

Capital Outlay Fund 501 Update

Budget and Finance Committee

February 26, 2026

Fund 501: Overview

Fund Purpose

- Comprised of General Fund revenues transferred for capital outlay purposes
- For acquisition, improvement, alteration or reconstruction of assets of a long-term character

Fund Historic Performance

- Revenue/Transfers
- Expenditure History
- Recent Funded Projects

Five Year Fund Forecast

Anticipated Impacts

- Reduction in personnel expenditures, which involves cost shifting or eliminating positions
- Defunding some existing projects

Fund 501: Revenue/Transfers Sources

General Fund Baseline (unchanged)

- 15 Year (FY2012-FY2026) average of \$4.95M per year.
- Baseline appropriations fluctuated from \$5.4M to \$3.3M.

Property Transfer Tax (variable, declining)

- FY 2025 and FY 2026 property transfer tax allocations were reduced from previous budget cycles.

Pavement Rehabilitation Policy (includes CPI)

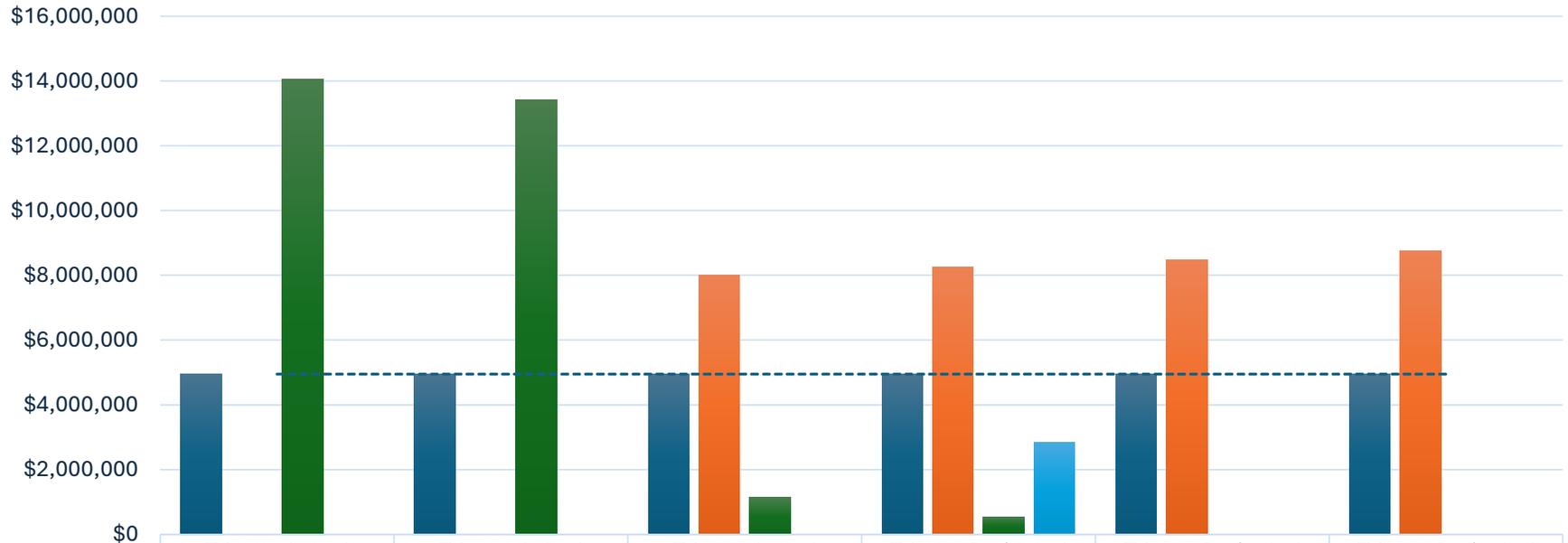
- Beginning FY2023, Council increased funding for paving by \$8M per year.
- The transfer was separated in FY2025 and FY2026 Budget.



