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DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

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June 3, 2003

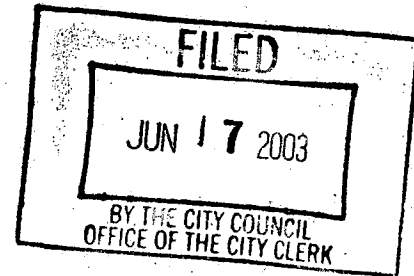
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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: FY2003/04 BUDGET REPORTS BACK

LOCATION AND COUNCIL DISTRICT: Citywide



RECOMMENDATION:

This report recommends that the City Council make an intent motion to include the changes recommended within this report and direct staff to include them in the Final FY2003/04 Budget and 2003-2008 CIP.

CONTACT PERSONS: Reina J. Schwartz, Budget, Policy & Strategic Planning Manager, 808-7195

FOR COUNCIL MEETING OF: June 17, 2003

SUMMARY:

The FY2003/04 Operating Budget and 2003-2008 CIP were released to the City Council on May 1, 2003. Over the past several weeks there have been a series of workshops to discuss these documents. During these budget hearings the Council has requested additional information on a variety of items. This report is intended to provide the information requested in order for the Council to move forward with Budget adoption on June 17, 2003 (evening meeting).

COMMITTEE/COMMISSION ACTION: N/A

BACKGROUND INFORMATION:

The information requested by the Council during the budget hearings is included within this section. The reports back requested are included as Attachments and organized as follows: Table of Contents of Reports Back (Attachment A), Operating Budget (Attachment B) and Future City Council Report Backs (Attachment C).

FINANCIAL CONSIDERATIONS:

The financial considerations for the issues identified in the report are discussed in the context of each of the individual report back items.

ENVIRONMENTAL CONSIDERATIONS:

CEQA does not apply to this report.

POLICY CONSIDERATIONS:

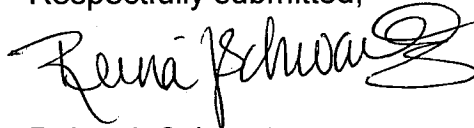
There are a number of policy considerations raised in the context of this report. In general terms, those issues are referred to and discussed in the context of each of the individual report back items.

In all cases, recommendations are intended to be consistent with the City's Strategic Plan as well as reflecting sustainable budget concepts.

ESBD EFFORTS:

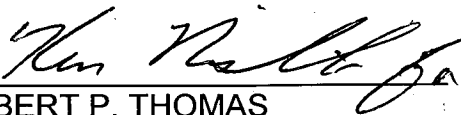
No goods or services are being purchased under this report.

Respectfully submitted,



Reina J. Schwartz
Budget, Policy & Strategic Planning Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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ATTACHMENT A

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ATTACHMENT B
Operating Budget Reports Back

1. SHRA - Number of jobs created (from projects such as Food Source etc...) and a list of what homeless programs are funded through the SHRA contribution and what the impacts are of losing homeless services (5/27/03, Fargo/Tretheway):

Jobs created at the Oak Park 40 Acres and Food Source shopping plaza. These two key redevelopment projects brought a grocery store, Starbucks, barbershop, bookstore, restoration of the Guild Theatre, and soon a restaurant to Oak Park. We estimate that these projects, which would not have happened without redevelopment, created 200 construction jobs and 127 permanent jobs. See also Exhibit 1 to Attachment B for additional information on the benefits of redevelopment.

City Support of Homeless Programs and Facilities – Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) – The City annually allocates CDBG funding from the CDBG entitlement for the following:

Volunteers of America Detoxification Center	\$324,122	Provides for shelter, food, tuberculosis screening, medical assessments, detoxification, and recovery programming for public inebriates and homeless. Operated by the Volunteers of America, facility provides 80 beds for 72-hour hold, 20 beds for 10-day detoxification, and 20 beds for 60-day recovery programming.
DHA/VOA Winter Overflow at Cal Expo	\$46,000 CDBG \$224,070 ESG	Program operation of winter overflow shelter and counseling services along with services for drug and alcohol related problems provided by the Salvation Army. Shelter has capacity of 140 beds available for men and 60 beds available for women and children during inclement months from December 2000 through March 2001.
Lutheran Social Services	\$16,133 CDBG	After-care services provided by Building Bridges and Mather Community Campus programs of Lutheran Social Services for childcare and case management to transitional housing participant graduates after family or individual obtains permanent housing to promote and strength family self-sufficiency. Capacity for 38 families with children.
DHA Administration	\$23,500 CDBG	Provides administrative support for homeless programs

CDBG also provides support for specific homeless or transitional projects. Examples include:

Sacramento Cottage Job Training, \$60,000 (1997) – 33 residents graduated from the program assisting in transitioning to permanent housing, 19 were employed.

Technical Assistance Funds, \$25,000 (1998) – Mercy Housing Corporation provided technical assistance for housing development to social service organizations that assist persons who are homeless, physically or developmentally disabled and/or mentally ill. Five projects are in various stages of completion. Three projects are in rehabilitation, one escrow has closed and one is in initial negotiations. The service organizations that have been assisted are: Mexican American Alcohol Program, Senior Safehouse, WEAVE, St. John's Shelter, Vietnam Vets of California, TLCS and My Sister's House.

Downtown Tax Increment funding contributes \$1.5 million annually to the Department of Human Assistance for a variety of programs, including shelters and homeless programs.

HOME Investment Partnership Program – The City allocates HOME funding for transitional projects. An example includes:

Steven's Place Apartments, \$186,150, for rehabilitation of 16-unit complex for persons with HIV/AIDS in the City.

2. Police - Provide statistics on what we are accomplishing (i.e. not standing still); update on the 911 Center; describe changes and rationale for those changes among the divisions within the Police Department shown in the Proposed Budget (eg there is a reduction in the area of Major Crimes, and an increase in Family and Youth services)(5/27/03, Fargo/Jones):

Accomplishments

The crime statistics listed below are provided to the Bureau of Crime Statistics (BCS), the unit of the California Department of Justice (DOJ). Violent Crime in Sacramento for 2003 is down 14% compared to the same quarter in 2002. Property Crime is slightly up a total of .025% (one quarter of one percent) from last year in part due to the increased number of motor vehicle thefts in 2003.

