

22-1

# Supplemental Material

For

## City of Sacramento

City Council  
Financing Authority  
Housing Authority  
Redevelopment Agency

### Agenda Packet

**Submitted:** May 22, 2009

**For the Meeting of:** May 26, 2009

Additional Material  
 Revised Material

**TITLE:** Report Back on FY2009/10 Budget Development

**Contact Information:** Leyne Milstein, Finance Director, Finance Department,  
(916) 808-8491

RECEIVED  
CITY CLERK'S OFFICE  
CITY OF SACRAMENTO  
2009 MAY 22 P 2:34

Please include this supplemental material in your agenda packet. This material will also be published to the City's Internet. For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604, (916) 808-7200.

**Supplemental Budget Information**

Item	Question	Meeting	District	Department to Respond
1	Report back with a plan to free up some of the Transient Occupancy Tax revenues to the Visitors and Convention Bureau and the Metropolitan Arts Commission, and provide a history of actual, budget, and variance for 3 years.	1/20/2009	2	Finance / CCL
2	We divided the City Planning Department into 2 departments - Development Services and Long Range Planning. Each has its own department head and management ranks. Please report back on the savings we can realize by recombining these departments - especially now that the General Plan is nearing completion and development has slowed dramatically.	1/20/2009	2	City Manager
3	We have employees located in a number of buildings around the City. Please report back on all buildings the City owns or leases, what departments or divisions are housed in these buildings, how much of the building is currently in use and what portion vacant, the projected cost of maintenance and repairs to these buildings, and recommendations for moving some of the employees to the vacant spaces.	1/20/2009	2	General Services
4	There are a number of fees the City charges that do not come close to covering the actual costs. Please prepare a list of fees that do not cover the City's cost and recommendations for increasing them to do so.	1/20/2009	2	Finance
5	What is the actual revenue to the City from the Enterprise Funds - in particular, how much revenue are we getting from Golf (even though it is no longer an enterprise fund) and the Marina Funds?	1/20/2009	5	Finance
6	What is the savings on the consolidation of City buildings - Wouldn't it be cheaper to move people out of buildings and into City Hall as there is some open space and look into selling some of these other buildings? Also, since these buildings are assets, how many can we sell? With the staff relocations, we need to consider the Community as well as the operational needs when relocating staff.	1/20/2009	5	General Services
7	In the space on the 3rd floor that our new Mayor now occupies, who was supposed to go in that space and was there supposed to be a savings realized from staff using that space?	1/20/2009	8	City Manager / General Services
8	The \$50m - does this have a cushion at all? When State furloughs go in place we could really lose even more revenues - have we accounted for this? What is our plan if we are off in our estimates? Do we have the appropriate cushion if we under-projected?	1/29/2009	1 / Mayor	Finance
9	Looking at 311 data we are getting - is it possible for potential cost savings based on where the work is and shifting things?	1/29/2009	Mayor	General Services
10	An independent budget analyst should be looked into? What are the benefits of internal auditors and a budget analyst looking at our books?	1/29/2009	Mayor	City Manager / Finance
11	Request that the City Manager at the 2/24 meeting bring back a long term strategy / plan for discussion.	1/29/2009	Mayor	City Manager / Finance
12	Just a few years ago, we had only one Public Information Officer for the entire City. Please report back with a plan to consolidate the PIO function in one office and the cost savings that will result from doing so.	1/20/2009	2	City Manager
13	When is the last time the City faced property tax declines similar to this?	1/29/2009	3	Finance
14	Can we get a report back on the water rates? and Can we get an update on what the impact of not doing the rate increases is?	1/29/2009	1	City Manager
15	In regards to the utility funds and the bad debt is there something we can be doing to go after this bad debt before we lose it?	1/29/2009	1	City Manager

Note: Highlighted questions were delivered to Council in a previous report.

