

A dark blue silhouette of the Sacramento skyline is positioned across the middle of the slide. It features various building shapes and two prominent towers with cross-hatch patterns, resembling the Sacramento Tower. The background is a light blue gradient.

Fiscal Year 2026/27
Early Budget Work Session

Early Budget Work Sessions Schedule



Baseline Budget Balancing Plan

This is staff's budget baseline balancing plan and only uses a portion of the 15% reduction strategies submitted by departments. **Departments will explain the service impacts of the strategies chosen for the baseline plan in their presentations.**

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

Department Presentations



City of
SACRAMENTO



YOUTH, PARKS, &
COMMUNITY ENRICHMENT

Department Mission & Services

Department Mission

Together we empower our youth, strengthen neighborhoods, and provide life-enriching programs for a beautiful, livable community.

Services

Responsible for daily maintenance of 243 parks, parkways, bike trails, natural areas, and open space areas spanning over 4,360 acres.

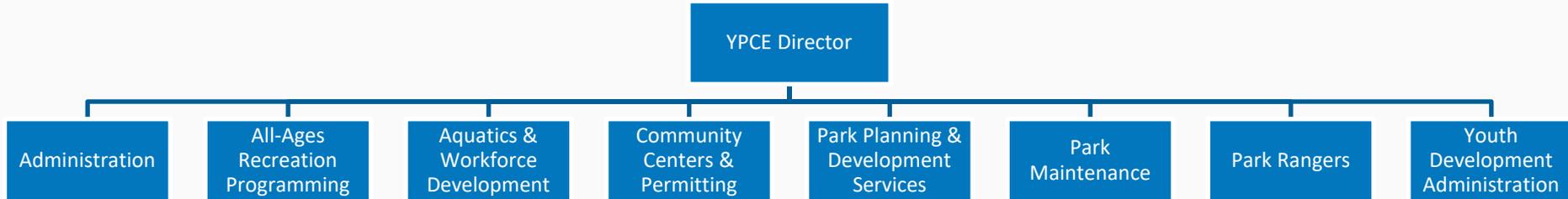
Deliver programs and amenities that support healthy and safe communities, create pathways for youth development, encourage active recreation, celebrate cultural diversity, and connect people to nature, and each other.



City of
SACRAMENTO
Youth, Parks, & Community Enrichment

2025 Impact Overview

Youth, Parks, & Community Enrichment Department Structure



TOTAL FTE: 678 = 1,437 Individual Employees

351 full-time

1086 seasonal/part-time

Current Year Budget \$65.9(\$ millions)

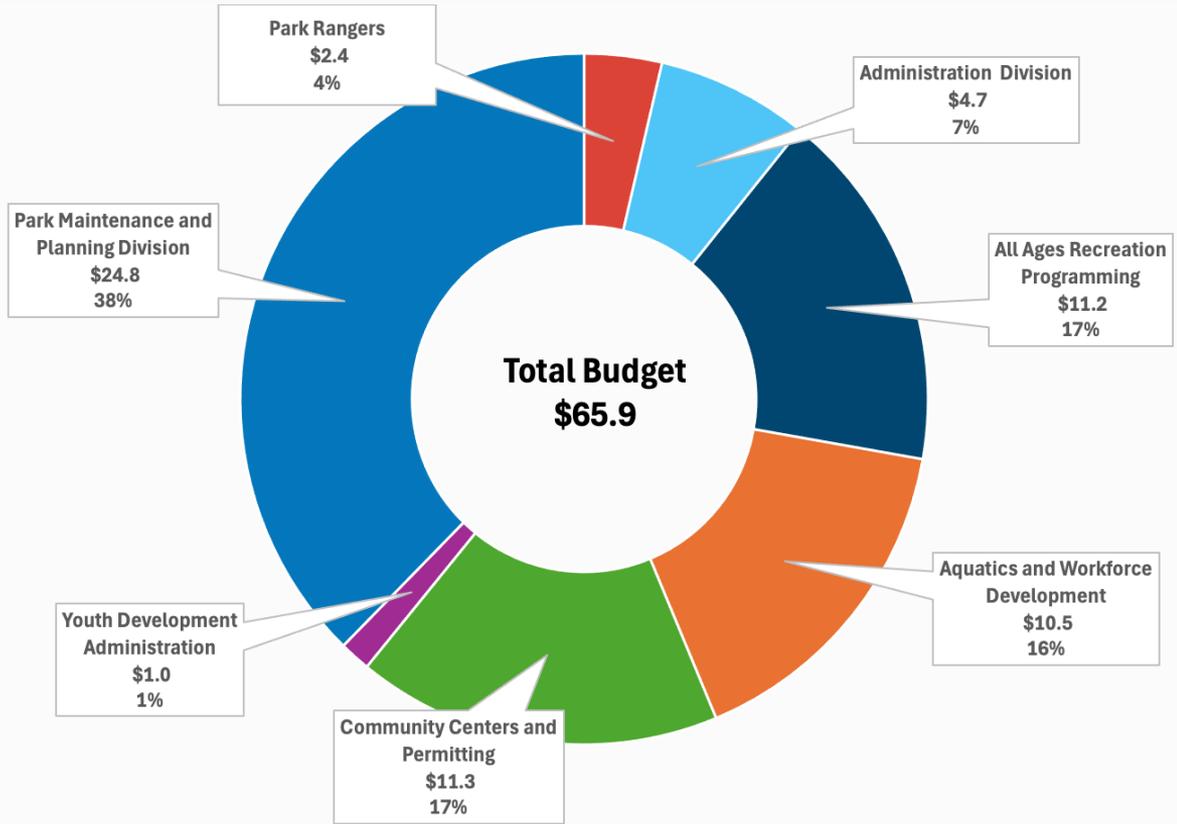
General Fund Budget

Appropriations	\$49.0
Revenues	\$6.7
Net General Fund Cost	\$42.3
Full-Time Equivalent Positions	507.61

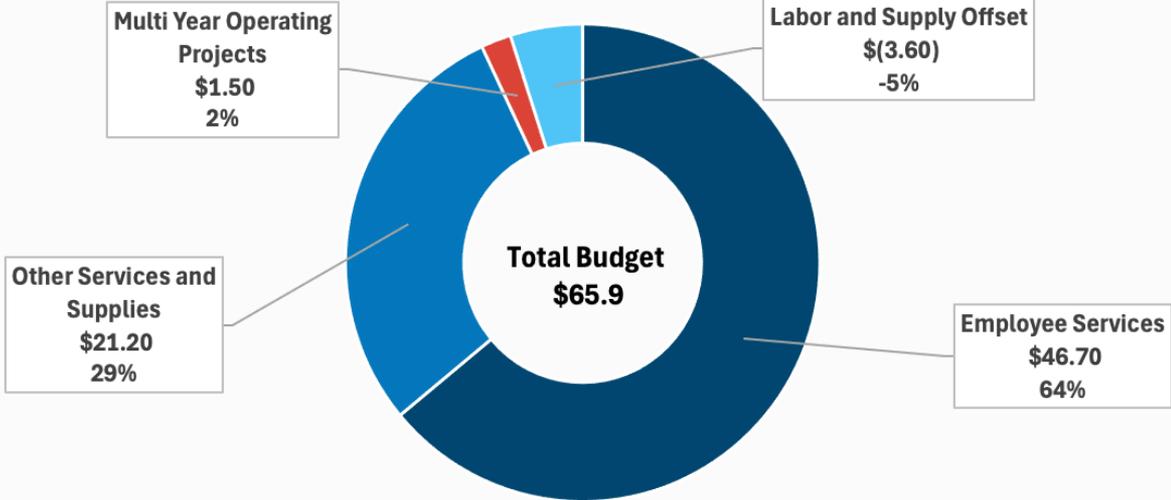
Other Funds Budget

Start and 4th R	\$7.2
Revenues	\$11.1
Community Facility District (CFD'S)	\$9.7
Full-Time Equivalent Positions	170.39

Operating Budget by Program (\$millions)



Operating Budget by Spending Category (\$ millions)



15% Reduction Options Summary (\$ millions)

Reduction Category	Savings Amount	Vacant FTE	Filled FTE	Total FTE
Revenue	\$0.25	0	0	0
Level 1	\$0.35	1.35	0	1.35
Level 2	\$1.0	0	6.65	6.65
Level 3	\$2.4	9.82	45.68	55.50
Level 4	\$2.1	27	30.70	57.70
Total	\$6.1	38.17	83.03	121.20

Youth & All-Ages Enrichment Programs

Community & Service Impacts (\$1.3M)

- Revenue adjustment from increased participation in Triple-R
- Delete vacancies for contracted after school program and workforce development, add lower FTE positions for GF savings; no impact
- Eliminate stipends and reduce staff for workforce development and civic engagement programs; 50% reduced offerings, elimination of S@CH; 500+ youth
- Outsource some specialized adaptive recreation services; reduced city offered special events and programs
- Shift administrative support costs to eligible fund source

Community Center Programs & Operations

Community & Service Impacts (\$1.7M)

- Modify community center fee reduction/waiver program discount by 50%; impacts to non-youth organizations; no impact to youth through scholarship fund
- Reduce community center and older adult services program staff and realign for operational efficiencies and savings; inability to expand capacities in youth and senior programs
- Reduce public counter customer service hours from 8 to 3 locations; online registration and support available
- Reduce community center operations at eight locations citywide from 6 days/week to 4 days/week; access to youth & older adult programs in centers reduced by 27%

Aquatics Programs & Operations

Community & Service Impacts (\$.6M)

- Delete non-career aquatics support; reduction in extended season opportunities and elimination of YPCE sponsored aquatics special events, no impact to core safety programs
- Closure of four wading pools during seasonal operations; 15 splashpads & spray parks remain open
- Reduce 10 neighborhood pools from 5 days/week to 3 days/week during seasonal operations; impacts access to safe recreational swim- anticipated reduction of 12,000 visits citywide