The following charts show a snapshot of the crime picture in the City of Sacramento for the first quarter (January through March) for the years 2000 to 2003:

	Murder	Rape	Robbery	Aggravated Assault	Violent Crime Total
2000	9	30	356	330	725
2001	4	40	326	375	745
2002	14	47	438	368	867
2003	11	45	342	347	745

	Burglary	Motor Vehicle	Larceny-Theft	Property Total
2000	1,183	1,205	3,896	6,284
2001	1,092	1,322	4,117	6,531
2002	1,322	1,657	3,919	6,898
2003	1,387	1,749	3,904	7,040

*Crime Statistics provided to BCS of the DOJ. The crime statistics are for City of Sacramento during the first quarter (January through March) for the years 2000 to 2003.

911 Center

During the last report to the Mayor and City Council, a final design plan of the 9-1-1 Center, within the budget specifications was presented.

The Center is a 28,522 square foot 911 Dispatch and Training essential services building with a 5,924 square foot non-essential building for training, offices, and a public use conference room. The Concept Design Assessment was adopted by the City Council on August 20, 2002, and the preliminary budget was set at \$23 million. A progress report was heard by the City Council on April 15, 2003, where the current estimate stands at \$23.1 million. The report setting the final budget will be brought to Council by mid-September 2003.

In addition, the Design review Board approved the project on March 5, 2003. The community approved the architectural design and exterior finishes at the last community meeting on December 12, 2002. The Communications Advisory Board approved the architectural and interior design as well, on May 28, 2003.

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The community reviewed the project at three separate community meetings during the past two years, and questions regarding the project were answered at the various 65th Street Transit Village planning meetings. The project is in the Construction Document phase. The 95% Construction Documents were submitted to the building department on June 4, 2003 for plan check. Flexibility was designed into the bid documents, by establishing the Non-Essential building as a deductive alternate, and the raised computer floor within the training classroom, as add alternate to allow options, should the construction bids come in above the budget.

Currently, the 911 Dispatch and Training Facility Center is on schedule. The project's construction documents are now at the building department for a plan check (a two-month turn around) and the project bid is scheduled for either August or September. The Communications Advisory Board met with the City's Interior Design personnel, approved the proposed interior finishes and forwarded them to the Project Manager. Interior finishes include, but are not limited to paint, wall coverings, carpet, tile, flooring materials and lighting. The project is scheduled for bidding by the end of August of 2003 and construction is scheduled to start Fall 2003.

The Mayor and Council will be updated as the 9-1-1-Center project progresses.

Changes Among Divisions Within the Police Department

There has been no net change in authorized positions or staffing levels within the Office of Investigations. There was a reorganization for better efficiency so units that work together on cases could be better aligned. Robbery North and South, Financial Crimes, the Vehicle Crimes and the Neighborhood Crimes Unit were moved from Major Crimes Division to the Family and Youth Services Division, which is now called the Investigative Services Division. The Gang Unit was moved from Major Crimes to the Special Investigations Division.

3. Police - Provide information on staffing for special events (5/29/03, Hammond):

Currently, the Sacramento Police Department utilizes resources from units throughout the department to staff and/or respond to large special events. This includes events such as the Jazz Festival, VIP visits, demonstrations, celebrations (Sacramento Kings), Olympic Trials, etc. Units and Divisions that are frequently impacted include Traffic, POP, SWAT, Mounted, Bikes, Air

Ops, Canine, and the Detective Division. This impact usually extends beyond the event in the form of:

- The Officers/Investigators normal workload gets backlogged
- Requests for special enforcement are delayed (POP, Traffic, SWAT)
- Additional overtime

The Department makes every effort to minimize the impact on the service that is provided to the rest of the City, but there have been incidents where there have been competing needs for the personnel and/or specialty unit. One example has been the need to use an outside agency SWAT team to assist with robbery suspects who had barricaded themselves during the Olympic Track and Field Trials as the City's SWAT team was already dedicated to the Olympics event. Also, requests for quick response to traffic problems or Problem Oriented Policing (POP) type problems will be delayed due to lack of availability.

Cost of Special Events:

- Jazz Festival \$75,000
- Fourth of July \$35,000
- Pacific Rim \$15,000
- Water Festival \$10,000

With the increase in frequency and scale of events occurring within the City of Sacramento, the impacts caused by pulling these units to staff special events will increase and become more apparent.

4. Fire - Look at implications of budget cuts in other agencies (mutual aid agencies) (5/27/03, Cohn):

Budgets for the agencies that work through our "boundary drop" (mutual aid), are not being reduced. They are special districts which are not facing the same issues.

5. Fire - ALS: What are the financial implications of having the physical fitness coach as a City employee rather than a contractor (5/29/03, Fargo):

Looking at similar programs, the cost of an employee appears to be less or equal to the existing fee paid for a professional services contract.

6. Fire – 1) How many of the people we serve through medical calls (48,623 total calls per Council report) were from outside the City; 2) number of runs out of Station 6, 12, 56 (5/29/03, Hammond):

1) 1,811 calls were from outside of the City, the estimated cost to respond is \$290,000 and approximately 66% of those calls required ALS/BLS Transportation generating revenue from the City of Sacramento;

2) The dispatches for each apparatus are listed – the engine, truck and medic from the same station could all be dispatched to the same event – and is accounted for on each apparatus:

- Station 6
 - Engine 6 – 4,720
 - Truck 6 – 2,995
 - Medic 6 – 5,917

- Station 12
 - Engine 12 – 2,044

- Station 56
 - Engine 56 – 3,154
 - Medic 56 – 5,266

7. Convention, Culture & Leisure - What is the amount of City funding for Archives, Discovery Museum, Metro Arts, Sacramento Convention & Visitors Bureau, Sports Commission (5/29/03, Hammond):

The City of Sacramento and County of Sacramento jointly provide operating support for the following programs:

Sacramento Archives
Discovery Museum
Metropolitan Arts Commission
Sacramento Convention and Visitor's Bureau (SCVB)
Sacramento Sports Commission (SSC)

The Sacramento Archives, Discovery Museum and Metro Arts receive direct General Fund support. The SCVB and Sacramento Sports Commission receive a combination of General Fund support and Transient Occupancy Tax revenues.

