



# FY 2026-27 Proposed Annual Budget

June 2 and 3, 2026  
Study Session

# Agenda

Budget Overview  
General Fund  
Department Presentations  
City Manager Comments





CITY OF STOCKTON

**BUDGET OVERVIEW**

# City Charter Section 1905

## Proposed Budget

- Not later than **May 15th**, the City Manager shall prepare and present to the Council a proposed annual budget of recommended expenditures and appropriations for the next fiscal year necessary to support city operations within available resources.
- The proposed annual budget shall include anticipated revenues, projected expenditures, transfers for each fund and/or department, proposed capital improvement plan, proposed fee schedule and projected current year annualized financial activity for comparability.
- The total proposed expenditures shall not exceed the total of estimated income, estimated unencumbered balances of funds to be carried over from the preceding year and unencumbered available reserves.

# City Council Priorities

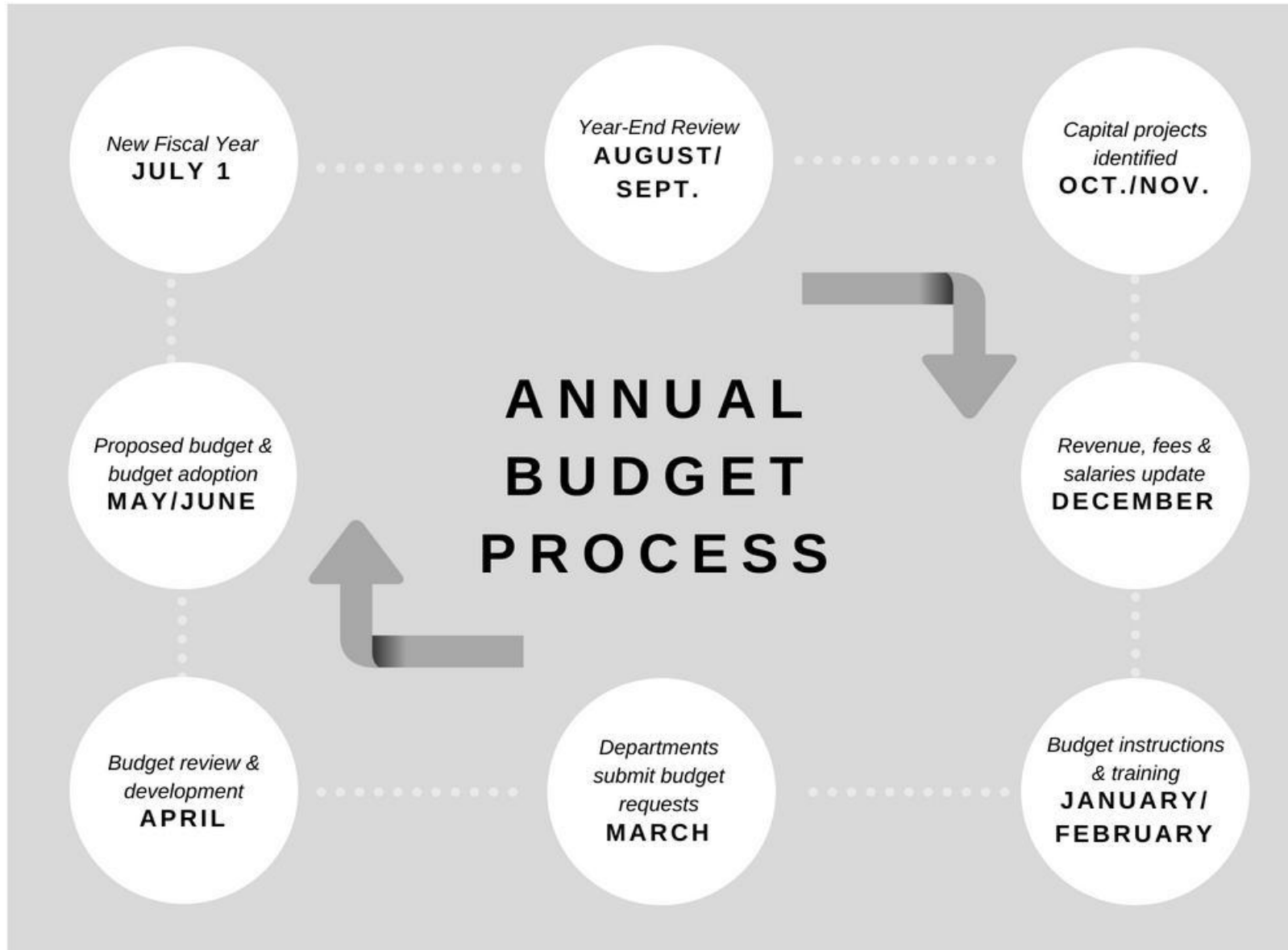
Goal Setting Meeting February 19<sup>th</sup> 2026

**1. Public Safety**

**2. Economic Development**

**3. Infrastructure**

# Annual Budget Process



# Strategic Considerations

Employee recruitment and retention

Maintaining essential services

Use of reserves

Long-term Financial Stability

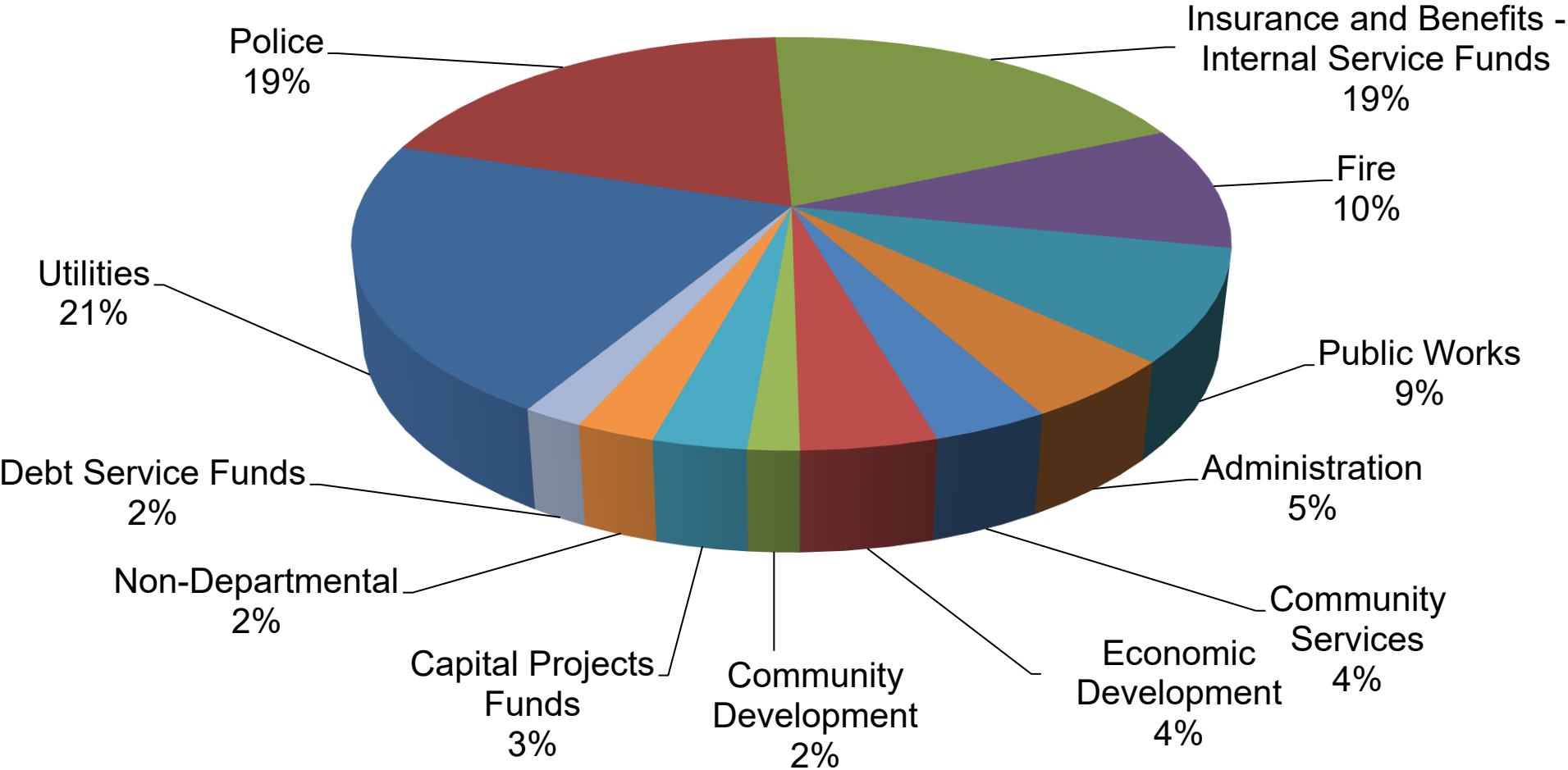


# Citywide Expenditures

FY 2026-27 = \$1.05 billion [Page B-12]

