PLEASE POST

City of Emeryville

INCORPORATED 1896

1333 Park Avenue. Emeryville, CA 94608-3517
t (510) 596-4300 | f (510) 596-4389

Chair Samuel Feldman
Vice Chair Fran Quittel
Member David Kritzberg
Member Navarre Oaks
Member Dora Siu

Actions taken by Advisory Bodies are not official actions of the City Council, but must be considered and potentially ratified at a regular City Council meeting.

All writings that are public records and relate to an agenda item, which are distributed to a majority of the legislative body less than 72 hours prior to the meeting is noticed, will be made available via email by request to the Committee Secretary. In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid, or service to participate in this meeting should contact the Committee Secretary as far in advance as possible, but no later than 72 hours prior to the scheduled event. The best effort to fulfill the request will be made. Assistive listening devices will be made available for anyone with hearing difficulty and must be returned to the Committee Secretary at the end of the meeting. All documents are available in alternative formats upon request. No animals shall be allowed at, or brought in to, a public meeting by any person except (i) as to members of the public or City staff utilizing the assistance of a service animal, which is defined as a guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability; or (ii) as to police officers utilizing the assistance of a dog(s) in law enforcement duties.

BUDGET ADVISORY COMMITTEE

Special Meeting
Civic Center
1333 Park Avenue Emeryville, CA 94608
November 18, 2025 – 2:00 PM

AGENDA

1. Call to Order
2. Roll Call
3. Public Comment
   3.1 Submit a written comment card at *www.emeryville.org/advisorybodies*
4. Approval of October 9, 2025, Regular Meeting Action Minutes
5. Action Items
6. Information Items
   6.1 Pension Trust – Section 115 Update
   6.2 FY25-27 General Fund for Capital Projects
   6.3 FY25-26 First Quarter General Fund Financial Update
7. Future Agenda Items
   7.1 FY24-25 Draft Audited Financial Statements and Associated Reports
   7.2 FY24-25 General Fund Financial Update
   7.3 Sewer Fees & Update Plans
8. Announcements / Member Comments
   8.1 Next Meeting – December 11, 2025, 2:00 pm
9. Adjournment

Public comment for agenda items can be submitted online via a written comment card at *www.emeryville.org/advisorybodies*,or submitted by email to the Committee Secretary. If you would like to support, oppose, or otherwise comment on an upcoming agenda item, please send in your comments prior to the meeting.

FURTHER INFORMATION may be obtained by contacting Sharon Friedrichsen, Committee Secretary, at 510-596-4352 or sharon.friedrichsen@emeryville.org. The next regular meeting is scheduled for December 11, 2025, at 2:00PM.

DATED: NOVEMBER 12, 2025

Post On: NOVEMBER 14, 2025
Post Until: NOVEMBER 19, 2025

Lorrayne Leong, Deputy City Clerk

Agenda Item 4

Approval of Regular Meeting Minutes

October 9, 2025

City of Emeryville
INCORPORATED 1896
1333 Park Avenue. Emeryville, CA 94608-3517
t (510) 596-4300 | f (510) 596-4389

BUDGET ADVISORY COMMITTEE MINUTES

Regular Meeting
Civic Center, Council Chambers
1333 Park Avenue Emeryville, CA 94608
October 9, 2025 – 2:00 PM

1. Call to Order

Chair Feldman called the meeting to order at 2:09 p.m.

2. Roll Call

Present – Feldman, Quittel, Oaks Absent - Kritzberg

3. Public Comment

Amber Evans, Community & Economic Development Coordinator II of the Community Development Department shared information with the Committee about Emeryville Art and Culture Month and encouraged the members to attend the related activities.

4. Approval of September 16, 2025, Special Meeting Minutes

Action: M/S/C (Motion/Second/Carried) Quittel/Oaks

Vote: Ayes – Feldman, Quittel, Oaks; Noes – None; Abstain – None; Absent – Kritzberg

5. Action Items

5.1 Discussion and Recommendation on City Investment Policy

Action: M/S/C (Motion/Second/Carried) Feldman/Oaks

Vote: Ayes – Feldman, Quittel, Oaks; Noes – None; Abstain – None; Absent – Kritzberg

Finance Director Sharon Friedrichsen introduced consultant Karl Meng from Chandler Asset Management. He provided a presentation about the changes of the City's investment policy and the investment portfolio performance as of June 30, 2025. The Committee discussed the changes of the policy, the portfolio performance and asked questions and recommended the following:

1. Add Commercial Paper as an allowable investment with the following conditions: (1) securities rated AAA; (2) portfolio limit of a maximum of

20% invested in commercial paper and (3) maximum limit of 270 days for maturity;

2. No single agency callable securities;
3. Include FDIC limits for certificates of deposit; and
4. No rating of securities lower than AA to be purchased.

6. Future Agenda Items

6.1 Pension Trust – Section 115 Update

6.2 Sewer Fees & Update Plans

6.3 FY24/25 Preliminary Year-End General Fund Financial Update

6.4 FY25/26 First Quarter General Fun Financial Update

6.5 General Fund for Capital Projects

7. Announcements / Member Comments

7.1 Next Meeting – November 18, 2025, 2:00 p.m.

8. Adjournment

The meeting adjourned at 4:06 p.m.

<u>Agenda Item 6.1</u>

Pension Trust – Section 115 Update

PARS PUBLIC AGENCY RETIREMENT SERVICES

CITY OF EMERYVILLE

PARS 115 Trust – Pension Rate Stabilization Program

November 13, 2025

CONTACTS

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dyu@pars.org

Alexandra Irving
Client Services Coordinator
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airving@pars.org

Dennis Mullins, CFA
Senior Portfolio Manager
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dennis.mullins@usbank.com

PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc. See additional disclosures at the end of this presentation

PARS 115 TRUST TEAM

As of June 30, 2025

Trust Administrator & Consultant*

PARS PUBLIC AGENCY RETIREMENT SERVICES

- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

40+	2,000+	1,100+	500+	750K+	$9.8B+
Years of Experience (1984-2025)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

** See important information regarding PARS in the Disclaimer page at the end of the presentation.*

Trustee

usbank

- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162	$11.0T
Years of Experience (1863-2025)	Assets under Administration

Investment Manager

pfm asset management

- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Strategic blend and passive platform options
- Customized portfolios (with minimum asset level)

40+	$256.3B *
Years of Investment Experience *(As of 6/30/2025)*	Assets under Management & Advisement

**As of June 30, 2025. Total assets under management for U.S. Bancorp Asset Management, Inc. were $404.9 billion. Please see disclosures at the end of this presentation*

SECTION 115 TRUST BACKGROUND

- Section 115 Trusts are used by local governments to fund essential governmental functions (i.e., pension benefits and retiree health care) into an irrevocable trust
- The PARS Trust received the first IRS Private Letter Ruling (PLR) in June 2015 to fund both OPEB and Pension Liabilities for a multiple-employer trust
- Any income derived from a Section 115 Trust is tax exempt
- Govt Code Section 53216.6 govern plan investments within the Trust
- Once contributions are placed into The PARS Trust, assets from the Trust can be used for specific benefit plan purposes including:
  - Reimbursing the City for PERS Contributions
  - Paying down specific CalPERS liabilities
  - Paying plan expenses (actuarial valuation or audit)

WHY PREFUND PENSION OBLIGATIONS?

1. **Complete Local Control over Assets**

   Agency has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

2. **Pension Rate Stabilization**

   Assets can be transferred to the retirement system at the Agency's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

3. **Rainy Day Fund**

   Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

4. **Diversification**

   Allows for investment flexibility and <u>offers the potential for assets to earn greater returns than the general fund; spread the risk</u> vs. sending additional money to CalPERS

SUMMARY OF AGENCY'S PENSION PLAN

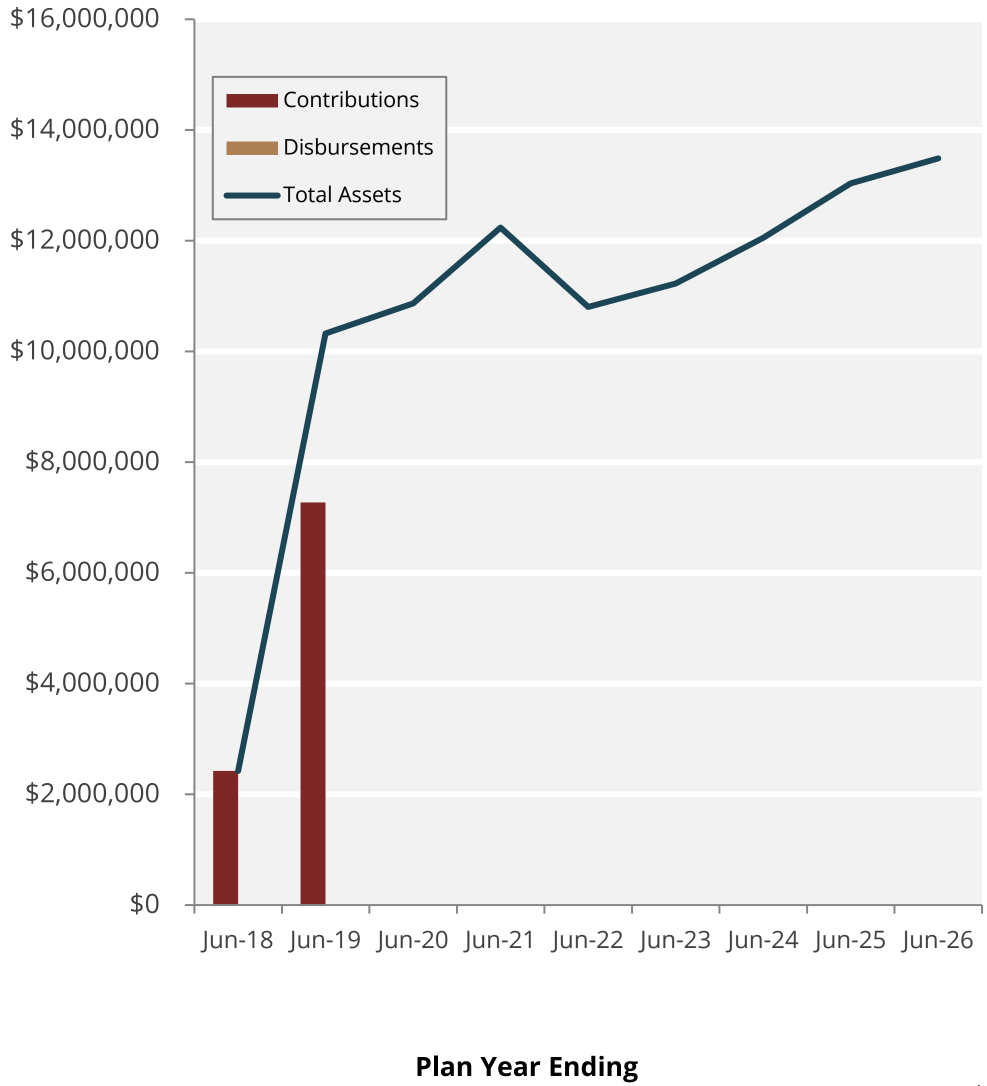
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	May 1, 2018
Plan Administrator:	City Manager
Current Investment Strategy:	Custom Strategy – Moderately Conservative (Active); Individual Account

AS OF SEPTEMBER 30, 2025:

Initial Contribution:	June 2018: $2,425,000
Additional Contributions:	$7,275,000
Total Contributions:	$9,700,000
Disbursements:	$0
Net Investment Earnings:	$3,787,141
Account Balance:	$13,487,141

SUMMARY OF AGENCY'S PENSION PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF SEPTEMBER 30, 2025:



Year	Contributions	Disbursements	Total Assets
Jun-18*	$2,425,000	$0	$2,423,749
Jun-19	$7,275,000	$0	$10,322,341
Jun-20	$0	$0	$10,866,472
Jun-21	$0	$0	$12,237,291
Jun-22	$0	$0	$10,805,404
Jun-23	$0	$0	$11,226,862
Jun-24	$0	$0	$12,052,505
Jun-25	$0	$0	$13,035,415
Jun-26**	$0	$0	$13,487,141

**Plan Year Ending June 2018 is based on 1 month of activity*
***Plan Year Ending June 2026 is based on 3 months of activity*

PENSION FUNDING STATUS

As of June 30, 2024, City of Emeryville's CalPERS pension plan is funded as follows*:

Combined Miscellaneous & Safety Groups *	Valuation as of June 30, 2023	Valuation as of June 30, 2024	Change
Actuarial Liability	$218.2 M	$226.9 M	4.0% ↑
Assets	$151.6 M	$161.4 M	6.5% ↑
Unfunded Liability	$66.6 M	$65.5 M	1.6% ↓
Funded Ratio	69.5%	71.1%	2.4% ↑
Employer Contribution Amount	$7.3 M (FY 24-25)	$8.1 M (FY 25-26)	10.7% ↑
Employer Contribution Amount – Projected *	---	$10.0 M (FY 31-32)	22.5% ↑

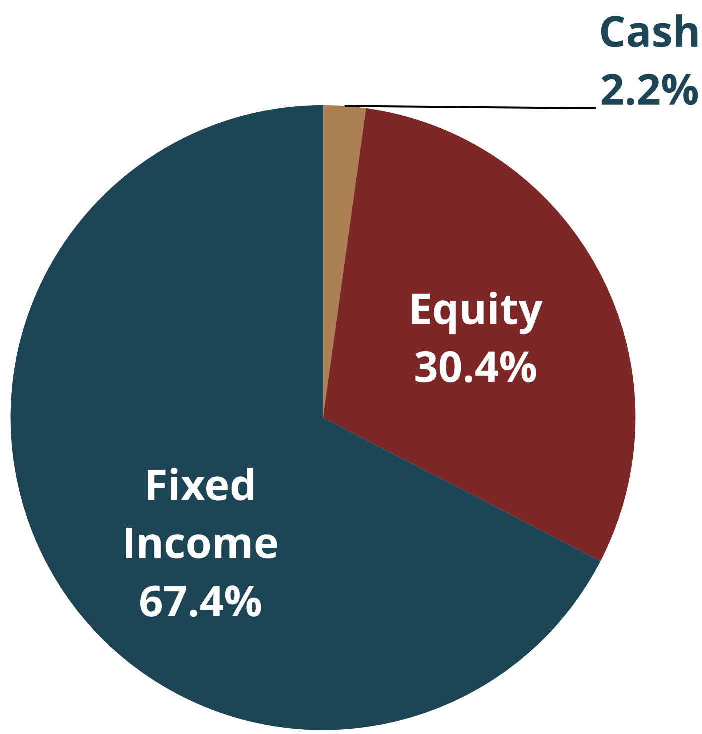
** Data through 2031-32 from Agency's latest CalPERS actuarial valuation.*

INVESTMENT REVIEW

ASSET ALLOCATION

As of September 30, 2025

Asset Type	Percentage %
Equity	30.4%
Fixed Income	67.4%
Cash	2.2%



Moderately Conservative Portfolio

PARS/City of Emeryville 115

Investment Performance Review
For the Quarter Ended September 30, 2025

Client Management Team

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc.

Dennis S. Mullins, CFA, Sr. Institutional Client Portfolio Manager

1 California Street
Suite 1000
San Francisco, CA 94111

1735 Market Street
43rd Floor
Philadelphia, PA 19103

About PFM Asset Management*

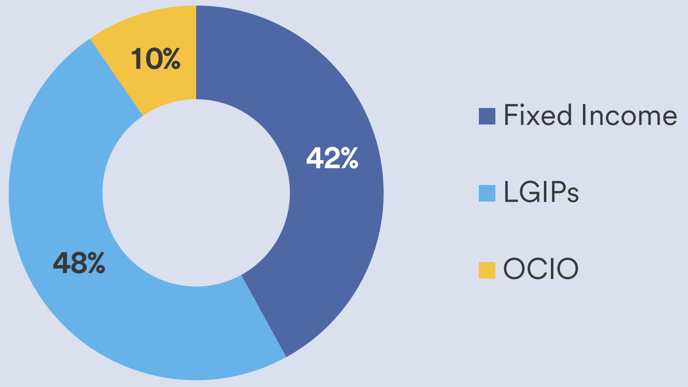
Our Investment Solutions

- **Outsourced Chief Investment Officer (OCIO):** Multi-asset class portfolios for institutional investors
- **Fixed Income:** High-quality, short- and intermediate-term portfolios for operating funds, reserves, working capital, self-insurance funds and bond proceeds
- **Local Government Investment Pools (LGIPs):** services for programs with options ranging from fully liquid cash management to a fixed-rate, fixed-term investment
- **Specialized Solutions:** Arbitrage rebate, escrow restructuring, bond proceeds investments, structured investments

40+ years *of* experience in the public sector**

$177.5b in public sector assets under management**

Assets by Investment Solution[1]



[1]Illustrates public sector assets under management by investment solution as of June 30, 2025. Total may not add up to 100% due to rounding.

