



CITY OF SACRAMENTO

22

DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

915 I STREET
ROOM 114

SACRAMENTO, CA 95814
TELEPHONE (916) 449-5769

CITY MANAGER'S OFFICE
RECEIVED
JUN 16 1983

PHIL E. EZELL
ACCOUNTING OFFICER

June 13, 1983 **APPROVED**
BY THE CITY COUNCIL

JUN 21 1983

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Projected Organizational Budget Overruns for 1982-83

SUMMARY

This report outlines the City departments which, based on expenditure estimates, are anticipating exceeding their approved appropriations by major categories. Additionally the report provides information relating to the causes for the overruns. It is recommended that the City Council approve the attached resolution which authorizes appropriation transfers and increases to provide adequate funding for fiscal year 1982-83.

BACKGROUND INFORMATION

During the course of the fiscal year, expenditures are monitored and compared to approved appropriations. The budget is monitored by major category, i.e., employee services, services and supplies, equipment and capital improvements. Additionally, a comprehensive review is made annually to determine if departments are operating within the appropriated amounts.

Generally, there are a few organizations which do exceed appropriations. In most cases the excesses are beyond the control of the department, therefore, it becomes necessary to augment the budgets.

It should be noted in Attachment I that several organizations exceeded their appropriations due to inadequate budgeting for City contribution for insurances. The final budget for 1982-83 was adopted prior to completion of contract negotiations with the various representation units. Therefore the amount of insurance contribution was unknown and not sufficiently provided for in each of the organizational budgets. For those organizations which did not have sufficient salary savings during the fiscal year to absorb the increased contribution amount, it is necessary to adjust the budget as recommended.

These budget augmentations may be accomplished in one or a combination of three ways: transfers either within a division or between divisions within the same department, transfers from the discretionary reserve of a particular fund and increases in appropriation in a fund where no discretionary reserve exists.

Currently, the policy, as approved by the City Council, regarding overruns is as follows:

1. Overruns of major categories within the same organization of less than \$10,000 may be approved by the City Manager.
2. Overruns of \$10,000 or more must be approved by the City Council.

FINANCIAL DATA

The organizations anticipating major category overruns and the recommended actions are noted on Attachment I. Approval of the attached resolution will authorize appropriation transfers amounting to \$2,113,100.00 and appropriation increases of \$1,447,267.00. The estimated overruns were considered at the time the applicable fund balance projections were prepared and included in those projections. Therefore the estimated overruns will not have any significant impact on estimated available fund balances which appear in the Proposed 1983-84 Budget.

RECOMMENDATION

It is recommended that the City Council approve the attached resolution which provides for transferring funds and increasing appropriations to cover estimated budget overruns for the organizations listed in this report.

