



Meeting Agenda

Monday, May 18, 2026

5:30 PM

Regular Meeting

City Hall Council Chamber - 915 I Street - 1st Floor

Measure U Community Advisory Commission

Richard "Teddy" Georgeoff, III, Chair

Natalie McGee, Vice Chair

John Cook

Sandra Frye-Lucas

Emily Gerofsky

Conner Johnston

Jeff Miller

Juan Novello

Nikki Paschal

Maximilian Rosa

Jose Ruiz-Benites

Marbella Sala

Timothy Smith

Open Session

Roll Call

Land Acknowledgement

Pledge of Allegiance

Consent Calendar

1. Approval of Measure U Community Advisory Commission Meeting Minutes

File ID: 2026-00099

Location: Citywide

Recommendation: Pass a **Motion** approving the Measure U Community Advisory Commission Regular Meeting Minutes dated April 20, 2026, and Special Meeting Minutes dated April 27, 2026.

Contact: Jacob Bredberg, Administrative Analyst, (916) 808-6846, jbredberg@cityofsacramento.org; Cecelia Ventress, Deputy City Clerk, (916) 808-5928, cventress@cityofsacramento.org; Mindy Cuppy, City Clerk, (916) 808-5441, mcuppy@cityofsacramento.org; Office of the City Clerk

Attachments: [2026-00099 STAFF REPORT](#)

2. Measure U Community Advisory Commission Agenda Log

File ID: 2026-00253

Location: Citywide

Recommendation: Pass a **Motion** approving the Measure U Community Advisory Commission updated Agenda Log, noting that there are no items in the Log.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751, aroughani@cityofsacramento.org, Office of the City Manager

Attachments: [2026-00253 STAFF REPORT](#)

All items listed under the Consent Calendar are considered and acted upon by one Motion.

Discussion Calendar

3. Overview of Fiscal Year 2026/27 Measure U Proposed Budget

File ID: 2026-00780

Location: Citywide.

Recommendation: Receive and comment.

Contact: Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Mirthala Santizo, Budget Manager, (916) 808-5078, msantizo@cityofsacramento.org; Department of Finance

Attachments: [2026-00780 STAFF REPORT](#)

4. 2026/27 Measure U Department Presentation Schedule

File ID: 2026-01022

Location: Citywide

Recommendation: Review, comment, and provide direction.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751,
aroughani@cityofsacramento.org, Office of the City Manager

Attachments: [2026-01022 STAFF REPORT](#)

2026/27 Budget Recommendations Ad Hoc Committee Updates

Community Engagement and Outreach Ad Hoc Committee Updates

2026 Metrics Ad Hoc Committee Updates

Commissioner Comments-Ideas and Questions

Public Comments-Matters Not on the Agenda

Adjournment

Where to Find the Agenda and Staff Reports: The agenda provides a general description and staff recommendation; however, legislative bodies may take action other than what is recommended. Full staff reports are available at <https://meetings.cityofsacramento.org>.

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Notice to Lobbyists: When addressing the legislative body, you must identify yourself as a lobbyist and announce the client/business/organization you are representing.

Assistance: In compliance with the Americans with Disabilities Act, if you need special assistance, a disability-related modification or accommodation, agenda materials in an alternative format, or auxiliary aids to participate in this meeting, please contact the Office of the City Clerk at 916-808 7200 or clerk@cityofsacramento.org as soon as possible. Providing at least 72 hours' notice will help ensure that reasonable arrangements can be made.

City of Sacramento
Measure U Community Advisory Commission Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00099

5/18/2026

Approval of Measure U Community Advisory Commission Meeting Minutes

File ID: 2026-00099

Location: Citywide

Recommendation: Pass a **Motion** approving the Measure U Community Advisory Commission Regular Meeting Minutes dated April 20, 2026, and Special Meeting Minutes dated April 27, 2026.

Contact: Jacob Bredberg, Administrative Analyst, (916) 808-6846, jbredberg@cityofsacramento.org; Cecelia Ventress, Deputy City Clerk, (916) 808-5928, cventress@cityofsacramento.org; Mindy Cuppy, City Clerk, (916) 808-5441, mcuppy@cityofsacramento.org; Office of the City Clerk

Presenter: None

Attachments:

1-Description/Analysis

2-April 20, 2026, Measure U Commission Meeting DRAFT Minutes

3-April 27, 2026, Measure U Commission Special Meeting DRAFT Minutes

Description/Analysis

Issue Detail: It is best practice for the Measure U Community Advisory Commission to approve the minutes for each meeting.

Policy Considerations: Commission staff and the Office of the City Clerk must keep a permanent record of the Measure U Community Advisory Commission proceedings showing all action considered and taken, motions and records and the vote of each member regarding any matter before the Commission.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities and governmental fiscal activities that do not constitute a “project” as defined by the CEQA Guidelines

Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: After each Measure U Community Advisory Commission meeting, Commission staff composes the DRAFT Minutes noting the action taken by the Committee. The DRAFT Minutes are presented to the Commission for its approval as a permanent record of the meeting actions.

Financial Considerations: None.

Local Business Enterprise (LBE): None.



DRAFT Minutes

Monday, April 20, 2026

5:30 PM

Regular Meeting

City Hall Council Chamber - 915 I Street - 1st Floor

Measure U Community Advisory Commission

Richard "Teddy" Georgeoff, III, Chair

Natalie McGee, Vice Chair

John Cook

Sandra Frye-Lucas

Emily Gerofsky

Conner Johnston

Jeff Miller

Juan Novello

Nikki Paschal

Maximilian Rosa

Jose Ruiz-Benites

Marbella Sala

Timothy Smith

Open Session

Regular meeting called to order by Vice Chair McGee at 5:35 p.m. on Monday, April 20, 2026, at the Sacramento City Hall Council Chamber.

Commissioners Present: John Cook, Sandra Frye-Lucas, Emily Gerofsky, Conner Johnston, Jeff Miller (at 5:38 p.m.), Juan Novello, Nikki Paschal, Jose Ruiz-Benites, Marbella Sala, Timothy Smith, and Vice Chair Natalie McGee.

Commissioners Absent: Maximilian Rosa and Chair Teddy Georgeoff.

Land Acknowledgement – Led by Commissioner Smith.

Pledge of Allegiance – Led by Commissioner Smith.

Welcome New Commissioner - Jose Bernardo Ruiz-Benites

Consent Calendar

Action: Moved/Seconded: Commissioner Sala / Commissioner Novello.

Yes: Commissioners John Cook, Sandra Frye-Lucas, Emily Gerofsky, Conner Johnston, Juan Novello, Nikki Paschal, Jose Ruiz-Benites, Marbella Sala, Timothy Smith, and Vice Chair Natalie McGee.

Absent: Commissioners Jeff Miller, Maximilian Rosa and Chair Teddy Georgeoff.

Passed a **Motion** to adopt the Consent Calendar in one motion except as indicated at each item.

1. Approval of Measure U Community Advisory Commission Meeting Minutes

File ID: 2026-00098

Location: Citywide

Action: Passed a **Motion** approving the Measure U Community Advisory Commission Meeting Minutes dated March 16, 2026.

Contact: Jacob Bredberg, Administrative Analyst, (916) 808-6846, jbredberg@cityofsacramento.org; Mindy Cuppy, City Clerk, (916) 808-5441, mcuppy@cityofsacramento.org; Office of the City Clerk

2. Measure U Community Advisory Commission Agenda Log

File ID: 2026-00252

Location: Citywide

Action: Passed a **Motion** approving the Measure U Community Advisory Commission updated Agenda Log.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751, aroughani@cityofsacramento.org, Office of the City Manager

Discussion Calendar

3. Overview of Measure U Funded Departments and Programs: Department of Community Response

File ID: 2026-00858

Location: Citywide

Members of the public provided public comments.

Action: Received, commented, and provided direction.

Contact: Brian Pedro, Director, (916) 808-7816, bpedro1@cityofsacramento.org, Department of Community Response

4. Overview of Measure U Funded Departments and Programs: Police Department

File ID: 2026-00859

Location: Citywide

Members of the public provided public comments.

Action: Received, commented, and provided direction.

Contact: Katherine Lester, Chief of Police, (916) 808-0800,
klester@pd.cityofsacramento.org, Police Department

Action: Moved/Seconded: Commissioner Sala / Commissioner Smith.

Yes: Commissioners John Cook, Sandra Frye-Lucas, Emily Gerofsky, Conner Johnston, Jeff Miller, Juan Novello, Nikki Paschal, Jose Ruiz-Benites, Marbella Sala, Timothy Smith, and Vice Chair Natalie McGee.

Absent: Commissioners Maximilian Rosa and Chair Teddy Georgeoff.

Pursuant to Council Rules of Procedure, Chapter 8 (D)(6) passed a **Motion** to extend the meeting past 2 hours.