**Supplemental Budget Information**

Item	Question	Meeting	District	Department to Respond
25	I think we need to look at what the President is recommending/suggesting - we need to do shared responsibility and all take a hit so we can keep as many people as possible. Can we look at some of our outsourcing to see what we can do (maybe CRCIP projects) internally by our staff?	1/29/2009	5	Development Services, General Services, and Transportation
26	Joint Powers Authorities Budgets: Last year, the City cut funding for the Human Rights Commission (a JPA on whose board I serve) by \$40,000. For an agency this small, this was a difficult cut to absorb. Please provide information on what other JPA funding cuts the City has made. This is an area where the City can likely save some money, but the Council needs to be assured that these cuts will not harm the core functions of these agencies.	3/17/2009	2	Finance Department
27	Transient Occupancy (TO) Tax Revenues: A report back with a plan to use TO tax revenues for general fund relief (all I've received to date is a history of how these revenues are used).	3/17/2009	2	Finance Department
28	City Fees and Charges: A report back on fees the City charges that do not cover the City's costs.	3/17/2009	2	Finance Department
29	The council needs to be involved in the reprogramming/reprioritization of the CIPs	1/29/2009	2	City Treasurer / City Manager
30	What happens when the State takes \$12 million from our Risk Fund?	5/19/2009	2	Finance / HR
31	Requested more information on the balance between rep and unrep layoffs.	2/10/2009	6	Human Resources / City Manager's Office
32	Federal Stimulus Dollars and the City Budget: According to Congresswoman Matsui's Office, additional federal dollars will be flowing to the City from the recently enacted Comprehensive Appropriations bill. The Council needs a thorough briefing on the Federal Stimulus and Appropriations dollars, including the amounts the City is slated to receive; the conditions, if any, attached to these funds; and the likely impact on the City's budget. For example, per Rep. Matsui's office, we are to receive, along with the County of Sacramento, \$4.7 million to address the issue of homelessness (stimulus package) and \$200,000 for the Sacramento Police Department's Youth Gang Intervention/Prevention Program (appropriations bill). Council should be providing policy direction with regard to the stimulus dollars and receiving timely information with regards to federal dollars flowing from the appropriations measure and the pending federal budget. Without this information, it will be very difficult for the Council to make good decisions with regard to next year's budget.	3/17/2009	2	Government Affairs
33	Please review the Parks report that the community submitted and return to Council with a report back and recommendations on the proposal.	5/19/2009	Mayor	Parks
34	Are the cuts being proposed in Parks proportional across all Parks and Recreation services - of the proposed cuts proportional among line staff, front line supervisors and managers?	5/19/2009	6	Parks
35	We need to re-look at our youth activities - we just had an adopt a park program in the City and we need to look at evaluating options from this program as we address the community proposal submitted.	5/19/2009	1	Parks
36	Can we get a report back on the 11 youth programs proposed for elimination/reduction in low income areas - are those proportional to higher income areas of the City?	5/19/2009	1	Parks

Note: Highlighted questions were delivered to Council in a previous report.

**Supplemental Budget Information**

Item	Question	Meeting	District	Department to Respond
	Public Information Officer (PIO) Savings: What cost savings can be realized from reducing the number of Public Information Officers in various departments and replacing them with one. (So far, all I've gotten is a job description for PIOs and an explanation of why we have so many of them; what I want is a dollar amount.)	3/17/2009	2	City Manager / Government Affairs
	Consolidation of Services: On the issue of combining Development Services and Long Range Planning into one department, and pulling the functions now performed by the Sacramento Housing and Redevelopment Agency into city government, I have been advised that staff is looking into these matters. Please try to provide this information in advance of the budget hearings.	3/17/2009	2	City Manager
	Staff have been calling indicating that the cuts amongst line and management - I need to know the salary cuts - are we moving management into other positions and keeping the salaries the same? How much have management salaries factored into the proposed cuts vs. line staff cuts.	5/19/2009	2	CMO / Finance
	County JPAs - what is the County doing with this and what is the impact to us?	5/19/2009	2	Finance
	Could we get an update from the County Assessor on where we are currently? We have received reports indicating 4% to 56% moving forward and can do more work on this and report back.	5/19/2009	Mayor	Finance

Note: Highlighted questions were delivered to Council in a previous report.

# Supplemental Budget Information – Item 31

## Question:

Please provide a report back on the details of the balance between represented and unrepresented layoffs in all departments.

