COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
September 8, 2026
9:30 A.M.

To: Board of Supervisors
Board of Directors, Sacramento County Water Agency

Through: David Villanueva, County Executive

From: Amanda Thomas, Chief Fiscal Officer
Office of Budget & Debt Management
Chad Rinde, Director, Department of Finance

Subject: Public Hearing On, And Consideration Of Possible Revisions To, The Fiscal Year 2026-27 Approved Recommended Budget And Capital Improvement Plan; Approve Fiscal Year 2026-27 Adopted Budget Resolutions

District(s): All

RECOMMENDED ACTION

1. Approve the attached adopted budget resolutions for Fiscal Year (FY) 2026-27 for the following:
    a. General Fund under the supervision and control of the Board;
    b. Operating Funds under the supervision and control of the Board;
    c. Special Districts under control of the Board;
    d. Sacramento County Public Facilities Financing Corporation;
    e. Sacramento County Water Agency
2. Approve authorization for the Director of Finance to transfer money between funds to support general fund during cash deficits.
3. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA) and to issue layoff notices where necessary to reflect the positions approved in the FY 2026-27 Adopted Budget, including any deletion of positions and recognizing any class name changes approved by the Board but not yet reflected in the FY 2026-27 Summary of Positions.
4. Approve the project changes and new projects for inclusion in the County's Capital Improvement Plan (CIP) as shown on Attachment 1.
5. Provide direction to staff on the budget process for FY 2027-28.

BACKGROUND

The County Budget Act requires that boards of supervisors in every county approve a Recommended Budget by June 30th for the fiscal year that begins on the upcoming July 1st. This Approved Recommended Budget provides expenditure authority from July 1 until the budget is adopted, which must occur no later than October 2nd. Prior to October 2nd, the Budget Act requires that boards of supervisors hold a public hearing on the Approved Budget, including any recommended revisions, make any changes desired and approve resolutions adopting the budget.

In Sacramento County, the annual budget process begins in October and involves departments preparing their requested budgets, which are reviewed and analyzed by staff in the Office of the County Executive (OCE). OCE staff also prepare estimates of the amount of discretionary and semi-discretionary (Proposition 172 and Realignment) revenue the County will receive. After review, the County Executive provides a Recommended Budget to the Board of Supervisors for consideration, and the Board hears public comment, makes any desired revisions and approves the Recommended Budget (the "Approved Budget").

Following closing of the County's books for the prior fiscal year, departments prepare requests for revision to the Approved Budget based on updated fund balance and other information. OCE staff reviews those requests and updates discretionary and semi-discretionary revenue estimates. After review, the County Executive then recommends revisions to the Approved Budget (the "Revised Recommended Budget").

The purpose of this meeting is for the Board to hold a public hearing on the Revised Recommended Budget and approve the attached budget resolutions. Government Code Section 29088 requires that the Board, after conclusion of budget hearings, formally ratify the actions by the approval of budget resolutions no later than October 2 of that year as prepared by the Department of Finance. Staff recommend that the Board approve budget resolutions after the conclusion of public hearings. If the Board makes revisions to the Revised Recommended Budget during hearings, staff will make necessary adjustments to the budget resolutions.

In addition to approving the budget resolutions, staff is requesting that the Board take several related actions. These include:

- Approving authorization for the Director of Finance to transfer money between funds to support general fund during cash deficits, consistent with Government Code Section 25252, which states "The board of supervisors may, by resolution, authorize the auditor to transfer money from one fund to another if the board of supervisors has authority over each fund."

- Directing the Department of Personnel Services to prepare an administrative SRA and to issue layoff notices where necessary to reflect the positions approved in the FY 2026-27 Adopted Budget, including the deletion of positions.
- Approving the new or revised projects for inclusion in the County's CIP as shown on Attachment 1. These are projects that are included in the Revised Recommended Budget.

Additionally, staff will present information on the FY 2027-28 budget development process and requests Board direction on the proposed approach.

FINANCIAL ANALYSIS

As proposed, the County's budget is balanced.

The Board's approval of the attached resolutions authorizes the expenditures, revenues, reserves, and intrafund/interfund transfers as specified in the attached resolutions. Fund(s) where cash is transferred to support general fund cash flow will have a reduction in their allocation of the Treasury pool earnings.

Attachments:
RES 1 – General Fund
RES 2 – Operating Funds
RES 3 – Special Districts
RES 4 – Public Facilities Financing Corporation
RES 5 – Sacramento County Water Agency
ATT 1 – Adjustments to the Capital Improvement Plan (CIP) and List of New Projects by Department