



ITEM # 22

STATUS OF VACANCIES, RECRUITMENT, AND RETENTION EFFORTS

Christina Alger, Director of Human Resources
City Council, June 3, 2025



Background

- September 22, 2024 – Governor Newsom signed Assembly Bill 2561
- Job vacancies in local government pose a significant problem
- High vacancies result in:
 - Public service delivery
 - Heavier workloads
 - Understaffing leads to burnout and turnover
- Requires public hearing
 - Job vacancies
 - Recruitment and retention efforts
 - Bargaining units may present during the hearing



Workforce

Total Full-Time Allocations

January 1, 2024: 1391

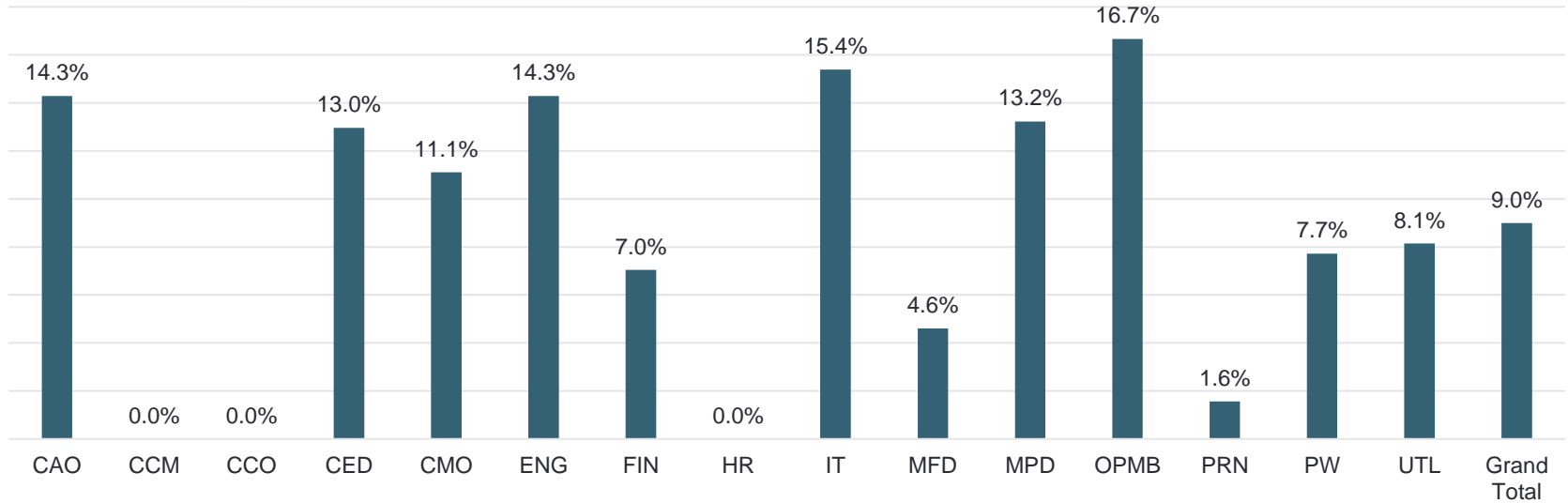
December 1, 2024: 1435

Allocations by Department

City Attorney	7	Information Technology	39
City Clerk	6	Fire	239
City Manager	9	Police	378
Community & Economic Development	54	Performance Management & Budget	6
Engineering Services	49	Parks, Recreation, & Neighborhoods	64
Finance	71	Public Works	233
Human Resources	20	Utilities	258



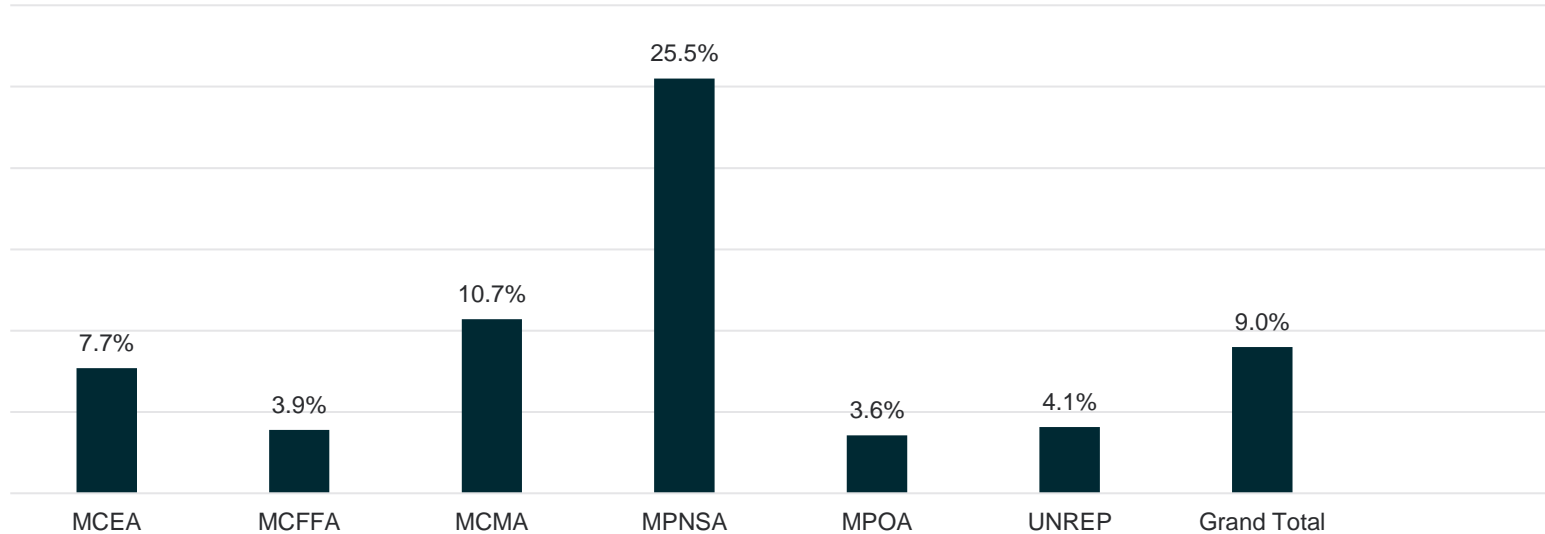
Vacancy Rate by Department



- Citywide 9%
- Smaller departments see larger percentages due to fewer allocations