5. Overview of Measure U Funded Departments and Programs: Department of Youth, Parks, & Community Enrichment

File ID: 2026-00860

Location: Citywide

Members of the public provided public comments.

Action: Received, commented, and provided direction.

Contact: Jackie Beecham, Director, (916) 808-1041, jbeecham@cityofsacramento.org, Department of Youth, Parks, and Community Enrichment

6. Overview of Measure U Funded Departments and Programs: Office of Innovation and Economic Development

File ID: 2026-00861

Location: Citywide

Action: Received and filed.

Contact: Denise Malvetti, Deputy Director, (916) 808-7064
dmalvetti@cityofsacramento.org; City Manager's Office of Innovation and Economic Development

7. Approval of Fiscal Year (FY) 2026/27 Measure U Budget Recommendations

File ID: 2026-00862

Location: Citywide

Action: Item not heard.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751,
aroughani@cityofsacramento.org, Office of the City Manager

Community Engagement and Outreach Ad Hoc Committee Updates

Item not heard.

2026 Metrics Ad Hoc Committee Updates

Item not heard.

Commission Member Comments – Ideas and Questions

Item not heard.

Public Comments-Matters Not on the Agenda

Item not heard.

Adjourned – 8:35 p.m.



DRAFT Minutes

Monday, April 27, 2026

5:30 PM

Special Meeting

City Hall Council Chamber - 915 I Street - 1st Floor

Measure U Community Advisory Commission

Richard "Teddy" Georgeoff, III, Chair

Natalie McGee, Vice Chair

John Cook

Sandra Frye-Lucas

Emily Gerofsky

Conner Johnston

Jeff Miller

Juan Novello

Nikki Paschal

Maximilian Rosa

Jose Ruiz-Benites

Marbella Sala

Timothy Smith

Open Session

Regular meeting called to order by Chair Georgeoff at 5:36 p.m. on Monday, April 27, 2026, at the Sacramento City Hall Council Chamber.

Commissioners Present: John Cook, Sandra Frye-Lucas, Emily Gerofsky, Conner Johnston, Jeff Miller, Juan Novello, Nikki Paschal, Marbella Sala, Timothy Smith, and Chair Teddy Georgeoff.

Commissioners Absent: Natalie McGee, Maximilian Rosa, and Jose Ruiz-Benites.

Land Acknowledgement – Led by Commissioner Gerofsky.

Pledge of Allegiance – Led by Commissioner Gerofsky.

Discussion Calendar

1. **Approval of Fiscal Year (FY) 2026/27 Measure U Budget Recommendations**

File ID: 2026-00964

Location: Citywide

Action: Moved/Seconded: Chair Georgeoff / Commissioner Gerofsky.

Yes: Commissioners John Cook, Sandra Frye-Lucas, Emily Gerofsky, Conner Johnston, Jeff Miller, Juan Novello, Nikki Paschal, Marbella Sala, Timothy Smith, and Chair Teddy Georgeoff.

Absent: Commissioners Natalie McGee, Maximilian Rosa, and Jose Ruiz-Benites.

Members of the public provided public comments.

1) Discussed draft recommendations regarding FY2026/27 Measure U budget expenditures; and 2) passed a **Motion:** a) approving the recommendations, as discussed; and b) authorizing the 2026/27 Budget Recommendations Ad Hoc Committee to finalize and forward the approved recommendations to the City Council's Budget and Audit Committee on behalf of the Commission for consideration.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751, aroughani@cityofsacramento.org, Office of the City Manager

Action: Moved/Seconded: Chair Georgeoff / Commissioner Miller.

Yes: Commissioners John Cook, Sandra Frye-Lucas, Emily Gerofsky, Conner Johnston, Jeff Miller, Juan Novello, Nikki Paschal, Marbella Sala, Timothy Smith, and Chair Teddy Georgeoff.

Absent: Commissioners Natalie McGee, Maximilian Rosa, and Jose Ruiz-Benites.

Pursuant to Council Rules of Procedure, Chapter 8 (D)(6) passed a **Motion** to extend the meeting past 2 hours.

Commission Member Comments – Ideas and Questions

None.

Adjourned – 8:29 p.m.

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Measure U Community Advisory Commission Report
915 I Street Sacramento, CA 95814
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File ID: 2026-00253

5/18/2026

Measure U Community Advisory Commission Agenda Log

File ID: 2026-00253

Location: Citywide

Recommendation: Pass a **Motion** approving the Measure U Community Advisory Commission updated Agenda Log, noting that there are no items in the Log.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751,
aroughani@cityofsacramento.org, Office of the City Manager

Presenter: None

Attachments:

1-Description/Analysis

2-Measure U Community Advisory Commission updated Agenda Log

Description/Analysis

Issue Detail: City of Sacramento commissions regularly have a standing item with an Agenda Log to organize and track items that will be considered in the future. This Agenda Log details each item and provides an estimate on when staff expects to bring the item back to the commission. Staff invites commissioners to add new items to or remove items from the Log, as needed, at each meeting during the Commissioner Comments - Ideas and Questions agenda item.

Policy Considerations: City Council Ordinance 2024-0039 adopted September 24, 2024 outlines the purpose and the powers and duties of the Measure U Community Advisory Commission; specifically, to ensure that the expenditures of City resources reflect Council and community priorities, the commission shall review, report, and make non-binding recommendations on revenue and expenditures of certain funds from the Transactions and Use Tax imposed under Sacramento City Code chapter 3.27 (Sacramento City Code chapter 2.114).

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: The Commission's adoption of the updated Agenda Log is the action by which the Commission places potential items on future meeting agendas.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): None.

Measure U Community Advisory Commission Agenda Log

May 18, 2026

Note: The Commission has not yet added any items to the Agenda Log.

#	Date	Requestor	Description of Request	Status/Disposition

City of Sacramento
Measure U Community Advisory Commission Report
915 I Street Sacramento, CA 95814
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File ID: 2026-00780

5/18/2026

Overview of Fiscal Year 2026/27 Measure U Proposed Budget

File ID: 2026-00780

Location: Citywide.

Recommendation: Receive and comment.

Contact: Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Mirthala Santizo, Budget Manager, (916) 808-5078, msantizo@cityofsacramento.org; Department of Finance

Presenter: Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Mirthala Santizo, Budget Manager, (916) 808-5078, msantizo@cityofsacramento.org; Department of Finance

Attachments:

- 1-Description/Analysis
- 2-FY2026/27 Proposed Measure U Programming
- 3-FY2026/27 Measure U Budget Reduction and Revenue Strategies
- 4-FY2026/27 Measure U Budget Modifications
- 5-FY2026/27 Measure U Budget Presentation

Description/Analysis

Issue Detail: This report provides the Measure U (MU) Community Advisory Committee (Committee) with an overview of the Fiscal Year (FY) 2026/27 Proposed MU Budget (MU Budget).

The City continues to face significant financial challenges as it works to resolve an ongoing imbalance between City operating costs and available resources, which is known as a structural deficit. The FY2026/27 Proposed Budget (Budget) addresses this structural deficit while maintaining core City services and advancing Council priorities. The Budget is balanced and closes a \$66.2 million funding gap by 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.

FY2026/27 MU Budget Overview

The total MU budget for FY2026/27 is \$145.0 million and supports 706.9 FTE positions. The MU Fund is projecting a deficit at the end of FY2026/27 as the growth in expenditures for ongoing programs is higher than revenue growth. The MU Fund is projected to generate approximately \$137.3 million in revenues for FY2026/27.

As presented in Attachment 2, the MU Fund provides \$145.0 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 in the Budget.

The following provides a general summary of the various MU Fund programs.

Affordable Housing - \$3.6 million, 20.0 FTE

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

Arts/Creative Edge - \$3.6 million, 22.25 FTE

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

Climate Action - \$534,000, 4.00 FTE

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

Community Investment - \$26.1 million, 141.37 FTE

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

Community Response - \$50.1 million, 126.0 FTE

- Resources for the Department of Community Response to provide an alternative response to homelessness model through community outreach; and additional resources for fleet acquisitions and to address illegal dumping, neighborhood code compliance, public safety accountability, animal care/shelter, and the Sacramento City 311 Call Center activity.

Homelessness - \$3.1 million, 7.0 FTE

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

Inclusive Economic Development - \$6.5 million, 31.0 FTE

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

Library - \$14.7 million

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

Public Safety - \$10.8 million, 78.5 FTE

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

Youth - \$17.6 million, 276.78 FTE

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

Miscellaneous - \$8.4 million

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

FY2026/27 Proposed MU Budget Reduction and Revenue Strategies

Departments under the purview of the City Manager were instructed to submit reduction plans that totaled 15% of their General/Measure U Fund (G/MU) discretionary funding and were given a framework designed to protect core services and Council priorities. In addition, staff analyzed “citywide” strategies to identify previously allocated funding for projects or citywide programs that could be redirected for budget balancing. A total of \$15.8 million in MU reductions is included in the MU Budget. A summary of the MU program reductions and revenue strategies is provided below. Attachment 3 provides the details.