## Response:

The following provides an overview of represented and unrepresented staffing reductions by department for the 2009/10 fiscal year:

FY2008/09 Funded FTE	Unrepresented		Represented	Total	Unrepresented as a % of total	Represented as a % of total
	Exempt Management	Admin/Confidential & Management Support				
All City Departments	583.70	263.50	4,096.57	4,943.77	17.1%	82.9%

FY2009/10 Proposed Unfunded FTE Detail by Department	Unrepresented		Represented	Total	Unrepresented as a % of total	Represented as a % of total
	Exempt Management	Admin/Confidential & Management Support				
Manager	2.00	-	-	2.00	100.0%	0.0%
Attorney	2.00	2.00	-	4.00	100.0%	0.0%
Clerk	-	1.00	-	1.00	100.0%	0.0%
Treasurer	3.00	-	-	3.00	100.0%	0.0%
Finance	4.00	-	-	4.00	100.0%	0.0%
Information Technology	6.50	3.00	2.00	11.50	82.6%	17.4%
Human Resources	1.25	3.00	-	4.25	100.0%	0.0%
Labor Relations	-	1.00	-	1.00	100.0%	0.0%
Fire	-	-	50.00	50.00	0.0%	100.0%
General Services	6.00	4.00	24.50	34.50	29.0%	71.0%
Transportation	2.00	-	23.95	25.95	7.7%	92.3%
Neighborhood Services	1.00	2.00	1.00	4.00	75.0%	25.0%
Convention, Culture & Leisure	1.00	-	2.36	3.36	29.8%	70.2%
Economic Development	3.00	-	-	3.00	100.0%	0.0%
Parks & Recreation	4.00	3.00	137.70	144.70	4.8%	95.2%
Code Enforcement	1.00	1.00	6.00	8.00	25.0%	75.0%
Development Services	8.00	1.00	74.00	83.00	10.8%	89.2%
<b>Grand Total</b>	<b>44.75</b>	<b>21.00</b>	<b>321.51</b>	<b>387.26</b>	<b>17.0%</b>	<b>83.0%</b>

# Supplemental Budget Information – Item 33

## Question:

Please review the Parks report that the community submitted and return to Council with a report back and recommendations on the proposal.

## Response:

“Rescue Sacramento Parks” presented a report and recommendations to City Council to preserve park maintenance services in the face of General Fund reductions. The Department of Parks and Recreation (DPR) appreciates the support and advocacy of the citizen group, and agrees with their assessment that the reductions would bring park maintenance service down to a level that is not acceptable and that labor concessions would greatly alleviate layoffs and substantially restore service levels.

However, DPR does not agree that park maintenance should be fully restored at the expense of recreation programs and services; park planning, design and development; grant administration; and other crucial administrative and fiscal services. DPR is a full service department and all services in the department have been asked to share in the reductions ranging from 24 - 43%, with Park Planning, Design and Development assuming the largest proportionate share. Park maintenance is being reduced by 34% (after some restoration with new, non general found sources from property assessments). The proposed reduction for Recreation is 31%, which includes the closure of three community centers, two clubhouses, elimination of recreation swim at five pools, and reductions to youth and older adult services.

Following is a response to the seven recommendations brought forward by “Rescue Sacramento Parks” and staff’s recommendations to City Council:

1) Refocus Lay-Offs on Mid and Upper Pay DPR Employees: Reductions encompass all layers of staffing in the department and are planned to provide a minimal level of management and supervisory oversight to operations. DPR is unique in City operations in that the majority of staff are seasonal and non-career. At any one time during the year, staffing levels range from 1,600 – 2,000 employees. Even with a combined reduction of 52% in the General Fund since July 1, 2008, line staff would continue to make up the majority of the workforce.

Over the past two years, management has been reduced both in number and layers, and span of control continues to increase. At the same time, the volume and complexity of managing and complying with grants and other non general fund sources and related agreements has increased. Currently, there are 44.2

4) Increase Park User Fees: Staff continues to evaluate fee rates and related revenues. To help mitigate General Fund reductions for Fiscal Years 2009 and 2010, Council approved recommended new fees and fee increases for a number of services including: field use by youth organizations, picnic area use, swimming pool admissions, community center room rentals, access leisure, and sports, enrichment and dance programs.