Park Maintenance Operations

Community &
Service Impacts
(\$1.2M)

Total Budget
Balancing Impacts
(\$4.8M)

- Contracting of specialty maintenance services; reduction of 6 staff (\$172K)
- Contracting of all landscape maintenance activities at 109 Neighborhood Parks; reduction of 25 staff (\$503K)
- Contracting of all landscape maintenance activities at 46 Community Parks; reduction of 23 staff (\$538K)
- No anticipated impact to maintenance service levels; potential impact to quality of service and emergency maintenance response resulting from a total reduction of 53% city staff delivered services

Preserving Core Services & Advancing Council Priorities

YPCE plays a critical role in providing quality parks, programs, and facilities for all, through Sacramento's expansive park and recreation system. YPCE will focus on delivering core services and advancing council priorities through key directions outlined in the Parks Plan 2040 including **Quality Parks & Programs, Safety & Maintenance, and Youth Wellbeing.**

- Park Rangers continue to respond to calls for service prioritizing **public safety** and supporting DCR's Rapid Response Team efforts to address **homelessness** outreach and cleanup.
- Provide scholarships and fee waivers for low-income residents, food and resources for older adults on fixed incomes, and workforce training for **at-risk youth**, helping prevent **homelessness** through skill building and community integration.
- Deliver aquatics programs, workforce development opportunities, youth and adult sports programs and field use, recreation and events that **safely activate parks and facilities** and provide a **positive economic impact.**
- Community Centers operate with **equity-based approach**, providing access to **safe spaces** and youth and older adult programs in priority neighborhoods and communities.
- Continue afterschool and summer camp programs that support **youth safety** and **community-powered economies** through affordable childcare for working families.
- Prioritize maintenance of all 243 parks, parkways, bike trails, natural areas and open space to ensure they are **safe, clean, and accessible** to all Sacramento residents and visitors.

City of
SACRAMENTO

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Community Development
Department

Community Development Mission & Vision

Department Mission

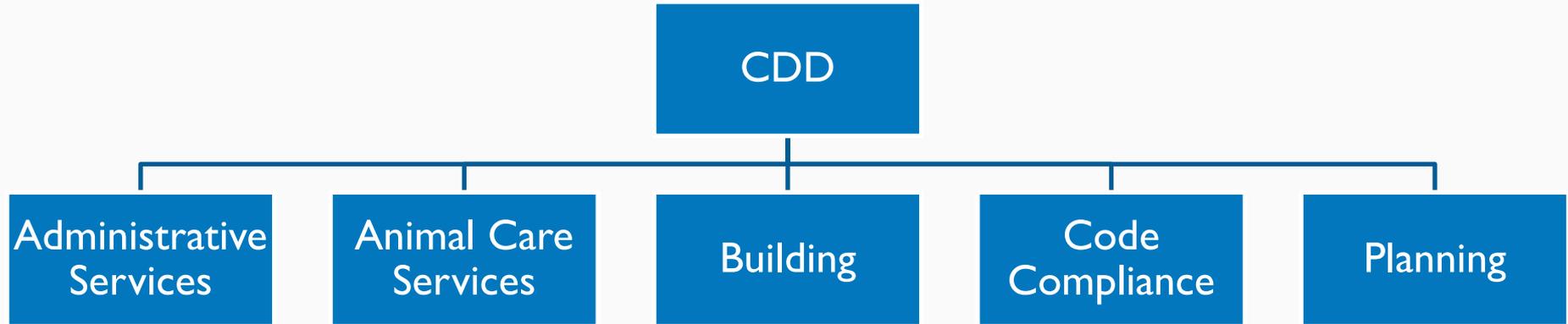
To help plan, build and maintain a great city.

Department Services

- Planning
- Building
- Code Compliance
- Animal Care



Department Structure



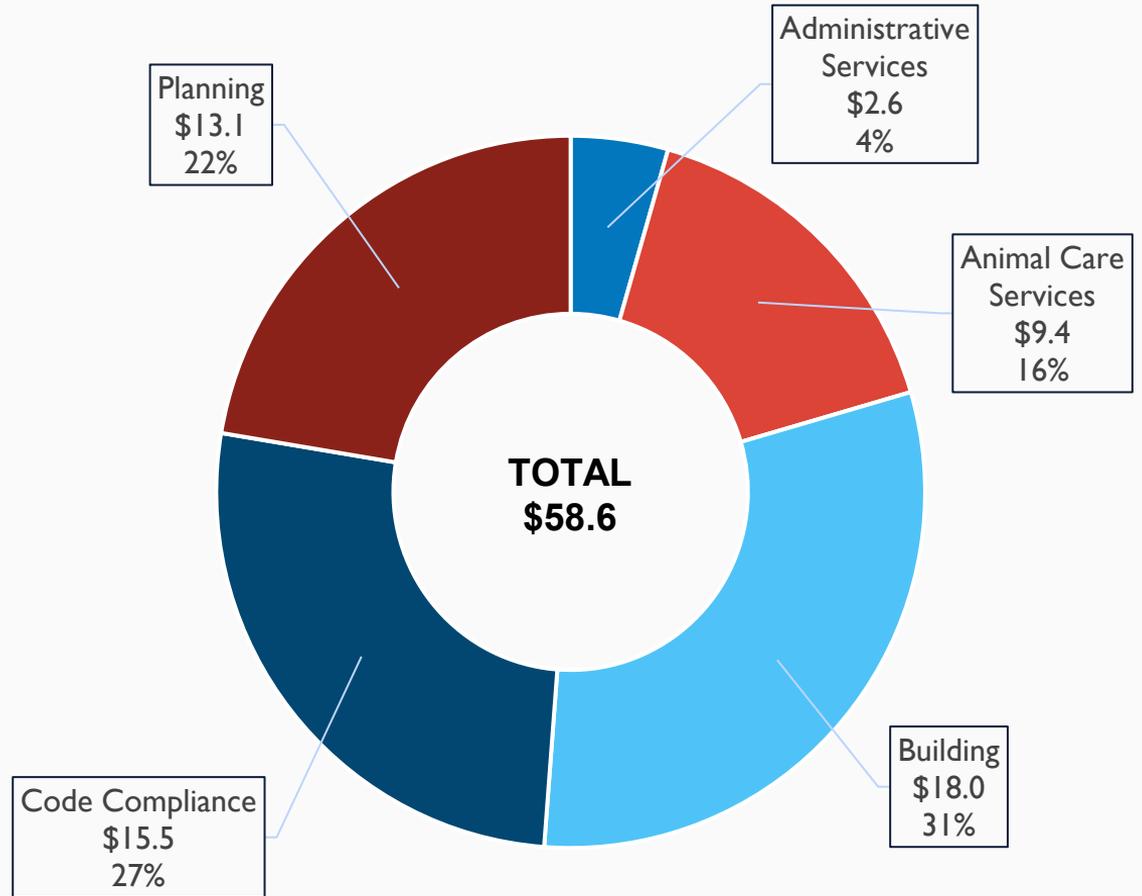
Total Positions (FTE): 315

Current Year (FY 25/26) Budget (\$ in millions)

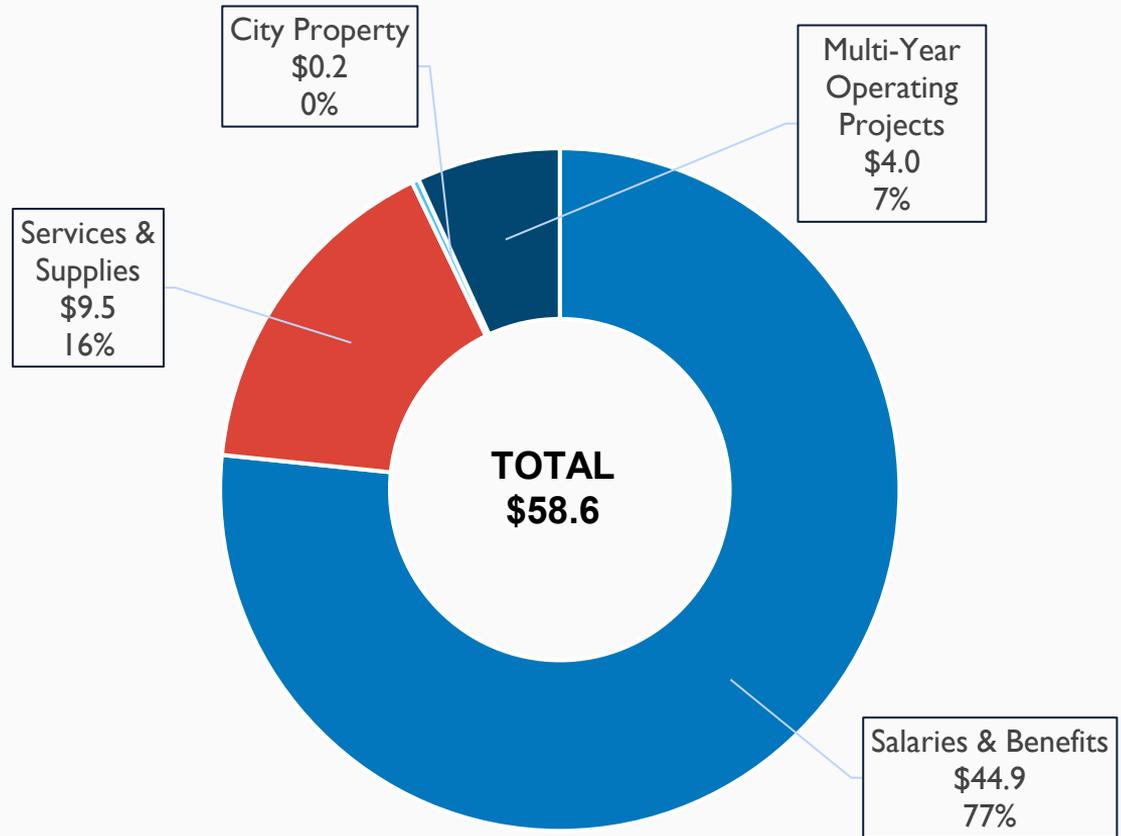
General Fund Budget	
Appropriations	\$58.6
Revenues/Reimbursements	\$36.7
Net General Fund Cost	\$21.9
Full-Time Equivalent Positions	315.0

The Community Development Department's total budget is \$60.7M, which includes Special Revenue Funds and the Citywide Low-income Housing Fund.