FY2026/27 Measure U Budget Reduction and Revenue Strategies

Funding Category	Department	FTE Change	Net Budget Change
Affordable Housing			
	Community Development	-	(779,162)
Arts/Creative Edge			
	Citywide and Community Support	-	(146,872)
	Convention and Cultural Services	(1.70)	(370,325)
Community Investment			
	Citywide and Community Support	-	(502,017)
	Youth, Parks, and Community Enrichment	(29.40)	(863,821)
Community Response			
	Community Response	-	(6,015,123)
	Mayor/Council	(4.00)	(572,136)
Inclusive Economic Development			
	City Manager	-	(265,427)
Miscellaneous			
	Citywide and Community Support	-	(121,768)
Public Safety - Fire			
	Fire	(1.00)	(297,150)
Public Safety - Police			
	Police	(13.00)	(1,237,047)
Youth			
	Citywide and Community Support	-	(766,227)
	Police	-	(1,808,519)
	Youth, Parks, and Community Enrichment	(28.48)	(2,106,939)
		(77.58)	\$ (15,852,533)

FY2026/27 Proposed MU Budget Modifications

There were approximately \$814,000 in MU modifications for augmentations and position add/deletes. This also included a reduction of 3.58 FTEs. Most of the modifications had offsets in the General Fund, MU, or other funds to make them cost neutral. Attachment 4 provides the details of each of the modifications. A summary of the MU modifications included in the Budget is provided below.

FY2026/27 Measure U Budget Modifications

Funding Category	Department	FTE Change	Net Budget Change
Arts/Creative Edge			
	Convention and Cultural Services	-	10,227
Community Investment			
	Youth, Parks, and Community Enrichment	-	(81,401)
Community Response			
	Community Development	-	499,864
	Community Response	1.00	106,782
Inclusive Economic Development			
	City Manager	-	145,807
Miscellaneous			
	Public Works	-	51,119
Public Safety - Fire			
	Fire	2.00	-
Youth			
	Youth, Parks, and Community Enrichment	(6.58)	81,838
		(3.58)	\$ 814,236

Budget Hearings

The Council will consider the Budget during regularly scheduled meetings in May and June, with final budget adoption scheduled for June 9, 2026. The tentative hearing schedule is reflected below:

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Date / Meeting*	Subject
April 29, 2026	Release of Proposed Budget
May 5, 2026 – 11:00AM Budget & Audit Committee	Fees & Charges
May 5, 2026 – 5:00PM Council	<ul style="list-style-type: none"> • Budget Overview • Budget Balancing Plan • Questions & Deliberations
May 12, 2026 – 2:00PM Council	<ul style="list-style-type: none"> • 2026-2031 Capital Improvement Program • Citywide Fees & Charges • Budget Equity Lens
May 12, 2026 – 5:00PM Council	<ul style="list-style-type: none"> • Budget Deliberations • Council Direction
May 18, 2028 – 5:30PM Measure U Commission	FY2026/27 Budget
May 26, 2026 – 11AM Budget & Audit Commission	Review of FY2026/27 Budget
June 9, 2026 – 5PM Council	Adoption of FY2026/27 Budget

Policy Considerations: This report is consistent with the Council’s policy direction and approval of the MU Budget.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a “project” as defined by the CEQA Guidelines sections 15378 and California Public Resources Code section 21080 and are not subject to the provisions of CEQA (CEQA Guidelines section 15060(c)(3)). CEQA review for any project, which utilizes funds allocated under the FY2024/25 CIP Budget, has been or will be performed in conjunction with planning, design, and approval of each specific project as appropriate.

Sustainability: None.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: This report is for informational purposes only and provides the financial information requested by the Committee.

Financial Considerations: Consistent with Council direction and the ballot measure, the General Funds and Measure U Funds are combined and presented in a single forecast. The City's Budget is balanced and reflects adopted Council policies, goals, and planning/programming guides. The following five-year forecast provides 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. While the recommended reduction strategies help close the funding gap in FY2026/27, these efforts do not completely fill the gaps in future fiscal years. The current five-year forecast is presented below.

5-Year Forecast General Fund (\$ in 000s)	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
Beginning Available Fund Balance	-	294	-	-	-
Revenues					
Revenues	878,482	895,939	918,458	939,192	959,761
Other Sources	18,683	11,724	11,926	12,132	12,343
Total Revenues/Resources	897,165	907,663	930,384	951,324	972,104
Expenditures					
Operations	878,162	921,837	970,539	991,594	1,020,389
Capital Projects	14,210	15,808	15,788	15,788	15,788
Subtotal Expenditures	892,371	937,644	986,327	1,007,382	1,036,177
EUR Contribution	4,500	4,700	5,000	5,100	5,200
Total Expenditures/Uses	896,871	942,344	991,327	1,012,482	1,041,377
Surplus/(Deficit)	294	(34,682)	(60,942)	(61,158)	(69,273)
Ending Available Fund Balance	294	(34,388)	(60,942)	(61,158)	(69,273)

Additional challenges in the General Fund and Measure U forecast are detailed below:

- California Public Employees' Retirement System (CalPERS) unfunded liability costs will increase by \$16.6 million (14.7%) over the next four years.
- Liability insurance premiums are estimated to increase by \$37.3 million (69%) over the next four years.
- Unknown future labor costs with Sacramento Police Officers Association (SPOA) and Sacramento Area Firefighters, Local 522 (L522). Although the Budget and the forecast include costs that have been proposed to SPOA and L522 to date, the final costs may differ.
- Approximately \$2.0 billion in unfunded capital needs between 2026 and 2031 are not included in the forecast. Unfunded capital needs consist of the maintenance and repairs of existing

City facilities and assets and the purchase of new assets required to maintain a consistent level of service to City residents.

- Homeless services will cost approximately \$168 million over the next four years, and future State funding may not be allocated to the City as the Governor did not include an additional round of HHAP program funding in his January Budget proposal.

With the exception of unfunded capital needs and unknown final SPOA and L522 contract costs, estimates for the above challenges have been included in the forecast as presented.

MU Fund Forecast

To assist the Committee in their review of the proposed MU Fund revenue and expenditure budgets and to enhance transparency the following summary five-year forecast has been developed for the MU Fund. Additional information on the expenditures included in the forecast is available in the department sections of the Budget, the detailed forecast (Attachment 2), budget reduction and revenue strategies (Attachment 3), and the budget modifications details (Attachment 4).

Proposed MU Summary Forecast

MU Fund (\$ in 000s)	FY2026/27 FTE	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
REVENUES		137,265	139,564	144,303	147,446	150,367
EXPENDITURES						
Affordable Housing	20.00	3,642	3,670	3,724	3,740	3,754
Arts/Creative Edge	22.25	3,555	3,734	3,805	3,842	3,878
Climate Action	4.00	564	574	587	595	601
Community Investment	141.37	26,148	25,363	25,669	25,828	25,981
Community Response	126.00	50,069	46,829	58,676	59,298	59,919
Homelessness	7.00	3,138	3,154	3,178	3,191	3,204
Inclusive Economic Development	31.00	6,515	6,616	6,756	6,841	6,924
Library	-	14,672	14,672	14,672	14,672	14,672
Public Safety	78.50	10,771	10,764	10,984	11,147	11,309
Youth	276.78	17,554	20,691	21,070	21,330	21,588
Miscellaneous	-	8,422	11,414	12,456	13,298	14,221
Total Expenditures	706.90	145,051	147,481	161,576	163,782	166,050
Economic Uncertainty Reserve Contribution						
Net Resources (revenues less expenditures)		(7,786)	(7,916)	(17,273)	(16,335)	(15,683)
OTHER SOURCES/USES						
Beginning Available Fund Balance		(41,887)	-	-	-	-
Federal Funding Loss Reserve		183				
Revised Forecast	706.90	\$ (49,490)	\$ (7,916)	\$ (17,273)	\$ (16,335)	\$ (15,683)

Staff will continue to monitor and evaluate MU Fund revenues given the financial challenges from the structural deficit. As additional information becomes available, staff will inform Council and the Committee.

Local Business Enterprise (LBE): Not applicable.