ATTACHMENT B

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Ideally, funding is shared on a 50/50 basis, but in any given year one entity may contribute more than the other. In the current fiscal year (FY 03), funding levels are:

<u>Program</u>	<u>City</u>	<u>County</u>	<u>Total</u>
Archives	\$ 177,000 (50%)	\$ 177,000 (50%)	\$ 354,000
Discovery	\$ 282,000 (53%)	\$ 249,000 (47%)	\$ 531,000
Metro Arts	\$ 867,000 (49%)	\$ 881,000 (50%)	\$1,748,000
SCVB	\$1,484,000 (64%)	\$ 824,000 (36%)	\$2,308,000
SSC	\$ 200,000 (46%)	\$ 235,000 (54%)	\$ 435,000
TOTAL	\$3,010,000 (56%)	\$2,366,000 (44%)	\$5,376,000

For next year (FY 04), if the level of County support remained at the FY 03 level, the share of total support contributed by the City would increase due to increases in City labor costs and a modest adjustment for non-labor services and supplies.

<u>Program</u>	<u>City</u>	<u>County</u>	<u>Total</u>
Archives	\$ 210,000 (54%)	\$ 177,000 (46%)	\$ 387,000
Discovery	\$ 290,000 (54%)	\$ 249,000 (46%)	\$ 539,000
Metro Arts	\$ 940,000 (52%)	\$ 881,000 (48%)	\$1,821,000
SCVB	\$1,526,000 (65%)	\$ 824,000 (35%)	\$2,350,000
SSC	\$ 200,000 (46%)	\$ 235,000 (54%)	\$ 435,000
TOTAL	\$3,166,000 (57%)	\$2,366,000 (43%)	\$5,532,000

Due to its anticipated budget shortfall, the County has proposed reductions of up to 40 percent for its share of jointly funded operations. After recent discussions with County staff, reductions of 25 percent are considered a likely alternative. Either option would have a major negative impact on these programs. If the City support in the Proposed FY 04 Budget remained unchanged, the impact of a 25% County cut would be:

<u>Program</u>	<u>City</u>	<u>County</u>	<u>Total</u>	<u>Potential 25% Reduction</u>
Archives	\$ 210,000 (61%)	\$ 133,000 (39%)	\$ 343,000	\$ 44,000
Discovery	\$ 290,000 (61%)	\$ 187,000 (39%)	\$ 477,000	\$ 62,000
Metro Arts	\$ 940,000 (59%)	\$ 661,000 (41%)	\$1,601,000	\$220,000
SCVB	\$1,526,000 (71%)	\$ 618,000 (29%)	\$2,144,000	\$206,000
SSC	\$ 200,000 (50%)	\$ 201,000 (50%)	\$ 401,000	\$ 34,000
TOTAL	\$3,166,000 (64%)	\$1,800,000 (36%)	\$4,966,000	\$566,000

The cost to the City to restore these reductions would be nearly \$600,000.

A 40% County reduction would be:

<u>Program</u>	<u>City</u>	<u>County</u>	<u>Total</u>	<u>Potential 40% Reduction</u>
Archives	\$ 210,000 (66%)	\$ 106,000 (34%)	\$ 316,000	\$ 71,000
Discovery	\$ 290,000 (66%)	\$ 149,000 (34%)	\$ 439,000	\$100,000
Metro Arts	\$ 940,000 (64%)	\$ 528,000 (36%)	\$1,468,000	\$353,000
SCVB	\$1,526,000 (76%)	\$ 494,000 (24%)	\$2,020,000	\$330,000
SSC	\$ 200,000 (52%)	\$ 181,000 (48%)	\$ 381,000	\$ 54,000
TOTAL	\$3,166,000 (68%)	\$1,458,000 (32%)	\$4,624,000	\$908,000

The cost to the City to restore these reductions would approach \$1 million.

8. Parks - Describe changes and rationale for those changes among the divisions within the Parks Department shown in the Proposed Budget (e.g. adding positions in Special Park Services but the budget amount is reduced) (5/29/03, Cohn):

There are many changes and internal transfers in FTE and expenditure budget amounts contained in the Division Summary on page 86 of the City's Proposed Budget. Changes are due to several reasons, including: 1) Shifts in program management between divisions and reallocation of existing resources to increase efficiency and improve operations; 2) increased offsets and changes in the way grant funds are reflected; 3) increased and/or new allocations from assessments, and 4) increased allocations for labor (mostly cost of living), fleet and utilities.

The net effect of dozens of changes, according to the Proposed Budget, is an increased expenditure budget of \$2.59 million (mostly labor/cost of living) and 3 additional FTE. The more significant changes to various divisions (titles are underlined) as proposed for Fiscal Year 2003/04 are as follows:

Fiscal & Management Services (Department Administration): An increase of \$1.48 million is due to transferring responsibility for managing utility costs (water, gas, electricity) from Park Planning, Design and Development Administration to Department Administration as utility costs cross all service areas, and to a department-wide service and supply budget increase of 2%.

Recreation Administration: The Customer Reservations and Registration Team is being transferred from Marketing & Public Affairs to Recreation Administration to provide a stronger operational tie to Recreation staff responsible for community centers, aquatics, Camp Sacramento and leisure enrichment programs, which generate the most requests for reservations and

registrations by customers. A vacant Recreation Supervisor position is being transferred to assist the Recreation and Human Services Manager with special projects.

Special Park Services/Youth Employment Programs: This division is being re-organized to create a new focus on youth employment programs. (Staff will recommend a new division title at a later date.) This requires the consolidation of existing positions into the division, mostly from the Community Centers Division, and transferring the Alternative Sentencing program (adult maintenance labor through community service requirements) to the Park Maintenance Division. In addition, annual grant funding in the amount of \$275,000 for "Workreation" will be reflected in the City's operating grant program as opposed to the Department's operating budget.

Park Planning, Design and Development (PPDD): Three existing administrative and advance planning positions and related funding are being moved to PPDD's administrative division. At a later date, recommendations will be made to create an Advance Planning Division and to revise division titles as appropriate.