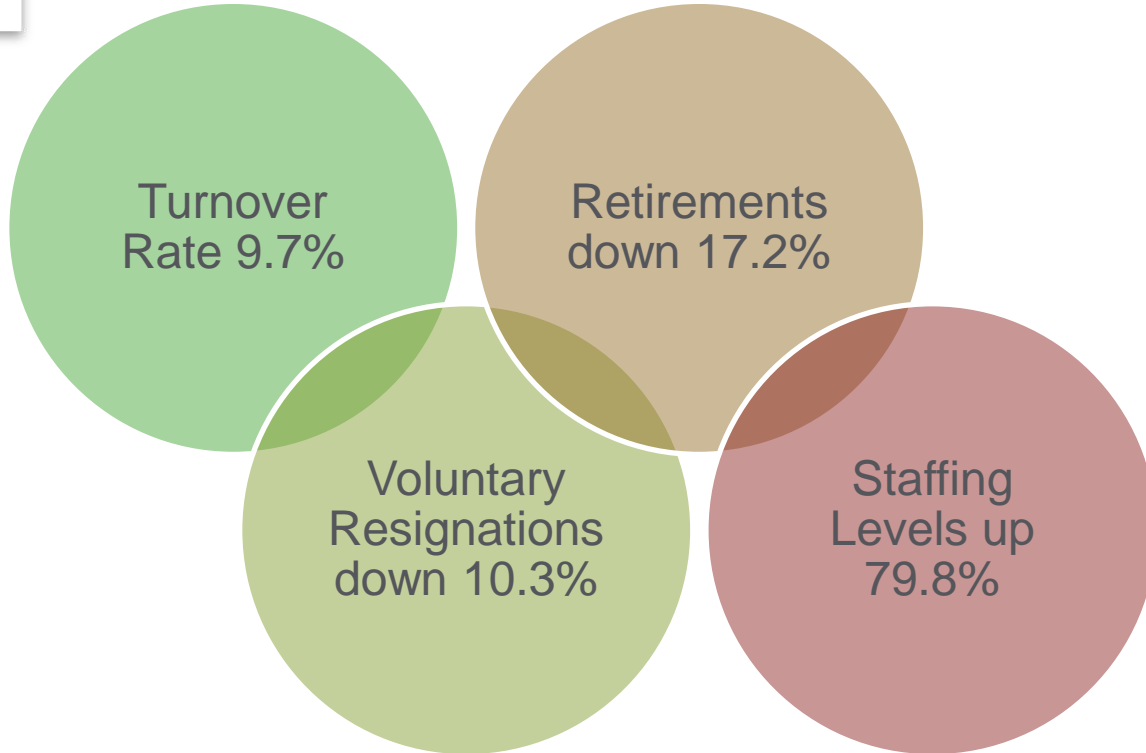
Vacancy Rate by Bargaining Unit



- 15 Police Officer Recruits created as pass-through allocations
- Removal of these results in a 17.2% vacancy rate



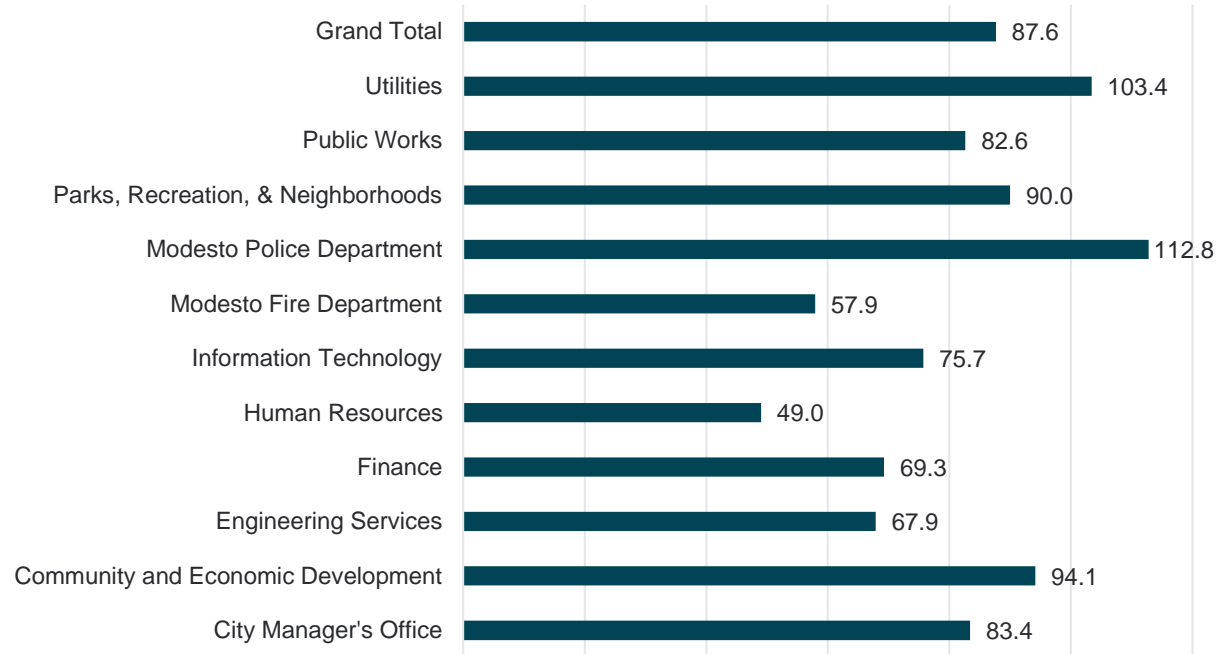
Turnover Statistics





Recruitment Data

- Time to hire
 - Average 87.6 days
- Applications
 - 16,682 Citywide
 - 3,739 MPD
 - 3,355 Administration