General Fund Appropriation By Division (\$ in millions)

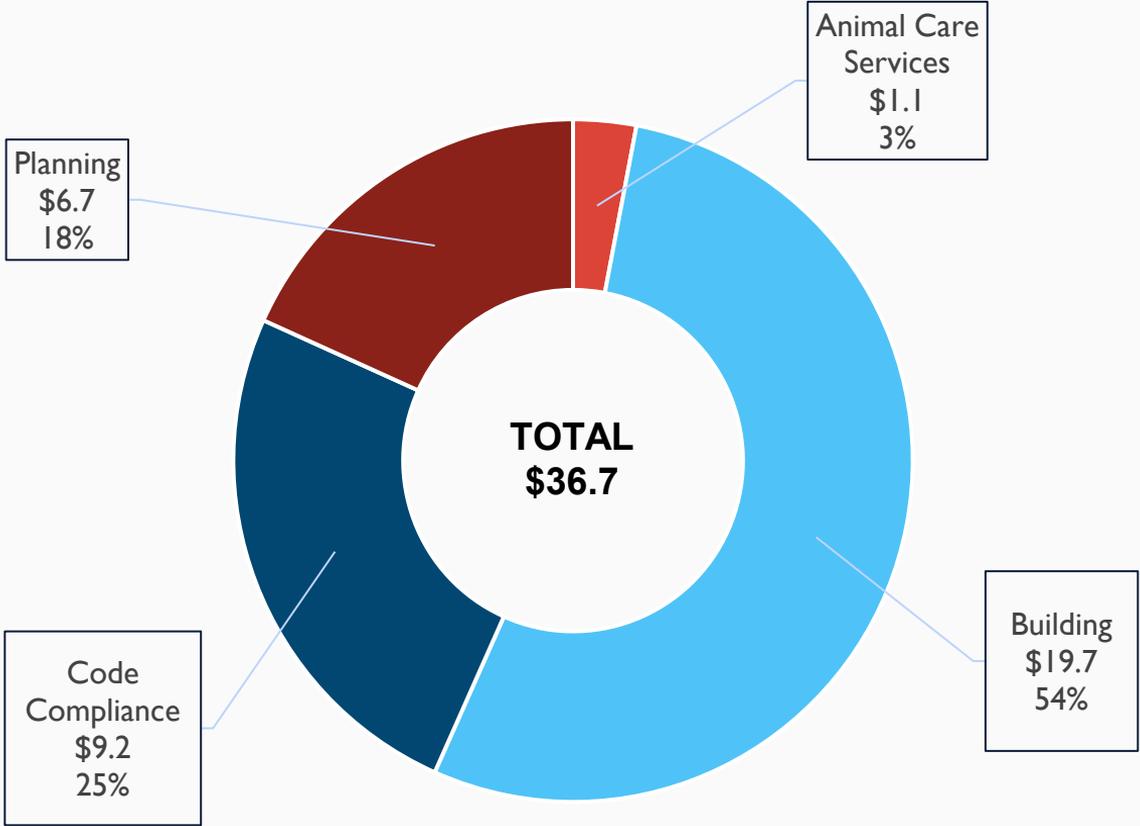


General Fund Appropriation By Spending Category (\$ in millions)



Offsets & Transfers: (\$3.4)

General Fund Revenue/ Reimbursements by Division (\$ in millions)



15% Reduction Options Summary (\$ in millions)

Reduction Category	Savings Amount	Vacant FTE	Filled FTE	Total FTE
Revenue	\$1.0	-	-	-
Level 1	\$1.8	-	-	-
Level 2	-	-	-	-
Level 3	\$0.5	-	-	-
Level 4	-	-	-	-
Total	\$3.3	0.0	0.0	0.0

Community & Service Impacts

Revenue Increases

- Aligning Planning fees with actual costs will not have a service impact.

Level 1 Reductions

- Reducing the plan review and inspection consultant budget will not have a service impact.
- Offsetting Neighborhood Development Action Team staff costs to the General Plan project will not have a service impact.

Level 3 Reductions

- Reducing funding for affordable housing impact fee assistance will reduce the number of units assisted.
 - Alternatives to reduction

Preserving Core Services & Advancing Council Priorities

The Community Development Department (CDD) provides core, essential services to the City and its residents. With these reductions, CDD will continue to:

- Protect the health and safety of the public through construction regulations, building inspections, plan review, and ensuring compliance with established building code.
- Manage our city's land uses, establish and oversee zoning regulations, and ensure new development in accordance with the 2040 General Plan, specific plans, and zoning codes.
- Promote and maintain safe and desirable living and working environment for Sacramento residents, business owners, and visitors.
- Shelter lost and stray animals while enforcing local and state animal welfare laws through adoption, volunteer, and public outreach programs.

City of
SACRAMENTO



Finance Department

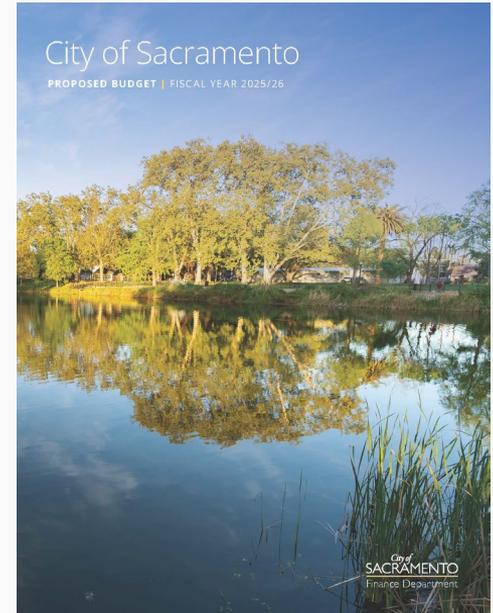
Department Mission & Services

Department Mission

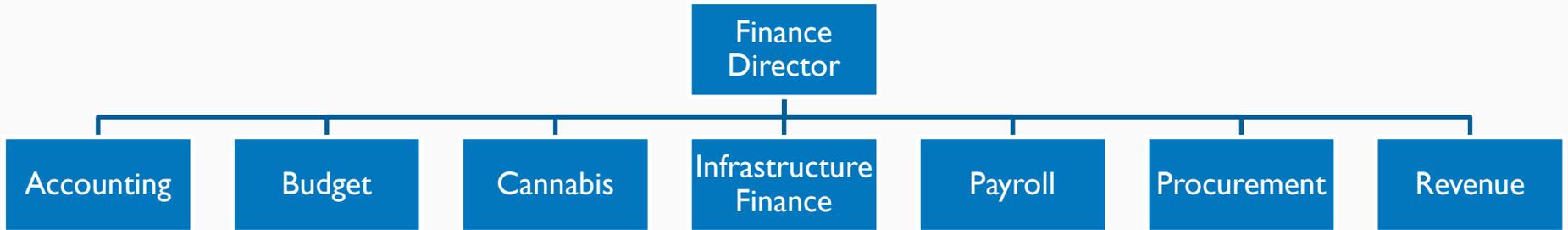
To educate, inform, and provide excellent internal and external customer service with integrity, efficiency, and quality.

Services

Overseeing the financial management of the City by providing accounting, billing, budgeting, collection, infrastructure finance, parking citation, payroll, procurement, and collection services.