**A division of U.S. Bancorp Asset Management, Inc.*

***As of June 30, 2025. Public sector includes government, pool, and TERM. Total assets under management for U.S. Bancorp Asset Management, Inc. were $404.9 billion.*

Financial Markets & Investment Strategy Review

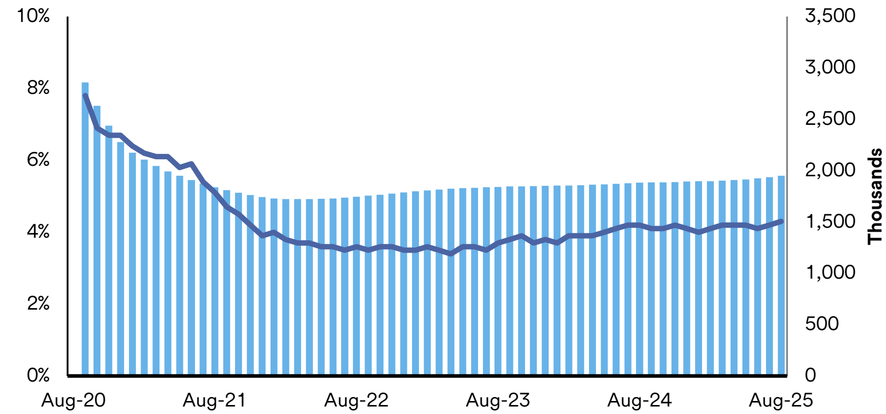
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	8.12%	14.83%	17.60%	24.91%	16.46%	14.44%	15.29%
Russell 3000	8.18%	14.40%	17.41%	24.09%	15.73%	13.70%	14.70%
Russell 1000 Growth	10.51%	17.24%	25.53%	31.58%	17.56%	18.09%	18.81%
Russell 1000	7.99%	14.60%	17.75%	24.61%	15.98%	14.17%	15.02%
Russell 1000 Value	5.33%	11.65%	9.44%	16.95%	13.87%	9.52%	10.71%
Russell Midcap	5.33%	10.42%	11.11%	17.67%	12.65%	10.06%	11.38%
Russell Midcap Growth	2.78%	12.84%	22.02%	22.82%	11.25%	11.99%	13.36%
Russell Midcap Value	6.18%	9.50%	7.58%	15.50%	13.66%	8.64%	9.95%
Russell 2000 Growth	12.19%	11.65%	13.56%	16.67%	8.41%	6.61%	9.90%
Russell 2000	12.39%	10.39%	10.76%	15.20%	11.55%	6.75%	9.76%
Russell 2000 Value	12.60%	9.04%	7.88%	13.55%	14.59%	6.39%	9.22%
INTERNATIONAL EQUITY							
MSCI EAFE	4.77%	25.14%	14.99%	21.68%	11.15%	7.71%	8.16%
MSCI AC World	7.62%	18.44%	17.27%	23.10%	13.54%	11.27%	11.90%
MSCI AC World ex USA	6.89%	26.02%	16.45%	20.65%	10.25%	7.48%	8.22%
MSCI AC World ex USA Small Cap	6.68%	25.54%	15.93%	19.34%	9.96%	7.16%	8.36%
MSCI EM (Emerging Markets)	10.64%	27.53%	17.32%	18.19%	7.01%	6.16%	7.98%
LISTED REAL ASSETS							
FTSE Nareit / Equity REITs - INV	4.77%	4.51%	-1.98%	10.79%	9.32%	6.10%	6.60%
MSCI US REIT INDEX	4.49%	3.75%	-2.88%	9.50%	8.03%	4.89%	5.31%
MSCI World Core Infrastructure	1.80%	15.48%	8.21%	11.33%	7.86%	7.46%	8.26%
FIXED INCOME							
Bloomberg U.S. Aggregate	2.03%	6.13%	2.88%	4.92%	-0.45%	2.06%	1.84%
Bloomberg U.S. Government/Credit	1.91%	5.93%	2.67%	4.87%	-0.61%	2.22%	1.99%
Bloomberg U.S. Intermediate Government/Credit	1.51%	5.70%	4.01%	5.17%	0.81%	2.61%	2.09%
Bloomberg U.S. Treasury (1-3 Y)	1.12%	3.99%	3.89%	4.35%	1.53%	2.24%	1.67%
ICE BofA U.S. High Yield	2.40%	7.06%	7.23%	10.96%	5.53%	5.17%	6.07%
Bloomberg Global Aggregate	0.60%	7.91%	2.40%	5.44%	-1.56%	0.79%	1.14%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	1.08%	3.21%	4.43%	4.85%	3.03%	2.66%	2.11%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

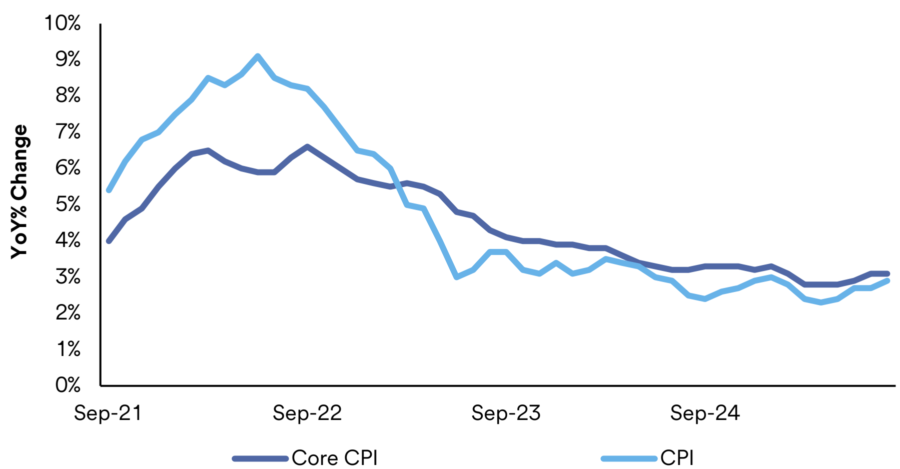
- In the second quarter, U.S. real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 3.8%, marking the strongest growth since Q3 2023. This rebound in growth was supported by an uptick in consumer spending and business investment. While the data still points to some moderation in activity compared to last year, the slowdown may not be as severe as originally feared.
- The U.S. unemployment rate ticked up over the quarter, rising to 4.3% in August. The latest initial jobless claims ended the quarter slightly lower at 218.0k (for the week ending September 20) after an early September spike, while the outstanding claims also fell to approximately 1,926.0k signaling layoffs remain subdued despite broader signs of labor market cooling. The other side of the "low-hire, low-fire" environment can be seen in the duration of unemployment, with 25.7% of the job seekers experiencing unemployment for more than six months, the highest share since February 2022.
- Inflation accelerated in the third quarter. Headline inflation (CPI) grew at a year-over-year (YoY) rate of 2.9% in August, the highest rate since January, as prices of food and energy rose while core CPI, which excludes volatile food and energy, grew at 3.10% on an annual basis.

U.S. Unemployment and Monthly Average Continued Claims



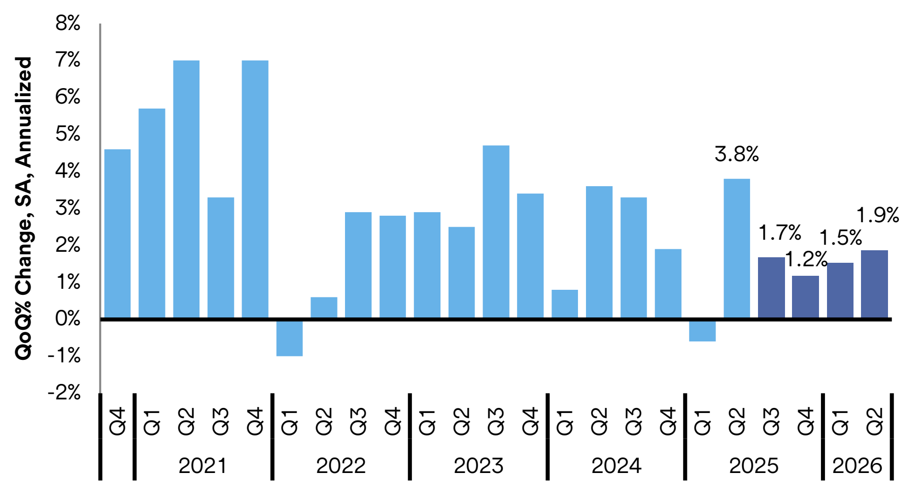
Source: Bloomberg.

U.S. Inflation Rate
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

U.S. GDP Growth

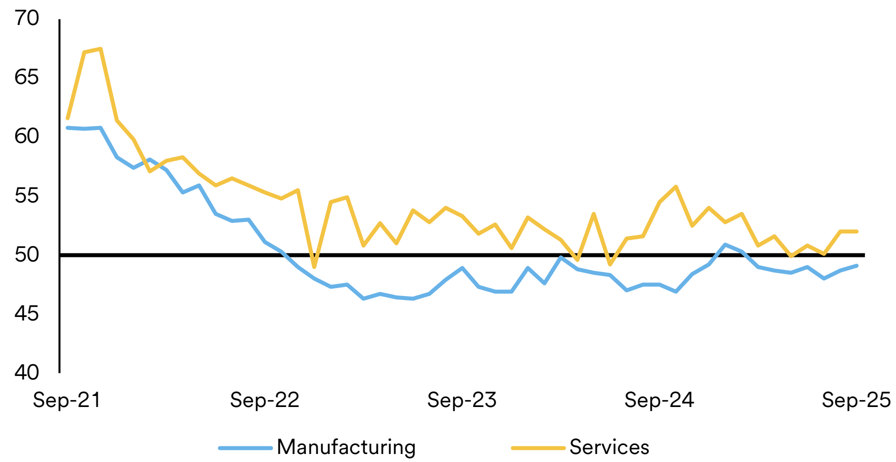


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate fore-casted estimates.

WHAT WE'RE WATCHING

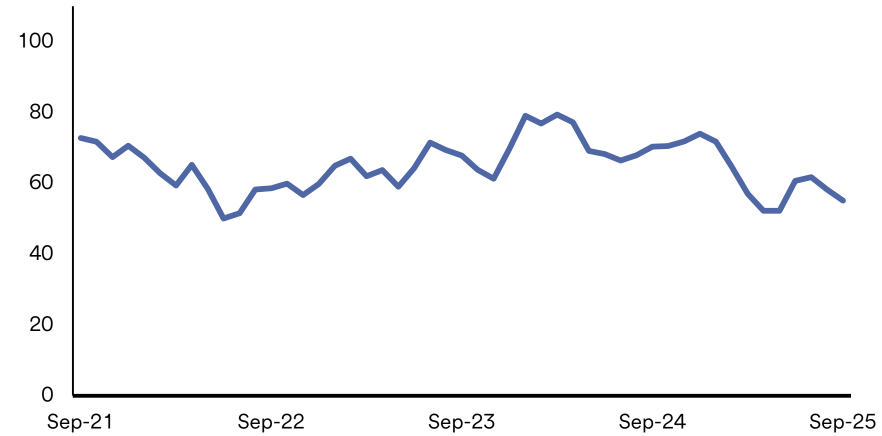
- The Federal Reserve (Fed) cut rates in the third quarter by a quarter percentage point, prompted by increasing weakness in the labor market. The Fed also signaled that two more quarter-percentage-point rate reductions are likely before the end of the year. However, with inflation above the 2% policy target, the Fed will be focused on balancing maximum employment and price stability. Outside of the U.S., the European Central Bank (ECB) which preceded the U.S. with cuts earlier in the year, held rates flat in the third quarter.
- U.S. consumer sentiment, as measured by the University of Michigan survey of consumers, fell during the third quarter as consumers continued to express concerns about the impact of high prices on personal finances. Consumer spending, which drives more than two-thirds of the economy, rose 0.6% month-over-month in August, supported by higher-income consumers benefiting from a strong wealth effect as equity markets continue to rise.
- Manufacturing in the U.S. remains challenged, with the ISM U.S. Manufacturing PMI reading coming in at 49.1 in September. This marked the seventh consecutive month of contraction as input prices remain elevated while demand is relatively weak. The threat of volatility stemming from trade and tariffs has mostly passed, though some trade agreement deadlines are set in Q4, which pose continued uncertainty for many countries and companies.

U.S. ISM Manufacturing & Services PMI



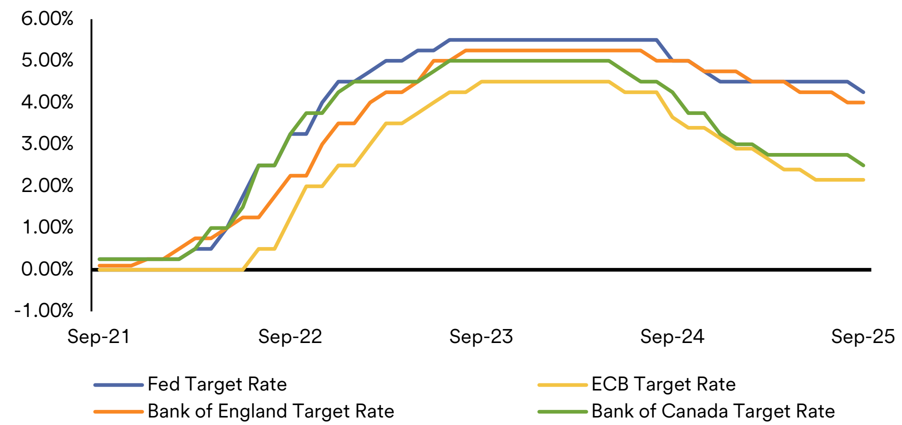
Source: Bloomberg.

University of Michigan Consumer Sentiment



Source: Bloomberg.

Global Central Bank Rates

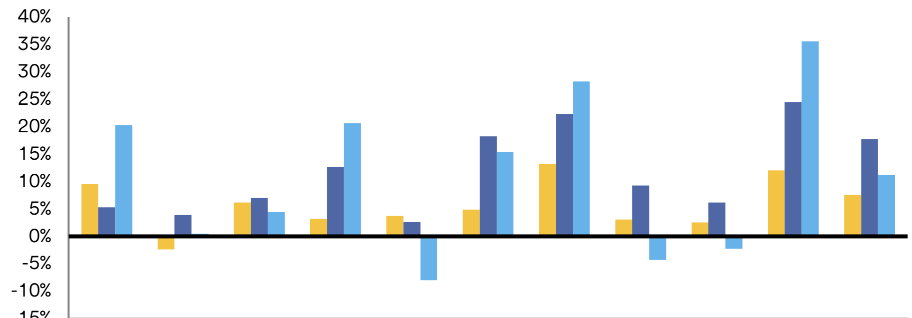


Source: Bloomberg.

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted an 8.1% return in the third quarter (of 2025). The Index has hit 23 new all-time closing highs and the year-to-date (YTD) return stands at 14.8%.
- Within the S&P, the performance varied greatly across sectors, with 10 of the 11 seeing positive returns. The best performing sectors were Information Technology (13.2%), Communication Services (12.0%), and Consumer Discretionary (9.5%). Real Estate saw a relatively weak return (2.6%) while only Consumer Staples saw a negative return (-2.4%).
- Positive returns were seen across all capitalizations with large caps, as represented by the Russell 1000 Index, returning 8.0% during the quarter while mid and small caps, as represented by the Russell Midcap and Russell 2000 indices returned 5.3% and 12.4% respectively. Small caps outperformed large caps over the quarter, and the Russell 2000 ended the quarter at an all-time high.
- According to FactSet Earnings Insight as of September 26, 2025, analysts are projecting earnings growth of 7.9% in Q3 2025, up from a prior estimate of 7.3% at the start of the quarter. This unusual upward revision (over the past 10 years estimates fell an average of 3.2% during the quarter) was led by the Information Technology sector as companies benefiting from artificial intelligence (AI) continued to have an outsized impact on the market. For calendar year 2025, analysts are projecting YoY earnings growth of 10.9%. If the projected earnings growth in Q3 is correct and comes to fruition, this will mark the ninth consecutive quarter of earnings growth for the index.
- At quarter end, the forward 12-month adjusted positive price-to-earnings (P/E) ratio (including only positive earnings results for consistency) for the S&P 500 is 27.4, which is above the 5-year average of 23.3. The Russell 2000 Index, which represents small cap stocks, had an adjusted positive forward P/E ratio of 21.2, also above its 5-year average of 17.7.

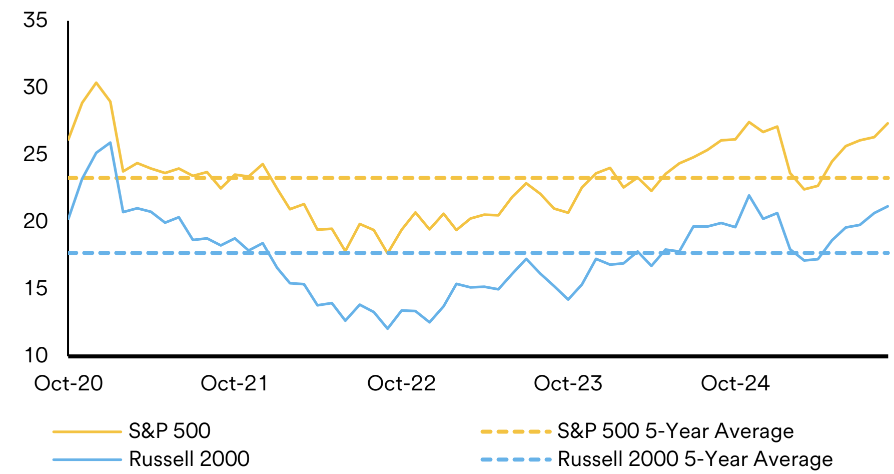
S&P 500 Index Performance by Sector
Periods Ended September 30, 2025



	Consumer Disc.	Consumer Staples	Energy	Financials	H'lthcare	Industrials	Info. Tech	Materials	Real Estate	Telecom	Utilities
QTD	9.54%	-2.36%	6.21%	3.22%	3.76%	4.91%	13.19%	3.10%	2.59%	12.04%	7.57%
YTD	5.30%	3.89%	7.04%	12.70%	2.61%	18.25%	22.31%	9.32%	6.19%	24.51%	17.69%
1 Year	20.31%	0.51%	4.43%	20.66%	-7.95%	15.40%	28.22%	-4.27%	-2.24%	35.55%	11.20%

Source: Bloomberg.

