

Proposed Budget

Fiscal Year 2010/11

CITY OF SACRAMENTO



PROPOSED

CITY OF SACRAMENTO

FISCAL YEAR 2010/11 BUDGET

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Mayor

RAYMOND L. TRETHEWAY III
Councilmember, District 1

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Councilmember, District 2

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Councilmember, District 3

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Councilmember, District 4



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**City of Sacramento
California**

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Sacramento, California** for its annual budget for the fiscal year beginning **July 1, 2009**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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SECTION – 1

Budget Message

FY2010/11 PROPOSED BUDGET

Unprecedented Times Require Extraordinary Actions

Like other government agencies locally and across the country, the City of Sacramento continues to face significant budget challenges. With the nation facing what is frequently referred to as the most significant economic downturn since the Great Depression, it is very apparent that the economic decline is not short-term. Many have referred to this unprecedented change of the economy at all levels as the “new normal.” For the City of Sacramento, the “new normal” requires that we define a new organization that reflects the changed economy and work towards a sustainable budget. To achieve this, we must take bold measures to rightsize the organization and position the City to continue services to the community.

Faced with an estimated \$43 million gap in its General Fund budget, the City must take a different approach to allocating resources and use creative solutions to minimize service impacts. To that end, over the past six months, staff has undertaken a comprehensive review and evaluation of current services and programs which categorized each program or service as mandatory, essential or existing. The purpose of the process was to present the City Council with an inventory and hierarchy of current services and programs to assist in decision-making. Concurrently, a Citywide Financial and Operational Review commissioned by the City Council will provide recommendations and strategies for consideration in closing the budget gap.

City Council Adopted Strategies and Principles:

Budget Development Strategies

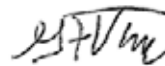
- Alternative Service Delivery
- Streamlining the Organization
- Revenue Improvements
- Planned Use of One-time Reserves

Fiscal and Organizational Principles

- Develop a Sustainable Budget Plan
- Balanced Budget for FY2010/11
- Use One-time Resources Strategically
- Balance Layoff Impacts with Service Level Decisions
- Address “Full Service City” Status

The Proposed Budget provides a plan for achieving a sustainable budget over the next three years. This three-year rightsizing of the organization incorporates a balanced approach of reductions, revenues, cost savings measures and strategic use of one-time funds.

Sincerely,



Gus Vina,
Interim City Manager



THE CHALLENGE

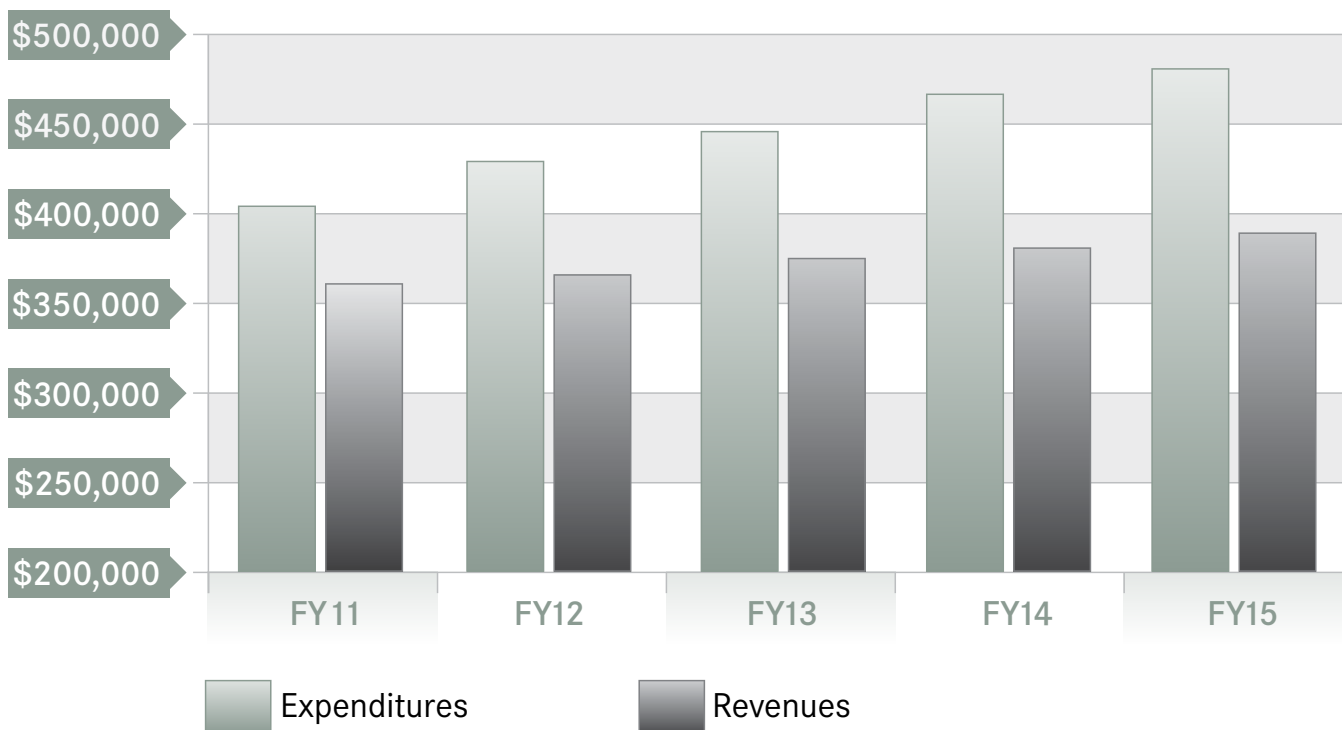
Balance a Budget in the Face of the Most Severe Economic Downturn Since the Great Depression

Major General Fund tax revenues are in significant year-to-year decline resulting in a continuing decline in City revenues. Property tax revenues have declined by approximately 9%, or \$12 million, since the peak in FY2008/09 while sales tax receipts have declined by approximately 22%, or \$15.5 million, from the high in FY2006/07. The resulting “structural budget deficit” is inevitable, as there is not adequate revenue capacity over the next five years to fund existing costs and future increasing expenditure requirements.

It is important to understand the unprecedented nature of the revenue loss the City has experienced as it means that recovery to pre-2007 levels will take a long time. Over the past several years we have reduced General Fund expenditures by \$108 million using a combination of across the board cuts, use of reserves, labor concessions and one-time funds. In many areas the cumulative reduction is over 50% from three years ago. Despite these efforts, the economic picture indicates a long-term condition which requires a change in approach to achieve fiscal balance.

General Fund Five-Year Forecast

(\$ in 000s)

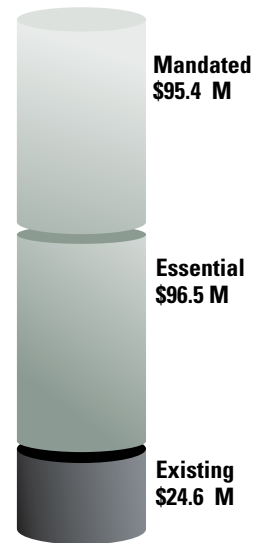


COMPREHENSIVE REVIEW AND EVALUATION OF EXISTING SERVICES AND PROGRAMS

Over the past six months, staff has undertaken a comprehensive review and evaluation of current services and programs which categorized each service as mandatory, essential or existing. The purpose of the process was to present the City Council with an inventory and hierarchy of current services and programs to assist in decision-making. This process, referred to as Program Oriented Development (POD) focused on the fundamental question of government in general - why are we here? We inventoried and reviewed every program and service in the City - from police patrol to after-school programs to building code enforcement - to document what we do, why we do it, and how we do it.

In response to the long-term outlook, in some areas the City will need to change what we do and/or the way we do it. This will require fundamental changes in the programs and services we deliver, and in some cases, in the way we fund and deliver those services.

**Operating
Departments Net
General Fund**
\$216.5 Million



FOCUSING ON SERVICES THAT MATTER MOST

Mandated Services	\$95.4 M
Does the City have the authority to stop doing it? <ul style="list-style-type: none"> Is it required by law (Federal or State) to provide this service? Is it required by the City Charter? Is there an irrevocable agreement from which the City has no relief? 	
Essential Services	\$96.5 M
Level 1 - Life/Safety: Does someone risk bodily harm or death if we stop doing it? <ul style="list-style-type: none"> Is it critical that we provide the service to prevent death or injury? Is there an urgency factor to providing the service to prevent death or injury? 	\$67.2 M
Level 2 - Public Health: Is there a significant public health risk if the service is not provided? <ul style="list-style-type: none"> Is it critical that we provide the service in a timely manner to avoid a major health risk to the community? 	\$3.3 M
Level 3 - Risk/Liability - Is there a significant risk/liability exposure to the City if the service is not provided? <ul style="list-style-type: none"> Is it critical to provide the service in a timely manner to avoid significant liability exposure to the City? Would the likely level of exposure exceed the cost of providing the service? 	\$26 M
Existing Services	\$24.6 M
All other programs and services.	

CLOSING THE GAP - A BALANCED APPROACH

The Proposed Budget provides a plan for achieving a sustainable budget over the next three years. This three-year rightsizing of the organization incorporates a balanced approach of reductions, revenues, cost savings measures and strategic use of one-time funds.

The Proposed Budget balances the estimated \$43 million General Fund gap through: \$14.6 million in program and service level reductions based on the POD effort; \$19.6 million in reductions related to employee service costs, and the use of \$8.8 million in one-time resources. The \$19.6 million in labor costs were reduced through unfunding all current vacant positions and capturing approximately \$5.6 million in savings from labor concessions. This strategy also includes a framework for additional adjustments to be implemented during the coming budget year to offset the use of one-time funding and begin to address the FY2011/12 budget.

Permanently closing the gap will require hard decisions relative to program and service priorities and discipline to ensure that we are implementing long-term solutions to achieve a long-term sustainable budget.

Strategies	FY2010/11	FY2011/12	FY2012/13
Deficit	(43.00)	(63.30)	(74.80)
Eliminate Vacancies	14.00	14.00	14.00
Labor Concessions	5.60	5.60	5.60
POD Reductions (July 1)	10.20	10.20	10.20
POD Reductions (Midyear)	4.40	8.80	8.80
One-Time Resources	8.80	-	-
New Revenues	-	15.00	15.00
Other Strategies	-	9.70	21.20
Total (\$ in millions)	-	-	-

Looking Ahead...

The budget process includes a series of budget hearings that provide the public the opportunity to speak on budget issues and priorities. All hearings will be held at City Hall Council Chambers (915 I Street, Sacramento CA 95814) starting at 6:00 PM.

Friday, April 30	Release of Proposed Budget
Tuesday, May 11	FY2010/11 Budget Kickoff
Tuesday, May 18	Budget Hearings
Tuesday, May 25	Budget Hearings
Tuesday, June 1	Budget Hearings
Thursday, June 10	Budget Hearings
Tuesday, June 15	Budget Hearings
Thursday, June 17	Hold if Necessary
Tuesday, June 22	Budget Adoption

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SECTION – 2

Proposed Budget Overview

INTRODUCTION

Like other government agencies locally and across the country, the City of Sacramento continues to face significant budget challenges. With the nation facing what is frequently referred to as the most significant economic downturn since the Great Depression, it is very apparent that the economic decline is not short-term and as such, the City can no longer afford the status quo. Many have referred to this monumental contraction of the economy at all levels as the “new normal.” For the City of Sacramento, the “new normal” requires that we define a new organization that reflects the changed economy and work towards a sustainable budget. To achieve this, we must take bold measures to rightsize the organization and position the City to continue services to the community.

Early estimates indicated the FY2010/11 budget gap would be approximately \$40 million. However, with the continued decline in both property and sales tax revenues and increased expenditures, including adjustments necessary to reflect increased utility costs for General Fund programs required by Proposition 218 and the addition of the Office of the Independent Budget Analyst, this estimate has increased to \$43 million. This budget gap represents the third consecutive year of reductions in the General Fund.

It is important to understand the unprecedented nature of the revenue loss the City has experienced as it means that recovery to pre-2007 levels will take a long time. Over the past several years we have reduced General Fund expenditures by \$108 million using a combination of across the board cuts, use of reserves, labor concessions and one time funds. In many areas the cumulative reduction is over 50% of the General Fund budget from three years ago. Despite these efforts, the economic picture indicates a long-term condition that requires a change in approach to achieve fiscal balance.

The proposed budget is a plan for achieving a sustainable budget over the next three years. This three-year rightsizing of the organization incorporates a balanced approach of reductions, revenues, cost savings measures and strategic use of one-time funds.

Over the past six months, staff has undertaken a comprehensive review and evaluation of current services and programs which categorized each service as mandatory, essential or an existing program. The purpose of the process was to present the City Council with an inventory and hierarchy of current services and programs to assist in decision making. This process, referred to as Program Oriented Development (POD), is described in further detail below.

The proposed budget balances the General Fund through: \$14.6 million in program and service level reductions based on the POD effort; \$19.6 million in reductions related to employee service costs, and the use of \$8.8 million in one-time resources. The \$19.6 million in labor costs were reduced through unfunding all current vacant positions and capturing approximately \$5.6 million in savings from labor concessions. This strategy also includes a framework for additional adjustments to be implemented during the coming budget year to offset the use of one-time funding and begin to address the FY2011/12 budget.

These reductions represent permanent and ongoing cost reductions, a key element of implementing a sustainable budget. The chart below outlines the Proposed Budget and the initial steps in the three-year plan to close the budget gap:

(\$ in Millions)			
Strategies	FY2010/11	FY2011/12	FY2012/13
Deficit	(43.00)	(63.30)	(74.80)
Eliminate Vacancies	14.00	14.00	14.00
Labor Concessions	5.60	5.60	5.60
POD Reductions (July 1)	10.20	10.20	10.20
POD Reductions (Midyear)	4.40	8.80	8.80
One-Time Resources	8.80	-	-
New Revenues	-	15.00	15.00
Other Strategies	-	9.70	21.20
Total	-	-	-

Detailed information on the proposed POD reductions and the associated impacts will be provided during the May budget hearings.

Overall, the FY2010/11 Proposed Budget totals \$885.7 million from all funding sources. The General Fund portion of the Proposed Budget is \$360.3 million. It is important to note that the Proposed Budget does not include FTE adjustments associated with POD reductions. As such, final FTE will be adjusted to reflect actual approved reductions and will be included in the Approved Budget. A summary of changes in appropriations reflecting new and changes to existing multi-year projects is included as Exhibit 1 to the budget resolution.

THE GENERAL FUND

FY2010/11 Budget Development: A Balanced Approach to a Sustainable Budget

On February 11, 2010, as part of the budget development process, the City Council held a workshop to discuss the status of the City's budget and potential strategies to rightsize the organization. As part of the workshop, the Council adopted both strategies and fiscal and organizational principles to guide the development of the FY2010/11 Proposed Budget. These strategies and principles reflect the overarching goal of a balanced approach to a sustainable budget.

Given this concept of fiscal sustainability, Council adopted the following strategies and principles for the development of the FY2010/11 Proposed Budget:

BUDGET DEVELOPMENT STRATEGIES

- ✓ Alternative Service Delivery
- ✓ Streamlining the Organization
- ✓ Revenue Improvements
- ✓ Planned Use of One-Time Reserves

FISCAL AND ORGANIZATIONAL PRINCIPLES:

- ✓ Develop a Sustainable Budget Plan
- ✓ Balanced Budget for FY2010/11
- ✓ Use One-Time Resources Strategically
- ✓ Balance Layoff Impacts with Service Level Decisions
- ✓ Address Full Service City Status

It is within this context, after two consecutive years of reductions, that we continue the monumental task of rightsizing the organization. Given the size of the challenge, and the fact that on-going efforts to align revenues and expenditures have not been able to keep pace with the significant year-to-year revenue decline, it is critical that future reduction efforts reflect the need to initiate major changes or we will not be successful in reaching our goal of fiscal sustainability.

Program Oriented Development (POD) Review

Trimming at the margins, incremental decisions implemented over the past two fiscal years, and across the board reductions are no longer effective means of expenditure reductions. When a program has been reduced by over 50% additional cuts likely render it ineffective. In response to the “new normal,” in some areas the City will need to change what we do and/or the way we do it. This will require fundamental changes in the programs and services we deliver and in some cases in the way we fund and deliver those services.

The need to change the way we do business is reflected in the December 2009 Government Finance Review, “The current budget crises faced by all levels of government today are as urgent and provocative a call as any for government innovation...Governments will need to find ways to cut costs by doing things differently.”

At the February workshop the City Manager introduced the POD Review as a method of strategic analysis to identify/inventory the City’s programs and services, establish a starting point of hierarchy and to ultimately determine which programs and services must be provided, which can be modified and what we can no longer afford. The outcome is the consideration of the role of city government and a renewed focus on the delivery of the most essential/core services. This type of review requires that we return to the service focus of government in general – why are we here?

As part of the POD Review, City departments were asked to provide the following information relative to all programs and services:

- ▣ What we do?
- ▣ Why we do it?
- ▣ How we do it?

Programs and services were then prioritized based on the following criteria:

Mandated Services

Does the City have the authority to stop doing it?

- Is it required by law (Federal or State) to provide this service?
- Is it required by the City Charter?
- Is there an irrevocable agreement from which the City has no relief?

Essential Services

Level 1 – Life/Safety

Does someone risk bodily harm or death if we stop doing it?

- Is it critical that we provide the service to prevent death or injury?
- Is there an urgency factor to providing the service to prevent death or injury?

Level 2 – Public Health

Is there a significant public health risk if the service is not provided?

- Is it critical that we provide the service in a timely manner to avoid a major health risk to the community?

Level 3 – Risk/Liability

Is there a significant risk/liability exposure to the City if the service is not provided?

- Is it critical to provide the service in a timely manner to avoid significant liability exposure to the City?
- Would the likely level of exposure exceed the cost of providing the service?

Existing Services

All other programs and services

A summary of the inventory of programs and services in each priority category is included for review at the end of this document. The information is grouped by department and includes a brief description, the number of FTE and the net General Fund cost. While this inventory provides the basis for the initial consideration of reductions, consideration of levels of service, alternative delivery models, and cost recovery will also be included in the final evaluation and recommendation of reductions.

In some cases, there will be programs and services that the City will no longer be able to fund and deliver. The reality is that the City will be forced to do less with less, relative to programs and services and available resources.

The Proposed Budget includes \$14.6 million in reductions based on the POD Review, \$10.2 million to be implemented effective July 1, 2010, and an additional \$4.4 million to be implemented January 1, 2011. Specific service level impacts related to the July 1, 2010, POD reductions will be discussed during the budget hearings in May and June. Midyear reductions will be presented to Council in fall 2010.

The Economy and the General Fund Five-Year Forecast

Foreclosures continue, unemployment is increasing and incomes continue to fall. As the revenues associated with the “wealth effect” (increasing home values provided borrowing capacity that increased both property and sales tax receipts) evaporated, state and local government property tax and sales tax revenues plunged, resulting in the need for governments to reduce spending, further reducing jobs and salaries, leading to additional reductions in local government revenues. This spiraling effect continues to impact the City’s budget situation. In this “new normal” effectively, two of the most significant drivers of the economy, jobs and salaries have been changed forever. The unfortunate result is that the gap between ongoing expenditures and revenues continues, even after very deep expenditure reductions were implemented in the prior two fiscal years.

Major General Fund tax revenues, primarily property taxes and sales taxes, are in significant year-to-year decline. The resulting “structural budget deficit” is inevitable as there is not adequate revenue capacity over the next five years to address existing and future expenditure requirements.

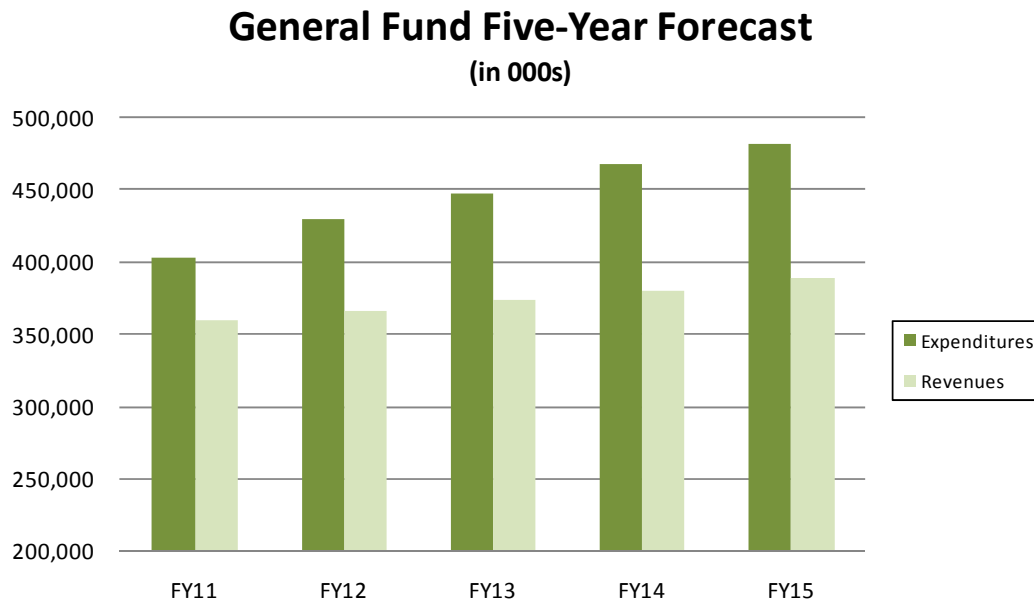
According to the latest projections from the University of California Los Angeles (UCLA) Economic Forecast, the state’s economic recovery will be slow and unemployment will remain above 10 percent through the end of 2011. UCLA economists believe that the lag in consumer spending, as consumers remain heavily in debt, is one of the main reasons that the recovery will be further protracted. The sluggish recovery of the housing market is another factor in the economic recovery. Where new home starts are often a leading indicator of a recovery, to date there is no significant increase in construction activity. In Sacramento, this is further exacerbated by the building moratorium in the northern part of the City.

