

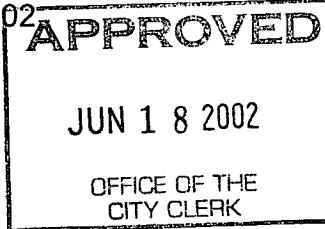


OFFICE OF THE  
CITY MANAGER

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 101  
SACRAMENTO, CA  
95814-2684

June 12, 2002



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City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: ADOPTION OF THE FY2002/03 OPERATING AND CAPITAL BUDGETS  
AND OTHER BUDGET-RELATED MATTERS**

**LOCATION/COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:**

It is recommended that the City Council:

- A. Adopt the attached resolution approving the FY2002/03 City of Sacramento Operating and Capital Improvement Budgets;
- B. Adopt the attached resolution amending the FY2001/02 City of Sacramento Operating and Capital Improvement Budgets; and
- C. Adopt the attached resolutions approving the FY2002/03 Operating Budget for the City-County Office of Metropolitan Water Planning and associated agreements.

**CONTACT PERSONS:**

Reina J. Schwartz, Budget, Policy & Strategic Planning Manager, 264-7195  
Gus Vina, Finance Director, 264-7138

**FOR CITY COUNCIL MEETING OF:** June 18, 2002

**SUMMARY:**

This report transmits the FY2002/03 Operating Budget and Capital Budget for final adoption and reflects Intent Motions the City Council has made during the hearings on

City Council

Adoption of the FY2002/ 03 Operating and Capital Budgets and Other Budget-Related Matters

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the Proposed Budget. This report also transmits a number of other budget-related resolutions associated with implementation of the budget, including those associated with the City-County Office of Metropolitan Water Planning budget and associated agreements for which City Council made intent motions and which now need to be formally adopted.

The FY2002/03 Budget reflects a "hold-the-line" philosophy and generally reserves new funding and positions for reconsideration by the City Council after the November 2002 election. As described in the FY2002/03 Proposed Budget, exceptions to this practice will be evaluated on a case-by-case basis.

**COMMITTEE/COMMISSION ACTION:** None

**BACKGROUND:**

The City Manager's FY2002/03 Proposed Budget was released on May 1, 2002 as required by the City of Sacramento Charter. There have been seven public meetings to discuss the Proposed Budget.

**Summary of Changes to the Proposed Operating Budget:** The following table summarizes the changes that have been made to the operating budget during the hearings.

<b>Summary of Changes to the FY2002/03 Proposed Operating Budget</b>			
<b>Program</b>	<b>Description</b>	<b>FTE</b>	<b>Change</b>
Non Department	Inclusionary Housing Program – Low Income/ Very Low Income Fee Waiver Program	0	\$500,000
Parks and Recreation	Direction to allocate \$15,000 from the Tree Services Budget to a tree-planting or similar program at the Tree Foundation.	0	\$0
Parks and Recreation	4th R Program and Triple R Program Sites. Approved April 30, 2002	3.5	\$100,667
Parks and Recreation	Triple R Program, new positions and program growth approved by Council on June 3, 2002	14.23	\$709,323

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<b>Summary of Changes to the FY2002/03 Proposed Operating Budget</b>			
<b>Program</b>	<b>Description</b>	<b>FTE</b>	<b>Change</b>
Parks and Recreation	Move one Program Coordinator from Human Services (4724) to Special Events (4717) and eliminate one .5 FTE Program Leader	(0.5)	Already Adjusted
Parks and Recreation	Children's Health Project Grant, 5.07 net new FTE positions and expanded program. Supported by multiple grants. Approved by Council January 22, 2002	Already Included	\$191,871
Parks and Recreation	Teen Services Program, 9.85 net new FTE and expanded program. Supported by reimbursements from the state. Approved by Council March 26, 2002	9.85	\$502,781
Parks and Recreation	Summer Food Service Program, 2.48 net new FTE new positions and expanded program. Supported by a grant. Approved by Council March 26, 2002	2.48	\$92,066
TOTAL ADJUSTMENTS:		29.56	\$2,096,708
Operating Grant and Fee Offset:		29.56	\$1,596,708
General Fund:		0	\$500,000

**Report Back on Funding for Stockton Boulevard Streetscape Design Phase III:** At the June 11, 2002 afternoon hearing, a request was made for a report back on providing additional funding to the Stockton Boulevard Streetscape Design Project (TY51). Based on current design estimates it is anticipated that \$270,000 in additional funding is needed to complete this phase of the project. Budget staff is working with staff from various departments and the Sacramento Housing and Redevelopment Agency to identify funding for this project. Funding sources being considered include: Economic Development Focus Area Contingency, Utilities Economic Development Contingency, CDBG funds, and future Stockton Boulevard bond proceeds. Additionally, staff is looking at existing projects for surplus funds that could be reprogrammed. Staff will

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return to the Council with a report and recommendation for funding the gap within the next two months.