FY2026/27 Measure U Programming

Revenues and Expenditures in (\$ in 000s)	FY2026/27 FTE	FY2026/27 Proposed	FY2027/28 Projection	FY2028/29 Projection	FY2029/30 Projection	FY2030/31 Projection
REVENUES		137,265	139,564	144,303	147,446	150,367
EXPENDITURES						
Affordable Housing						
Operations	20.00	42	70	124	140	154
Multi-Year Operating Projects		3,600	3,600	3,600	3,600	3,600
Capital Improvements		-	-	-	-	-
Affordable Housing Subtotal	20.00	3,642	3,670	3,724	3,740	3,754
Arts/Creative Edge						
Operations	22.25	3,073	3,120	3,191	3,228	3,264
Multi-Year Operating Projects		482	614	614	614	614
Capital Improvements		-	-	-	-	-
Arts/Creative Edge Subtotal	22.25	3,555	3,734	3,805	3,842	3,878
Climate Action						
Operations	4.00	564	574	587	595	601
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Climate Action Subtotal	4.00	564	574	587	595	601
Community Investment						
Operations	141.37	19,746	19,951	20,256	20,416	20,568
Multi-Year Operating Projects		6,405	5,412	5,412	5,412	5,412
Capital Improvements		(3)	-	-	-	-
Community Investment Subtotal	141.37	26,148	25,363	25,669	25,828	25,981
Community Response						
Operations	126.00	17,782	18,040	18,407	18,619	18,825
Multi-Year Operating Projects		33,721	27,356	40,268	40,679	41,095
Capital Improvements		-	-	-	-	-
Community Response Subtotal	126.00	51,503	45,396	58,676	59,298	59,919
Homelessness						
Operations	7.00	992	1,008	1,032	1,045	1,058
Multi-Year Operating Projects		2,146	2,146	2,146	2,146	2,146
Capital Improvements		-	-	-	-	-
Homelessness Subtotal	7.00	3,138	3,154	3,178	3,191	3,204
Inclusive Economic Development						
Operations	31.00	6,515	6,616	6,756	6,841	6,924
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Inclusive Economic Development Subtotal	31.00	6,515	6,616	6,756	6,841	6,924
Library						
Operations	-	14,272	14,272	14,272	14,272	14,272
Multi-Year Operating Projects		400	400	400	400	400
Capital Improvements		-	-	-	-	-
Library Subtotal	-	14,672	14,672	14,672	14,672	14,672
Public Safety						
Community Development						
Operations	15.00	2,020	2,053	2,099	2,129	2,157
Multi-Year Operating Projects		184	-	-	-	-
Capital Improvements		-	-	-	-	-
Community Development Subtotal	15.00	2,204	2,053	2,099	2,129	2,157
Fire						
Operations	-	2,580	2,624	2,669	2,716	2,763
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Fire Subtotal	-	2,580	2,624	2,669	2,716	2,763
Police						
Operations	48.50	3,807	3,868	3,946	4,002	4,057
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
Police Subtotal	48.50	3,807	3,868	3,946	4,002	4,057
Youth Parks & Community Enrichment (YPCE)						
Operations	15.00	2,181	2,218	2,270	2,301	2,331
Multi-Year Operating Projects		-	-	-	-	-
Capital Improvements		-	-	-	-	-
YPCE Subtotal	15.00	2,181	2,218	2,270	2,301	2,331
Public Safety Subtotal	78.50	10,771	10,764	10,984	11,147	11,309
Youth						
Operations	276.78	17,637	17,929	18,309	18,569	18,826
Multi-Year Operating Projects		(83)	2,762	2,762	2,762	2,762
Capital Improvements		-	-	-	-	-
Youth Subtotal	276.78	17,554	20,691	21,070	21,330	21,588
Miscellaneous						
Operations	-	8,361	9,209	10,165	11,249	12,478

Multi-Year Operating Projects		61	2,205	2,291	2,049	1,743
Capital Improvements		-	-	-	-	-
Miscellaneous Subtotal	-	8,422	11,414	12,456	13,298	14,221
Total Expenditures	706.90	146,485	146,047	161,576	163,782	166,050
Economic Uncertainty Reserve (EUR) Contribution <i>(0.5% of Expenses)</i>		-	-	-	-	-
Net Resources <i>(revenues less expenditures)</i>		(9,220)	(6,483)	(17,273)	(16,335)	(15,683)
Other Sources/Uses						
Beginning Available Fund Balance		(41,887)	-	-	-	-
Federal Funding Loss Reserve		183				
Revised Forecast	706.90	\$ (50,924)	\$ (6,483)	\$ (17,273)	\$ (16,335)	\$ (15,683)

FY2026/27 Measure U Budget Reduction and Revenue Strategies

Department	Description	FTE Change	Net Budget Change
Affordable Housing			
Community Development	Change funding source for two positions (2.0 FTE - Associate Planner) in the Neighborhood Development Action Team (NDAT) from Measure U Fund (Fund 2401) to the General Plan Updates project (I22000000).	-	(779,162)
Arts/Creative Edge			
Citywide and Community Support	Decrease services and supplies budget for Arts Stabilization to reflect a targeted reduction of discretionary spending.	-	(15,000)
Citywide and Community Support	Liquidate one-time funding in the Archives East End Project (I17000100). Return unused dollars to fund balance.	-	(131,872)
Convention and Cultural Services	Delete three positions (1.2 FTE - Marina Aide) in the History Division. No service impact due to decreased dock traffic.	(1.20)	(45,663)
Convention and Cultural Services	Change funding source for McClellan rent payment from Measure U fund (Fund 2401) to the Community Center fund (Fund 6010). Facility provides storage for materials to support exhibitions, research, and public access.	-	(180,000)
Convention and Cultural Services	Delete one position (1.0 FTE - History Registrar) and add one new position (0.5 FTE - History Registrar) in the History Division. Essential responsibilities of this role can be maintained at 0.5 FTE.	(0.50)	(48,979)
Convention and Cultural Services	Change funding for one position (1.0 FTE - City Historian) from Measure U Fund (2401) to Community Center Fund (6010).	-	(95,683)
Community Investment			
Citywide and Community Support	Liquidate one-time funding from the Sacramento Utility Rate Assistance (SURA) Program (I4130100) to reflect savings from prior fiscal years.	-	(438,079)
Citywide and Community Support	Liquidate one-time funding in the COVID-19 CARES Act Program (G02610100). Return unused dollars to fund balance.	-	(60,699)
Citywide and Community Support	Liquidate one-time funding in the 311 Mobile Modernization Project (A07001300). Return unused dollars to fund balance.	-	(2,631)
Citywide and Community Support	Liquidate one-time funding in the District 2 Minor Park Improvements Project (L19108700). Return unused dollars to fund balance.	-	(608)
YPCE	Delete four positions (2 at 1.0 FTE, 1 at 0.8 FTE and 1 at 0.6 FTE - Program Coordinator Older Adults) in the Older Adult Services Division to streamline staffing and improve department-wide operational efficiency. The delivery of services at the Hart Senior Center is being realigned to enhance operational efficiency through continued strategic collaboration with community centers with no impact on current service levels as the majority of programming continues to be provided by leisure enrichment contractors, dedicated volunteers, and established community partners.	(3.40)	(273,893)
YPCE	Increase in revenue budget in Older Adult Services Division to reflect projected revenues.	-	(20,000)
YPCE	Increase revenue budget in the City Cemetery Division to match projections.	-	(2,500)
YPCE	Delete twenty-six positions (26 at 1.0 FTE Park Maintenance Worker) in the Park Maintenance Division and contract for park maintenance services with a third-party vendor.	(26.00)	(567,428)
Community Response			
Community Response	Increase revenue for a new Micro-Community Program Fee.	-	(36,000)
Community Response	Reduce funding for Community Response Multi-Year Operating Project, reflecting the need to shift, restructure, or relocate operations of the X Street Navigation Center in light of Caltrans lease set to expire.	-	(2,815,018)
Community Response	Reduce funding for Community Response Multi-Year Operating Project and shift City Motel Program to voucher-based model with a focus on unsheltered families.	-	(3,164,105)
Mayor/Council	Delete one position (1.0 FTE - OPSA Assistant Director) in the Office of Public Safety Accountability. Public Safety investigation staffing realignment.	(1.00)	(173,299)
Mayor/Council	Delete one position (1.0 FTE - Executive Assistant) in the Office of Public Safety Accountability.	(1.00)	(99,989)
Mayor/Council	Delete one position (1.0 FTE - OPSA Investigator). Public Safety investigation staffing realignment.	(1.00)	(131,402)
Mayor/Council	Delete one position (1.0 FTE - OPS Accountability Inspector General). Public Safety investigation staffing realignment.	(1.00)	(167,446)
Inclusive Economic Development			
City Manager	Delete one position (1.0 FTE - Special Projects Manager) and add one new position (1.0 FTE - Senior Development Project Manager) in the Office of Innovation and Economic Development.	-	(165,427)
City Manager	Decrease funding for the Office of Innovation and Economic Development by \$100,000. This decreases funding available for economic development activities including real estate due diligence, developing plans and studies, purchasing data, and community advertising and sponsorships.	-	(100,000)
Miscellaneous			
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	-	(17,850)
Citywide and Community Support	Liquidate one-time funding in the Commission Stipends Program (I04000100). Return unused dollars to fund balance.	-	(103,918)
Public Safety - Fire			