FY 2025-26 = \$982 million

YOY change = 7%

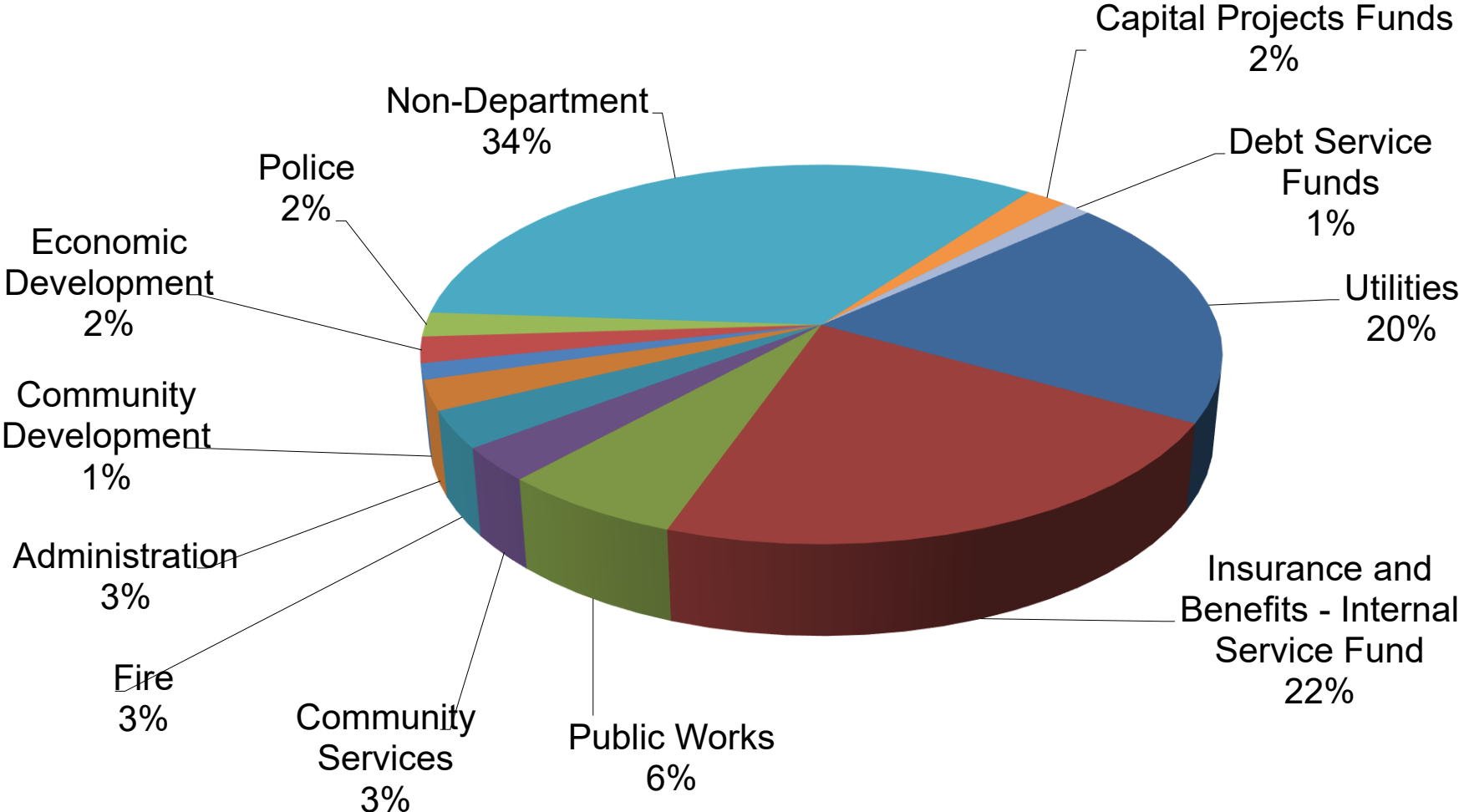


# Citywide Revenues

FY 2026-27 = \$973 million [Page B-14]

FY 2025-26 = \$936 million

YOY change = 4%



# Citywide Positions Summary

[Page B-4]

- 18 new positions added during Mid-Year FY 2025-26
- 3 net positions approved for FY 2026-27

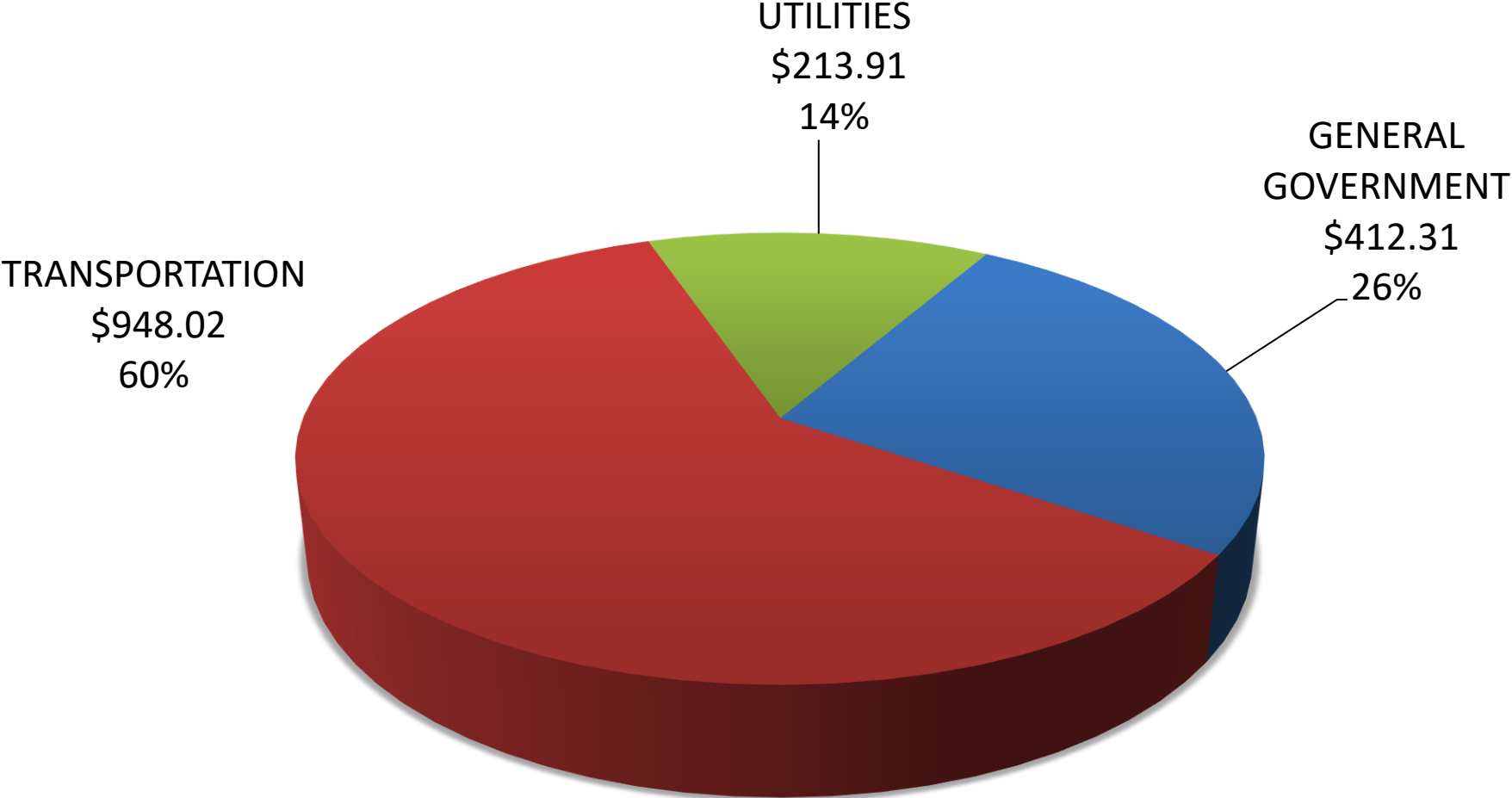
## Mid-Year

- 10 CENCAL positions in Fire and ASD
- 3 CSD positions
- 1 PD Grant Funded position
- 4 OVP Grant Funded positions