What we do know is that the recovery will be slow. When consumer confidence is high, more is spent on goods and services and local government reaps the benefits through increases in sales tax collections. The declining real estate market, coupled with the struggling economy has effectively stymied consumer confidence, resulting in less consumer spending and in the City, resulted in a significant decline in sales tax revenues. Further, as businesses rebuild and start to grow again, many jobs may never be restored. The State of California Department of Finance noted the disparity between the numbers of long-term unemployed and the mismatch between their skills and available jobs. As a result, many economists are estimating that California’s unemployment rate will stay in the double digits well into 2012. The impact of this new economy on the City’s revenue base has been dramatic.

The following table summarizes the estimated major revenue sources for FY2010/11 compared to the FY2009/10 Approved Budget estimates (dollars in thousands):

Revenue Type	Approved FY2009/10	Proposed FY2010/11	\$ Change	% Change
Property Taxes	130,416	124,410	(6,006)	-5%
Sales & Use Taxes	62,205	53,995	(8,210)	-13%
Utility User Taxes	60,320	57,820	(2,500)	-4%
Other Taxes	24,482	21,917	(2,565)	-10%
Total:	277,423	258,142	(19,281)	-7%

It is important to note that revenue decline is not the only factor in the continued structural deficit. Prior commitments for labor contracts, increasing retirement costs associated with prior year market losses, and the loss of substantial grant funding will continue to add significant costs to the City's budget over the next several fiscal years. The following graph depicts the ongoing gap in the General Fund, and the growth over the five-year forecast period:



Given these realities, the current level of annual funding commitments is not sustainable. The five-year forecast reflects a cumulative deficit of \$100 million if further reductions are not implemented in FY2011/12 and beyond. In addition, the Proposed Budget does not include adjustments that may be necessary as a result of state or county budget actions. As such, it may be necessary to make further budget adjustments to account for the actions of these external entities.

Tools and Opportunities

The City will continue to face substantial challenges in returning to a long-term structurally balanced General Fund budget. As discussed above, addressing this challenge will require difficult decisions relative to which programs and services are funded and at what level. We must also consider new ways of delivering programs and services. We have already taken many actions, including aggressively managing hiring, cutting and deferring expenses, moving towards full cost recovery of fee-supported services, and scrubbing all opportunities to identify unspent dollars to address the gap between revenues and expenditures.

In November 2009, the City Council authorized an independent financial and operational review to identify additional opportunities to further maximize resources through cost-savings measures, efficiencies and revenue opportunities. Management Partners was engaged to complete this scope of work and has been working closely with City staff to gather information and develop

recommendations. Management Partners presented a status report to the Council in February, and will bring final recommendations to Council for consideration in May as part of the budget hearings. Staff anticipates that the recommendations will be prioritized with those strategies yielding the most immediate potential for cost savings and/or revenue enhancements for earliest consideration.

In addition, the City has been considering several revenue options including: modernizing our business operations tax, adopting a parking tax, adoption of a parcel tax, and expanding the City's community facilities assessment districts citywide as cuts alone will not balance our future budgets.

According to the Government Finance Officers Association, consideration of new taxes, with a strong nexus to benefit is a "...very fair way to finance public services when (the) tax burden is borne by those who receive the benefit." These options will be outlined for Council consideration during budget hearings.

In recent years, the City has used a substantial portion of the General Fund Economic Uncertainty Reserve to provide the time necessary to implement long-term reduction strategies, and to mitigate even greater reductions in services. The use of one-time resources to bridge the gap between revenues and expenditures defers, but does not eliminate, the need to reduce costs. As a result, to the extent one-time funding is utilized, the City will need to continue to reduce expenditures or implement long-term revenue growth strategies in order to backfill the use of one-time resources. The current balance in the Economic Uncertainty Reserve is \$10.5 million, approximately 3% of the estimated FY2010/11 General Fund revenues.

The General Fund – Moving Forward

The City's challenge for FY2010/11 is to effectively implement a multi-year plan to close the gap between revenues and expenses in the General Fund, thus achieving a fiscally sustainable budget. The deficit will persist unless ongoing corrective actions are taken. As we have discussed above, permanently closing the gap will require difficult decisions relative to program and service priorities and discipline to ensure that we are implementing long-term solutions to address the City's financial challenges. There are no easy answers. However, it is our responsibility as the leadership of the City of Sacramento, to formulate a balanced, sustainable organization that will weather these difficult times and be poised to move forward when the economy improves.

THE ENTERPRISE FUNDS

The City's Enterprise Funds are also challenged as a result of the economic crisis. In the Utilities Enterprise Funds, the costs continue to increase for a number of critical items necessary to deliver services such as labor, fuel, chemicals, and utilities. The downturn of the housing market has also created shortfalls in projected revenues, and the increase in foreclosures has dramatically increased the number of unpaid utility bills that the Department is forced to write off as bad debt.

Revenues for the City's Community Center Fund and Marina Fund are also down, reflecting the economic reality of less discretionary spending on hotels and leisure activities. The Proposed Budget for the Enterprise Funds includes expenditure adjustments to address base budget issues such as increasing chemical, electrical, and gas costs, as well as adjustments to reflect changing revenue trends.

Operational descriptions and updates of each of the City's Enterprise Funds are shown on the following pages, including a five-year forecast for each fund.

Parking Fund (6004)

The City of Sacramento operates nine parking garages and nine surface parking lots for a total of over 10,000 parking spaces. These include surface parking lots that are managed for the Crocker Art Museum and Thomas Enterprises, as well as one lot leased from the State of California. The Parking Services Division also manages over 65,000 square feet of retail space within the various City parking structures.

Parking fee revenues are projected to increase three percent for FY2010/11 based on FY2009/10 activities. The revenue is expected to increase one percent annually beginning in FY2011/12 through FY2014/15. Rental income is based on current and anticipated leases. The operating expenses are projected to grow at approximately two percent annually.

Parking Fund (6004)
Revenue and Expenditure Five Year Forecast
(in 000s)

	2010/11 Proposed	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
REVENUES					
Parking Fees	16,000	16,160	16,321	16,483	16,793
Interest--Operating Funds	600	600	600	600	600
Real Property Rental	1,329	1,344	1,369	1,384	1,429
TOTAL REVENUES:	17,929	18,104	18,290	18,467	18,822
EXPENDITURES					
Employee Services	4,857	4,534	4,667	4,803	4,941
Other Services & Supplies	4,929	7,380	7,417	7,454	7,491
Operating Transfer Out/(In)	3,366	1,461	1,454	1,371	1,371
Subtotal--Operating Expenses:	13,152	13,375	13,538	13,628	13,803
Debt Service	3,575	2,944	2,944	2,944	2,944
OTHER USES/CIP	2,978	2,878	2,878	2,878	2,878
Subtotal--Other Uses:	6,553	5,822	5,822	5,822	5,822
TOTAL EXPENDITURES:	19,705	19,197	19,360	19,450	19,625
CURRENT SURPLUS/(DEFICIT)	(1,776)	(1,093)	(1,070)	(983)	(803)
Beginning Fund Balance	11,059	9,283	8,190	7,120	6,137
ENDING FUND BALANCE:	9,283	8,190	7,120	6,137	5,334

Utilities Funds - Overview

The Department of Utilities (DOU) develops the five-year budget forecast for all of its funds based on the assumption that the major cost drivers (labor, fuel, utilities, chemicals, etc.) will increase each year. This assumption is based on historical trends and past performance of the various indices used to project utility cost growth. DOU has also made the assumptions that its Public Employee Retirement System (PERS) contribution will increase substantially over the next few years and there will be nominal growth in development in the later part of the five-year period. In addition, DOU has made an effort to rebuild the dwindling reserves of each fund to maintain their financial health and ability to sustain their operational and capital needs over the next five years. Compliance with the provisions in Proposition 218 was also a consideration in the development of the five-year budget projection. DOU developed the five-year forecast with the intent that it will recover the full cost of all the services it provides.

The five-year budget forecast also assumes DOU will receive rate increases appropriate to maintain the financial stability of the utility funds. All rate adjustment proposals are brought forward to the Utilities Rate Advisory Commission (discussed below) for review and recommendation and to the City Council for approval.

Utilities Rate Advisory Commission

The City Council formed the Utilities Rate Advisory Commission (Commission) in FY2008/09 to provide advice and recommendations to the Mayor and City Council on the City's utility service rates. The Commission is made up of community members, some of whom have expertise in the utilities field. The Commission is also charged with holding a public hearing required by Proposition 218 when the City proposes to impose or increase utility service rates.

Proposition 218

On January 6, 2010, the Sacramento County Grand Jury issued a Grand Jury Report (entitled “The City of Sacramento and Proposition 218 – *The Law Is the Law*”) regarding City practices pertaining to the use of utility enterprise funds that potentially do not comply with Proposition 218.

In response to this Report, and the City’s continual review of programs and services for compliance with Proposition 218, the City proposes the items listed below in the FY2010/11 budget.

Fund Name (Fund Number)	Proposed Service Changes	FY2011 Budget Adjustment
Solid Waste (6007)	Solid Waste garbage, recycling and street sweeping services will be provided to City departments at standard rates with the exception of the Parks and Recreation Department which will receive a phased-in rate.	\$ 186,717
Solid Waste (6007)	Solid Waste will no longer provide illegal dumping services for Code Enforcement activities.	\$ 934,716
Solid Waste (6007)	Recycle bins will be removed from City parks as Solid Waste will no longer fund the recycling program.	\$ 317,220
Solid Waste (6007)	Downtown Leaf pickup if eliminated would create a significant impact on the City’s storm drainage system and could result in flooding. Therefore, the cost of green waste seasonal leaf pickup in the Downtown area will be absorbed by the Drainage Fund.	\$ -
Subtotal Solid Waste Fund:		\$ 1,438,653
Storm Drainage (6011)	City parks will be billed for drainage services utilizing the cemetery drainage rate.	\$ 295,726
Subtotal Storm Drainage Fund:		\$ 295,726
Water (6005)	The Department will phase-in the standard rate for the Parks & Recreation and Convention, Culture and Leisure departments, and will charge the full standard water rates for all other City departments.	\$ 193,364
Subtotal Water Fund:		\$ 193,364
Water (6005), Sewer (6006), Storm Drainage (6011)	The Department will increase fees for development review that reflect full cost recovery rates.	\$ 100,000
Subtotal Water, Sewer, and Storm Drainage Funds:		\$ 100,000
Net Impact to Utility Funds:		<u>\$ 2,027,743</u>

The fiscal impacts to the other City departments have resulted in an increase in budgeted expenditures to the General Fund (1001) in the amount of approximately \$471,000 and minimal impacts to other City funds as shown in the following chart.

Fund Name (Fund Number)	Proposed Funding Recommendations	FY2011 Budget Adjustment
General (1001)	City parks will be billed for drainage services utilizing the cemetery drainage rate (requires Council approval of amended rate).	\$ 295,726
General (1001)	Recycle bins will be removed from City parks as Solid Waste will no longer fund the recycling program.	\$ -
General (1001)	Solid Waste services (garbage, recycling and street sweeping) will be provided to City departments at standard rates with the exception of the Parks and Recreation Department which will receive a phased-in rate.	\$ 174,768
General (1001)	Solid Waste will no longer provide illegal dumping services for Code Enforcement activities.	\$ -
Subtotal General Fund:		\$ 470,494
Lighting & Landscape (2232)	The Department of Transportation has budgeted for water costs in the Lighting & Landscape Fund.	\$ 188,726
Marina (6009)	The Department will phase-in the standard rate for the Parks and Recreation and Convention, Culture and Leisure Departments, and will charge the full standard water rates for all other City departments.	\$ 4,638
Fleet (6501)	Solid Waste garbage, recycling and street sweeping services will be provided to City departments at standard rates with the exception of the Parks and Recreation Department which will receive a phased-in rate.	\$ 176
Golf (2603)		\$ (16,736)
Parking (6004)		\$ 5,177
Marina (6009)		\$ 2,775
Community Center (6010)		\$ 6,183
Subtotal Various Fund:		\$ 190,939
Net Impact to Funds:		\$ 661,433

City staff continues to monitor for potential Proposition 218 issues and will bring forward any issues should they arise.

Utilities Rate Hike Roll Back Act of 2010 Initiative (Initiative)

The Sacramento County Taxpayers League currently is gathering signatures to place the above Initiative on the November 2010 ballot. If the Initiative qualifies for the ballot and receives voter approval, the Initiative would amend the Sacramento City Code to repeal the rate increases for monthly water, sewer, and solid waste services that are scheduled to take effect on July 1, 2010. These rate increases were approved by the City Council in June 2009.

This rate roll-back would take effect on July 1, 2011 (FY2011/12), and the monthly water, sewer and solid waste service rates would be set at the rates in effect as of February 10, 2010 (the City's current rates for FY2009/10). Finally, the Initiative would limit the City's ability to increase monthly rates for these services without voter approval in the future.

If the Initiative is approved by the voters, the following 5-year forecast for each of the three funds (water, sewer and solid waste services) would be significantly impacted. The proposed Initiative does not apply to the City of Sacramento's storm drainage rates.

Cost Saving Measures

As part of DOU's continual review of its programs and services for cost saving measures and efficiencies, the current fluoride treatment of the water supply has been identified as a non-mandated service that would result in significant cost savings if suspended. While all water is fluoridated, only a small amount is actually consumed by the targeted population. Due to the continued escalating costs to provide water with fluoride, the City may need to consider raising utility rates, finding an alternate funding source or suspending the fluoridation of the water. DOU will continue its review of all utility programs and services and bring forward identified cost saving measures for Council's consideration.

Water Fund (6005)

Revenue generated by the City for the purpose of providing water service to its customers is deposited in the Water Enterprise Fund. Revenues are derived from customer fees, interest earnings, development fees, tap sales, and reimbursements from other entities for services provided. Water Fund revenues are structured to cover the costs of providing water service to its customers which include water treatment, plant maintenance, water distribution system repair and maintenance, water conservation and education programs, water quality monitoring, related engineering services, customer service and billing, the City-County Office of Metropolitan Water Planning, and capital improvements. Fund expenditures are summarized and reflected as operating costs, debt service, and capital improvement costs.

While the Water Fund faces some significant challenges over the next five years, it is anticipated that the fund will remain financially sound and able to meet those challenges with appropriate rate increases over the next several years. Key issues for the Water Fund over the next five years include:

- Ongoing replacement and maintenance of aging infrastructure to provide safe and reliable drinking water to the community and meet state and federal standards.
- Continued implementation of the Residential Water Meter Installation Program in compliance with the state mandate requiring 20% water conservation by the year 2020.
- Maintaining state and federal regulatory compliance.
- Continued implementation of an aggressive water conservation program consistent with the Water Forum Agreement (WFA), integrating actions necessary for providing a regional solution to water shortages, environmental damage, and groundwater contamination.
- Support of regional, long-term water supply planning.
- Development of wholesale and wheeling agreements in support of effective regional water management.
- Meeting future debt service requirements related to the rehabilitation and improvement of intake structures and treatment plants.
- Continued revenue shortfalls and substantially increased bad debt expense as a result of the economic recession.

The following chart provides a five-year budget forecast for the Water Fund with the adopted rate increase of 15% in FY2010/11 to address anticipated cost increases, meet regulatory requirements and sustain a positive fund balance, and includes the following assumptions:

- Future capital spending will reflect continued implementation of the mandated water meter program and a reasonable appropriation for infrastructure repair and rehabilitation.

- Costs for items that are vital to the collection, purification, and delivery of water, and to meet levels of service, continue to rise at rates exceeding general inflationary costs. The most significant cost increases are for labor, chemicals, utilities, sludge dewatering, and installation and maintenance of water meters, including a substantial increase to the meter replacement budget.
- In an effort to encourage water conservation, additional funds are budgeted for water conservation programs and education and outreach. Additionally, costs are also being incurred to pay for increasingly stringent regulatory water quality testing.
- Annual operating expenditures such as labor, chemical and utilities costs are anticipated to remain fairly constant from FY2009/10 to FY2010/11 with minimal augmentations. Costs in the subsequent years assume a 6% increase per year for the Water Meter Program.

Water Fund (6005)
Revenue and Expenditure Five Year Forecast
Dollars in Thousands

	2010/11 Base Budget	2010/11 Proposed Augmentations	2010/11 Proposed Budget	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Projected Rate Increase			15.00%	*	*	*	*
REVENUE							
Charges, Fees and Services	70,644	9,095	79,739	90,105	101,818	114,037	127,721
Interest	1,096		1,096	1,096	1,096	1,096	1,096
Other/Misc.	1,755	-	1,755	1,668	1,771	1,878	1,988
TOTAL REVENUES	73,495	9,095	82,590	92,869	104,685	117,011	130,805
EXPENDITURES							
Operating	55,896	1,059	56,955	59,394	63,474	68,500	72,911
Debt Service	11,215	-	11,215	11,527	13,032	13,118	13,122
Proposed CIP	13,612	-	13,612	19,591	26,237	33,577	41,692
Proposed MYOP	808		808	833	864	842	867
TOTAL EXPENDITURES	80,723	1,059	82,590	91,345	103,607	116,037	128,592
CURRENT SURPLUS/(DEFICIT)	(7,228)	8,036	-	1,524	1,078	974	2,213
Beginning Fund Balance	2,522	-	2,522	2,522	4,046	5,124	6,098
ENDING FUND BALANCE	(4,706)	8,036	2,522	4,046	5,124	6,098	8,311

*Rate increases are projected between 11-13% in each fiscal year from 2011/12 to 2014/15 to meet operational expenses, address deferred CIPs, and fund water meter program at 6% of total rate increases.

Sewer Fund (6006)

Revenue generated by the City for the purpose of providing wastewater collection service to its customers is deposited in the Sewer Fund. Revenues are derived from customer service fees, recovery of Sacramento Regional County Sanitation District (SRCSD)-related operation and maintenance costs paid for by the Fund, interest earnings, and connection charges. Sewer Fund revenues cover the cost of wastewater collection and maintenance, storage and treatment of wet weather combined sewage, installation of new services, operation of 46 sanitary pumping stations, related engineering services, customer service and billing, and the monitoring of discharge into the wastewater collection system. Fund expenditures are generally divided among operating costs, debt service, and capital improvement costs.

The wastewater system is a “contained system” in that very little expansion, other than in-fill projects, is possible without upsizing the system and increasing its capacity. The City-operated wastewater collection system serves approximately 60 percent of the City, primarily the central and southern sections of the City. The Sacramento Area Sanitation District (SASD) is the wastewater collection system provider for the other areas of the City. While the City is responsible for limited treatment of its wastewater, it partners with the SRCSD to treat the majority of the City’s wastewater. The City provides the SRCSD with billing and collection services for properties within the service area in which wastewater collection is provided by the City.

The Sewer Fund presents unique challenges due to the system’s growth potential and the age and nature of the system’s infrastructure. Issues facing the Sewer Fund include:

- Compliance with state and federal regulations, including state mandated rehabilitation of the central City’s combined sewer and storm drainage system (CSS). The CSS collects both wastewater from homes and businesses as well as storm water and urban runoff.
- Continued rehabilitation of the City’s separated wastewater service area. A separated wastewater system collects wastewater from homes and businesses and does not collect storm water.
- Incorporating growth in new wastewater services and the increasing costs for repair and reconstruction of the aging system.
- Maintaining the financial strength of the fund for the purpose of raising sufficient capital to finance rehabilitation of the CSS.
- Continued revenue shortfalls and substantially increased bad debt expense as a result of the economic recession.

The following chart provides a five-year budget forecast for the Sewer Fund with the adopted rate increase of 5% in FY2010/11 to address anticipated cost increases, meet regulatory requirements and sustain a positive fund balance, and includes the following assumptions:

- Future capital spending will reflect a reasonable appropriation for infrastructure repair and rehabilitation. In addition, DOU must comply with state mandates to accomplish significant improvements to the combined sewer system, and the forecast includes increasing the capital budget to meet this mandate.
- Annual operating expenditures such as labor, chemical and utilities costs are anticipated to remain fairly constant from FY2010/11 to FY2011/12 with minimal augmentations.

Sewer Fund (6006)
Revenue and Expenditure Five Year Forecast
Dollars in Thousands

	2010/11 Base Budget	2010/11 Proposed Augmentations	2010/11 Proposed Budget	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Projected Rate Increase			5.00%	*	*	*	*
REVENUE							
Charges, Fees and Services	19,740	1,072	20,812	27,472	31,043	34,458	38,248
Interest	392	-	392	392	392	392	392
Other	1,288	-	1,288	1,128	1,128	1,128	1,128
TOTAL REVENUES	21,420	1,072	22,492	28,992	32,563	35,978	39,768
EXPENDITURES							
Operating	19,701	354	20,055	21,911	22,517	23,921	25,213
Debt Service	910	-	910	910	910	910	923
CIP	3,875	-	3,875	6,011	8,221	10,509	12,877
MYOP	175	-	175	77	79	81	83
TOTAL EXPENDITURES	24,486	354	25,015	28,909	31,727	35,421	39,096
CURRENT SURPLUS/(DEFICIT)	(3,066)	718	(2,523)	83	836	557	672
Beginning Fund Balance	2,899	-	2,899	376	459	1,295	1,852
ENDING FUND BALANCE	(167)	718	376	459	1,295	1,852	2,524

*Rate increases are projected between 10-13% in each fiscal year from 2012/13 to 2014/15 to meet operational expenses and deferred CIPs after structural deficit in FY2011/12 is addressed.

