



## City Council Report

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Sacramento, CA 95814

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**File ID:** 2018-00198

February 6, 2018

**Discussion Item 12**

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**Title:** Fiscal Year (FY) 2017/18 Midyear Report

**Location:** Citywide

**Recommendation:** Pass a Resolution approving the FY2017/18 Midyear Report.

**Contact:** Dawn Holm, Interim Director, (916) 808-5574; Marian Fahy, Interim Budget Manager, (916) 808-7991, Department of Finance

**Presenter:** Dawn Holm, Interim Director, (916) 808-5574, Department of Finance

**Attachments:**

1-Description/Analysis

2-Resolution

3-Exhibit A – FY2017/18 Midyear Report

4-Exhibit B – Budget and Staffing Adjustments

5-Exhibit C – Reclassifications Requests

6-Exhibit D – Position Changes by Department

7-Exhibit E – Amended FY2017/18 Measure U Restoration Plan

8-Exhibit F – Measure U Implementation Update

## Description/Analysis

**Issue Detail:** The FY2017/18 midyear review is intended to update the City Council on major changes since the adoption of the Approved Budget and includes recommendations necessary to implement the City's financial plan for the remainder of the fiscal year. The FY2017/18 Midyear Report provides detailed information on the changes summarized in this report and is included as Exhibit A.

As presented in the FY2016/17 Comprehensive Annual Financial Report (CAFR), revenues and expenditures during fiscal year ending June 30, 2017, resulted in one-time General Fund budgetary resources of \$12.9 million of the adopted \$438.8 million General Fund expenditure budget. As detailed in the CAFR report the primary reason for the budgetary results is the receipt of revenues above budget.

The positive revenue variance during the first half of FY2017/18 provided the opportunity to increase revenues by \$5.92 million as reflected below:

<b>Revenue Type (dollars in 000s)</b>	<b>Approved Budget</b>	<b>Midyear Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Property Transfer Tax	11,500	14,100	2,600	23%
Property Tax In-Lieu of Vehicle License Fee	39,867	41,487	1,620	4%
Utility User Tax	61,312	62,412	1,100	2%
Transient Occupancy Tax	4,550	5,150	600	13%
<b>Recommended Midyear Revisions</b>	<b>117,229</b>	<b>123,149</b>	<b>5,920</b>	<b>5%</b>

These revenues will be included in the revised five-year forecast that will be considered as part of the FY2018/19 budget development process.

This report includes recommendations to appropriate funding to the Beacon Afterschool Program (\$500,000) and Neighborhood and Community Economic Development Plan Program (\$1.1 million) which were discussed during FY2017/18 Budget adoption but not appropriated to specific projects. Additionally, Council recently provided direction to establish a Cannabis Equity Program (\$500,000) to cover the costs associated with assisting program participants in starting a cannabis business in the City of Sacramento. This financial assistance will be available to certain communities and eligible individuals. The midyear funding is considered a one-time startup funding, future funding to support this program will be provided from cannabis related business operations permits and business operations tax revenues.

Finally, consistent with reports that have been brought forward throughout the fiscal year, this report includes restoring the General Fund Administrative Contingency (\$663,000) back to \$1 million.

Revenue and expenditure changes are also included to address departmental operational needs, changes in department revenues, grants, and externally funded programs. Recommendations for the use of General Fund resources are summarized in the following chart (details on adjustments not resulting in a net cost or a change in FTE are included in Exhibits A-F):

General Fund Initiative/Funding Request	FTE <sup>1</sup>	FY2017/18 One-Time Expense	FY2018/19 Ongoing Expense
<b>Council Initiative:</b>			
Beacon Afterschool Program	-	500,000	-
Cannabis Equity Program	-	500,000	-
Neighborhood Community and Economic Plans	-	1,100,000	-
<b>City Manager:</b>			
City Attorney	1.00	-	-
Community Development	6.00	-	-
Finance	2.00	-	-
<b>Total General Fund Adjustments:</b>	<b>9.00</b>	<b>\$ 2,100,000</b>	<b>\$ -</b>

<sup>1</sup>Positions to be added in this report will be totally offset through realignments in existing positions resulting in savings and departmental budget reductions.