**Proposed Changes to FY2002/03 Capital Budget:** The attached Resolution approving the FY2002/03 Operating and Capital Budgets reflects three changes from the Proposed Capital Improvement (CIP) Budget. The first is to reflect the Intent Motion the City Council made authorizing a capital project for ADA work in parking facilities in Old Sacramento. The second is to add a capital project for the already approved Document Management Project and transfer the remaining appropriation from the FY2001/02 Operating Budget to allow this project to continue. The third change amends the FY2002/03 CIP Budget by removing a proposed new appropriation of \$3 million from a storm drainage project (WI47) as Council has already taken action approving that appropriation and amending the FY2001/02 CIP to include it.

**Adjustments to FY2001/02 Budget:** On May 21, 2002 the City Council heard a special budget report regarding programming of additional franchise fee revenues from the Cable Commission (\$1.4 million) and the Sacramento Regional County Solid Waste Authority – SWA (\$1.0 million). The additional funding from each source had not been reflected in the FY2002/03 Proposed Budget, pending the Council discussion on this item. At the workshop on May 21<sup>st</sup>, the Council made an intent motion to allocate these additional funds in the following manner – pending the outcome of the November 2002 election:

- ◆ \$250,000 - Park Maintenance Equipment
- ◆ \$400,000 - Support for the Community and Schools Partnership program for joint city/school district projects
- ◆ \$250,000 - Catch-up on Tree Maintenance
- ◆ \$400,000 - Support for the Street Light Matching Program
- ◆ \$900,000 - Support for Council Community Neighborhood Projects (\$100,000 per Council member)

The additional franchise fee revenue and the Council intent to allocate the funds as shown above (and reserve them until after the November 2002 election) are reflected in the attached Resolution amending the FY2001/02 Budget.

**Other Items:** A listing of remaining reports back that have been requested during the budget hearings is included as Attachment A. Projects that were discussed during the budget hearings as needing to continue their current (FY2001/02) funding into the FY2002/03 year are listed on Attachment B.

**Budget Resolution:** The attached Budget Resolution includes all of the changes that were authorized during the seven budget hearings.

**FINANCIAL CONSIDERATIONS:**

The FY2002/03 Proposed Budget for the City of Sacramento totals \$678 million from all funding sources and 4,646 full time equivalent (FTE) staff. The General Fund portion of the Budget is \$295 million, 3,318 FTEs. All other funds total \$383 million.

**POLICY CONSIDERATIONS:**

The FY2002/03 Budget is generally consistent with the sustainable budget concept that the City Council has implemented in the last several years. The FY2002/03 Budget reflects a "hold-the-line" philosophy and generally reserves new funding and positions for reconsideration by the City Council after the November 2002 election. As described in the FY2002/03 Proposed Budget, exceptions to this practice will be evaluated on a case-by-case basis.

Given the financial uncertainties facing the City, the hearings on the FY2002/03 Budget also included a strategy or "game plan" for addressing potential future reductions in revenue. Attachment C contains the Budget Reduction Strategy that was conceptually adopted by the City Council during the Budget Hearings.

**ENVIRONMENTAL CONSIDERATIONS:**

There are no environmental considerations associated with this report.

**ESBD EFFORTS:**

This report does not involve the purchase of goods or services.