Solid Waste Fund (6007)

The Solid Waste Fund is financially responsible for the activities of collecting garbage, recyclables and garden refuse, sweeping streets, post-closure monitoring of landfills, and waste reduction. Issues facing the Solid Waste Fund include:

- Developing a new disposal/facility plan that: 1) incorporates areas north of the American River that reduce mileage; 2) increases sustainability, which may include bringing the City of Sacramento solid waste back into the region for disposal; and 3) stabilizes tipping fees for long-range planning.
- Funding increasing costs for new/replacement equipment.
- Meeting state mandated diversion goals.

Costs for items vital to providing solid waste services and complying with regulatory mandates continue to rise. The most significant cost increases are labor, fleet (operation, maintenance and replacement of vehicles), and disposal fees. Additionally, costs are being incurred for post-closure activities of landfills, and additional green waste containers. While costs in many areas are rising, Solid Waste has realized significant savings by rerouting its operations and modifying schedules to reduce labor, overtime, vehicle maintenance, and fuel costs, and will continue to look for additional efficiencies.

The following chart provides a five-year budget forecast for the Solid Waste Fund with the adopted overall rate increase of 9% in FY2010/11 to address anticipated cost increases, meet regulatory requirements, generate a positive fund balance, and includes the following assumptions:

- Provide sufficient resources for the replacement of the aging vehicles to reduce the significant ongoing maintenance costs.
- Provide sufficient resources for the ongoing post-closure costs associated with the City landfills and for facility rehabilitation and repair.

Solid Waste Fund (6007)
Revenue and Expenditure Five Year Forecast
Dollars in Thousands

	2010/11 Base Budget	2010/11 Proposed Augmentations	2010/11 Proposed Budget	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Projected Rate Increase			9.00%	*	*	*	*
REVENUE							
Charges, Fees and Services	57,760	4,555	62,315	66,677	69,344	72,118	75,003
Interest	-	-	-	44	44	44	44
Other/Misc.	804	-	804	719	719	719	719
TOTAL REVENUES	58,564	4,555	63,119	67,440	70,107	72,881	75,766
EXPENDITURES							
Operating	54,595	1,084	55,679	61,710	62,713	65,613	68,089
Debt Service	3,762	-	3,762	3,336	3,354	3,356	3,050
Proposed CIP	1,457	-	1,457	2,000	2,063	2,135	2,210
MYOP	-	-	-	-	-	-	-
TOTAL EXPENDITURES	59,814	1,084	60,898	67,046	68,130	71,104	73,349
CURRENT SURPLUS/(DEFICIT)	(1,250)	3,471	2,221	394	1,977	1,777	2,417
Beginning Fund Balance	-	-	-	2,221	2,615	4,592	6,369
ENDING FUND BALANCE	(1,250)	3,471	2,221	2,615	4,592	6,369	8,786

*Rate increases are projected between 2-7% in each fiscal year from 2011/12 to 2014/15 to meet operational expenses and address deferred CIPs.

Marina Fund (6009)

The Sacramento Marina is located on the Sacramento River at Miller Park. The Marina is a full service, 7-day-a-week operation that includes 475 berths, a fuel dock, security gates, and parking. Revenues from berth rentals and fuel sales offset costs of operation, debt service and capital improvements.

The Sacramento Marina completed a \$10.5 million renovation in FY2008/09 that included replacement of the 45-year old deteriorating South Basin docks, providing covered berths for nearly all slips. The project was primarily financed through a low interest loan from the State Department of Boating and Waterways.

The five-year expense and revenue forecast reflects the financial analysis based on the significant impact to the boating industry from the economic downturn. Based on City Council approval of rate revisions in April 2010, the new berthing fees will reflect a flat 8% increase in FY2010/11 and FY2011/12 and 6% annually thereafter, as well as occupancy of 65% in FY2010/11, 68% in FY2011/12, 75% in FY2012/13, 77% in FY2013/14 and 80% in FY2014/15. Operating expenses have been reduced to reflect efficiencies and service level reductions due to reduced revenue. Debt payments for the South Basin project are included in the FY2010/11 budget; this is the first year of a 30-year term.

Marina Fund (6009)
Revenue and Expenditure Forecast
Dollars in Thousands

	2010/11 Proposed	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
REVENUES					
Berth Rentals	1,588	1,794	2,098	2,283	2,514
Interest	18	23	24	25	28
Gas and Oil Sales	324	324	324	324	324
Miscellaneous	81	81	81	81	81
TOTAL REVENUES	2,011	2,222	2,527	2,713	2,947
EXPENDITURES					
Operating	1,120	1,154	1,205	1,239	1,289
Debt Service	1,165	1,165	1,165	1,165	1,165
CIP	50	150	200	200	250
Other Fund Uses	-	-	-	-	-
TOTAL EXPENDITURES	2,335	2,469	2,570	2,604	2,704
CURRENT SURPLUS/(DEFICIT)	-324	-247	-43	109	243
Beginning Fund Balance	709	385	138	95	204
ENDING FUND BALANCE	385	138	95	204	447

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Community Center Fund (6010)

The Community Center Fund funds the operation, debt service and capital improvement program for the Sacramento Convention Center, Memorial Auditorium, and Community Center Theater. The Center's goals include maintaining successful financial performance as an enterprise fund, optimizing facility utilization through aggressive marketing, exceeding industry standards for customer service and facility maintenance, stimulating hotel market demand to generate Transient Occupancy Tax (TOT) revenues, and offering a premier venue to contribute to the economic vitality of the Downtown and Sacramento region.

The main sources of revenue for the Community Center Fund are the TOT and fees paid by users of the facility. The TOT has been impacted by the downturn in the economy. Projections for FY2010/11 are based on a 13% decline in FY2009/10; this is in addition to a 10% decline in FY2008/09. This is the worst two-year decline in the history of the TOT. To maintain a positive fund balance and continue to operate the Sacramento Convention Complex at an acceptable level, actions have been taken to freeze vacant positions, reduce expenses, reduce Box Office and security hours, defund existing Capital Improvement Projects, and manage revenue.

FY2010/11 TOT revenue is expected to see a stable performance with projected receipts at the same level as FY2009/10. In FY2009/10, user fees are projected to decline from FY2008/09 proceeds by approximately 1.8%. FY2010/11 is expected to increase by 2.0%.

In 1997, to maintain the financial integrity of the Community Center Fund, the City Council approved the use of up to \$12 million in inter-fund loans, if needed, to offset any year-end deficit. Total borrowing was just over \$7.5 million – approximately \$4.5 million less than originally authorized. Repayment of the inter-fund loan began in FY2005/06 and will continue with a payment of \$100,000 in FY2010/11. Repayment of the loan will continue throughout the next five years. Through FY2009/10, \$3.10 million has been repaid.

Community Center Fund (6010)
Revenue and Expenditure Forecast
Dollars in Thousands

	2010/11 Proposed	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
REVENUES					
Transient Occupancy Tax	13,738	14,150	14,575	15,304	16,069
User Fees	7,458	7,707	8,015	8,335	8,669
Interest	300	400	400	600	800
Other (Facility Fee)	1,660	1,900	1,000	1,000	1,200
TOTAL REVENUES	23,156	24,157	23,990	25,239	26,738
EXPENDITURES					
Operating	14,032	12,966	13,300	13,641	14,088
Debt Service	10,364	7,477	7,970	11,664	11,664
Capital Improvements	900	1,050	1,150	650	700
Facility Fee Improvements	-	-	-	-	-
Other Fund Uses	224	224	224	224	224
TOTAL EXPENDITURES	25,520	21,717	22,644	26,179	26,676
CURRENT SURPLUS/(DEFICIT)	-2,364	2,440	1,346	-940	62
Operational Reserve	-	-	-	-	-
Payback)	-100	-100	-250	-250	-250
Beginning Fund Balance	4,002	58	2,398	3,494	2,304
ENDING FUND BALANCE	1,538	2,398	3,494	2,304	2,116

Storm Drainage Fund (6011)

Revenue generated by the City for the purpose of providing storm drainage service to its customers is deposited in the Storm Drainage Fund. Revenues are derived primarily from customer service charges and interest earnings. Storm Drainage Fund revenues cover the cost of storm drainage operations at 103 pumping stations, wet weather treatment and storage, collection system maintenance, related engineering services, flood plain management, customer service and billing, education programs, water quality monitoring and other regulatory compliance issues, and a capital improvement program. Fund expenditures are divided among operating costs, debt service, and capital improvements. Challenges facing the Storm Drainage Fund include:

- Declining reserves, as the existing revenue is not sufficient to cover current operating and capital expenses.
- Upgrading drainage service to areas outside of the City's CSS to meet citywide standards.
- Supporting regional flood control efforts.
- Improving drainage system reliability.
- Maintaining State and federal regulatory compliance, i.e. National Pollution Discharge Elimination System (NPDES).

The following chart provides a five-year budget and rate forecast including the following assumptions:

- No rate increases and continued use of fund reserves. Expenditures continue to exceed revenues and the fund is projected to be in a deficit position in the near-term. Per Proposition 218, a voter approved ballot measure is required to increase Storm Drainage rates. DOU intends to recommend moving forward with the ballot measure process.
- Annual operating expenditures such as labor, chemical and utilities costs are anticipated to remain fairly constant from FY2010/11 to FY2011/12 with minimal augmentations.
- Projections of future capital improvement projects in the Storm Drainage Fund reflect decreased spending due to insufficient available funding.

Storm Drainage Fund (6011)
Revenue and Expenditure Five Year Forecast
Dollars in Thousands

	2010/11 Base Budget	2010/11 Proposed Augmentations	2010/11 Proposed Budget	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Projected Rate Increase*			0.00%	0.00%	0.00%	0.00%	0.00%
REVENUE							
Charges, Fees and Services	33,330	329	33,659	33,659	33,659	33,659	33,996
Interest	422	-	422	400	-	(100)	(200)
Other	3,650		2,860	3,177	3,339	3,539	3,692
TOTAL REVENUES	37,402	329	36,941	37,236	36,998	37,098	37,488
EXPENDITURES							
Operating	33,221	508	33,729	33,882	35,355	37,468	38,907
Debt Service	3,675	-	3,675	3,673	3,650	3,671	3,693
CIP	1,148	-	1,148	1,309	1,230	1,273	1,317
MYOP	-	-	1,305	1,188	1,313	1,337	1,341
TOTAL EXPENDITURES	38,044	508	39,857	40,052	41,548	43,749	45,258
CURRENT SURPLUS/(DEFICIT)	(642)	(179)	(2,916)	(2,816)	(4,550)	(6,651)	(7,770)
Beginning Fund Balance	9,895	-	9,895	6,979	4,163	(387)	(7,038)
ENDING FUND BALANCE	9,253	(179)	6,979	4,163	(387)	(7,038)	(14,808)

*Voter approval is required for rate adjustments to the Storm Drainage Fund. This forecast assumes no rate increases for the fiscal years 2010/11 through 2014/15.

2010-2015 CAPITAL IMPROVEMENT PROGRAM (CIP)

The Proposed FY2010/11 CIP Budget totals \$69.7 million, funding 174 projects in all program areas in various geographic areas of the City. The General Fund total for capital expenditures in FY2010/11 is \$68,856. The five-year program totals \$318.7 million from all funding sources. The General Fund portion of the five-year program is \$17 million.

Given the challenges the City has faced over the past two years in all capital funding sources, we have worked towards maximizing all available capital resources including the identification of alternative funding opportunities, limiting General Fund contributions to projects/programs if available resources exceed the annual budget for the program, leveraging existing City resources with grant funds, and closing completed projects and returning remaining funds to fund balance. In FY2010/11 the City will begin operating new facilities (one new library, the final phases of two community center expansions, and the Crocker Art Museum expansion), funded through the City's Community Reinvestment Capital Improvement Program (CRCIP), state grants, and private development contributions.

3

SECTION – 3

Budget Schedules

Schedule 1A
Current Operations – Appropriations by Fund (in 000s)

Fund Type	FY2009/10	FY2009/10	FY2010/11	FY2010/11	
Funds	Approved	Amended	Proposed	Undesignated	Total
				Fund Balance	
General Fund					
General	384,273	384,794	360,224	41	360,265
Subtotal General:	384,273	384,794	360,224	41	360,265
Enterprise Funds					
Community Center	27,464	27,464	24,720	1,538	26,258
Marina	2,695	2,695	1,770	901	2,671
Parking	21,937	21,937	16,727	9,283	26,010
Sewer	23,491	21,767	20,965	376	21,341
Solid Waste	58,069	55,325	59,441	2,221	61,662
Storm Drainage	43,083	42,999	37,404	6,979	44,383
Water	69,405	65,321	68,170	2,522	70,692
Subtotal Enterprise Funds:	246,144	237,508	229,198	23,819	253,017
Internal Service Funds					
Fleet Mgmt	33,473	33,473	34,072	298	34,370
Risk Mgmt	33,991	40,016	26,615	605	27,219
Subtotal Internal Service Funds:	67,464	73,489	60,687	902	61,589
Other Governmental Funds					
4th R Latchkey	7,323	7,323	7,490	-	7,490
Art in Public Places	476	476	-	243	243
Assessment Reg/SDRIS	935	935	313	402	714
Bridge Construction	161	161	-	161	161
Cal EPA	9,901	9,901	7,702	2,659	10,361
CIRBS	6,524	6,463	400	4,550	4,950
Citation - I-5 Improvements	1,022	1,022	11	990	1,000
Citation - I-5 Maintenance	363	363	-	355	355
Debt Service	14,386	14,386	16,512	5,109	21,621
Development Services Fund	(440)	(440)	(432)	1,079	647
Downtown Management District	2,918	3,028	2,320	748	3,068
Fairytale Town	60	60	50	8	58
Gas Tax	7,856	8,006	7,470	2,818	10,288
Golf	7,231	7,231	7,144	(5,419)	1,725
Hart Trust	2,174	2,174	-	1,561	1,561
Jacinto Park	1,746	1,246	-	1,551	1,551
Land Park	424	424	149	211	360
Lighting and Landscaping	13,721	13,721	13,155	2,119	15,275
Major Street Construction	2,074	3,874	-	3,630	3,630
Measure A Maintenance	8,142	8,142	7,607	206	7,813
Measure A Construction	-	-	-	10,061	10,061
N. Natomas Financial Plan	77,173	76,400	2,584	75,681	78,265
Operating/Capital/Grants	-	-	-	-	-
Other	29,610	29,844	23,810	9,368	33,178
Park Development	6,673	6,236	192	3,336	3,528
Sunset, Pocket, Meadowview Maintenance	1,583	1,583	-	224	224
Private Development	125	125	125	-	125
Quimby Act	5,390	5,487	-	2,936	2,936
Richards Railyards	2,012	1,012	-	1,236	1,236
S. Natomas Cap Improvements	5,924	5,924	-	808	808
S. Natomas FBA	2,544	-	-	2,465	2,465
S. Natomas I-5 Developer Impr	537	537	-	526	526
Museum of History and Science	7	7	-	-	-
Sacramento Sports Commission	-	-	130	63	193
Sacramento Tourism BID	2,249	2,249	2,145	39	2,184
Sewer Development Fees	-	-	-	-	-
SHRA/CDBG	250	250	250	-	250
Special Recreation	4,264	4,264	3,743	1,265	5,008
START	9,887	9,887	7,449	2,401	9,850
State Route 160	479	479	255	-	255
Transporation Development	237	237	-	288	288
Traffic Safety	1,351	1,351	931	5	936
Tranportation Systems Mgmt.	587	587	-	552	552
Water Development Fees	-	-	-	-	-
Zoo	770	770	-	23	23
Subtotal Other Governmental Funds:	238,648	235,724	111,504	134,259	245,762
GRAND TOTAL (Gross):	936,528	931,515	761,612	159,021	920,633

Schedule 1B
Current Operations – Appropriations by Operating Unit (in 000s)

Department Type Department	FY2008/09 Actuals	FY2009/10 Approved	FY2009/10 Amended	FY2010/11 Proposed	Change Amended/Proposed
Charter Office					
City Attorney	6,970	6,982	6,972	6,666	(306)
City Clerk	1,417	1,447	1,445	1,470	25
City Manager	3,922	3,523	3,397	3,622	225
City Treasurer	2,020	2,156	2,075	2,100	25
Mayor Council	3,468	3,641	3,519	4,335	816
Subtotal Charter Office:	17,798	17,749	17,408	18,193	785
Operating Departments					
Code Enforcement	10,661	10,697	10,618	10,816	198
Community Development	16,201	12,905	12,700	12,547	(152)
Convention, Culture & Leisure	26,746	27,377	27,392	27,343	(49)
Economic Development	4,821	4,752	4,648	4,127	(521)
Finance	8,788	8,568	8,554	8,730	177
Fire	99,777	100,081	99,109	100,976	1,867
General Services	54,187	55,660	55,661	56,507	846
Human Resources	71,633	29,474	29,363	29,077	(286)
Information Technology	10,343	9,316	9,089	9,094	5
Labor Relations	1,155	1,074	1,072	1,095	23
Neighborhood Services	1,291	962	954	1,020	66
Parks and Recreation	47,580	38,851	38,867	37,384	(1,484)
Planning	2,699	-	-	-	-
Police	133,239	130,282	128,413	130,716	2,303
Transportation	43,394	48,145	47,421	47,297	(124)
Utilities	149,111	165,334	156,735	163,347	4,351
Subtotal Operating Departments:	681,628	643,477	630,595	640,077	7,220
Others					
Debt Service	118,022	70,459	70,459	78,005	7,546
Fund Reserves	209,060	165,950	167,756	159,021	(8,735)
Non-Departmental	48,638	38,893	45,296	25,337	(19,959)
Subtotal Others:	375,720	275,302	283,511	262,363	(21,148)
GRAND TOTAL (Gross):	1,075,145	936,528	931,515	920,633	(13,143)

Schedule 1C
Staffing by Department (In Full Time Equivalents)

Department Type Departments	FY2008/09 Actuals	FY2009/10 Approved	FY2009/10 Amended	FY 2010/11 Proposed	Change Amended/Proposed
Charter Offices					
City Attorney	53.00	49.00	49.00	49.00	-
City Clerk	12.00	11.00	11.00	11.00	-
City Manager	24.00	24.00	20.00	20.00	-
City Treasurer	15.00	13.00	13.00	13.00	-
Mayor/Council	28.50	28.50	33.50	36.50	3.00
Subtotal Charter Offices:	132.50	125.50	126.50	129.50	3.00
Operating Department					
Code Enforcement	94.50	90.00	90.00	90.00	-
Community Development	165.50	106.50	106.50	105.50	(1.00)
Convention, Culture and Leisure	209.57	206.21	206.21	203.21	(3.00)
Economic Development	25.00	22.00	21.00	21.00	-
Finance	98.50	75.50	75.50	75.50	-
Fire	634.00	582.00	632.00	632.00	-
General Services	293.50	257.00	257.00	258.00	1.00
Human Resources	70.00	65.80	65.80	65.80	-
Information Technology	66.50	54.00	54.00	54.00	-
Labor Relations	9.00	8.00	8.00	8.00	-
Neighborhood Services	13.00	9.00	9.00	9.00	-
Parks & Recreation	825.89	679.69	675.06	674.06	(1.00)
Planning	32.00	-	-	-	-
Police	1,096.36	1,091.36	1,129.36	1,129.36	-
Transportation	436.95	424.00	424.00	424.00	-
Utilities	741.00	752.00	753.00	697.50	(55.50)
Subtotal Operating Department:	4,811.27	4,423.06	4,506.43	4,446.93	(59.50)
GRAND TOTAL:	4,943.77	4,548.56	4,632.93	4,576.43	(56.50)

Note: Schedules 1C and 1D do not reflect the proposed unfunding of vacant FTE or FTE related to POD reductions.