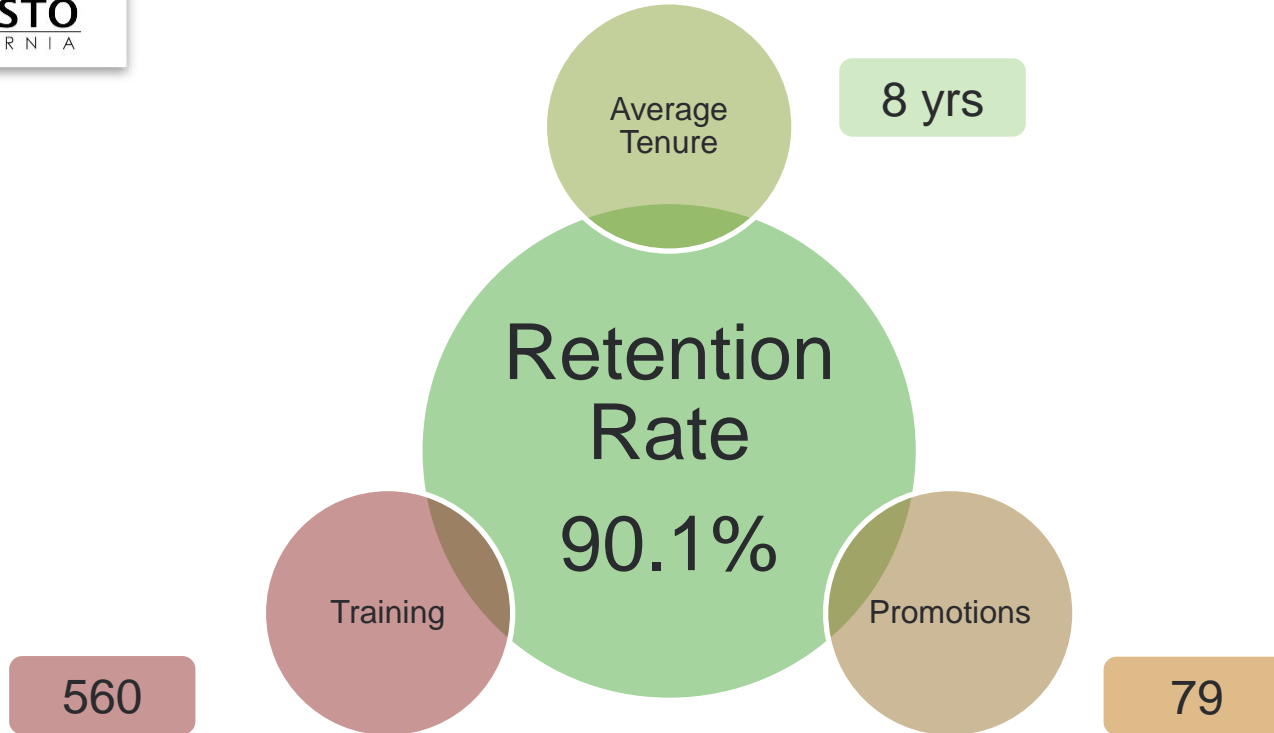
Tactical Recruitment Strategies

Multiple strategic recruitment initiatives have been deployed to ensure the City attracts highly qualified candidates. These include:

- Customizing job postings to include items such as incentives for education and future wage rates.
- Holding open house events to allow job seekers to learn more about the City and various careers.
- Actively participating in job fairs and other community events.
- Partnering with community organizations to advertise openings.
- Assisting potential candidates with the application and requirement process.
- Reviewing and updating policies and procedures to remove slow and outdated content.



Retention Statistics





Staff Recommendation

Motion accepting the informational report on vacancy rates, recruitment and retention efforts to comply with Assembly Bill 2561.



Questions?



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PUBLIC HEARING TO CONSIDER AND APPROVE THE FINAL PROPOSED FISCAL YEAR 2025-26 BUDGETS FOR THE CITY OF MODESTO

Stephan Christensen, OPMB Director
Kacey Culbertson, Budget Manager



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CITY MANAGER'S OPENING REMARKS



City Manager
Joseph P. Lopez



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BUDGET PROCESS TIMELINE



CITY OF MODESTO TWO-YEAR BUDGET TIMELINE

Year 1 Budget Adoption

Year 1 of Two-Year Budget is adopted by Council along with the Capital Improvement Program.

Mid-Cycle Update

Mid-cycle update is presented to Finance Committee for their first look at potential updates to Year 2 of the Two-Year Budget.

OCT 2024



Two-Year Budget Building Begins

Budget work creation begins and includes many components from Department work, OPMB Oversight, Council Retreats, Finance Committee, etc.



JUN 2025



Year 2 Refinement Process Begins

Departments begin work on year two of the Two-Year Budget to refine estimates on both revenue and operating expenses as needed for mid-cycle update.

OCT 2025



APR 2026



Year 2 Update Adoption

The Two-Year Budget goes to Council to adopt any mid-cycle updates to Year 2 recommended by Finance Committee.