Respectfully submitted,



Reina J. Schwartz  
Budget, Policy & Strategic Planning Manager



Gus Vina  
Finance Director

**RECOMMENDATION APPROVED:**



ROBERT P. THOMAS  
City Manager

City Council

Adoption of the FY2002/ 03 Operating and Capital Budgets and Other Budget-Related  
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ATTACHMENTS:

- A: Budget Reports Back to be addressed after the July 2002 Council Recess
- B: Items with extended appropriations per Council Intent during the  
FY2002/03 Proposed Budget Hearings
- C: Budget Reduction Strategies

## ATTACHMENT A

<b>Budget Reports Back to be addressed after July Recess</b>	
<b>Department</b>	<b>Description</b>
Public Works	Report back with final recommendations for funding the \$270,000 needed to fully fund the Stockton Boulevard Streetscape Design Phase III.
Police	Determine what other public safety agencies are doing relating to incentives to recruit/hire lateral hires; recommend packages for Council consideration
Parks and Recreation	Include consideration of clearing of dead trees from existing neighborhoods in the Best Practices Review being conducted for Tree Services
Parks and Recreation	Growing Sacramento Tennis: report back comparing program budgets/ objectives, student impact delivered and maximum delivery that could be accomplished with the funds provided; look at comparison to other tutoring/sports/intervention programs including START; look at recreation funds, district funds, community schools partnerships, and school districts as possible funding sources.
Public Works / Parks and Recreation	Provide additional information on the Guy West Bridge and potential funding sources for future maintenance and painting requirements.
Parks and Recreation/Solid Waste	Report on more effective process or arrangement to encourage and accomplish recycling of waste in parks
Convention, Culture and Leisure	Provide status of the Theater renovations including the restroom remodeling outlining what is being done and the timing.

# ATTACHMENT A

## Budget Reports Back to be addressed after July Recess

Department	Description
Parks and Recreation	Provide information regarding the original recreation partnership programs that the City had with the schools before 1978 and Proposition 13 and whether there is a way to do this today.
Parks and Recreation	Provide Information regarding opportunities to use Local Conservation Corps and Job Corps to help with our parks and tree maintenance.

## ATTACHMENT B

<b>Items with extended appropriations per Council Intent During FY2002/03 Proposed Budget Hearings</b>	
<b>Department</b>	<b>Description</b>
Sacramento Youth Tennis \$30,000	Continue appropriation until June 30, 2003 to allow finalization of billings and report back on implementation of the pilot program
Metropolitan Arts/TO tax funded arts \$160,000	Continue appropriation until June 30, 2003 to allow award of professional services contracts for consultants in FY2002/03

# Budget Reduction Strategies

# ATTACHMENT C

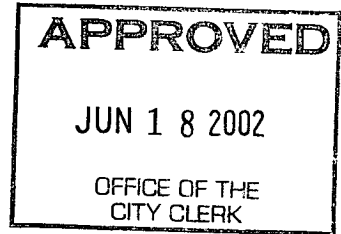
<b>MODERATE CUTS</b> (2% OR LESS OF GF BUDGET - < \$5 M)	<b>SIGNIFICANT CUTS</b> (3-8% OF GF BUDGET - \$5 TO \$20 M)	<b>EXTENSIVE CUTS</b> (MORE THAN 9% OF GF BUDGET - > \$20 M)
<b>FY2002/03:</b> Manage through requiring 1-2% savings from in all areas.	<b>FY2002/03:</b> Manage with a 50-50 use of one-time reserves and ongoing reductions.	<b>FY2002/03:</b> Address with permanent, ongoing, achievable program cuts. Use reserves as needed.
<b>FY2003/04:</b> No significant service reductions likely required. Minor service impacts may be felt.	<b>FY2003/04:</b> Additional program cuts with service impacts will be required to reach total.	<b>FY2003/04:</b> Major downsizing required. Significant cuts and elimination of programs.
<b>Program Impacts:</b> Cuts should be targeted to improve efficiency and effectiveness.	<b>Program Impacts:</b> Service level impacts will occur. Holding any major program harmless significantly increases other reductions.	<b>Program Impacts:</b> Reductions in all areas are required - no programs can be held harmless.
<b>Revenues:</b> Fee increases should be considered.	<b>Revenues:</b> Fee increases should be pursued to help mitigate impact of cuts.	<b>Revenues:</b> Fee increases should be pursued, but cannot cover a loss of this size.

**RESOLUTION NO. 2002-400**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION ADOPTING THE  
FISCAL YEAR 2002/03 BUDGET  
FOR THE CITY OF SACRAMENTO**



**SECTION 1. SCOPE**

This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget of the City of Sacramento, and supersedes Resolution 2001-418.