Schedule 1D

Staffing by Fund (in Full Time Equivalents)

Fund Type					
Fund Name	FY2008/09	FY2009/10	FY2009/10	FY2010/11	Change
Department Name	Actuals	Approved	Amended	Proposed	Amended/Proposed
<u>General Fund</u>					
City Attorney	53.00	49.00	49.00	49.00	-
City Clerk	12.00	11.00	11.00	11.00	-
City Manager	24.00	24.00	20.00	20.00	-
City Treasurer	15.00	13.00	13.00	13.00	-
Code Enforcement	94.50	90.00	90.00	90.00	-
Community Development	165.50	106.50	106.50	105.50	(1.00)
Convention, Culture and Leisure	108.62	105.26	105.26	102.26	(3.00)
Economic Development	25.00	22.00	21.00	21.00	-
Finance	98.50	75.50	75.50	75.50	-
Fire	634.00	582.00	632.00	632.00	-
General Services	189.50	153.00	153.00	154.00	1.00
Human Resources	32.00	25.80	25.80	25.80	-
Information Technology	66.50	54.00	54.00	54.00	-
Labor Relations	9.00	8.00	8.00	8.00	-
Mayor/Council	28.50	28.50	33.50	36.50	3.00
Neighborhood Services	13.00	9.00	9.00	9.00	-
Parks & Recreation	514.90	368.70	364.07	363.07	(1.00)
Planning	32.00	-	-	-	-
Police	1,096.36	1,091.36	1,129.36	1,129.36	-
Transportation	377.70	364.75	364.75	364.75	-
Subtotal General Fund:	3,589.58	3,181.37	3,264.74	3,263.74	(1.00)
<u>Enterprise Funds</u>					
Community Center					
Convention, Culture and Leisure	93.15	93.15	93.15	93.15	-
Marina					
Convention, Culture and Leisure	7.80	7.80	7.80	7.80	-
Parking					
Transportation	59.25	59.25	59.25	59.25	-
Sewer					
Utilities	71.50	71.50	71.50	70.50	(1.00)
Solid Waste					
Utilities	193.00	186.00	186.00	160.00	(26.00)
Storm Drainage					
Utilities	215.50	228.50	228.50	216.50	(12.00)
Water					
Utilities	257.00	262.00	263.00	246.50	(16.50)
Subtotal Enterprise Funds:	897.20	908.20	909.20	853.70	(55.50)
<u>Internal Service Funds</u>					
Fleet					
General Services	104.00	104.00	104.00	104.00	-
Risk Management					
Human Resources	18.00	20.00	20.00	20.00	-
Workers' Compensation					
Human Resources	20.00	20.00	20.00	20.00	-
Subtotal Internal Service Funds:	142.00	144.00	144.00	144.00	-
<u>Other Governmental Funds</u>					
4th R Program					
Parks & Recreation	146.49	146.49	146.49	145.49	(1.00)
START					
Parks & Recreation	164.50	164.50	164.50	165.50	1.00
Water Planning					
Utilities	4.00	4.00	4.00	4.00	-
Subtotal Other Governmental Funds:	314.99	314.99	314.99	314.99	-
GRAND TOTAL:	4,943.77	4,548.56	4,632.93	4,576.43	(56.50)

Schedule 2A
Detail of 2010/11 Revenues, Appropriations & Changes in Fund Balance (in 000s)

	General Fund	Enterprise Funds	Other Governmental Funds	Internal Service Funds	Gross Total	Net Total
<u>Current Resources</u>						
Revenues						
Taxes	258,142	13,738	9,461	-	281,341	281,341
Licenses & Permits	9,378	1,720	1,101	-	12,198	12,198
Fines, Forfeitures, and Penalties	10,816	-	984	-	11,800	11,800
Interest, Rents, Concessions	3,292	5,139	6,350	1,234	16,015	14,781
Intergovernmental	15,729	4,574	32,388	-	52,692	52,692
Charges, Fees, and Services	38,261	223,041	46,075	6,274	313,651	306,335
Contributions From Other Funds	24,592	-	-	-	24,592	-
Miscellaneous Revenue	124	25	14,196	53,964	68,308	1,757
Total Current Resources:	360,334	248,238	110,554	61,472	780,598	680,904
<u>Current Requirements</u>						
Current Operations						
Employee Services	333,568	83,574	13,807	13,147	444,097	444,097
Other Services and Supplies	91,535	67,369	24,654	30,237	213,795	152,545
Property	3,003	9,445	383	13,365	26,197	26,197
Debt Service	24,426	33,553	20,869	31	78,878	78,878
Labor/Supply Offset	(95,034)	8,714	52,803	3,906	(29,612)	(42,200)
Contingency	1,000	1,400	-	-	2,400	2,400
Operating Transfers	1,726	25,142	(1,012)	-	25,857	-
Subtotal Current Operations:	360,224	229,198	111,504	60,687	761,612	661,918
Capital Improvements	69	23,920	40,636	175	64,800	64,800
Total Current Requirements:	360,293	253,118	152,140	60,862	826,413	726,718
Total Current Surplus (Deficit):	41	(4,880)	(41,586)	610	(45,814)	(45,814)
Other Fund Sources (Uses)	-	(2,388)	20,826	-	18,438	18,438
Beginning Undesignated Fund Balance:	-	31,087	155,018	292	186,397	186,397
Ending Undesignated Fund Balance:	41	23,819	134,259	902	159,021	159,021

Schedule 2B**Summary of 2010/11 Revenues, Appropriations, and Changes in Fund Balance (in 000s)**

	Resources	Requirements			(Deficit) Surplus	Sources	Fund Balances	
	Totals Revenues	Current Operations	Capital Improvements	Total Requirements			Beginning	Ending Undesignated
General Fund								
General	360,334	360,224	69	360,293	41	-	-	41
Total General Fund:	360,334	360,224	69	360,293	41	-	-	41
Enterprise Funds								
Community Center	23,156	24,720	900	25,620	(2,464)	-	4,002	1,538
Marina	2,011	1,770	50	1,820	191	-	710	901
Parking	17,929	16,727	2,878	19,605	(1,676)	(100)	11,059	9,283
Sewer	22,492	20,965	3,875	24,840	(2,348)	(175)	2,899	376
Solid Waste	63,119	59,441	1,457	60,898	2,221	-	-	2,221
Storm Drainage	36,941	37,404	1,148	38,552	(1,611)	(1,305)	9,895	6,979
Water	82,590	68,170	13,612	81,782	808	(808)	2,522	2,522
Total Enterprise Funds:	248,238	229,198	23,920	253,118	(4,880)	(2,388)	31,087	23,819
Internal Service Funds								
Fleet Mgmt	34,253	34,072	175	34,247	6	-	292	298
Risk Mgmt	27,219	26,615	-	26,615	605	-	-	605
Total Internal Service Funds:	61,472	60,687	175	60,862	610	-	292	902
Other Governmental Funds								
4th R Latchkey	6,703	7,490	-	7,490	(787)	617	170	-
Art in Public Places	-	-	-	-	-	-	243	243
Assessment Reg/SDRIS	-	313	-	313	(313)	-	714	402
Bridge Construction	3	-	-	-	3	-	158	161
Cal EPA	7,874	7,702	-	7,702	172	-	2,487	2,659
CIRBS	-	400	810	1,210	(1,210)	-	5,760	4,550
Citation - I-5 Improvements	-	11	-	11	(11)	-	1,000	990
Citation - I-5 Maintenance	-	-	-	-	-	-	355	355
Debt Service	12,307	16,512	-	16,512	(4,205)	66	9,248	5,109
Development Services Fund	-	(432)	432	-	-	-	1,079	1,079
Downtown Management Dist.	2,303	2,320	-	2,320	(17)	-	765	748
Fairytale Town	50	50	-	50	-	-	8	8
Gas Tax	7,439	7,470	129	7,599	(160)	-	2,978	2,818
Golf	7,143	7,144	224	7,368	(225)	-	(5,194)	(5,419)
Hart Trust	-	-	-	-	-	-	1,561	1,561
Jacinto Park	-	-	-	-	-	-	1,551	1,551
Land Park	91	149	65	214	(123)	-	334	211
Lighting and Landscape	13,815	13,155	660	13,815	-	-	2,119	2,119
Major Street Construction	749	-	1,722	1,722	(973)	-	4,603	3,630
Measure A Maintenance	7,212	7,607	235	7,842	(630)	-	836	206
Measure A Construction	1,649	-	3,830	3,830	(2,181)	-	12,242	10,061
N. Natomas Financial Plan	800	2,584	12	2,595	(1,795)	(500)	77,976	75,681
Operating/Capital/Grants	-	-	17,181	17,181	(17,181)	17,181	-	-
Other	27,131	23,810	2,839	26,649	482	-	8,886	9,368
Park Development	1,000	192	4,103	4,295	(3,295)	-	6,631	3,336
Sunset, Pocket, Meadowview	-	-	-	-	-	-	224	224
Private Development	-	125	-	125	(125)	125	-	-
Quimby Act	100	-	4,520	4,520	(4,420)	-	7,356	2,936
Richards Railyards	-	-	-	-	-	-	1,236	1,236
S. Natomas Cap Improvements	-	-	400	400	(400)	-	1,208	808
S. Natomas FBA	-	-	-	-	-	-	2,465	2,465
S. Natomas I-5 Developer Impr	-	-	-	-	-	-	526	526
Sacramento Sports Commission	130	130	-	130	-	-	63	63
Sacramento Tourism BID	2,100	2,145	-	2,145	(45)	87	(3)	39
Sewer Development Fees	-	-	750	750	(750)	750	-	-
SHRA/CDBG	250	250	-	250	-	-	-	-
Special Recreation	3,463	3,743	-	3,743	(280)	-	1,545	1,265
START	6,900	7,449	-	7,449	(549)	-	2,950	2,401
State Route 160	-	255	-	255	(255)	-	255	-
Transportation Development	292	-	205	205	87	-	201	288
Traffic Safety	1,000	931	-	931	69	-	(64)	5
Transportation Systems Maint.	-	-	20	20	(20)	-	572	552
Water Development Fees	-	-	2,500	2,500	(2,500)	2,500	-	-
Zoo	50	-	-	-	50	-	(27)	23
Total Other Governmental Funds:	110,554	111,504	40,636	152,140	(41,586)	20,826	155,018	134,259
GRAND TOTAL (Gross):	780,598	761,612	64,800	826,413	(45,814)	18,438	186,397	159,021
GRAND TOTAL (Net):	680,904	661,918	64,800	726,718	(45,814)	18,438	186,397	159,021

Schedule 3
Contributions to General Fund Support (in 000s)

Fund	Indirect Cost Allocation		In-Lieu Property Tax		In-Lieu Franchise Tax		Voter Approved General Tax	
	FY2009/10	FY2010/11	FY2009/10	FY2010/11	FY2009/10	FY2010/11	FY2009/10	FY2010/11
Enterprise Funds								
Water	2,916	3,069	-	-	-	-	7,502	8,565
Sewer	830	879	-	-	-	-	2,331	2,168
Storm Drainage	1,658	1,737	-	-	-	-	3,643	3,610
Solid Waste	2,871	2,256	-	-	-	-	6,523	6,620
Parking	523	582	230	233	1,500	1,600	-	-
Community Center	835	880	448	451	1,120	1,114	-	-
Marina	115	114	37	73	181	159	-	-
Subtotal:	9,748	9,517	715	757	2,801	2,873	19,999	20,963
Internal Service Funds								
Fleet Management	1,385	1,119	-	-	-	-	-	-
Risk Management	1,852	1,952	-	-	-	-	-	-
Subtotal:	3,237	3,071	-	-	-	-	-	-
GRAND TOTAL:	12,985	12,588	715	757	2,801	2,873	19,999	20,963

Schedule 4
Summary of Capital Funding by Funding Source

Fund	Current Budget	FY2010/11	FY2011/12	FY 2012/13	FY2013 /14	FY2014 /15	Total 5-Year Funding
1001 General Fund	101,869,993	68,856	3,963,530	3,963,530	4,477,530	4,477,530	16,950,976
2001 Sacto Transp.Sales Tax-Cip.	45,883,907	2,306,852	3,689,403	3,514,403	3,514,403	3,514,403	16,539,464
2002 Gas Tax 2106	8,477,454	128,910	610,000	610,000	610,000	610,000	2,568,910
2005 Sacto Transp.Sales Tax-Maint.	4,902,821	-	-	-	-	-	-
2006 Traffic Safety	605,000	-	-	-	-	-	-
2007 Major Street Construction	31,535,276	1,722,355	1,895,000	1,895,000	1,895,000	1,895,000	9,302,355
2008 Street Cut Fund	726,972	75,000	75,000	75,000	75,000	75,000	375,000
2009 AB2928	2,637,330	2,763,689	2,763,689	2,763,689	1,763,689	1,763,689	11,818,445
2010 State Route #160-Relinq	802,780	-	-	-	-	-	-
2011 State Route 275	1,357,000	-	-	-	-	-	-
2012 Transp Systems Mgmt Fund	90,000	20,000	20,000	20,000	20,000	20,000	100,000
2013 Transportation Development	2,941,142	204,615	204,615	204,615	204,615	204,615	1,023,075
2016 Development Services Fund	3,169,480	432,000	432,000	432,000	490,000	490,000	2,276,000
2020 So Natomas Comm Impr	2,433,613	400,000	-	-	-	-	400,000
2021 So Natomas Facility Benefit	2,544,000	-	-	-	-	-	-
2023 New Measure A Specific Project	61,012,499	-	-	-	-	-	-
2024 Historic Places Fund	400,000	-	-	-	-	-	-
2025 New Measure A Construction	1,991,000	1,523,597	1,548,597	1,723,597	1,723,597	1,723,597	8,242,985
2026 New Measure A Maintenance	235,000	235,000	235,000	235,000	235,000	235,000	1,175,000
2028 Prop 1B - Local Street & Road	14,121,952	-	-	-	-	-	-
2232 Citywide Lndscpng&Lghting Dist	9,196,134	660,000	635,000	635,000	635,000	635,000	3,200,000
2503 Ethel Macleod Hart Trust	50,000	-	-	-	-	-	-
2504 Special Recreation	87,201	-	-	-	-	-	-
2507 Park Fund	150,015	65,000	-	-	-	-	65,000
2508 Quimby Act	14,844,800	4,520,000	-	-	-	-	4,520,000
2601 Old Sac Market	30,000	-	-	-	-	-	-
2603 Golf Fund	980,445	224,000	224,000	224,000	225,000	227,000	1,124,000
2607 Art In Public Places Projects	800,589	-	-	-	-	-	-
2700 *Block Grant/Housing & Redev	6,696,046	-	-	-	-	-	-
2701 Disaster Relief Act Fund	3,067	-	-	-	-	-	-
2801 Cal Epa Fund	1,000,000	-	-	-	-	-	-
3001 1993 Series B Cop Fund	1,508,298	-	-	-	-	-	-
3002 2002 Cip Bnd Capital Projects	61,361,913	610,000	-	-	-	-	610,000
3003 2003 Cirbs Capital Projects	40,279,301	-	-	-	-	-	-
3004 2006 Cirbs Ser A Cap Projects	74,536,951	-	-	-	-	-	-
3005 2006 Cirbs Ser B Cap Projects	36,953,431	-	-	-	-	-	-
3006 2006 Cirbs Ser C Cap Projects	30,401,557	200,000	-	-	-	-	200,000
3007 2006 Cirbs Ser D Cap Projects	2,400,000	-	-	-	-	-	-
3008 Willowcreek Fee District Fund	2,344,483	-	-	-	-	-	-
3009 Crocker Art Museum Expansion	31,913,021	-	-	-	-	-	-
3201 No Natomas Community Impr.	24,466,959	11,500	11,500	11,500	11,500	11,500	57,500
3202 Railyds/Richards/Dntn Impact A	1,580,907	-	-	-	-	-	-
3204 Park Development	30,491,033	4,103,000	-	-	-	-	4,103,000
3701 *Sacto Housing & Redev Agency	52,975,338	-	-	-	-	-	-
3702 *Cip Reimbursable Fund	33,680,447	-	-	-	-	-	-
3703 *Federal Capital Grant	47,103,340	17,180,813	-	-	-	-	17,180,813
3704 *Other Capital Grants	37,607,554	-	-	-	-	-	-
6001 Water Development Fees	12,307,000	2,500,000	-	-	-	-	2,500,000
6002 Sewer Development Fees	-	750,000	-	-	-	-	750,000
6004 Parking Fund	58,219,314	2,878,000	2,878,000	2,878,000	2,878,000	2,878,000	14,390,000
6005 Water Fund	111,443,802	13,612,000	17,756,000	24,356,000	34,140,000	32,174,000	122,038,000
6006 Sewer Fund	40,317,230	3,875,000	7,406,865	9,666,106	12,004,419	14,908,390	47,860,780
6007 Solid Waste Fund	29,727,694	1,457,000	417,000	417,000	417,000	417,000	3,125,000
6008 Landfill Closure	5,195,273	-	-	-	-	-	-

Schedule 4 (continued)
Summary of Capital Funding by Funding Source

Fund	Current Budget	FY2010/11	FY2011/12	FY 2012/13	FY2013 /14	FY2014 /15	Total 5-Year Funding
6009 Sacramento Marina Fund	11,912,597	50,000	150,000	200,000	200,000	200,000	800,000
6010 Community Center Fund	9,915,224	900,000	1,050,000	1,150,000	1,650,000	1,700,000	6,450,000
6011 Storm Drainage Fund	46,332,938	1,148,000	1,500,000	2,500,000	3,500,000	4,500,000	13,148,000
6012 4th R Program	305,000	-	-	-	-	-	-
6015 Water ARRA Fund	22,600,002	-	-	-	-	-	-
6501 Fleet Management	7,033,936	175,000	180,000	180,000	180,000	180,000	895,000
6502 Risk Management	75,000	-	-	-	-	-	-
9101 SHRA - CDBG	6,000	1,309,000	-	-	-	-	1,309,000
9206 ~TaxInc. - Alkali Flat	-	202,842	-	-	-	-	202,842
9211 ~TaxInc. - Franklin Blvd.	-	220,278	-	-	-	-	220,278
9221 ~TaxInc. - Oak Park	-	1,712,575	-	-	-	-	1,712,575
9226 ~TaxInc. - Stockton Blvd.	-	123,696	-	-	-	-	123,696
9231 ~TaxInc. - Del Paso Heights	-	866,191	-	-	-	-	866,191
9236 ~TaxInc. Army Depot	-	342,383	-	-	-	-	342,383
9241 ~TaxInc. - Auburn Blvd.	-	118,758	-	-	-	-	118,758
Total All Funds:	1,186,571,059	69,695,910	47,645,199	57,654,440	70,849,753	72,839,724	318,685,026

* Appropriations in these funds are entered into the City's financial system when all agreements are signed.

~These funds are administered by the Sacramento Housing and Redevelopment Agency (SHRA) and are not entered into the City's financial system.

Schedule 5
Article XIIB Appropriation Limit Calculation (in 000s)

	FY2006/07	FY2007/08	FY2008/09	FY2009/10	FY2010/11
APPROPRIATION LIMIT (Section 1)					
Prior year limit	488,122	513,592	542,728	573,426	583,386
Multiply by:					
Change in CPI (Per Capita Personal Income)	1.0396	1.0442	1.0429	1.0062	1.0062
Change in Population	1.0121	1.0120	1.0131	1.0111	1.0111
Appropriation Limit Total:	513,592	542,728	573,426	583,386	593,519
PROCEEDS OF TAXES (Section 2)					
Total governmental revenue	503,682	539,857	536,275	480,843	470,888
Add taxes in enterprise funds:					
Transient Occupancy Tax	15,168	16,500	17,819	17,000	13,738
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(180,865)	(206,297)	(216,785)	(186,786)	(198,532)
General obligation debt svcs	-	-	-	6	-
Unfunded pension liability	-	-	-	-	-
Qualified capital outlay	(23,031)	(21,474)	(14,543)	(2,074)	(13,897)
Proceeds of Taxes:	314,954	328,586	322,766	308,989	272,197
APPROPRIATIONS SUBJECT TO LIMIT (Section 3)					
Total Governmental Funds:					
Operating appropriations	477,423	519,370	517,239	482,538	471,728
CIP appropriations	151,298	64,095	58,413	15,529	40,705
Add:					
Enterprise fund tax appropriation	15,168	16,500	17,819	17,000	13,738
User fees in excess of cost					
Current proceeds of taxes					
appropriated to reserves	5,870	4,077	6,183	2,164	13,927
Deduct:					
Non-proceeds of tax revenue	(180,865)	(206,297)	(216,785)	(186,786)	(198,532)
General obligation debt svcs	-	-	-	6	-
Unfunded pension liability	-	-	-	-	-
Qualified capital outlay	(23,031)	(21,474)	(14,543)	(2,074)	(13,897)
Appropriations Subject to Limit:	445,864	376,271	368,326	328,377	327,669

Schedule 6
2010/11 Revenue Budget (in 000s)

GENERAL FUND	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
TAXES				
Property Taxes - Current Secured	86,513	88,327	85,811	84,095
Property Taxes - Current Unsecured	3,510	3,876	3,885	3,807
Property Taxes - Prior Secured	3,942	4,772	758	743
Property Taxes - Prior Unsecured	131	67	30	29
Property Taxes - In Lieu VLF	35,991	37,059	34,517	33,827
Property Taxes - Supplemental	4,470	1,704	1,948	1,909
Subtotal: Property Taxes	134,557	135,805	126,949	124,410
Property Taxes - In Lieu Sales Tax	16,344	16,813	14,333	14,333
Property Taxes - Resident Development	435	374	900	855
Sales & Use Tax	49,926	44,901	39,662	39,662
Sales & Use Tax/.5% Public Safety	-	4,383	4,802	4,802
Real Property Transfer Taxes	9,276	6,602	5,300	5,985
Utility Users Tax - Current	57,373	57,680	57,820	57,820
Utility Users Tax - Prior	187	95	-	-
Transient Occupancy Tax	3,504	3,158	2,600	2,475
Transient Occupancy Tax - Prior	5	12	-	-
Business Operations Taxes	7,319	7,349	7,500	7,800
Subtotal: TAXES	278,927	277,174	259,866	258,142
LICENSES AND PERMITS				
Taxi Permits	115	121	122	122
Street Vendor Permits	10	17	19	19
Towing Vehicle Permits	18	18	43	43
Cellular Revocable Permits	3	-	-	-
Miscellaneous Licenses And Permits	310	315	303	291
Building Trades Certification	7	5	4	1
Construction Permits	7,453	6,431	4,177	4,282
Home Occupation Permits	107	90	100	100
Special Use Permits	1,486	1,032	785	1,110
Excavation Permits	60	42	25	25
Driveway Permits	5	3	-	-
Plan Check Fees	4,410	3,217	2,321	2,111
Tree Fee	33	-	-	-
Animal Licenses	421	53	558	558
Emergency Permits	7	13	7	7
Special Events Permits	15	10	(1)	78
Dance Permits	12	22	10	10
Sign and Billboard Permits	81	5	42	63
Alley Parking Permits	5	1	7	7
Boat Slip License	-	-	26	26
Burglar Alarm Permits	562	43	525	525
Subtotal: LICENSES AND PERMITS	15,119	11,435	9,072	9,378