P/E Ratios of Major Stock Indices*

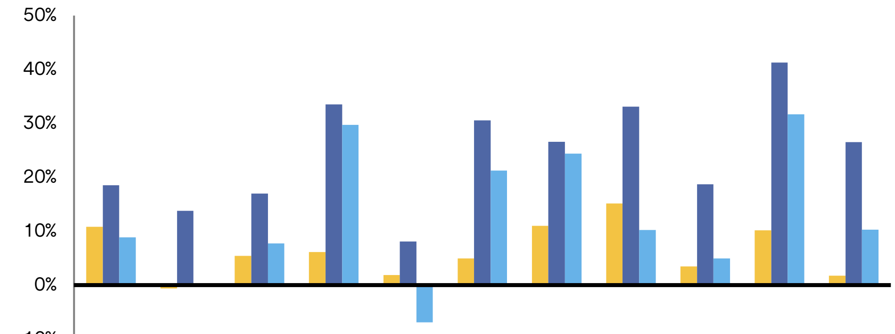


Source: Bloomberg.
**P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.*

INTERNATIONAL EQUITY

- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, cooled somewhat in the third quarter returning 6.9%, just over half of the previous quarter's strong returns.
- 10 of the 11 sectors posted positive returns for the quarter. The top performing sectors were Materials (15.1%), Information Technology (11.0%) and Consumer Discretionary (10.8%). The worst performers for the quarter were Healthcare (1.9%), Utilities (1.8%), and Consumer Staples (-0.6%).
- Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning 4.8% versus 10.6% for the quarter. Returns from all international indices are in U.S. Dollars (USD) and were positively impacted by the continued softness of the U.S. dollar.
- Of the five largest-weighted countries in the MSCI EAFE Index, the MSCI Japan (8.0%) and MSCI United Kingdom (5.9%) indices outperformed the overall EAFE index. The MSCI France (3.2%) and MSCI Switzerland (1.4%) indices underperformed while the MSCI Germany Index (-1.1%) was the only of the top five that saw negative returns.
- Of the five largest-weighted countries in EM, MSCI China (20.7%), MSCI Taiwan (14.3%), and MSCI Korea (12.8%) outperformed the MSCI Emerging Markets index, while MSCI Brazil (8.3%) and MSCI India (-7.6%) underperformed. Taiwan and Korea continued their streak of double-digit returns supported by semiconductor names positively impacted by the AI theme.
- Value stocks outperformed growth stocks for the quarter as represented by the broad benchmarks. The MSCI AC World ex-USA Growth Index returned 5.7%, while the MSCI AC World ex-USA Value Index returned 8.1%. Within EM, growth outperformed value, returning 12.0% versus 7.9%. Small caps, as represented by the MSCI ACWI ex-U.S. Small Cap Index posted a return of 6.7%.
- Non-U.S. equity valuations rose over the third quarter. Both sit slightly above long-term averages. As of quarter-end, the MSCI EAFE's Adjusted Positive Forward P/E stood at 17.3 versus a 5-year average of 15.7. MSCI EM ended the quarter with an Adjusted Positive Forward P/E ratio of 15.2, above its 5-year average of 13.2.

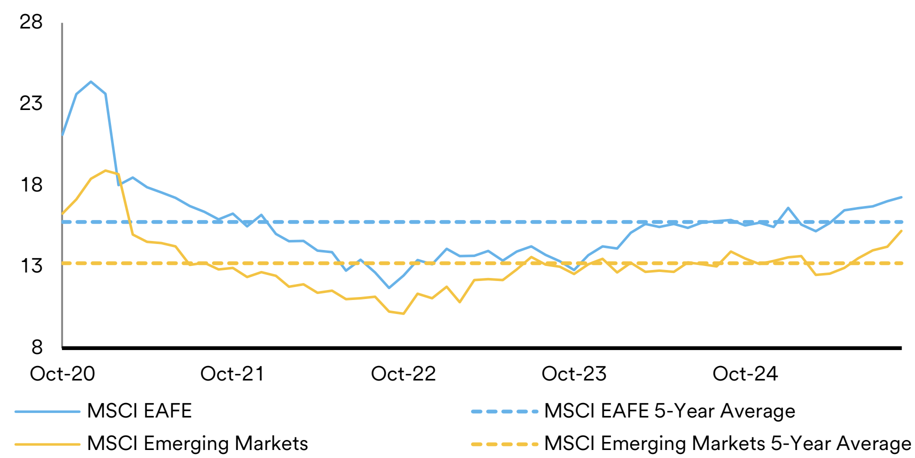
MSCI ACWI ex-U.S. Sectors
Periods Ended September 30, 2025



	Consumer Disc.	Consumer Staples	Energy	Financials	Healthcare	Industrials	Info Tech	Materials	Real Estate	Telecom	Utilities
QTD	10.80%	-0.60%	5.43%	6.14%	1.87%	4.94%	10.97%	15.14%	3.47%	10.15%	1.77%
YTD	18.49%	13.78%	16.98%	33.49%	8.11%	30.51%	26.60%	33.09%	18.67%	41.25%	26.53%
1 Year	8.88%	-0.31%	7.70%	29.71%	-6.88%	21.26%	24.39%	10.21%	4.97%	31.66%	10.28%

Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*

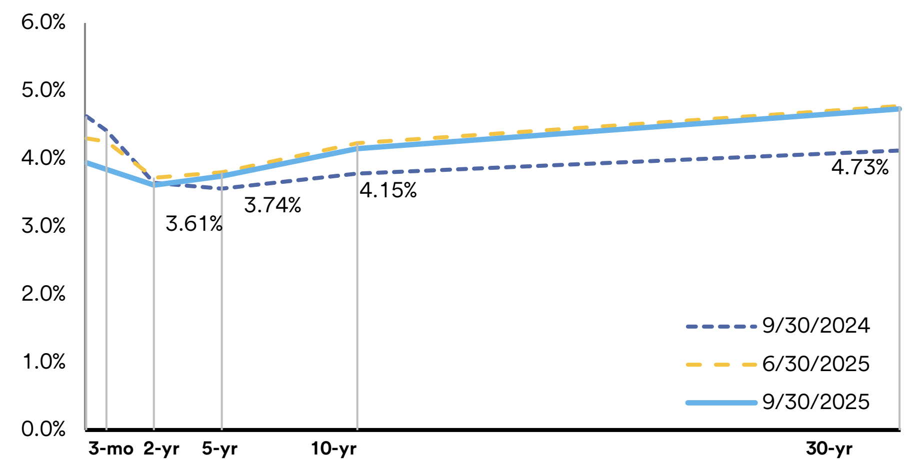


Source: Bloomberg.
**P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.*

FIXED INCOME

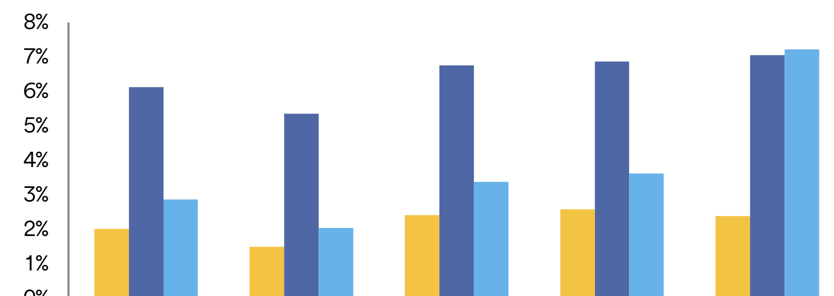
- The U.S. bond market, represented by the Bloomberg U.S. Aggregate Index, returned 2.0% during the third quarter.
- The Bloomberg U.S. Treasury Index closed the quarter returning 1.5%. As the Fed cut rates for the first time in September 2025 and guided two more rate cuts for the year, the yield curve flattened slightly as rates fell across the duration spectrum. 30-year Treasury yields fell to 4.7%, while the 2-year ended at 3.6%. Cash markets continued to provide higher yields than the 2-year Treasuries.
- Corporate credit saw positive returns across the quality spectrum for the quarter. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned 2.6% while High Yield bonds, as represented by the ICE BofA High Yield (HY) Index, returned 2.4%. Spreads tightened slightly over the quarter and are now below the 10-year average for both investment-grade and high yield. High profit margins, continued issuance, continued buybacks and ongoing mergers and acquisitions (M&A) activity points to positive corporate sentiment.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned 2.4%. On the commercial side, the Bloomberg U.S. Agency CMBS Index returned 1.6% while the non-agency CMBS Index posted a return of 1.9%.

U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments
Periods Ended September 30, 2025



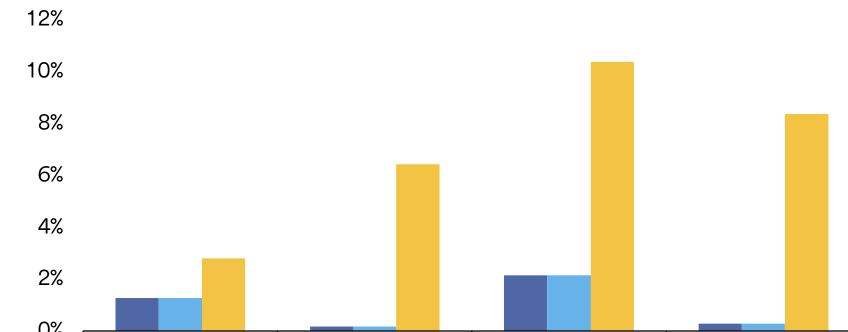
	Blmbg U.S. Aggregate	Blmbg U.S. Treasury	Blmbg U.S. MBS	Blmbg U.S. Corporate	ICE BofA U.S. HY
QTD	2.03%	1.51%	2.43%	2.60%	2.40%
YTD	6.13%	5.36%	6.76%	6.88%	7.06%
1 Year	2.88%	2.06%	3.39%	3.63%	7.23%

Source: Bloomberg.

ALTERNATIVES

- Real estate investment trusts (REITs), as measured by the MSCI U.S. REITs Index, returned 4.8% in the third quarter (a reversal from negative returns in the second quarter) leading to a YTD return of 4.7%. Private real estate, as measured by the NCREIF Property Index, gained 1.27% in the first quarter of 2025. Q1 2025 marked the second quarter of positive total returns in two years as property value declines leveled off across most sectors. The Seniors Housing category was the top performer, returning 1.9%, while Hotels returned a marginally positive 0.5%.
- Listed infrastructure, as measured by the MSCI World Core Infrastructure Index, returned 1.8% in the third quarter, down from a 5.4% return in the prior quarter. By the end of Q2 2025, 39 private infrastructure funds raised $104.0 billion, maintaining the brisk pace of Q1. Most of the capital went to funds larger than $5 billion which seek to capitalize on rising AI demand. Infrastructure dry powder has fallen from the previous year and stands at $377.8 billion as of the end of 2024. According to PitchBook, infrastructure funds posted a return of 0.2% in Q1 2025. The asset class has generated an annualized return of 11.1% for the five years ended Q1 2025.
- By the end of Q2 2025, 82 private debt funds raised $114.2 billion, with fundraising now on pace for another strong year by historical standards. Private debt dry powder remains above the long-term average at $542.7 billion as of the end of 2024; although over 50% has been outstanding for more than two years. According to PitchBook, private debt funds posted a return of 2.14% in Q1 2025. The asset class has generated an annualized return of 10.37% for the five years ended Q1 2025.
- As of Q2 2025, 252 private equity funds raised $212.5 billion – continuing the slower pace compared to the historical norms as constrained distributions hindered fundraising efforts. The bulk of the capital raised continues to flow to experienced managers raising capital for funds larger than $1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at $1.6 trillion as of the end of 2024. Recent private equity performance continues to feel the effects of higher borrowing costs and a slowdown in deal activity. According to PitchBook, private equity funds posted a return of 0.3% in Q1 2025. The asset class has generated an annualized return of 18.29% for the five years ended Q1 2025.

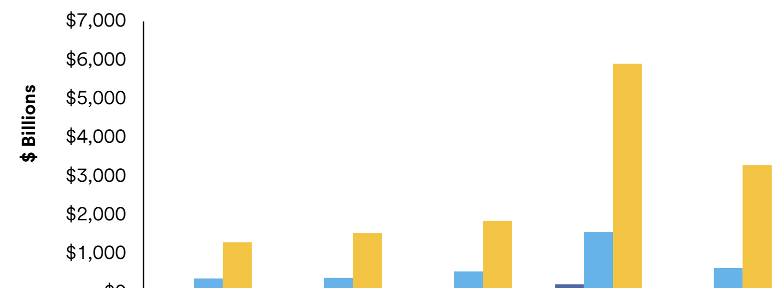
Returns for Private Capital Assets



	Private Real Estate	Infrastructure	Private Debt	Private Equity
QTD	1.27%	0.17%	2.14%	0.28%
YTD	1.27%	0.17%	2.14%	0.28%
1 Year	2.80%	6.42%	10.37%	8.36%

Source: NCREIF, PitchBook.
As of March 31, 2025, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder

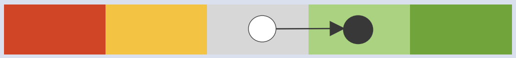


	Closed-End Real Estate	Infrastructure	Private Debt	Private Equity	Venture Capital
YTD Fundraising ($B)*	$55.57	$103.98	$114.18	$212.51	$50.38
Dry Powder ($B)**	$362.80	$377.75	$542.71	$1,558.75	$632.79
Total AUM ($B)**	$1,298.73	$1,541.08	$1,853.32	$5,906.84	$3,290.58

Sources: Pitchbook.
** Total capital raised in 2025 as of June 30, 2025 - most recent period for which ALL fundraising data is available.*
*** Cumulative dry powder and total AUM as of December 31, 2024.*
**** Excluding open-end, evergreen fund vehicles.*

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):

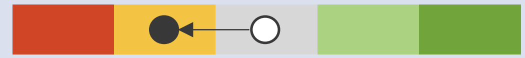


- The Fed cut rates by 25 bps in September citing rising downside risks to employment despite inflation remaining above its 2% target. Further rate cuts expected in 2025 and 2026.
- Major central banks have already eased (ECB and BOE) or are in the process of further easing (U.S. and Canada) except for the BOJ.

Economic Growth (Global):

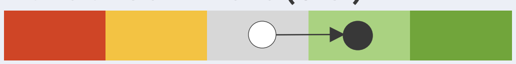
- Resilient U.S. growth driven by robust consumer spending and elevated business investment despite growing softness in the labor market.
- Trade tensions, elevated tariffs and a prolonged U.S. government shutdown remain key downside risks, while AI driven investment and fiscal support in some regions provide partial offsets.

Inflation (U.S.):



- Inflation accelerated in Q3 led by rising goods prices and sticky services costs, keeping core inflation closer to 3%, well above the Fed's 2% target – a consideration for further rate cuts.
- Fed Chair Powell noted tariffs have begun to push up goods prices in some categories, but the base case is for these effects to be short-lived.

Financial Conditions (U.S.):



- Financial conditions eased as tariff announcements were digested, renewing market confidence which resulted in equities reaching new all-time highs and credit spreads tightening to historical lows.
- Financial conditions expected to remain tailwind as monetary policy eases.

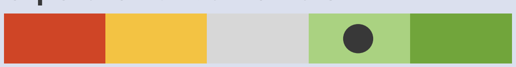
Consumer Spending (U.S.):

- Slower nominal wage growth combined with higher inflation has eroded real purchasing power. However, consumer activity remained resilient, driven by spending from higher income households.
- Further labor market softness, a significant correction in the equity market or higher pass-through of tariffs to goods prices remain the largest threats to consumer spending.

Labor Markets (U.S.):

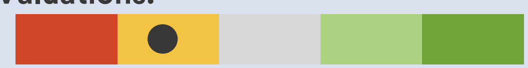
- Labor market conditions continued to cool with net new job creation nearing zero while being concentrated in just a few service sectors. Continued weakening can have impact on consumption.
- Despite some signs of cooling, the layoff rate remains low and points towards employers adopting a "no hire, no fire" approach.

Corporate Fundamentals:



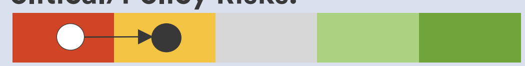
- Earnings growth expectations are positive across global equities, but expectations within U.S. positively impacted by AI spending tailwinds.
- In the U.S., capex deduction changes and rate cuts are positives while tariff/cost pressure impact on both earnings growth expectations and profit margins needs attention.

Valuations:



- U.S. equities and credit markets trade at valuations that are expensive relative to their history.
- Resilient growth, AI related spending tailwinds and higher profit margins are supportive of the current valuations while inflation and tariff risks are not fully reflected in the current valuations.

Political/Policy Risks:



- Reconciliation bill passage, ongoing trade deals, peace progress on Israel–Hamas conflict are positives on policy front.
- Prolonged U.S. government shutdown, legal challenges to tariffs and possibility of further tariffs, Russia-Ukraine conflict are negatives.