Attachments

Respectfully submitted,



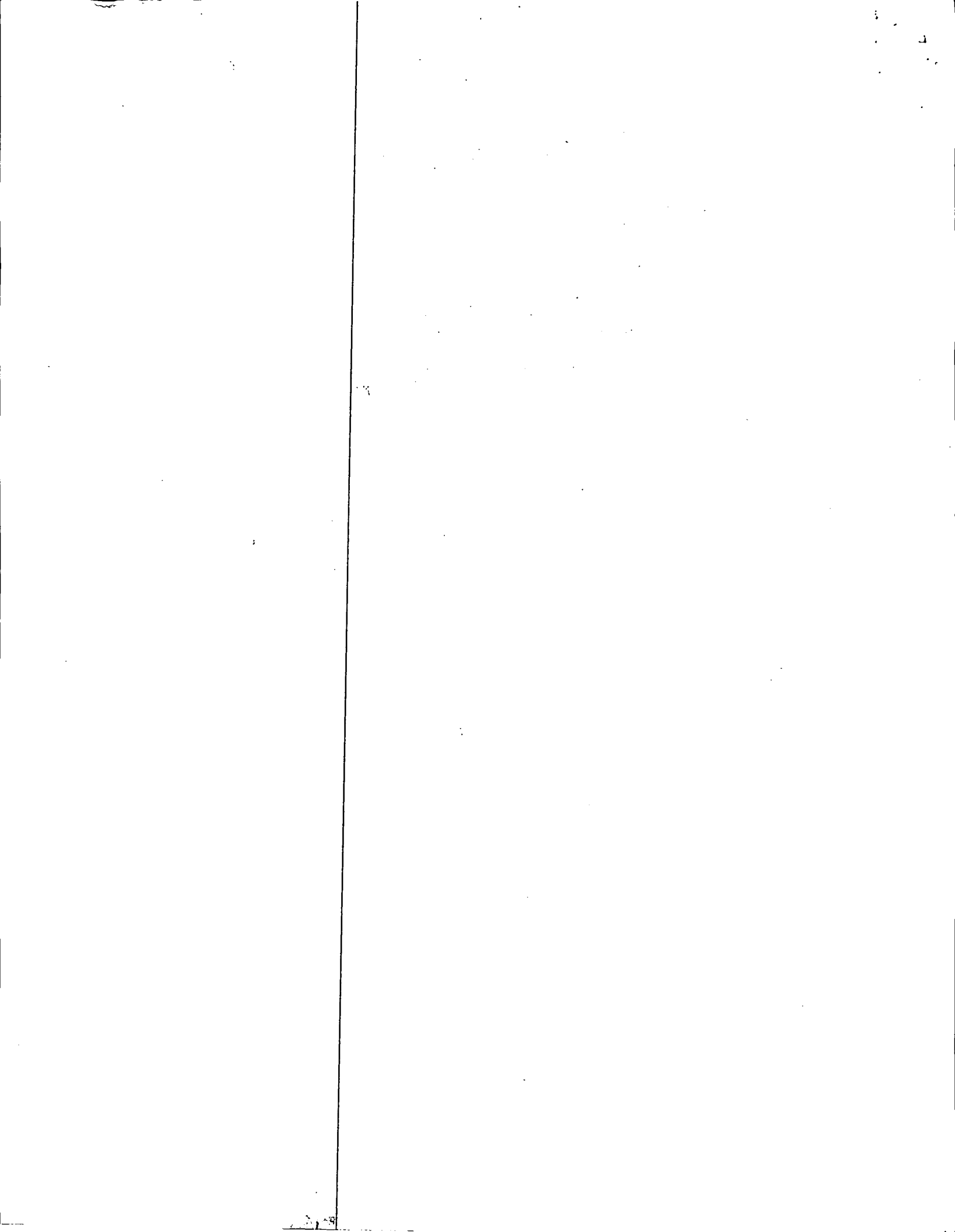
Phil E. Ezell
Accounting Officer

RECOMMENDATION APPROVED:



Walter J. Slupe, City Manager

June 13, 1983
All Districts



RESOLUTION NO. 83 ⁴⁶⁶~~463~~

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION CORRECTING PROJECTED BUDGET OVERRUNS
FOR THE 1982-83 FISCAL YEAR

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

That the Budget for Fiscal Year 1982-83 of the City of Sacramento is hereby amended by authorizing the City Director of Finance to make required appropriation transfers totaling \$2,113,100.00 and by appropriating additional funds totaling \$1,447,267.00 as recommended in the report attached as Attachment I and incorporated herein by reference.