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

GENERAL FUND	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
FINES, FORFEITURES, AND PENALTIES				
Fines And Penalties	8,597	11,216	10,816	10,816
Delinquency Charges	-	-	30	-
Subtotal: FINES, FORFEITURES, PENALTIES	8,597	11,216	10,847	10,816
USE OF MONEY				
Interest On Investments	2,037	-	2,000	2,000
Interest On Receivables	495	236	250	250
Net Incr/Decr in Fair Value	432	106	-	-
Real Property Rental	-	96	415	1,042
Subtotal: USE OF MONEY	2,965	439	2,665	3,292
INTERGOVERNMENTAL				
Federal Government Grants - Operating	-	134	-	-
State Gov Grants - Operating	11	19	-	-
State Homeowners Property Tax	1,253	1,242	1,323	1,336
State Motor Vehicle In Lieu Tax	2,073	1,621	872	889
State Mandated Reimbursement SB90	269	176	212	212
Other State Payments	310	1,257	76	76
Sacramento County Support - Museums	477	418	357	357
P.O.S.T. Reimbursement	69	51	69	69
Other Agency Training Reimbursement	2	202	187	-
Redevelopment Agency Services	2,881	2,528	2,771	2,300
Sacramento County Support - Metro Arts	266	226	172	172
Fire District Reimbursement	4,873	5,450	4,856	4,370
Other County Payments	730	609	303	303
Other Agency Payments	2,753	7,763	3,612	1,734
Other Recoveries	(41)	160	765	765
Planning Technology Fee	476	703	497	538
Miscellaneous Governmental Revenue	1,389	2,323	2,177	2,608
Subtotal: INTERGOVERNMENTAL	17,790	24,880	18,248	15,729
CHARGES, FEES AND SERVICES				
Special Assessments - Service	3	-	23	23
Special Assessments - Administration	20	21	30	30
Franchise Fees	5,869	5,335	5,354	5,460
Compliance Fee	7	3	5	5
Fire Permit Fees	435	423	622	622
City Attorney Fees	11	10	10	10
Investment Fees	1,266	-	1,243	1,043
Service Fees	232	157	547	162
Sale Of Maps And Publications	9	120	-	-
Residential Plan Review	161	180	85	202
Appeal Fees	6	6	3	1
Other General Fees And Charges	27	1	91	6
Weed Abatement And Lot Cleaning	196	296	351	225
Jail Booking Fee Recovery	167	290	200	200
ALS Fees	11,293	17,565	13,800	13,800
Fire Report Fees	6	7	1	1
Street Sidewalk And Curb Repair	1,765	1,843	1,525	1,525

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

GENERAL FUND	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
Demolition Charges	317	468	599	599
Parking Meter Removal Fees	323	257	282	282
Vehicle Abatement SAVSA	516	440	300	300
Code Enforcement Fee	1,094	3,584	3,044	3,108
Housing & Dangerous Buildings	149	175	182	182
Animal Shelter Fees And Charges	285	255	230	230
Swimming Pool Fees	67	111	34	34
Community Services Fees	88	89	95	100
Registration Fees	16	21	8	21
Facility Use Fees	930	574	768	104
Concessions	208	210	100	100
Other Departmental Services	3,254	3,374	3,068	3,063
Tour Fees	2	-	-	-
Other Fees	16	-	1,050	1,050
Parking Meter Receipts	3,524	3,962	4,404	4,404
DUI Fees	(394)	127	202	202
Utility Services Charges	1,291	1,276	1,155	1,155
Recyclables Sales	-	3	15	15
Third Party Recoveries - Vehicle	332	132	-	-
Third Party Recoveries - Property	4	9	-	-
Parking Fees	449	496	-	-
Subtotal: CHARGES, FEES AND SERVICES	33,905	41,822	39,425	38,261
CONTRIBUTIONS FROM OTHER FUNDS				
Enterprise Fund General Tax	17,676	18,135	19,999	20,963
In-Lieu Franchise Fee	2,958	2,743	2,801	2,873
In-Lieu Property Tax	734	738	715	757
Subtotal: CONTRIBUTIONS FROM OTHER FUNDS	21,368	21,616	23,514	24,592
MISCELLANEOUS REVENUE				
Gifts And Donations	5	-	-	-
Capital Contributions	580	-	-	-
Royalties	158	150	-	-
Escheats	(2)	2	133	124
Other Departmental Services	14	7	-	-
Sale Of Real Or Personal Property	88	3,011	-	-
General Obligation Bonds Iss'd	2,155	-	-	-
DirJrnl Error Suspense Account	19	(11)	-	-
Subtotal: MISCELLANEOUS REVENUE	3,017	3,160	133	124
TOTAL GENERAL FUND:	381,688	391,742	363,770	360,334

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

ENTERPRISE FUNDS	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
PARKING - 6004				
Other Agency Payments	1	-	-	-
Facility Use Fees	1,197	(0)	-	-
Miscellaneous Governmental Revenue	4	-	-	-
Interest On Investments	1,308	91	600	600
Net Incr/Decr in Fair Value	(30)	30	-	-
Real Property Rental	(2)	1,491	1,379	1,329
Catering Fees	-	6	-	-
Third Party Recoveries - Vehicle	1	-	-	-
Parking Fees	18,429	17,348	15,501	16,000
Risk Fund In-Lieu Insurance	-	110	-	-
Subtotal: PARKING	20,904	19,075	17,479	17,929
WATER - 6005				
Cellular Revocable Permits	86	61	58	32
Plan Check Fees	-	-	-	33
Compliance Fee	1	-	-	-
Other Agency Payments	297	67	203	263
Service Fees	-	55	-	127
Other Recoveries	21	18	10	-
Other General Fees And Charges	-	-	86	-
Other Departmental Services	2,380	1,053	646	700
Miscellaneous Governmental Revenue	95	60	66	54
Other Fees	-	3	-	-
Interest On Investments	2,285	-	1,370	1,096
Interest On Receivables	130	466	-	-
Net Incr/Decr in Fair Value	150	43	85	-
Capital Contributions	2,627	-	943	-
Water Tap Sales	1,364	859	590	356
Sewer Permits	3	-	-	-
Utility Services Charges	60,623	60,148	70,677	79,739
Residential Construction Water	43	29	13	-
Water Flow Test Fee	61	59	30	52
Compost Sales	4	-	-	-
Fire Hydrant Use Fee	121	99	61	46
Miscellaneous Proprietary Revenue	-	-	-	93
Third Party Recoveries - Property	25	1	-	-
Sale Of Real Or Personal Property	-	28	-	-
Subtotal: WATER	70,316	63,048	74,838	82,590

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

ENTERPRISE FUNDS	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
SEWER - 6006				
Plan Check Fees	-	-	-	33
Regional Sanitation District	966	759	1,126	940
Service Fees	-	-	-	145
Other Recoveries	49	20	2	20
Other General Fees And Charges	-	-	97	-
Interest On Investments	723	-	665	392
Interest On Receivables	37	18	-	-
Capital Contributions	1,042	-	16	-
Sewer Permits	182	43	45	45
Utility Services Charges	19,491	18,911	20,223	20,812
Miscellaneous Proprietary Revenue	-	-	-	105
Third Party Recoveries - Vehicle	4	-	-	-
Third Party Recoveries - Property	6	-	-	-
Sale Of Real Or Personal Property	359	3	-	-
Subtotal: SEWER	22,859	19,753	22,174	22,492
SOLID WASTE - 6007				
State Government Grants - Operating	482	373	122	-
Other State Payments	-	-	175	-
Other Agency Payments	278	171	-	119
Other Recoveries	13	20	-	-
Other General Fees And Charges	-	-	79	100
Lawn And Garden Service	13,813	14,558	-	-
Facility Use Fees	136	82	-	-
Miscellaneous Governmental Revenue	-	3	-	-
Interest On Investments	(235)	-	45	-
Royalties	162	107	-	-
Utility Services Charges	36,854	40,311	57,760	62,315
Compost Sales	6	8	-	-
Recyclables Sales	1,231	713	800	500
Miscellaneous Proprietary Revenue	-	-	-	85
Third Party Recoveries - Vehicle	35	9	-	-
Third Party Recoveries - Property	32	(7)	-	-
Fleet Charges Accident Repair	142	-	-	-
Sale Of Real Or Personal Property	10	25	-	-
Subtotal: SOLID WASTE	52,959	56,373	58,981	63,119

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

ENTERPRISE FUNDS	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
MARINA - 6009				
Boat Slip License	1,210	50	1,810	1,588
Swimming Pool Fees	2	5	3	3
Miscellaneous Governmental Revenue	10	16	26	18
Other Fees	20	43	20	28
Interest On Investments	39	-	-	-
Interest On Receivables	-	-	18	18
Utility Services Charges	29	30	30	32
Gasoline And Oil Sales	127	113	250	324
General Obligation Bonds Iss'd	-	1,045	-	-
Subtotal: MARINA	1,438	1,303	2,156	2,011
COMMUNITY CENTER - 6010				
Transient Occupancy Tax	17,513	15,791	17,000	13,738
Transient Occupancy Tax - Prior Year	25	58	-	-
Miscellaneous Licenses And Permits	2	-	-	-
Public Facilities Impact Fee	-	-	850	-
Other Agency Payments	2	-	-	-
Service Fees	483	424	550	440
Facility Use Fees	3,634	3,337	3,360	3,700
Concessions	1,590	1,469	1,485	1,525
Insurance Fee	12	23	20	31
Miscellaneous Governmental Revenue	53	50	(440)	565
Other Fees	-	-	500	850
Transient Occupancy Tax - Penalties	-	3	-	-
Interest On Investments	1,089	458	600	600
Net Incr/Decr in Fair Value	129	58	-	-
Real Property Rental	520	515	672	682
Royalties	100	100	75	25
Box Office Fees	19	-	-	-
Catering Fees	1,141	918	1,100	1,000
Subtotal: COMMUNITY CENTER	26,312	23,204	25,772	23,156

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

ENTERPRISE FUNDS	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
STORM DRAINAGE - 6011				
Plan Check Fees	(4)	-	-	33
Compliance Fee	100	63	80	18
Other State Payments	17	14	-	-
Other County Payments	3	-	-	-
Other Agency Payments	411	336	2,595	2,595
Service Fees	-	-	-	124
Other Recoveries	30	7	9	-
Other General Fees And Charges	-	-	83	-
Code Enforcement Fee	1	3	4	-
Facility Use Fees	24	24	-	-
Miscellaneous Governmental Revenue	13	22	20	-
Interest On Investments	964	39	304	422
Interest On Receivables	111	55	-	-
Net Incr/Decr in Fair Value	108	-	84	-
Utility Services Charges	33,103	33,922	33,033	33,659
Miscellaneous Proprietary Revenue	-	-	-	89
Third Party Recoveries - Vehicle	1	14	-	-
Subtotal: STORM DRAINAGE	34,882	34,499	36,212	36,941
TOTAL ENTERPRISE FUNDS	229,670	217,255	237,611	248,238

Schedule 6 (continued)
2010/11 Revenue Budget (in 000s)

OTHER GOVERNMENTAL FUNDS	FY2007/08 Actuals	FY2008/09 Actuals	FY2009/10 Amended	FY2010/11 Proposed
4th R Latchkey - 6012	6,317	6,928	6,756	6,703
Art In Public Places - 2607	22	-	-	-
Assessment Bond Registration - 2210	468	-	-	-
Bridge Construction - 2015	7	-	3	3
Cal EPA - 2801	7,957	179	7,874	7,874
CIRBS - 3009	22,853	3,559	-	-
Citation I-5 Improvements - 2017	41	-	20	-
Citation I-5 Maintenance - 2019	14	-	7	-
Debt Service - 4019	11,361	9,608	5,182	12,307
Downtown Management District - 2221	2,029	2,223	2,303	2,303
Fairytale Town - 2606	49	76	50	50
Gas Tax - 2002	8,815	7,817	7,813	7,439
Golf - 2603	7,263	5,827	7,143	7,143
Jacinto Park - 3203	682	605	-	-
Land Park - 2507	130	135	91	91
Lighting and Landscape - 2232	12,676	13,558	13,484	13,815
Major Street Construction - 2007	3,475	1,644	1,494	749
Measure A Maintenance - 2005	9,446	8,728	8,895	7,212
Measure A Construction - 2001	869	(2,350)	1,997	1,649
N. Natomas Financial Plan - 3201	11,157	1,814	800	800
Operations/Capital/Grants - 2702	(2,961)	7,825	-	-
Other	33,530	38,938	19,961	27,131
Park Development - 3204	4,631	2,290	1,000	1,000
Sunset, Pocket, Meadowview - 2220	70	-	-	-
Quimby Act - 2508	2,170	106	100	100
Richards Railyards - 3202	100	-	-	-
S. Natomas Cap Improvements - 2020	1,964	32	100	-
S. Natomas FBA - 2021	208	540	42	-
S. Natomas I-5 Developer Impr - 2022	21	-	10	-
Museum of History and Science - 5020	13	-	-	-
Sacramento Sports Commission - 7108	418	373	-	130
Sacramento Tourism Bid - 2213	2,246	2,099	2,100	2,100
SHRA CDBG - 2700	(1,518)	1,493	250	250
Special Recreation - 2504	3,360	3,743	3,381	3,463
START - 2501	10,375	8,066	6,900	6,900
State Route 160 - 2010	56	-	-	-
Transportation Development - 2013	368	-	292	292
Traffic Safety - 2006	1,358	1,214	1,347	1,000
Transportation Systems Mgt - 2012	27	-	13	-
Zoo - 2605	434	514	720	50
TOTAL	162,402	126,523	100,128	110,554

Schedule 7
Operating Grants

This section provides overview information about significant grant activities City departments conduct with federal, state, and local sponsorship to advance City objectives and supplement City programs. Grant payments for non-labor items are charged directly to the grant fund. Grant payments for labor are noted in the grant fund and also show as a grant recovery in the General Fund or other fund to which the employees are assigned. This information is not all-inclusive and is intended as a general summary of the City's success in receiving grants. Significant resources for capital programs are described in the separately published 2009-2014 Capital Improvement Program Budget. Significant grant amounts which will benefit FY2010/11 are by department:

MAYOR/CITY COUNCIL - \$200,000

Rockefeller Foundation Cities of Service Leadership Grant \$200,000

This funding will support development and implementation of a citywide plan to increase volunteerism and target volunteers to address the City's greatest needs. This grant can be used only to pay for the personnel costs of the Special Assistant to the Mayor (Chief Service Officer) hired to oversee this program. This is a limited term position which will terminate when funding is no longer available.

CITY MANAGER'S OFFICE: OFFICE OF YOUTH DEVELOPMENT - \$1,178,166

California Emergency Management Agency (CalEMA) \$400,000

Gang Reduction, Intervention, and Prevention Program & Youth Violence Recidivism Reduction Project: This grant will provide case management, social services, and employment opportunities to 50 adjudicated youth in a high-crime target area that are reentering the public school system. The project will focus on recidivism prevention, school reentry, education, job training, and community service, including referrals to employment, substance abuse and mental health services. This is the third year of a three year grant.

California Emergency Management Agency (CalEMA) \$281,166

Gang Reduction, Intervention, and Prevention Program & Youth Gang Intervention and Teen Assistance Program: This grant is targeted at newly identified gang-validated youth living in targeted areas of the community. The program provides participants with appropriate social services, mentoring, counseling, and work experience opportunities as positive alternatives to a gang lifestyle. This is the second year of a three year grant.

U.S. Department of Justice - Office of Juvenile Justice and Delinquency Prevention \$280,000

Attendance Resource Centers - Working Toward a Brighter Future: Congressional earmark funding to reduce truancy in the City of Sacramento by providing intervention, counseling, and academic support to students between 14-18 years of age.

Kaiser Permanente Sacramento Valley Area – Street Outreach \$120,000

Street Outreach is a component of a comprehensive youth and gang violence control strategy. Outreach workers share information, assist with crisis intervention, and link youth to proven community-based programs, services, and opportunities.

Kaiser Permanente - Sacramento Violence Intervention Program **\$97,000**

This funding supports a hospital-based violence intervention program that will provide community-based, peer-led, crisis intervention, long-term case management and mentoring, home visits, and follow-up assistance to youth who are identified and treated for violent injuries.

COMMUNITY DEVELOPMENT DEPARTMENT - \$340,000

Technology Village Specific Plan **\$150,000**

SHRA provides Community Development Block Grant (CDBG) funding to support the preparation of a specific plan for a large under-utilized infill area near 65th Street and Highway 50 for future development in order to serve as a center for green and bio-technology as well as other research and development related businesses.

Northeast Line Master Plan **\$100,000**

The Sacramento Housing and Redevelopment Agency (SHRA) provides CDBG funding to support the preparation of a master plan to implement the 2030 General Plan along the northeast light rail line. The plan would cover the following station areas: Globe, Arden Del Paso, Marconi and Royal Oaks. The plan will help encourage development at catalyst sites along the corridor to spur transit-oriented development as the economy improves.

Infill House Plan Program Energy Efficient Models **\$55,000**

The Sacramento Municipal Utility District (SMUD) provides funding to support the further expansion of the City's Pre-Approved Infill House Plan Program. It will enable the City to provide new energy efficient house plan models that conform to SMUD's "Solar Smart" and "Home of the Future" programs.

Infill House Plan Program Expansion **\$35,000**

SHRA provides CDBG funding to support the expansion of the City's Pre-Approved Infill House Plan Program. This will provide additional pre-approved house plan models that can be used on small vacant sites and foreclosed properties throughout the City, especially in Oak Park and Del Paso Heights.

FIRE DEPARTMENT - \$1,000,000

Urban Search and Rescue (US&R) **\$1,000,000**

The National US&R system is a cooperative effort between the Department of Homeland Security (DHS), participating state emergency management agencies, and local public safety agencies across the country. The system is built around a core of sponsoring agencies prepared to deploy US&R task forces immediately and initiate US&R operations at DHS's direction. US&R operational activities include locating, extricating, and providing on-site medical treatment to victims trapped in collapsed structures, victims of weapons of mass destruction (WMD) events, and, when assigned, performing incident command or other operational activities. California has eight of the 28 US&R Task Forces. The City of Sacramento's Fire Department (SFD) is the sponsoring agency of California Task Force 7 (CA TF-7). DHS provides financial support in the form of grants/cooperative agreements to each of the Sponsoring Agencies. SFD is solely responsible for the administrative management of CA TF-7. As required by the cooperative agreement, SFD will use this grant to: train task force personnel; maintain a state of readiness; and acquire necessary equipment and supplies. Funding is included to staff the following positions: a Battalion Chief, an Administrative Analyst, a Typist Clerk, and two Cache Logisticians. Funding for this program, which varies annually, is provided on an annual basis from DHS.

GENERAL SERVICES DEPARTMENT - \$5,166,500

Energy Efficiency and Conservation Block Grant **\$4,569,000**

This grant, awarded under the American Recovery and Reinvestment Act of 2009 and approved by City Council in FY2009/10, provides funding for such things as energy efficiency retrofits for City facilities, development of the Sacramento Community Climate Action Plan, implementation of the Regional Green Building Taskforce, development of a regional assessment financing program for energy efficiency improvements, and a regional energy alliance program in partnership with SMUD for residential and commercial energy efficiency retrofits.

Sacramento Emergency Clean Air and Transportation Program (VET 06-0042) **\$320,000**

This grant will reimburse the incremental cost of purchasing liquefied natural gas (LNG) vehicles rather than diesel vehicles, as well as retrofitting existing City diesel powered vehicles with particulate traps. The estimated cost to purchase a new LNG vehicle is \$173,959, and the cost to purchase a new diesel vehicle is \$145,556. The difference of \$28,403 is the incremental cost of purchasing a LNG vehicle over a diesel vehicle. The grant program will reimburse the City for the incremental cost of purchasing five LNG vehicles and retrofitting 32 existing City diesel powered vehicles with particulate traps.

Sacramento Metropolitan Air Quality Management District Program (VET 07-0068) **\$277,500**

This grant provides reimbursement for the cost of retrofitting low emission technology to reduce nitrous oxide emissions and particulate matter. The City will participate in this program by retrofitting 16 existing vehicles with particulate traps. This grant will reimburse the City a maximum of \$277,500 for the cost of particulate trap retrofits. The cost to retrofit an existing fleet vehicle may vary depending on the particulate trap required for each vehicle. On average, the estimated retrofit cost per vehicle is \$19,500.

PARKS AND RECREATION DEPARTMENT - \$12,966,937

START (Students Today Achieving Results for Tomorrow) **\$7,524,263**

START has anticipated funding of \$7,524,263 from the State of California Department of Education's After School Education and Safety (ASES) grant to provide the majority of funding for this after-school literacy and enrichment program that serves over 8,500 elementary school children in five school districts. An additional \$650,000 is anticipated from the state allotment of Federal AmeriCorps funds to operate the "Get Fit Now!" nutrition and fitness portion of START's after-school curriculum.

