

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY OF STOCKTON APPROVING THE FISCAL YEAR 2026-27 ANNUAL BUDGET; APPROVING THE 2026-2031 CAPITAL IMPROVEMENT PLAN; APPROVING THE FISCAL YEAR 2026-27 FEE SCHEDULE; ADOPT THE FISCAL YEAR 2026-27 CALIFORNIA CONSTITUTIONAL APPROPRIATIONS LIMIT, AND ADMINISTRATIVE ACTIONS

On May 15, 2026, in accordance with City Charter, Article XIX, Section 1905, the City Manager provided City Council the Proposed Fiscal Year (FY) 2026-27 Annual Budget, Proposed 2026-2031 Capital Improvement Plan, and Proposed FY 2026-27 Fee Schedule; and

The City Council scheduled a budget study session on June 2, 2026, to review projections, allow for public discussion, and provide direction in the preparation of the annual budget. This study session included the FY 2026-27 Annual Budget, the 2026-2031 Capital Improvement Plan, and FY 2026-27 Fee Schedule; and

On June 9, 2026, the City Council conducted a duly noticed public hearing on the Proposed FY 2026-27 Annual Budget, the Proposed 2026-2031 Capital Improvement Plan, and the Proposed FY 2026-27 Fee Schedule, now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Annual Budget of the City of Stockton for Fiscal Year beginning July 1, 2026, and ending June 30, 2027, prepared and submitted to the City Council by the City Manager and on file in the office of the City Clerk, as modified and amended by the City Council, is hereby adopted as the Annual Budget Fiscal Year beginning July 1, 2026, and ending June 30, 2027, on the basis of the totals set forth in each of the budgets contained in each department, the totals set forth therein for debt redemption and interest requirements, and the totals set forth therein for capital improvements.
2. The City Manager is authorized to make inter-fund transfers subject to approval by the City Council in monthly increments or in a lump sum to finance a particular item, project, or program.
3. The City Council approves the Five-Year Capital Improvement Plan for Fiscal Years 2026-2031, accepts the Planning Commission's determination on April 23, 2026, that the Fiscal Year 2026-2027 capital projects are consistent with the General Plan of the City of Stockton, and authorizes the

City Manager or designee to transfer funding between approved capital projects.

4. The FY 2026-27 Fee Schedule is adopted effective July 1, 2026. Any fee changes that are not effective July 1, 2026, are noted in the document.
5. The fees on development projects will take effect 60 days following the final action on the increases in the FY 2026-27 Fee Schedule, where Government Code section 66017(a) applies.
6. An appropriation limit (GANN Limit) is established in the amount of \$536,588,822 for FY 2026-27 pursuant to Division 9 of Title 1 of the California Government Code. The City of Stockton selected the "change in California per capita personal income" for the "change in cost of living" component and the change in annual population for the County of San Joaquin as of January 1, 2026, component in the calculation of the appropriation limit.
7. The City Manager, or designee, is authorized to approve loans made through the City's Single-Family Housing Repair Loan Program, which meet all the requirements of the adopted program guidelines, within existing budget appropriations.
8. The City Attorney is authorized to enter into settlement agreements and contracts for services and supplies where the total cost is: below the expenditure limit established in section 3.68.040 of the Stockton Municipal Code, within existing budget appropriation, and consistent with established administrative processes.
9. Fire Department Deputy Fire Chief I or II classifications shall be eligible to receive compensation at their hourly rate for any time worked beyond their normal forty (40) hour work week while deployed to support the State of California Office of Emergency Services (OES) or federal wildfire or disaster responses, subject to City Manager approval. The City will invoice the state and/or federal government for the full reimbursement of all costs associated with the deployment of City resources for emergency responses.
10. The City Manager, or designee, is authorized to adjust appropriations from the General Fund Contingency account to General Fund Departments, subsidized programs and Internal Service Funds as needed for unexpected expenditures or emergencies that are unanticipated at the time of the budget adoption. The City Manager or designee will report Contingency uses with each quarterly budget status report.