9. Parks - Provide analysis of projected revenue from the Community Facilities District (CFD) (5/29/03, Jones):

The City's park system is projected to expand by 211 acres and 47 sites between FY2003/04 and FY2005/06. The cost to maintain this expansion is projected to be \$1,688,000. The Park Maintenance Community Facilities District (PMCFD) is projected to supply \$330,000 of this need by FY2005/06. This leaves a structural gap of \$1,358,000 by end of FY2005/06. The following table presents a year-to-year analysis of how PMCFD revenue will offset the park maintenance structural funding gap through FY2005/06:

Fiscal Year	Projected New Acres	Projected New Sites	Projected Cost @ \$8K/Acre	Projected Cumulative Need	Projected PMCFD Revenue	Projected Structural Gap
2004	69	19	\$552,000	\$552,000	\$150,000	\$402,000
2005	80	13	640,000	1,192,000	300,000	892,000
2006	62	15	496,000	1,688,000	330,000	1,358,000
Totals	211	47	\$1,688,000			

10. **Parks, Fire, Public Works and Utilities** - Provide a summary of services and maintenance the City provides for non-City facilities (for example, trees around Capitol Park and landscaping around state buildings – should include all departments, not just Parks (5/29/03, Fargo/Cohn):

Parks - Tree Services provides routine tree care for City street trees planted within the City right-of-way between sidewalk and curb and City Park trees only. Tree Services does not enter private property or other public agency property to do routine tree care. Examples of areas maintained by Tree Services that are adjacent to and in front of governmental and business properties where trees are planted in the street right-of-way between sidewalk and curb are: the Capitol Park grounds, Capitol Mall, 16th Street between N and J Streets, and N Street between 3rd and 16th Streets.

Park Maintenance Services provides landscape-related maintenance (general policing, trash pick-up and disposal, weed control, hardscape air blowing, leaf abatement/control, graffiti abatement, and power washing) for the hardscaped and landscaped areas along the K Street Mall, O Street transit mall, and the areas surrounding the Ping Yuen center (between third and fifth, I and J streets) in the downtown district. These service areas are adjacent to and in front of governmental and business properties.

Fire - The Sacramento Fire Department provides Fire/EMS response to ALL government owned buildings in the City of Sacramento without the benefit of "tax" revenue. The buildings include Federal, State, and County owned facilities.

The fire department provides standby and assistance at numerous special events and concerts without the benefit of reimbursement resources expended. The support ranges from one or two firefighters for a couple of hours to week long, 24 hour a day, and events. Some of these events include: the upcoming Agricultural/Ministerial Conference, the Olympic Track & Field Trials, the California International Marathon, etc.

Public Works – Public Works does not provide services on any non-City owned/leased facilities.

Utilities - Utilities does not provide services on any non-City owned/leased facilities.

11. Neighborhood Services / Code Enforcement - Provide the number of calls for service on streets that are boundaries between the City and the unincorporated County area; compare to adjacent City-only areas (5/29/03, Hammond):

Statistics from the Solid Waste division show that in the areas adjacent to the unincorporated areas of the County, the amount of refuse picked up increases from 140 lbs. per household to approximately 300 lbs. per household. Code Enforcement statistics do not show any significant increase in calls for service in these areas.

12. Public Works - Provide information on changes in budget across divisions as well as for increases (for example, in PW we are adding 2 FTE and \$400,000 but in Parks we are adding 3 positions for only \$150,000 – why? (5/29/03, Mayor):

The proposed augmentation of 2.0 FTE and \$400,000 is for growth in City facilities. Of the \$400,000 total, \$150,000 is needed to support the additional FTE. The remainder of \$250,000 is for utilities, building materials and service contracts to support additional square footage. This total cost will be offset by an estimated \$113,000 in tenant revenue from the Public Safety Administration Building, which is expected to increase in future years.

Growth in facility maintenance responsibilities in the past two years includes, but is not limited to, the following:

- Public Safety Administration Building, Cole Building, and retail tenant space @ 140,000 square feet
- Natomas Community Center @ 17,500 square feet
- Natomas Library @ 13,500 square feet
- State OES @ 18,000 square feet
- Meadowview pool/building @ 5,750 square feet
- Sutter's Landing
- 12 wading pools
- 30 parks irrigation systems

13. **Public Works** - Describe the reason why the fleet equipment budget went down by \$4.8 million in the Proposed Budget (5/29/03, Cohn):

Components of the \$4.8 Million Decrease in Public Works Equipment Budget

Equipment

FY 2002/03 Amended Budget		\$10,825,095
Change:		
Replacement vehicles	\$(4,000,000)	
Base budget transfer to services/supplies	(830,095)	
Subtotal		(4,830,095)
FY 2003/04 Proposed Budget		\$ 5,995,000

Explanation of Components

- Replacement vehicles - A reduction of two one-time augmentations in FY 2002/03 totaling \$4 million for the purchase of fire apparatus and general funded replacement vehicles to help reduce the backlog in the City fleet.
- Base budget transfer - Adjust the existing base budget by transferring funds within the department from equipment to services and supplies to provide for increased operating, fuel, and maintenance costs primarily in Fleet Operations.

Explanation of Fleet Billing System

The new fleet billing system to be implemented in FY 2003/04 is designed to provide convenient, competitive, and timely services including technical assistance to all City departments. The new plan will replace the existing usage based rate, by vehicle equipment class, where charges are based on a cost per mile or cost per hour to three separate rates as follows:

- Operations and maintenance rate – bill for actual expenses incurred to maintain, repair, and provide fuel for equipment.
- Pool rate – a rate for short-term rentals of equipment from the city's pool.
- Replacement rate – a rate for vehicle replacement based on vehicle type, age and mileage.