Cover the Kids (CTK) **\$1,855,751**

CTK is committed to ensuring all children in Sacramento County have access to affordable health coverage. CTK is funded by First 5 Sacramento, Kaiser Permanente, Mercy Sacramento, Sutter Medical Center (Sacramento), University of California (UC) Davis Health System, and claims Medical Administrative Activities. CTK's charter focuses on two areas: 1) enrolling eligible children in existing health programs; and 2) creating an additional insurance product called "Healthy Kids" for those kids that are ineligible up to 300% of the federal poverty line. Healthy Kids is now enrolling children. CTK is also involved with the Children's Health Initiatives at the regional level and shares administrative leadership with the Healthy Kids Healthy Future Regional Children's Health Initiative, a five-county partnership between Colusa, El Dorado, Placer, Sacramento, and Yuba counties.

4th R Program (Before and After School Licensed Childcare) **\$1,000,000**

Annual renewable grant from the State of California Department of Education subsidizes enrollment fees for students in low-income families.

Summer/Year Round Food Service Program **\$748,000**

This program operates primarily in the summer to provide free lunches and snacks at approximately 120 locations to children 18 years old and younger through a federal grant administered by the State of California. The program delivers snacks to several locations during the year.

At-Risk Youth Snack Program **\$700,000**

After-school snacks are distributed to thousands of elementary school children attending the START Program and several other programs. Funding is provided through a federal grant administered by the State of California.

PASSage (SCUSD) and ASES (EGUSD) Programs **\$388,750**

Grant funding from the State Department of Education provides after school academic support, enrichment activities, recreation, and sports for students at middle schools in the Sacramento City Unified School District (SCUSD) and Elk Grove Unified School District (EGUSD). The school districts are the “grantees,” and contract with the Department of Parks and Recreation in the delivery of the program. Funding is contingent on the number of schools participating in the program.

21st Century ASSETS High School After School Program **\$250,000**

Grant funding from the State Department of Education for the 21st Century High School After School Safety and Enrichment for Teens (ASSETS) Program provides after school academic support, enrichment activities, recreation and sports for students at up to six high schools in the Sacramento City Unified School District. The school district is the “grantee,” and contracts with the Department of Parks and Recreation in the delivery of the program. Funding is contingent on the number of schools participating in the program.

Workforce Investment Act/Youth Development Program **\$220,173**

The Department of Parks and Recreation receives funds from S.E.T.A. (Sacramento Employment and Training Agency) for 48 in-school youth (ages 16 - 21 years old) each year. Activities are individualized and may include paid work experience, tutoring, leadership development opportunities, adult mentoring, comprehensive guidance and counseling, and a minimum of one year of follow-up services.

Workforce Investment Act/Youth Employment Program and American Recovery and Reinvestment Act **\$160,000**

Funding for up to 60 youth (ages 16 - 20 years old) for vocational training, life skills, and paid work experience. Paid work experience occurs May through August.

SHRA for “Prime Time Teen” **\$80,000**

The Department of Parks and Recreation receives funds from SHRA to provide vocational training, life skills education, and community service projects for up to 150 youth between the ages of 14 - 17 years old. Participants engage in an eight-week program consisting of job preparedness training, life skills, college campus visits, and team-building activities. Participants develop and deliver a community service project as the culminating event.

“Stand Up to Falls” Program for Seniors

\$40,000

The Department of Parks and Recreation receives funds from the Kaiser Permanente Community Benefit Grant program to conduct a multi-faceted fall prevention program for older adults. Participants take part in half-day mini-courses, or eight-week educational sessions, aimed at developing strategies to combat this growing public health concern. Dozens of seniors also receive in-home safety assessments and modifications, such as bathroom grab bars, through a partnership with Rebuilding Together, a nonprofit organization supported by this grant. In addition, fall prevention educational materials are distributed through community locations and directly to seniors' homes throughout Sacramento.

POLICE DEPARTMENT - \$36,656,888

U.S. Department of Homeland Security and Department of Commerce

\$9,567,801

Public Safety Interoperable Communications (PSIC) Program: The purpose of the Public Safety Interoperable Communication (PSIC) program is to bolster regional interoperable communications systems and build interagency collaboration and cross discipline coordination for first responders. The PSIC program provides funding primarily for communication equipment for Sacramento and its surrounding regions, and includes a 20% match on applicable activity from participating agencies.

U.S. Department Of Justice - Office of Community Oriented Policing Services

\$9,554,860

Hiring Recovery Program Grant: This recovery program provides funding directly to law enforcement agencies to create and preserve jobs, and to increase community policing capacity and crime-prevention efforts. The Department is using this grant to hire 35 new police officers. It will fund the entry level salaries and benefits for the officers for three years, and the positions added will restore positions previously unfunded due to budget constraints. The grant requires the retention of the officers until the fourth year of employment, at which time salary and benefit costs will shift to the City's General Fund.

U.S. Department of Justice - Office of Community Oriented Policing Services

\$7,650,000

COPS 2007 Technology Program: COPS technology grants provide funding for the continued development of technologies and automated systems that help law enforcement agencies prevent, respond to, and investigate crime. This funding allows the purchase of technologies to advance communications interoperability, information sharing, crime analysis, intelligence gathering, and crime prevention in their communities.

U.S. Department of Homeland Security - FY 2009 Urban Area Security Initiative

\$3,150,680

The purpose of the Urban Area Security Initiative (UASI) program is to increase and improve the capabilities of emergency responders to prepare, prevent, and respond to terrorist threats or attacks. The UASI program provides funding for regional planning, equipment, training, exercises, assessments, and operational needs. This program involves the coordination and participation of the Sacramento urban area regional partners. The funding currently supports seven authorized positions including: Lieutenant, Sergeant, Police Officer, Application Developer, and Administrative Analyst (3).

U.S. Department Of Justice - Office of Justice Programs

\$2,527,660

Recovery Act: Edward Byrne Memorial Justice Assistance Program:

This recovery program provides funding to state and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. The Department is using this funding to complete network upgrades that will allow updates to camera systems and mobile computers in patrol cars. Some of the money will also be used to complete the Department's shooting range and to replenish taser supplies.

State of California - Office of Traffic Safety **\$1,147,122**

DUI Brief Intervention of Impaired Drivers: This program funds one full time program manager and certified Alcohol and Drug counselors. This project will assist in the implementation of a pilot program in Sacramento County to provide “brief intervention” for the impaired driver at the jail upon release. The purpose of the brief intervention is to create a “teachable moment” where impaired drivers can receive resources and referral to treatment in Sacramento County that will prompt changes in their “life-threatening” driving behavior. A paid media campaign will be conducted to educate the public on the new statewide vehicle impound law that will impact impaired drivers. The current program is scheduled to end September 30, 2010.

U.S. Department Of Justice - Office of Community Oriented Policing Services **\$927,398**

Secure Our Schools: This program provides funding to assist with the development of school safety resources. It will help establish and enhance a variety of school safety equipment, including lighting and security camera systems on school campuses. This grant funds equipment, supplies, and contractors, and includes a dollar-for-dollar match from the schools receiving services and supplies from the grant.

State of California through Sacramento County **\$745,298**

Citizen’s Option for Public Safety Program: This program provides funding to law enforcement jurisdictions to support law enforcement activities. This funding is determined by the City’s relative population, which is based on the most recent January estimate by the population research unit of the State Department of Finance.

State of California - Office of Traffic Safety **\$670,500**

DUI Enforcement Program: This program exists to increase DUI surveillance and traffic enforcement activities to reduce alcohol-related collisions and injuries. The program funds a full time DUI team to conduct DUI enforcement and special traffic safety within Sacramento for one year.

U.S. Department Of Justice - Office of Justice Programs **\$614,921**

Edward Byrne Memorial Justice Assistance Program: This program provides annual funding to state and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. This award is being used to replace approximately 30% of the Department’s mobile computers and mounting consoles in marked police vehicles. This update will improve system performance, reliability, speed, and accessibility to critical police data, which will enhance officer safety and efficiency through improved communication, integration, and collaboration.

State of California - Office of Traffic Safety **\$100,648**

The Regents of the University of California, Berkeley (U.C. Berkeley)

Sobriety Checkpoint Mini-Grant Program for 2009-2010: This program funds overtime for officers to conduct Driving Under the Influence (DUI)/Driver’s License checkpoints. The mini-grant program’s goal is to reduce the number of victims injured or killed in alcohol-related crashes.

UTILITIES DEPARTMENT - \$119,131

USED OIL RECYCLING BLOCK GRANT – 14TH CYCLE **\$119,131**

Grant funds provided by CalRecycle are used to develop and promote proper disposal and recycling of used oil and filters by undertaking outreach efforts to inform and motivate the public to recycle used oil and filters.

4

SECTION – 4

Program Oriented Development (POD) Review

Following is a summary of the inventory of programs and services in each POD priority category. General Fund operating departments and support departments have been summarized separately. Summaries include a brief description, the number of FTE and the net General Fund cost. These summaries do not reflect programs and services that are fully offset by either revenues or reimbursements.

Operating department programs and services were prioritized based on the following criteria:

Mandated Services

Does the City have the authority to stop doing it?

- Is it required by law (Federal or State) to provide this service?
- Is it required by the City Charter?
- Is there an irrevocable agreement from which the City has no relief?

Essential Services

Level 1 – Life/Safety

Does someone risk bodily harm or death if we stop doing it?

- Is it critical that we provide the service to prevent death or injury?
- Is there an urgency factor to providing the service to prevent death or injury?

Level 2 – Public Health

Is there a significant public health risk if the service is not provided?

- Is it critical that we provide the service in a timely manner to avoid a major health risk to the community?

Level 3 – Risk/Liability

Is there a significant risk/liability exposure to the City if the service is not provided?

- Is it critical to provide the service in a timely manner to avoid significant liability exposure to the City?
- Would the likely level of exposure exceed the cost of providing the service?

Existing Services

All other programs and services

Note: A listing of acronyms used in this section is included on the last page of this section.

FY2010/11 Proposed Budget

DEPARTMENT	MANDATED SERVICES	GF FTE	NET GF BUDGET
Code Enforcement		33.00	1,544,459
	Response to Code Violations and Dangerous Conditions		
Community Development		85.94	3,762,936
	Climate Action Plan		
	Construction - Building Permits, Inspections, and Plan Review		
	Counter Operations and Records Management		
	Entitlements-Current Planning Projects and Environmental Processing		
	Green Building Program		
	Housing Element Implementation, Maintenance, and Annual Report		
Convention, Culture & Leisure		11.00	1,790,803
	Center for Sacramento History - Official Repository for City, County Records		
	City Support to Crocker Art Museum		
	Lease with McClellan Air Force Base		
	Miller Park Boat Ramp Dredging		
	Operation of the Historic City Cemetery		
Economic Development		1.00	236,063
	Enterprise Zone Marketing and Compliance		
Fire		492.00	63,669,097
	Fire Code Enforcement		
	Fire New Development Plan Review, Inspections, Permits		
	Fire Operations Permits		
	Fire Suppression		
General Services		25.00	1,959,616
	Animal Care and Sheltering		
	Animal Control and Enforcement		
Parks and Recreation		2.00	182,655
	Park Maintenance - State Mandated Playground Inspection and Repair		
Police		205.46	22,079,464
	Collision, Hit and Run Investigation		
	DOJ Records, Data Base Compliance		
	Evidence Storage and Maintenance Including DNA		
	Family and Spousal Abuse Investigation		
	Grant Administration		
	Internal Investigations		
	Personnel Records Management, Civil Service Testing Compliance		
	Police/Fire Records Management		
	Procurement		
	Report Taking		
	Sale and Release of Police Reports and Records		
	Security Police, Fire IT Networks		
	Sex Assault and Child Abuse Investigations		
	Warrants Management and Missing Person Investigation and Tracking		
	Workers' Compensation Coordination and Management		
Transportation		19.75	157,082
	ADA Compliance, Construction Inspections, and Transportation Development Review		
TOTAL MANDATED SERVICES:		875.15	\$95,382,175

FY2010/11 Proposed Budget

DEPARTMENT	ESSENTIAL SERVICES: LEVEL1 - LIFE/SAFETY	GF FTE	NET GF BUDGET
Community Development		0.50	64,130
	Infill Development		
Fire		89.00	1,003,936
	Emergency Medical Response		
	Fire Boat Response		
	Hazardous Materials Response		
Police		598.42	65,647,491
	Answer 911		
	Crime Analysis		
	CSI - Evidence Processing		
	Dignitary Protection		
	Dispatch of Officers to Calls for Service		
	District Attorney Case Preparation and Submittal		
	Evidence Processing		
	Explosive Ordinance Disposal (Bomb Squad)		
	Felony Assaults Investigations		
	Firearm, Ammunition Violations Investigations		
	Gangs Investigations		
	Homicide Investigations		
	K9, SWAT, Traffic, Parolee Intervention, Regional Transit Policing, Air Support		
	Narcotics Investigations		
	Regional Terrorism Threat Assess Center		
	Respond to Calls for Service, Proactive Enforcement, Prelim investigation, SRO's,		
	POP, Mounted, Boats, Bikes, SHRA POP		
	Safety Equipment Distribution		
	Vice Investigations		
Transportation		81.50	518,759
	Encroachment Permits		
	Roadway, Street Lights and Traffic Signals Maintenance, Operations		
	Speed Limit Program		
TOTAL ESSENTIAL SERVICES LEVEL 1:		769.42	\$67,234,316

DEPARTMENT	ESSENTIAL SERVICES: LEVEL2 - PUBLIC HEALTH	GF FTE	NET GF BUDGET
Code Enforcement		1.00	61,242
	Enforcement of Codes Related to Public Health Issues		
Convention, Culture & Leisure		8.90	169,083
	Maintain Old Sacramento Historic District		
General Services		7.00	190,903
	Animal Care Customer Service		
	Animal Care Services Management		
Parks and Recreation		91.21	2,874,205
	Cover the Kids and HKHF Health Insurance Program		
	Park Maintenance - Restroom Cleaning, Garbage Removal		
	Summer, Year-Round Food Program		
	Triple R Adult Day Program		
TOTAL ESSENTIAL SERVICES LEVEL 2:		108.11	\$3,295,433

FY2010/11 Proposed Budget

DEPARTMENT	ESSENTIAL SERVICES: LEVEL3 - RISK/LIABILITY	GF FTE	NET GF BUDGET
Code Enforcement		34.00	1,078,508
	Enforcement of Neighborhood Blight, Land Use, and Safe Housing		
Community Development		0.25	32,065
	Airport Master Plans and ALUCP's		
Convention, Culture & Leisure		69.35	828,451
	City Support to Sacramento History Museum		
	Management of Old Sacramento District		
	Operation of City Golf Courses		
	Support the Operation of the Sacramento Zoo		
Fire		9.00	1,177,886
	Fire Investigations		
	Weed Abatement Contract Management		
Parks and Recreation		98.84	6,483,027
	Aquatics Infrastructure, Utilities, Recreation Swim, Swim Lessons		
	Community Centers, Clubhouses		
	Park Maintenance Repairs and Core Mowing		
	Park Safety Services		
	Special Events, Permitting, Barricades		
	Youth Employment		
Police		150.10	15,310,148
	Auditing		
	Burglary Investigation: Residential and Business		
	Computer Aided Dispatch Maintenance, Administration		
	Court Subpoena Service and Tracking		
	Crime Prevention, Education		
	Drivers Training: City Employees, Academy, In-Service		
	DUI Enforcement and Education		
	Emergency Public Notifications		
	Employee Injury Prevention & Wellness		
	Employment Background Investigations		
	Financial Crimes, Real Estate Investigations		
	Financial Record Keeping		
	General Orders and Policy Review and Management		
	Network IT Support Police/Fire		
	Patrol and Investigative Support		
	Police Officer Field Training		
	Reserve Officers		
	Risk Management		
	Robbery Investigation: Person and Business		
	Sensitive Investigations		
	Threat Assessment: Special Events, Critical Infrastructure, and People		
	Training: Police Academy, Dispatch Academy, and In-Service		
	UASI Grant		
	Vehicle Crimes		
Transportation		42.00	1,117,600
	Urban Forestry Services		
TOTAL ESSENTIAL SERVICES LEVEL 3:		403.54	\$26,027,685

FY2010/11 Proposed Budget

DEPARTMENT	EXISTING SERVICES	GF FTE	NET GF BUDGET
City Manager-OYD		3.00	396,474
	Non-Profit Support and Resources		
	School Support		
	Youth and Family Services		
	Youth and Gang Violence Prevention		
	Youth Civic Engagement		
	Youth Policy Development		
Code Enforcement		12.00	1,035,494
	Enforcement of City Codes and Regulatory Issues		
Community Development		18.70	1,208,061
	Alley Activation		
	Annexation Projects		
	Boards and Commissions Support		
	Economic Development and Planning		
	Entitlements		
	General Plan Implementation, Maintenance, and Annual Report		
	Natomas Joint Vision		
	North Natomas Implementation		
	Rezonings for General Plan Consistency		
	Specific Plans		
	Zoning Code Updates and Improvements		
Convention, Culture and Leisure		16.01	586,904
	Arts Education		
	Arts, Marketing, Business Partnerships, and Economic Development		
	Arts Regranting and Cultural Programs		
	Center for Sacramento History Education		
	Discovery Museum, Fairytale Town, and Science Center Operations Support		
	Golf Marshall Program		
	Old Sacramento Program Support		
Economic Development		9.00	1,272,708
	Brownfield Remediation of Contaminated Soil and Ground Water		
	Business Attraction, Retention		
	Small Business Assistance		
Fire		12.00	208,914
	Fire Public Education, Community Outreach (Volunteers)		
	Fire Reserves		
	Firefighter, Paramedic Trainees		
	Homeland Security		
	Urban Search and Rescue		
General Services		3.00	314,328
	Animal Care Community Outreach, Education		
Parks and Recreation		157.65	5,177,105
	Adult Sports		
	Aquatics - Rentals, Other Fee Based Programs		
	Camp Sacramento		
	Community Centers, Clubhouses - Programming		
	Out of School Programs for Children		

FY2010/11 Proposed Budget

DEPARTMENT	EXISTING SERVICES	GF FTE	NET GF BUDGET
Parks and Recreation (continued)			
	Park and Bikeway Landscape Architecture		
	Park and Recreation Advance Planning		
	Park Facility Reservations		
	Park Maintenance		
	Programs and Services for Teens		
	Programs for Youth and Veterans with Disabilities		
	School Crossing Guards		
	Senior Center and Senior Services		
	Youth Employment Program		
Police		118.23	13,545,186
	Alarm Program Administration		
	Asset Seizure Management		
	City Council Report Preparation and Tracking		
	Community Information Dissemination Non-emergency		
	Contract, MOU Administration		
	Coordinate Reverse 911		
	Crime Alert		
	Crime Prevention Through Environmental Design: Review and Education		
	Executive Support		
	JPA Regional Training Administration		
	Legal Liaison to City Attorney's Office		
	Licensing, Permits		
	Magnet School Program		
	Media		
	Off-Duty Employment Program		
	Payroll, Position Control, Personnel Transaction		
	Public Records Act Response		
	Racial Profiling Commission support		
	Recruiting		
	Respond to Alarm Calls		
	Task Forces: FBI, IRS		
	Volunteer Programs		
Transportation		22.45	897,530
	Streetscape Maintenance		
	Traffic Calming		
	Transportation Policy, Planning, and Project Development		
TOTAL EXISTING SERVICES:		372.04	\$24,642,703

Support services department programs and services were prioritized based on the following criteria:

Mandated Services

Does the City have the authority to stop doing it?

- Is it required by law (federal or state) to provide this service?
- Is it required by the City Charter?
- Is there an irrevocable agreement from which the City has no relief?

Essential Services

Level 1 – Critical Services (e.g., IT services, payroll, utilities)

- Is it critical to operating departments that we provide the service?

Level 2 – Significant Impact or Risk (e.g., contract administration, personnel)

- Is there a significant risk/liability exposure to the City if the service is not provided?
- Would the likely level of exposure exceed the cost of providing the service?

Existing Services

- All other programs and services.

Note: A listing of acronyms used in this section is included on the last page of this section.