## New Year

- 5 New Fire Positions
- 4 New MUD Positions
- 1 New CAO Legal Secretary
- 1 New CSD Bookmobile Driver / Circulation Assistant
- Reduced 2 OVP Outreach positions
- Reduced 6 IT temporary limited term ERP project positions and transitioned 4 to permanent

# Five-Year Capital Plan by Category - \$1.58 Billion





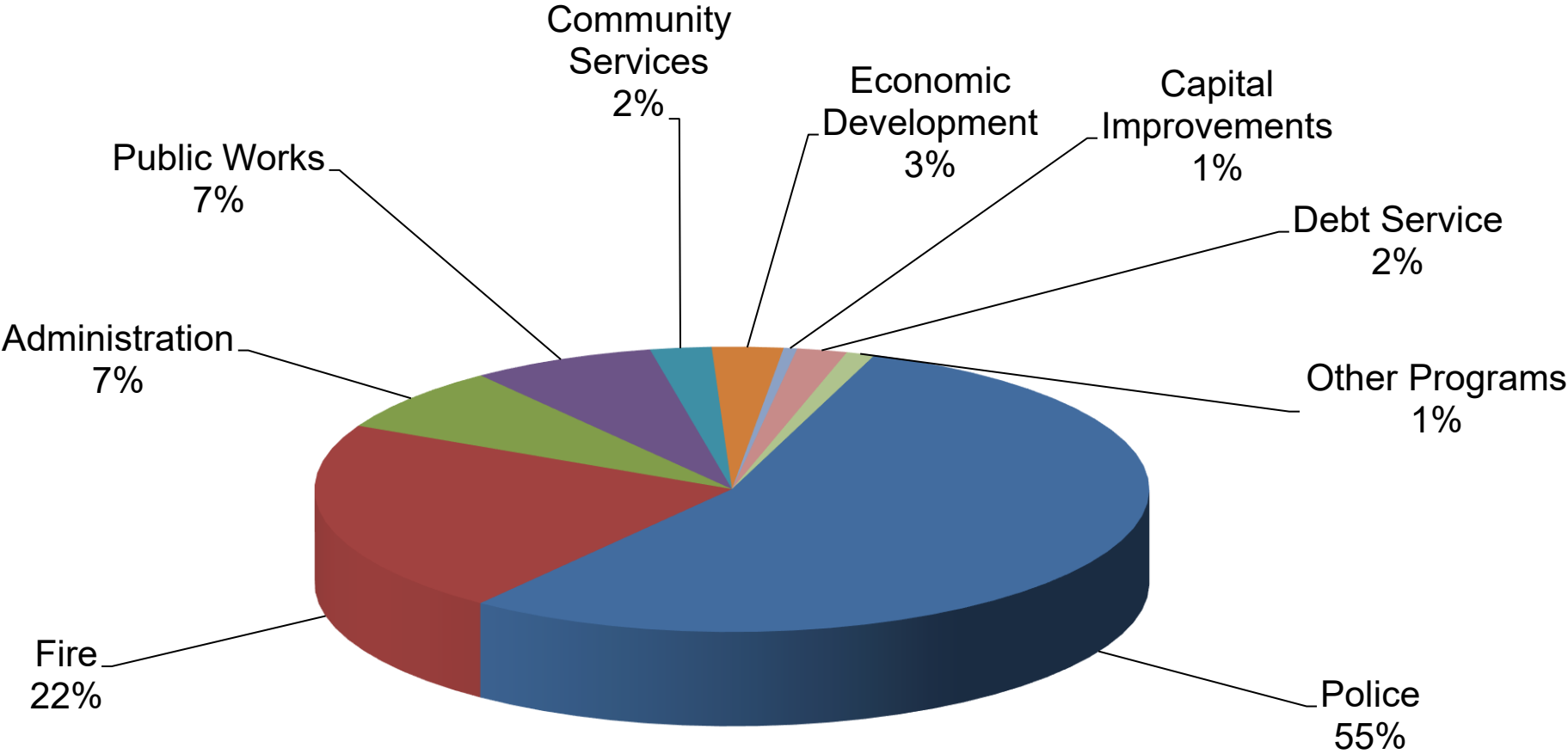
CITY OF STOCKTON  
GENERAL FUND

# General Fund Expenditures

FY 2026-27 = \$344 million [Page C-1]

FY 2025-26 = \$328 million

YOY change = 5%

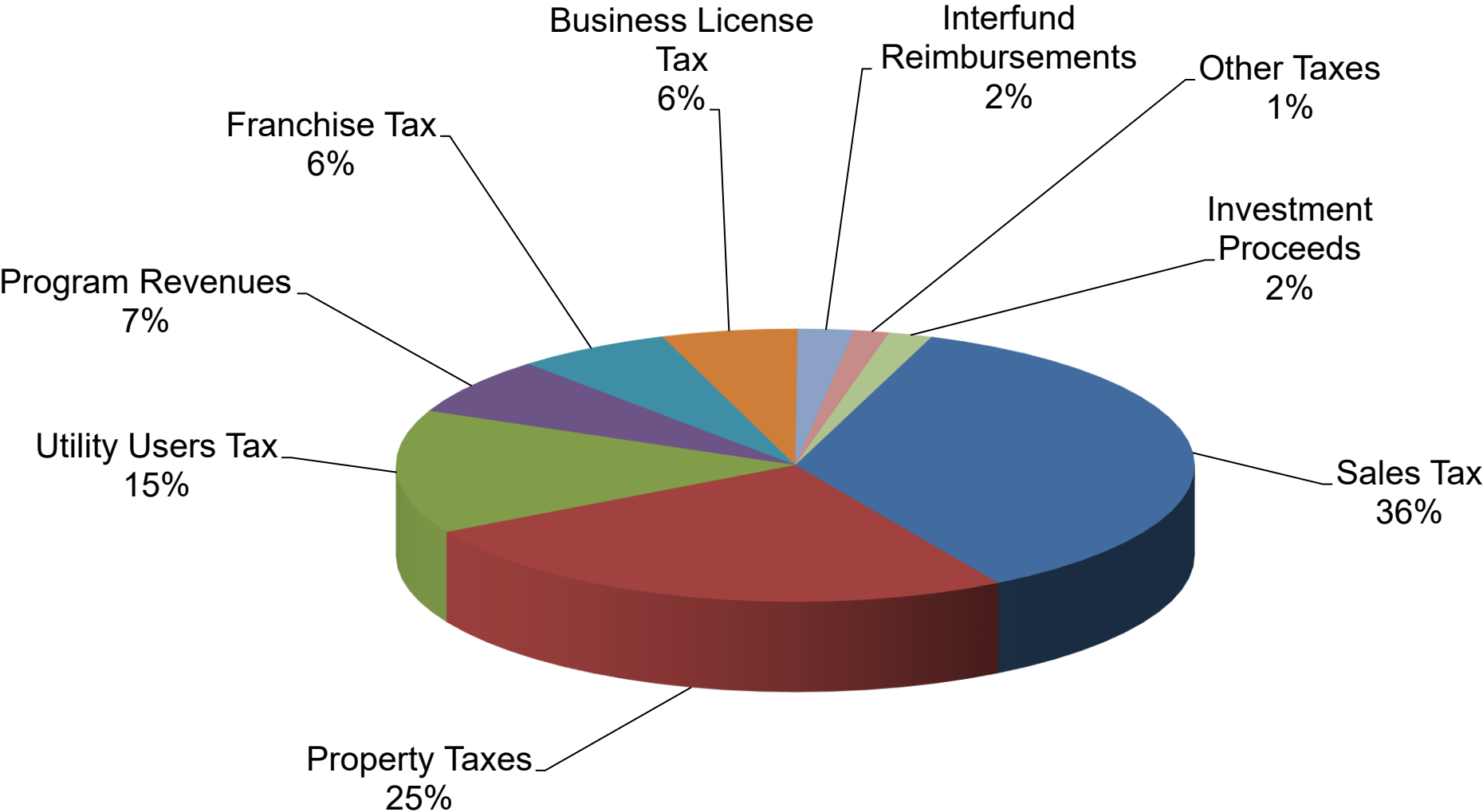


# General Fund Revenues

FY 2026-27 = \$344 million [Page C-2]