Current outlook **Outlook one quarter ago**

Stance Unfavorable to Risk Assets | Negative | Slightly Negative | Neutral | Slightly Positive | Positive | **Stance Favorable to Risk Assets**

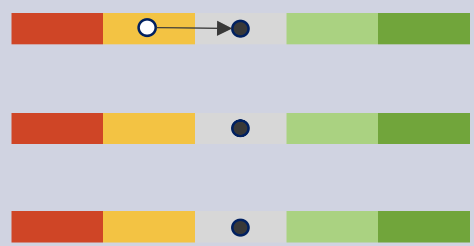
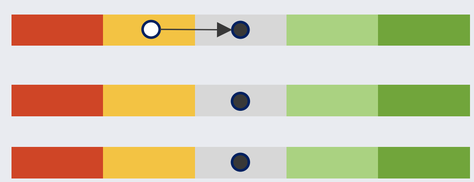
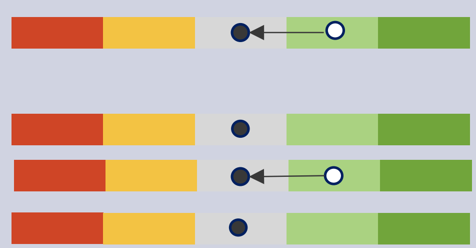
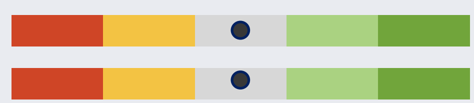
Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (September 30, 2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Long-Term Strategic Approach to Private Capital/Alternatives

Sub-Asset Class	Long-Term Strategic View	Recent Trends
Private Equity	Provides attractive returns with lower correlations to public market equities due to their ability to invest in early-stage growth companies or ability to turnaround a struggling firm.	• Higher interest rates and economic uncertainty continue to be headwinds leading to an overall decline in activity across the board relative to long term measures. • Buyout returns improved and number of transactions increased YTD 2025, although fewer transactions in venture capital. • Venture capital deals are increasingly focused on artificial intelligence and defense. • Current environment favors secondaries and co-investments over venture capital and growth investing strategies, although IPO deals and valuations have increased pointing to potential turnaround in VC markets.
Private Debt	Provides higher returns than the public market debt due to the ability to customize terms and floating rate structure of most notes.	• Less leveraged buyout transactions, lower leverage levels for private companies, and increased competition has led to spread compression. • Higher interest rates are creating attractive credit opportunities in higher risk/ return areas of the market. • Growing interest in asset backed, consumer sector and real estate backed debt.
Real Assets Real Estate Infrastructure	Provides exposure to inflation sensitive assets that typically generate returns from a combination of capital appreciation and income generation.	• **Real Estate**: Real Estate returns improved in YTD 2025 and transactions volume increased; however high interest rates and tight lending standards hinder further recovery. Property value declines are leveling off, suggesting new opportunities. • **Infrastructure**: Infrastructure returns improved in YTD 2025, with increased adoption of AI driving demand for data centers, power generation and transmission capabilities while decarbonization trend is driving demand for clean energy infrastructure.
Diversifying Assets Hedge Funds	Expected to lower the volatility and correlation within portfolios while providing access to esoteric strategies.	• Hedge funds generated positive returns YTD 2025 particularly across global and long/short equity, as well as global bonds. • Overall performance across strategies is lower than historical, while correlations to 60/40 stock bond portfolios have increased. • Hedge funds continue to provide relative stability to dampen overall portfolio volatility.

The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc. at the time of distribution (September 30, 2025) and are subject to change.

Investment Strategy Overview

Asset Class	Our Q4 2025 Investment Outlook	Comments
U.S. Equities Large-Caps Small-Caps		• Equity market rally on the back of trade deals led us to maintain neutral positioning through Q3 unwinding defensive stance taken in Q2. • Looking ahead, we remain neutral at a time when easing monetary and fiscal policies and strong corporate earnings are positives while higher inflation, softening labor market, tariff/trade tensions (effective tariff rate currently at ~20%) and elevated valuations lead to some caution. • Small-caps have been rallying recently in anticipation of Fed rate cuts, higher liquidity and improving sentiment, reaching their all time high at the end of Q3. We expect to remain neutral until we see some recovery across employment and manufacturing indicators.
Non-U.S. Equities Developed Markets Emerging Markets		• International equities have posted strong returns this year. Valuations are attractive relative to U.S. equities, but multiples have continued to creep higher this year as earnings growth has not kept the pace. • Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance. • Fed rate cuts, weaker USD, improved sentiment and continued stimulus in China led to strong performance for EM equities but tariff driven uncertainty remains in place.
Fixed Income Core Bonds Investment Grade Credit High Yield Credit		• Fed cut rates by 25 bps in September for the first time in 2025 and provided guidance for two more rate cuts this year. • Yield curve has steepened in anticipation of the rate cuts. We expect long term rates to be range-bound due to inflation expectations and fiscal debt concerns. • We remain duration neutral at this time. Absolute yield levels look attractive even as credit spreads are closer to historical lows. We are neutral to credit sectors at this time given the tighter spreads even as corporate fundamentals remain strong.
Diversifying Assets Listed Real Estate Listed Global Infrastructure		• REIT performance has been sensitive to the long-term yields and have recently shown recovery in performance. Rate cuts and period of slow but continued growth are expected to be tailwinds. • Improving AI sentiment bodes well for data center buildout and utilities are long-term tailwinds for listed infrastructure.

● **Current outlook** ○ **Outlook one quarter ago**

Negative	Slightly Negative	Neutral	Slightly Positive	Positive

The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (September 30, 2025) and are subject to change.

Sources

Factset

https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf

https://www.bls.gov/news.release/pdf/empsit.pdf

https://www.bls.gov/news.release/pdf/cpi.pdf

http://www.sca.isr.umich.edu/

NCREIF

PitchBook

Cliffwater

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Plan Performance Summary

Asset Allocation & Performance

	Allocation		Performance(%)								
	Market Value ($)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Portfolio	**13,486,068**	**100.00**	**3.58**	**9.04**	**6.85**	**9.91**	**4.40**	**5.28**	**N/A**	**5.34**	**07/01/2018**
Blended Benchmark			*3.60*	*8.51*	*6.84*	*9.92*	*4.49*	*5.19*	*N/A*	*5.24*	
Domestic Equity	**2,491,474**	**18.47**	**8.09**	**14.30**	**17.32**	**23.29**	**15.42**	**12.56**	**N/A**	**13.06**	**07/01/2018**
Russell 3000 Index			*8.18*	*14.40*	*17.41*	*24.12*	*15.74*	*13.71*	*14.71*	*14.29*	
Columbia Contrarian Core Inst3	520,837	3.86	7.71	14.52	17.26	25.78	16.73	14.85	14.97	21.80	02/01/2024
S&P 500			*8.12*	*14.83*	*17.60*	*24.94*	*16.47*	*14.45*	*15.30*	*22.99*	
Putnam Core Equity Fund Y	222,377	1.65	8.26	13.22	15.98	25.92	18.24	15.00	15.64	15.98	10/01/2024
Schwab US Large-Cap ETF	1,604,765	11.90	8.04	14.73	17.95	24.89	16.04	14.28	15.13	17.95	10/01/2024
S&P 500			*8.12*	*14.83*	*17.60*	*24.94*	*16.47*	*14.45*	*15.30*	*17.60*	
Undisc Managers Behavioral Val R6	83,264	0.62	5.31	2.60	2.27	13.85	19.84	8.37	10.47	9.12	02/01/2024
Russell 2000 Value Index			*12.60*	*9.04*	*7.88*	*13.56*	*14.59*	*6.40*	*9.23*	*13.46*	
Russell 2000 Index			*12.39*	*10.39*	*10.76*	*15.21*	*11.56*	*6.76*	*9.77*	*16.02*	
Columbia Small Cap Growth Inst3	33,265	0.25	14.20	16.75	21.42	23.81	7.80	11.96	14.87	21.42	10/01/2024
Russell 2000 Growth Index			*12.19*	*11.65*	*13.56*	*16.68*	*8.41*	*6.62*	*9.90*	*13.56*	
Russell 2000 Index			*12.39*	*10.39*	*10.76*	*15.21*	*11.56*	*6.76*	*9.77*	*10.76*	
Emerald Growth Institutional	26,967	0.20	17.99	24.36	27.59	23.39	11.99	9.81	11.80	29.42	02/01/2024
Russell 2000 Growth Index			*12.19*	*11.65*	*13.56*	*16.68*	*8.41*	*6.62*	*9.90*	*18.57*	
Russell 2000 Index			*12.39*	*10.39*	*10.76*	*15.21*	*11.56*	*6.76*	*9.77*	*16.02*	
International Equity	**1,223,391**	**9.07**	**5.65**	**24.52**	**14.65**	**19.21**	**9.30**	**7.31**	**N/A**	**7.09**	**07/01/2018**
MSCI AC World ex USA (Net)			*6.89*	*26.02*	*16.45*	*20.67*	*10.26*	*7.49*	*8.23*	*7.33*	
MFS International Growth R6	179,360	1.33	3.49	19.50	10.47	19.69	9.30	8.93	10.28	17.89	02/01/2024
MSCI AC World ex USA (Net)			*6.89*	*26.02*	*16.45*	*20.67*	*10.26*	*7.49*	*8.23*	*19.37*	
Fidelity International Index	491,188	3.64	4.62	26.17	15.60	22.34	11.38	7.97	8.34	18.80	07/01/2024
MSCI EAFE (net)			*4.77*	*25.14*	*14.99*	*21.70*	*11.15*	*7.71*	*8.17*	*18.27*	
Goldman Sachs GQG Ptnrs Intl Opportunities	175,967	1.30	0.35	16.26	5.19	19.33	9.40	10.47	N/A	4.28	07/01/2024
MSCI AC World ex USA (Net)			*6.89*	*26.02*	*16.45*	*20.67*	*10.26*	*7.49*	*8.23*	*20.18*	
Fidelity Emerging Markets Index Fund	376,877	2.79	10.65	28.11	18.64	18.05	6.64	5.94	7.72	9.21	08/01/2025
MSCI EM (net)			*10.64*	*27.53*	*17.32*	*18.21*	*7.02*	*6.17*	*7.99*	*8.53*	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Asset Allocation & Performance

	Allocation		Performance(%)								
	Market Value ($)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Other Growth	**391,160**	**2.90**	**2.14**	**11.07**	**3.56**	**10.38**	**7.69**	**N/A**	**N/A**	**4.20**	**01/01/2020**
Cohen & Steers Inst Realty Shares	190,435	1.41	1.24	5.81	-3.28	9.54	8.10	7.36	7.57	10.95	06/01/2024
MSCI US REIT Index			*4.81*	*4.72*	*-1.69*	*10.87*	*9.30*	*6.14*	*6.61*	*12.82*	
Lazard Global Listed Infrastructure Inst	102,952	0.76	1.80	17.99	15.63	15.26	11.65	9.19	9.72	15.63	10/01/2024
MSCI World Core Infrastructure Index (Net)			*1.80*	*15.48*	*8.21*	*11.34*	*7.86*	*7.47*	*8.27*	*8.21*	
NYLI CBRE Global Infrastructure	97,773	0.72	4.33	15.37	9.13	12.54	8.95	8.06	8.69	14.46	06/01/2024
MSCI World Core Infrastructure Index (Net)			*1.80*	*15.48*	*8.21*	*11.34*	*7.86*	*7.47*	*8.27*	*15.52*	
Fixed Income	**9,089,577**	**67.40**	**2.17**	**6.44**	**3.47**	**5.39**	**0.39**	**2.59**	**N/A**	**2.52**	**07/01/2018**
Blmbg. U.S. Aggregate			*2.03*	*6.13*	*2.88*	*4.93*	*-0.45*	*2.06*	*1.84*	*1.99*	
PFMAM - Core Fixed Income	8,687,298	64.42	2.19	6.48	3.35	N/A	N/A	N/A	N/A	5.14	02/01/2024
Blmbg. U.S. Aggregate			*2.03*	*6.13*	*2.88*	*4.93*	*-0.45*	*2.06*	*1.84*	*4.58*	
NYLI MacKay High Yield Corp Bond Fund	402,279	2.98	1.85	5.76	5.97	9.67	5.29	5.08	5.82	7.49	04/01/2024
ICE BofA US High Yield Index			*2.40*	*7.06*	*7.23*	*10.97*	*5.53*	*5.18*	*6.07*	*9.20*	
Cash Equivalent	**290,467**	**2.15**	**1.06**	**3.22**	**4.42**	**4.66**	**2.91**	**2.49**	**N/A**	**2.47**	**07/01/2018**
ICE BofA 3 Month U.S. T-Bill			*1.08*	*3.17*	*4.38*	*4.77*	*2.98*	*2.62*	*2.08*	*2.60*	
First American Government Obligation - X	290,467	2.15	1.06	3.22	4.42	4.78	2.98	2.56	N/A	4.78	02/01/2024
ICE BofA 3 Month U.S. T-Bill			*1.08*	*3.17*	*4.38*	*4.77*	*2.98*	*2.62*	*2.08*	*4.80*	

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Calendar Year Comparative Performance

	Performance(%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Portfolio	**6.62**	**10.39**	**-13.41**	**5.27**	**10.59**	**14.71**	**N/A**	**N/A**	**N/A**	**N/A**
Blended Benchmark	*6.79*	*10.29*	*-12.35*	*5.50*	*9.89*	*13.55*	*N/A*	*N/A*	*N/A*	*N/A*
Domestic Equity	**21.94**	**25.38**	**-18.63**	**22.70**	**19.62**	**29.32**	**N/A**	**N/A**	**N/A**	**N/A**
Russell 3000 Index	*23.81*	*25.96*	*-19.21*	*25.66*	*20.89*	*31.02*	*-5.24*	*21.13*	*12.74*	*0.48*
Columbia Contrarian Core Inst3	23.51	32.21	-18.45	24.45	22.44	33.08	-8.81	21.89	8.77	3.25
Putnam Core Equity Fund Y	26.47	27.99	-15.87	30.75	17.66	32.50	-7.91	24.01	13.58	-2.89
Schwab US Large-Cap ETF	24.91	26.87	-19.45	26.75	20.90	31.40	-4.53	21.92	11.77	1.02
S&P 500	*25.02*	*26.29*	*-18.11*	*28.71*	*18.40*	*31.49*	*-4.38*	*21.83*	*11.96*	*1.38*
Undisc Managers Behavioral Val R6	10.35	14.57	-1.10	34.50	3.62	23.34	-15.20	13.53	20.97	3.52
Russell 2000 Value Index	*8.05*	*14.65*	*-14.48*	*28.27*	*4.63*	*22.39*	*-12.86*	*7.84*	*31.74*	*-7.47*
Russell 2000 Index	*11.54*	*16.93*	*-20.44*	*14.82*	*19.96*	*25.53*	*-11.01*	*14.65*	*21.31*	*-4.41*
Columbia Small Cap Growth Inst3	24.45	26.39	-36.51	-2.54	70.41	41.18	-1.92	28.94	13.00	4.19
Emerald Growth Institutional	19.41	19.06	-24.50	4.04	38.85	28.70	-11.57	28.11	10.89	1.24
Russell 2000 Growth Index	*15.15*	*18.66*	*-26.36*	*2.83*	*34.63*	*28.48*	*-9.31*	*22.17*	*11.32*	*-1.38*
Russell 2000 Index	*11.54*	*16.93*	*-20.44*	*14.82*	*19.96*	*25.53*	*-11.01*	*14.65*	*21.31*	*-4.41*
International Equity	**4.16**	**14.10**	**-15.70**	**5.17**	**14.07**	**23.75**	**N/A**	**N/A**	**N/A**	**N/A**
MSCI AC World ex USA (Net)	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*	*27.19*	*4.50*	*-5.66*
MFS International Growth R6	9.24	14.96	-15.02	9.65	15.82	27.31	-8.79	32.58	2.79	0.40
MSCI AC World ex USA (Net)	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*	*27.19*	*4.50*	*-5.66*
Fidelity International Index	3.71	18.31	-14.24	11.45	8.17	22.00	-13.52	25.38	1.34	-0.73
MSCI EAFE (net)	*3.82*	*18.24*	*-14.45*	*11.26*	*7.82*	*22.01*	*-13.79*	*25.03*	*1.00*	*-0.81*
Goldman Sachs GQG Ptnrs Intl Opportunities	5.99	21.25	-11.10	12.49	15.77	27.64	-6.04	31.76	N/A	N/A
MSCI AC World ex USA (Net)	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*	*27.19*	*4.50*	*-5.66*
Fidelity Emerging Markets Index Fund	6.80	9.50	-20.07	-3.04	17.82	18.26	-14.63	37.65	11.26	-15.84
MSCI EM (net)	*7.50*	*9.83*	*-20.09*	*-2.54*	*18.31*	*18.42*	*-14.57*	*37.28*	*11.19*	*-14.92*

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Calendar Year Comparative Performance

	Performance(%)									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Other Growth	**3.65**	**11.79**	**-26.32**	**40.39**	**-4.83**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Cohen & Steers Inst Realty Shares	6.24	12.72	-24.73	42.47	-2.57	33.01	-3.99	7.45	5.91	5.23
MSCI US REIT Index	*8.75*	*13.74*	*-24.51*	*43.06*	*-7.57*	*25.84*	*-4.57*	*5.07*	*8.60*	*2.52*
Lazard Global Listed Infrastructure Inst	6.71	10.89	-1.30	19.87	-4.48	22.26	-3.73	20.80	9.30	9.30
NYLI CBRE Global Infrastructure	7.68	3.96	-6.08	15.22	1.17	28.46	-6.56	20.48	10.13	-4.89
MSCI World Core Infrastructure Index (Net)	*5.73*	*4.01*	*-7.93*	*17.13*	*-0.80*	*26.64*	*-2.66*	*19.25*	*10.96*	*-9.89*
Fixed Income	**2.34**	**5.75**	**-11.92**	**-0.71**	**7.19**	**9.34**	**N/A**	**N/A**	**N/A**	**N/A**
Blmbg. U.S. Aggregate	*1.25*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*	*0.01*	*3.54*	*2.65*	*0.55*
PFMAM - Core Fixed Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blmbg. U.S. Aggregate	*1.25*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*	*0.01*	*3.54*	*2.65*	*0.55*
NYLI MacKay High Yield Corp Bond Fund	7.14	11.97	-7.81	5.35	5.28	13.03	-1.34	6.79	15.99	-1.44
ICE BofA US High Yield Index	*8.20*	*13.46*	*-11.22*	*5.36*	*6.17*	*14.41*	*-2.27*	*7.48*	*17.49*	*-4.64*
Cash Equivalent	**4.85**	**5.04**	**1.49**	**0.02**	**0.35**	**2.07**	**N/A**	**N/A**	**N/A**	**N/A**
ICE BofA 3 Month U.S. T-Bill	*5.25*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*	*1.87*	*0.86*	*0.33*	*0.05*
First American Government Obligation - X	5.19	5.00	1.54	0.03	0.40	2.12	1.74	0.79	N/A	N/A
ICE BofA 3 Month U.S. T-Bill	*5.25*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*	*1.87*	*0.86*	*0.33*	*0.05*