**SECTION 2. DEFINITIONS**

- 2.1 "Approved Budget" means the budget adopted by the City Council on June 18, 2002 for the 2002/03 fiscal year, per the attached exhibits, including subsequent transfers from Contingency Reserves to departments to implement labor agreements and transfers to account for employee service changes due to promotions, vacancies, merit increases and reallocations.
- 2.2 "Current Budget" means the 2002/03 Approved Budget, incorporating any subsequent appropriation increases, decreases or transfers.
- 2.3 "Expenditure Class" means Employee Services, Other Services and Supplies, Equipment, Debt Service, Labor Offset, Transfers, and Capital Improvements.
- 2.4 "Department" or "Agency" means Mayor/Council, City Manager, City Attorney, City Clerk, City Treasurer, Convention Culture & Leisure, Economic Development, Finance, Fire, Human Resources, Information Technology, Labor Relations, Neighborhood Services, Parks & Recreation, Planning and Building, Police, Public Works, Utilities, Capital Improvement, Debt Service, Non-Departmental and Reserves.
- 2.5 "Division" means a sub-unit of a department.
- 2.6 "Activity" means a sub-unit of a division.

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**FY2002/03 APPROVED BUDGET**

- 2.7 "Organization" means a department, division, or activity.
- 2.8 "City Manager" means the City Manager or, if so designated, the Director of Finance, or the Budget Manager.
- 2.9 "Full Time Equivalent" means the decimal equivalent of a position; i.e., one full time position is 1.00 FTE and one quarter-time position is 0.25 FTE.
- 2.10 "Base Budget" means the current year budget modified per labor agreements, one-time expenditures and citywide charges.

**SECTION 3. AUTHORIZED STAFFING AND APPROPRIATIONS**

- 3.1 The City Manager is authorized to make any expenditure and resource adjustment to the Proposed Budget based on final City Council action to adopt the Budget. This is to include adjustments to all Budget Schedules referenced in this resolution and on the attached schedule of changes (Exhibit 1).
- 3.2 The appropriations and Full Time Equivalent staffing as shown in Schedules 1A, 1B, 1C and fund summaries including transfers as shown in Schedule 2 are approved.
- 3.3 During budget deliberation and following budget approval, the City Manager is authorized to make adjustments for updated labor, vehicle, energy, contingencies and risk management changes such as retirement rates, payroll taxes, health benefit, fleet costs and risk management costs from designated funds or reserves.
- 3.4 Following budget approval, the Director of Finance is authorized to revise indirect cost rates to be applied to hourly salary rates in order to achieve full cost recovery of services. The Director of Finance is authorized to adjust the operating budget to reflect the indirect cost plan for Fiscal Year 2001/02 and 2002/03.
- 3.5 Reclassification requests, as noted in the department position listings, require approval by the Human Resources Department in order for the new classification to be authorized.

**SECTION 4. APPROPRIATION INCREASES/DECREASES**

- 4.1 All increases or decreases in excess of \$100,000 to operating and capital appropriations shall be approved by the City Council by resolution.

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- 4.2 The City Manager is authorized upon completion of the audited financial statements for FY2001/02 to adjust FY2002/03 fund appropriations by the amount of net savings/overruns as determined by the City Council. These carryover amounts will be included and addressed in the Midyear Financial Report.
- 4.3 The residual balances from unexpended debt proceeds will be reverted to the General Fund and utilized for the legal purposes as specified per 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 INCREASES/DECREASES**

- 5.1 Any increase or decrease, by department by fund, in Full Time Equivalent (FTE) staffing levels as authorized in the Approved or Amended Budget for a department must be approved by the City Council.
- 5.2 Any existing positions which were approved on the basis 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 grants. Grant funded positions shall be terminated upon completion or cancellation of the grant unless specifically continued by resolution including a source of replacement funding.
- 5.3 Any exempt management position adjustment made subject to the approval of the City Manager and subject to the Personnel Resolution covering Unrepresented Officers and Employees approved by City Council must have funding verified by the Director of Finance or the Budget Manager prior to implementation.
- 5.4 Any reassignment of authorized FTE and employee services funding associated with these FTE within a department and within the same fund may be made at the discretion of the department head 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 positions or job reclassifications are subject to classification review and approval by the Human Resources Director. Funding adjustments will be consistent with appropriate classification and approval by the Budget Manager.
- 5.6 The City Manager has authority to adjust staffing levels in the Police and Fire Training Academy based on projected vacancies.