FY 2025-26 = \$328 million

YOY change = 5%



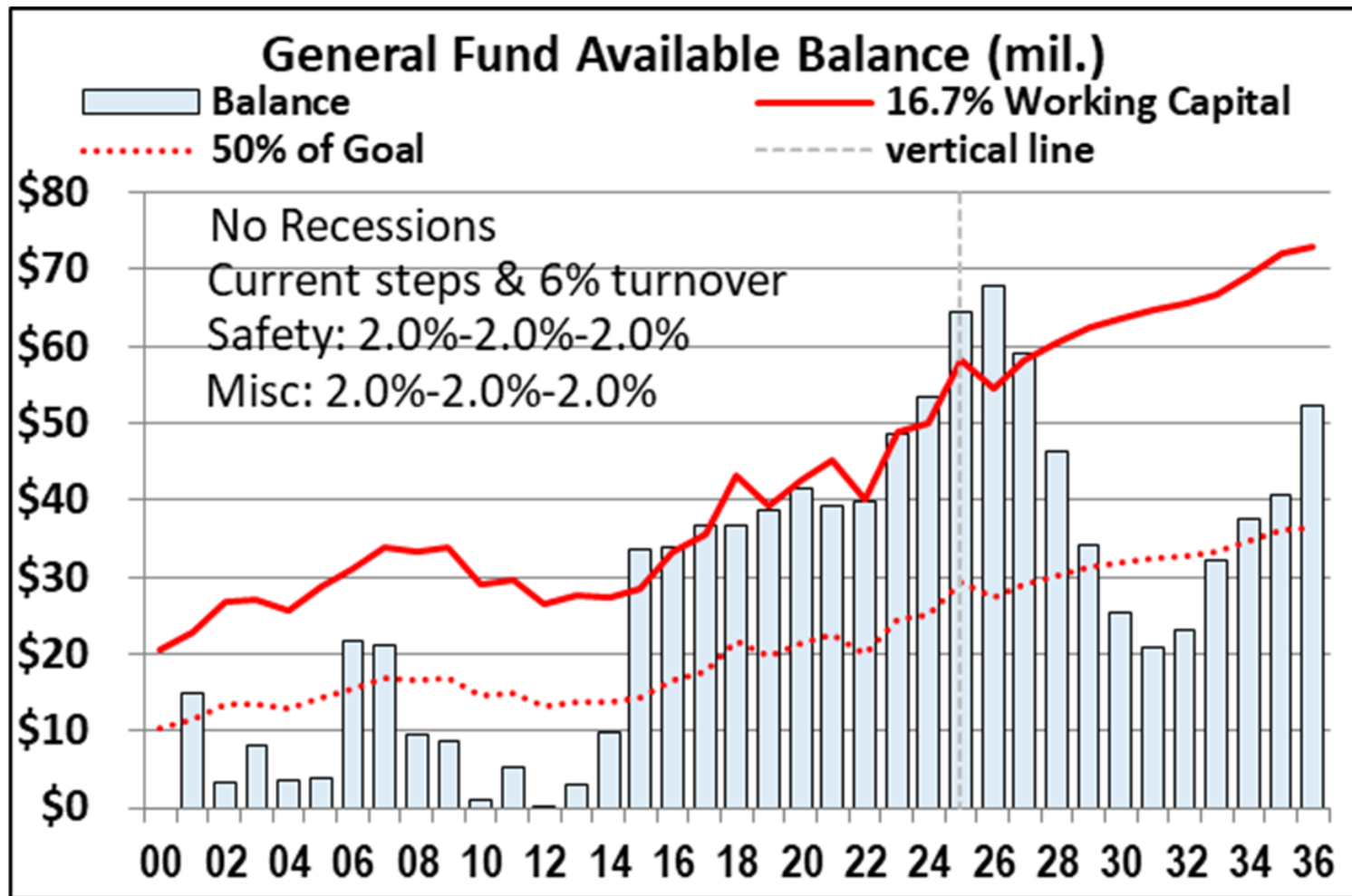
# General Fund Balance

[Page C- 3]

	<b>FY 2025-26</b>	<b>FY 2026-27</b>		<b>%</b>
	<b>Projected</b>	<b>Proposed</b>	<b>Change</b>	<b>Change</b>
Beginning Available Balance	<u>\$ 51,399,634</u>	<u>\$51,951,900</u>		
Projected Total Revenues	332,128,688	344,477,047	12,348,359	3.7%
Projected Expenditures				
Employee Services	213,059,055	227,268,321	14,209,266	6.7%
Other Services	80,954,417	82,397,825	1,443,408	1.8%
Materials & Supplies	10,452,410	8,388,086	(2,064,324)	-19.7%
Other Expenses	3,101,222	3,967,301	866,079	27.9%
Capital Outlay	1,907,815	71,555	(1,836,260)	-96.2%
Loan Repayments	9,280,612	6,688,930	(2,591,682)	-27.9%
	<u>318,755,531</u>	<u>328,782,018</u>	<u>10,026,487</u>	<u>3.1%</u>
Transfer Out	<u>(17,151,237)</u>	<u>(15,695,029)</u>	<u>1,456,208</u>	<u>-8.5%</u>
Fund Balance Restrictions	4,330,346	-		
Net Annual Activity	<u>552,266</u>	<u>-</u>		
Estimated Ending Balance	<u>\$ 51,951,900</u>	<u>\$51,951,900</u>		

# Long-Range Financial Plan with FY 2026-27 Budget

[Page C - 10]





CITY OF STOCKTON

**DEPARTMENT PRESENTATIONS**



# Public Works

Peni Basalusalu, Public Works Director



# Department Description

- Operations & Maintenance
  - Parks
  - Street Trees
  - City Facilities
  - Street & Transportation System Maintenance
  - Fleet Services
  - Maintenance Assessment Districts
- Engineering
  - Traffic
  - Capital Projects
  - Development Review
- Waste & Recycling
- Fiscal & Compliance
- Administration

# Financial Summary

[Section F] Dollar in Thousands

	General Fund	Develop. Services*	Gas Tax	Measure K Maint.	Waste & Recycling	Maint. Districts	Capital Prj. Admin.	Fleet Services	Total
Beginning Available Balance			\$ 27,614	\$ 21,947	\$ 15,575	\$ 22,234	\$ -	\$ 22,873	
Revenues	\$ 65	\$ 880	18,323	7,400	4,272	5,742	4,933	20,316	\$ 61,931
Expenditures	24,615	755	11,418	5,504	4,578	7,611	4,933	22,476	81,890
Transfers									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	(7,900)	(1,888)	-	10	-	-	(9,778)
	-	-	(7,900)	(1,888)	-	10	-	-	(9,778)
Net Annual Activity	\$ (24,550)	\$ 125	(995)	8	(306)	(1,859)	-	(2,160)	\$ (29,737)
Ending Available Balance			\$ 26,619	\$ 21,954	\$ 15,269	\$ 20,375	\$ -	\$ 20,713	

\*Fund balance not displayed as fund is shared by more than one department/program.



# General Fund

[Section F] Dollars in Thousands

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>%</b>
	<b>Projected</b>	<b>Proposed</b>	<b>Variance</b>
Employee Services	\$ 8,522	\$ 9,428	10.6%
Other Services	14,397	13,884	-3.6%
Materials and Supplies	1,686	1,177	-30.2%
Other Expenses	41	125	204.9%
Total	<b>\$ 24,646</b>	<b>\$ 24,614</b>	<b>-0.1%</b>

# Position Summary

[Section O]

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Variance</b>
	<b>Adopted</b>	<b>Proposed</b>	
General Fund	59	59	-
Special Revenue Funds	85	85	-
SJAFCA	1	1	-
Fleet - ISF	27	29	2
Total	<b>172</b>	<b>174</b>	<b>2</b>



# Key Considerations

- Increased construction & maintenance costs
- Deferred maintenance backlog
- Aging infrastructure

## FY 2026-27 Budget/Plan

- Perform large-scale homeless encampment cleanups in partnership with PD
- Operate within budget, plan precisely, and execute flexibility
- Be accessible to customers
- Perform regular homeless encampment cleanups in partnership with PD