Fund 501: Baseline Funding Distribution

- Baseline funding (\$4.95M) is distributed as follows:
 - Facilities: \$900,000
 - Parks: \$400,000
 - Sidewalks: \$635,000
 - Streets: \$1,925,000
 - Transportation: \$170,000
 - Other/Debt Service: \$921,000

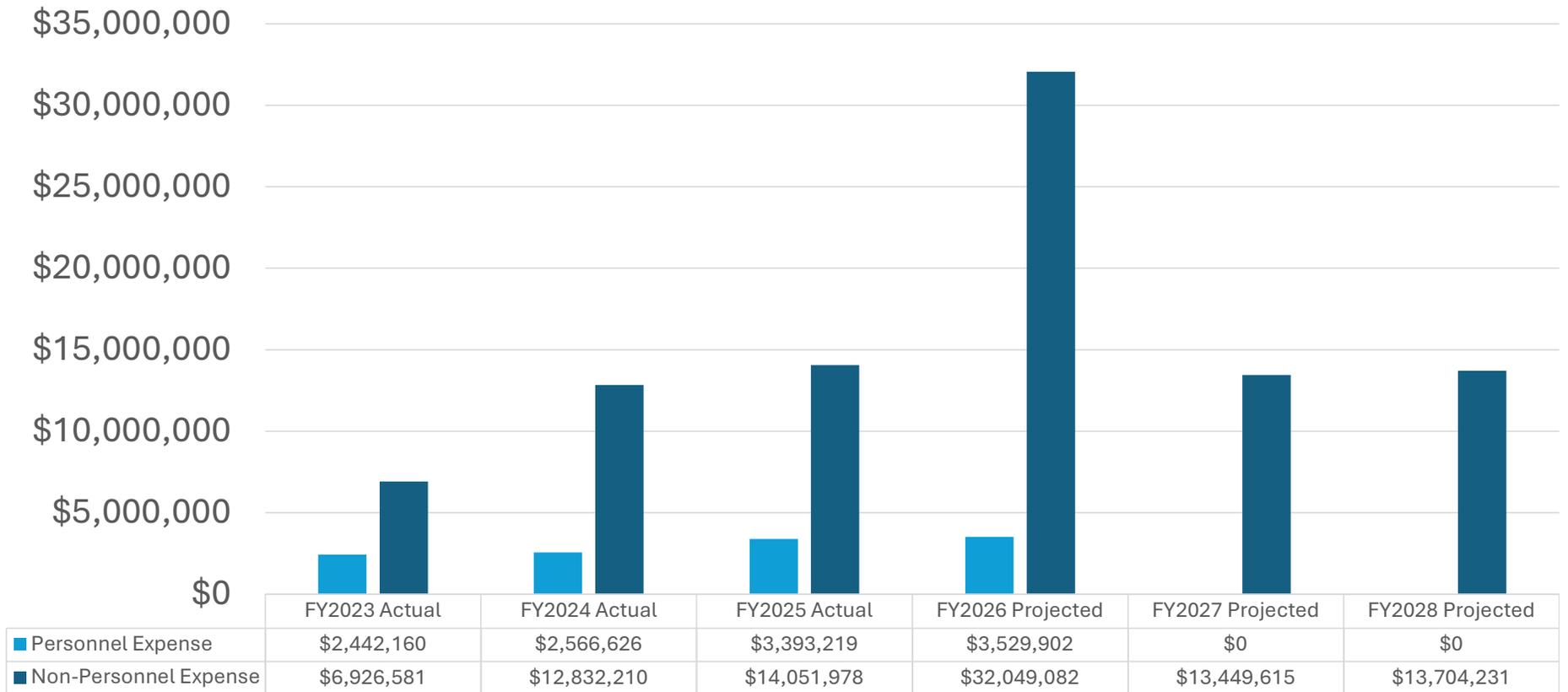
Fund 501: 5-Year Revenue/Transfers In



	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Projected	FY2027 Projected	FY2028 Projected
■ Baseline Transfer	\$4,950,905	\$4,950,905	\$4,950,905	\$4,950,905	\$4,950,905	\$4,950,905
■ Pavement Condition Transfer	\$0	\$0	\$8,000,000	\$8,240,000	\$8,487,200	\$8,741,816
■ Property Transfer Tax	\$14,050,000	\$13,420,000	\$1,148,304	\$539,883	\$0	\$0
■ Investment Interest Transfer	\$0	\$0	\$0	\$2,832,392	\$0	\$0

■ Baseline Transfer
 ■ Pavement Condition Transfer
 ■ Property Transfer Tax
 ■ Investment Interest Transfer
 - - - - Linear (Baseline Transfer)