MAYOR

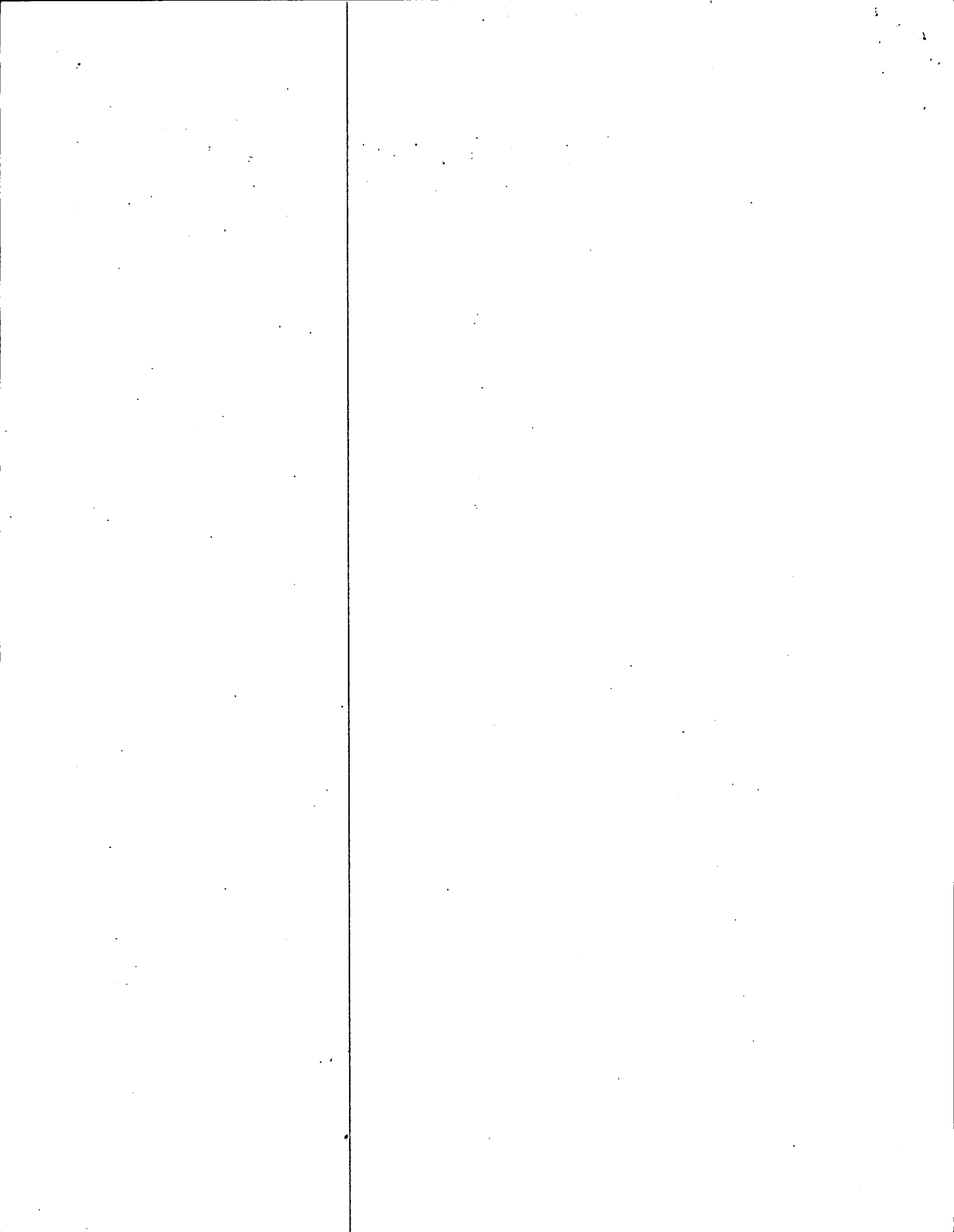
ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JUN 21 1983