“Rescue Sacramento Parks” recommends a review of the fee structure for large events. Staff will review the structure in Fiscal Year 2009/10 and recommend any changes to further recoup City costs.

5) Temporarily Reclassify Permanent Employees to Temporary Status: The determination to withdraw benefits from career or permanent staff for a period of time would largely be an item of negotiation, as most of DPR’s career employees are represented by Local 39.

6) Privatize Basic Park Maintenance: DPR concurs with “Rescue Sacramento Parks” that there are cost savings in contracting out basic park maintenance, estimated to be in excess of 40%. However, the service level would be minimal and response to customers would be reduced. Privatization of basic park maintenance would continue to require City staff to provide contract management and inspection, and more specialized services including irrigation system oversight and emergency repair and oversight of park facilities such as playgrounds, tot lots, all-weather fields, sports courts, picnic and seating areas. The Council may wish to make a policy determination regarding contracting basic park maintenance services.

7) Joint Maintenance Agreements with Other Agencies: DPR will continue to engage other agencies for joint maintenance such as securing grants through the Sacramento Employment and Training Agency, and paying for services through agreements with other agencies such as the Sacramento Local Conservation Corps and Sacramento County for the “Work Release Program”. Note such service agreements require budgetary commitments.

In addition, DPR continues to expand its “Adopt A Park” and volunteer programs. “Adopt A Park” opportunities vary by season and include but are not limited to: gardening, weeding, pruning, planting, brush clearing, spreading mulch, litter and invasive plant removal, and playground or play field preservation or improvement. DPR has 11,000 volunteers that are integral to maintaining services throughout the department. Only one department in the City utilizes more volunteers than DPR.

# Supplemental Budget Information – Item 35

**Question:**

How does the City's "Adopt A Park" Program address the recommendations made by "Rescue Sacramento Parks"?

**Response:**

As stated in Item #1, DPR continues to expand its "Adopt A Park" and volunteer programs which will help mitigate General Fund reductions. "Adopt A Park" opportunities include gardening, weeding, pruning, planting, brush clearing, spreading mulch, litter and invasive plant removal, and playground or play field preservation or improvement. DPR has 11,000 volunteers that are integral to maintaining services throughout the department.

# Supplemental Budget Information – Item 37

## **Question:**

Have we looked at our non-profit partners to make sure that we aren't losing more value in services? What do we lose as a community by cutting \$26,000 in General Fund grants for Stanford Settlement?

## **Response:**

DPR has a long history of successfully collaborating with a number of non-profit organizations, school districts and governmental agencies, and greatly values the services provided in concert with partners.

At the 35% level of reductions in the General Fund, the magnitude and depth of proposed service reductions for City services will have significant impacts on those who rely on and enjoy those services. Proposals will result in the complete closure of community centers, clubhouses, reduced hours at swimming pools, and reduced or eliminated programs for children, teens, adults and older adults. Continuing to fund our non-profit partners would require further reductions to City run programs. It is unfortunate that the funding reductions proposed for DPR's non-profit partners will also affect children, teens, adults and older adults. However, it is not inconsistent with the recommended actions for City programs.

# Supplemental Budget Information – Item 39

## Question:

Please provide more information on the balance between represented and unrepresented layoffs in Development Services.

## Response:

Layoffs in DSD began in November 2007 with the discharge of 3 limited term employees and temporary employees. The second round occurred in March of 2008 with the layoff of twenty-eight (28) permanent employees. The third round occurred in January of 2009 with the layoff of eight (8) permanent employees. The fourth round occurred in February of 2009 with the layoff of twenty-three (23) permanent employees. The fifth round will occur in June of 2009 with the layoff of twenty-four (24) permanent employees.