Department Structure



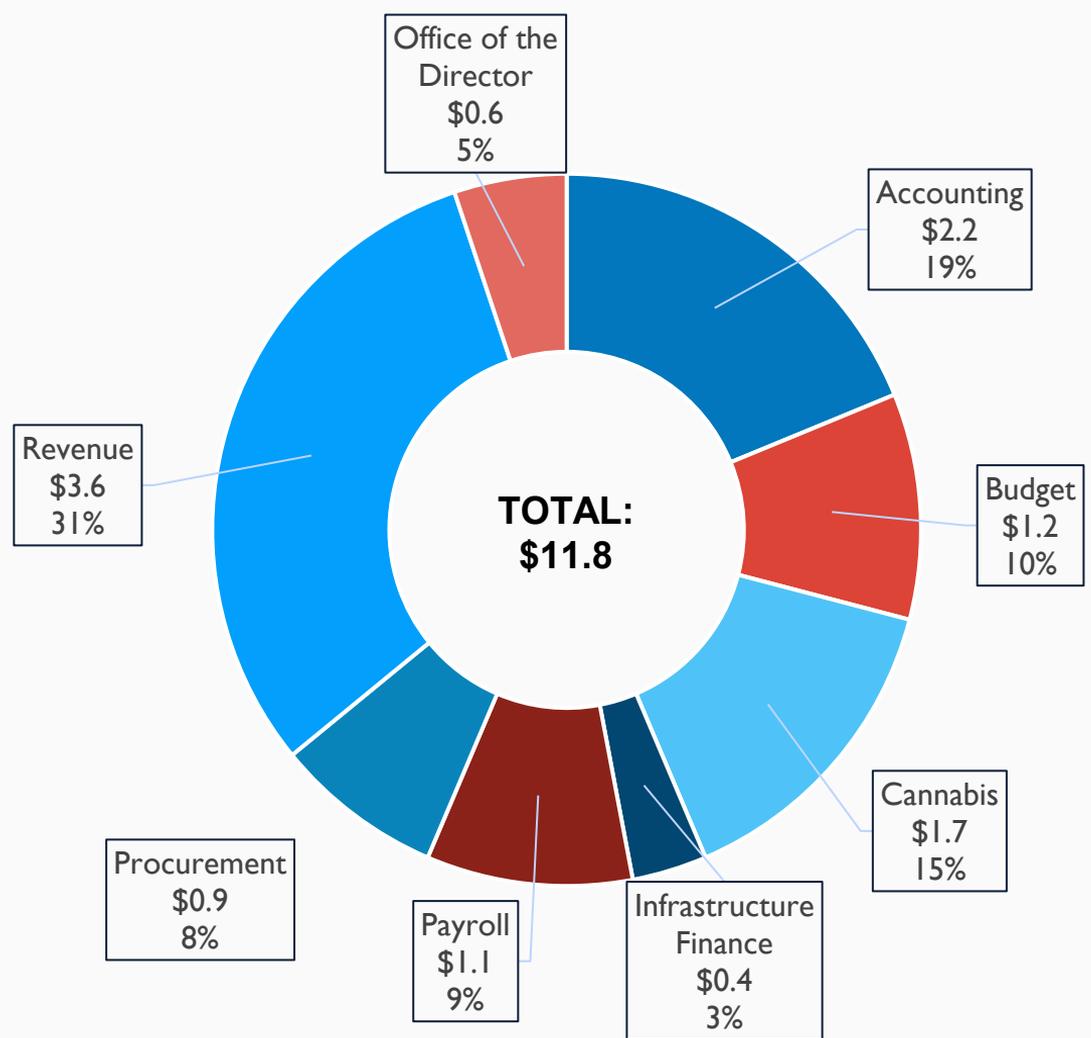
Total FTE: 102.0

Current Year Budget (\$ millions)

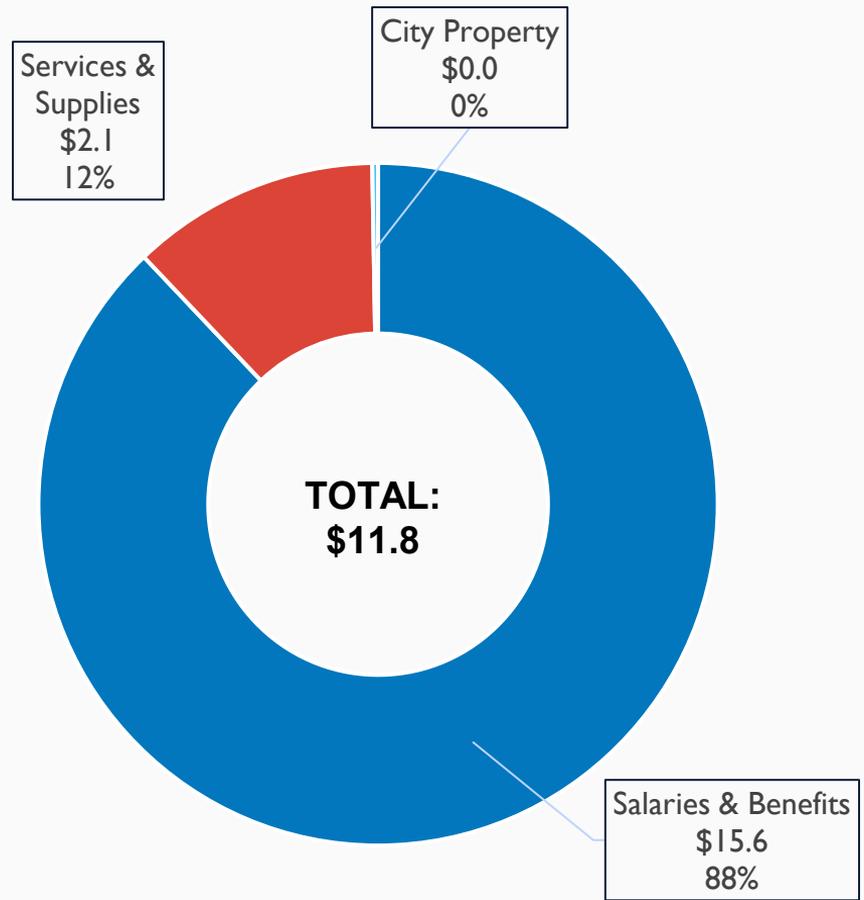
General Fund Budget	
Appropriations	\$11.8
Revenues	\$4.9
Net General Fund Cost	\$6.9
Full-Time Equivalent Positions	102.0

The Finance Department's total budget is \$25.4M, with the non-General Fund portion consisting of special districts administered by the Infrastructure Finance division.

General Fund Appropriation By Division (\$ millions)



General Fund Appropriation By Spending Category (\$ millions)



Offsets & Transfers: (\$5.9)

15% Reduction Options Summary (\$ millions)

15% Reduction Target: \$1.03

Reduction Category	Savings Amount	Vacant FTE	Filled FTE	Total FTE
Revenue	\$0.45	-	-	-
Level 1	-	-	-	-
Level 2	\$0.08	1.0	-	1.0
Level 3	\$0.07	1.0	-	1.0
Level 4	\$0.43	-	4.0	4.0
Total	\$1.03	2.0	4.0	6.0

Budget Balancing Impacts (\$0.6M)

Revenue Increases

- Aligning late fee, Escheat, Permit and Taxes, and Infrastructure Finance revenues with projections will not have a service impact.

Expense Reductions

- Eliminating vacancy - reduction in capacity in payables, but staff is currently managing existing workload
- Eliminating vacancy - further reduction in payables capacity & greater risk of payment delays

Preserving Core Services & Advancing Council Priorities

Finance is an internal services department that supports other departments delivering direct services. With these reductions, Finance will continue to:

- Support Economic Development via administering development fee programs, special districts (BIAs/BIDs/PBIDs etc), and the formation of Enhanced Infrastructure Finance Districts.
- Administer City tax programs bringing which provide the revenues to support service delivery.
- Meet State and Charter mandates regarding budgeting and financial reporting.
- Support all other departments with procurement, payments, and payroll services.

City of
SACRAMENTO



Human Resources Department

Department Mission & Services

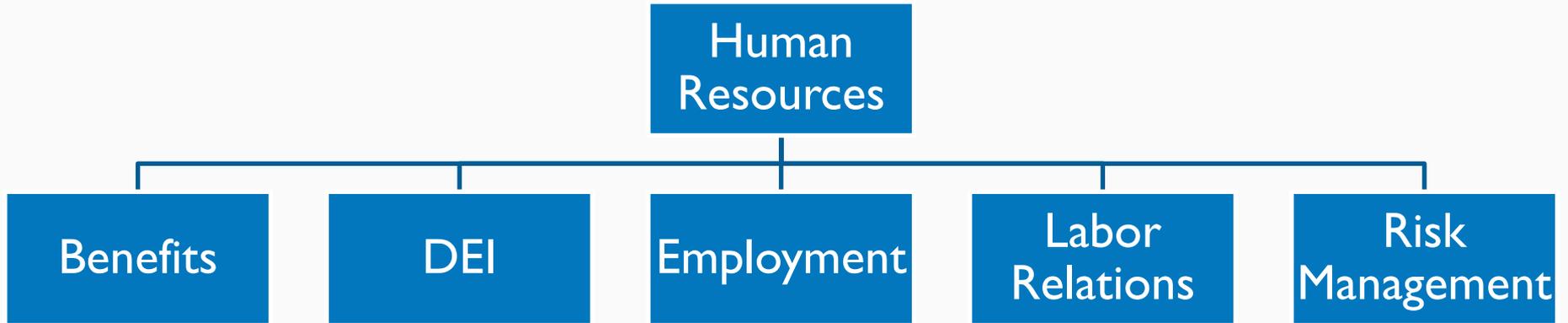
Department Mission

The Human Resources Department delivers programs and services in a professional manner to customers that result in a positive experience.

Services

- Benefits for Active and Retired Employees
- Diversity, Equity, and Inclusion
- Employment Services (Recruitment, Classification, and Compensation)
- Labor Relations
 - Equal Employment Opportunity
 - Leave Administration
- Risk Management
 - Environmental Health and Safety
 - Workers' Compensation