# CAPITAL IMPROVEMENT PLAN

Peni Basalusalu & Jeff Marasovich



# Five Year Plan

- Includes over \$1.58 B in projects:
  - \$948.0 M - Transportation projects
  - \$412.3M - Facilities, Police, Fire, Library & other Citywide projects
  - \$213.9M - Municipal Utility projects
- Funding sources identified for first year projects
- Unfunded projects  
\$1.1 B



# Capital Improvement Plan Process

- Assess capital needs
- Plan projects list
- Identify Funding Sources
  - General Fund
  - Transportation
  - State, Federal & Local Grants
  - Utilities
- Review & recommend
- Adopt Plan



# Key Considerations

- Limited General Fund resources
- Funding from external grants & resources
- Transportation improvements funded primarily by cyclical & competitive grants
- Competition for qualified contractors
- Increasing regulatory complexity & contracting requirements
- Significant accrual of deferred maintenance



# FY 2026-27 Budget/Plan

## Transportation Projects

- City Street Restriping Project FY 26-27
- Sidewalk, Curb, and Gutter FY 26-27
- Street Furniture Painting FY 26-27
- Local Street Resurfacing FY 26-27
- Streets Resurfacing on Federal-Aid Streets Program FY 26-27
- Traffic Signal Control Program
- Traffic Signal Modification Program
- Wilson Way Lighting Improvements at BNSF Underpass
- Weber Avenue Improvements
- El Dorado Street Pedestrian and Bicyclist Safety Connectivity



# FY 2026-27 Budget/Plan

## Transportation Projects (continued)

- Lower Sacramento Road Widening and Bridge Replacement
- Swain Road and Morgan Place Roundabout
- Systemic Intersection Safety Improvements HSIP 12
- Citywide Guardrail Rehabilitation and Replacement Project
- Feather River Drive and Driftwood Place Roundabout HSIP 12
- B Street Roundabouts HSIP 12
- Bridge Rehabilitation



# FY 2026-27 Budget/Plan

Dollars in thousands

## General Fund Projects

- \$500 Citywide Deferred Maintenance
- \$400 Roof Replacement and Construction Program
- \$300 Citywide HVAC Unit Repair & Replacement
- \$120 Community Center Lighting Control Upgrades
- \$250 SEB 911 Communications Center HVAC Upgrade
- \$230 Oak Park Senior Center RR/ADA Upgrade



# FY 2026-27 Budget/Plan

Dollars in thousands

## Water

- \$9,000 DWTP Groundwater Recharge Basin
- \$7,365 Northeast Reservoir and Pump Station
- \$4,000 DWTP Campus Improvements
- \$4,000 Advanced Metering Infrastructure
- \$1,130 Weston Ranch Reservoir Improvements
- \$1,000 Well No. 30 Rehabilitation
- \$652 March Ln ARV Vault Relocation
- \$600 Abandonment of Water Wells
- \$500 DWTP Water Quality Monitoring Station
- \$268 Quail Lakes Service Line Replacement



# FY 2026-27 Budget/Plan

Dollars in thousands

## Wastewater

- \$5,000 RWCF Digester 6 & 7
- \$3,280 March Ln Sewer Trunk Rehabilitation
- \$3,000 Ryde Ave Trunk Rehabilitation
- \$3,250 Lincoln St Pump Station Force Main
- \$1,500 Etna St Rehabilitation
- \$1,420 Small Diameter Line Replacement
- \$1,000 Navy Dr 48 Inch Line Rehabilitation
- \$1,000 Worth St Line Rehabilitation
- \$860 RWCF Addition of Centrifuge System
- \$650 RWCF UV Disinfection Buildout



# FY 2026-27 Budget/Plan

Dollars in thousands

## Stormwater

- \$1,700 Stockton Channel Water Quality Improvements
- \$500 State Lands Commission Lease Agreement
- \$15 Storm System Street Improvements



Jeff Marasovich

# Municipal Utilities



# Department Description

- Water Utility
  - Treat & deliver water to approximately half of the Stockton community
- Wastewater Utility
  - Collect & treat wastewater for the entire Stockton area
  - 1,454 miles of pipelines
  - 28 pump stations
- Stormwater Utility
  - Collect & discharge surface runoff
  - Provide flood control with local basins
  - 600 miles of pipelines
  - 77 pump stations
- Enterprise fund supported by user fees
- Regulated to protect public health, property, and the environment
- 14 divisions that operate, maintain, and support the Utilities



# Key FY 2026-27 Budget Considerations

- Ground Water Authority (GWA) Groundwater Sustainability Plan (GSP)
- Water Rate Study for next 5 years
- NPDES Municipal Separate Storm Sewer System (MS4) permit
- National Pollutant Discharge Elimination System (NPDES) permit
- Gold Mussel Mitigation
- Implement 4% Wastewater rate increase (year 3 of 5)
- New CIP appropriation of \$56M



# Position Summary

[Section O]

	<u>FY 2025-26</u> <u>Adopted</u>	<u>FY 2026-27</u> <u>Proposed</u>	<u>Variance</u>
Water	58	60	2
Wastewater	152	154	2
Stormwater	9	9	-
Support Services	19	19	-
Total	<u>238</u>	<u>242</u>	<u>4</u>

# Financial Summary

[Section J] Dollar in Thousands

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Storm Districts</u>	<u>Utilities Total</u>
Beginning Available Balance	\$ 77,485	\$ 19,463	\$ 6,364	\$ 4,052	\$ 107,364
Revenues	78,359	107,960	6,481	519	193,319
Expenditures	95,992	114,763	12,476	543	223,774
Transfers					
Transfer In	-	-	1,200	9	1,209
Transfer Out	(1,200)	-	-	-	(1,200)
Net Annual Activity	<u>(18,833)</u>	<u>(6,803)</u>	<u>(4,795)</u>	<u>(15)</u>	<u>(30,446)</u>
Ending Available Balance	\$ 58,652	\$ 12,660	\$ 1,569	\$ 4,037	\$ 76,918



# Fee Changes

- Delta Water Surface Water Connection Fee increase (per 2009 DWSP Report)
- Miscellaneous Water fee adjustments with updated salary rates and labor time
- Wastewater rate increase 4% (per 2024 Wastewater Rate Study)
- Prop 218 – Ballot Vote for Stormwater Rate Study (Public Hearing on June 9, 2026)



**Fire  
Department**

**Bryan R. Carr  
Fire Chief**



# Department Description

Fire protection & emergency services

- Emergency medical services
- Fire, medical & ambulance transport dispatch
- Fire prevention
- Thirteen fire stations
- Thirteen engines & four ladder trucks in service

Daily staffing levels:

- 3 personnel on fire engines
- 4 personnel on ladder trucks
- 2 personnel on medic squad
- 2 Battalion Chiefs
- 1 Chief's Operator

# Financial Summary

[Section E] Dollar in Thousands

	<u>General Fund*</u>	<u>Emergency Dispatch</u>	<u>Development Services<sup>(a)</sup></u>	<u>Measure W<sup>(b)</sup></u>	<u>Special Revenue*</u>	<u>Total</u>
Beginning Available Balance		<u>\$ 1,319</u>				
Revenues	\$ 7,863	9,621	\$ 5,734	\$ 7,727	\$ -	\$ 30,945
Expenditures	75,970	9,327	5,993	10,257	18	101,565
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Net Annual Activity	<u>\$ (68,107)</u>	<u>\$ 294</u>	<u>\$ (259)</u>	<u>\$ (2,530)</u>	<u>\$ (18)</u>	<u>\$ (70,620)</u>
Ending Available Balance		<u>\$ 1,613</u>				

(a) The total Development Services Fund - 220 is presented with Community Development Dept. (Section H)

(b) The total Measure W Fund - 200 is presented with the Police Dept. (Section D)

\*Fund balance not displayed as fund is shared by more than one department/program.