Fire	Delete one position (1.0 FTE - Assistant Chief).	(1.00)	(297,150)
Public Safety - Police			
Police	Delete five positions (5.0 FTE - Community Service Officer III) in the Hiring Pipeline program.	(5.00)	(505,295)
Police	Delete seven positions (7.0 FTE - Community Service Officer II) in the Hiring Pipeline program.	(7.00)	(693,700)
Police	Delete seven positions (1.0 FTE - Police Clerk II, 1.0 FTE - Student Trainee, 1.0 FTE - Dispatcher I, 2.0 FTE - Police Records Specialist II, 1.0 FTE - Police Records Specialist III) across multiple divisions.	(1.00)	(38,052)
Youth			
Citywide and Community Support	Liquidate one-time funding in the City Manager Youth Programs MYOP (I80020800). Return unused dollars to fund balance.	-	(13,658)
Citywide and Community Support	Liquidate one-time funding in the Youth Pop Up Events MYOP (I19143100). Return unused dollars to fund balance.	-	(254,498)
Citywide and Community Support	Liquidate one-time funding in the Children and Youth Services Program (19143200). Return unused dollars to fund balance.	-	(498,071)
Police	One-time reduction to the Gang Prevention & Intervention Taskforce project (I11003000).	-	(1,402,921)
Police	Liquidate unspent Office of Violence Prevention (OVP) project funds (I02000600).	-	(405,598)
YPCE	Delete one position (0.90 FTE - Program Coordinator) in the Expanded Learning Division.	(0.90)	(70,797)
YPCE	Modify Community Centers and Clubhouses Fee Waiver/Fee Reductions Resolution. Resolution currently offers 100% discount and 50% for organizations that meet eligible criteria. Discounts would be modified to 50% and 25% for organizations that meet eligible criteria only. Community Center Division waived \$380,000 in rental fees in FY2024/25 without reimbursement.	-	(190,000)
YPCE	Change funding source for 50% of one position (1.0 FTE - Administrative Technician) in the Youth Development Administration Division from Measure U Fund to Children's Fund.	-	(62,464)
YPCE	Delete one position (1.0 FTE - Program Leader) and add two new positions (2 at 0.45 FTE - Senior Recreation Aide) in Youth Employment Division.	(0.10)	(39,581)
YPCE	Reduce stipend amount paid to participants in Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs by 50%. Reduce Service and Supply Budget in Youth Employment Division.	-	(100,000)
YPCE	Discontinue the Organizational Resiliency Fund annual allocation from Youth Development Administration Division.	-	(300,000)
YPCE	Delete twelve positions (2 at 1.0 FTE - Program Coordinator and 10 at 0.20 FTE - Recreation Aide) in the Community Center Division. Reduce after school programs in Community Centers.	(4.00)	(233,790)
YPCE	Delete eight positions (2 at 0.25 FTE and 2 at 0.30 FTE - Senior Lifeguard and 4 at 0.35 FTE - Assistant Pool Manager). Reduce Programming in the Aquatics Division: Close all four City wading pools.	(2.50)	(117,520)
YPCE	Delete three positions (1 at 1.0 FTE - Program Supervisor, 1 at 0.47 FTE - Recreation Aide) from Youth Employment Division, and (1 at 0.40 FTE - Senior Recreation Aide) from Youth Development Administration Division. Reduce support to the Youth Commission capacity building training and discontinue Summer and Semester at City Hall program.	(1.87)	(132,435)
YPCE	Eliminate stipends paid from Youth Employment Division's Prime Time Teen, Young Leaders of Tomorrow, and Junior Rec Aide programs to youth completing their programs. Reduce Service and Supply Budget in Youth Employment Division.	-	(100,000)
YPCE	Delete two positions (1.0 FTE - Program Coordinator, and 0.46 FTE - Recreation Aide) in the Youth Employment Division. Reduce Prime Time Teen, Young Leaders of Tomorrow, and Jr. Rec Aide offerings by 50%.	(1.46)	(107,150)
YPCE	Delete fifty-four positions (1 at 1.0 FTE - Aquatics Recreation Coordinator, 2 at 0.20 FTE and 4 at 0.25 FTE - Cashier, 23 at 0.20 FTE - Lifeguard, 6 at 0.40 FTE - Pool Manager, 12 at 0.35 FTE - Senior Lifeguard and 6 at 0.35 FTE - Assistant Pool Manager), reduce revenue obligation by \$35,308 and increase services and supplies budget by \$250,000 in the Aquatics Division. Reduce programming in the Aquatics Division. Reduce operating schedules to 3-days per week at neighborhood pools.	(15.70)	(464,420)
YPCE	Delete one position (0.45 FTE - Aquatics Specialist) in the Aquatics Division.	(0.45)	(22,653)
YPCE	Delete two positions (1.0 FTE - Program Leader, 1.0 FTE - Recreation General Supervisor) and decrease services and supplies in Youth Employment.	(1.50)	(166,129)
		(77.58)	\$ (15,852,533)

FY2026/27 Measure U Budget Modifications

Department	Description	FTE Change	Net Budget Change
Arts/Creative Edge			
Convention and Cultural Services	Establish fee structure and revenue budget for Temporary Art Applications within the Art in Public Places (APP) program to recover existing operational costs.	-	10,227
Community Investment			
YPCE	Delete three positions (1.0 FTE - Recreation Superintendent and 2 @ 0.2 FTE Crew Leaders) from Older Adult Services and Youth and add one new position (1.0 FTE - Program Manager) in Fiscal Administration Division.	-	12,662
YPCE	Reallocation of FY2025/26 Budgeted Fleet Vehicle Replacement Funds to update vehicle and/or equipment replacements based on operational needs.	-	(94,063)
Community Response			
Community Development	Increase one-time funding for citywide spay and neuter clinics. Due to funding, staffing, and spay and neuter surgery space, Animal Care Services does not have the ability to provide community spay and neuter services to the community in-house.	-	500,000
Community Development	Delete one position (1.0 FTE - Animal Care Technician) and add one new position (1.0 FTE - Animal Services Coordinator) in Animal Care. Increase revenue budget for Animal Care due to fee increases. This position will provide behavior evaluations and training to dogs housed in the shelter to decrease length of stay and increase the live release rate.	-	(136)
Community Response	Add one position (1.0 FTE - Administrative Technician) for the Office of Community Response.	1.00	106,782
Inclusive Economic Development			
City Manager	Fund the Language Access Coordinator position (1.0 FTE - Administrative Analyst) on an ongoing basis.	-	145,807
Miscellaneous			
Public Works	Increase funding one-time for Fleet Shop CIP to repair and replace outdated equipment, improve worker safety, and recognize operational efficiencies.	-	51,119
Public Safety - Fire			
Fire	Add two positions (2.0 FTE - Firefighter (Admin)) in the Diversity, Outreach & Recruitment program as part of a three-year grant agreement funded through the Children's Fund.	2.00	-
Youth			
YPCE	Delete ten positions (10 at 0.20 FTE - Recreation Aides) and add four new positions (4 at 0.47 FTE - Building Monitor) in the Community Center Division and convert savings to service and supplies budget. Shift staffing to support rental and revenue generating programs.	(0.12)	-
YPCE	Delete one position (0.40 FTE - Recreation Aide) and add one new position (0.40 FTE - Building Monitor) in the Community Recreation Division. Realignment of current position to better meet operational needs.	-	-
YPCE	Delete three positions (1.0 FTE - Recreation Superintendent and 2 @ 0.2 FTE Crew Leaders) from Older Adult Services and Youth and add one new position (1.0 FTE - Program Manager) in Fiscal Administration Division.	(0.40)	(18,162)
YPCE	Delete three positions (1 at 1.0 FTE, 1 at 0.80 FTE - Customer Service Assistant and 1 at 1.0 FTE - Program Leader). Convert savings to services and supplies budget in Community Center Division.	(2.80)	-
YPCE	Delete two positions (1 at 0.80 FTE - Program Coordinator) from Community Recreation Division and (1 at 0.80 FTE - Program Leader) from Youth Employment Division then convert savings to services and supplies budget in the Youth Employment Division.	(1.60)	-
YPCE	Delete five positions (1 at 0.35 FTE - Program Director, 1 at 0.25 FTE - Recreation Leader, 3 at 0.25 FTE Camp Aides) in the Camp Sacramento Division and convert savings to services and supplies.	(1.35)	-
YPCE	Delete two positions (2 at 0.35 FTE - Assistant Camp Chef) and add one new position (1 at 0.39 FTE - Camp Chef) in the Camp Sacramento Division.	(0.31)	-
YPCE	Delete one position (0.45 FTE - Aquatic Specialist) and add one new position (0.45 FTE - Building Monitor) in the Aquatics Division and convert savings to service and supplies. Shift staffing to support high rental demand.	-	-
YPCE	Reduce revenue budget for Camp Sacramento Division to match projections.	-	100,000
		(3.58)	\$ 814,236

A dark blue silhouette of the Sacramento skyline is positioned horizontally across the middle of the slide. It includes various building shapes and two prominent towers with cross-hatch patterns, resembling the towers of the Golden Gate Bridge.