FY2010/11 Proposed Budget

DEPARTMENT	MANDATED SERVICES: SUPPORT	GF FTE	NET GF BUDGET
Finance		51.40	2,404,261
	Accounts Payable		
	Annual Operating, CIP Budget Development and Management		
	Cash Handling Administration		
	Citywide Accounting, CAFR Preparation		
	Citywide Accounts Receivable and Delinquent Collections		
	Citywide Business Improvement Area Administration		
	Citywide Financial System Administration		
	Citywide Tax Collections		
	Infrastructure Finance Plans - Development and Administration		
	Payroll		
	Special Districts - Formation and Administration		
General Services		7.00	224,510
	Asset Management - Environmental Regulatory Compliance		
	Facilities - ADA Construction Projects and Code, Regulatory Compliance		
Human Resources		20.00	1,648,039
	CalPERS, SCERS Retirement Administration		
	Citywide General and Auto Liability Claim Administration		
	Citywide Workers' Compensation Claims Administration		
	Classification, Reclassification, Salary Surveys		
	Complaint Investigation ADA, EEO Program Compliance		
	Health and Welfare Benefit Administration - Medical, Dental and Life Insurance Plans		
	Leave Administration		
	Occupational Safety and Health Program Administration		
	Personnel Recruitment, Certification, Selection		
Labor Relations		7.40	729,036
	Administer Layoff Process		
	Advise Management in Handling Employee Grievances and Disciplinary Issues		
	Negotiate and Administer Labor Agreements		
	Respond to and Defend Unfair Labor Practice Charges		
TOTAL MANDATED SERVICES:		85.80	\$5,005,845

FY2010/11 Proposed Budget

DEPARTMENT	ESSENTIAL SERVICES: LEVEL 1 - SUPPORT	GF FTE	NET GF BUDGET
Finance		17.08	422,646
	Administrative Penalties Collections		
	Annual Lien Process (centralized)		
	Citywide Central Cashiering, Cashiering System Administration		
	Customer Service for On and Off Street Parking		
General Services		41.50	3,051,665
	311 Program		
	Asset Management - Right of Way, and Real Property Acquisition		
	Facilities - Emergency, Safety, Code Maintenance and Repair		
	Interoffice and U.S. Mail Delivery		
	Utilities (SMUD, PG&E)		
Information Technology		48.00	4,022,329
	CCM Applications Support		
	CRM, 311 Applications Support		
	Customer Information System Applications Support		
	eCAPS Applications Support		
	GIS Support and Data Management		
	IT Security Services		
	IT Service Desk		
	Network and Telecommunication Services		
	Server Infrastructure Support		
TOTAL ESSENTIAL SERVICES LEVEL 1:		106.58	\$7,496,640
DEPARTMENT	ESSENTIAL SERVICES: LEVEL 2 - SUPPORT	GF FTE	NET GF BUDGET
Finance		4.93	186,490
	Bus Pass Processing		
	Business Permits		
	Council Report Review		
General Services		62.00	5,515,107
	Asset Management - Response to Department/Public Inquiries Regarding City Properties		
	Department Inventory Management and Control		
	Facilities - Corrective and Daily Repairs		
	Facilities - Project Management and Administration		
	Facilities - Security		
	Procurement		
Human Resources		4.00	248,978
	Administration of City's "Self-Insured" Third Party Cost Recovery		
	Contract Administration		
	Mediation		
	Position Control, Personnel Actions, and Management Appointments		
	SMART Supervisory Academy		
Information Technology		6.00	369,601
	Central Web Support		
	Technology Administration Support		
Labor Relations		0.40	6,815
	Provide Fact-Finding Assistance to Departments		
TOTAL ESSENTIAL SERVICES LEVEL 2:		77.33	\$6,326,991

FY2010/11 Proposed Budget

DEPARTMENT	EXISTING SERVICES: SUPPORT	GF FTE	NET GF BUDGET
Finance		0.10	7,000
	Employee Computer Loan Program		
General Services		2.00	110,886
	Asset Management - Facilities Programming Guide		
	City Hall 5th Floor Reception		
	Facilities - Deferred Maintenance		
	Sustainability		
Human Resources		1.80	175,592
	Career Development and Wellness		
	City University, New Employee Orientation, Organizational Development Intervention		
	Citywide Volunteer Coordination		
	Retiree Health Insurance Administration		
Neighborhood Services		9.00	956,157
	Citywide Support		
	Community Development		
	Issue Resolution		
	Outreach		
	Special Projects		
TOTAL EXISTING SERVICES:		12.90	\$1,249,635

ACRONYMS USED IN THIS SECTION

311	City Phone Number for Service, Reporting Problems, or Information
911	Emergency Phone Number for North America
ADA	Americans with Disabilities Act
ALUCP	Airport Land Use Compatibility Plan
CAFR	Comprehensive Annual Financial Report
CalPERS	California Public Employees Retirement System
CCM	Citywide Content Management
CIP	Capital Improvement Plan
CRM	Customer Relationship Management
CSI	Crime Scene Investigation
DNA	Deoxyribonucleic Acid
DOJ	Department of Justice
DUI	Driving Under the Influence
EEO	Equal Employment Opportunity
FTE	Full Time Equivalent
FBI	Federal Bureau of Investigations
GIS	Geographic Information Systems
HKHF	Healthy Kids, Healthy Futures
IRS	Internal Revenue Service
IT	Information Technology
JPA	Joint Powers Agreement
K-9	Police Canine Unit
MOU	Memorandum of Understanding
PG&E	Pacific Gas and Electric
POP	Problem Oriented Policing
SCERS	Sacramento City Employees Retirement System
SHRA	Sacramento Housing & Redevelopment Agency
SMART	Supervisor, Manager Required Training
SMUD	Sacramento Municipal Utilities District
SRO	School Resource Officer
SWAT	Special Weapons And Tactics
Triple R	Relate, Refresh, Rely
UASI	Urban Area Security Initiative
US	United States

5

SECTION – 5

Glossary

GLOSSARY

Account - The primary accounting field in the budget used to describe the type of the financial transaction

Actual - Actual level of expenditures/FTE positions approved for fiscal year noted.

Amended - Level of expenditures/FTE positions reflecting adjustments made during the current fiscal year.

Appropriation - An authorization by the City Council to make expenditures and to incur obligations for a specific purpose.

Approved Budget - Includes the following documents:

- a) The FY2010/11 Proposed Operating Budget dated April 30, 2010, as amended by the City Council to incorporate the approved summary of changes in appropriations set forth in Exhibit 1, and the approved administrative and technical changes set forth in Exhibit 2 (the Approved Operating Budget is attached as Exhibit 3); and
- b) The FY2010/11 Proposed Capital Improvement Program (CIP) Budget dated April 30, 2010, as summarized in Schedule 4 of the FY2010/11 Operating Budget and detailed in the 2010-2015 CIP, as amended by the City Council to incorporate the Proposed CIP, the summary of changes in appropriations set forth in Exhibit 1, and the approved administrative and technical changes set forth in Exhibit 2 (the Approved CIP is attached as Exhibit 4).

Assessment - Revenue collected for City services that benefit properties in specific areas or districts.

Balanced Budget - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

Beginning/Ending Fund Balance - Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand. (See definition of "Fund Balance.")

Budget - An annual financial plan consisting of proposed expenditures for specified purposes and the proposed means of financing them.

Capital Improvement - A permanent addition to the City's assets, including the design, construction, or purchase of land, buildings or facilities, or major renovations of the same. Includes installation or repair of new or existing traffic signals, roads, sewer lines and parks. To qualify as a capital improvement project, the cost of the project must exceed \$20,000.

Capital Improvement Program (CIP) - An ongoing five-year plan of single and multiple year capital expenditures which is updated annually.

Debt Service - Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

Department - “Department” or “Operating Unit” refers to Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Code Enforcement; Convention, Culture & Leisure; Community Development; Economic Development; Finance; Fire; General Services; Human Resources; Information Technology; Labor Relations; Neighborhood Services; Parks & Recreation; Police; Transportation; Utilities; Capital Improvement; Debt Service; Non-Department and Reserves.

Dept ID - A sub-unit of an Operating Unit.

Division - A roll-up of Dept ID’s within an Operating Unit.

Employee Services - The personnel costs of a City program, including wage/salary, direct and indirect benefits, such as health insurance, social security costs, retirement contribution, workers’ compensation, unemployment insurance, etc.

Enterprise - A governmental facility or service that is self-supporting through fee and charge revenue.

Equipment - Capital outlay for tangible property of a relatively permanent nature, such as vehicles or equipment with a unit cost of \$5,000 or more.

Expenditure Class - A roll-up of Accounts: Employee Services, Service and Supplies, Property, Debt Service, and Interdepartmental Transfers.

Expenditure/Requirement - The actual spending of funds authorized by an appropriation. Expenditures are divided into the following “classes” of individual line items:

- Employee Services
- Services and Supplies
- Equipment
- Debt Service
- CIP or Grant Labor Offset
- Capital Improvements

Externally Funded Program – Program revenues provided by external agencies which are restricted to a specified purpose.

Fiscal Year - July 1 through June 30.

Full Time Equivalent (FTE) - The decimal equivalent of a part-time position converted to a full time basis, e.g., one person working half time would count as 0.5 FTE.

Fund - A separate, independent accounting entity with its own assets, liabilities, and fund balance.

- General Fund - The City's principal governmental operating account, which is supported by taxes and fees.
- Other Governmental Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, e.g., Gas Tax Fund, Traffic Safety Fund, Operating Grant Fund, etc.
- Enterprise Funds - These funds are used to account for operations for which it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals, e.g., Water Fund, Sewer Fund, etc.
- Internal Service Funds (ISF) - These funds are used to provide services to all City departments on a cost-reimbursement basis, e.g., Risk Management Fund, Fleet Management.
- Trust Funds - These funds are used to account for assets and activities restricted to a specific purpose in accordance with a trust agreement, e.g., Ethel MacLeod Hart Trust Fund.

Fund Balance - The difference between the assets and the liabilities of a fund.

Funded FTE - A City Council authorized FTE position with an associated labor budget.

General Fund - The City's principal operating account, which is supported by taxes and fees and generally has no restrictions on its use. Expenditures may be described as discretionary and non-discretionary.

- Discretionary - That portion of the General Fund for which there are no restrictions on the use of the fees or taxes collected.
- Non-discretionary - Expenditure of revenues which are collected by users of a program to offset the cost of the program. State law requires that fees charged cannot exceed the cost of the service.

Grant - Program revenues provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Growth Rate - Level at which expenditures and revenues are expected to increase annually.

Impact – Effects on the service level provided by particular program due to budget changes.

Indirect Costs - Those elements of cost necessary in the performance of a service that cannot be accurately or readily allocated to the unit of service. Usually they relate to those expenditures that are not an integral part of the service such as rent, heat, management, etc.

Internal Service Fund (ISF) - An ISF provides services to all City departments and bills the various other funds for services rendered. ISF's are self-supporting. Only the expenditure by the ISF is counted in budget totals; the internal transfer from the department to the ISF is excluded to avoid double-counting expenditures.

Internal Service Fund Transfer - A transfer from operating funds to an ISF, e.g., Risk Management or Fleet Management.

Labor/Supply Offset (CIP/Grant/Labor) - Amounts for employee salaries/benefits expected to be charged to capital improvement projects or grants thus reimbursing the operating budget for these costs.

Non-department - Program costs that do not relate to any one department, but represent costs of a general citywide nature, such as debt service.

Operating Budget - Annual appropriation of funds for ongoing program costs, including employee services, other services and supplies, equipment, and debt service.

Operating Transfers - Transfers from a fund receiving revenue to a fund which will expend the resources.

Program Oriented Development (POD) – A comprehensive review and evaluation process of current services and programs, categorized as mandatory, essential, or existing. Mandatory Services are required by law, charter, or irrevocable agreement. Essential Services are identified in three levels: Life/Safety, Public Health, and Risk/Liability. Existing Services cover all other programs or services.

POD Operating Departments – City Manager Office of Youth Development; Code Enforcement; Convention, Culture & Leisure; Community Development; Economic Development; Fire; General Services; Parks & Recreation; Police; Transportation; Utilities.

POD Support Departments - Finance; General Services; Human Resources; Information Technology; Labor Relations; and Neighborhood Services.

Resources - Total amounts available for appropriation during the fiscal year, including revenues, fund transfers and beginning fund balances.

Revenues – Income received from seven categories:

- Taxes - Revenue including sales tax, property tax, utility user tax, etc., collected to fund general operating City programs.
- Charges for Fees and Services - Fees charged to the user of any specific service provided by the City not supported by the General Fund. The fee cannot exceed the cost of providing the service.

- Licenses and Permits - Revenues collected for construction, maintenance and/or operation of designated equipment, businesses, buildings, and private property including animals.
- Use of Money and Property - Interest earned on City investments or County held funds.
- Inter-Governmental - Revenue disbursements from other agencies, such as State Motor Vehicle In-Lieu Tax and State Homeowners Property Tax Relief, and revenue reimbursement for services provided to other agencies.
- Fines, Forfeitures, and Penalties - Revenues collected for violations of City ordinances, late payments, etc.
- Miscellaneous Revenues – Revenues not categorized above.

Revenues can also be classified as operating or non-operating in the Enterprise activities. Operating revenues are directly related to the fund's primary service activity and consist primarily of user fees and charges. Non-operating revenues are incidental to, or by-products of the Enterprise's primary service, such as interest income or the Transient Occupancy Tax for the Community Center Fund.

Services and Supplies - Costs of contractual or outside services, office supplies, and equipment.

Surplus - An excess of total current resources over total current requirements.

Undesignated Fund Balance - The total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

Unfunded FTE - A City Council authorized FTE position without an associated labor budget. Unfunded FTE positions will remain vacant until funding has been restored.

Variance - Change in expenditures/staffing levels.

6

SECTION – 6

Budget Resolution

RESOLUTION NO. xxxx-xxx

Adopted by the Sacramento City Council

June XX, 2010

**APPROVING THE FISCAL YEAR 2010/11
OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS
FOR THE CITY OF SACRAMENTO**

BACKGROUND

- A. The City Manager is required to present a balanced budget to the Mayor and City Council no less than 60 days prior to the beginning of each fiscal year pursuant to Article 9, Section 111 of the City Charter.
- B. The City of Sacramento, through the leadership and direction of the Mayor and City Council, has maintained a sustainable budget philosophy. Given this concept of fiscal sustainability, the Council adopted the following strategies and principles on February 11, 2010, for the development of the Fiscal Year (FY)2010/11 Proposed Budget:
 - 1. Budget Development Strategies
 - a. Alternative Service Delivery
 - b. Streamlining the Organization
 - c. Revenue Improvements
 - d. Planned Use of One-Time Reserves
 - 2. Fiscal and Organizational Principles:
 - a. Develop a Sustainable Budget Plan
 - b. Balanced Budget for FY2010/11
 - c. Use One-Time Resources Strategically
 - d. Balance Layoff Impacts with Service Level Decisions
 - e. Address Full Service City Status
- C. The City Manager released the FY2010/11 Proposed Operating Budget and the 2010-2015 Proposed Capital Improvement Program (CIP) (which includes the FY2010/11 CIP Budget) on April 30, 2010, for review and consideration.
- D. The Mayor and City Council conducted hearings during the months of May and June 2010 related to the adoption of the City's FY2010/11 Operating and CIP Budgets.

- E. On June 28, 2005, the City Council approved Resolution 2005-548 authorizing the establishment of the "City of Festivals" Special Event Fund (Fund 2505) and established an annual appropriation of \$100,000 from the Parking Fund (Fund 6004) to the project. In order to comply with new Governmental Accounting Standards Board (GASB) requirements which restricts the uses of special revenue funds, the "City of Festivals" activity should be accounted for in the Parking Fund. Therefore, staff is recommending that Resolution 2005-548 be rescinded.
- F. On February 26, 2008, the City Council approved Resolution 2008-114 authorizing the establishment of the "SEED Corporation Working Capital Fund" and reallocation of General Fund resources. Staff have also determined that this procedure would not be compliant with the new GASB requirements. Therefore, staff is recommending that Resolution 2008-114 be rescinded.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- A. The Summary of Changes in Appropriations, attached as Exhibit 1, and the Summary of Changes and Technical Adjustments, attached as Exhibit 2, are hereby approved.
- B. The FY2010/11 Operating and CIP Budgets, as defined in Section 2.1, are hereby approved (collectively the "Approved Budget").
- C. The 2010-2015 CIP, which provides a comprehensive five-year plan for the City's capital project expenditures, is hereby approved.
- D. Sections 1 through 16 below, which define the authority and responsibilities of the City Manager in implementing the Approved Budget, are hereby approved.
- E. The City Manager is authorized to incorporate final decisions of the City Council, and refine/add content, as may be needed to meet Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO) budgeting award application requirements, into the Proposed Operating and CIP Budgets in order to create the FY2010/11 Approved Operating Budget and 2010-2015 CIP.
- F. Exhibits 1 through 4, inclusive, are part of this resolution.
- G. Resolutions 2005-548 and 2008-114 are rescinded.

SECTION 1. SCOPE

- 1.1 This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget of the City of Sacramento and supersedes Resolution 2009-406.

SECTION 2. DEFINITIONS

- 2.1 “Approved Budget” includes the following documents:
 - (1) The FY2010/11 Proposed Operating Budget dated April 30, 2010, as amended by the City Council to incorporate the approved summary of changes in appropriations set forth in Exhibit 1, and the approved administrative and technical changes set forth in Exhibit 2 (the Approved Operating Budget is attached as Exhibit 3); and
 - (2) The FY2010/11 Proposed Capital Improvement Program (CIP) Budget dated April 30, 2010, as summarized in Schedule 4 of the FY2010/11 Operating Budget and detailed in the 2010-2015 CIP, as amended by the City Council to incorporate the Proposed CIP, the summary of changes in appropriations set forth in Exhibit 1, and the approved administrative and technical changes set forth in Exhibit 2 (the Approved CIP is attached as Exhibit 4).
- 2.2 “Base Budget” is the current year budget modified pursuant to labor agreements, one-time expenditures, citywide changes, and midyear changes.
- 2.3 “Budget Categories” reflect internal reporting structures based on established budgets:
 - (1) “Department” or “Operating Unit” represents major budgetary groupings such as: Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Code Enforcement; Convention, Culture & Leisure; Community Development; Economic Development; Finance; Fire; General Services; Human Resources; Information Technology; Labor Relations; Neighborhood Services; Parks & Recreation; Police; Transportation; Utilities; Projects; Debt Service; Non-Department; and Fund Reserves.
 - (2) “Dept ID” represents an organizational sub-unit within an Operating Unit.
 - (3) “Division” represents a roll-up of Dept ID’s within an Operating Unit.

- (4) “Account” is defined as the primary accounting field in the budget used to describe the type of the financial transaction.
 - (5) “Expenditure Class” is defined as a categorical grouping of individual similar accounts for purposes of reporting expenditures (i.e. Employee Services, Service and Supplies, Property, Debt Service, and Interdepartmental Transfers).
- 2.4 “City Manager” means the City Manager or, if so designated, the Director of Finance.
- 2.5 “Current Budget” is identified as the FY2009/10 Approved Budget, incorporating any subsequent appropriation increases, decreases, or transfers and adjustments as approved by the City Council or City Manager, as appropriate.
- 2.6 “Full Time Equivalent” (FTE) means the decimal equivalent of a position; e.g. one full time position is 1.00 FTE and one quarter-time position is 0.25 FTE.
- 2.7 “Unfunded FTE” means a City Council authorized FTE without an associated labor budget. Unfunded FTE will remain vacant until funding has been approved for it by the City Council or City Manager, as appropriate.

SECTION 3. AUTHORIZED STAFFING AND APPROPRIATIONS

- 3.1 The City Manager is authorized to make any expenditure and resource adjustments to the Approved Operating Budget based on final City Council action to adopt the Approved Operating Budget.
- 3.2 The City Manager is authorized to establish the appropriations and FTE staffing as shown in Schedules 1A, 1B, 1C, 1D, and fund summaries, including transfers as shown on Schedule 2A and B as displayed in Exhibit 3.
- 3.3 The City Manager is authorized to revise any appropriation made in the Approved Budget where the revision is of a technical nature and is consistent with City Council intent.
- 3.4 The City Manager is authorized to adjust any appropriation made in the Approved Budget to reflect changes from amounts budgeted for updated labor, vehicle, energy, contingencies, and risk management changes such as retirement rates, payroll taxes, health benefits, fleet costs, and risk management costs from designated funds or reserves.
- 3.5 Following budget approval, the City Manager is authorized to revise indirect cost rates to be applied to hourly salary rates in order to achieve full cost recovery of

services and is authorized to adjust the Operating Budget to reflect the indirect cost plan for FY2010/11.

SECTION 4. APPROPRIATION INCREASES/DECREASES

- 4.1 All appropriation changes (increases or decreases) in excess of \$100,000 to operating and capital budgets shall be approved by the City Council by resolution.
- 4.2 The City Manager is authorized upon completion of the audited financial statements for FY2009/10, to adjust FY2010/11 fund contingencies by the amount of net changes in available fund balance as determined by the City Council. These fund balance and appropriation changes shall be included and explained in the Comprehensive Annual Financial Report (CAFR).
- 4.3 Residual balances from unexpended debt proceeds will be reverted to the appropriate fund and utilized for the legal purposes as specified in the conditions of the debt issuance. The City Manager is authorized to establish appropriations and account for the expenditure of these unexpended proceeds.

SECTION 5. STAFFING CHANGES

- 5.1 Any increase or decrease, by department by fund, in FTE as authorized in the Approved Budget or any subsequent approval by the City Council or by the City Manager in accordance with this resolution, for a department must be approved by the City Council, except for renewals or expansion of fully offset grants or externally funded programs (EFP) as specified in Section 5.2.
- 5.2 Any existing positions which were approved, based on the assumption of the City receiving a grant or other reimbursements, must have continued funding verified prior to filling the position. The City Manager is authorized to adjust staffing levels for renewals or expansions of fully offset City Council approved grants or EFP. Grant/EFP positions shall be terminated upon completion or cancellation of the grant/externally funded program, unless specifically continued by a resolution that includes a source of replacement funding (see Section 11).
- 5.3 Any exempt management position adjustment made subject to the approval of the City Manager and subject to the adopted resolution covering unrepresented officers and employees approved by City Council must have funding verified by the Budget Office prior to implementation.
- 5.4 Any reassignment of authorized FTE and employee services funding associated with FTE within a department and within the same fund may be made at the discretion of

- the Department Director with the approval of the City Manager as long as there is no net change to authorized FTE and funding levels.
- 5.5 All new job classifications or reclassifications (as identified in Exhibit 3, Schedule 8) are subject to classification review and approval by the Human Resources Director.
- 5.6 The City Manager is authorized to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.
- 5.7 Positions identified as “Unfunded FTE” shall remain vacant until the City Council approves a budget adjustment to fund the costs associated with these positions.
- 5.8 The City Manager is authorized to substitute “Unfunded FTE” within a department for alternate vacant positions in order to address operational needs within the department’s Approved Budget.