# General Fund

[Section E] Dollars in Thousands

	<b>FY 2025-26 Projected</b>	<b>FY 2026-27 Proposed</b>	<b>Variance</b>
Employee Services	\$ 52,953	\$ 55,531	4.9%
Other Services	14,611	16,091	10.1%
Materials and Supplies	2,023	1,672	-17.4%
Other Expenses	2,602	2,625	0.9%
Capital Outlay	1,314	50	-96.2%
<b>Total</b>	<b>\$ 73,503</b>	<b>\$ 75,969</b>	<b>3.4%</b>

# Position Summary

[Section O]

	<b>FY 2025-26 Adopted</b>	<b>FY 2026-27 Proposed</b>	<b>Variance</b>
General Fund	207	219	12
Development Services	19	21	2
Measure W	31	31	-
SAFER Grant	7	7	-
<b>Total</b>	<b>264</b>	<b>278</b>	<b>14</b>



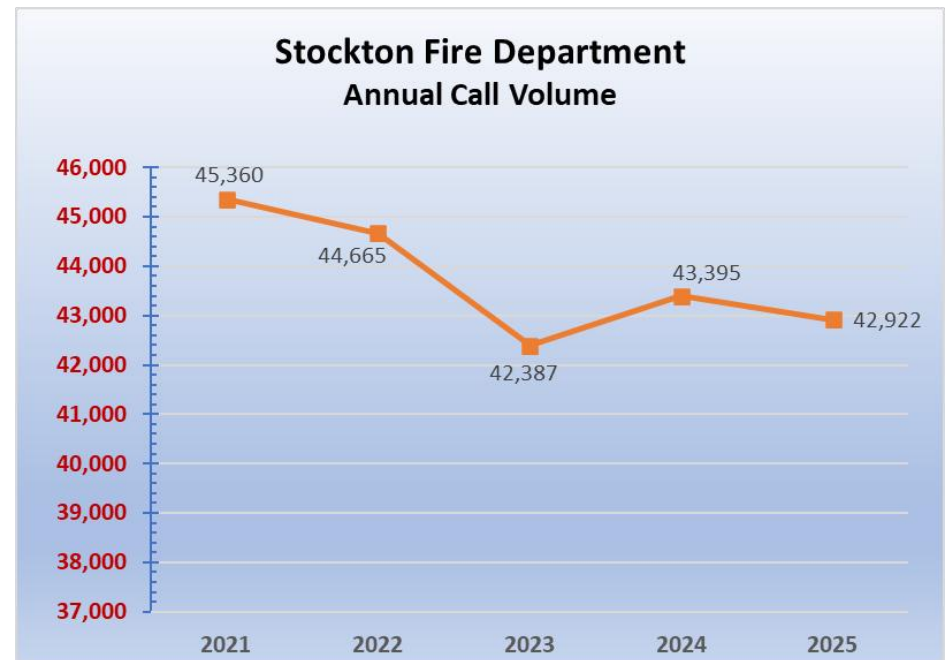
# Emergency Communications Fund

[Section E] Dollar in Thousands

	<u>FY 2025-26 Projected</u>	<u>FY 2026-27 Proposed</u>	<u>Variance</u>
Beginning Available Balance	\$ 833	\$ 1,319	
Revenues	\$ 6,128	\$ 9,621	57.0%
Expenditures	6,601	9,327	41.3%
Transfers In	959	-	
Net Annual Activity	<u>\$ 486</u>	<u>\$ 294</u>	
Ending Available Balance	<u>1,319</u>	<u>1,613</u>	

# Key Considerations/ FY2026-27 Plans

- Fire suppression & emergency services



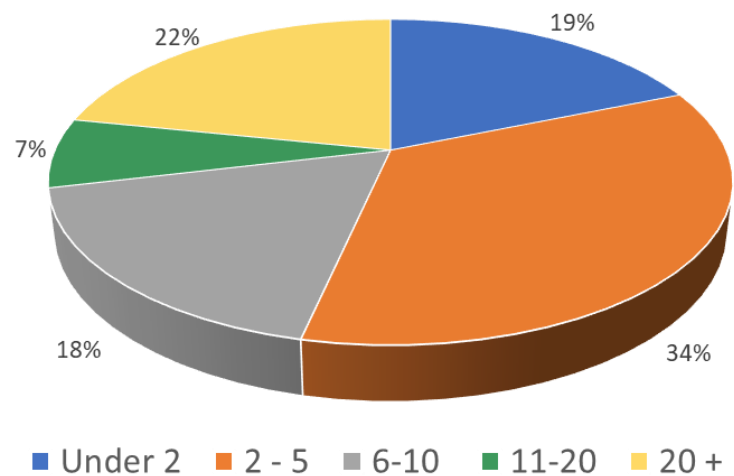
- CENCAL Fire and EMS Authority
- Emergency communications



# Key Considerations/ FY2026-27 Plans

- Personnel recruitment and retention

STOCKTON FIRE DEPARTMENT  
Fire Suppression Personnel - By Years of Service



- Infrastructure and Equipment
- Citywide emergency operations
- Alternative funding sources





# Police Department

Stanley McFadden, Chief of Police



# Department Description

Citywide general law enforcement services

Chief's Office, Operations, Community Relations and Logistics, & Administration Bureaus

To fulfill the Council's strategic work plan by reimaging SPD, increasing community partnerships, engagement, and recruitment, continuing data-driven strategies and tactics, reducing violent crime, further addressing quality of life issues, and continuing the Marshall Plan efforts.

# Financial Summary

[Section D] Dollar in Thousands

	<u>General Fund*</u>	<u>Measure W*</u>	<u>Asset Seizure*</u>	<u>State COPS*</u>	<u>Special Revenue*</u>	<u>Total</u>
Revenues	7,360	7,727	3	1,051	4,039	20,180
Expenditures	188,506	8,397	172	1,081	4,015	202,171
Net Annual Activity	<u>(181,146)</u>	<u>(670)</u>	<u>(169)</u>	<u>(30)</u>	<u>24</u>	<u>(181,991)</u>

# Position Summary

[Section O]

	<u>FY 2025-26 Adopted</u>	<u>Changes</u>	<u>FY 2026-27 Proposed</u>
Sworn	425	0	425
Non-Sworn	236	1	236
Total	<u>661</u>	<u>1</u>	<u>662</u>



# General Fund

[Section D] Dollars in Thousands

	<b>FY 2025-26 Projected</b>	<b>FY 2026-27 Proposed</b>	<b>% Variance</b>
Employee Services	135,777	143,119	5%
Materials and Supplies	6,112	4,989	-18%
Other Expenses and Services	37,692	40,375	7%
Capital Outlay	594	22	
<b>Total</b>	<b>180,175</b>	<b>188,505</b>	<b>5%</b>



# FY 2026-27 Budget/Plan

Additional funding for:

- Support Services
- Special Projects
- Research and Development
- Field Operations
- Animal Services
- Neighborhood Services
- Organizational Wellness Unit
- Administration
- Investigations
- Fiscal Affairs



# FY 2026-27 Budget/Plan

## **Asset Seizure**

Expenditures focus on SWAT equipment & supplies

## **State COPS**

2 Community Service Officers  
Equipment & supplies purchases

# FY 2026-27 Budget/Plan

## Police Grants

- San Joaquin County AB109 – Community Corrections Partnership
- Byrne Memorial Justice Assistance Grant (JAG)
- COPS Office Technology and Equipment Program (TEP)
- Office of Community Oriented Policing Services (COPS) Safer Outcomes
- Bureau of Justice Assistance Crime Gun Intelligence Center Integration Initiative (CGIC)
- Office of Traffic Safety Selective Traffic Enforcement Program (OTS)
- California Department of Justice Division of Operations Tobacco Grant Program
- California for All Animals statewide animal shelter assistance program in connection with UC Davis Koret Shelter Medicine Program





# Fee Changes

- Animal Wellness Clinic Vaccinations
- Diagnostics (Testing per dog/cat)
- Examinations
- Spay/Neuter
- Spay/Neuter Deposit
- Adoption
- Donation
- Events



# Community Services

Audree V. Jones-Taylor  
Interim Director of Community Services



# Department Description

Stockton – San Joaquin County Public Libraries

- 17 branches (9 City, 8 County)
- Bookmobile & Training Wheels

Recreation

- 5 Community Centers & 1 Senior Center
- 6 Pools
- Playmobile
- Teen Programs
- Youth & Adult Sports
- Neighborhood Events
- Contract Facilities



# Key Considerations

- Strengthen data reporting processes and provide more meaningful measurement of program effectiveness, community impact, and service outcomes. Use new data to enhance social media and marketing efforts by 80%
- Expand and increase engagement in youth and teen programs by 25%
- Enhance Memorandum of Understanding Partnerships with community organizations and school districts by 10%
- Extend aquatics operations and programming through October to include junior lifeguard training and swim lessons
- Increase literacy program participation by 20%
- Advance the Central Library Remodel design and relocate library services to ensure ongoing access to the downtown community
- Increase circulation of physical materials by 5% through community-driven collections



# Position Summary

[Section O]