Fiscal Year 2026/27
Measure U Commission Budget

FY27 Budget Hearing

- Hearings Schedule
- FY27 Budget Overview
- FY27 MU Budget Overview
- Closing the Budget Gap
- FY27 MU Reductions and Augmentations
- Five-Year Forecast
- Long-Term Funding Challenges

Budget Schedule

Date / Meeting*	Subject
April 29, 2026	Release of Proposed Budget
May 5, 2026 – 11:00AM Budget & Audit Committee	Fees & Charges
May 5, 2026 – 5:00PM Council	<ul style="list-style-type: none"> • Budget Overview • Budget Balancing Plan • Questions & Deliberations
May 12, 2026 – 2:00PM Council	<ul style="list-style-type: none"> • 2026-2031 Capital Improvement Program • Citywide Fees & Charges • Budget Equity Lens
May 12, 2026 – 5:00PM Council	<ul style="list-style-type: none"> • Budget Deliberations • Council Direction
May 18, 2028 – 5:30PM Measure U Commission	FY2026/27 Budget
May 26, 2026 – 11AM Budget & Audit Commission	Review of FY2026/27 Budget
June 9, 2026 – 5PM Council	Adoption of FY2026/27 Budget

*Schedule is subject to change.

Budget Challenges

Immediate

- Balance FY27

Near-Term

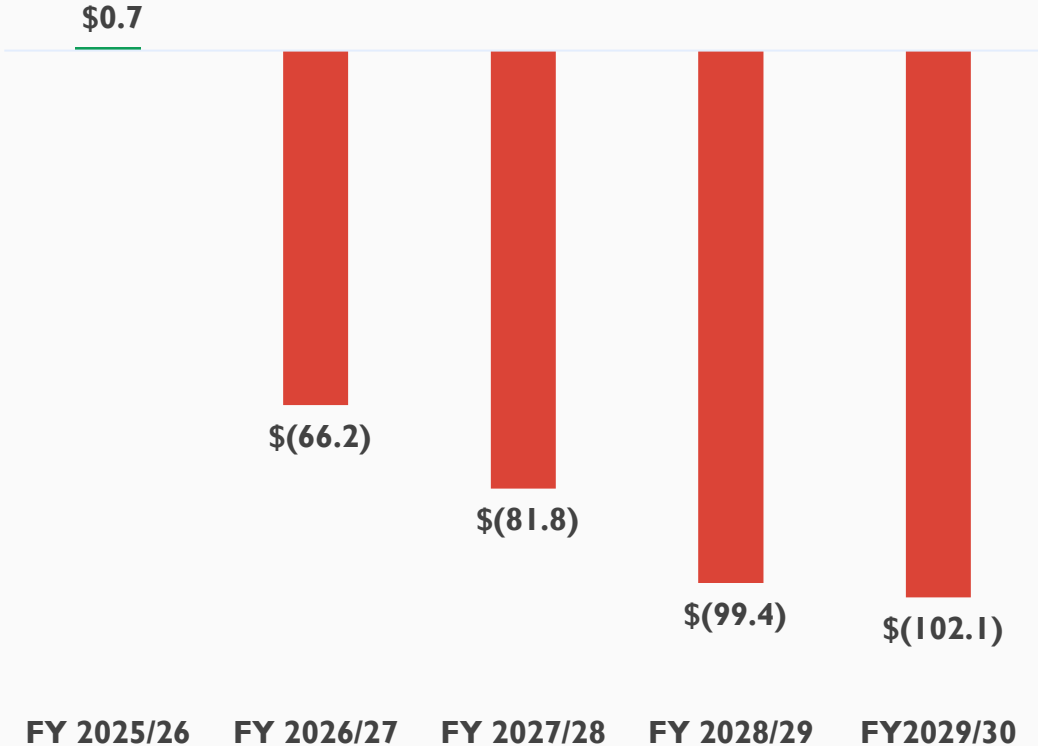
- Correct Structural Imbalance
- Federal Funding Threats
- Economic Risks

Long-Term

- Unfunded Pension Liabilities
- Unfunded Capital Needs

Structural Deficit

- Not caused by an economic downturn.
- Imbalance between expense growth and revenues.
- Ongoing balancing strategies lower projected deficits in future years.



Budget Overview



FY2026/27 Proposed Budget (\$ in millions)

	FY2025/26 Approved	FY2026/27 Proposed	Change
All Funds	\$1,675.0	\$1,723.1	\$48.1
General Fund	\$872.5	\$898.3	\$25.8
Full-Time Equivalent Employees (FTEs)	4,984.83	4,821.07	(163.76)

The Proposed Budget is balanced and closes a \$66.2M funding gap.

Measure U Overview



FY2026/27 Proposed Budget (\$ in millions)

	FY2025/26 Approved	FY2026/27 Proposed	Net Change
Revenues	\$135.0	\$137.3	\$2.3
Expenditures	\$161.3	\$145.0	(\$16.3)
Surplus/(Deficit)	(\$26.3)	(\$7.8)	
Full-Time Equivalent Employees (FTEs)	807.1	706.9	(100.2)

Closing The Budget Gap



Budget Balancing

Define Core Services / Advance Priorities

- Define & preserve core services.
- Advance Council priorities:
 - Economic Development;
 - Homelessness; and
 - Public Safety.
- Minimize, to the extent possible, impacts on services to the public.
- Minimize, to the extent possible, impacts on staff.

Budget Balancing – Creating a Menu of Options

- Departments to develop reduction plans to hit a target reduction of 15% net G/MU fund use.
- Define service and staffing impact of each strategy.
- Finance staff will review projects and other citywide budget reduction strategies.

This process generates more savings options than are needed to balance the budget which allows the City to be strategic in selecting reductions.

Proposed Budget Balancing Plan (millions)

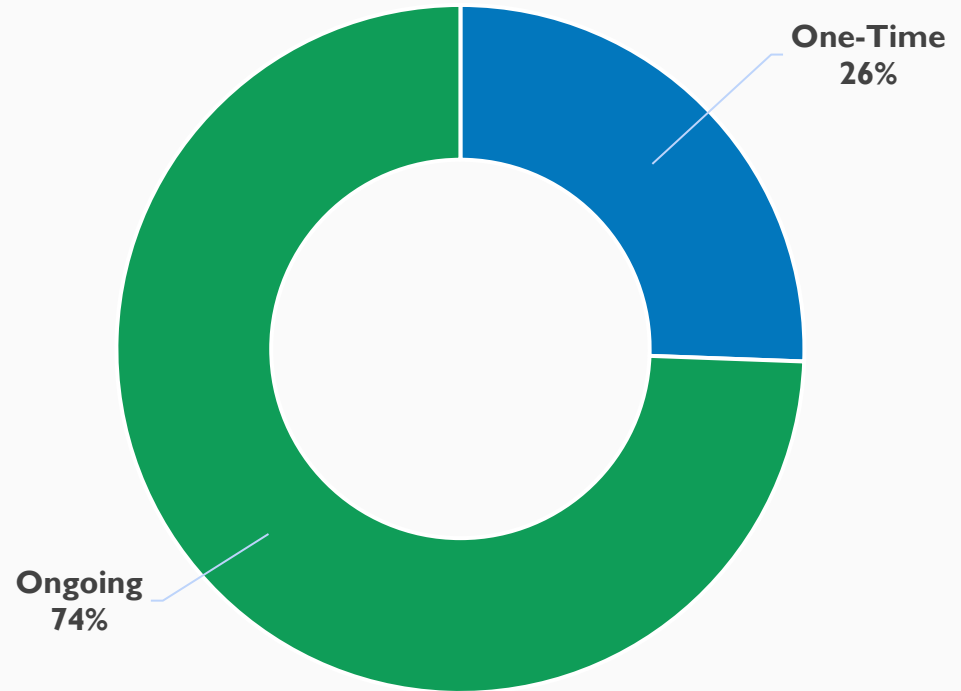
	FY2026/27	FY2027/28
Mid-Year Forecast	(\$66.2)	(\$81.8)
Labor Contract Adjustments*	(\$11.3)	(\$21.8)
Budget Balancing Strategies	\$68.8	\$51.2
Encampment Relief Funds (State Homelessness Funding)	\$2.3	\$-
HHAP Round 6 (State Homelessness Funding)	\$3.5	\$4.7
HHAP Round 7 (State Homelessness Funding)	\$-	\$6.4
Other Adjustments	\$3.2	\$5.9
End Balance	\$0.3	(\$35.4)

*Labor costs above those included in the Mid-Year Forecast.