JUN 2026





Fiscal Year 2025-26 (Year 1) Budget Process Timeline

Oct – March

- Operating Budgets Created
- Capital and Non-Capital Budgets Created
- Operating Budgets Refined
- January/February Council Workshop to define Budget Priorities and Strategic Plan Goals & Strategies

April

- Finance Committee Budget Workshops
- Presentation of Draft Budget
- Meetings held April 14th through April 16th

May

- Mayor's Final Budget Modifications/Combining of Draft Budget into Proposed Budget
- Setting of Budget Adoption Hearing Date June 3, 2025

June

- Hearing to Adopt Proposed Budget for new Fiscal Year on June 3, 2025
- Year 1 of Two-Year Budget

July

- Start of the new Fiscal Year, July 1, 2025



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FISCAL YEAR 2025-26 GENERAL FUND PROPOSED OPERATING BUDGET



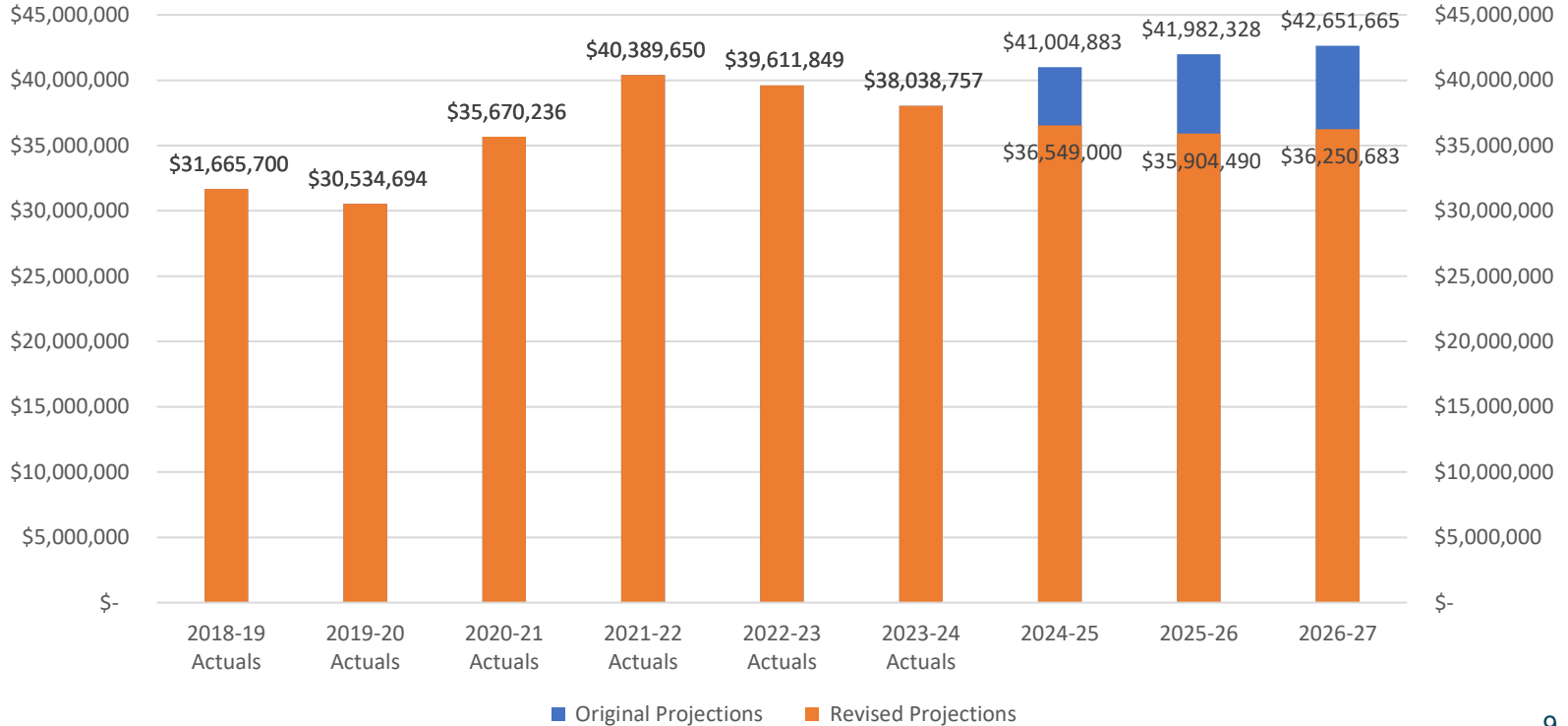
FY 2025-26 General Fund Proforma - Revenues