Components of the \$2.9 Million Increase in Public Works Services and Supplies Budget

Services and Supplies

FY 2002/03 Amended Budget		\$54,985,394
Change:		
Small Project Delivery Team augmentation	\$ 300,000	
Facility maintenance augmentation (utilities, service contracts, etc.)	250,000	
Animal Care Services augmentation (services and supplies associated with state mandates and City Blue Ribbon Committee recommendations)	198,265	
Sidewalk repair augmentation	70,000	
Base budget transfer from equipment	830,095	
Establish fleet motor pool replacement contribution	767,459	
2.5% base budget inflationary increase	324,074	
Net miscellaneous (service contracts, cost allocation, fleet o&m)	198,416	
Subtotal		2,938,309
FY 2003/04 Proposed Budget		\$57,923,703

14. Information Technology - Define acronyms in the Reduction Options attachment (Gartner, PTI, etc.) (5/29/03, Mayor):

- PTI – Public Technology Inc. – is a national non-profit technology research and development organization whose mission is to bring the benefits of technology to local governments. Established in 1971, PTI is the technical arm of the National League of Cities, National Association of Counties and International City/County Management Association. PTI offers a variety of technology products and services to assist local governments in

addressing their technology needs. Through research, focus groups, online discussions, publications, conferences, pilots and demonstrations and other information sharing vehicles, PTI's local government and industry members work together to develop and apply technology to the challenges facing communities of all sizes. The City participates in PTI's Information Technology and Telecommunications Task Force. It is through this association that the City obtained its Web-based Campaign Finance Reporting System for a fraction of what it would have cost to develop in-house.

- Gartner - Gartner, Inc. is a research and advisory firm that helps more than 10,000 governmental and business clients leverage technology to achieve business success. The City uses the Gartner Research & Advisory Services. For 20 years, Gartner's Research & Advisory services have been recognized as the definitive source for objective technology thought leadership. Gartner has the most comprehensive body of global research that reports on and analyzes the technologies that drive organizational success. The more than 200 research topics include customer relationship management (CRM), e-commerce, supply chain management, wireless, emerging technologies, security, IT services, e-business, and IT spending and strategies.
- SAS Software –many years ago this company's name was Statistical Analysis Software (SAS). However, as they developed their software to do more than statistical analysis, their full name no longer truly represented the nature of their product and they dropped the full name but kept the acronym as the company's name. SAS Software is software that helps with integrated data warehouse management so that we have a single point of control for managing processes that cross the entire enterprise. The City uses this software to help manage the data tapes used by the City's mainframe applications.

15. Public Works – Provide information on a discount for adoption of older animals (6/10/03, Mayor):

At the hearing regarding Animal Care fees, a request was made to consider allowing for reduced rates to adopt older animals. The Animal Care staff has reviewed this request and will add the following language in the Resolution approving the Animal Care Fees:

The Animal Care Services Manager may authorize a reduced option fee for animals that are elderly, injured, or otherwise physically impaired to the extent

that their suitability for adoption is diminished. The reduced fee will be established and set by the Animal Care Services Manager.

In addition to allowing for reduced rates for older animals, it also authorizes the Animal Care Services Manager to also set reduced rates for injured animals that might also be hard to adopt.

16. County Budget – Summary of potential impacts on the City of Sacramento from the Proposed FY2003/04 County of Sacramento Budget:

Convention, Culture and Leisure:

County Budget: Transient Occupancy Tax (TOT) Fund

- Archives
- Discovery Museum
- Metro Arts
- Sacramento Convention and Visitors Bureau (SCVB)
- Sacramento Sports Commission (SSC)

Reductions ranging from 25%-40% for the County's share of jointly funded operations are proposed. County Budget hearings on distribution of the TOT will be held on Thursday, June 19. Reductions may require immediate action in the City Budget. Staff will return if necessary on June 24 with specific recommendations.

If the County reduced support by 25 percent, the shares of City-County support would be:

Program	City	County	Total	25% Reduction
Archives	\$ 210,000 (61%)	\$ 133,000 (39%)	\$ 343,000	\$ 44,000
Discovery	\$ 290,000 (61%)	\$ 187,000 (39%)	\$ 477,000	\$ 62,000
Metro Arts	\$ 940,000 (59%)	\$ 661,000 (41%)	\$1,601,000	\$220,000
SCVB	\$1,526,000 (71%)	\$ 618,000 (29%)	\$2,144,000	\$206,000
SSC	\$ 200,000 (50%)	\$ 201,000 (50%)	\$ 401,000	\$ 34,000
TOTAL	\$3,166,000 (64%)	\$1,800,000 (36%)	\$4,966,000	\$566,000

A 40% County reduction would be:

Program	City	County	Total	40% Reduction
Archives	\$ 210,000 (66%)	\$ 106,000 (34%)	\$ 316,000	\$ 71,000
Discovery	\$ 290,000 (66%)	\$ 149,000 (34%)	\$ 439,000	\$100,000
Metro Arts	\$ 940,000 (64%)	\$ 528,000 (36%)	\$1,468,000	\$353,000
SCVB	\$ 1,526,000 (76%)	\$ 494,000 (24%)	\$2,020,000	\$330,000
SSC	\$ 200,000 (52%)	\$ 181,000 (48%)	\$ 381,000	\$ 54,000
TOTAL	\$3,166,000 (68%)	\$1,458,000 (32%)	\$4,624,000	\$908,000

These levels of reductions would have a major negative impact on these programs. For example:

- Reduced public hours at the Archives and ability to maintain collections
- Closure of the Discovery Museum for 1-2 days per week to the public and school groups
- Reductions in Cultural Arts Awards Grants to arts organizations and Artist in Residency program for neighborhoods and schools
- Reduced marketing efforts and special events support by the Convention and Visitor's Bureau. These activities generate TOT revenues for the City
- Eliminate ability to attract and retain major sporting events by the Sacramento Sports Commission, which generate TOT revenues for the City.

Fire

County Budget: Community Services

<u>Program:</u>	<u>Description:</u>
Safety Net Services	Rehabilitation and treatment services for the homeless
Senior Services	Provides lunches and socialization programs for seniors
Housing and Homeless	Housing for homeless persons and their families
Senior Services	Senior volunteers providing community services
Housing and Homeless	Transitional Living
Housing and Homeless	A Street Men's Shelter
Safety Net Services	Substance abuse assistance

A reduction in these programs will result in more people on the street, some with substance abuse problems, and with no means to meet their basic nutritional needs.

We will be responding to more calls for services as options to meet the basic necessities diminish. We anticipate that this effect will multiply during the harsh winter months. The seniors of our community and individuals who are already frail will probably be affected the most.