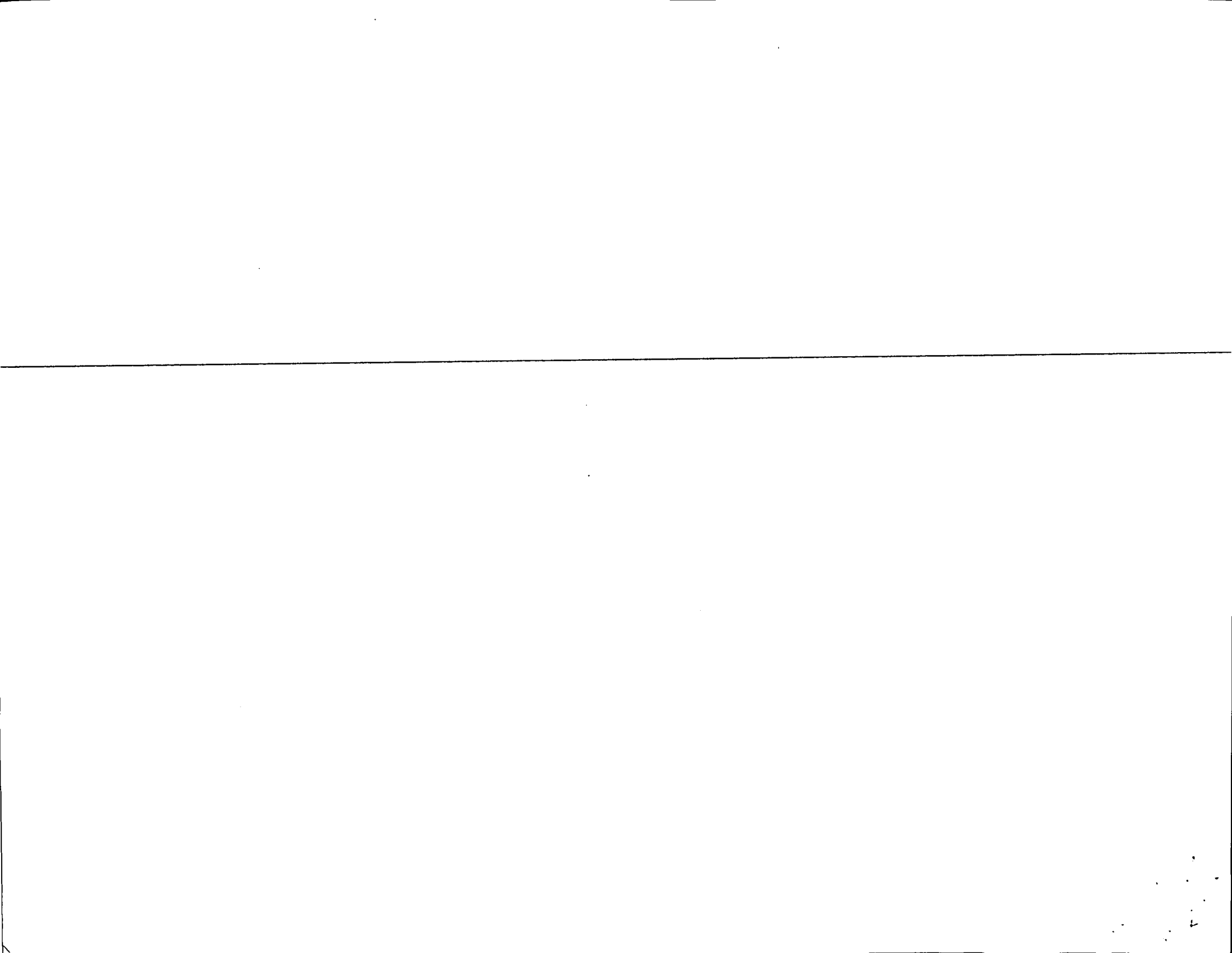
OFFICE OF THE
CITY CLERK



FY1982-83 PROJECTED OVERRUNS

BY MAJOR CATEGORY

<u>ORGANIZATION</u>	<u>ESTIMATED AMOUNT</u>	<u>MAJOR CATEGORY</u>	<u>EXPLANATION AND RECOMMENDATION</u>
MAYOR/COUNCIL	18100.00	Services/Supplies	Automobile allowances for Council members not previously budgeted. Transfer from General Fund Discretionary Reserve.
FACILITY MAINTENANCE:			
Administration	23000.00 2500.00	Employee Services Services/Supplies	Did not achieve 6% salary savings; unbudgeted employee retirement; unbudgeted services/supplies. Transfer from Facility Maintenance-Utilities.
Street Lighting	31000.00	Employee Services	Did not achieve 6% salary savings; unanticipated overtime expense for emergency calls. Transfer savings from Facility Maintenance-Maintenance&Operations.
EQUIPMENT MAINTENANCE	72000.00	Employee Services	Did not achieve 4% salary savings; one Programmer/Analyst position not budgeted. Transfer savings from Equipment Maintenance services/supplies.
ACCOUNTING	7000.00 6000.00	Employee Services Services/Supplies	Unbudgeted employee retirements; temporary help due to maternity leave; unbudgeted central service charges. Transfer from General Fund Discretionary Reserve.
POLICE:			
Operations	581000.00	Employee Services	Did not achieve 3% salary savings; budgeted benefits not increased to reflect additional City contributions. Transfer from General Fund Discretionary Reserve-\$119000; from Police-Office of the Chief-\$44000; from Police-Administrative Services-\$356000; from Police-Operations, services/supplies-\$62000.
Investigations	86000.00	Employee Services	Did not achieve 2% salary savings. Transfer from savings in Police-Administrative Services.
FIRE:			
Prevention	75000.00	Employee Services	Replacement of one employee with another at a higher rate of pay; one unanticipated promotion; budgeted benefits not increased to reflect additional City contributions. Transfer from General Fund Discretionary Reserve-\$23000; from savings in Fire-Administration-\$43000; and from Fire-Prevention, services/supplies-\$9000.

