



CITY OF STOCKTON

May 15, 2026

Honorable Mayor and Council:

BUDGET MESSAGE

It is my privilege to transmit the Proposed Budget for Fiscal Year 2026-27. The Budget is a policy document that communicates the priorities of this community. At the Workshop held on February 19, 2026 the City Council identified three top priorities for the FY 2026-2027 Budget.

- **PUBLIC SAFETY**
- **ECONOMIC DEVELOPMENT**
- **INFRASTRUCTURE**

Council also identified three areas of focus that are inter-connected with the Budget priorities: expand opportunities for youth, address homelessness, and affordable housing. These priorities guided the decision-making process during budget development.

The City of Stockton faces the same budget challenges confronting other large California cities, such as, a slow-down in revenue growth and high inflation. Inflation, not increased services, drives much of the City's budget growth. The City is paying more for fuel, utilities, employee healthcare, security services, and infrastructure maintenance.

The City has been measured in its approach to expanding services, which has provided fiscal stability and sustainability. And, the City has been able to build up its reserves over the past decade, in large part, because City employees are typically paid less than other cities pay for comparable work. Having a workforce that is paid below-market wages is not sustainable.

The City has a difficult time recruiting and retaining people in critical jobs. It is unable to provide certain services at the expected level, because many positions remain vacant. If this trend continues, the City may be unable to provide essential services. While the Proposed Budget is structurally balanced, meaning ongoing revenues can pay for ongoing expenses, it does not include money for employee raises. I am proposing the use of reserves to help bring our employee compensation closer to market. I will work with Council to develop economic opportunities, and to prioritize services, to re-establish a structurally balanced budget.

In order to advance the Council priority of economic development, I have established the position of Economic Development Director within my Office. The current Economic Development Department combines the responsibilities of housing and economic development. This

CITY OF STOCKTON

reorganization will allow staff to focus on their respective areas of responsibility, which will improve productivity and the development of specialized professional expertise.

This budget reflects our shared commitment to make Stockton a safe, economically vibrant city that provides a high quality of life to the people who call Stockton home. I am honored and humbled by the trust that the City Council and Stockton's residents have placed in me as I present my first budget as Stockton's City Manager. I want to thank City staff for their commitment to providing high quality essential services. I look forward to working with Council, staff and the community to build a healthy, vibrant Stockton.

Respectfully Submitted,



Johnny Ford,
City Manager