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

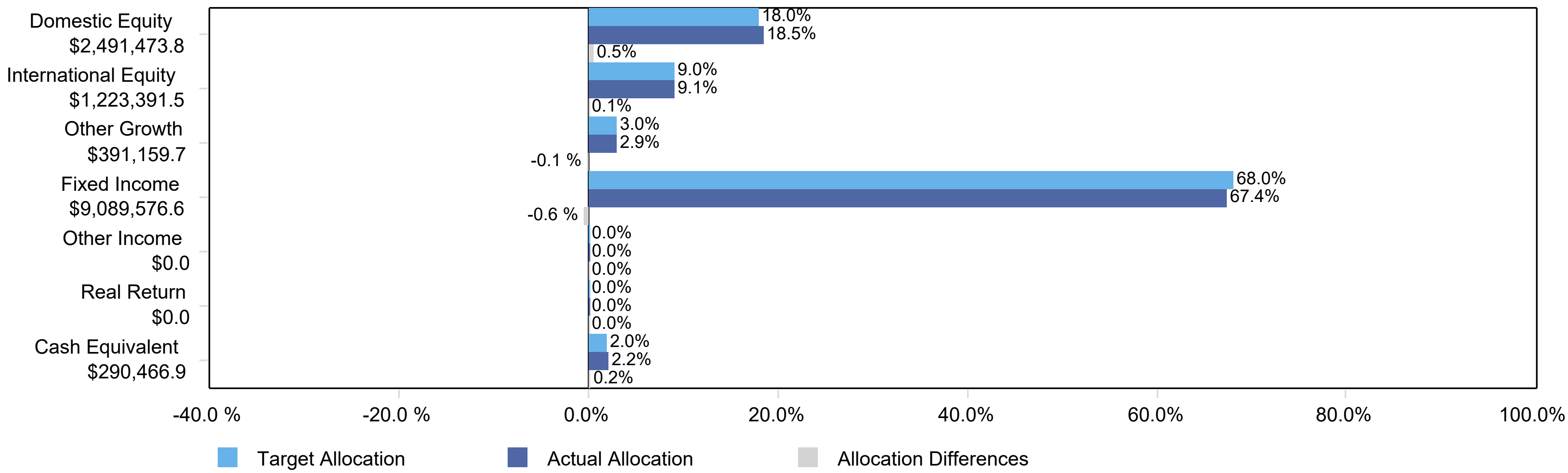
Account Reconciliation

QTR	Market Value As of 07/01/2025	Net Flows	Return On Investment	Market Value As of 09/30/2025
Total Portfolio	13,036,123	(16,632)	466,577	13,486,068

YTD	Market Value As of 01/01/2025	Net Flows	Return On Investment	Market Value As of 09/30/2025
Total Portfolio	12,414,552	(48,935)	1,120,451	13,486,068

Asset Allocation Compliance - Total Portfolio

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Portfolio	**100.0**	**100.0**	**N/A**	**N/A**	**0.0**
Domestic Equity	18.5	18.0	5.0	39.0	0.5
International Equity	9.1	9.0	1.0	15.0	0.1
Other Growth	2.9	3.0	0.0	12.0	-0.1
Fixed Income	67.4	68.0	40.0	80.0	-0.6
Other Income	0.0	0.0	0.0	10.0	0.0
Real Return	0.0	0.0	0.0	10.0	0.0
Cash Equivalent	2.2	2.0	0.0	20.0	0.2



Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
Aug-2025	
Russell 3000 Index	18.0
MSCI AC World ex USA (Net)	9.0
50% MSCI US REIT / 50% MSCI World Core Infrastructure (net)	3.0
92.5% Bloomberg US Aggregate / 7.5% ICE BofA High Yield	68.0
90 Day U.S. Treasury Bill	2.0
Jul-2018	
PARS Moderately Conservative	100.0

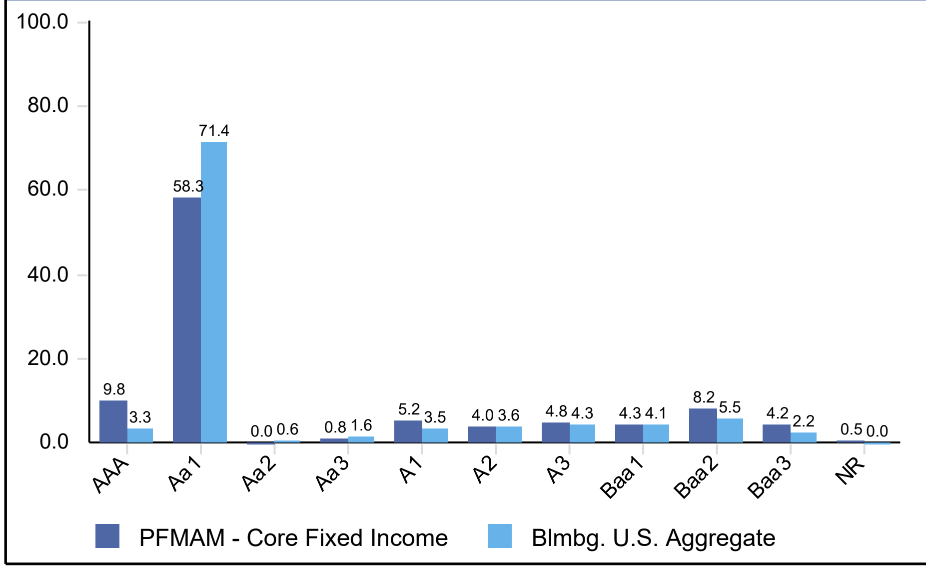
Fixed Income Overview

PFMAM - Core Fixed Income vs. Blmbg. U.S. Aggregate

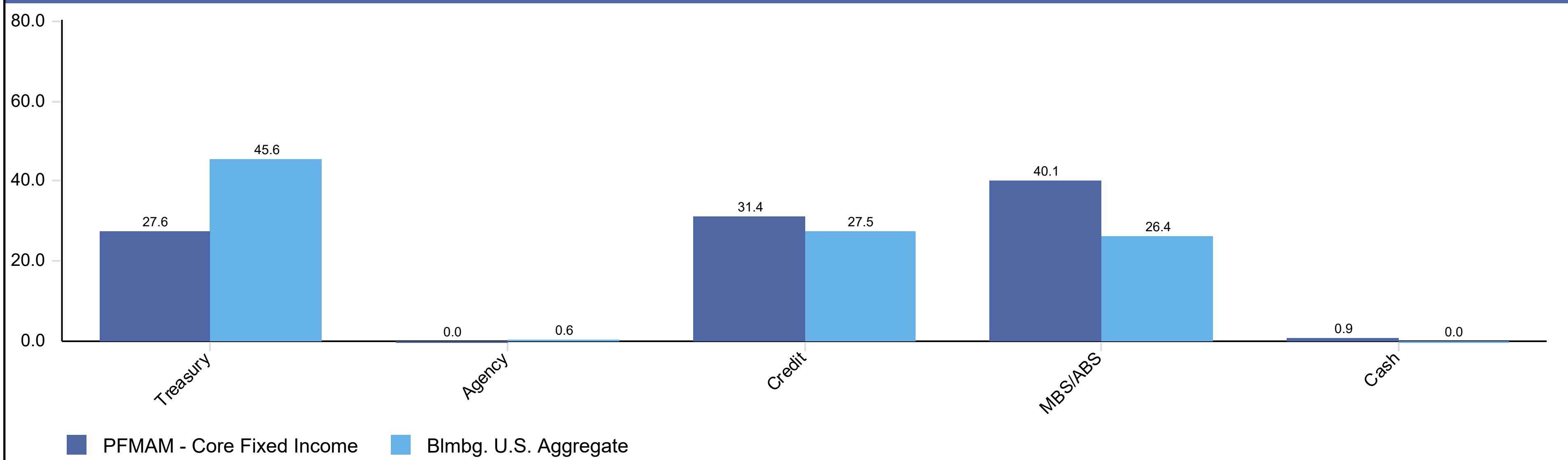
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	5.97	6.04
Yield To Maturity (%)	4.60	4.30
Avg. Maturity	8.67	8.26
Coupon Rate (%)	4.18	3.60

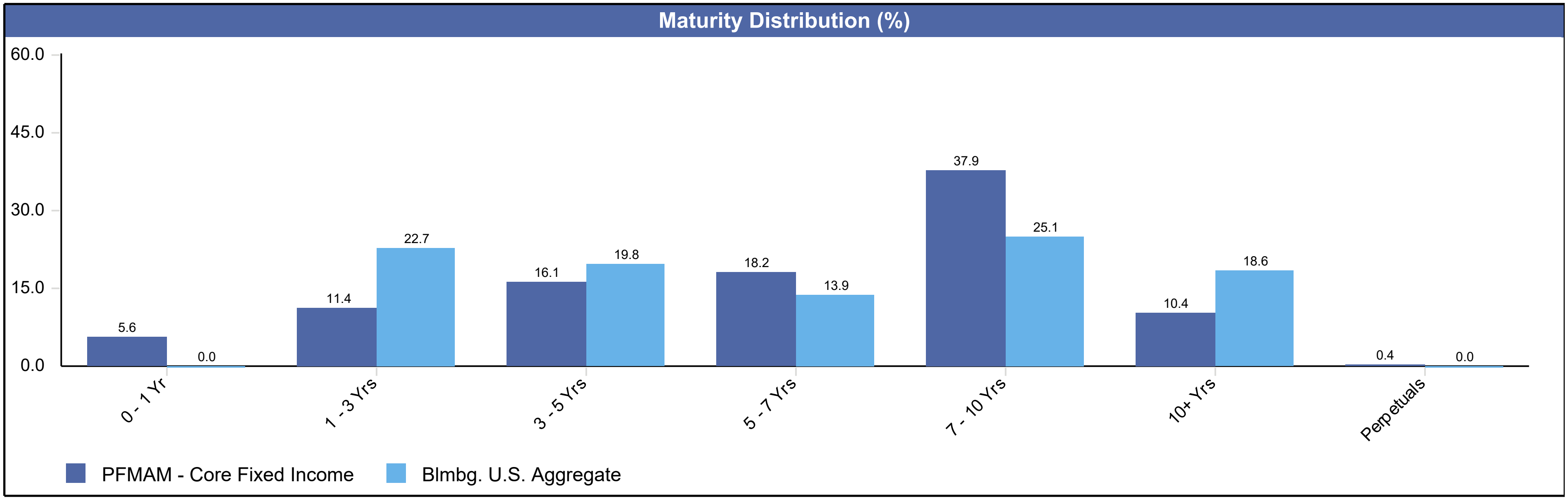
Credit Quality Distribution (%)

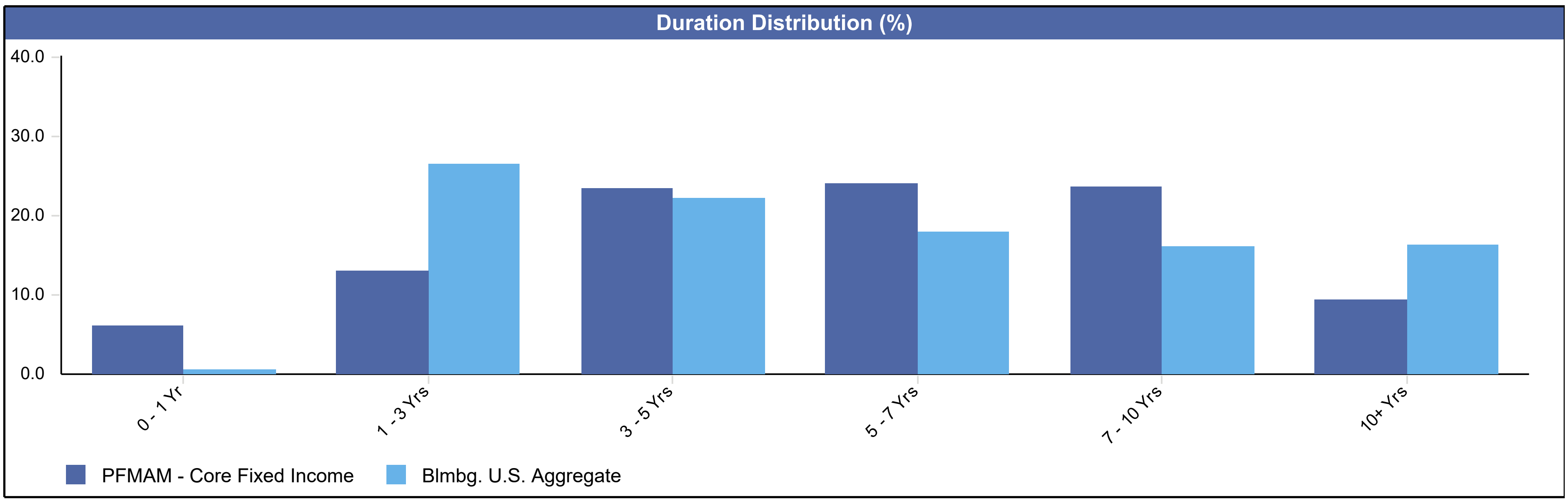


Sector Distribution (%)



PFMAM - Core Fixed Income vs. Blmbg. U.S. Aggregate





Appendix - Net of fees performance

Comparative Performance

	1 Quarter	1 Year	3 Years	5 Years	Since Inception	Inception Date	2024	2023	2022	2021	2020	2019
Total Portfolio	3.53	6.50	9.59	4.11	5.05	07/01/2018	6.32	10.08	-13.66	4.98	10.28	14.37

DISCLOSURE: Net of Fees: Represents all assets included in the calculation of the portfolio -- after the deduction of trust and asset management fees. Please refer to the applicable account fee schedule for additional information. This information is made available by U.S. Bank and is included at the request of the client. PFM Asset Management is a separate entity and is not responsible for and does not validate the accuracy of this information.

Returns are expressed as percentages.

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This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

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Agenda Item 6.2

FY25-27 General Fund for Capital Projects

City of Emeryville
CALIFORNIA

MEMORANDUM

DATE: November 18, 2025

TO: Budget Advisory Committee

FROM: Sharon Friedrichsen, Finance Director

SUBJECT: **FY25-27 General Fund for Capital Projects**

RECOMMENDATION

Staff recommend that the Budget Advisory Committee receive an informational report on the General Fund contribution to capital projects for Fiscal Years 2025-2027.

BACKGROUND

As part of the review of future agenda items during the October 9, 2025, Budget Advisory Committee, Vice-Chair Quittel requested information regarding the allocation of General Fund to capital projects. This report provides an overview of the General Capital Fund projects that were approved as part of the Fiscal Year 2025-2027 biennial budget, a summary of the historic transfers to the General Capital Fund and a recap of the change in funding policy approved by Council as part of the adopted budget.

DISCUSSION

FY 25-27 General Capital Fund Overview and Projects
The Fiscal Year 2025-26 adopted citywide budget is $227.2 million, which includes $142.1 million for operating expenses and $85.1 million for capital expenditures. The General Fund makes up $55.3 million of the total operating budget. The allocation from the residual property transfer tax for capital is recorded in Fund 475-General Capital Fund. This amount totals $26.3 million and includes $23 million in carryover or unspent funds from the prior years and $3.3 million in new funding.

The list of approved projects in Fund 475 is included as Attachment A to this report. When combining carryover and new funding, the largest projects include the Corp Yard project ($9.3 million), Art Center ($5.5 million), Sustainable Streetscapes ($2.7 million) and Fire Station 35/EOC Upgrade ($1.1 million). Descriptions of these projects are included within the City's Capital Improvement Program for Fiscal Years 2023-4 to 2027-28 available at cipreport_final_large-copy_202408011941316687.pdf and updates to the CIP are also available at cip-project-updates-september-2025.pdf
For some projects, Fund 457 is one of many funding sources and often used as a match requirement. Attachment B shows the total project cost by funding source for projects.

The citywide budget increases in Fiscal Year 2026-27 to $147.7 million, although capital expenditures are reduced to just under $5 million. General Fund operating expenses are $56.1 million and $1.4 million is allocated to Fund 475.

Transfers to Fund 475

City Council has historically allocated a percentage of the residual property tax related to the dissolvement of the Redevelopment Agency to capital needs. In June 2016, the City policy reduced the 75% allocation to Fund 475 to 50%, which was subsequently reduced to 22.5% effective Fiscal Year 2020-21. As shown in the table below, the five-year average has resulted in approximately $1.4 million being allocated to Fund 475 each fiscal year.