City of Modesto - General Fund Proforma						
FY 2025-26 Proposed and FY 2026-27 Projected Budgets						
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Actuals	Actuals	Actuals	Current Budget	Proposed Budget	Projected Budget
REVENUES:						
Taxes:						
Property Tax - Property	\$ 19,602,435	\$ 21,736,960	\$ 22,890,835	\$ 23,600,000	\$ 24,573,189	\$ 26,177,707
Property Tax - VLF Swap	\$ 19,406,502	\$ 20,805,243	\$ 22,083,114	\$ 23,321,204	\$ 24,839,088	\$ 26,524,354
Sales Tax	\$ 40,389,650	\$ 39,611,849	\$ 38,038,757	\$ 36,549,000	\$ 35,904,490	\$ 36,250,683
Utility Users Tax	\$ 20,918,654	\$ 22,363,014	\$ 21,173,728	\$ 22,707,614	\$ 23,619,649	\$ 24,389,286
Transient Occupancy Tax	\$ 3,621,191	\$ 3,513,479	\$ 3,351,194	\$ 3,443,286	\$ 3,546,585	\$ 3,652,982
Business License/Mill Tax	\$ 15,529,034	\$ 15,519,346	\$ 16,375,151	\$ 17,853,824	\$ 18,690,534	\$ 19,587,750
Fees:						
Franchise Fees	\$ 5,413,754	\$ 6,152,185	\$ 5,683,989	\$ 6,161,300	\$ 5,977,722	\$ 5,978,722
Motor Vehicle Fees	\$ 474,637	\$ 389,644	\$ 454,400	\$ 478,591	\$ 525,000	\$ 525,000
Construction Revenues	\$ 2,507,546	\$ 2,657,335	\$ 2,764,173	\$ 2,584,959	\$ 3,273,168	\$ 3,276,881
Departmental Revenues	\$ 20,392,006	\$ 22,866,175	\$ 23,104,430	\$ 23,462,233	\$ 21,576,646	\$ 21,837,618
<i>Oakdale Fire Contract Revenue</i>	\$ 5,075,002	\$ 5,632,252	\$ 5,698,865	\$ 5,850,880	\$ 6,988,200	\$ 7,427,808
<i>Ceres Fire Contract Revenue</i>	\$ 5,701,749	\$ 6,997,059	\$ 7,443,677	\$ 7,965,366	\$ 8,031,979	\$ 8,433,578
<i>Stanislaus Consolidated Fire Contract Revenue</i>	\$ 148,363	\$ 414,013	\$ 563,462	\$ 404,986	\$ 413,871	\$ 427,416
<i>Turlock Fire Contract Revenue</i>	\$ 128,985	\$ 364,210	\$ 496,889	\$ 383,382	\$ 391,726	\$ 411,312
<i>Salida Fire Contract Revenue</i>	\$ -	\$ 1,315,162	\$ 1,810,298	\$ 1,891,522	\$ 2,301,982	\$ 2,506,587
Cannabis Revenues	\$ 4,022,800	\$ 3,185,203	\$ 3,408,455	\$ 3,306,506	\$ 3,400,793	\$ 3,478,332
Cannabis Admin Fee	\$ 293,734	\$ 259,904	\$ -	\$ -	\$ -	\$ -
American Rescue Plan Act Funds	\$ 4,083,430	\$ -	\$ -	\$ -	\$ -	\$ -
Measure H Sales Tax (Used to Cover Budget Shortfall)	\$ -	\$ -	\$ 6,178,633	\$ 8,164,984	\$ 11,664,984	\$ 11,664,984
Additional Measure H Sales Tax (Supplemented for Lost ARPA Rev)	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Total Operating Revenues	\$ 167,709,471	\$ 173,783,034	\$ 181,520,050	\$ 188,129,637	\$ 197,719,606	\$ 204,551,000
Transfers In	\$ 628,640	\$ 1,322,750	\$ 3,598,292	\$ 1,665,597	\$ 2,248,484	\$ 1,898,484
TOTAL REVENUES	\$ 168,338,111	\$ 175,105,784	\$ 185,118,342	\$ 189,795,234	\$ 199,968,090	\$ 206,449,484



General Fund Sales Tax

Sales Tax Economic Impact





FY 2025-26 General Fund Proforma - Expenditures

City of Modesto - General Fund Proforma						
FY 2025-26 Proposed and FY 2026-27 Projected Budgets						
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Actuals	Actuals	Actuals	Current Budget	Proposed Budget	Projected Budget
EXPENSES:						
Police Department	\$ (67,235,905)	\$ (68,465,822)	\$ (78,284,137)	\$ (90,991,084)	\$ (91,463,744)	\$ (99,537,968)
Fire Department	\$ (42,650,453)	\$ (45,316,347)	\$ (47,836,430)	\$ (53,017,960)	\$ (55,324,786)	\$ (59,348,335)
<i>Oakdale Fire Contract Expense</i>	\$ (4,887,470)	\$ (5,682,282)	\$ (5,914,804)	\$ (6,308,965)	\$ (6,859,874)	\$ (7,344,798)
<i>Ceres Fire Contract Expense</i>	\$ (5,198,194)	\$ (7,024,665)	\$ (7,389,465)	\$ (8,213,055)	\$ (8,698,935)	\$ (9,295,793)
<i>Stanislaus Consolidated Fire Contract Expense</i>	\$ (89,672)	\$ (303,540)	\$ (563,249)	\$ (389,263)	\$ (456,761)	\$ (496,231)
<i>Turlock Fire Contract Expense</i>	\$ (79,533)	\$ (284,874)	\$ (410,984)	\$ (322,840)	\$ (353,776)	\$ (361,284)
<i>Salida Fire Contract Expense</i>	\$ -	\$ (1,013,260)	\$ (1,824,752)	\$ (1,995,946)	\$ (2,305,922)	\$ (2,509,059)
Parks, Recreation, and Neighborhoods	\$ (12,727,450)	\$ (14,268,254)	\$ (14,960,745)	\$ (17,478,703)	\$ (16,087,604)	\$ (18,283,217)
Community and Economic Development	\$ (5,885,601)	\$ (6,621,648)	\$ (4,854,062)	\$ (6,552,935)	\$ (7,480,703)	\$ (7,867,184)
Engineering Services Department	\$ -	\$ -	\$ (1,108,878)	\$ (2,457,725)	\$ (3,038,315)	\$ (3,212,600)
Public Works	\$ 378	\$ 0	\$ -	\$ -	\$ -	\$ -
City Council	\$ (459,030)	\$ (502,817)	\$ (508,696)	\$ (764,802)	\$ (782,116)	\$ (816,650)
City Manager's Office	\$ (3,074,434)	\$ (3,000,027)	\$ (3,289,700)	\$ (3,163,353)	\$ (3,081,820)	\$ (3,266,412)
Human Resources	\$ (1,723,415)	\$ (1,869,759)	\$ (1,862,059)	\$ (2,145,466)	\$ (2,202,842)	\$ (2,335,478)
City Attorney's Office	\$ (1,888,725)	\$ (1,660,681)	\$ (1,917,766)	\$ (1,997,018)	\$ (1,994,354)	\$ (2,187,734)
City Clerk's Office	\$ (496,314)	\$ (1,018,372)	\$ (906,556)	\$ (1,319,215)	\$ (1,775,747)	\$ (1,153,826)
Office of Performance Management & Budget	\$ -	\$ -	\$ -	\$ (1,276,658)	\$ (1,303,553)	\$ (1,373,908)
Office of the City Auditor	\$ (103,761)	\$ (190,069)	\$ (337,993)	\$ (548,828)	\$ (600,740)	\$ (606,895)
Finance Department	\$ (5,401,302)	\$ (5,765,954)	\$ (5,709,342)	\$ (7,026,570)	\$ (7,733,583)	\$ (8,171,508)
Non-Departmental	\$ (445,865)	\$ (409,876)	\$ (418,800)	\$ (436,873)	\$ (435,500)	\$ (449,989)
Total Department Expenses	\$ (152,346,745)	\$ (163,398,245)	\$ (178,098,418)	\$ (206,407,257)	\$ (210,980,674)	\$ (228,618,869)
Closing the Shortfall Expenditure Adjustments			\$ -	\$ -	\$ 3,424,260	\$ 5,651,744
Finance Committee Added Expenses (Gallo and Garden Club Funding)	\$ -	\$ -	\$ -	\$ -	\$ (50,000)	\$ -
Other Expense Adjustments (Variance Rate)	\$ -	\$ -	\$ -	\$ 12,491,555	\$ 13,868,142	\$ 16,474,248
Transfers Out	\$ (11,848,774)	\$ (7,879,253)	\$ (8,857,078)	\$ (7,107,743)	\$ (6,229,818)	\$ (6,768,423)
TOTAL EXPENSES	\$ (164,195,519)	\$ (171,277,498)	\$ (186,955,496)	\$ (201,023,445)	\$ (199,968,090)	\$ (213,261,300)
Net Operating Surplus/Deficit	\$ 4,142,592	\$ 3,828,287	\$ (1,837,154)	\$ (11,228,211)	\$ 0	\$ (6,811,816)