1 - New Bookmobile Driver / Circulation  
Assistant position

- 35% - General Fund
- 65% - San Joaquin County

# Financial Summary

[Section G] Dollar in Thousands

	<b>Strong Communities</b>	<b>Library</b>	<b>Recreation</b>	<b>Other</b>	<b>Total</b>
Beginning Available Balance	<u>\$ 42,516</u>	<u>\$ 2,139</u>	<u>\$ 751</u>	<u>\$ 870</u>	<u>\$ 46,276</u>
Revenues	16,051	11,419	803	63	28,336
Expenditures	13,948	17,943	5,857	197	37,945
Transfer in - General Fund		4,171	3,907	110	8,187
Transfer out	-	-	-	-	-
Transfers Total	<u>-</u>	<u>4,171</u>	<u>3,907</u>	<u>110</u>	<u>8,187</u>
Net Annual Activity	<u>2,103</u>	<u>(2,353)</u>	<u>(1,147)</u>	<u>(24)</u>	<u>(1,421)</u>
Ending Available Balance	<u><u>\$ 44,619</u></u>	<u><u>\$ (214)</u></u>	<u><u>\$ (396)</u></u>	<u><u>\$ 846</u></u>	<u><u>\$ 44,856</u></u>



# Fee Changes

<b>RECREATION</b>		
Description	New Fees	
Lost Key Fee, per key	\$	50.00
Description	Changes	
	Current	Proposed
Youth Sports Camp - hours, duration, activities, and services vary by location and sport	\$47.25	\$20.00 - \$100.00
Adult Sports Non-Traditional Programming per player, per event fee	\$24.50	\$ 12.50
McNair Soccer Field Rental - Youth practice, per hour, per full field	\$ 7.50	\$ 15.00
Field Use Application Fee	\$35.00	\$ 40.00
Description	Inactivated Fees	
Adult Sports Individual Team Player Fee - City residents, per sport, per year	\$	24.50
Adult Sports Individual Team Player Fee - Non-City residents, per sport, per year	\$	42.50
McNair Soccer Field Rental - Adult use, per hour, per 1/2 field	\$	14.25
<b>LIBRARY</b>		
Description	Changes	
	Current	Proposed
Collection referral fee	\$15.00	\$ 10.00
Description	Inactivated Fees	
Restocking fee for materials reserved and not picked up, per item	\$	1.00
Faxing, per page	\$	1.00
Interlibrary Loan Request, per item	\$	5.00



# Community Development

Stephanie Ocasio  
Community Development Director



# Department Description

- Plan for City's growth and needs
- Review and process development applications
- Building, emergency, and life safety inspections
- Development engineering services
- Floodplain management development
- Assist in economic development
- Administer Public Facilities Fees Program
- Support Boards and Commissions
- Develop policy and initiatives
- Implement everchanging State law updates



# Key Considerations

- Implement Council priorities and policy
- End-to-end facilitation and coordination of citizen, business, & stakeholder development projects
- Ongoing customer-focused technology & process improvements
- Active promotion of CDD service offerings
- Staff Augmentation to Support Service Delivery
- Continued Development Code updates & Housing Element implementation
- Public Facility Fee (PFF) nexus study
- Lead citywide ADA Self Evaluation & Transition Plan update

# Financial Summary

[Section H] Dollar in Thousands

	<b>Development Services*</b>	<b>Public Facilities Fee Administration</b>	<b>Total</b>
Beginning Available Balance		<u>\$ 3,972</u>	
Revenues	\$ 12,837	530	\$ 13,367
Expenditures	16,364	454	16,818
Projected Total Transfers			
Transfer in - General Fund	800	-	800
Transfer out - CIP Fund	-	-	-
Net Annual Activity	<u>(2,727)</u>	<u>76</u>	<u>\$ (2,651)</u>
Ending Available Balance		<u>\$ 4,048</u>	

\*Fund balance not displayed as fund is shared by more than one department/program.



# Economic Development Housing & Homelessness Initiatives

Ricardo Noguera

Director of Economic Development

Tina McCarty

Director of Housing and Homelessness Initiatives



# Department Description

- Economic Development Director currently in City Manager's Office budget
- Thorough staffing analysis in progress
- ***Goal: Strengthen and expand economic development efforts while advancing housing and homelessness priorities.***



# FY 2026-27 Key Projects

- Development of new Economic Development strategies:
  - Short, intermediate, and long-term
- Continue strong housing and homelessness initiatives

# Financial Summary

[Section I] Dollar in Thousands

	General Fund*	Housing Funds*	Parking & Venues Funds	Redevelopment Fund	Economic Development Total
Beginning Balance		\$ 170,229	\$ 13,919	\$ 3,294	
Revenues	341	4,903	16,389	25	21,657
Expenditures	4,711	15,266	21,052	100	41,129
Transfers					
Transfer in - General Fund	-	-	4,808	-	4,808
Transfer out	-	-	(3,295)	-	(3,295)
	-	-	1,513	-	1,513
Net Annual Activity	(4,370)	(10,363)	(3,151)	(75)	(17,959)
Ending Balance		\$ 159,866	\$ 10,769	\$ 3,219	

\*Fund balance not displayed as fund is shared by more than one department/program



# General Fund

[Section I] Dollars in Thousands

	<u>FY 2025-26</u> <u>Projected</u>	<u>FY 2026-27</u> <u>Proposed</u>	<u>%</u> <u>variance</u>
Employee Services	2,434	2,830	16%
Other Services & Expenditures	4,579	1,860	-59%
Materials & Supplies	36	22	-40%
Total	<u>7,050</u>	<u>4,711</u>	<u>-33%</u>



# Fee Changes

## FY 2026-2027 Proposed Rate Changes & New Fees

STOCKTON MARINA		
Description	Changes	
	Current	Proposed
Live Aboard Fee	\$150	\$170-\$250
STOCKTON MEMORIAL CIVIC AUDITORIUM		
Description	Changes	
	Current	Proposed
Janitorial per hour, per staff	\$54	Actual Cost
WEBER POINT EVENTS CENTER		
Description	New Fees	
Additional hourly rate (load-in and load out), per hour	\$322.00	
PLAZAS, PARKS, SHOWMOBILE & STREET CLOSURES		
Description	New Fees	
Street Closure Deposit	\$500.00	
Police Services Fee	Actual Cost	
EVENT PERMITS		
Description	New Fees	
City Electrician Service	\$277.00	
BUCKLEY COVE BOAT LAUNCH		
Description	New Fees	
Picnic Area - 4hr block (8 am - 12 pm or 1 - 5 pm)	\$65.75	



# Non- Departmental

Johnny Ford, City Manager



# Department Description

- Provides funding for functions with a citywide impact not related to a single department.
- Examples include:
  - Legislative advocacy
  - Public, Educational & Governmental Support fee
  - Election expenses
  - Labor & litigation
  - General Fund Debt Service & Program Support

# Financial Summary

[Section K] Dollar in Thousands

	<b>General Fund</b>	<b>Special Revenue 260*</b>	<b>Total</b>
Revenues	\$ -	2,133	2,133
Expenditures	987	2,388	3,375
Transfer In	1,700	-	1,700
Transfer Out	(22,384)	-	(22,384)
Net Annual Activity	<u>\$ (21,671)</u>	<u>\$ (256)</u>	<u>\$ (23,627)</u>

\*Fund balance not displayed as fund is shared by more than one department/program.