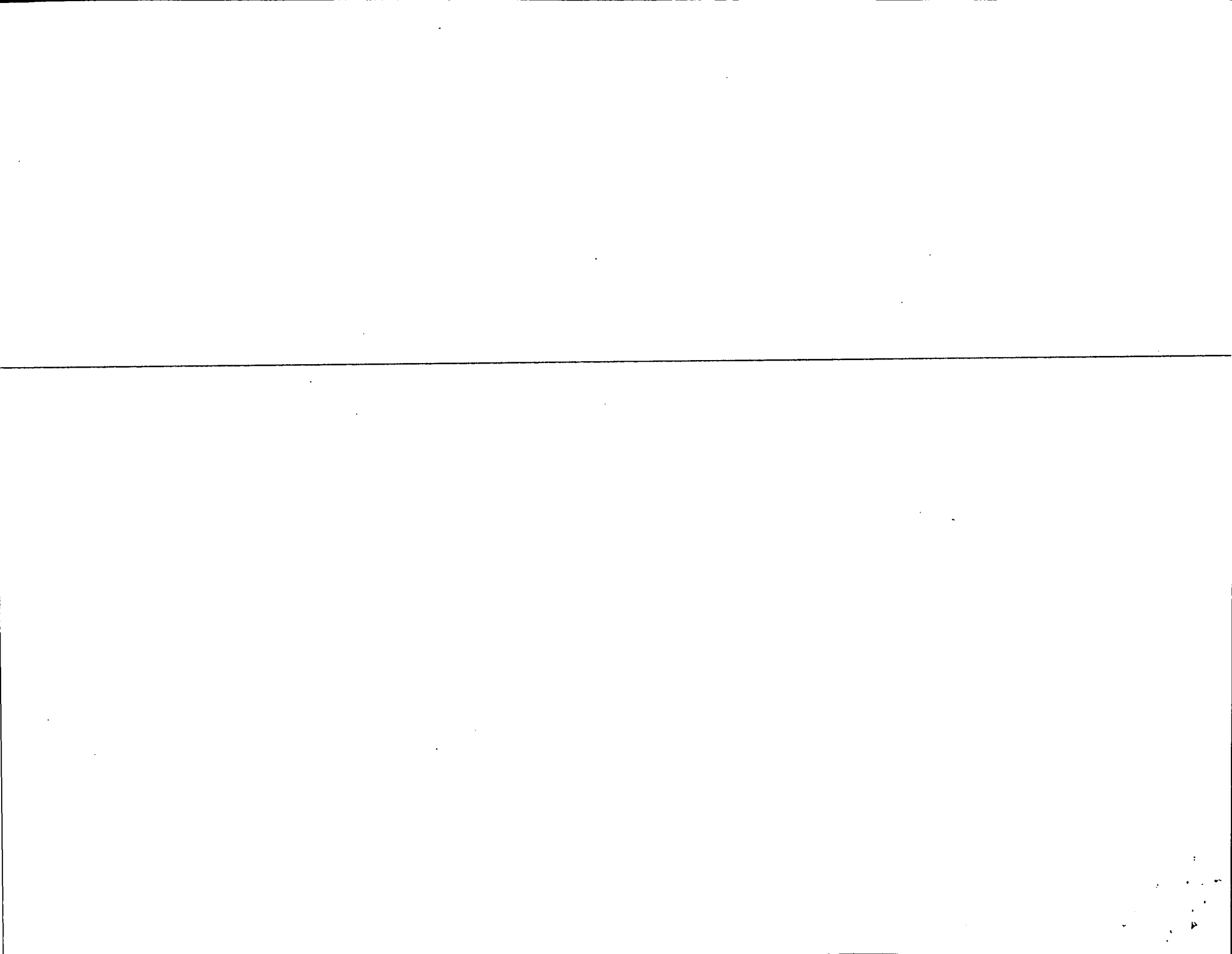


CITY OF SACRAMENTO
 FY1982-83 PROJECTED OVERRUNS
 BY MAJOR CATEGORY

ORGANIZATION -----	ESTIMATED AMOUNT -----	MAJOR CATEGORY -----	EXPLANATION AND RECOMMENDATION -----
FIRE:			
Suppression	106000.00	Employee Services	Anticipated lay-offs not fully completed; one fire captain transferred from Administration; budgeted benefits not increased to reflect additional City contributions. Transfer from Fire-Safety&Training \$44000; from Fire-Emergency Planning \$32000; from Fire-Suppression, services/supplies, equipment-\$30000.
COMMUNITY SERVICES:			
Recreation Services	13000.00	Employee Services	Did not achieve 4% salary savings. Transfer from savings in Community Services-Parks South.
Rec. Service Area B	19000.00	Employee Services	Did not achieve 4% salary savings; un-budgeted employee retirements. Transfer from savings in Community Services-Parks North.
Special Services	57000.00	Employee Services	Did not achieve 4% salary savings. Transfer from savings in Community Services-Parks South.
ENGINEERING	44000.00	Employee Services	Did not achieve 6% salary savings. Transfer from savings in Engineering, services/supplies.
STREET MAINTENANCE	99000.00	Employee Services	Did not achieve 3% salary savings; un-budgeted employee retirements; budgeted benefits not increased to reflect additional City contributions. Transfer from General Fund Discretionary Reserve.
WATER/SEWER ADMIN.	28000.00	Services/Supplies	Rental of real property underbudgeted by \$6600; remainder of overrun is attributable to overspending in several service/supply line items by approximately 1%. Transfer from Water Fund Discretionary Reserve-\$8000; from employee service savings-\$20000.
WATER PRODUCTION	84000.00 11000.00	Employee Services Service/Supplies	Did not achieve 4% salary savings; un-budgeted employee retirements; budgeted benefits not increased to reflect additional City contributions. Service/Supply overrun is attributable to overspending in several line items by approximately 1%. Transfer from Water Fund Discretionary Reserve.

