, Parks, and Community Enrichment	Measure U (2401)	(400,549)	400,549	Add three positions (1.0 FTE - Program Specialist and 2.0 FTE - Admin Analysts) to support the administrative duties related to related to the Sacramento Children's Fund and associated offset.
Youth, Parks, and Community Enrichment	Measure U (2401)	-	(12)	Add a position (1.0 FTE - Customer Service Specialist) and reduce services and supplies budget in the Permitting and Events department.
All Depts (Except Utilities and Community Response)	General (1001)/Measure U (2401)	5,309	261,678	Due to timing, various labor adjustments (i.e. offsets, labor system technical adjustments).
Total		\$ 454,173	\$ (1,666,703)	
Human Resources	Risk Management (6502)	-	(101,688)	Delete one position (1.0 FTE - Senior Staff Assistant) from the Environmental Health and Safety department.
Human Resources	Worker's Compensation (6504)	-	41,765	Delete one position (1.0 FTE - Staff Assistant) and add one position (1.0 FTE - Personnel Analyst) in Worker's Compensation.
Public Works	Gas Tax 2106 (2002)	-	300,000	Add offset for streetscapes maintenance to maintain current service levels by mowing twice a month.
City Manager, Convention and Community Services, Human Resources, Public Works, Utilities, and Youth, Parks, and Community Enrichment	Various Funds*		(179,853)	Due to timing, various labor adjustments (i.e. offsets, labor system technical adjustments).
Subtotal:		\$ -	\$ 60,224	
Net Operating Changes:		\$ 454,173	\$ (1,606,479)	

* 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), Fleet Management (6501), Risk Management (6502), Worker's Compensation Fund (6504), and City/County Office-Water Planning (7103)

FY2025/26 Approved Budget

Exhibit A

Multi-year Operating Project and Capital Improvement Project Appropriations

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
ARPA Sweep (C15001500 and V15710004)	ARPA Reinvestment (1003)	(113,594)	One time project closure sweep for ARPA projects in FY2025/26.
Family and Youth Investments (I11003100)	Measure U (2401)	1,300,000	Reinstate funding for Family & Youth Investments for one year contingent on Council's approval of the Sacramento Children's Fund grant award to fund the library rehabilitation project with Measure L funds.
FUEL Network (I02000800)	General (1001)	500,000	One-time funding to support continued FUEL Network in FY2025/26.
Community Response (I23000100)	Measure U (2401)	11,092,546	Technical budget adjustment to apply Measure U resources to cover the homeless services shortfall in FY2025/26 as shown in the Proposed Budget Forecast.
Homeless Housing Initiative (I23001000)	Measure U (2401)	11,092,546	Technical budget adjustment to apply Measure U resources to cover the homeless services shortfall in FY2025/26 as shown in the Proposed Budget Forecast.
Net Project Changes:		\$23,871,498	

CITYWIDE STAFFING SUMMARY (By Department)

Department	FY2024/25 Amended	FY2025/26 Proposed	FY2025/26 Changes	FY2025/26 Approved
Mayor/Council	43.00	43.00	-	43.00
City Auditor	10.00	10.00	-	10.00
City Attorney	64.00	64.00	(1.00)	63.00
City Clerk	24.00	24.00	(1.00)	23.00
City Manager	64.00	52.00	(2.00)	50.00
City Treasurer	14.00	14.00	(1.00)	13.00
Community Development	318.00	315.00	-	315.00
Community Response	38.00	38.00	-	38.00
Convention and Cultural Services	124.50	124.50	-	124.50
Finance	94.00	103.00	(1.00)	102.00
Fire	760.50	763.50	2.00	765.50
Human Resources	83.00	77.00	-	77.00
Information Technology	202.50	202.50	-	202.50
Police	1,119.50	1,092.50	-	1,092.50
Public Works	769.65	780.65	-	780.65
Utilities	599.18	607.18	-	607.18
Youth, Parks, and Community Enrichment	709.87	674.00	4.00	678.00
Total	5,037.70	4,984.83	-	4,984.83