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FY 2025-26 NON-MEASURE H PROPOSED ADJUSTMENTS



FY 2025-26 Proposed Non-Measure H Adjustments

Proposal #	Description of Adjustment	Department	Ongoing/One-Time	Fund Name	FTE	Fund	Cost Center	Amount
CED-009	Economic Development Strategic Plan Implementation	Community & Economic Development	One-Time	General Fund	-	0100	14180	\$ 50,000
ESD-010	Convert PT Construction Inspector to 1 FTE	Engineering Services Department	Ongoing	Capital Improvement Support	1.00	1300	13210	\$ 72,339
PW-SW-004	Add one Operations Crewleader position	Public Works	Ongoing	Solid Waste Fund	1.00	4891	56010	\$ 121,496
UTL-003	Water Resource Analyst - New Allocation	Utilities Department	Ongoing	Sewer Operations Fund	1.00	4210	44113	\$ 143,067
TOTALS FOR NON-MEASURE H ADJUSTMENTS					3.00			\$ 386,902



MEASURE H OVERVIEW



Measure H – FY 2025-26 Spending Plan Overview

FY 2025-26 Measure H Spending Plan	Amount
Approved Spending on New Programs	\$ 13,671,935
Prior Year Approved Measure H Spending	\$ 25,698,761
General Fund Budget Deficit Funding	\$ 11,664,984
Supplement for ARPA Lost Funding in General Fund	\$ 2,000,000
FY 2025-26 Measure H Spending Plan Totals	\$ 53,035,680

Description	Amount
FY 2025-26 Measure H Spending Plan	
One-Time	\$ 10,906,308
Ongoing	\$ 2,765,627
Total Measure H Spending Plan	\$ 13,671,935
General Fund Budget Deficit Funding	\$ 11,664,984
Supplement for ARPA Lost Funding in General Fund	\$ 2,000,000
Total FY 2025-26 Measure H Spending	\$ 27,336,919



- There will be remaining Measure H funds of approximately \$5.5M after the proposed spending plan obligations and use of funds to cover the General Fund budget deficit in FY 2025-26.
- These funds and any remaining funds at year-end, will be categorized as funds for Future Deferred Maintenance Costs and will be strategically used to fund maintenance/replacement of new infrastructure being built using Measure H funds and other one-time needs.



FY 2025-26 Proposed Measure H Spending Plan – New Programs

Proposal #	Description of Adjustment	Department	Ongoing/One-Time	FTE	Amount
ESD-001	Measure H - High Priority Deferred Maintenance Needs - Large Projects (Year 3)	Engineering Services Department	One-Time	-	\$ 500,000
ESD-002	Measure H - High Priority Preventative Maintenance Needs - Large Projects (Year 3)	Engineering Services Department	One-Time	-	\$ 500,000
ESD-003	Cesar E. Chavez Park Renovation Project Funding	Engineering Services Department	One-Time	-	\$ 761,133
ESD-006	Dr. Martin Luther King Jr. Park Renovation Project Funding	Engineering Services Department	One-Time	-	\$ 7,870,000
ESD-010	Pelandale Street Landscape Project Refunding of Budget	Engineering Services Department	One-Time	-	\$ 300,000
MFD-007	Radio Maintenance Program Funding	Modesto Fire Department	One-Time	-	\$ 155,175
MFD-010	Wildland Web Gear Funding	Modesto Fire Department	One-Time	-	\$ 100,000
MPD-010	Armored Vehicle Purchase	Modesto Police Department	One-Time	-	\$ 400,000
PRN-016	Rentable Community Stage Purchase	Parks, Recreation, and Neighborhoods	One-Time	-	\$ 260,000
PW-FGW-003	Additional Drenching Trailer and Pickup Truck Purchase for Forestry	Public Works	One-Time	-	\$ 60,000
GF Balancing	Movement of SAFER Operation Subsidy Transfer to Measure H (Ongoing)	Modesto Police Department	Ongoing	-	\$ 258,000
GF Balancing	Movement of CHAT Operations Subsidy Transfer to Measure H (Ongoing)	Modesto Police Department	Ongoing	-	\$ 394,000
GF Balancing	Movement of CalVIP Operations Subsidy Transfer to Measure H (Ongoing)	Modesto Police Department	Ongoing	-	\$ 75,000
GF Balancing	Move Police Air Support Operations to Measure H (Ongoing)	Modesto Police Department	Ongoing	-	\$ 466,294
GF Balancing	Move Area Command Operations to Measure H (Ongoing)	Modesto Police Department	Ongoing	1.00	\$ 427,928
GF Balancing	Move Alternative Response Unit (ARU) Operations to Measure H (Ongoing)	Modesto Police Department	Ongoing	3.00	\$ 926,423
MPD Staffing	Eliminate 10 Police Officer Recruit Positions	Modesto Police Department	Ongoing	(10.00)	\$ (967,940)
MPD Staffing	Add 5 Police Officer Positions	Modesto Police Department	Ongoing	5.00	\$ 793,730
MPD Staffing	1 Senior Administrative Office Assistant	Modesto Police Department	Ongoing	1.00	\$ 93,955
MPD Staffing	Convert 2 existing Police Officer positions to 2 Sergeant allocations	Modesto Police Department	Ongoing	2.00	\$ 155,434
MPD Staffing	Convert 1 existing Police Officer position to 1 Police Lieutenant allocation	Modesto Police Department	Ongoing	1.00	\$ 131,303
MPD Staffing	Convert 1 existing Park Ranger position to 1 Park Ranger Supervisor allocation	Modesto Police Department	Ongoing	1.00	\$ 11,500
TOTALS FOR MEASURE H SPENDING PLAN				4.00	\$ 13,671,935