# General Fund

[Section K] Dollars in Thousands

	<b>FY 2025-26 Projected</b>	<b>FY 2026-27 Proposed</b>	<b>% Variance</b>
Employee Services	\$ 186	\$ (461)	-348.2%
Other Services	4,125	2,805	-32.0%
Materials and Supplies	5	15	200.0%
Other Expenses	(2,273)	(1,372)	-39.7%
Transfers	26,432	22,384	-15.3%
Total	<u>\$ 28,475</u>	<u>\$ 23,371</u>	<u>-17.9%</u>



# Charter Offices

Johnny Ford, City Manager  
Marci Arredondo, City Attorney  
Katherine Roland, City Clerk



# City Council

- Council is the policy-setting body for the City
- Initiates, studies & holds public meetings on issues affecting the citizens of Stockton
- Hires & supervises the four Charter Officers:
  - City Attorney
  - City Auditor
  - City Clerk
  - City Manager

# Office of the City Attorney



- Provides legal services & advice to the City Council, officials, boards, commissions, & City departments
- Defends the City in lawsuits
- Prepares legal opinions, ordinances & resolutions
- Reviews & approves contracts, bonds, etc.
- Prosecutes violations of the Stockton Municipal Code



# Office of the City Auditor

- Provides the City Council, and City staff with objective analyses, appraisals, & recommendations for improvements
- Conducts performance audits:
  - Internal controls
  - Compliance with laws & policies
  - Accomplishment of goals & objectives
  - Reviews audits performed by external financial auditors or other third parties



# Office of the City Clerk

- Administers municipal elections
- Ensures compliance with open meetings, campaign conflict of interest filing requirements
- Administers City Records Management System
- Management of Boards & Commissions
- Produces & preserves records for City Council & other City meetings
- Administers Public Records Act



# Office of the City Manager

- General oversight of City operations under the policy direction of the City Council
- Provides direction & administration of City departments
- Office of Public Transparency, Information and Communication
- Office of Violence Prevention
- Office of Economic Development
  - Environment & Sustainability Division
- Office of Diversity, Equity and Inclusion
- Legislative Advocacy



# FY 2026-27 Budget/Plans

- Prioritize Council strategic goals
- Commitment to the Long-Range Financial Plan (L-RFP)
- Commitment to customer service to the Stockton community through accountable, innovative, efficient, and effective management of resources
- Requesting City Council approval to reorganize Economic Development and Housing and Homelessness activities as needed for optimal performance\*
  - Report to Council on final actions

*\*actions will be budget-neutral*



# Position Summary

[Section O]

	<u>FY 2025-26 Adopted</u>	<u>FY 2026-27 Proposed</u>	<u>Variance</u>
Charter Offices			
City Council	10	10	-
City Attorney	12	13	1
City Clerk	9	9	-
City Manager	13	14	1*
OPTIC	5	5	-
OVP	17	15	(2)
Grant Funded	7	11	4
<b>Total</b>	<u>73</u>	<u>77</u>	<u>4</u>

\*City Manager increase by 1 for the Diversity, Equity and Inclusion Officer



# Financial Summary

[Section K]

	<u>FY 2025-26</u> <u>Adopted</u>	<u>FY 2026-27</u> <u>Proposed</u>	<u>Variance</u>
Charter Offices			
City Council	\$ 1,147	\$ 1,232	7.4%
City Attorney	1,517	2,155	42.0%
City Clerk	1,622	1,634	0.7%
City Auditor	543	619	14.0%
City Manager	6,729	7,104	5.6%
Total	<u>\$ 11,558</u>	<u>\$ 12,745</u>	<u>10.3%</u>



# Information Technology

Jamil Niazi, Information Technology Director



# Department Description

- Customer Service / Support Desk
- Digital Applications & Services
- Enterprise Portfolio Management Office (EPMO)
- Infrastructure & Cybersecurity
- IT Finance & Budget Office
- Business Enterprise Applications

# Financial Summary

[Section N] Dollar in Thousands

	<u>Technology</u>	<u>Communications</u>	<u>Total</u>
Beginning Available Balance	\$ 26,397	\$ 7,357	\$ 33,754
Revenues	20,792	3,215	24,008
Expenditures	21,067	3,036	24,103
Net Annual Activity	(275)	180	(95)
Ending Available Balance	\$ 26,122	\$ 7,536	\$ 33,659

## Position Summary

[Section O]

	<u>FY 2025-26 Adopted</u>	<u>FY 2026-27 Proposed</u>	<u>Variance</u>
Technology	53	47	(6)
Communications	1	1	-
Total	54	48	(6)



# FY 2026-27 Budget/Plan

## Technology

- Network & infrastructure improvements
- Cybersecurity hardening
- Disaster Recovery
- Geographic Information System (GIS) Modernization
- Public Safety Technology
- Data & Application Integration
- Workforce & Support Enhancements
- Equipment lifecycle replacement
- Artificial Intelligence (AI) integrations



# FY 2026-27 Budget/Plan

## Communications

- Completed final tower site development for public safety deployment
- Replacement of portable/mobile radios and mobile data computers as part of the standard replacement lifecycle



# Human Resources

Alecia Figueroa  
Deputy Director of Human Resources



# Department Description

Human Resources consists of four divisions:

- Benefits
- Employee and Labor Relations
- Risk Services
- Workforce Planning



# Position Summary

[Section O]

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	
	<b>Adopted</b>	<b>Proposed</b>	<b>Variance</b>
General Fund	26	19	(7)
Benefit ISF	12	12	-
Total	38	31	(7)

# Financial Summary

[Section K and Section N] Dollar in Thousands

	<u>General Fund</u>	<u>Risk Management</u>	<u>Benefits</u>	<u>Total</u>
Beginning Available Balance		<u>\$ 68,936</u>	<u>\$ 78,588</u>	
Revenues	\$ -	52,262	163,763	\$ 216,025
Expenditures	3,082	53,436	148,379	204,897
Net Annual Activity	<u>\$ (3,082)</u>	<u>(1,174)</u>	<u>15,384</u>	<u>\$ 11,128</u>
Ending Available Balance		<u>\$ 67,762</u>	<u>\$ 93,972</u>	



# General Fund

[Section K] Dollars in Thousands

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>%</b>
	<b><u>Projected</u></b>	<b><u>Proposed</u></b>	<b><u>Variance</u></b>
Employee Services	\$ 2,069	\$ 1,584	-23.4%
Other Services	1,147	1,051	-8.4%
Materials and Supplies	21	24	14.3%
Other Expenses	58	423	629.3%
Total	<b><u>\$ 3,295</u></b>	<b><u>\$ 3,082</u></b>	<b><u>-6.5%</u></b>



# FY 2026-27 Budget/Plan

Human Resources will focus on:

- Sustaining core operations, with particular focus on managing rising costs related to employee health benefits, workers' compensation, and general liability. These essential investments directly support our workforce and ensure organizational stability.
- Collaborating with departments to enhance the efficiency and effectiveness of recruitment and onboarding processes. In an increasingly competitive labor market, organizations across California are experiencing similar challenges in attracting and retaining qualified candidates.
- Partnering with the Police and Fire Departments to review Civil Service and Charter provisions related to hiring practices, with the goal of identifying opportunities for improvement, modernization, and increased flexibility.
- Expanding regulatory compliance efforts. This includes the development and implementation of targeted training programs for both new and existing employees, as well as proactive risk identification to help mitigate potential liabilities and control costs.
- Working closely with the organization's Third-Party Administrator to evaluate and identify alternative benefit programs that provide value to employees while supporting long-term cost management objectives.



# **Administrative Services**

Gilbert Garcia  
Chief Financial Officer



# Department Description

- Accounting – Kristen Odom
- Budget – John Al-Amin
- Debt and Treasury - Carmen Barragan
- Procurement – Lisa Brown
- Revenue Services – Sharon Dhillon-Ghio



# FY 2026-27 Budget/Plan

- Provide timely financial analysis & strategic recommendations
- Maintain and update Long-Range Financial Plan (L-RFP)
- Provide training to department representatives on procurement processes, audit preparations, and financial management practices
- Resolve audit findings
- Review and revise policies and procedures to strengthen and enhance internal controls



# Position Summary

[Section O]

	<b>FY 2025-26 Adopted</b>	<b>FY 2026-27 Proposed</b>	<b>Variance</b>
General Fund	77	84	7
Internal Service Funds	2	2	-
<b>Total</b>	<b>79</b>	<b>86</b>	<b>7</b>

## Additional Positions

- 1 - CenCal
- 6 – Payroll Reorganization

# Financial Summary

[Section K] Dollar in Thousands

	<u>General</u> <u>Fund</u>	<u>Reprographics</u>	<u>Total</u>
Beginning Available Balance		<u>\$ 260</u>	
Revenues	\$ 316	417	\$ 733
Expenditures	11,477	504	11,981
Transfer out	-	-	-
Net Annual Activity	<u>\$ (11,161)</u>	<u>(87)</u>	<u>\$ (11,248)</u>
Ending Available Balance		<u>\$ 173</u>	



# General Fund

[Section K] Dollars in Thousands

	<b>FY 2025-26 Projected</b>	<b>FY 2026-27 Proposed</b>	<b>% Variance</b>
Employee Services	\$ 3,955	\$ 6,507	64.5%
Other Services	3,474	4,280	23.2%
Materials and Supplies	133	84	-37.0%
Other Expenses	628	606	-3.4%
Total	<u>\$ 8,191</u>	<u>\$ 11,477</u>	<u>40.1%</u>



CITY OF STOCKTON

**CITY MANAGER**

**COMMENTS**