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DATE ADOPTED: \_\_\_\_\_

**SECTION 6. APPROPRIATION TRANSFERS FROM CONTINGENCY/RESERVE FUNDS**

- 6.1 The Reserve for Economic Uncertainty will be \$19,100,000 for FY2002/03. This reserve will be maintained for the purpose of absorbing unforeseen revenue losses and allowing continuation of Approved Budget program levels.
- 6.2 Appropriation transfers from Contingency Administrative funds up to and including \$100,000 may be approved by the City Manager. Such transfers in excess of \$100,000 shall be approved by the City Council by resolution, except for payments to employees for vacation and sick leave termination, which may be approved by the City Manager.
- 6.3 No Reserve transfer shall be made from any fund, which would create a negative undesignated fund balance in the fund, or in the case of the General Fund, in the Administrative Contingency.

**SECTION 7. OTHER APPROPRIATION TRANSFERS**

- 7.1 Any operating appropriation transfers within the same department must be approved by the City Manager or the Manager's designee.
- 7.2 Appropriation transfers between two or more departments up to and including \$100,000 may be approved by the City Manager or the Manager's designee. Such transfers in excess of \$100,000 shall 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, 2002, after adjustments resulting from Section 4.2, 4.3 and 9.2 or as specifically excluded in Section 11, shall revert to the fund balance of their respective funds.
- 8.2 All purchase order commitments outstanding on June 30, 2002 are hereby continued.

**SECTION 9. CAPITAL IMPROVEMENTS**

- 9.1 All multi-year capital improvement projects in existence on June 30, 2002 shall be continued in the 2002/03 fiscal year except as provided in sections 9.8 and 9.10. The FY2002/03 Capital Improvement Budget is hereby adopted as summarized on Schedule 2 and Schedule 4.

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DATE ADOPTED: \_\_\_\_\_

**FY 2002/03 APPROVED BUDGET**

9.2 Each fiscal year, at June 30, the balance of each capital improvement project must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources by \$100,000 or less shall, first, be corrected within each fund and, second, 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.

Projects in excess of budget from all funding sources by more than \$100,000 shall be submitted to City Council for approval of a corrective plan of action.

9.3 All capital improvement projects shall be approved by the City Council. Capital projects may be subdivided for administrative convenience into separate sub-projects without further Council action. The cancellation (without completion) of a capital project must also be approved by the City Council.

9.4 Except in the General Fund, the Director of Finance is authorized to transfer appropriations totaling \$50,000:

(1) from Project A to Project B if:

a) Project A is completed and has savings; or

b) Project A is not completed and a revised project estimated confirms that there will be project savings upon completion.

(2) for expenditure and revenue between funding sources within a project if the total appropriation remains unchanged.

Transfers affecting any one project that exceed \$50,000 in total shall be subject to the provisions of 6.2 and 9.2.

9.5 Except as provided for in Section 9.9, upon completion and closure of a capital project, the Director of Finance is authorized to transfer any remaining project balance to:

(1) the fund balance contingency; or

(2) as provided for in Section 9.4.

Fund balance for the Utilities Program capital projects is the equivalent to the capital projects base reserve for each fund.

9.6 Capital appropriations shall be used solely for repairs, maintenance, improvements or acquisitions with a total cost of at least \$10,000.

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DATE ADOPTED: \_\_\_\_\_

**FY2002/03 APPROVED BUDGET**

- 9.7 Capital appropriations shall be used solely for the originally approved project or projects except as provided in this section. Annually, completed or inactive projects will be closed except due to 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.
- 9.8 Unencumbered appropriations for all projects will expire on the June 30 following third full year of the last appropriation to the project. Subject projects requiring continuing appropriations will require Council action through programming within the Capital Improvement Program or through amendment to the Program.
- 9.9 Projects and appropriations established as part of the Neighborhood Community funding under Resolution 2000-682, November 21, 2000 and Resolution 2001-765, November 20, 2001, 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 can be administratively reprogrammed into other projects within the same District, at the request of the Council District Office and with the approval of the Director of Finance.
  - (2) Savings above \$50,000 to be reprogrammed will require City Council approval.
- 9.10 The unobligated balance of capital appropriations that is supported by unissued debt will expire on June 30 and be re-established as of July 1 together with the anticipated debt proceeds.
- 9.11 The final adopted Capital Budget is amended to include the following:
- (1) Add a capital project for the Document Management Project and approve the transfer of remaining appropriations of \$150,000 approved for this purpose in the FY2001/2002 Budget to the project as follows:  

101-130-1320-4198 (\$150,000)  
101-500-XXXX-4820 \$150,000
  - (2) Add a capital project for ADA work in the Old Sacramento parking facilities and approve the transfer of \$275,000 from the Parking Facilities Development CIP (VD96) for this purpose.
  - (3) Remove the FY03 appropriations from the Storm Drainage Fund to the Sump 31 Construction Project (WI47) by the amount of \$3,000,000 based on Council action on June 11, 2002.