Additional One-Time = \$10.9M

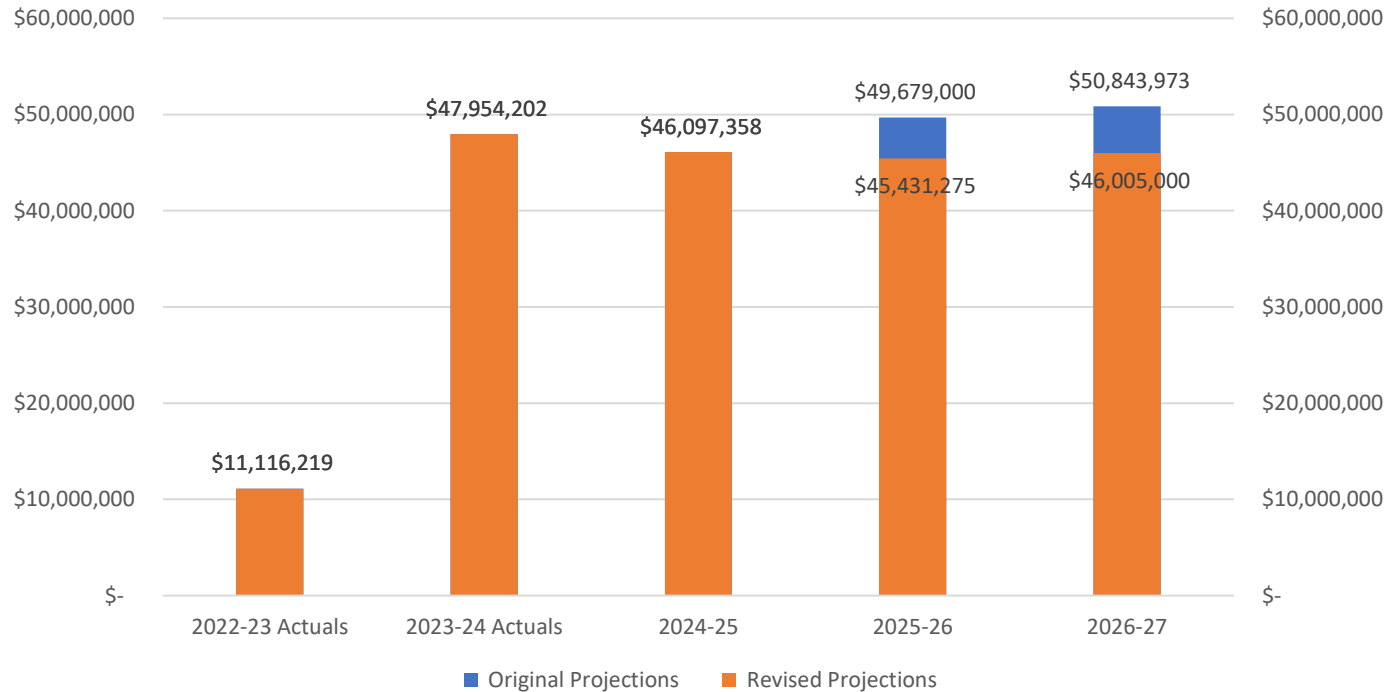
Additional Ongoing = \$2.8M





Measure H Sales Tax

Measure H Economic Impact





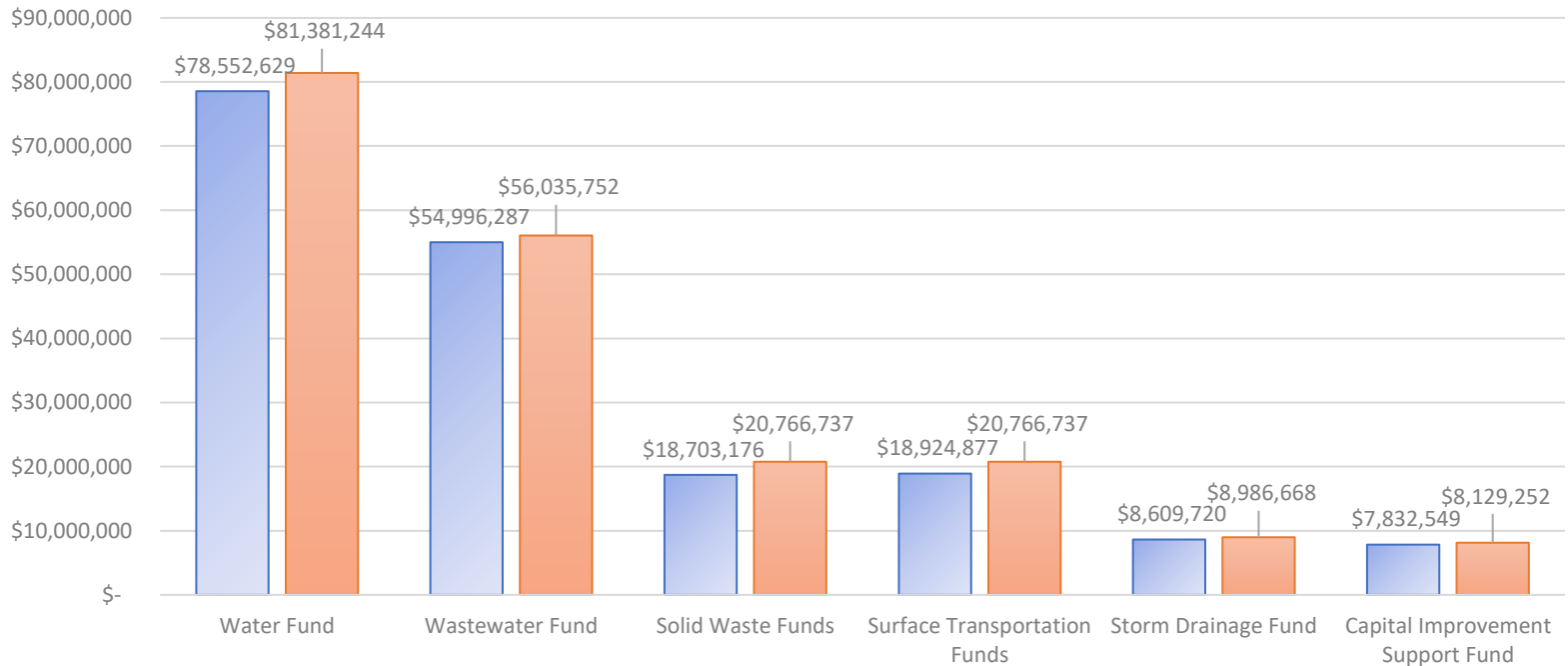
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OTHER MAJOR FUNDS



Breakdown of Other Major Funds

FY 2025-26 Proposed and FY 2026-27 Projected
Other Major Fund Operating Expenditure Budgets





FY 2025-26 Proposed Operating Exp Budget – All Funds

Fund Name	FY 2025-26 Draft Proposed	FY 2026-27 Draft Projected
	Operating Budget	Operating Budget
General Fund	\$ 199,918,090	\$ 213,261,300
Water Enterprise Funds	\$ 79,110,332	\$ 81,381,244
Wastewater Enterprise Funds	\$ 55,208,123	\$ 56,035,752
Measure H Spending Plan Expenditures	\$ 53,035,680	\$ 42,129,372
Employee Benefits Administration and Management ISF Funds	\$ 42,580,015	\$ 47,467,680
Fleet Management and Replacement ISF Funds	\$ 34,631,566	\$ 44,689,290
Insurance Funds	\$ 25,044,613	\$ 25,906,860
Solid Waste Funds	\$ 19,579,264	\$ 19,884,824
Surface Transportation Funds	\$ 18,942,201	\$ 20,766,737
Information Technology ISF Fund	\$ 15,359,948	\$ 16,296,889
All Other Funds	\$ 14,666,438	\$ 8,986,668
Liability Insurance ISF Fund	\$ 10,548,123	\$ 12,270,940
Inventory Purchases Fund	\$ 8,959,170	\$ 8,129,252
Storm Drainage Fund	\$ 8,609,720	\$ 9,412,232
Workers Compensation ISF Fund	\$ 8,544,288	\$ 7,774,420
Capital Improvement Support Fund	\$ 7,904,888	\$ 7,292,323
Community Facilities District (CFD) Funds	\$ 7,312,293	\$ 8,962,905
Debt Service Fund	\$ 5,621,456	\$ 4,538,682
Housing and Urban Development (HUD) Funds	\$ 4,373,810	\$ 3,839,564
Golf Funds	\$ 3,655,280	\$ 3,251,117
Building Services ISF Funds	\$ 3,308,787	\$ 3,640,031