FY2025/26 Approved Budget

Exhibit B

CITYWIDE STAFFING SUMMARY (By Fund)

	FY2024/25 Amended	FY2025/26 Proposed	FY2025/26 Changes	FY2025/26 Approved
<u>General Fund</u>				
Mayor/Council	32.00	32.00	-	32.00
City Auditor	10.00	10.00	-	10.00
City Attorney	64.00	64.00	(1.00)	63.00
City Clerk	24.00	24.00	(1.00)	23.00
City Manager	30.00	20.00	(2.00)	18.00
City Treasurer	14.00	14.00	(1.00)	13.00
Community Development	196.00	194.00	-	194.00
Convention and Cultural Services	-	-	-	-
Finance	94.00	103.00	(1.00)	102.00
Fire	742.50	746.50	2.00	748.50
Human Resources	44.00	39.00	-	39.00
Information Technology	202.50	202.50	-	202.50
Police	1,032.00	1,028.00	-	1,028.00
Public Works	432.00	442.00	-	442.00
Youth, Parks, and Community Enrichment	13.00	13.00	-	13.00
Citywide and Community Support	-	-	-	-
Subtotal General Funds	2,930.00	2,932.00	(4.00)	2,928.00
<u>Measure U</u>				
Mayor/Council	11.00	11.00	-	11.00
City Manager	32.00	30.00	-	30.00
Community Development	122.00	121.00	-	121.00
Community Response	38.00	38.00	-	38.00
Convention and Cultural Services	25.95	23.95	-	23.95
Fire	18.00	17.00	-	17.00
Human Resources	3.00	2.00	1.00	3.00
Police	87.50	64.50	-	64.50
Public Works	4.00	4.00	-	4.00
Youth, Parks, and Community Enrichment	547.93	490.61	4.00	494.61
Subtotal General Funds	889.38	802.06	5.00	807.06
<u>Enterprise Funds</u>				
Community Center				
Convention & Cultural Services	98.55	100.55	-	100.55
Parking				
Public Works	60.75	60.75	-	60.75
Solid Waste				
Public Works	183.30	184.30	-	184.30
Storm Drainage				
Utilities	135.00	143.00	-	143.00
Wastewater				
Utilities	94.00	94.00	-	94.00
Water				
Utilities	364.18	364.18	-	364.18
Subtotal Enterprise Funds	935.78	946.78	-	946.78

CITYWIDE STAFFING SUMMARY (By Fund) (continued)

	FY2024/25 Amended	FY2025/26 Proposed	FY2025/26 Changes	FY2025/26 Approved
<u>Internal Service Funds</u>				
Fleet Management				
Public Works	83.00	83.00	-	83.00
Risk Management				
Human Resources	17.00	17.00	(1.00)	16.00
Workers' Compensation				
Human Resources	19.00	19.00	-	19.00
Subtotal Internal Service Funds	119.00	119.00	(1.00)	118.00
<u>Other Governmental Funds</u>				
4th R Program				
Youth, Parks, and Community Enrichment	132.70	133.45	-	133.45
Innovation and Growth				
City Manager	2.00	2.00	-	2.00
Marina				
Public Works	6.60	6.60	-	6.60
START				
Youth, Parks, and Community Enrichment	16.24	36.94	-	36.94
City/County Office-Water Planning				
Utilities	6.00	6.00	-	6.00
Subtotal Other Governmental Funds	163.54	184.99	-	184.99
TOTAL	5,037.70	4,984.83	-	4,984.83

FY2025/26 APPROVED OPERATING BUDGET

APPROVED 2025-2030 CAPITAL IMPROVEMENT PROGRAM

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 527,979.

KEVIN MCCARTY

Mayor

CAITY MAPLE

Councilmember, District 5

LISA KAPLAN

Councilmember, District 1

ERIC GUERRA

Mayor Pro Tem, District 6

ROGER DICKINSON

Councilmember, District 2

RICK JENNINGS, II

Councilmember, District 7

KARINA TALAMANTES

Vice Mayor, District 3

MAI VANG

Councilmember, District 8

PHIL PLUCKEBAUM

Councilmember, District 4