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DATE ADOPTED: \_\_\_\_\_

**SECTION 10. OPERATING GRANTS**

- 10.1 All operating grants over \$100,000 shall be approved by the City Council.
- 10.2 All operating grants under \$100,000 shall be approved by the City Council if:
  - (1) Any increase or decrease, by department by fund, in Full Time Equivalent (FTE) staffing levels as authorized in the Approved or Amended Budget; or
  - (2) Matching funds from City resources are required; or
  - (3) Accepting the grant creates an expectation for ongoing service or funding by the City.
- 10.3 If a granting authority requires City Council action then the grant shall require approval by City Council regardless of the grant amount.
- 10.3 Operating grant funds appropriated in the Approved or Amended Budget do not require additional Council approval to be expended upon receipt of such grant or grants.
- 10.4 All multi-year operating grant budgets in existence on June 30, 2002 shall be continued in the 2002/03 fiscal year.

**SECTION 11. MISCELLANEOUS CONTROLS**

- 11.1 No expenditures at the department level shall exceed the Approved or Amended Budget, by fund.
- 11.2 Subject to approval by the Director of Finance and pursuant to the sections governing transfers and appropriations projected deficiencies in any department by fund must be corrected by:
  - (1) reducing expenditures in said department (e.g. freezing vacant positions, restricting purchase orders, etc.); or
  - (2) an appropriation transfer from Contingency Reserve funds.
- 11.3 The Director of Finance is hereby authorized to:
  - (1) adjust budgets to reflect all required debt service payments per the official statements;

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**FY 2002/03 APPROVED BUDGET**

- (2) adjust budgets in the Special Revenue funds for appropriations required based on the action /direction of the Council relative to capital projects, transfer requirements and the availability of funds;
  - (3) adjust budgets in the Capital Project funds for the current year based on the previous action of Council for projects on a multi-year basis; and
  - (4) adjust budgets in the Multi-Year Non-Capital Project Agency for the current year based on the previous action of Council for programming on a multi-year basis.
- 11.4 Designate General Fund appropriations of \$2,500,000 for an expansion of the utility user tax rebate program until all the following have been accomplished:
- (1) The state budget impacts are reported, on or before December 2002;
  - (2) The November 2002 ballot initiatives have been voted on; and
  - (3) A plan defining program objectives and procedures is brought before Council for review and approval.
- 11.5 Continue the spending authority until June 30, 2003 for Animal Control appropriations funded June 5, 2001 in Resolution 2001-364, Sections 2, 4 and 5 in response to recommendations from the Blue Ribbon Committee on Animal Care.
- 11.6 Appropriations in existence on June 30, 2002 for the Inclusionary Housing Program and the Economic Development Assistance Program shall be continued in the 2002/03 fiscal year.
- 11.7 Appropriations in existence on June 30, 2002 for the Sacramento Youth Tennis Program shall be continued in the 2002/03 fiscal year.
- 11.8 Appropriations in existence on June 30, 2002 for the Metropolitan Arts Program shall be continued in the 2002/03 fiscal year.

**SECTION 12. MIDYEAR FINANCIAL REPORT**

- 12.1 City Council shall be provided a Midyear Financial Report including a re-estimate of the financial condition of all funds, including prior year actual fund balances, re-estimated revenues and expenditures, projected ending fund balances or deficits, and recommendations for eliminating any projected fund deficits.

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DATE ADOPTED: \_\_\_\_\_

12.2 The City Council shall act on any projected fund deficits prior to the close of the Fiscal Year.

**SECTION 13. CONTINGENCY LITIGATION/PROPERTY MITIGATION RESERVE**

13.1 The Contingent Litigation/Property Mitigation Reserve is maintained annually to cover possible costs associated with outstanding litigation or property mitigation. Transfers from this Reserve to the operating budget may be approved by the City Manager.