County Budget: Health and Human Services

<u>Program:</u>	<u>Description:</u>
Clinics	Health Care
In-Home Support	In-home care to dependent and elderly adults
Primary Care Center	Health medical services
Medical Services	Medical care for indigent
Primary Health Services	Medication to indigent patients
Oak Park Service Center	Prevention/Intervention programs
Mental Health Adults	Residential treatment for mentally ill adults
Mental Health Children	Overhead Costs
Adult Protective Services	Abuse of dependent and elderly adults
Public Guardian	Guardian and Conservator services to residents
Child Protective Services	Services for abused and neglected children
Alcohol and Drug Services	Youth treatment services
Family Violence Protection	Help improve social/family functioning

Our call volume will increase for medical aid calls. We also expect more calls for altercations, various types of accidents, and fires. In addition, with the impending closure of clinics, travel distance will increase and the already existent problem of emergency room overcrowding will be compounded.

Reductions to our youth development programs and/or after school programs will have a direct impact on our operations. Unsupervised young people will often use poor judgment and choose inappropriate activities.

Without reductions in Adult Protective Services (APS) a pattern will form where we have no choice but to respond repeatedly to the same resident over and over. In many instances, the only thing that is actually troubling a customer is loneliness.

Child Protective Services (CPS) ensures a safe environment for children. CPS accomplishes this by providing education on hygiene and strategies for maintaining a healthy and safe home. This reduces the number of calls to us by reducing accidents and illness.

Police

County Budget: District Attorney

Misdemeanor Prosecutions (***Some restoration is recommended by the Executive***)

There will be less accountability for offenders, the potential disbanding of the misdemeanor jail project, and more criminal offenders on the streets.

County Budget: Probation

Drug Court Treatment program in-lieu of prosecution (***Full restoration is recommended by the Executive***)

Would result in no supervision and oversight of persons sentenced to complete diversion programs for drug violations. This will result in the perception of little to no threat of consequences for possession-type drug offenses, and less incarceration for not completing diversion programs.

County Budget: District Attorney (Other)

Oversight of the Asset Forfeiture Program
Investigative Services
Forensic Service

Potential reduction in Oversight could result in loss of asset forfeiture funds. Reduction of investigative services will result in cases that require victim follow-up or re-contact not being properly prepared or handled in a timely manner. This could result in the prosecuting attorneys requesting assistance of SPD investigators to follow-up on criminal cases and adding to their caseloads. Ultimately these reductions may result in cases being dismissed by the court due to unnecessary delays. Similarly, reductions in the Forensic Service Unit may result in delays with preparing cases and dismissals due to unnecessary delays.

Parks and Recreation:

County Budget: Human Assistance

CalWORKs:

4th R Program school-aged, child care program will lose 72 subsidized children

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County Budget - Sacramento START:

Discontinued funding in FY2004/05 will be a 15% reduction in the program

County Budgets: Community Services and Health and Human Services
(Programs listed under the Fire Department)

Reductions and closure of programs and services serving the homeless, mentally ill, substance abusers etc. will create security and safety related issues at Community Centers and parks. These populations will utilize these facilities for sleeping as well as bathing and washing of clothes. Often they "act out" causing discipline and security problems for staff and other users - children, seniors, families - creating unsafe environments for other programs.

Reduction and/or elimination of many programs and services for children and youth will place greater demands on our current programs, which have limited capacity to absorb many new participants. The bottom line will be more latchkey children and anti-social behaviors by children and teens causing problems for law enforcement and other youth providers.

County Budget: CBOs (Also funded by the City)

Cathedral Neighborhood Senior Center:

County is proposing to drop all funding for this operation. Funding from the City (\$80,885) will be insufficient to operate the Center and it will likely be closed and/or significantly reduced in days and hours of operation.

City-County Hunger Commission:

Will lose all County funding, which will reduce staffing to one person and a Vista volunteer. Impact will be the elimination of the neighborhood outreach program which helps identify families in need of food programs (Summer Lunch; Project share; Food lockers/banks; Meal Programs) many of which are also being eliminated or significantly downsized.

Stanford Settlement:

Will lose significant amount of funding (approximately 40%) for its overall operation including the total support for its Senior Center operation. Seniors in the area will have no alternatives for programs and services or will have to travel to community centers operated by the City, which they are unlikely to do because of distance and language barriers. Impact is to 75-200 seniors as well as an overall reduction of youth services at the Center. City programs will not have the capacity to absorb these users.

Sacramento Mediation Center:

Reductions will result in an overall decrease in the amount of dispute resolution services provided to City residents.

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County Budget: CBOs (Providing services to the City)

YouthWORKS:

This county funded and city operated program providing after-school and noon hours programs at various High Schools and community centers has been eliminated.

Senior Nutrition Services:

County operated program at twelve sites within the City plus home delivered meals. County will continue to provide the meals and operate some of the sites.

The Economic Benefits of Redevelopment

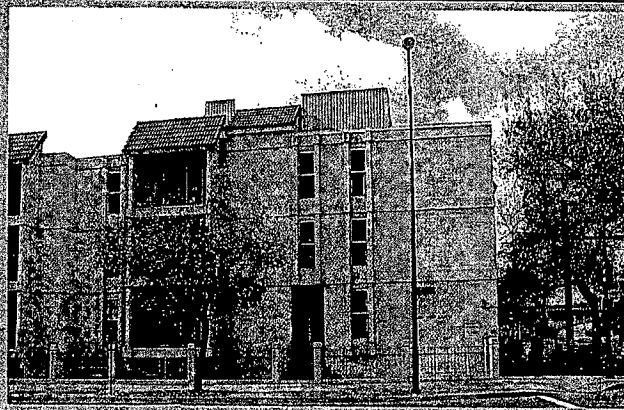
A Case Study of Ten Downtown Sacramento Projects

Barriers to Development

- ⊗ Antiquated infrastructure
- ⊗ Inability to assemble sites
- ⊗ Costs exceed rents
- ⊗ Historic preservation
- ⊗ Unproven market

Redevelopment Tools

- ✗ Site assembly
- ✗ Gap financing
- ✗ Site marketing
- ✗ Developer recruitment
- ✗ Expedited approvals