Parking Fund	\$ 2,622,208	\$ 1,705,490
Property Insurance ISF Fund	\$ 2,568,289	\$ 2,843,686
Community Centre Operations Fund	\$ 1,953,692	\$ 2,794,064
Joint Powers Authority (JPA) Funds	\$ 1,700,651	\$ 2,051,244
Airport Funds	\$ 1,490,642	\$ 1,580,112
Insurance Administration ISF Fund	\$ 1,469,750	\$ 1,425,674
Mail Services ISF Fund	\$ 386,608	\$ 405,141
Landscape District Funds	\$ 88,411	\$ 91,609
All Funds Total	\$ 639,194,335	\$ 658,815,102



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CAPITAL IMPROVEMENT PROGRAM



Capital Improvement Program Overview

- There are 186 total projects in the CIP for FY 2025-26.
- 7 of the projects are classified as “new” increasing the overall CIP by \$11.87 million.

Fund Name	# of New Projects	FY 2025-2026 Budget
Capital Grants - Streets CIP Projects-3160	2	\$7,150,000
Measure L - Capital Projects-3300	2	\$2,612,575
Sewer Operations Fund-4210	3	\$2,105,300
Grand Total	7	\$11,867,875



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STAFF RECOMMENDATIONS



Staff Recommended Actions

- Resolution approving the adoption of the Fiscal Year 2025-26 Annual and Multi-Year Non-Capital Operating Budgets and the 2025-26 Capital Improvement Program for the City of Modesto and the related Inter-Fund Transfers.
- Resolution approving the Budget Principles and the Operating Budget Policy as Outlined in the Fiscal Year 2025-26 Final Proposed Budget.
- Resolution amending the Position Classification Plan for the City of Modesto to create new classifications and amend existing classifications.
- Resolution amending the Position Allocation for Fiscal Year 2025-26 as adopted in the Operating Budget.



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