



## DEPARTMENT OF FINANCE

June 16, 2025

**TO:** City Council

**FROM:** Matthew E. Hawkesworth   
Director of Finance

**SUBJECT:** Follow-up from Council Committee Budget Workshop Meetings

This memo is a summary of requests made during the committee budget workshop meetings on the Fiscal Year (FY) 2026 Recommended Operating Budget.

### **Key Performance Indicators (KPIs)**

In the coming months and prior to the preparation of the FY 2027 budget cycle, departments will begin the process of reviewing and revamping their KPIs to be better-tailored and more focused on outcomes, and less on outputs. How the KPIs will be incorporated will be determined by how the City Council decides to approach the budget process going forward.

### **Department Items**

The following departments will return to their assigned Council Committee at a future date to report back on the specific item(s) highlighted during their budget presentation.

- Economic Development Section – progress report on the SR-710 project; strategic planning for the Lincoln Avenue and Lamanda Park neighborhoods.
- Fire – outline of revenue needs/strategies for the 5-10 year long-term plan; work will include community outreach and potential consideration of a ballot measure.
- Housing – project breakdown of Measure A; determination of the City's fair share of Measure A; feasibility of transitioning to a year-round shelter and other interim housing opportunities such as a hotel master lease.
- Parks, Recreation and Community Services – feasibility of a year-round brush clearance program; review the benchmarks for cost recovery from program fees and fee waiver criteria for facility rentals.

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- Planning and Community Development – incorporate the SR-710 project into the annual work plan and provide a progress report.
- Police – jurisdictional challenges at Metro stations; provide historical response times in connection with staffing levels.
- Transportation – evaluation of the Dial-A-Ride program.
- Water and Power – evaluation of the City’s EV fast-chargers (performance metrics); budget updates to be a standing agenda item for the Municipal Services Committee.

**Attachment(s):**

Attachment A - Personnel Budget History

## Personnel Budget History

Personnel	FY 2020 Adopted	FY 2021 Adopted	FY 2022 Adopted	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Recommended	% Change FY26 vs FY20
800500 - Regular Pay - PERS	97,071,239	97,194,390	99,972,490	101,978,553	110,008,149	117,204,683	124,707,602	28.5%
800800 - Regular Pay - SPERS	39,458,283	40,344,041	40,740,926	41,315,728	45,509,948	47,470,770	50,578,895	28.2%
801000 - Non Benefit Employees	156,164	5,300	5,300	5,300	284,770	0	0	-100.0%
801100 - Overtime Pay	8,946,694	8,885,853	9,242,639	9,718,214	10,882,174	11,463,521	12,681,119	41.7%
801200 - Overtime Subject To PERS	262,484	262,724	293,190	303,454	287,838	251,365	246,365	-6.1%
801300 - FirePolice Post-Retire Med Ben	1,183,749	1,210,323	1,222,241	1,239,489	1,365,314	1,522,707	1,699,045	43.5%
801400 - Position Coverage	7,202,286	6,507,150	6,281,550	6,501,400	7,368,826	8,303,582	8,967,788	24.5%
801600 - Holiday Schedule Pay - SPERS	1,090,667	1,102,153	1,102,153	1,106,866	1,389,692	1,409,885	1,409,885	29.3%
801800 - PST-Part Time Employees-PARS	2,387,877	4,352,220	4,792,245	4,489,125	4,848,474	4,962,867	4,960,854	107.8%
802100 - Trip Reduction Incentive Pay	40,000	40,000	40,000	40,000	40,000	40,000	10,000	-75.0%
802300 - Auto Allowance	297,090	316,141	316,140	311,940	346,890	392,700	545,700	83.7%
802400 - Personal Devlpmnt Allowance	450,166	452,814	452,432	461,462	499,388	521,646	572,575	27.2%
802700 - Workers' Compensation	16,066,759	15,987,944	15,970,688	15,371,160	16,509,326	18,152,927	18,614,988	15.9%
803100 - General Liability	4,332,093	4,348,382	3,971,674	7,070,836	8,811,387	10,430,377	11,076,206	155.7%
803700 - Miscellaneous Pay	1,034,500	1,060,143	1,037,079	1,088,240	1,484,272	1,243,206	2,764,852	167.3%
804000 - City Portion-PERS	34,219,999	38,588,127	41,108,244	41,311,967	42,829,481	47,438,859	48,449,147	41.6%
804200 - City Portion-SPERS	22,775,129	24,592,071	25,837,229	27,261,647	28,064,160	27,694,020	32,195,126	41.4%
804400 - Life Insurance	101,476	73,880	75,911	77,171	86,019	74,459	73,822	-27.3%
804500 - Dental Insurance	1,569,748	1,604,631	1,629,414	1,651,268	1,637,621	1,613,973	1,580,957	0.7%
804600 - MediCare City Contribution	2,343,925	2,411,113	2,448,593	2,556,332	2,672,783	3,032,629	3,219,719	37.4%
804700 - Long Term Disability	205,060	173,970	177,575	92,955	85,063	158,469	169,356	-17.4%
804900 - Medical	26,457,758	26,187,816	26,618,071	28,736,849	29,699,314	30,233,996	32,474,570	22.7%
805000 - Benefits	34,125,043	34,352,035	35,136,838	35,791,132	38,847,090	40,564,015	42,665,919	25.0%
805800 - Benefits Admin.	0	0	0	1,109,458	1,311,909	1,371,420	1,634,647	-
805900 - CellPhone/SmartPhone Stipend	322,238	335,947	336,873	361,064	392,335	404,551	448,731	39.3%
806000 - EE Parking Permits - ER Paid	681,060	693,180	693,180	715,680	711,420	731,160	709,320	4.1%
807100 - Contra Pension Expense-GASB68	(8,503,832)	(9,489,452)	(9,489,452)	(10,153,714)	(10,565,126)	(10,839,286)	(11,036,473)	29.8%
807200 - ActuarialPensionExpense-GASB68	9,819,832	11,016,267	10,036,873	9,805,118	10,723,603	10,150,000	12,182,000	24.1%
807400 - ActuarialOPEBExpense-GASB75	137,051	508,939	2,044,459	2,187,571	2,187,571	2,080,000	1,500,000	994.5%
<b>Total Personnel</b>	<b>\$304,234,538</b>	<b>\$313,118,102</b>	<b>\$322,094,555</b>	<b>\$332,506,265</b>	<b>\$358,319,693</b>	<b>\$378,078,501</b>	<b>\$405,102,715</b>	<b>33.2%</b>