SECTION 6. APPROPRIATION TRANSFERS FROM CONTINGENCY/RESERVE FUNDS

- 6.1 The General Fund Economic Uncertainty Reserve for the City of Sacramento is \$10.5 million. This reserve will be maintained for the purpose of absorbing unforeseen revenue losses and allowing continuation of Approved Budget program levels.
- 6.2 The City Manager is authorized to make appropriation changes (increases or decreases) not exceeding \$100,000 from available fund balance. Appropriation changes (increases and decreases) in excess of \$100,000 must be approved by the City Council, except for payments to employees for vacation and sick leave termination, which must be approved by the City Manager.
- 6.3 The City Manager is authorized to make appropriation changes (increases or decreases) not exceeding \$100,000 from Administrative Contingency established in the General Fund, Water Fund, Sewer Fund, Solid Waste Fund, and/or Storm Drainage Fund. Appropriation changes (increases and decreases) in excess of \$100,000 must be approved by the City Council.
- 6.4 Transfers shall not be made from available fund balance or Administrative Contingency if the transfer will result in a negative balance.
- 6.5 Use of designated reserves must be approved by the City Council by resolution.
- 6.6 The City Manager is authorized to make annual loan repayments to the Risk Fund from the Convention Center Fund subject to the availability of funds. As of June 30, 2009, the Risk Fund loan to the Convention Center Fund totaled approximately \$6.8 million.

SECTION 7. OTHER APPROPRIATION TRANSFERS

- 7.1 Operating appropriation transfers within the same department and the same fund must be approved by the City Manager.
- 7.2 Appropriation transfers between two or more departments, up to and including \$100,000, must be approved by the City Manager. Such transfers in excess of \$100,000 must be approved by the City Council by resolution.

SECTION 8. UNSPENT APPROPRIATIONS AND ENCUMBRANCES

- 8.1 All appropriations in the Operating Budget which remain unencumbered or unexpended on June 30, 2010, after adjustments resulting from Sections 4.2, 4.3, 10.4, 11.5, and 12.4 or as specifically provided for in Section 16, shall revert to the available fund balance of the respective funds.
- 8.2 The City Manager is authorized to increase revenue and expenditures for the Ethel MacLeod Hart Trust operations (Dept ID 19001721), pursuant to the five-year recommendation of the Ethel MacLeod Hart Advisory Committee, beginning in FY2006/07. All unobligated appropriations and interest earned by the Ethel MacLeod Hart Trust in the prior year are to be carried over to the next fiscal year.
- 8.3 All purchase order commitments outstanding on June 30, 2010, and associated appropriations are hereby continued.
- 8.4 Unobligated appropriations in existence on June 30, 2010, for fleet purchasing budgets (Accounts 474230 and 474240) shall be carried over to the next fiscal year. The City Manager is authorized to adjust carryover by department based on citywide fleet needs.
- 8.5 Unobligated appropriations in existence on June 30, 2010, for Fire Department station expenses (Account 481230), pursuant to the current Fire labor contract, shall be carried over to the next fiscal year.
- 8.6 Unobligated appropriations in existence on June 30, 2010, for the City Council discretionary accounts shall be carried over to the next fiscal year.
- 8.7 The Rental Housing Inspection Program fees have been established to recover the costs of the program. The City Manager is authorized to carryover excess revenues for this program provided the full cost of the current year operations for the Rental Housing Inspection Program have been recovered.

- 8.8 At the close of FY2009/10, the City Manager shall transfer all remaining resources from the Special Events Fund (Fund 2505) to the Parking Fund (Fund 6004) to be in compliance with GASB Statement No. 54 changes related to new restrictions on the uses of Special Revenue funds, and close Fund 2505 based on final audited results. Resources transferred to Fund 6004 shall be budgeted in the City of Festivals Program (I15001211).
- 8.9 The City Manager is authorized to decrease the General Fund (Fund 1001) revenue and expenditure budgets for contract services in the Police Department Operating Budget and establish a revenue and expenditure budget in the Police Department Contract Services Externally Funded Program (E11005200) in the EFP Fund (Fund 2703).

SECTION 9. REVENUE BUDGET

- 9.1 The FY2010/11 Revenue Budget is summarized in Exhibit 3, Schedule 6.
- 9.2 Any increase or decrease greater than \$100,000 in estimated revenue to the Approved Budget by fund requires City Council approval.
- 9.3 The City Manager is authorized to establish revenues for renewals up to the amount previously approved by Council, and augmentations up to \$100,000 for fully offset grants and externally funded programs.

SECTION 10. CAPITAL IMPROVEMENTS

- 10.1 Capital projects and/or appropriations shall be used for:
- (1) Repairs, maintenance, improvements, or acquisitions with a total cost of at least \$20,000 and a useful life that exceeds one fiscal year; and
 - (2) Community/Neighborhood projects as approved in separate resolutions approved by the City Council.
- 10.2 City Council approval is required for the establishment and/or cancellation (without completion) of a CIP, except as provided below:
- (1) Capital projects for internal City operations related to improvements and minor construction of existing City owned/occupied buildings may be established by the City Manager provided the total cost to deliver the project does not exceed \$100,000;

- (2) Capital projects that have been approved in the Sacramento Housing and Redevelopment Agency's (SHRA) annual budget and are subject to the provisions of the Master Project Agreement between the City and SHRA as adopted by the City Council on December 18, 2001 (Resolution 2001-828), may be approved by the City Manager; and
 - (3) Capital projects may be subdivided into separate sub-projects, as needed to administer, manage, and deliver the original scope of the project without further City Council action.
 - 10.3 Capital appropriations shall be used solely for the originally approved project or projects except as provided for in this section.
 - 10.4 Annually, completed or inactive projects will be closed, except for projects that have existing litigation or payment disputes. An inactive project is defined as one where transaction activity is less than \$1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and/or City Manager has the authority to process the necessary documentation to close inactive projects.
 - 10.5 All multi-year CIP projects in existence on June 30, 2010, shall be continued in FY2010/11 except as provided otherwise in Section 10.4. The FY2010/11 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit 3.
 - 10.6 Unencumbered appropriations for all inactive projects, as defined in Section 10.4, will expire on June 30, following the third full year of the last appropriation to the project. Projects requiring continuing appropriations will require City Council action through programming within the CIP or through a separate appropriation to the project.
 - 10.7 Each fiscal year, on June 30, the balance of each CIP project must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources (i.e., with a negative balance) shall be treated as follows:
 - (1) If the project balance exceeds the budget by \$100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of \$100,000 or less shall be made as provided for in Section 6.2); or
 - (2) If the project balance exceeds the budget by more than \$100,000, the project account shall be submitted to City Council for approval by resolution of a corrective plan of action.
-

- 10.8 Except in the General Fund, the City Manager is authorized to transfer appropriations up to and including \$100,000:
- (1) From Project A to Project B if:
 - (a) Project A is complete and has savings; or
 - (b) Project A has not been completed and a revised project estimate confirms that there will be project savings upon completion;
 - (2) Between funding sources within a project if the total appropriation remains unchanged.
- 10.9 Upon completion and closure of a capital project, the City Manager is authorized to transfer any remaining project balance:
- (1) To the available fund balance of the respective fund, the Capital Projects Base Reserve in the Utilities CIP or, in the case of the General Fund, Administrative Contingency; or
 - (2) As provided for in Section 10.8.
- 10.10 Except as provided for in Section 10.9, the City Manager is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project. Appropriation changes exceeding \$100,000 in total for any project shall be submitted to the City Council for approval by resolution.
- 10.11 Community/Neighborhood projects and appropriations established with one-time funding sources under Resolution 2000-682 (11/21/00), 2001-765 (11/20/01), 2003-412 (6/17/03), 2004-551 (6/29/04), 2006-367 (5/23/06), and associated staff reports are governed by the following procedures:
- (1) Savings of up to \$50,000 due to lower than expected costs or the securing of alternative funding sources may be administratively reprogrammed into other projects, within the same City Council District, at the request of the City Council District Office and with the approval of the City Manager; or
 - (2) Savings above \$50,000 to be reprogrammed requires City Council approval by resolution.

10.12 Measure A Sales Tax (Funds 2001 and 2005) and New Measure A Construction/Projects (Funds 2023, 2025, and 2026) expenditure and revenue budgets can be loaded into the City's financial system prior to Sacramento Transportation Authority (STA) Board approval. Work on CIP projects in these funds is done prior to receiving funding. Project funding/appropriations shall be as follows:

- (1) The City Manager is authorized to enter the revenue/expenditure budgets as reflected in the Approved Budget (revenues) and CIP Budget (expenditures);
- (2) The City Manager is authorized to enter expenditure/revenue budgets prior to STA Board approval; and
- (3) STA Board approval is required for all Measure A reallocations. In cases where the City Council takes action on recommended Measure A reallocations prior to STA Board action, City Council approval shall be contingent on STA Board approval.

10.13 Projects funded by the following reimbursable funds are included within the Operating and CIP Budgets for planning purposes: Grant Funds (Funds 3702, 3703, and 3704), SHRA Community Development Block Grants (Fund 2700), and Tax Increment (Fund 3701). Work on CIP projects funded by these sources is done prior to receiving funding, and project funding/authorization for these projects shall be as follows:

- (1) Funds 2700, 3701, 3702, 3703 and 3704: Expenditure and revenue budgets will not be loaded into the City's financial system until agreements (Program Supplements/E-76's, Individual Project Agreements (IPA), Cooperative Agreements, etc.) have been executed between the City and the funding authority.
- (2) Funds 3703 and 3704: The City of Sacramento is eligible to receive federal and/or state funding for certain transportation projects through the California Department of Transportation (Caltrans). Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements must be executed with Caltrans before such funds can be claimed. The Mayor and/or City Manager are authorized to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, and any amendments thereto with Caltrans.

The City Manager is authorized to transfer matching funds as specified in the approved CIP from the state and federal Grant Match Program (T15007200) and to enter the revenue/expenditure budgets as reflected in the grant agreement, provided that the amount is not more than \$100,000 different from what was reflected in the Approved CIP Budget which authorized the project funding. Project agreements that exceed \$100,000 difference from the anticipated budget shall be submitted to the City Council for approval by resolution.

- 10.14 The CIP Budget may include "Credit Projects." Credit projects are established to account for turnkey parks, infrastructure, and other improvements provided by a developer in exchange for City fee credits. In an effort to provide a more accurate reflection of proposed spending by fund, these projects are identified in the CIP Budget as funded by Developer Credit/Obligations (Fund 9501). At the time these improvements are accepted by the City of Sacramento, the projects and related appropriations will be recorded in the appropriate City fund provided the Credit Projects were included in a Capital Budget approved by the City Council or in a separate action by Council.
- 10.15 The CIP Budget (Exhibit 4) includes projects that are directly supported by user and developer fees. The City Manager is authorized to adjust department revenue budgets and CIP expenditure budgets for projects directly supported by fees based on the actual fees collected, less any operating costs associated with delivering the service.

SECTION 11. OPERATING GRANTS AND EXTERNALLY FUNDED PROGRAMS (EFP)

- 11.1 City Council approval is required for the establishment and/or cancellation (without completion) of an operating grant/EFP, except as follows:
- (1) Where the operating grant/EFP is under \$100,000 and does not require any of the following:
 - (a) Any increase or decrease, by department by fund, in FTE staffing levels as authorized in the Approved Budget or by any subsequent approval by the City Council or by the City Manager in accordance with this resolution; or
 - (b) Matching funds from City resources; or
 - (c) Any ongoing service or funding by the City.
 - (2) Where the City Manager is authorized to establish operating grants/EFP in excess of \$100,000, and to authorize spending and allocation of resources in

advance of formal agreements in response to governmental requests for public safety assistance related to disasters and national security risks. The Department responding to these events shall report to the City Council within 60 days of receiving formal program documents from the requesting governmental agency(s) to obtain approval to enter into agreements and accept reimbursements.

- 11.2 The City Manager is authorized to adjust staffing levels and associated service and supplies, in accordance with Section 5.2, for renewals or expansions of fully offset grants previously approved by City Council.
- 11.3 If the grantor of a grant/EFP requires City Council action, as a condition of funding the grant/EFP, then establishment of the grant/EFP shall require approval by the City Council regardless of the grant amount.
- 11.4 Operating grants/EFP appropriated in the Approved Budget do not require additional City Council approval to be expended upon receipt of such grants or funds for EFP.
- 11.5 All multi-year operating grant/EFP budgets in existence on June 30, 2010, shall be continued in FY2010/11.
- 11.6 The City Manager is authorized to adjust revenue and expenditure budgets for renewals, up to the amount previously approved by City Council, and augmentations up to \$100,000 of fully offset grants and externally funded programs.
- 11.7 Each fiscal year, on June 30, the balance of each grant/EFP budget must be zero or have a positive balance by fund. Grants/EFP in excess of the budget from all funding sources (i.e., with a negative balance) shall be treated as follows:
 - (1) If the project balance exceeds budget by \$100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of \$100,000 or less shall be made as provided for in Section 6.2); or
 - (2) If the project balance exceeds budget by more than \$100,000, the project account shall be submitted to City Council for approval by resolution of a corrective plan of action.

SECTION 12. MULTI-YEAR OPERATING PROJECTS

- 12.1 Multi-year operating projects are used for:
- (1) Economic Development Assistance, and Development Programs (i.e. Inclusionary Housing, Infill and Low-Income Fee-Waiver programs);
 - (2) Planning, audit, and other consultant studies that will take more than one fiscal year to complete; and
 - (3) Other projects and activities that are multi-year in nature and are not capital improvement projects.
- 12.2 City Council approval is required for the establishment and/or cancellation (without completion) of a multi-year operating project.
- 12.3 Unobligated appropriations in existence on June 30, 2010, for all existing multi-year operating projects shall be carried over to the next fiscal year.
- 12.4 Multi-year operating project appropriations shall be used solely for the originally approved program or study. Annually, completed or inactive multi-year operating projects will be closed. An inactive project is defined as one where transaction activity is less than \$1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and/or City Manager have the authority to process the necessary documentation to close inactive projects.
- 12.5 Each fiscal year, on June 30, the balance of each multi-year operating project must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources (i.e., with negative balances) shall be treated as follows:
- (1) If the project balance exceeds budget by \$100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the Operating Budget organization of the project manager (all transfers of \$100,000 or less shall be made as provided for in Section 6.2); or
 - (2) If the project balance exceeds budget by more than \$100,000, the project account shall be submitted to City Council for approval by resolution of a corrective plan of action.
- 12.6 The City Manager is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project. Transfers that exceed
-

\$100,000 in total for any project shall be submitted to the City Council for approval by resolution.

SECTION 13. IN-LIEU PROPERTY TAXES AND IN-LIEU FRANCHISE FEE

- 13.1 An in-lieu property tax and in-lieu franchise fee are hereby imposed on the Community Center (Fund 6010), Parking (Fund 6004), and Sacramento Marina (Fund 6009) funds in the amounts provided in Schedule 3 as displayed in Exhibit 3. The City Council finds that the in-lieu property tax as detailed in Schedule 3 represents the property tax revenue, which would be received by the General Fund if the real and personal property owned by these enterprises were taxable under private ownership. The in-lieu franchise fee as detailed in Schedule 3 represents the franchise fees which would be received by the City from private entities as a rental or a toll for the use of City streets and rights-of-way.

SECTION 14. APPROPRIATION LIMITS

- 14.1 The appropriation limit and the appropriations subject to the limit are hereby amended pursuant to Article XIII B of the California Constitution for FY2010/11 as detailed in Schedule 5 as displayed in Exhibit 3.

SECTION 15. MIDYEAR FINANCIAL REPORT

- 15.1 The City Council shall be provided a Midyear Financial Report including a revised estimate of the financial condition of all funds, revised estimated revenues and expenditures, and recommendations for eliminating any projected fund deficits.
- 15.2 The City Council shall act on any projected fund deficits as part of the fiscal year end close process.

SECTION 16. MISCELLANEOUS CONTROLS/CONSIDERATIONS

- 16.1 No expenditures by fund at the department level shall exceed the Approved Budget as amended by any subsequent approval by the City Council or by the City Manager in accordance with this resolution.
- 16.2 Subject to approval by the City Manager and pursuant to the sections governing transfers and appropriations, projected deficiencies in any department by fund shall be corrected by:
- (1) Reducing expenditures in the department (e.g. freezing vacant positions, restricting purchase orders, etc.); or

- (2) Making an appropriation transfer from administrative contingency and/or available fund balance subject to the provisions of Section 6.

16.3 The City Manager is authorized to:

- (1) Adjust budgets to reflect all required debt service payments pursuant to the official statements;
- (2) Adjust budgets in the Special Revenue funds for appropriations required based on the action/direction of the City Council relative to capital projects, transfer requirements, and the availability of funds;
- (3) Establish and adjust budgets for private development activities managed in multi-year operating projects, that are fully offset by development fees; and
- (4) Adjust budgets in the CIP project funds for the current year based on previous actions of the City Council for projects on a multi-year basis.

16.4 In all staff reports that come before the City Council, net budgetary impacts on all funds shall be stated clearly and concisely, including indirect impacts, so that the Councilmembers have a full understanding of the financial considerations and impacts of their decisions.

Table of Contents

Exhibit 1 – Summary of Changes in Appropriations
Exhibit 2 – Summary of Changes and Technical Adjustments
Exhibit 3 – Approved Operating Budget
Exhibit 4 – Approved Capital Budget

Adopted by the City of Sacramento City Council on June XX, 2010, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Mayor Kevin Johnson

Attest:

Shirley Concolino, City Clerk

Summary of Changes in Appropriations

Proposed FY2010/11 Capital Improvement Program (CIP) / MY Operating Projects

Project Number	Project Name	Project Description / Scope
E11005200	Police Contract Services	Establish a new operating project to be used to track off-duty police officer services provided to outside agencies, private establishments, non-profits, etc.
I14110100	Sewer System Management Plan	Establish a new operating project to create a long term replacement policy governing the sanitary sewer system.
I15001211	City of Festivals Program	Establish a new operating project to promote special events with an annual budget from the Parking Fund of \$100,000. Special events are an important component of the local economy.

Proposed FY2010/11 Capital Improvement Program (CIP) / MY Operating Revenue/Expenditure Budgets

Project Number	Project Name	Fund	Fund #	Existing Budget	Available Budget	FY2010/11 Budget
E11005200	Police Contract Services	Externally Funded Program	2703	New*	-	1,785,000
I06000300	Infill Program	General Fund	1001	\$ 261,195	-	1,000
I06000400	Low Income Waiver/Deferral Program	General Fund	1001	\$ 1,312,000	-	1,000
I15001211	City of Festivals Program	Parking	6004	New*	-	100,000
I22200100	N. Natomas Administrative Control	N. Natomas Comm. Improvement	3201	\$ 6,005,540	97,176	500,000
I14010300	Sac River Source Water	Water	6005	64,390	0	32,000
I14010301	Sac River Keep Our Waters Clean	Water	6005	30,000	0	30,000
I14010400	Amer River Source Water	Water	6005	10,430	0	21,000
I14010401	Amer River Keep Our Waters Clean	Water	6005	25,000	0	25,000
I14010500	Water Meter Repl Program	Water	6005	350,000	100,000	700,000
I14110100	Sewer System Mgmt Plan	Sewer	6006	New	-	175,000
I14010100	Flood Control Planning	Storm Drainage	6011	220,000	-	305,000
I14010200	FY10-14 NPDES	Storm Drainage	6011	1,000,000	200,000	1,000,000

* Authority to transfer budget and/or funding to these projects is included in the FY2010/11 Budget Resolution.

Note: This Exhibit will be modified to reflect changes authorized by Council prior to Budget Adoption.

**FY2010/11 SUMMARY OF CHANGES AND TECHNICAL ADJUSTMENT
TO THE PROPOSED OPERATING AND CIP BUDGETS**

Exhibit 2 reflects Changes from Proposed to Approved
This Exhibit will be provided with Budget Adoption

Insert

FY2010/11 Approved Operating Budget

Insert

Approved 2010-2015 Capital Improvement Program

KEVIN JOHNSON

Mayor

RAYMOND L. TRETHEWAY III

Councilmember, District 1

SANDY SHEEDY

Councilmember, District 2

STEVE COHN

Councilmember, District 3

ROBERT KING FONG

Councilmember, District 4

LAUREN R. HAMMOND

Councilmember, District 5

KEVIN MCCARTY

Councilmember, District 6

ROBBIE WATERS

Vice Mayor

Councilmember, District 7

BONNIE J. PANNELL

Councilmember, District 8

GUS VINA

Interim City Manager

CITY OF SACRAMENTO FACTS

- The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.
- In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.
- The City is divided into eight districts.
- Elected members of the City Council serve a four-year term.
- The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.
- The Mayor and other Councilmembers have an equal vote in all matters.
- The City of Sacramento currently encompasses approximately 99 square miles.
- The current estimated population is 481,097.



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