Department Structure



Total FTE: 77 / Total General Fund FTE: 42

Human Resources – Department Budget Overview

Total Budget: \$86.4M

Total FTE: 77

6% General Fund Programs & Services - \$5.4M and 42 FTE

24% Workers' Compensation - \$21M and 19 FTE

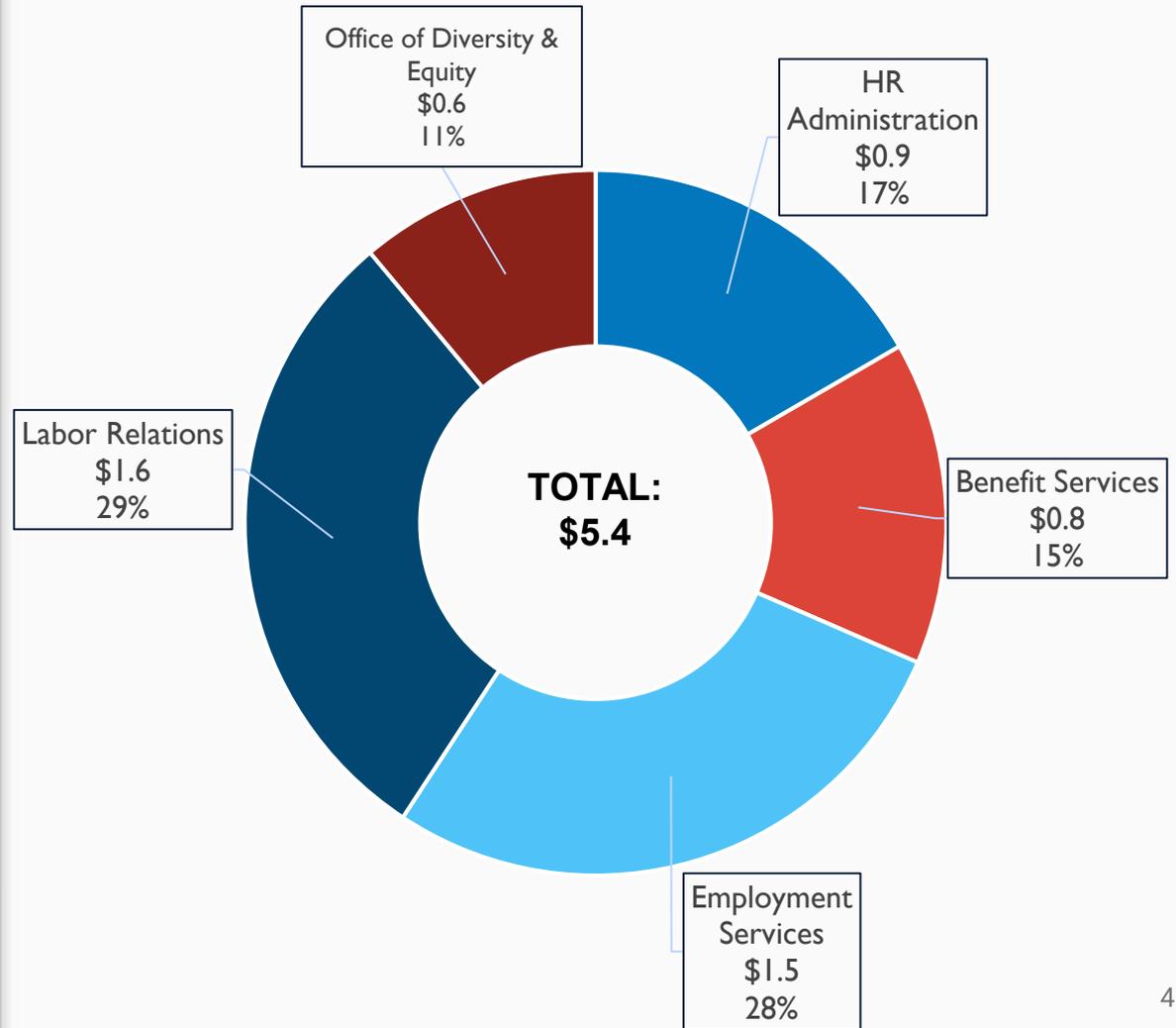
70% Risk Management - \$60M and 16 FTE

Current Year Budget (\$ millions)

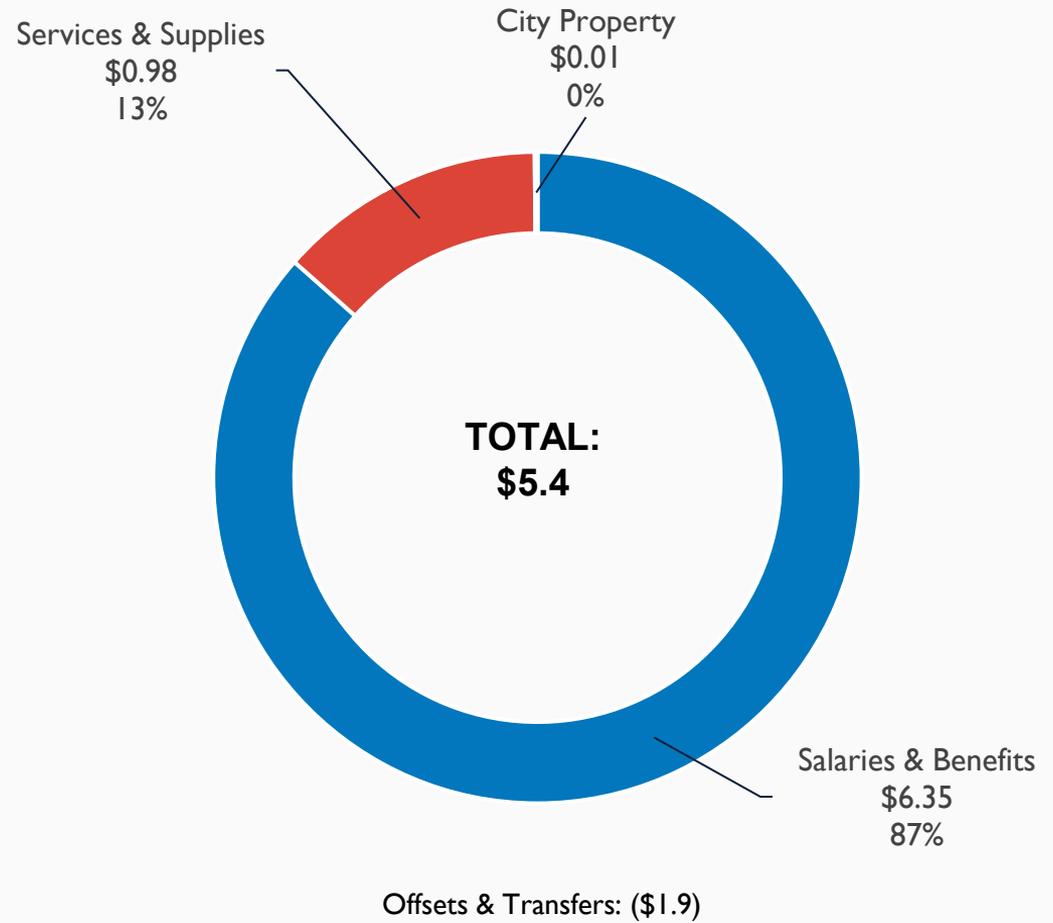
General Fund Budget	
Appropriations	\$5.4
Revenues	\$0
Net General Fund Cost	\$5.4
Full-Time Equivalent Positions	42.0

The Human Resources Department's General Fund budget is \$5.4M

General Fund Appropriation By Division (\$ millions)



General Fund Appropriation By Spending Category (\$ millions)



15% Reduction Options Summary (\$ millions)

Reduction Category	Savings Amount	Vacant FTE	Filled FTE	Total FTE
Revenue	-	-	-	-
Level 1	-	-	-	-
Level 2	\$0.3	1.0	-	1.0
Level 3	\$0.1	-	1.0	1.0
Level 4	\$0.4	-	2.0	2.0
Total	\$0.8	1.0	3.0	4.0

Savings Amount: \$.44M

Vacant FTE: 1

Filled FTE: 1

Budget Balancing Impacts

Level 2 Reductions

- Job classification re-alignment to effectively manage compliance with Leave Administration laws.
- Eliminate 1.0 FTE in Employment Services increasing Human Resources processing timelines for departmental Personnel Action Requests from 10 business days to 15 business days.
- Reduce funding for non-mandatory services and supplies in Benefit Services such as eliminating printed communications to retirees and charging back costs for employment authorization verifications to departments.
- Reduce funding for non-legally mandated contracted instructional and other professional services based on historical trends.

Level 3 Reductions

- Eliminate 1.0 FTE in Office of Diversity & Equity reducing DEI programming and initiatives.

Human Resources is an internal services department that supports Citywide program and service delivery. We will continue to:

- Support recruitment and retention to keep the City staffed through a fair and consistent hiring process.
- Provide competitive health and supplemental retirement benefits to support employee well-being and long-term sustainability.
- Partner with departments to provide practical guidance and standardized processes for transparent, equitable, and legally compliant decision-making.
- Advance a representative, equitable, and inclusive workforce.
- Comply with City policies, the City Charter, labor agreements, and state and federal law and meet required reporting and recordkeeping obligations.

City of
SACRAMENTO



Information Technology

Department Mission & Services

Department Mission

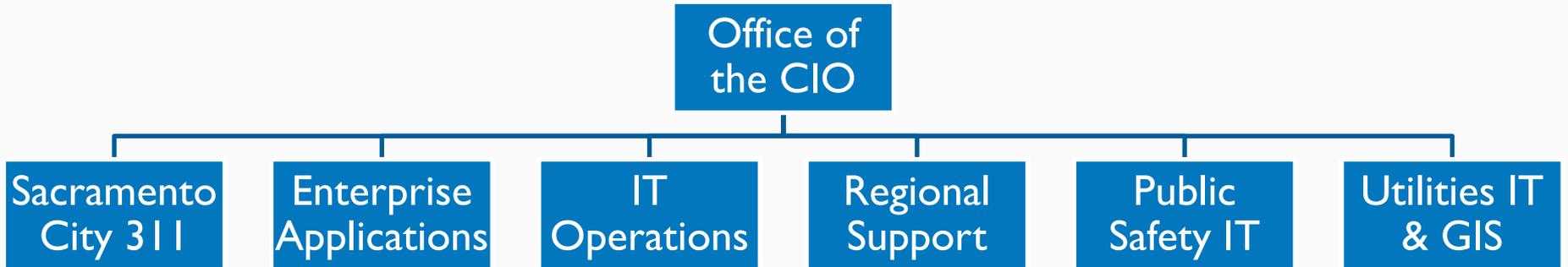
Ensure IT investments and technologies are customer-focused, sound, equitable, and deliver the highest possible value to the City and its constituents.

Services

Provide enterprise applications, infrastructure, cybersecurity, digital services, public safety systems, customer support, and strategic technology planning.



