



## City Council Staff Report

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**Subject:** Fiscal Years 2025/26 and 2026/27 Operating Budget and 2026-2031 Capital Improvement Program

**Date:** June 24, 2025

**Submitted By:** Zonousia Lee, Budget Officer  
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**Department:** Administrative Services - Finance

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**Recommendation:**

Adopt a Resolution of the City Council of the City of Rocklin Adopting the Fiscal Years 2025/26 and 2026/27 Operating Budget and 2026-2031 Capital Improvement Program.

**Background:**

In accordance with Section 3.28.010 of the Rocklin Municipal Code (RMC), the City Manager submitted the budget, including the Fiscal Years (FY) 2025/26 and 2026/27 Operating Budget and the 2026–2031 Capital Improvement Program (CIP) (Collectively the "Budget"), to the City Council on May 15, 2025. The budget documents are publicly available on the City's website at: <https://www.rocklin.ca.us/post/city-rocklin-budgets>.

RMC Section 3.28.040 requires the City Council to conduct one or more public hearings on the proposed annual budget and make such revisions as it deems appropriate. The proposed Budget was presented to the City Council at a meeting held on May 27, 2025. At that meeting, the City Council reviewed and deliberated on the proposed Budget. Following deliberation, no changes to the proposed Budget were directed by the City Council. Since the initial presentation, staff made minor technical revisions to the budget documents to incorporate changes previously approved by the City Council through resolutions adopted at or prior to the June 10, 2025 Council meeting. These revisions were technical in nature and do not result in any net fiscal impact to the overall budget.

**Budget Overview**

The Budget totals \$111.8 million for FY 2025/26 and \$137.5 million for FY 2026/27 across all funds. The budget includes 268.5 full-time equivalent (FTE) positions and provides the necessary resources to maintain essential City services. Beginning with this Budget, the City had transition to a biennial (Two-year) budget process. This change aims to enhance long-term fiscal planning, align with the City Council's Two-year Strategic Plan, and improve operational efficiency. A two-year budget allows greater focus on evaluating program outcomes, managing multi-year projects, and reducing administrative workload.

The General Fund budgets for FYs 2025/26 and 2026/27 are balanced. FY 2025/26 General Fund resources total \$69.5 million, which includes \$69.3 million in projected revenues and a one-time appropriation of \$200,000 from the committed fund balance previously allocated by the City Council for the Secure Parking at City Facilities Project. Revenues for FY 2026/27 are projected at \$71.2 million. Revenue growth over the two-year period is primarily attributed to increases in property tax, and sales and use tax. Due to limited discretionary revenue growth, the Budget does not include funding for new programs across the two-year period.

General Fund expenditures (operating expenses and CIP) are projected at \$68.8 million for FY 2025/26 and \$70.1 million in FY 2026/27. In FY 2025/26, Public Safety represents approximately 56% of General Fund expenditures—35% for the Police Department and 21% for the Fire Department. The remaining 44% supports other City operations, with about 18% of that dedicated to general liability insurance, benefiting both public safety and non-public safety functions. This allocation remains largely consistent in FY 2026/27.

Additional details are provided in the Budget Overview and Department sections of the FY 2025/26 and 2026/27 Operating Budget (Attachment 2).

#### Capital Improvement Program

The CIP serves as a six-year financial and planning tool to guide the City's capital investments. The 2026–2031 CIP was developed with a focus on fiscal responsibility, implementation readiness, and alignment with the City Council's 2025–2027 Strategic Plan. Key considerations in project selection included funding availability, long-term planning priorities, and staff capacity to successfully deliver projects. In addition, a public notice regarding the 2026–2031 Capital Improvement Program was published in the Placer Herald on June 13, 2025.

The CIP budget totals \$7.7 million in FY 2025/26 and \$30.1 million in FY 2026/27 across all funds. The General Fund CIP budget is \$328,000 in FY 2025/26 and \$520,000 in FY 2026/27. These funds support 17 projects, programs, and equipment purchases in FY 2025/26 and 15 in FY 2026/27. Additional details are provided in the 2026-2031 Capital Improvement Program (Attachment 3).

Consistent with City Council direction, long-term fiscal sustainability is reflected in this Budget. By the end of FY 2025/26, the General Fund operating reserve is projected to total approximately \$16.9 million, increasing to \$17.4 million by the end of FY 2026/27. In addition, the City maintains dedicated reserves of \$1 million for emergencies and \$2 million for self-insured losses. The ratio of personnel expenditures to operations/maintenance across all funds is projected at 64:36 for both FY 2025/26 and FY 2026/27, which remains consistent with the City's "75:25" Operating Expenditure Rule.

Staff recommends the City Council adopt the FYs 2025/26 and 2026/27 Operating Budget and the 2026-2031 Capital Improvement Program.

#### **ATTACHMENTS:**

- [1. Resolution](#)
- [2. Resolution Exhibit A - FYs 2025/26 & 2026/27 Operating Budget](#)
- [3. Resolution Exhibit B - 2026-2031 Capital Improvement Program](#)