**SECTION 14. IN-LIEU PROPERTY TAXES AND IN-LIEU FRANCHISE FEE**

14.1 An in-lieu property tax and in-lieu franchise fee are hereby imposed on the Community Center, Parking, Golf, and Sacramento Marina funds in the amounts provided in Schedule 3 of the FY2002/03 Approved Budget. The 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 on 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 15. APPROPRIATION LIMITS**

15.1 The appropriation limit and the appropriation subject to the limit are hereby amended pursuant to Article XIII B of the California Constitution for FY2002/03 as detailed in Schedule 5.

**SECTION 16. FY2002/03 REVENUE BUDGET**

16.1 The FY2002/03 Revenue Budget is hereby adopted as summarized in Schedule 6 of the Proposed Budget document.

16.2 Any increase or decrease over \$100,000 to the adopted revenue budget by fund requires City Council approval.

16.3 The City Manager is authorized to adjust revenues for renewals and augmentations of fully offset grants.

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DATE ADOPTED: \_\_\_\_\_

SECTION 17. MISCELLANEOUS CONSIDERATIONS

17.1 In all staff reports that come before the City Council, the bottom line impacts on all funds, will be stated clearly and concisely including indirect impacts so that Council Members have a full understanding of the financial consideration impacts of the decisions.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY COUNCIL USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

Summary of Changes to the FY2002/03 Proposed Operating Budget			
Program	Description	FTE	Change
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Parks and Recreation	4th R Program and Triple R Program Sites. Approved April 30, 2002	3.5	\$100,667
Parks and Recreation	Triple R Program, new positions and program growth approved by Council on June 3, 2002	14.23	\$709,323
Parks and Recreation	Move one Program Coordinator from Human Services (4724) to Special Events (4717) and eliminate one .5 FTE Program Leader	(0.5)	Already Adjusted
Parks and Recreation	Children’s Health Project Grant, 5.07 net new FTE positions and expanded program. Supported by multiple grants. Approved by Council January 22, 2002	Already Included	\$191,871
Parks and Recreation	Teen Services Program, 9.85 net new FTE and expanded program. Supported by reimbursements from the state. Approved by Council March 26, 2002	9.85	\$502,781
Parks and Recreation	Summer Food Service Program, 2.48 net new FTE new positions and expanded program. Supported by a grant. Approved by Council March 26, 2002	2.48	\$92,066
TOTAL ADJUSTMENTS:		29.56	\$2,096,708
Operating Grant and Fee Offset:		29.56	\$1,596,708
General Fund:		0	\$500,000

FOR CITY COUNCIL USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**RESOLUTION NO. 2002-401**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AMENDING  
THE FISCAL YEAR 2001/02 BUDGET**



**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:**

The City Council conducted a budget workshop on May 21, 2002 regarding the use of additional franchise fee revenues from the Solid Waste Authority (SWA) and the Cable Commission. During this workshop the City Council made an intent motion regarding the use of additional SWA and Cable franchise fee revenues in the FY2001/02 budget as follows:

1. Amend the FY2001/02 Revenue Budget to reflect the additional \$1.4 million in revenue from the Sacramento Metropolitan Cable Television Commission and \$1.0 million in revenue from the Sacramento Regional County Solid Waste Authority; and,
2. The revenues received during FY2001/2002 from the SWA and Cable Commission are to be allocated for one-time expenditures as approved by the City Council:
  - ◆ \$250,000 for Park Maintenance Equipment
  - ◆ \$400,000 for Community & Schools Partnership
  - ◆ \$400,000 for Tree Maintenance Catch-up
  - ◆ \$400,000 for Street Light Matching Program
  - ◆ \$900,000 for Council Community Neighborhood Projects (\$100,000 per Council Member)
3. Reserve the additional revenues identified above for the allocations approved by City Council pending the outcome of the November 2002 election. Direct staff to return to City Council for authorization prior to spending the reserved allocations.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY COUNCIL USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

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**RESOLUTION NO. 2002-402**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_



**RESOLUTION APPROVING ADOPTION OF THE  
FY 2002-2003 OPERATING BUDGET FOR THE  
CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO THAT:**

1. The May 20, 2002 staff report identifying the FY 2002-2003 budget for the City-County Office of Metropolitan Water Planning is hereby approved.
2. In order to establish a FY 2002-2003 budget for the City-County Office of Metropolitan Water Planning Fund (513) for the Water Forum Successor Effort (WFSE), the following budgets are established as shown:
  - a. The FY 2002-2003 Revenue Budget for the City-County Office of Metropolitan Water Planning Fund for the WFSE is hereby established as follows:

513-880-8810-3717	\$302,162
513-880-8810-3598	\$509,414
513-880-8810-3599	<u>\$168,467</u>
	\$980,043

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

- b. The FY 2002-2003 Expenditure Budget for the City-County Office of Metropolitan Water Planning for the WFSE is hereby established as follows (513-880-8810-\_\_\_\_):

OBJECT CODE	AMOUNT
4101	\$331,098
4190	750
4201	8,000
4202	5,400
4206	600
4208	250
4209	2,400
4211	1,500
4213	55,000
4231	55,500
4233	5,400
4241	1,000
4251	10,000
4252	116,660
4254	40,000
4258	289,715
4261	2,000
4262	18,000
4263	2,000
4264	500
4270	220
4271	450
4272	4500
4276	6,600
4288	9500
4411	6,500
4435	5,000
4453	500
4462	1,000
TOTAL	\$ 980,043

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

24

3. In order to establish a FY 2002-2003 budget for the City-County Office of Metropolitan Water Planning Fund (514) for the Habitat Management Element (HME), the following budgets are established as shown:

a. The FY 2002-2003 Revenue Budget for the City-County Office of Metropolitan Water Planning Fund for the HME is hereby established as follows:

OBJECT CODE	AMOUNT
514-880-8810-3717	\$ 136,346
514-880-8810-3598	272,693
514-880-8810-3599	<u>6,052</u>
TOTAL	\$ 415,091

b. The FY 2002-2003 Expenditure Budget for the City-County Office of Metropolitan Water Planning Fund for the HME is hereby established as follows (514-880-8810-\_\_\_\_\_):

OBJECT CODE	AMOUNT
4201	\$ 300
4204	200
4213	13,000
4231	500
4258	399,200
4261	100
4262	1200
4411	400
4462	191
TOTAL	\$ 415,091

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MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**RESOLUTION NO. 2002-403**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**APPROVED**  
JUN 18 2002  
OFFICE OF THE  
CITY CLERK

**RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY CLERK  
TO EXECUTE SUPPLEMENT NO. 12 TO CITY AGREEMENT NO. 91-205  
WITH JAMES L. McCORMACK, P.E. TO PROVIDE ENGINEERING SERVICES  
FOR THE CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING  
IN AN AMOUNT NOT-TO-EXCEED \$116,660.**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

That the City Manager and City Clerk are hereby authorized to execute Supplement No. 12 to City Agreement No. 91-205 with James L. McCormack, P.E. to provide engineering services for the Water Forum Successor Effort and the City-County Office of Metropolitan Water Planning for fiscal year 2002-2003 in an amount not to exceed \$116,660.

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MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

26

**RESOLUTION NO. 2002-404**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_



**RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY CLERK  
TO EXECUTE SUPPLEMENT NO. 12 TO CITY MANAGER AGREEMENT NO. 93-280  
WITH THE CALIFORNIA CENTER FOR PUBLIC DISPUTE RESOLUTION  
TO PROVIDE FACILITATION/MEDIATION SERVICES FOR THE  
CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING (\$195,965)**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

That the City Manager and City Clerk are hereby authorized to execute Supplement No. 12 to City Manager Agreement No. 93-280 with the California Center for Public Dispute Resolution to provide facilitation/mediation services for the City-County Office of Metropolitan Water Planning for fiscal year 2002-2003 for an amount not to exceed \$195,965.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

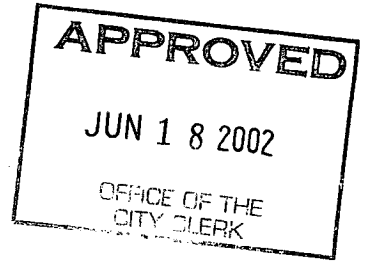
DATE ADOPTED: \_\_\_\_\_

27

**RESOLUTION NO. 2002-405**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_



**RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY CLERK TO EXECUTE SUPPLEMENT NO. 2 TO CITY AGREEMENT NO. 2002-001 WITH SARACINO-KIRBY-SNOW TO PROVIDE CONSULTING SERVICES FOR THE CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING IN AN AMOUNT NOT-TO-EXCEED \$90,000.**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

That the City Manager and City Clerk are hereby authorized to execute Supplement No. 2 to City Agreement No. 2002-001 with Saracino-Kirby-Snow to provide consulting services for the City-County Office of Metropolitan Water Planning for fiscal year 2002-2003 in an amount not to exceed \$90,000.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_