Department Structure



Total FTE: 202.5 / Total General Fund FTE: 161.5

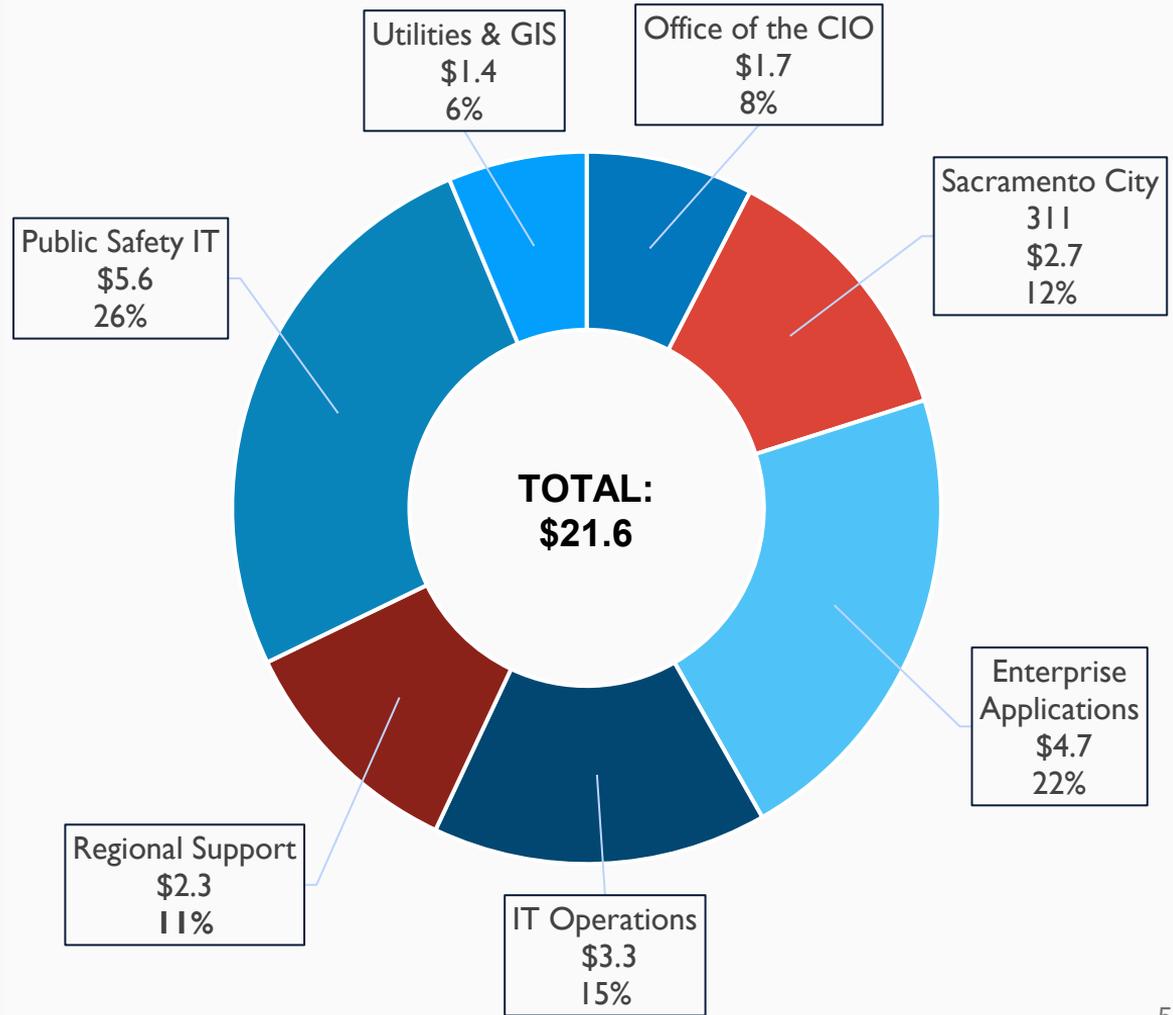
Current Year Budget (\$ millions)

General Fund Budget	
Appropriations	\$21.63
Revenues	\$0.40
Net General Fund Cost	\$21.23
Full-Time Equivalent Positions	161.5

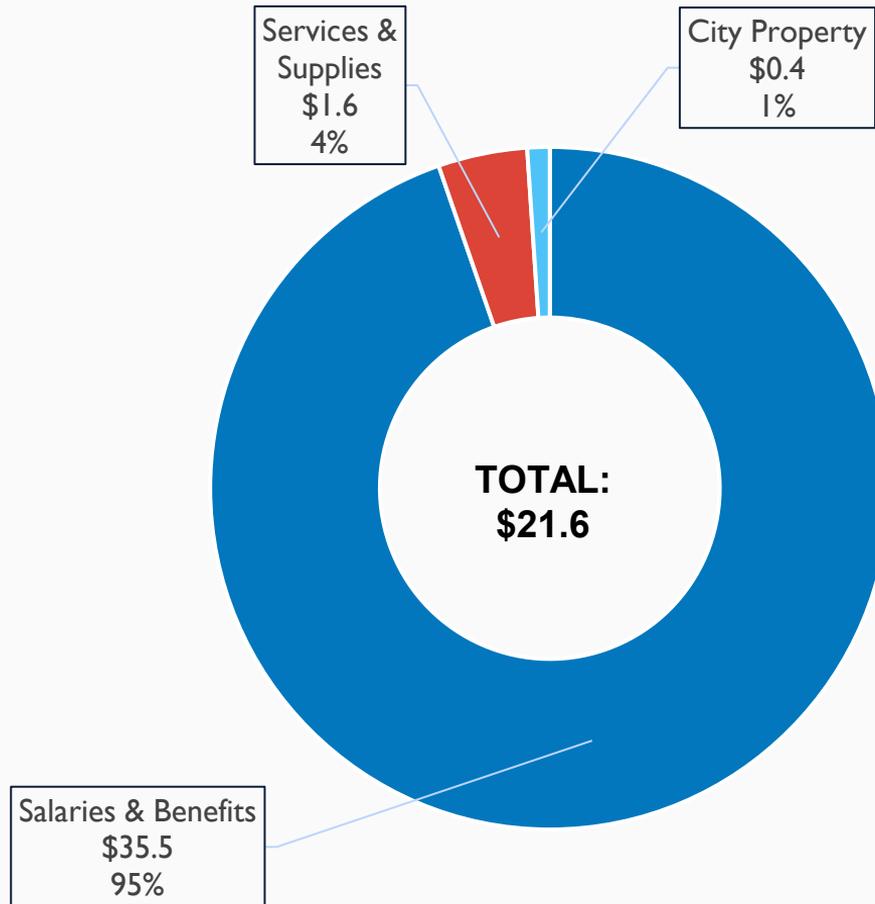
The Information Technology Department's Total Budget is \$35.3 million

Citywide Technology Maintenance and Support operating budget is \$5.3 million

General Fund Appropriation By Division (\$ millions)



General Fund Appropriation By Spending Category (\$ millions)



Offsets & Transfers: (\$15.8)

15% Reduction Options Summary (\$ millions)

Reduction Category	Savings Amount	Vacant FTE	Filled FTE	Total FTE
Revenue	-	-	-	-
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3	\$0.08	1.0	-	1.0
Level 4	\$3.86	1.0	25.0	26.0
Total	\$3.94	2.0	25.0	27.0

Savings Amount: \$1.09M

Vacant FTE: 2

Filled FTE: 5

Budget Balancing Impacts

Level 3 Reductions

- Reduced 311 service capacity, increasing the risk of longer response times and extended call wait times for residents seeking City services.

Level 4 Reductions

- Reduced service desk coordination and capacity, slowing response times for technology issues that support City operations and staff.
- Reduced GIS and data analytics capacity by 29%, significantly limiting mapping, planning, and data-driven decision-making across City departments. This increases operational risk by reducing GIS support for critical functions, including permitting, building inspections, parking operations, community response, and the City's Open Data Portal.

Preserving Core Services & Advancing Council Priorities

The IT strategy is to sustain core technology services while empowering citywide departments to deliver modern, responsive services aligned with Council priorities. We will continue to:

- Delivering smarter, more accessible City services
- Modernizing permitting and business engagement
- Strengthening public safety through technology and data
- Advancing responsible AI innovation
- Investing in digital equity and community access
- Maintaining reliable, secure citywide technology operations

City of
SACRAMENTO



Public Works

Matt Eierman, Director

Department Mission & Services

Mission

We keep the City of Sacramento operating through innovative and sustainable public infrastructure and services.

Services

Public Works is the second largest City department that provides innovative and sustainable public infrastructure and services; buildings, streets, lights, signs, trees, bridges, fleet, parking, and more.