Personnel	Year-over-Year Changes					
	% Change	% Change	% Change	% Change	% Change	% Change
	FY21	FY22	FY23	FY24	FY25	FY26
800500 - Regular Pay - PERS	0.1%	2.9%	2.0%	7.9%	6.5%	6.4%
800800 - Regular Pay - SPERS	2.2%	1.0%	1.4%	10.2%	4.3%	6.5%
801000 - Non Benefit Employees	-96.6%	0.0%	0.0%	5273.0%	-100.0%	-
801100 - Overtime Pay	-0.7%	4.0%	5.1%	12.0%	5.3%	10.6%
801200 - Overtime Subject To PERS	0.1%	11.6%	3.5%	-5.1%	-12.7%	-2.0%
801300 - FirePolice Post-Retire Med Ben	2.2%	1.0%	1.4%	10.2%	11.5%	11.6%
801400 - Position Coverage	-9.7%	-3.5%	3.5%	13.3%	12.7%	8.0%
801600 - Holiday Schedule Pay - SPERS	1.1%	0.0%	0.4%	25.6%	1.5%	0.0%
801800 - PST-Part Time Employees-PARS	82.3%	10.1%	-6.3%	8.0%	2.4%	0.0%
802100 - Trip Reduction Incentive Pay	0.0%	0.0%	0.0%	0.0%	0.0%	-75.0%
802300 - Auto Allowance	6.4%	0.0%	-1.3%	11.2%	13.2%	39.0%
802400 - Personal Devlpmnt Allowance	0.6%	-0.1%	2.0%	8.2%	4.5%	9.8%
802700 - Workers' Compensation	-0.5%	-0.1%	-3.8%	7.4%	10.0%	2.5%
803100 - General Liability	0.4%	-8.7%	78.0%	24.6%	18.4%	6.2%
803700 - Miscellaneous Pay	2.5%	-2.2%	4.9%	36.4%	-16.2%	122.4%
804000 - City Portion-PERS	12.8%	6.5%	0.5%	3.7%	10.8%	2.1%
804200 - City Portion-SPERS	8.0%	5.1%	5.5%	2.9%	-1.3%	16.3%
804400 - Life Insurance	-27.2%	2.7%	1.7%	11.5%	-13.4%	-0.9%
804500 - Dental Insurance	2.2%	1.5%	1.3%	-0.8%	-1.4%	-2.0%
804600 - MediCare City Contribution	2.9%	1.6%	4.4%	4.6%	13.5%	6.2%
804700 - Long Term Disability	-15.2%	2.1%	-47.7%	-8.5%	86.3%	6.9%
804900 - Medical	-1.0%	1.6%	8.0%	3.3%	1.8%	7.4%
805000 - Benefits	0.7%	2.3%	1.9%	8.5%	4.4%	5.2%
805800 - Benefits Admin.	-	-	-	18.2%	4.5%	19.2%
805900 - CellPhone/SmartPhone Stipend	4.3%	0.3%	7.2%	8.7%	3.1%	10.9%
806000 - EE Parking Permits - ER Paid	1.8%	0.0%	3.2%	-0.6%	2.8%	-3.0%
807100 - Contra Pension Expense-GASB68	11.6%	0.0%	7.0%	4.1%	2.6%	1.8%
807200 - ActuarialPensionExpense-GASB68	12.2%	-8.9%	-2.3%	9.4%	-5.3%	20.0%
807400 - ActuarialOPEBExpense-GASB75	271.3%	301.7%	7.0%	0.0%	-4.9%	-27.9%
<b>Total Personnel</b>	<b>2.9%</b>	<b>2.9%</b>	<b>3.2%</b>	<b>7.8%</b>	<b>5.5%</b>	<b>7.1%</b>