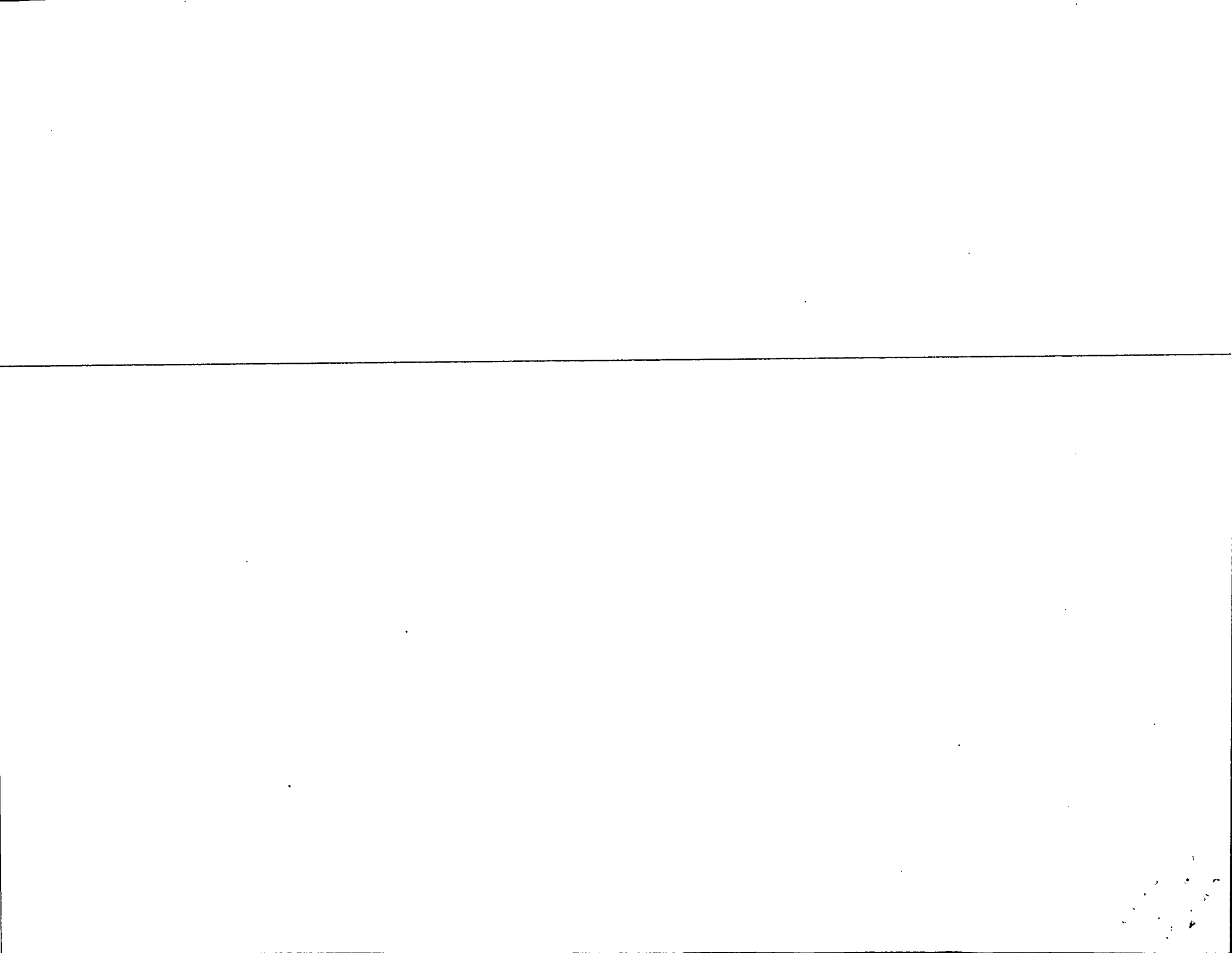
CITY OF SACRAMENTO
 FY1982-83 PROJECTED OVERRUNS
 BY MAJOR CATEGORY

ORGANIZATION	ESTIMATED AMOUNT	MAJOR CATEGORY	EXPLANATION AND RECOMMENDATION
WATER DISTRIBUTION	108000.00 7000.00	Employee Services Services/Supplies	Did not achieve 4% salary savings; budgeted benefits not increased to reflect additional City contributions; minor overrun in services/supplies is attributable to overspending in several line items. Transfer from Water Fund Discretionary Reserve.
TRAFFIC ENGINEERING	27000.00 8000.00	Employee Services Services/Supplies	Did not achieve 5% salary savings; service/supply overrun due to under-budgeting rental of real property. Transfer from General Fund Discretionary Reserve.
PARKING	46000.00 18000.00	Employee Services Services/Supplies	Unbudgeted employee retirements; budgeted benefits not increased to reflect additional City contributions; unanticipated maintenance of equipment expense. Transfer from Parking Fund Discretionary Reserve.
WASTE REMOVAL ADMIN.	17000.00 8000.00	Employee Services Services/Supplies	Did not achieve 4% salary savings; unbudgeted employee retirements; greater than expected printing expense for customer notices relating to curbside service. Transfer from Waste Removal Discretionary Reserve.
REFUSE COLLECTION	463000.00	Employee Services	No salary savings-\$183000; injury on duty-\$150000; overtime-\$15000; use of extra-board personnel-\$37500; budgeted benefits not increased to reflect additional City contributions-\$40000; unbudgeted employee retirements-\$30000; 8% salary increase for final week of FY82-83-\$7500. Transfer savings from services/supplies-\$84000; Transfer from Waste Removal Fund Discretionary Reserve \$379000.
LIBRARY	48500.00	Employee Services	Did not achieve 4% salary savings. Transfer from General Fund Discretionary Reserve.
Total transfers	2113100.00		



CITY OF SACRAMENTO