Budget Balancing Strategies

Category	FY27 Savings
Interest on Treasury Pool	\$4.3
Debt Refunding	\$1.4
Homelessness Services Efficiencies & Partnerships	\$8.9
Departmental Revenues	\$13.6
Cost Shifts to Other Funds	\$6.9
Project Reallocations	\$11.1
Single Role Implementation Savings	\$3.5
Police Department Expense Reductions	\$7.5
Fire Department Expense Reductions	\$3.3
YPCE Expense Reductions	\$2.9
Other Departmental Expense Reductions	\$5.4
TOTAL	\$68.8

Budget Balancing Strategies – One-time vs Ongoing



Budget Balancing – Measure U Expense Reductions

Proposed Budget balancing strategies that will have service and/or staffing impacts were needed to close the budget gap. Reductions are listed in detail in Attachment 3, but some notable reductions include:

- Reduce funding for X street Navigation Center operations in light of Caltrans lease expiration: **\$2.8M**
- Reduce funding for City Motel Program and shift to voucher-based model with a focus on unsheltered families: **\$3.2M**
- One-time reduction to the Gang Prevention & Intervention Taskforce project: **\$1.4M**
- Reduce operating schedules to 3 days per week at neighborhood pools and reduce Aquatics staffing: **\$464,000**
- Deletions of twelve positions in the Police Hiring Pipeline: **\$1.2M**

Addressing Homelessness – Funding

	FY2026/27 Proposed	FY2027/28 Proj	FY2028/29 Proj	FY2029/30 Proj	FY2030/31 Proj
Homelessness Services Costs	\$39.4	\$41.3	\$41.7	\$42.1	\$42.5
State Encampment Relief Funds	\$2.3	\$-	\$-	\$-	\$-
Remaining State HHAP-6 Funds	\$3.5	\$4.7	\$-	\$-	\$-
State HHAP-7 Funds	\$-	\$6.4	\$-	\$-	\$-
City General Fund	\$33.6	\$30.2	\$41.7	\$42.1	\$42.5
Total Funding	\$39.4	\$41.3	\$41.7	\$42.1	\$42.5

Office of Violence Prevention Funding Shift

The funding shift to a new State grant will also result in program delivery adjustments which staff believe will allow the City to expand efforts and reach previously unserved populations by:

- Shifting to school-based referrals systems versus current law enforcement-based referrals
- Provide consistent pre and post school community engagement
- Move to prevention-focused deployments versus current law-enforcement driven model

CBO partnership funding:

	FY2025/26 CBO Grants	FY 2026/27 Proposed Budget CBO Grants
Gang Prevention & Intervention Task Force	\$1.2M	\$-
Evidence-Based Community Violence Interruption, Disruption and Suppression (This was a one-time allocation for a 3-year program that sunsets)	\$0.8M	\$-
CalVIP Cohort 5	\$-	\$1.1M
TOTAL	\$2.0M	\$1.1M

Youth violence prevention is also an eligible Measure L funding category (\$0.9M was awarded for youth violence prevention in the first round of Measure L allocations.)

Budget Balancing – Measure U Staffing Impacts

A total of 91.7 FTE Measure U positions are eliminated in the Proposed Budget (54.6 vacant and 37.1 filled).

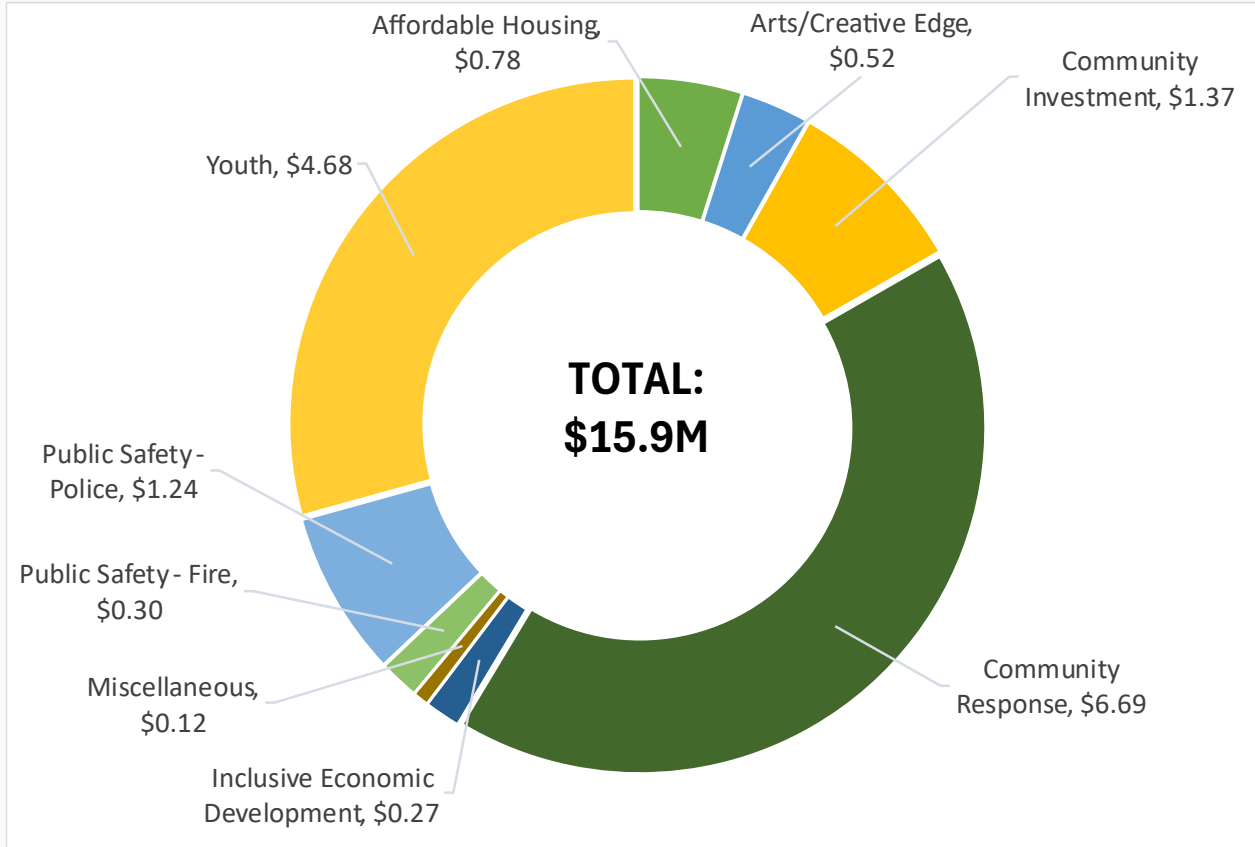
Of the filled FTE, as of April 3rd, 32.9 FTE (34 people) will be subject to being bumped or separated from the City

Of the 34, below is the breakdown by classification & department:

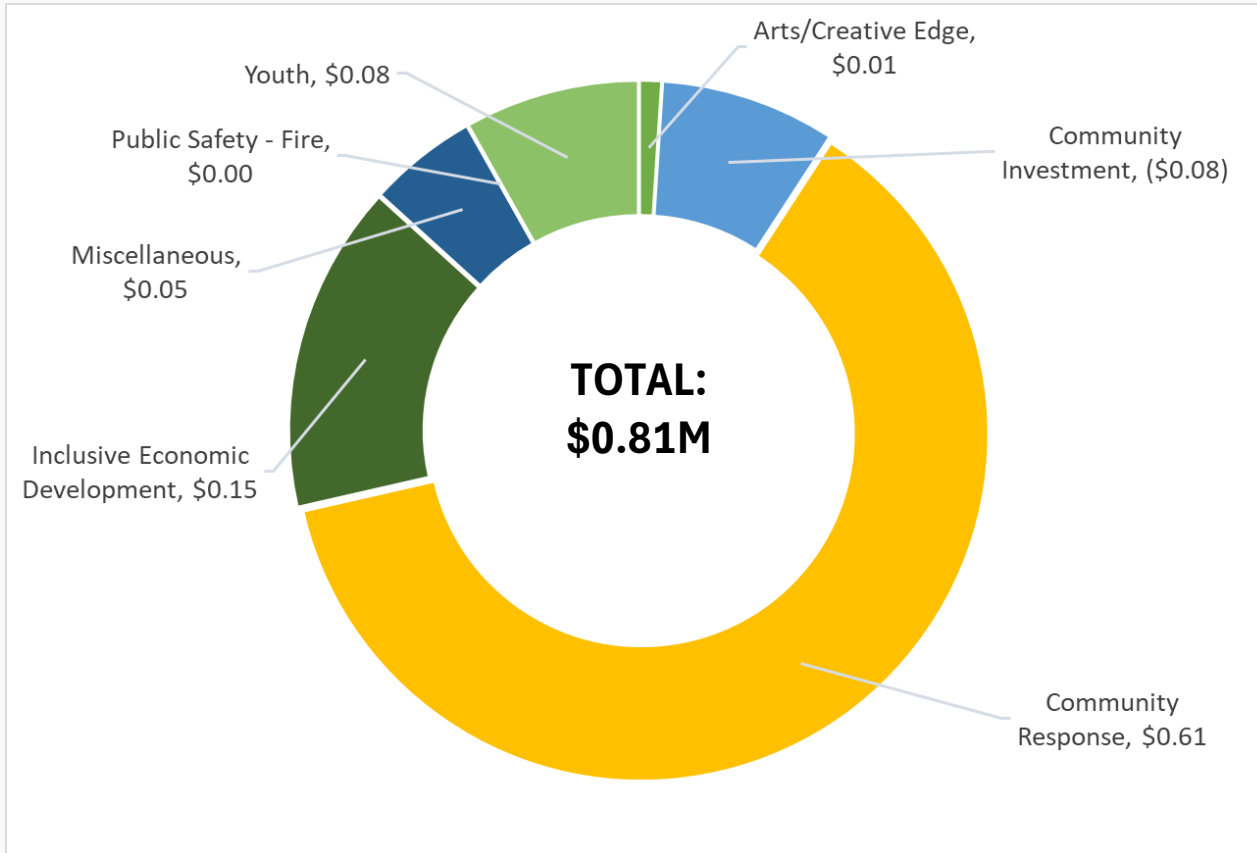
Classification	Department	FTE
OPSA Investigator	Office of Public Safety Accountability	1.0
OPSA Inspector General*	Office of Public Safety Accountability	1.0
Program Coordinator	Youth, Parks & Community Enrichment	4.4
Recreation Aide	Youth, Parks & Community Enrichment	0.5
Park Maintenance Worker	Youth, Parks & Community Enrichment	26.0
TOTAL		32.9