Public Works Staffing Structure

Office of the Director – **10**

Maintenance Services Division – **121**

Facilities & Real Property Management Division – **73**

Fleet Division – **83**

Recycling & Solid Waste Division – **192**

Engineering Services Division – **79**

Parking Services Division – **133**

Transportation Division – **72**

Mobility & Sustainability Division – **17**

Total FTE: 780

Expense budget by funds

City of Sacramento – Public Works

Operating Budget Overview | \$238 Million

66% Enterprise/Special Funds – \$156.3M

Recycling & Solid Waste | Fleet | Parking | Marina

20% Transportation & Restricted Funds – \$48.6M

Gas Tax | Measure A | Road Rehab | Traffic Safety | Development Fees

14% General Fund – \$32.7M

Supports core public infrastructure operations

Executive Takeaway

Public Works is largely self-funded. 86% of expenses are restricted or enterprise-based, limiting flexibility while reinforcing fiscal discipline

Current Year Expense Budget (\$ millions)

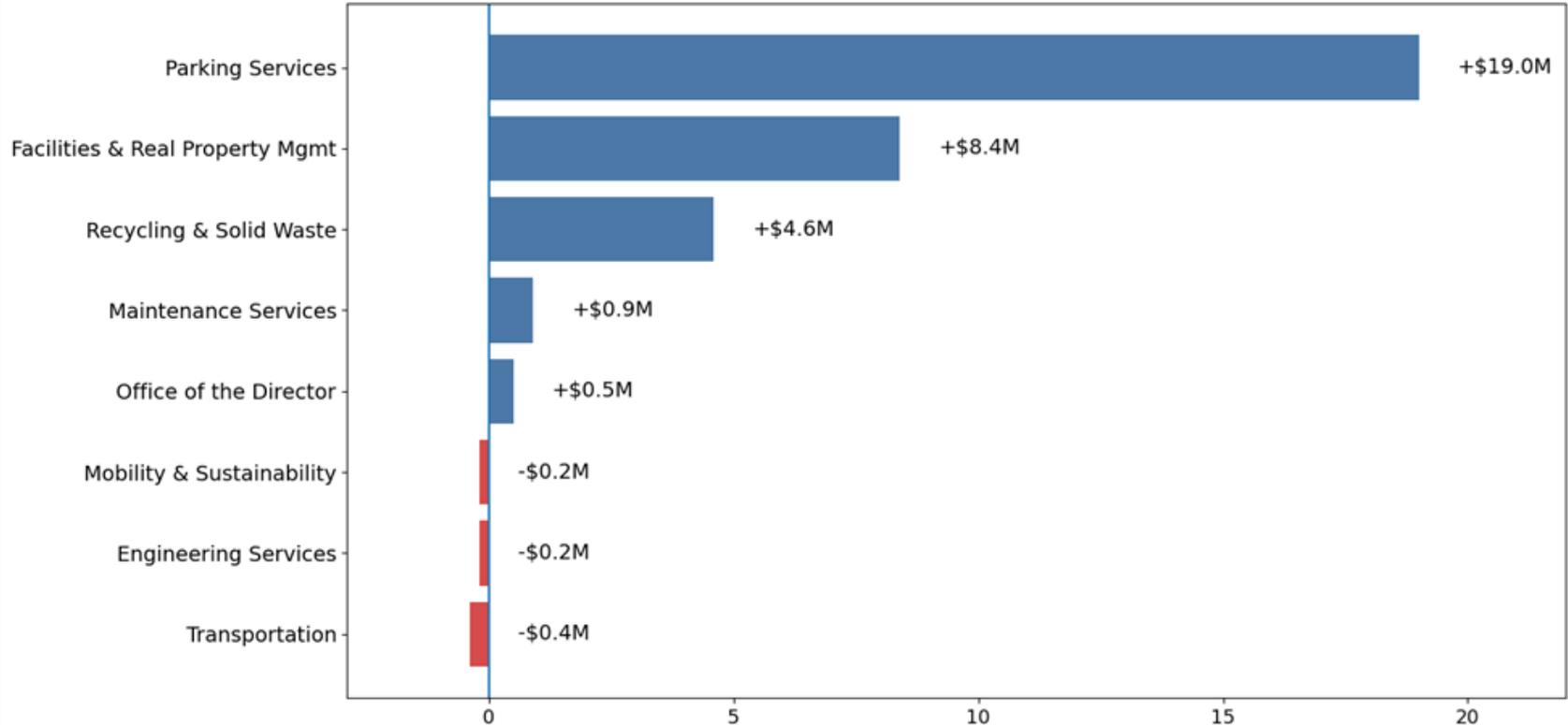
General Fund Budget	
Appropriations	\$32.7
Revenues	\$38.1
Net General Fund Cost	-\$5.5
Full-Time Equivalent Positions	446

Public Works is a **NET** contributor to the General Fund

General Fund Appropriation By Division (\$ millions)

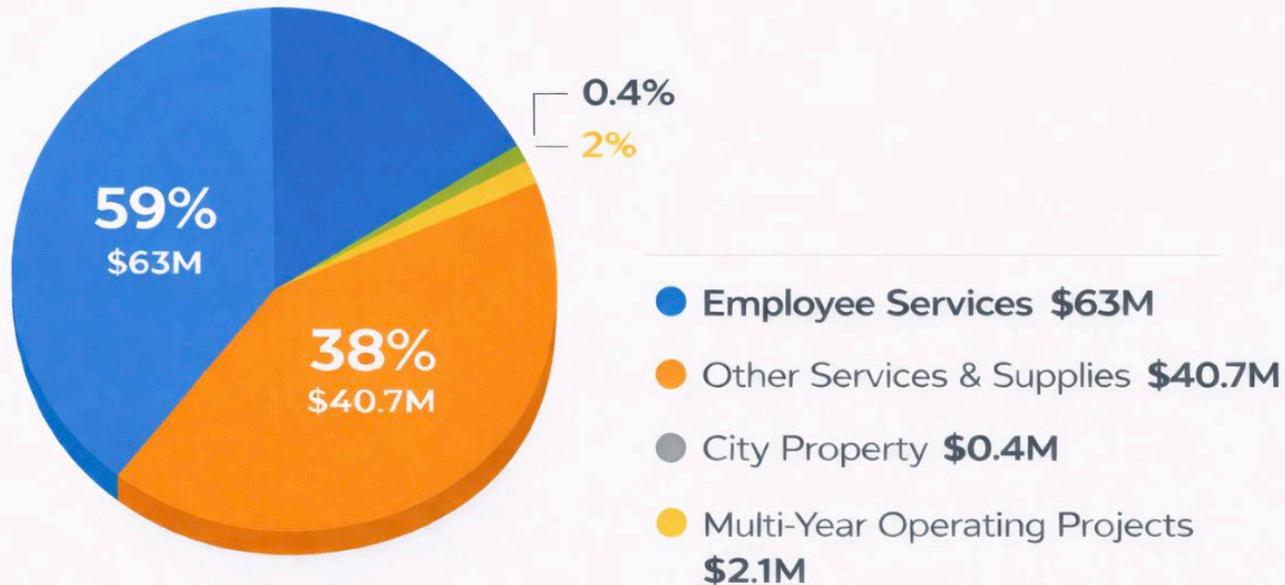
GENERAL FUND APPROPRIATION BY DIVISION

Allocation of \$32.7M General Fund



General Fund Appropriation By Spending Category (\$ millions)

General Fund Budget Breakdown (\$106.2 Million)



Budget Proposals

Adjust fines for frequent parking violations.

Adjust meter rates to encourage turnover and match market pricing.

Set uniform meter hours ending at 10 PM citywide.

Add 200 paid parking spaces in high-demand areas.

Implement residential permit fees to cover program costs.

Public Works Alignment with Council Priorities

In FY2027, Public Works investments directly advance Council's three adopted priorities through infrastructure delivery and operational reliability.

Economic Development

- Leverage external funding to multiply local impact
- I Street Bridge Replacement Project
- Curb Management

Public Safety

- Improve traffic safety, lighting, and street reliability through TAG (Tactical Action Group)

Homelessness

- Support facility and site readiness for housing and services

Sacramento's Curb Parking Activity



Paid On-Street
Spaces



Annual Parking
Transactions



Uses Per
Space Per Year

**Every parking turnover creates an opportunity
for a customer to access a Sacramento business.**

City of
SACRAMENTO



DEPARTMENT OF UTILITIES

Department Mission & Services

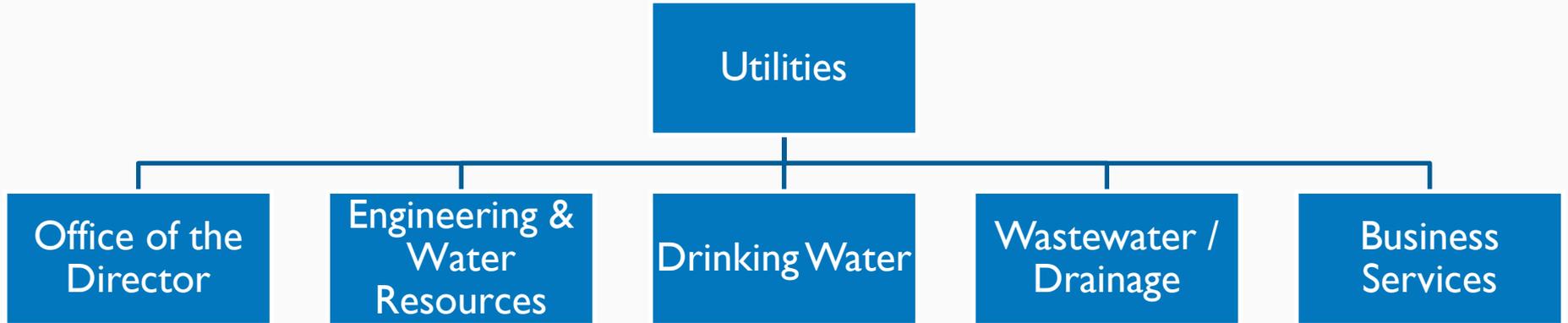
Department Mission

To provide our customers dependable, high quality drinking water, storm water, and wastewater services in a safe, fiscally responsible, and environmentally sustainable manner.