11. The remaining balances on all capital and technology projects, and grant funds are authorized to continue beyond the fiscal year in which they are originally appropriated until project cancellation or completion, grant expiration, or funds are fully expended.
12. Upon completion of a capital project, the City Manager, or designee, is authorized to distribute any remaining unencumbered unrestricted appropriation balances up to \$100,000 to incomplete projects previously authorized in the five-year Capital Improvement Plan as allowed by funding source.
13. An interfund loan in the amount of \$1,112,000 from the City Workers' Compensation Internal Service Fund (530) was approved by City Council Resolution # 2026-01-27-1204 to be fully repaid with annual compounded interest of 4.35% no later than June 30, 2030, by the Emergency Communications Division (ECD) General Fund sub-fund (100-130). The City Manager is authorized to transfer back any unused portion of the initial loan with no interest during the same fiscal year 2025-26 for the amount that was not expended from Fire Dept General Fund (100) and Emergency Communications Division General Fund sub-fund (100-130). The City Manager is also authorized to partially prepay the remaining amount of this interfund loan at any time when sufficient funds are available in the ECD sub-fund.
14. The City Manager or his designee is authorized to establish revenue estimates and corresponding budget appropriations in the appropriate Fire Department accounts as needed during any fiscal year to recognize the costs and the associated reimbursement revenue for providing wildland firefighting and other disaster response services requested by state or federal governments.
15. The following administrative actions required to implement the FY 2026-27 Annual Budget are authorized:
 - a) Level of Budgetary Control – Budgetary control is established at the following levels: a) General Fund - Department Level; b) Other Funds - Fund level; and c) Capital Fund - Project level. The City Manager, or designee, may authorize line-item budget transfers within a General Fund department, or within a fund other than the General Fund.
 - b) The City Manager may authorize line-item budget transfers between departments and funds to implement Councilmember direction regarding the use of Council Discretionary funds. Transfer of cash

between funds from the Council Discretionary budget line is further authorized as appropriate and necessary.

- c) The City Manager may revise the schedule of any appropriation made in this resolution where the revision is of a technical nature and is consistent with the intent of Council. The City Manager, or designee, is authorized to make administrative corrections to the FY 2026-27 Annual Budget with a subsequent report to Council on any corrections greater than \$100,000.
- d) The City Manager, or designee, is authorized to establish and amend revenue estimates and expenditure appropriations corresponding to receipt or award of grant funding, donations, and reimbursements where these special monies and any matching City funds are under the expenditure limit of \$100,000 as established by Ordinance 2021-11-01-1501, which amended Section 3.68.040 of the Stockton Municipal Code.
- e) The City Manager, or designee, is authorized to abolish positions and/or reduce and reorganize personnel, programs, services, departments, offices, or agencies and take such other action as is necessary to maintain a balanced budget.
- f) The City Manager is authorized to adjust classifications, including salary and benefit adjustments, to ensure comparability with similar classifications to maintain equity in the City's salary schedules as recommended by the Human Resources Department classification studies and reviews, and to incorporate changes into the Salary Schedule, as appropriate.
- g) The City Manager, or designee, is authorized to hire fire academy recruits in an amount above the total City Council authorized full-time positions to accommodate attrition.
- h) The City Manager, or designee, is authorized to fill additional Special Revenue Fund positions, such as grant-funded, Measure W, and contract reimbursement positions, if additional funding becomes available.
- i) The indirect cost rate, as detailed in the City of Stockton Full Cost Allocation Plan and Cost Recovery Allocation Plan, shall be charged to departments and capital projects as project funding and regulations permit. The City Manager or designee is authorized to modify appropriations resulting from an independently prepared indirect cost allocation plan.

- j) The City Manager, or designee, is authorized to prepay the City's annual CalPERS payments in a lump sum consistent with the FY 2026-27 budget.
- k) The City Council delegates investment authority to the Chief Financial Officer, acting in capacity of Treasurer, for the period of July 1, 2026, through June 30, 2027, pursuant to section 53607 of the California Government Code.
- l) The City Manager, or designee, is authorized to make the Contingent General Fund Payment to Assured Guaranty per the terms of the Reimbursement Agreement. Should the amount exceed the FY 2026-27 budget estimate, the City Manager or designee is authorized to increase the budget appropriation and transfer from the General Fund.
- m) The City Manager, or designee, is authorized to make the Community Facilities District payments as required per the terms of the CFD formation resolutions. Should the amount exceed the FY 2026-27 budget estimate, the City Manager or designee is authorized to increase the budget appropriations from the correct sub-funds.
- n) The City Manager, or designee, is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution including, but not limited to, adjusting appropriations from the General Fund Non-Departmental accounts to General Fund Departments, subsidized programs and Internal Service Funds as needed to implement budget revisions authorized by Council.

PASSED, APPROVED, and ADOPTED June 9, 2026.

CHRISTINA FUGAZI
Mayor of the City of Stockton

ATTEST:

KATHERINE ROLAND, CMC, CPMC
City Clerk of the City of Stockton