Fund 501: 5-Year Expenditures



Fund 501: Sample of Previously Funded Projects

Five Year Paving Plan

Sidewalk Repair Program

Fire Station Improvements

Southside Complete Streets

Cazadero Camp Landslide

Cordonices Restoration

EV Charging

Strawberry Creek Culvert Repairs

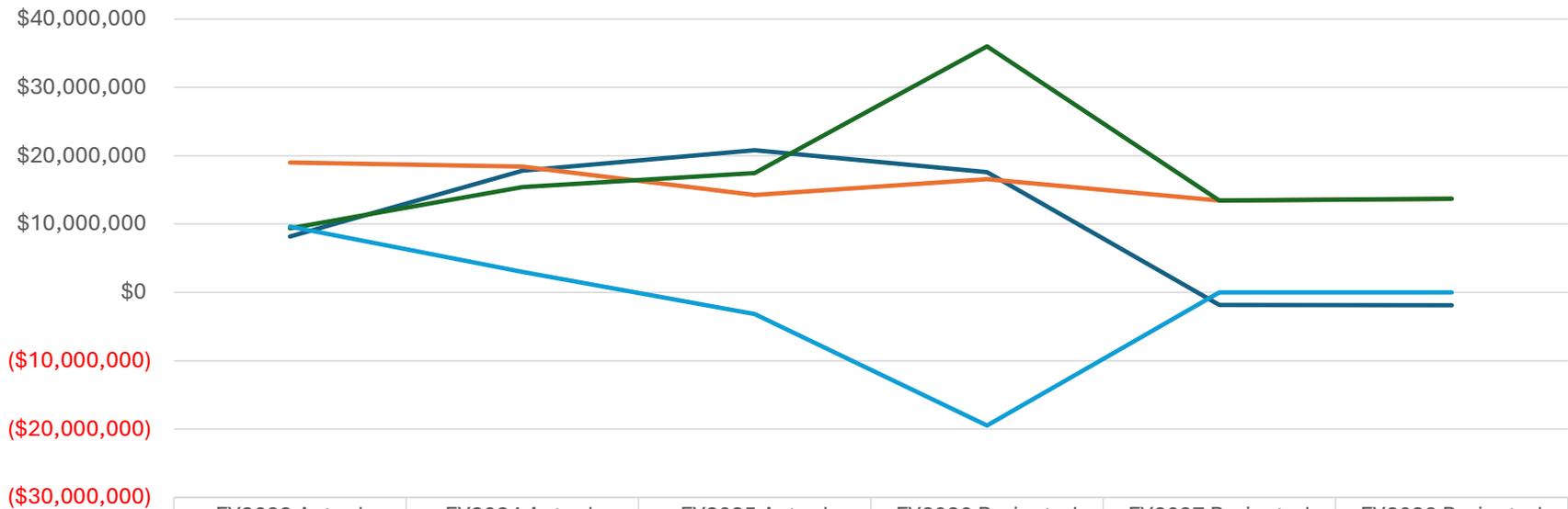
ADA Transition Plan Barrier Removals

Rose Garden Pathways and Tennis

Grove Park Sports Field Irrigation



Fund 501: Current Forecast



	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Projected	FY2027 Projected	FY2028 Projected
Beginning Balance	\$8,165,916	\$17,807,598	\$20,797,995	\$17,613,021	(\$1,854,783)	(\$1,866,293)
Total Revenue	\$19,010,423	\$18,389,233	\$14,260,224	\$16,553,180	\$13,438,105	\$13,692,721
Total Expenses	\$9,368,741	\$15,398,836	\$17,445,197	\$36,020,984	\$13,449,615	\$13,704,231
Annual Surplus/Shortfall	\$9,641,682	\$2,990,397	(\$3,184,974)	(\$19,467,804)	(\$11,510)	(\$11,510)

— Beginning Balance — Total Revenue — Total Expenses — Annual Surplus/Shortfall

Note: FY2026 projections assumes that all existing project allocations are expended.

501 Fund: FY27 & FY 28 Balancing Strategies and Impacts

Balancing Strategies

- Reduce up to \$3.4M in personnel expenses
- Evaluate total Fund 501 projects portfolio to determine priorities

Impacts

- 501 Funded projects in early design or at the bid phase may need to be deferred
- Limited ability to add new projects
- With the sunset of T1 funding, citywide infrastructure projects remain severely underfunded

Fund 501: Questions