*Retains Deputy IG position

Measure U Reductions (\$ in millions) – By MU Program Areas



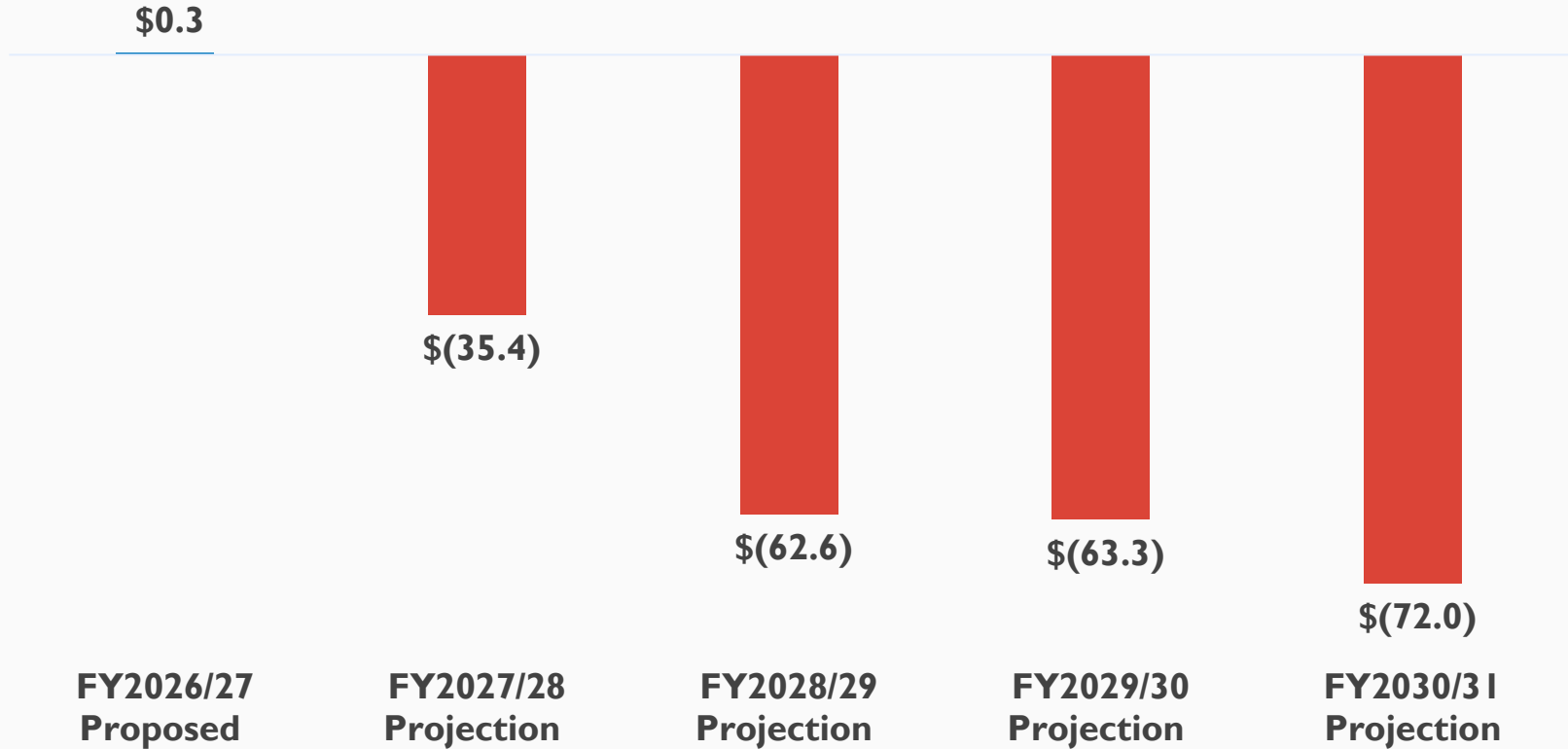
Measure U Augmentations (\$ in millions) – By Program Areas



Proposed Budget Forecast



5-Year Forecast



Long Term Funding Challenges



Unfunded Liabilities

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

- \$1.5 billion unfunded pension liability;
- \$0.2 billion OPEB liability; and
- \$2.0 billion unfunded capital & deferred maintenance needs.

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

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

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

Pending Factors

- Economic Uncertainty / Risk of Recession.
- Future of State homelessness funding.
- Unfunded Liabilities.
- Achieving Structural Balance.

City of Sacramento
Measure U Community Advisory Commission Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-01022

5/18/2026

2026/27 Measure U Department Presentation Schedule

File ID: 2025-01022

Location: Citywide

Recommendation: Review, comment, and provide direction.

Contact: Ash Roughani, Special Projects Manager, (916) 808-7751, aroughani@cityofsacramento.org, Office of the City Manager

Presenter: Ash Roughani, Special Projects Manager, (916) 808-7751, aroughani@cityofsacramento.org, Office of the City Manager

Attachments:

1-Description/Analysis

Description/Analysis

Issue Detail: Since January 2025, the Measure U Community Advisory Commission (Commission) has received 17 presentations from departments that receive Measure U funding. Historically, the Commission's annual department presentation cycle begins in January of each calendar year. However, this year it became clear that it is not feasible to schedule presentations from all Measure U funded departments between January and April, prior to the Commission's adoption of its budget recommendations.

To meet the Commission's expectations, staff recommends an annual presentation cycle of June to March, in advance of the City Council's budget deliberations each year. Staff prepared the draft 2026/27 Measure U Department Presentation Schedule below for feedback from commissioners. The draft schedule is based on the following guidelines:

1. Plan for one hour per department presentation; and,
2. Do not schedule more than two department presentations per meeting.

In addition, staff is exploring the feasibility of scheduling two meetings in April 2027 to ensure sufficient time for the development and approval of budget recommendations.

2026/27 Measure U Department Presentation Schedule

Month	Presenting Department(s)
June 2026	• Library • City Manager (Strategic Plan)
August 2026	• City Attorney • Public Works
September 2026	• Convention & Cultural Services • Community Development
October 2026	• Information Technology • Office of Public Safety Accountability
November 2026	• Fire • Office of Diversity & Equity
January 2027	• Community Response • Police
March 2027	• Youth, Parks, & Community Enrichment • Innovation and Economic Development
April 2027	• No presentations (Commission Budget Recommendations)
May 2027	• Finance (Proposed Budget Overview)

If the Commission agrees with the proposed presentation schedule, it should ensure that its 2027 Annual Workplan aligns with the schedule.

Policy Considerations: City Council Ordinance 2024-0039, adopted September 24, 2024, outlines the purpose and the powers and duties of the Measure U Community Advisory Commission; specifically, to ensure that the expenditures of City resources reflect Council and community priorities, the commission shall review, report, and make non-binding recommendations on revenue and expenditures of certain funds from the Transactions and Use Tax imposed under Sacramento City Code chapter 3.27 (Sacramento City Code chapter 2.114).

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities and governmental fiscal activities that do not constitute a “project” as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

Sustainability: Not applicable.

Commission/Committee Action: None..

Rationale for Recommendation: The Commission should plan to accommodate the number of Measure U department presentations desired with its available meeting time by initiating

presentations in the current year to inform the following year's budget recommendations.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.