Property Tax Residual allocation to Fund 475		Fund 475 General Capital Improvement Fund
FY20-21	22.5% Property Tax Allocation	1,311,171
FY21-22	22.5% Property Tax Residual allocation	1,340,317
FY22-23	22.5% Property Tax Residual allocation	1,472,812
FY23-24	22.5% Property Tax Residual allocation	1,522,345
FY24-25	Revised policy-100% GF	-
	Five Year Total	5,646,644

It is important to note that Council revised this policy in March 2025 to allocate 100% of this tax to the General Fund to help mitigate the structural deficit within the General Fund. In addition, the FY25-27 approved projects within Fund 457 are funded by existing fund balance rather than a new allocation or appropriation of funds. As shown in Attachment A, fund balance is projected to be near depletion in Fiscal Year 2029-30.

In addition to the allocation of the residual property tax, other General Fund revenues have been allocated to capital and operating needs. The chart below shows recent transfers to capital needs.

Transfers from General Fund to Capital Funds		Fund 475	Fund 670	Fund 251
		General Capital Improvement Fund	IT Fund	Urban Forestry Fee Fund
FY20-21	No capital transfers			
FY21-22	IT Funding-operating & capital (mostly operating)		1,000,000	
FY22-23	Reso 23-10 for CIP#15475015-40th St. Bridge Railing and Light Pole painting project.	844,038		
	IT Funding-operating & capital (mostly operating)		180,000	
FY23-24	Support tree program			1,000,000
FY24-25	No capital transfers			

FISCAL IMPACT

There is no fiscal impact associated with receiving this report.

ATTACHMENTS

- Attachment A – General Capital Fund #475 FY 25-27 Budget
- Attachment B – Capital Improvement Project List

Purpose of Fund

The General Capital Fund includes projects funded with revenues transferred from the General Fund and Grants. These funds are not restricted for specific project types and categories.

		Capital Projects Carryover	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
Beginning Available Fund Balance			**$ 40,154,116**	**$ 13,057,479**	**$ 10,851,932**	**$ 8,331,591**	**$ 2,747,708**
Annual Activity							
Revenues							
Investment Earning			975,848	974,934	738,268	737,318	736,348
			975,848	**974,934**	**738,268**	**737,318**	**736,348**
Expenditures							
Operations							
Public Works			1,298,579	1,332,182	1,379,109	1,418,100	1,450,946
			1,298,579	**1,332,182**	**1,379,109**	**1,418,100**	**1,450,946**
Capital Projects							
CF-01	Eastshore State Park/Powell Street Bioswale	$ 99,734	100,000	-	-	-	-
CF-02	South Bayfront Bridge/Horton Landing Park	86,367	-	-	-	-	-
CF-05	Corporation Yard Improvements	9,297,930	-	-	-	-	-
CF-08	Art Center	5,544,369	-	-	-	-	-
CF-10	Hollis Street Fire Station/EOC Upgrade (Station 35)	1,128,477	-	-	-	-	-
CF-12	Temescal Park Security Lighting and	5,440	-	-	-	-	-
CF-13	Horton Landing Park Expansion	27,380	-	-	-	-	-
CF-14	ADA Transition Plan	148,094	450,000	-	-	-	-
CF-15	Electric Vehicle Chargers for City Hall Parking Lot	14,000	-	-	-	-	-
CF-17	Climate Action Plan Implementation Fund	89,550	25,000	25,000	25,000	25,000	25,000
COF-01	Facility Resiliency Upgrade	51,410	150,000	-	-	-	-
ESI-01	Stormwater Management	551,367	500,000	25,000	25,000	25,000	25,000
ESI-02	Bridge Maintenance Program	789,187	800,000	50,000	50,000	50,000	50,000
ESI-05	New Fire Station Alert System	161,500	-	-	-	-	-
ESI-06		-	175,000	175,000	175,000	175,000	175,000
FM-04	Civic Center Exterior Painting	390,043	-	-	-	-	-
PB-12	Greenway Crossings Safety Enhancemnt	25,091	-	-	-	-	-
PB-14	San Pablo Avenue Mid-Block Cross Walk	(2,202)	-	-	-	-	-
ST-04	Lumec Streetlight Pole Painting and LED Retrofit	352	-	-	-	-	-
ST-11	Traffic Signal Modernization - Phase 1	5,358	-	-	-	-	-
ST-14	North Hollis Undergrounding District	500,000	-	-	-	-	-
T-10	Innovative Deployments to Enhance Arterial (IDEA)	159	-	-	-	-	-
T-11	Traffic Signal Modernization - Phase 2	10,962	-	-	-	-	-
T-13	40th-San Pablo Transit Hub & 40th St Reconstruction	497,517	-	-	-	-	-
SUT-01	Sustainable Streetscapes	1,873,778	830,000	830,000	830,000	830,000	830,000
SUT-02	ATP Studies	65,159	50,000	25,000	25,000	25,000	25,000
SUT-03	Traffic Signals and Street Lights	-	100,000	100,000	100,000	100,000	100,000
URG-01	Parks Projects	693,700	75,000	75,000	75,000	75,000	75,000
URG-02	Park Studies	50,000	-	-	-	-	-
URG-04	Urban Tree Planting Program	240,291	75,000	75,000	75,000	75,000	75,000
NEW	Radios - Encryption	653,294	-	-	-	-	-
			3,330,000	**1,380,000**	**1,380,000**	**1,380,000**	**1,380,000**
	Carryforward	**$ 22,998,306**	22,998,306	-	-	-	-
	Transfers Out		**445,600**	**468,300**	**499,500**	**3,523,100**	**542,400**
			28,072,485	**3,180,482**	**3,258,609**	**6,321,200**	**3,373,346**
Net Annual Activity			**(27,096,637)**	**(2,205,547)**	**(2,520,341)**	**(5,583,883)**	**(2,636,997)**
Ending Available Fund Balance			**$ 13,057,479**	**$ 10,851,932**	**$ 8,331,591**	**$ 2,747,708**	**$ 110,711**

Project		Fund	Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
Community Facilities										
COF-01	**Facility Resiliency Upgrades**									
	650	Major Maintenance Fund	2,352,500	400,000	302,500	650,000	400,000	500,000	100,000	-
	475	General Capital Fund	309,630	100,000	51,410	150,000	-	-	-	-
			2,662,130	**500,000**	**353,910**	**800,000**	**400,000**	**500,000**	**100,000**	**-**
COF-02	**Civic Center Capital Repairs**									
	650	Major Maintenance Fund	**223,500**	**-**	**209,216**	**-**	**-**	**-**	**-**	**-**
COF-03	**Public Art Master Plan- Implem.**									
	243	Pub Art	**525,000**	**42,176**	**476,949**	**-**	**-**	**-**	**-**	**-**
CF-05	**Corporation Yard Improvements**									
	475	General Capital Fund	9,547,000	-	9,297,930	-	-	-	-	-
	650	Major Maintenance Fund	1,900,000	-	1,880,789	-	-	-	-	-
			11,447,000	**-**	**11,178,719**	**-**	**-**	**-**	**-**	**-**
CF-08	**Art Center**									
	101	General Fund	33,593	-	(0)	-	-	-	-	-
	225	General Plan Maintenance	77,972	-	(0)	-	-	-	-	-
	247	EPA Grant	230,630	-	-	-	-	-	-	-
	RDA	Former Redevelopment Agency	5,303,882	-	-	-	-	-	-	-
	473	Developer Contribution	1,425,000	-	1,423,775	-	-	-	-	-
	479	RDA Implementation Plan	3,800,000	-	3,800,000	-	-	-	-	-
	475	General Capital Fund	5,775,000	130,006	5,544,369	-	-	-	-	-
	650	Major Maintenance Fund	90,000	907	629	-	-	-	-	-
			16,736,078	**130,913**	**10,768,772**	**-**	**-**	**-**	**-**	**-**
CF-10	**Hollis Street Fire Station/EOC Upgrade (Station 35)**									
	475	General Capital Fund	1,219,842	-	1,128,477	-	-	-	-	-
	473	Developer Contribution	1,497,500	-	1,497,500	-	-	-	-	-
	650	Major Maintenance Fund	300,000	-	300,000	-	-	-	-	-
			3,017,342	**-**	**2,925,977**	**-**	**-**	**-**	**-**	**-**
FM-01	**General Major Maintenance Program**									
	205	CDBG	48,000	-	48,000	-	-	-	-	-
	650	Major Maintenance Fund	2,996,691	71,842	772,844	300,000	300,000	300,000	300,000	300,000
			3,044,691	**71,842**	**820,844**	**300,000**	**300,000**	**300,000**	**300,000**	**300,000**
FM-03	**Civic Center Carpet Replacement**									
	650	Major Maintenance Fund	**223,259**	**-**	**0**	**-**	**-**	**-**	**-**	**-**
FM-04	**Civic Center Exterior Painting**									
	650	Maj Maint	330,000	187,382	63,437	-	-	-	-	-
	475	Gen Cap	500,000	109,957	390,043	-	-	-	-	-
			830,000	**297,340**	**453,480**	**-**	**-**	**-**	**-**	**-**
FM-06	**Civic Center HVAC Upgrade**									
	650	Major Maintenance Fund	**1,556,462**	**9,614**	**1,359,086**	**-**	**-**	**-**	**-**	**-**
M-01	**Marina Navigation Channel Maintenance Dredging Program**									
	495	Marina	**1,735,332**	**-**	**820,791**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
	Subtotal, Community Facilities		**42,000,794**	**1,051,885**	**29,367,743**	**1,150,000**	**750,000**	**850,000**	**450,000**	**350,000**

Project		Fund	Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
Essential Infrastructure										
ESI-01	**Stormwater Management**									
	475	Gen Cap	**1,165,850**	**5,110**	**551,367**	**500,000**	**25,000**	**25,000**	**25,000**	**25,000**
ESI-02	**Bridge Maintenance Program**									
	475	Gen Cap	1,800,000	10,813	789,187	800,000	50,000	50,000	50,000	50,000
	650	Maj Maint	50,000	-	50,000	-	-	-	-	-
	473	Developer Contb	55,000	-	55,000	-	-	-	-	-
			1,905,000	**10,813**	**894,187**	**800,000**	**50,000**	**50,000**	**50,000**	**50,000**
ESI-03	**Powell Street Sewer**									
	511	Sewer	2,500,000	-	2,000,000	250,000	250,000	-	-	-
	495	Marina Fund	290,000	57,200	232,800	-	-	-	-	-
			2,790,000	**57,200**	**2,232,800**	**250,000**	**250,000**	**-**	**-**	**-**
ESI-04	**Caltran HDS Units**									
	254	Grant (Caltran)	**2,000,000**	**-**	**2,000,000**	**-**	**-**	**-**	**-**	**-**
ESI-05	**New Fire Station Alert System**									
	475	Gen Cap	**161,500**	**-**	**161,500**	**-**	**-**	**-**	**-**	**-**
ESI-06	**Stormwater Regulatory Management**									
	475	Gen Cap	**875,000**	**-**	**-**	**175,000**	**175,000**	**175,000**	**175,000**	**175,000**
CF-01	**McLaughlin Eastshore State Park/Powell Street Bioswale**									
	475	General Capital Fund	200,000	-	99,734	100,000	-	-	-	-
	254	Grant	400,000	-	-	400,000	-	-	-	-
		Unfunded	-	-	400,000	(400,000)	-	-	-	-
			600,000	**-**	**499,734**	**100,000**	**-**	**-**	**-**	**-**
CF-14	**ADA Transition Plan**									
	475	General Capital Fund	**750,000**	**485**	**148,094**	**450,000**	**-**	**-**	**-**	**-**
CF-17	**Climate Action Plan Implementation**									
	475	General Capital Fund	**275,000**	**31,000**	**89,550**	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**
FM-15	**Rehab of City Facilities' Sewer Laterals**									
	650	Major Maintenance Fund	**735,000**	**280,279**	**79,486**	**225,000**	**70,000**	**70,000**	**-**	**-**
SS-01	**Sanitary Sewer Rehabilitation Program**									
	511	Sewer	**4,380,000**	**11,629**	**599,913**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
ST-13	**Large Trash Separator in Storm Drain Line**									
	475	General Capital Fund	181,863	-	0	-	-	-	-	-
	254	Grant	680,000	-	890	-	-	-	-	-
			861,863	**-**	**890**	**-**	**-**	**-**	**-**	**-**
ST-14	**North Hollis Undergrounding District**									
	475	General Capital Fund	500,000	-	500,000	-	-	-	-	-
	254	Grants - PG&E Rule 20A	1,000,000	-	-	1,000,000	-	-	-	-
		Unfunded	12,500,000	-	13,500,000	(1,000,000)	-	-	-	-
			14,000,000	**-**	**14,000,000**	**-**	**-**	**-**	**-**	**-**

Project	Fund		Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
T-04	**Quiet Zone at 65th, 66th, and 67th Street At-Grade Crossings**									
	475	General Capital Fund	3,057,845	278	(0)	-	-	-	-	-
	242	Meas BB - Streets and Roads	600,000	388	(16)	-	-	-	-	-
	250	Traffic Impact	521,344	21,347	(0)	-	-	-	-	-
	444	1999 Bonds PFA	105,910	-	4,148	-	-	-	-	-
	471	Ped Path Improvement	180,000	-	26	-	-	-	-	-
	254	Grants ACTC Local match	1,800,000	-	(285,601)	-	-	-	-	-
	254	Grants SB1 TCEP Grant	4,200,000	12,109	356,099	-	-	-	-	-
	254	Grants CMA TIP Program	1,379,886	-	(68,583)	-	-	-	-	-
			11,844,986	**34,122**	**6,074**	**-**	**-**	**-**	**-**	**-**
V-01	**Vehicle Replacements and Purchases**									
	660	Vehicle	**8,855,942**	**664,555**	**87,130**	**554,000**	**644,000**	**3,055,000**	**650,000**	**611,000**
	Subtotal, Essential Infrastructure		**51,200,141**	**1,095,193**	**21,350,726**	**3,129,000**	**1,289,000**	**3,450,000**	**975,000**	**936,000**
Information Technology										
INT-01	**Applications & Development**									
	670	IT	**1,065,000**	**172,682**	**135,620**	**120,000**	**120,000**	**120,000**	**150,000**	**150,000**
INT-02	**Council Audio Visual Upgrade**									
	670	IT	**215,000**	**-**	**97,342**	**-**	**-**	**-**	**-**	**-**
IT-01	**IT Capital Replacements and Purchases**									
	670	IT	**2,150,397**	**175,000**	**387,953**	**175,000**	**175,000**	**175,000**	**200,000**	**200,000**
IT-05	**Computer Aided Dispatch / Record Mgmt System (CAD/RMS)**									
	670	IT	902,000	9,800	11,611	-	-	-	-	-
	475	Gen Cap Fund	20,000	-	-	-	-	-	-	-
			922,000	**9,800**	**11,611**	**-**	**-**	**-**	**-**	**-**
IT-06	**Records Management System**									
	670	IT	**315,893**	**-**	**138,926**	**-**	**-**	**-**	**-**	**-**
NEW	**Radios - Encryption**									
	475	Gen Cap Fund	**653,294**	**-**	**653,294**	**-**	**-**	**-**	**-**	**-**
	Subtotal, Information Technology		**5,321,584**	**357,481**	**1,424,745**	**295,000**	**295,000**	**295,000**	**350,000**	**350,000**
Sustainable Transportation										
SUT-01	**Sustainable Streetscapes**									
	220	Gas Tax Fund	50,000	50,000	-	-	-	-	-	-
	221	RMRA	2,914,891	1,189,891	0	345,000	345,000	345,000	345,000	345,000
	238	Measure B-VLF	100,000	100,000	-	-	-	-	-	-
	240	Measure B	18,600	17,477	-	-	-	-	-	-
	242	Measure BB	5,579,100	1,805,717	(0)	745,000	745,000	745,000	745,000	745,000
	250	Traffic Impact	1,360,048	858,264	0	-	-	-	-	-
	254	Grants TFCA	180,000	-	180,000	-	-	-	-	-
	254	Grants TDA	30,000	-	30,000	-	-	-	-	-
	264	Measure BB B/P	646,300	237,321	(0)	80,000	80,000	80,000	80,000	80,000
	471	Ped Path Imp Fund	228,000	-	228,000	-	-	-	-	-
	475	Gen Cap Fund	7,911,483	1,802,649	1,873,778	830,000	830,000	830,000	830,000	830,000
	473	Developer Contb	2,090,732	1,500,000	475,708	-	-	-	-	-
	495	Marina	266,144	100,000	166,144	-	-	-	-	-
			21,375,298	**7,661,319**	**2,953,630**	**2,000,000**	**2,000,000**	**2,000,000**	**2,000,000**	**2,000,000**