Before Redevelopment



After Redevelopment

Ping Yuen Mixed Use Project

Project Impact: Ten Downtown Projects 1993-2003	With Redevelopment
Permanent Jobs	Increased from 1005 before projects to 3,375
Construction Jobs	1,869
Retail square footage	Increased from 830,000 to 1,435,6000
Office square footage	Increased from 40,000 to 296,400
Parking Spaces Added	215
Private Investment	\$363,330,000
Public Investment	\$42,999,000
Property Tax (annually)	Increased from \$836,801 to \$2,838,615
¹ Economic benefit during construction	\$707,808,163
² Economic benefit ongoing	\$441,810,383

Benefits

- Ⓜ Leveraged 8 private dollars for every public dollar invested
- Ⓜ Created jobs, generated wages, increased consumer buying power
- Ⓜ Brought 52 new businesses to Downtown
- Ⓜ Increased property tax by over \$2 million
- Ⓜ Provided over \$50,000 for affordable housing
- Ⓜ Contributed over \$700 million in economic impact during project construction with over \$440 million in annual impact
- Ⓜ Preserved historic buildings
- Ⓜ Added over \$1 million in public improvements
- Ⓜ Supported state commitment to healthy cities

Projects include: 16th & J Elliot building; 16&J Lucca's restaurant; Sheraton Hotel; 1029 K St; 1201 K St (Esquire Theatre); Waterfront restaurant; Embassy Suites; Downtown Plaza mall renovation; Crest Theatre; Chops Restaurant.

¹ Estimated economic activity resulting from projects while under development

² Estimated annual contribution to gross regional product

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Attachment B
Exhibit 1

Del Paso Nuevo

Developer: Del Paso Nuevo Partners (Myers Homes, New Faze Development, Mogavero Notestine Associates and Kristene Smith)

Barriers to Development

- ⊗ Large, underdeveloped lots
- ⊗ Major backbone infrastructure needed
- ⊗ Fragmented ownership
- ⊗ Flooding and crime
- ⊗ Unproven market

Redevelopment Tools

- ✗ Site assembly
- ✗ Gap financing and public improvement funding
- ✗ Developer recruitment
- ✗ Affordable housing expertise



Before Redevelopment



After Redevelopment

Project Impact	With Redevelopment
Jobs Created (Construction)	444
Market Rate Housing	Increase from ² 167 before project to 281
Affordable Housing	151
³ Public Investment	\$28 million
Private Investment	\$11.5 million
Property Tax (annually)	Increased from \$139,014 before project to \$526,304
Economic benefit during construction	⁴ \$85,275,525

Project Benefits

- ⊖ Replaced an outdated and primarily rental houses and underutilized land with new infrastructure, parks, and homes.
- ⊖ Unlocks 300 new market-rate quality home ownership housing, an affordable and market-rate.
- ⊖ Provided sewer/water/flood improvements.
- ⊖ Creates public parks that serves flood water detention basins.
- ⊖ Creates new roadways with better circulation.
- ⊖ Promotes civic and commercial development with future use.
- ⊖ Success of development raised confidence and hope in the redevelopment area.
- ⊖ Stimulated private investment and reinvestment.
- ⊖ Accelerated infill development.

¹ 54 of the ultimate 300 homes are currently constructed, thus figures are projections assuming full build-out is completed. Full build-out relies on continued redevelopment funding

² Unregulated housing, although in terms of value, all would qualify as affordable in market

³ Includes construction of backbone infrastructure, new roadways, sewer/water/drainage, parks and parkland acquisition.

⁴ Estimated economic activity resulting from project while under development

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McClellan Military Base Conversion Project

Mather/McClellan-Watt Merged Project Area

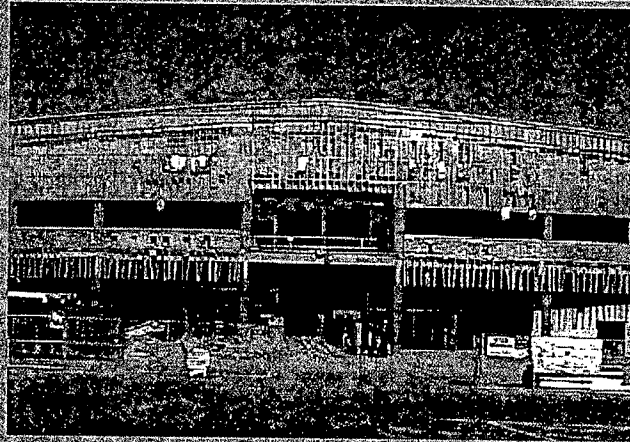
Developer: McClellan Business Park, LLC

Barriers to Development

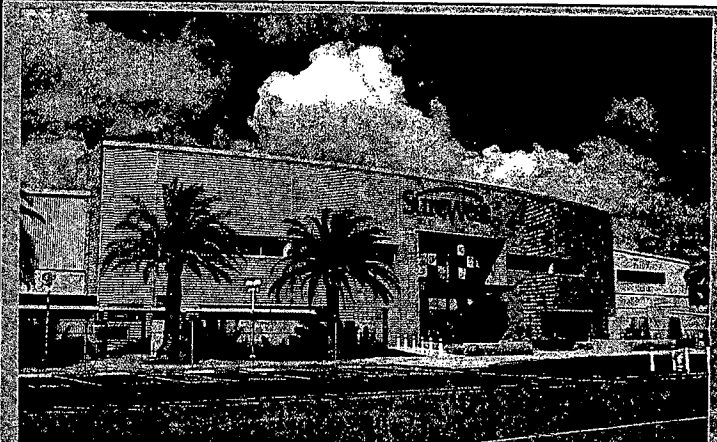
- Many outdated buildings
- Obsolete infrastructure
- Designed for military, not commercial uses
- Insufficient financing capacity to fund initial infrastructure

Redevelopment Tools

- ✗ Public developer role
- ✗ Funding for basic backbone infrastructure
- ✗ Financial leverage
- ✗ Affordable housing expertise