Services

- Drinking Water 
- Stormwater / Drainage / Flood Protection 
- Wastewater / Sewer 

Department Structure

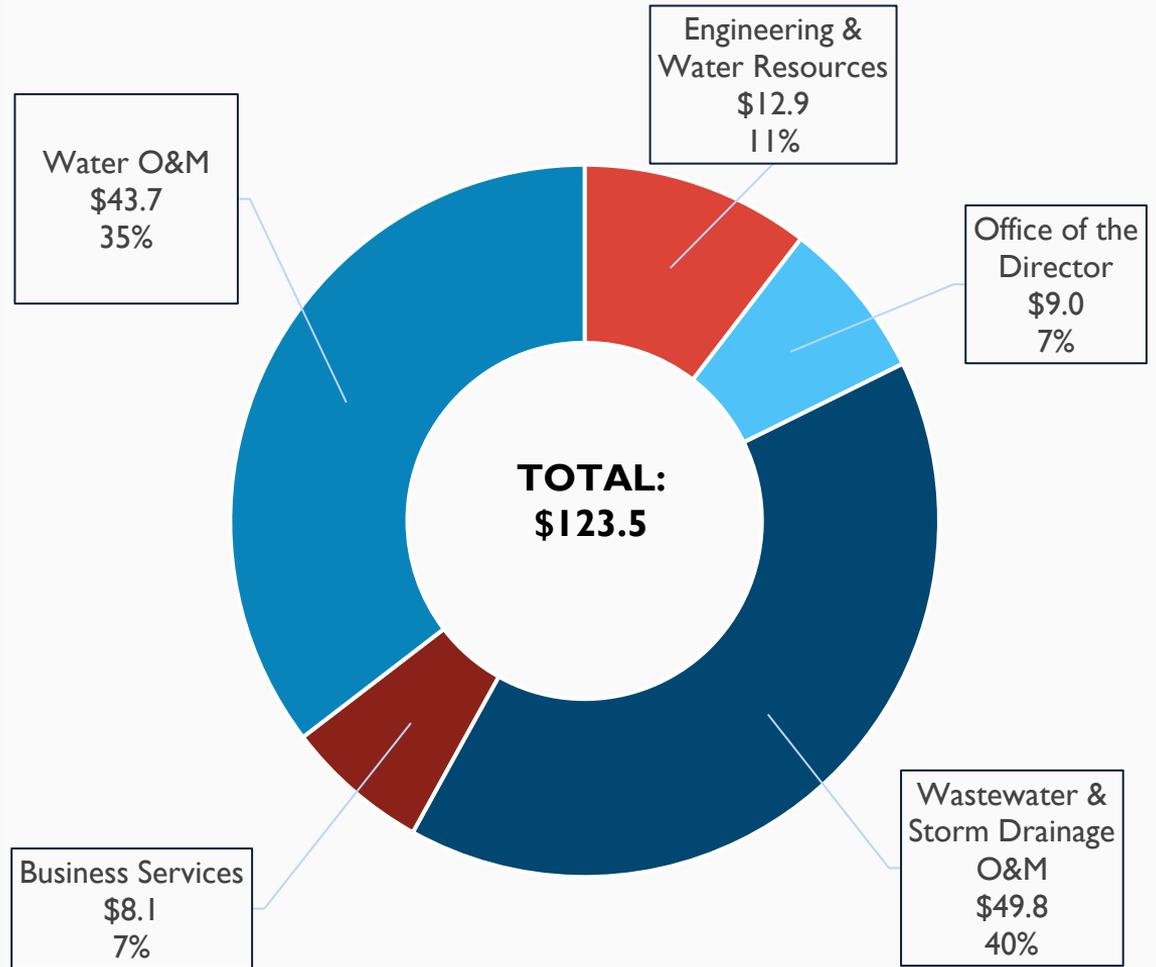


Total FTE: 607 / Total General Fund FTE: zero

Appropriation By DOU Divisions (\$ millions)

*Zero General Fund
Dollars*

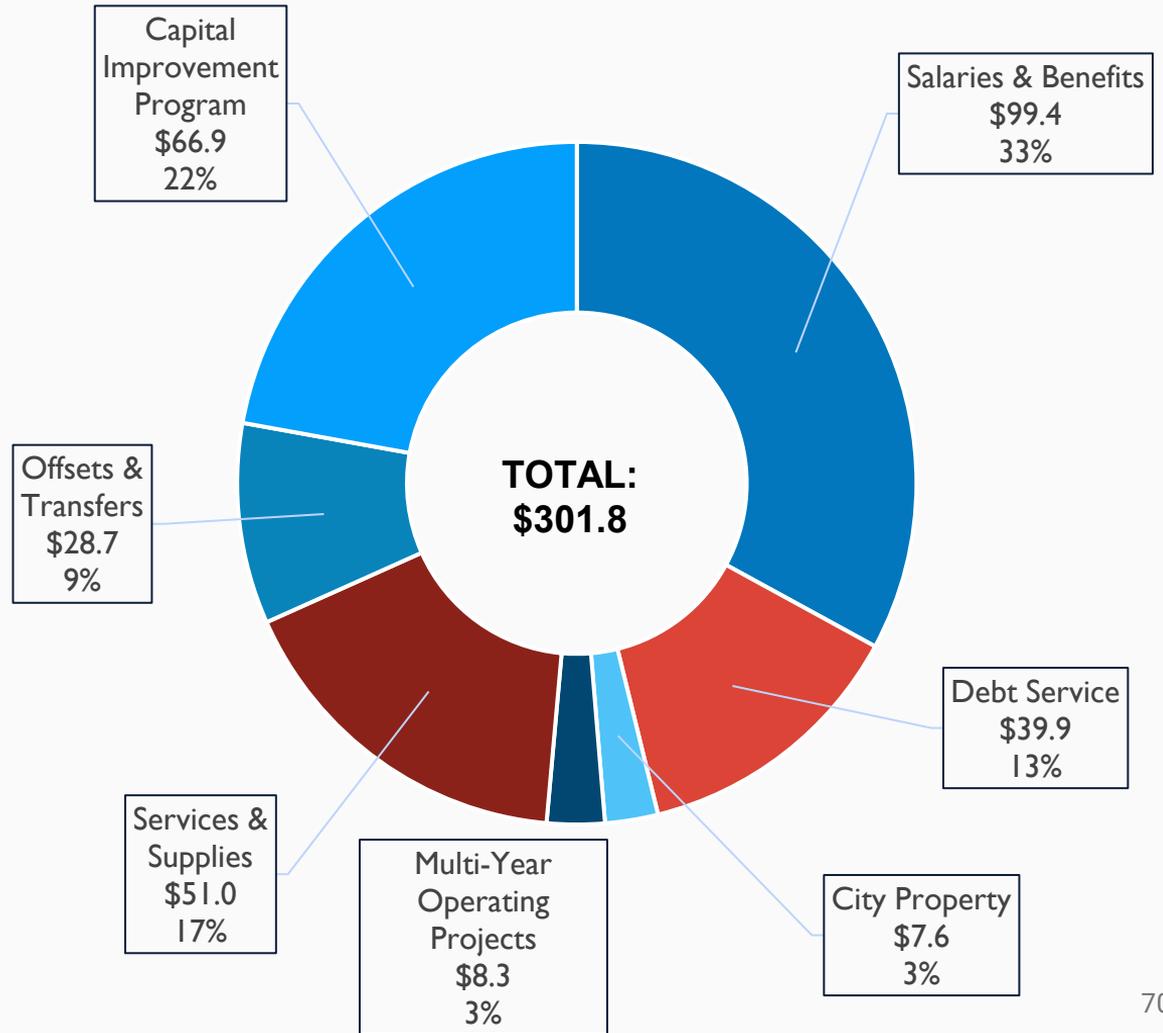
Fiscal Year 26 Budget



DOU Appropriation By Spending Categories (\$ millions)

*Zero General Fund
Dollars*

Fiscal Year 26 Budget



Water Current Five-Year Forecast (\$ thousands)

Water Fund Five-Year Forecast					
	FY2025/26 Budgeted	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Revenues	138,174	138,008	137,759	138,036	138,032
Expenditures	176,386	168,116	167,410	169,919	171,237
Annual Surplus/(Deficit)	(38,212)	(30,108)	(29,651)	(31,883)	(33,205)
Use of CIP Reserve			25,907		
Ending Fund Balance	31,062	954	(2,790)	(34,672)	(67,877)

Wastewater Current Five-Year Forecast (\$ thousands)

Wastewater Fund Five-Year Forecast					
	FY2025/26 Budgeted	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection
Revenues	46,174	46,219	46,237	46,316	46,410
Expenditures	50,752	57,701	51,615	50,528	48,964
Annual Surplus/(Deficit)	(4,579)	(11,482)	(5,378)	(4,212)	(2,554)
Ending Fund Balance	18,880	7,398	2,020	(2,192)	(4,746)

DOU Reduction Goals

Water Fund

Operating Expenditures	3%
Multi-year Operating Program	20%
Capital Improvement Program	36%
Total Reduction of Expenditures	8%

Wastewater Fund

Operating Expenditures	5%
Multi-year Operating Program	13%
Capital Improvement Program	42%
Total Reduction of Expenditures	9%

Storm Drain Current Year Budget (\$ millions)

Storm Drain Fund Budget	
Appropriations	\$48.1
Revenues	\$51.4
Net Use of / (Contribution to) Fund Balance	(\$3.3)
Full-Time Equivalent Positions	143*

*22 FTE with 6011 Primary Fund Designation are Completely Supported by Fund 6021

Storm Drain Property Fee Fund Budget	
Appropriations	\$19.9
<i>Litigation Reserve Distribution & Reimbursements</i>	\$13
Revenues	\$20.3
Net Use of / (Contribution to) Fund Balance	\$12.6
Full-Time Equivalent Positions	0*

*22 FTE with 6011 Primary Fund Designation are Completely Supported by Fund 6021

Deliver reliable services

- Infrastructure investment
- Water rights and supply
- State Combined Sewer System permit updates



Public health and safety

- Safe drinking water
- Flood protection
- Sanitary living conditions (sewage)
- Fire protection



Financial viability

- FY28 Water and Wastewater Rate Adjustments
- Begin Drainage Fund rate adjustment planning, FY29/FY30



Questions & Comments