Project		Fund	Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
SUT-02	**ATP Studies**									
	475	Gen Cap Fund	285,000	69,841	65,159	50,000	25,000	25,000	25,000	25,000
	250	Traffic Impact	195,300	-	70,300	25,000	25,000	25,000	25,000	25,000
			480,300	**69,841**	**135,459**	**75,000**	**50,000**	**50,000**	**50,000**	**50,000**
SUT-03	**Traffic Signals and Street Lights**									
	250	Traffic Impact	500,000	171,202	-	50,000	50,000	50,000	50,000	50,000
	475	Gen Cap	785,000	251,610	-	100,000	100,000	100,000	100,000	100,000
	220	Gas Tax	125,000	83,044	-	-	-	-	-	-
			1,410,000	**505,856**	**-**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**
SUT-04	**The Loop**									
		Unfunded	12,000,000	-	-	12,000,000	-	-	-	-
		Measure BB	317,316	28,439	223,877	65,000	-	-	-	-
			12,317,316	**28,439**	**223,877**	**12,065,000**	**-**	**-**	**-**	**-**
SUT-05	**40th Street Multimodal Project Phase 2: Bay Trail Gap Closure**									
	441	BAY/SM Cap Project Fund	1,072,000	-	-	1,072,000	-	-	-	-
		Unfunded	6,510,000	-	-	6,510,000	-	-	-	-
			7,582,000	**-**	**-**	**7,582,000**	**-**	**-**	**-**	**-**
M-03	**Marina Park and Powell Street Lighting**									
	495	Marina	**2,065,717**	**853,351**	**163,979**	**-**	**-**	**-**	**-**	**-**
ST-01	**40th Street Bridge Railing Painting and Repair**									
	475	General Capital Fund	**195,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ST-04	**Lumec Streetlight Pole Painting and LED**									
	475	General Capital Fund	**2,868,731**	**-**	**352**	**-**	**-**	**-**	**-**	**-**
T-07	**Paid Parking and Transportation Demand Management**									
	475	General Capital Fund	611,548	-	(0)	-	-	-	-	-
	254	Grants - Meaure B	829,582	-	0	-	-	-	-	-
			1,441,130	**-**	**0**	**-**	**-**	**-**	**-**	**-**
T-13	**40th-San Pablo Transit Hub & 40th St**									
	254	MTC RM3 Funds	13,167,000	-	13,167,000	-	-	-	-	-
	242	Measure BB	154,501	1,853	131,540	-	-	-	-	-
	254	CalTran (allocation)	375,000	-	375,000	-	-	-	-	-
	254	Grant - ATP ST Grant	1,374,000	433,056	-	-	-	-	-	-
	254	Grant - AHSC	3,800,000	-	3,800,000	-	-	-	-	-
	254	Grant - ACTC CTP	2,000,000	1,059,056	(0)	-	-	-	-	-
	254	Grant-CIP 24 TFCA	172,000	-	172,000	-	-	-	-	-
	254	Grant-CIP 24 VRF	8,204,000	-	8,204,000	-	-	-	-	-
	254	Grant-Federal Earmark	850,000	-	850,000	-	-	-	-	-
	475	Gen Cap	597,517	100,000	497,517	-	-	-	-	-
	473	Developer Contb	310,001	-	310,001	-	-	-	-	-
	444	1999 Rev Bonds	76,914	-	76,914	-	-	-	-	-
			31,080,933	**1,593,966**	**27,583,972**	**-**	**-**	**-**	**-**	**-**
	Subtotal, Sustainable Transportation		**80,816,425**	**10,712,770**	**31,061,269**	**21,872,000**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**
Urban Greening										
URG-01	**Parks Projects**									
	475	Gen Cap	1,093,800	25,000	693,700	75,000	75,000	75,000	75,000	75,000
	254	Grant PetSafe	25,000	-	25,000	-	-	-	-	-
	254	Prop 68 Grant	105,000	-	105,000	-	-	-	-	-
	237	Park/Rec Impact	1,706,000	1,705,635	365	-	-	-	-	-
	650	Maj Maint	125,000	-	125,000	-	-	-	-	-
	495	Marina	1,100,000	-	100,000	1,000,000	-	-	-	-
			4,154,800	**1,730,635**	**1,049,065**	**1,075,000**	**75,000**	**75,000**	**75,000**	**75,000**

Project		Fund	Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
URG-02	**Park Studies**									
	475	Gen Cap	**50,000**	**-**	**50,000**	**-**	**-**	**-**	**-**	**-**
URG-03	**Northwest Linear Park**									
		Unfunded	**3,700,000**	**-**	**3,700,000**	**-**	**-**	**-**	**-**	**-**
URG-04	**Urban Tree Planting Program**									
	251	Urban Forrest	1,004,060	-	786,870	-	-	-	-	-
	495	Marina	700,000	-	350,000	350,000	-	-	-	-
	475	Gen Cap	645,980	30,689	240,291	75,000	75,000	75,000	75,000	75,000
			2,350,040	**30,689**	**1,377,161**	**425,000**	**75,000**	**75,000**	**75,000**	**75,000**
FM-13	**Bay-Friendly Landcape for City Hall**									
	254	Grant - StopWaste	15,000	-	122	-	-	-	-	-
	650	Major Maintenance Fund	73,086	-	0	-	-	-	-	-
			88,086	**-**	**122**	**-**	**-**	**-**	**-**	**-**
ST-09	**Frontage Road Landscape Median Island**									
	473	Inn)	100,000	-	100,000	-	-	-	-	-
	250	Traffic Impact	165,000	-	165,000	-	-	-	-	-
			265,000	**-**	**265,000**	**-**	**-**	**-**	**-**	**-**
	Subtotal, Urban Greening		**10,607,926**	**1,761,324**	**6,441,348**	**1,500,000**	**150,000**	**150,000**	**150,000**	**150,000**
Substantially Complete Projects										
CF-02	**South Bayfront Bridge and Horton Landing**									
	282	Prior RDA Funds	2,682,000	-	-	-	-	-	-	-
	472	Redevelopment	10,815,603	-	689,813	-	-	-	-	-
	473	Developer Contribution	1,442,000	-	121,541	-	-	-	-	-
	475	General Capital Fund	12,285,746	1,832	86,367	-	-	-	-	-
	479	RDA Implementation Plan	1,829	-	0	-	-	-	-	-
	237	Park Impact Fees	284,465	-	2,969	-	-	-	-	-
	250	Traffic Impact Fees	1,075,426	-	0	-	-	-	-	-
	254	Grant TFCA	105,000	-	-	-	-	-	-	-
	254	Grant Measure B	1,895,000	-	(0)	-	-	-	-	-
			30,587,069	**1,832**	**900,689**	**-**	**-**	**-**	**-**	**-**
CF-11	**Point Emery Shoreline Protection**									
	475	General Capital Fund	1,255,542	-	(0)	-	-	-	-	-
	254	Prop 68 Grant	80,286	-	80,286	-	-	-	-	-
			1,335,828	**-**	**80,286**	**-**	**-**	**-**	**-**	**-**
CF-13	**Horton Landing Park Expansion**									
	237	Park Impact Fee	300,000	-	(0)	-	-	-	-	-
	475	General Capital Fund	1,700,000	-	27,380	-	-	-	-	-
			2,000,000	**-**	**27,380**	**-**	**-**	**-**	**-**	**-**
FM-08	**Davenport Mini Park Rehabilitation**									
	475	General Capital Fund	158,002	-	(0)	-	-	-	-	-
	650	Major Maintenance Fund	11,770	-	-	-	-	-	-	-
	495	Marina Fund	231,024	-	0	-	-	-	-	-
			400,796	**-**	**(0)**	**-**	**-**	**-**	**-**	**-**
M-02	**Marina Park Improvements**									
	495	Marina	**294,109**	**-**	**45,686**	**-**	**-**	**-**	**-**	**-**
PB-05	**Bicycle and Pedestrian Plan Implementation - Minor Cost Improvements**									
	262	Grant Fund (TDA)	27,700	-	-	-	-	-	-	-
	262	Measure B-bike/ped	23,256	-	-	-	-	-	-	-
	240	Measure B-bike/ped	8,725	-	-	-	-	-	-	-
	264	Measure BB-bike/ped	15,462	-	-	-	-	-	-	-
			75,143	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Project		Fund	Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
PB-07	**Frontage Road Bay Trail Upgrades**									
		Unfunded	**300,000**	**-**	**300,000**	**-**	**-**	**-**	**-**	**-**
PB-10	**40th-San Pablo Transit Hub and 40th Street Feasibility Study**									
	225	General Plan Maint	**260,944**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PB-12	**Greenway Crossings Safety Enhancement**									
	254	Grant ATP	265,000	-	0	-	-	-	-	-
	254	Grant TDA	36,000	-	8,979	-	-	-	-	-
	475	General Capital Fund	160,000	-	25,091	-	-	-	-	-
	471	Ped Path Imp Fund	151,000	-	-	-	-	-	-	-
			612,000	**-**	**34,070**	**-**	**-**	**-**	**-**	**-**
PB-14	**San Pablo Avenue Mid-Block Cross Walk**									
	221	RMRA	167,654	-	-	-	-	-	-	-
	475	General Capital Fund	5,471	-	(2,202)	-	-	-	-	-
			173,125	**-**	**(2,202)**	**-**	**-**	**-**	**-**	**-**
PA-02	**Implementing Art Projects - Master Plan-Marina**									
	243	Pub Art	**140,657**	**-**	**0**	**-**	**-**	**-**	**-**	**-**
ST-11	**Traffic Signal Modernization - Phase 1**									
	475	General Capital Fund	**55,000**	**-**	**5,358**	**-**	**-**	**-**	**-**	**-**
T-01	**Annual Street Rehabilitation/Preventive Maintenance Program**									
	221	RMRA	617,330	-	(0)	-	-	-	-	-
	238	Measure B-VLF	280,000	-	-	-	-	-	-	-
	240	Measure B	2,351,555	-	0	-	-	-	-	-
	242	Measure BB	1,961,429	-	268,039	-	-	-	-	-
	250	Traffic Impact	100,000	-	-	-	-	-	-	-
	475	Gen Cap	250,587	-	0	-	-	-	-	-
	262	Measure B-Bike/Ped	70,000	-	-	-	-	-	-	-
	444	1999 Bonds PFA	1,626,863	-	799	-	-	-	-	-
	254	Grants - QuickBuild	75,000	-	-	-	-	-	-	-
			7,332,765	**-**	**268,838**	**-**	**-**	**-**	**-**	**-**
T-05	**Traffic Signal - 40th and Harlan**									
	215	Catellus	155,000	-	2,978	-	-	-	-	-
	444	1999 PFA	192,342	-	0	-	-	-	-	-
			347,342	**-**	**2,978**	**-**	**-**	**-**	**-**	**-**
T-10	**Innovative Deployments to Enhance Arterial**									
	475	General Capital Fund	320,000	-	159	-	-	-	-	-
	254	ACTC Grant	170,888	-	-	-	-	-	-	-
	254	MTC Grant	836,936	-	232,330	-	-	-	-	-
			1,327,824	**-**	**232,489**	**-**	**-**	**-**	**-**	**-**
T-11	**Traffic Signal Modernization - Phase 2**									
	250	Traffic Impact	150,000	-	-	-	-	-	-	-
	475	General Capital Fund	150,000	-	10,962	-	-	-	-	-
			300,000	**-**	**10,962**	**-**	**-**	**-**	**-**	**-**
	Cultural Arts District									
	254	Grant Fund	**719,890**	**150,174**	**478,870**	**-**	**-**	**-**	**-**	**-**
	NRPA Grant - Out of School									
	254	Grant Fund	**35,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Subtotal, Substantially Complete Projects		**46,297,491**	**152,006**	**2,385,403**	**-**	**-**	**-**	**-**	**-**

Project	Fund		Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
Completed or Consolidated Projects										
CF-07	**Underground Tank Closures**									
	475	General Capital Fund	**218,292**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CF-09	**Emery-Go-Round Shuttle Bus Yard**									
	250	Traffic Impact Fees	**1,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CF-12	**Temescal Creek Park Improvements**									
	475	General Capital Fund	**79,115**	**-**	**5,440**	**-**	**-**	**-**	**-**	**-**
CF-15	**Electric Vehicle Chargers for ROW or City-owned Facilities**									
	475	General Capital Fund	**150,370**	**-**	**14,000**	**-**	**-**	**-**	**-**	**-**
FM-02	**Child Development Center Rehabilitation**									
	475	General Capital Fund	54,415	-	0	-	-	-	-	-
	650	Major Maintenance Fund	830,259	-	0	-	-	-	-	-
			884,674	**-**	**1**	**-**	**-**	**-**	**-**	**-**
FM-09	**Emergency Generators/Fuel Tank Upgrades**									
	650	Major Maintenance Fund	**372,568**	**-**	**(0)**	**-**	**-**	**-**	**-**	**-**
FM-12	**Amtrak Pedestrian Bridge Modifications and Preventive Maintenance**									
	473	Developer Contribution	**55,000**	**-**	**55,000**	**-**	**-**	**-**	**-**	**-**
IT-02	**Electronic Document Management System (EDMS)**									
	268	Comm Dev Tech	31,381	-	-	-	-	-	-	-
	670	IT (reso 98-100, 13-107)	354,393	-	19,760	-	-	-	-	-
			385,774	**-**	**19,760**	**-**	**-**	**-**	**-**	**-**
IT-03	**Geographic Information Systems (GIS) Development**									
	268	Comm Dev Tech	31,067	-	-	-	-	-	-	-
	670	IT	326,283	-	(2,789)	-	-	-	-	-
			357,350	**-**	**(2,789)**	**-**	**-**	**-**	**-**	**-**
IT-04	**Computerized Maintenance Management System (CMMS)**									
	670	IT (reso 13-16)	**18,966**	**-**	**0**	**-**	**-**	**-**	**-**	**-**
PB-01	**Sidewalk Improvement Program**									
	475	General Capital Fund	**703,758**	**-**	**(0)**	**-**	**-**	**-**	**-**	**-**
ST-02	**40th Street/San Pablo Ave Median Rehabilitation**									
	254	Grant - AHSC	100,000	-	-	-	-	-	-	-
	475	General Capital Fund	580,606	-	-	-	-	-	-	-
			680,606	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ST-05	**Storm Drain Cleaning and Repair Program**									
	475	General Capital Fund	**52,952**	**20,015**	**(0)**	**-**	**-**	**-**	**-**	**-**
ST-06	**Storm Drain Inventory and CCTV Inspection**									
	475	General Capital Fund	**44,667**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**
ST-07	**Street Tree Program**									
	251	Urban Forrest	130,943	-	(0)	-	-	-	-	-
	475	General Capital Fund	148,122	-	(0)	-	-	-	-	-
			279,065	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**

Project		Fund	Total Project Cost	Estimated Expenditures Through June 2025	Encumbrances and Budget Carryover at June 2025	2025-26 Budget	2026-27 Budget	2027-28 Projection	2028-29 Projection	2029-30 Projection
ST-08	**Survey Monument and Benchmark Preservation Program**									
	475	General Capital Fund	**7,625**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
T-02	**Powell Street Bridge Seal Coat and Joint Seal Replacement**									
	475	General Capital Fund	**275,022**	**-**	**(0)**	**-**	**-**	**-**	**-**	**-**
T-06	**Traffic Signal, Powell and Doyle**									
	473	Gen Cap (developer)	34,250	-	-	-	-	-	-	-
	250	Traffic Impact	292,000	-	-	-	-	-	-	-
	238	Measure B-VLF	76,000	-	-	-	-	-	-	-
	264	Measure BB-bike/ped	96,955	-	-	-	-	-	-	-
			499,205	**-**	**-**	**-**	**-**	**-**	**-**	**-**
T-08	**Powell Street Bridge Widening**									
	250	Traffic Impact	**10,180**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**
T-09	**Powell Corridor Traffic Safety Study**									
	250	Traffic Impact	**104,549**	**-**	**0**	**-**	**-**	**-**	**-**	**-**
	Subtotal, Completed or Consolidated Projects		**6,179,738**	**20,015**	**91,410**	**-**	**-**	**-**	**-**	**-**
Total Capital Projects			**$ 242,424,099**	**$ 15,150,674**	**$ 92,122,644**	**$ 27,946,000**	**$ 4,684,000**	**$ 6,945,000**	**$ 4,125,000**	**$ 3,986,000**
	Five Year Total									**$ 47,686,000**

Agenda Item 6.3

FY25-26 Q1 General Fund Financial Update

City of Emeryville
CALIFORNIA

MEMORANDUM

DATE: November 18, 2025

TO: Budget Advisory Committee

FROM: Peggy Xu, Accounting Manager

SUBJECT: **Fiscal Year 2025-26 First Quarter Financial Update**

RECOMMENDATION

Staff recommend that the Budget Advisory Committee review the quarterly financial report for the period ended September 30, 2025. This report is for information only.

BACKGROUND

Quarterly financial reports are intended to update the City Council and the community on the City's financial condition. This report summarizes the City's General Fund financial performance as of September 30, 2025 - the first quarter of the 2025-26 fiscal year. Revenue and expenditure data for the same period in Fiscal Year 2024-25 are shown for comparative purposes.

Quarterly reports are on a cash basis, meaning only revenues received and expenditures paid by quarter-end are reported.

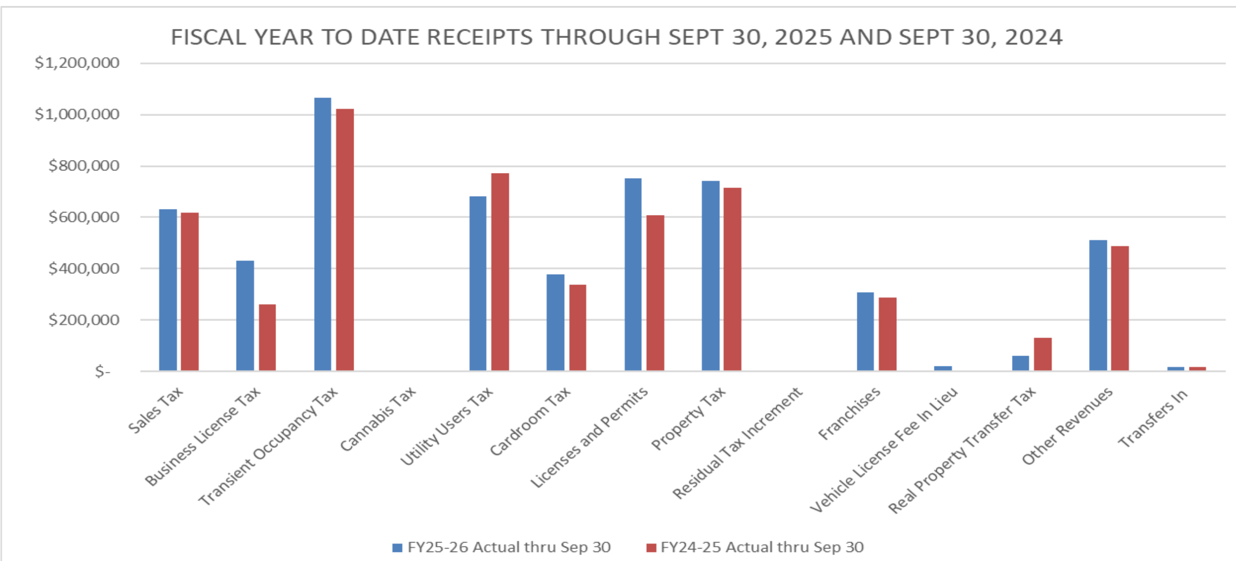
DISCUSSION

The General Fund is the general operating fund for the City. The General Fund supports the City's vital services and programs including police, fire, public works, development services (economic development, housing, planning, and building), community services, and general administrative services. The analysis below provides information on the major General Fund revenue and expenditure categories.