 FY1982-83 PROJECTED OVERRUNS
 BY MAJOR CATEGORY

ORGANIZATION -----	ESTIMATED AMOUNT -----	MAJOR CATEGORY -----	EXPLANATION AND RECOMMENDATION -----
RISK MANAGEMENT	4000.00 1265000.00	Employee Services Services/Supplies	Did not achieve 4% salary savings; service/supply overrun attributable to underbudgeting claims expense-\$865000; and underbudgeting group benefits expense \$400000. Requires increase in Risk Man- agement Fund appropriations.
POLICE:			
Office of Operations	2000.00	Employee Services	Budgeted benefits not increased to re- flect additional City contributions for crossing guards. Requires increase in Traffic Safety Fund appropriations.
COMMUNITY SERVICES:			
Zoo	9500.00	Employee Services	Did not achieve 4% salary savings. Re- quires increase in Revenue Sharing Fund appropriations.
SEWER MAINTENANCE	18000.00 66000.00	Employee Services Services/Supplies	Underbudgeted overtime resulting from excessive rains; unbudgeted employee retirements; service/supply overrun due also to excessive rains causing overruns in several line items. Requires increase in Sewer Fund appropriations.
WASTE WATER TREATMENT	45000.00	Employee Services	Budgeted benefits not increased to re- flect additional City contributions; unbudgeted employee retirements; under- budgeted overtime resulting from excessive rains. Requires increase in Sewer Fund appropriations.
LIBRARY	37767.00	Services/Supplies	Two operating grants not carried over from FY81-82: Young Adult Grant-\$15340; Creation of On-line Data Base-\$22427. Requires increase in Operating Grants Fund appropriations.
Total appropriation increases	1447267.00		



CITY OF SACRAMENTO
FY1982-83 PROJECTED OVERRUNS
BY MAJOR CATEGORY

Appropriation increase
funding recap:

Risk Management Fund	1269000.00
Traffic Safety Fund	2000.00
Revenue Sharing Fund	9500.00
Sewer Fund	129000.00
Operating Grants Fund	37767.00
Total appropriation increases	<u>1447267.00</u>