The total number of represented and unrepresented employees affected by layoff is as follows: (includes proposed layoffs)

Total represented: 76

Total unrepresented: 10 (including limited term)

In addition, the Voluntary Separation Program (VSP) accounted for the following reductions in workforce: (includes anticipated VSP's)

Total represented: 11

Total unrepresented: 3

Further, a total of 35 vacant positions (non VSP) were eliminated. A grand total of 135 out of 221.5 positions were eliminated from DSD since the beginning of the economic downturn.

The business decisions for this extraordinary reduction in employee services were based on maintenance of statutorily mandated services and customer needs to sustain as much economic growth as possible through the services of DSD.

Maintaining the appropriate ratio of supervisory to line staff was a key factor in making staffing decisions. Decisions were not primarily based on the ratio of represented to unrepresented staff. It is important to note that there are represented staff who have supervisory duties and conversely there are unrepresented staff who have no supervisory or management duties.

# Supplemental Budget Information – Item 40

## Question:

Please provide a report back on the details of the management promotions in Development Services.

## Response:

Due to an anticipated \$8.5 million revenue deficit and a \$2 million General Fund reduction, the Development Services Department is proposing labor reductions totaling 24 FTE for fiscal year 2009-2010. These 24 positions are in addition to 111 positions that were eliminated in prior year reductions. With a substantially reduced staff in key positions from layoff, the Voluntary Separation Program, and vacancy elimination, several of these key positions had to be filled in order to maintain statutorily mandated and essential services in the department.

Thus, four fully funded and vacant positions were filled under a “promotional only” recruitment. The City’s promotional recruitment and interview process was used. The positions were posted and eligible candidates were selected by the Human Resources Department. Selected candidates were interviewed by a panel consisting of represented and unrepresented employees from DSD. The panel submitted the top three finalists to the Director for final recommendation. Of the four positions, three were filled by represented employees.

The promotions and positions filled were as follows:

- Customer Services Representative (represented) to Administrative Technician (unrepresented)
- Development Services Technician (represented) to Program Analyst (unrepresented)
- Accounting Technician (represented) to Program Analyst (unrepresented)
- Administrative Officer (unrepresented) to Program Manager (unrepresented)

# Supplemental Budget Information – Item 42

## Question:

How much are we paying for memberships related to Economic Development - SACTO, SARTA and the Metropolitan Chamber of Commerce? What is the region vs. City of Sacramento benefit?

## Response:

Sacramento Metropolitan Chamber of Commerce \$10,000

The Metro Chamber is a regionally focused organization whose membership includes 1,183 business representing over 86,000 employees in the City of Sacramento. The Chamber provides multiple services to these businesses and partners with the City on many business retention and expansion efforts. The Chamber offices and most of its 90 events per year are hosted in the City. The Chamber's State of the City Address is a major annual event on behalf of the City. The Chamber aligns much of its legislative agenda with the City and is a major promoter of the City and the region.

Sacramento Area Commerce and Trade Organization \$45,000

SACTO is the region's leading facilitator for business attraction efforts. It brings together the organizations, information and resources in the pursuit of jobs, talent and investment needed to ensure regional prosperity and global competitiveness. Over the last 33 years, SACTO has assisted hundreds of companies locate and expand in the region, generating billions of dollars of investment and strengthening the economy. Over the past year SACTO has been instrumental in the attraction of 6 new businesses to the City of Sacramento and an additional 4 for the region.

Sacramento Area Regional Technology Alliance \$25,000

SARTA is a non-profit organization founded to foster entrepreneurial growth and attract investment capital to the greater Sacramento region. SARTA has many partnerships with local government. Among others some examples include: CleanStart to accelerate the development of clean energy technology ventures within the region, MedStart to build and strengthen the medical technology industry in the region, and VentureStart to connect entrepreneurs to regional investment resources, management talent and complementary companies and entrepreneurs. The many promotional efforts of SARTA help promote City industries and growth. A few examples include the Liquidity Event (Mayor Johnson emceed in January), MedStart launch, Tech Index Celebration, PowerSurge clean tech event, HiTech Forums, the Entrepreneurial Breakfast (June 11 at Sac State), TechSurge event (July 16 at Citizen Hotel rooftop terrace), MedStart event (Sept. 30 at UCDCMC), Sacramento Clean Tech Showcase (July 16 at Sac State).