General Fund Revenues

General Fund revenues for the quarter ended September 30, 2025, totaled $5.6 million, which represents 12 percent of the $46.1 million budgeted annual revenue. Although 25 percent of the fiscal year has elapsed, it is expected that revenues received to date are less than 25 percent due to timing. For example, the State remits sales tax to the City monthly but true-up in the third month and property taxes largely are received in December and April respectively. However, 2025-26 revenues increased by 7 percent, or $0.3 million, compared to the first quarter of the 2024-25 fiscal year. Increases were in all revenue sources except utility tax due to late payments and the real property transfer tax payments due to timing of payments received.
Revenues by category are summarized as follows:

Revenues By Category	FY25-26 Amended Budget	FY25-26 Actual thru Sep 30	Actual vs. Budget Variance	% of Budget	FY24-25 Actual thru Sep 30	FY25-26 vs FY24-25 Variance	
Sales Tax	$ 7,364,000	$ 633,069	$ (6,730,931)	9%	$ 619,175	$ 13,895	2%
Business License Tax	6,336,850	430,324	(5,906,526)	7%	$ 260,535	169,789	65%
Transient Occupancy Tax	5,500,000	1,065,142	(4,434,858)	19%	$ 1,023,581	41,561	4%
Cannabis Tax	240,000	-	(240,000)	0%	$ -	-	100%
Utility Users Tax	4,800,000	681,130	(4,118,870)	14%	$ 770,684	(89,554)	-12%
Cardroom Tax	2,000,000	376,890	(1,623,110)	19%	$ 337,305	39,585	12%
Licenses and Permits	2,034,515	751,563	(1,282,952)	37%	$ 609,363	142,200	23%
Property Tax	4,073,307	742,022	(3,331,285)	18%	$ 714,949	27,073	4%
Residual Tax Increment	6,825,114	-	(6,825,114)	0%	$ -	-	0%
Franchises	2,084,695	308,853	(1,775,842)	15%	$ 287,543	21,310	7%
Vehicle License Fee In Lieu	1,246,001	20,355	(1,225,646)	2%	$ -	20,355	100%
Real Property Transfer Tax	510,000	60,609	(449,391)	12%	$ 129,016	(68,407)	-53%
Other Revenues	3,012,378	510,796	(2,501,582)	17%	$ 486,158	24,639	5%
Transfers In	61,500	15,372	(46,128)	25%	$ 15,375	(3)	0%
Total	**$ 46,088,360**	**$ 5,596,126**	**$ (40,492,234)**	**12%**	**$ 5,253,684**	**$ 342,443**	**7%**
Excluded unrecognized gain/loss on investment		(2,026,946)			(346,508)		



The General Fund's three major revenue sources are sales tax, business license tax and transient occupancy that represent about 42 percent of the Fiscal Year 2025-26 budgeted General Fund revenue. The following are highlights of key revenue results:

- **Sales Tax:** Sales tax revenue during the first quarter of Fiscal Year 2025-26 totaled $0.6 million, which is 9 percent of the annual budgeted amount. This amount reflects a 2 percent increase compared to the lower revenue received in Fiscal Year 2024-25 which reflected that consumer spending remained soft.

- **Business License Tax:** Revenue from the City's business license tax totaled $0.4 million as of September 30th, which was $0.2 million, or 65 percent, increase over last fiscal year due to more tax audit activities incurred during the first quarter of Fiscal Year 2025-26. The major portion of the City's business license tax revenue is received during the third quarter of the fiscal year.

- **Transient Occupancy Tax:** Revenue totaled $1.1 million was $42 thousand or 4 percent higher than Fiscal Year 2024-25.

- **Utility Users Tax:** Revenue totaled $0.7 million, which represents 14 percent of the annual budgeted amount and was lower than the amount received during the same quarter of last fiscal year by $90,000 or 12 percent due to late payments.

- **Cardroom Tax:** Revenue from the cardroom tax totaled $0.4 million at the end of the first quarter, which was higher compared to Fiscal Year 2024-25 by $40 thousand or 12 percent.

- **Licenses and Permits:** Licenses and permit revenue are derived primarily from the Planning & Building Divisions and includes reimbursement/cost recovery revenue from development projects. Receipts for the first quarter totaled $0.8 million, or 37 percent of the budgeted amount, and was $0.1 million or 23 percent more than the amount received during the first quarter of the last fiscal year due to increased development activities.

- **Property Tax:** Property tax revenue of $0.7 million was received during the first quarter of the fiscal year which was $27 thousand or 4 percent higher than last fiscal year. The majority of the City's property tax revenue will be received in December and April.

- **Franchises:** Revenue totaled $0.3 million, which was $21 thousand or 7 percent increase over last fiscal year due to rate increases.

- **Real Property Transfer Tax** (Residential and Commercial): The real property transfer tax was recorded in the general capital fund in the past years. The City Council approved the change of this revenue to be recorded in the general fund effective Fiscal Year 2023-24. Revenue received for this revenue source totaled $60 thousand, which was lower than last fiscal year by $68 thousand or 53 percent.

- **Other Revenues:** Other revenues include miscellaneous fees and charges for items such as vehicle code fines, community services programs, facility rentals and reimbursements received. During the first quarter of the current fiscal year, total revenue received was $0.5 million, which is slightly higher than last fiscal by 5 percent mainly due to higher interest earnings and early billboard payment received offset by lower overtime reimbursement for the Police Department.

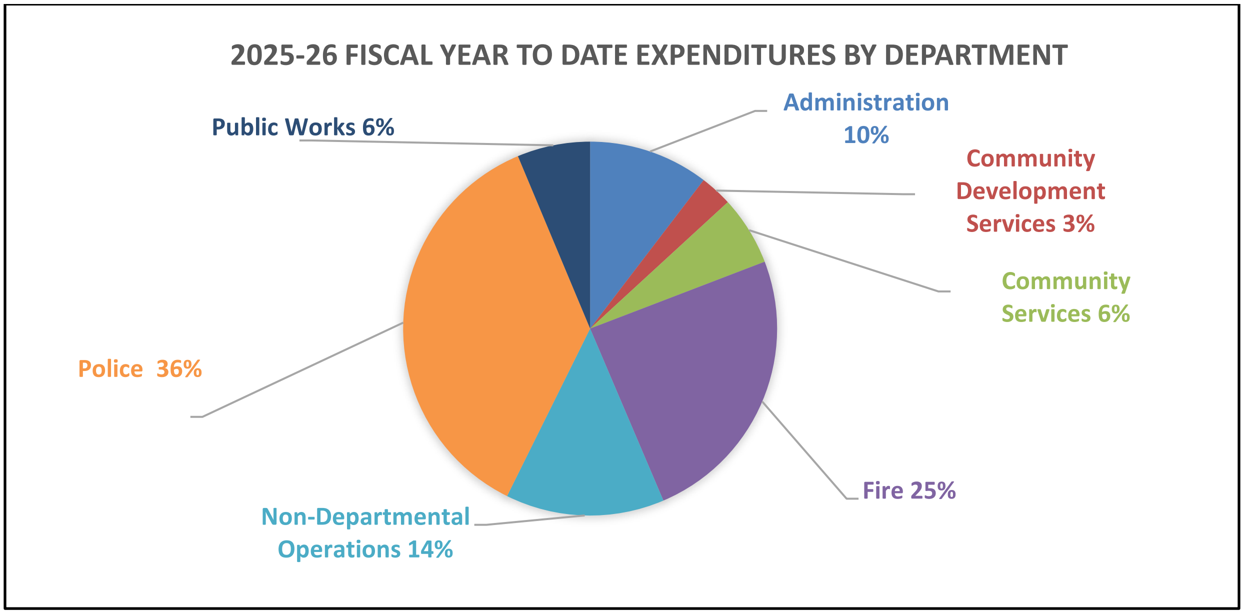
General Fund Expenditures

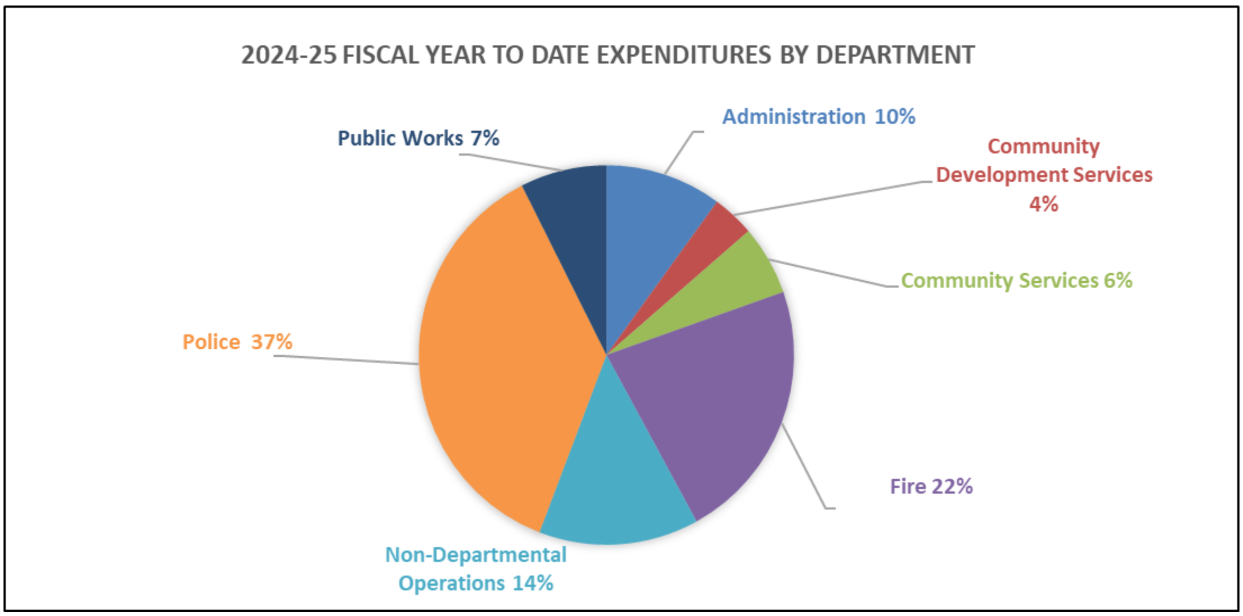
General Fund expenditures for the quarter ended September 30, 2025, totaled $16.5 million, or 30 percent of the $55.5 million annual budget. Typically, with 25 percent of the fiscal year elapsed, expenditure spending would also be around 25 percent. However, some spending is associated with timing, such as payments to CalPERS for the unfunded liability and general liability insurance premiums that occur in July and departments may have for contractual obligations at the beginning of the year, which tend to increase spending above 25 percent.

However, spending thus far is less than last fiscal year. Current spending is $0.6 million, or 4 percent, lower than the first quarter of last fiscal year due to a variety of factors including staffing savings from vacant positions; lower costs for contract services, supplies, education and training, rental and leases and interfund transfers to city programs. The underspending is partially offset by higher costs for overtime, CalPERS retirement costs (unfunded liability) and other operating expenses. Overall, year-to-date expenditures were in line with the approved budget and are summarized by department and by expenditure category below.

Expenditures By Department	FY25-26 Amended Budget	FY25-26 Actual thru Sep 30	Actual vs. Budget Variance	% of Budget (forecast)	FY24-25 Actual thru Sep 30	FY25-26 vs. FY24-25 Variance	
City Council	259,674	52,777	(206,897)	20%	59,681	(6,903)	-12%
City Manager	1,115,731	299,925	(815,806)	27%	234,835	65,090	28%
City Clerk	614,327	144,178	(470,149)	23%	182,054	(37,876)	-21%
City Attorney	872,022	151,154	(720,868)	17%	137,292	13,862	10%
Information Technology	1,037,590	241,717	(795,873)	23%	295,048	(53,330)	-18%
Finance	2,245,548	537,647	(1,707,901)	24%	520,424	17,223	3%
Human Resources	1,281,701	282,171	(999,530)	22%	287,023	(4,852)	-2%
Community Development Services	3,312,284	458,850	(2,853,434)	14%	622,304	(163,454)	-26%
Public Works	5,225,167	1,038,789	(4,186,378)	20%	1,271,569	(232,781)	-18%
Non-Departmental Operations	2,657,606	2,261,079	(396,527)	85%	2,357,543	(96,465)	-4%
Police	19,500,623	5,984,110	(13,516,513)	31%	6,281,727	(297,617)	-5%
Fire	12,798,335	4,018,095	(8,780,240)	31%	3,830,695	187,401	5%
Community Services	4,574,590	987,372	(3,587,218)	22%	1,014,438	(27,066)	-3%
Total	**$ 55,495,198**	**$ 16,457,865**	**$ (39,037,333)**	**30%**	**$ 17,094,633**	**$ (636,768)**	**-4%**

Expenditures By Type	FY25-26 Amended Budget	FY25-26 Actual thru Sep 30	Actual vs. Budget Variance	% of Budget (forecast)	FY24-25 Actual thru Sep 30	FY25-26 vs. FY24-25 Variance	
Staffing	31,244,355	10,989,632	(20,254,723)	35%	11,700,064	(710,432)	-6%
Contract Services	13,583,795	2,125,103	(11,458,692)	16%	2,217,019	(91,916)	-4%
Maintenance	4,063,756	1,013,178	(3,050,578)	25%	1,095,807	(82,629)	-8%
Supplies	1,142,504	155,848	(986,656)	14%	129,609	26,239	20%
Utilities	781,784	171,763	(610,021)	22%	115,401	56,362	49%
Insurance	1,771,465	1,619,443	(152,022)	91%	1,452,933	166,510	11%
Education & Training	88,704	12,998	(75,706)	15%	46,956	(33,959)	-72%
Advertising/Printing & Publication	347,701	58,707	(288,994)	17%	2,800	55,906	1997%
Fees & Charges	442,227	71,115	(371,112)	16%	(11,513)	82,628	-718%
Programs & Grants	160,276	1,728	(158,548)	1%	-	1,728	n/a
Rental & Leases	163,672	1,386	(162,286)	1%	17,024	(15,637)	-92%
Other	556,338	46,770	(509,568)	8%	1,184	45,586	3851%
Capital	19,500	-	(19,500)	0%	-	-	n/a
Transfers Out	1,129,121	190,194	(938,927)	17%	327,349	(137,155)	-42%
Total	**$ 55,495,198**	**$ 16,457,865**	**$ (39,037,333)**	**30%**	**$ 17,094,633**	**$ (636,768)**	**-4%**





Staffing costs of $11.0 million were $0.7 million or 6 percent lower than the first quarter of the last fiscal year due to savings from approximately 17 vacant positions. Vacancy savings have offset known increases in FY 2025-26 including cost of living adjustments, ten days of labor costs for September 2025 recorded in October 2025 due to payroll processing timelines, higher CalPERS unfunded liabilities of $0.5 million and overtime costs of $0.3 million

Contract Services totaled $2.1 million, or 16 percent of the annual budgeted amount, but were $0.1 million or 4 percent lower compared to the first quarter of the last year due to lower costs for legal services, cost recovery reimbursements and development project plan checking fees.

Maintenance costs during the first quarter of the fiscal year totaled $1.0 million or 25 percent of the budgeted amount and were 8 percent lower than the same quarter of last year because of lower vehicle replacement and technology charges offset by higher facility and operating and software subscription expenses.

Supplies were $0.2 million or 14 percent of the annual budget, which were higher than last year by 20 percent as various departments purchased supplies for operations during the first quarter of the current fiscal year.

Utilities costs were $0.2 million or 22 percent of the annual budget and were 49 percent higher compared to the same quarter of the last fiscal year, which reflects increased utility rates and new costs such as the Police Department dispatch/record system and communication licensing.

Insurance costs totaled about $1.6 million, an increase of $0.2 million over the prior fiscal year due to claim’s experience and industry-wide changes in the insurance market. Annual insurance premiums are paid during the first quarter of the fiscal year.

Transfers Out totaling $0.2 million were recorded during the first quarter of the fiscal year. This represents 17 percent of the $1.1 million annual budgeted transfers to support the Emery-Go-Around program and debt service for the current fiscal year and no fund transfer for other City programs being budgeted.

Other operating expenditures total $0.1 million for expenses incurred during the first quarter including costs for advertising and printing, fees and charges, program and grants and other miscellaneous costs offset by the lower costs of education and training, rents and leases compared to the last fiscal year.

FISCAL IMPACT

None. This is an information report.