Before Redevelopment



After Redevelopment

¹ Project Impact	With Redevelopment
Permanent Jobs to 2023	Increased from 10,500 base jobs to 30,000 after conversion
Construction Jobs (for capital improvements)	3,656
Affordable Housing units to 2023	5,000
Commercial square footage to 2023	16,744,162
² Public Investment to 2002	\$18.9 million
³ Private Investment to 2002	\$54.1 million
Property taxes over life of project area	\$836 million
⁴ Economic benefit during construction to 10/02	\$744,333,210
⁵ Annual Economic Impact 2003	\$92,052,471

Project Benefits

- Annual economic impact will exceed by \$1 billion the economic impact of McClellan as a military base
- Restored jobs and revenues lost due to base closures
- Provided early infrastructure development critical for fast lease-up and incremental growth
- Attracted private investment
- Established strong local government partnership to coordinate public resources
- Stimulated economic development in adjacent areas
- Provided transitional and permanent housing to assist homeless
- Leveraged \$10 million in State grants for infrastructure improvements
- Created increased land retention to optimize existing

¹ Development of the project is expected to span 20 years. Projections to 2023

² McClellan Park and Key Adjacent Interfaces Investment strategy, 10/02

³ ibid.

⁴ Estimated economic activity resulting from capital improvement construction up to 2002

⁵ Estimated annual contribution to gross regional product based on permanent jobs as of March, 2003

⁶ Economic impact refers to estimated annual contribution to gross regional product based on permanent jobs on base and after base conversion.

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ATTACHMENT C
Future City Council Reports Back

<u>FY2003/04 Proposed Budget</u>	
<u>Reports Back due after July 2003 Council Recess</u>	
Department	Description (Date Requested, Requester)
City Attorney/ Neighborhood Services	Could we establish mandatory minimums for administrative penalties (5/29/03, Jones)
Police/Fire	Analyze calls for service for both Police and Fire (GIS mapping) to look for potential redundancies that could be eliminated for efficiencies and cost savings (5/29/03, Hammond)
Police/Fire	At a Council meeting after July recess, schedule presentation of mobile command post and homeland security presentation so that it can be videotaped and shared further with the community (5/29/03, Mayor)
Fire	How is the Fire department planning ahead to deal with a growing senior population (5/29/03, Mayor)
Fire	Report back on recruitment workplan and on EMT training opportunities, including moving the program within the City limits (5/29/03, Tretheway)

<u>FY2003/04 Proposed Fee Increases</u> <u>Reports Back due after July 2003 Council Recess</u>	
Department	Description (Date Requested, Requester)
Planning	Report back on all Planning & Building fees within the City, within 60 days (6/10/03, Pannell)
Planning	Provide information and background on fees that are charged by the City of Roseville (6/10/03, Jones/Yee)
Convention, Culture & Leisure	Provide fee information from other cities for daytime boat dock usage; what is the peak demand; can reservations be adjusted to accommodate fewer days to stay during events such as the Jazz Festival (6/10/03, Mayor/Pannell)
Parks	Provide information on how we handle the shortfall without pool fees increased (e.g. increase prices of food and beverages sold at the pools) (6/10/03, Cohn/Mayor)
Code Enforcement	Provide information and percentage on fees proposed vs. full cost recovery (6/10/03, Jones)
Code Enforcement	Provide information on the ordinance regarding large trucks parking on residential streets and the timeline the ordinance will be implemented (6/10/03, Jones)
Public Works	Provide thorough review of parking meter times (30 min, 60 min); impacts of free parking on weekends in Central City (work with Midtown and Downtown Business Associations, Museums, etc); and adjust holiday schedule to coincide with City, County and State mandated holidays by November 2003; further increases in the daily bagged rate and consideration of changing timeframes on meters to end at 5pm (6/10/03, Mayor/Cohn/Tretheway)
Public Works	Provide information on the fees that are penalty driven due to misbehavior (fine for the boot should be raised substantially) (6/10/03, Hammond)
Public Works	Provide information on how Santa Monica manages its off-street parking re: providing the first hour free (6/10/03, Tretheway)

<u>FY2003/04 Proposed Capital Improvement Program Reports Back due after July 2003 Council Recess</u>	
Department	Description (Date Requested, Requester)
Finance	Provide expanded information on TOT Tax collected by geographic area; how the tax is used now; what share of TOT comes from motels on Stockton Boulevard (Beat Feet activity); how are we addressing Code/Public Safety issues on Stockton Boulevard (6/10/03, Jones)
Convention, Culture & Leisure	Provide information about whether we should allow a portion of the in-lieu franchise fee to stay with the Golf Fund; what is the cost to construct a new Golf Cart storage structure in the fall (6/10/03, Yee)
Parks	Provide information on setting up a Bridge Maintenance Fund (6/10/03, Cohn)
Parks	Provide information on the long term plan (2-4 years) to get closer to completing Granite Park (6/10/03, Pannell)
Parks	Provide information on L&L funding limitations, can we spend in other areas (e.g. operations rather than capital?) (6/10/03, Mayor)
Parks	Land Park Fund – Should we have funds set up for other regional parks? (6/10/03, Mayor)
City Attorney	What options are available for developing a non-subdivision related development fee to help pay for infrastructure in older areas (6/10/03, Pannell)

City of Sacramento

FY2003/04 Proposed Budget

June 17, 2003

Today

- Reports Back (2pm)
- Adopt Final FY2003/04 Budget (7pm)

Reports Back

- SHRA – Number of Jobs Created
- Police – Accomplishments, 911 Center, Division Changes, Special Events
- Fire – Mutual Agency Budget Cuts, Physical Fitness Coach, Number of non-City Residents Served, Number of Fire Station Runs

Reports Back

- Convention, Culture & Leisure – Total Funding for Joint City/County Programs
- Parks – Description of Division Changes, CFD Funding Analysis
- Parks, Fire, Public Works and Utilities – Services Provided for non-City Facilities

Reports Back

- Neighborhood Services/Code Enforcement – Analysis of Number of Calls for Service – County vs. City Boundaries
- Public Works – Description of Division Changes, Description of Fleet Budget Reductions and New Billing System, Adoption of Older Animals

Reports Back

- Information Technology – Definition of Acronyms
- County Budget Update/ Impacts