Recommendations for adjustments needed in other funding sources are summarized in the following chart (details on adjustments not resulting in a net cost or a change in FTE as well as an update on the Measure U forecast and program implementation are included in Exhibits A-F).

Other Fund Initiative/ Funding Request	Fund(s)	FTE <sup>1</sup>	New Vehicles	FY2017/18 One-Time Expense	FY2018/19 Ongoing Expense
<b>City Manager:</b>					
Special District Budget Adjustments	NN Neighborhood Landscaping (Fund 2227), Village Garden (Fund 2231), Sacramento Maintenance (Fund 2250) and NNFP Land Acquisition Fee (Fund 3208)	-	-	293,981	
Museum Registrar	Winchester & Mary Alice Felt Fund (Fund 5015)	1.00	-	-	-
Concrete Maintenance	Gas Tax (Fund 2002)	-	-	1,000,000	
Park Maintenance Vehicle	Landscape and Lighting (Fund 2232)	-	1.00	125,526	
Police Vehicle Upgrades and Technology Improvements	Measure U (Fund 2401)	-	-	1,020,000	
Enterprise Fund Budget Adjustments	Solid Waste (Fund 6007), Storm Drainage (Fund 6011), Wastewater (Fund 6006) and Water (Fund 6005)	-	-	1,637,000	
<b>Total Other Fund Adjustments:</b>		<b>1.00</b>	<b>1.00</b>	<b>\$ 4,076,507</b>	<b>\$ -</b>

<sup>1</sup>Position to be added in this report will be totally offset through departmental/fund budget reductions.

**Policy Considerations:** This report is consistent with Council’s direction and adopted budget principles to use one-time resources strategically, maintain a fiscally sustainable balanced budget and keep the Council informed on the fiscal condition of the City.

**Economic Impacts:** None.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This report concerns administrative activities and government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and thereby do not constitute a “project” as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines 15060(c)(3)). CEQA review for any project, which utilizes funds allocated in this report, has been or will be performed in conjunction with planning, design, and approval of each specific project as appropriate.

**Sustainability:** Not applicable.

**Commission/Committee Action:** The FY2017/18 Midyear Report was presented to the Budget and Audit Committee (Committee) on Tuesday, January 30, 2018. The Committee discussed the report and voted to forward the report to Council for approval.

**Rationale for Recommendation:** The actions recommended in the midyear report address the adjustments necessary to implement the City’s financial plan for the remainder of the current fiscal year.

**Financial Considerations:** The five-year General Fund forecast based on the FY2017/18 Approved Budget is reflected below.

**FY2017/18 Approved - General Fund Forecast**

General Fund (\$ in 000s)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Approved	Projection	Projection	Projection	Projection	Projection
<b>Approved Beginning Fund Balance</b>	<b>4,871</b>	<b>3,980</b>	<b>4,831</b>	-	-	-
Revenues	463,304	470,243	479,525	488,303	497,090	506,402
<b>Total Resources</b>	<b>463,304</b>	<b>470,243</b>	<b>479,525</b>	<b>488,303</b>	<b>497,090</b>	<b>506,402</b>
Operations	432,721	453,597	469,809	487,023	498,377	510,616
Capital/Multi-year Projects	26,474	15,795	15,945	16,295	16,731	16,670
<b>Total Expenditures</b>	<b>459,195</b>	<b>469,392</b>	<b>485,754</b>	<b>503,318</b>	<b>515,108</b>	<b>527,286</b>
<b>Annual Surplus/(Deficit)</b>	<b>4,109</b>	<b>851</b>	<b>(6,229)</b>	<b>(15,015)</b>	<b>(18,018)</b>	<b>(20,884)</b>
<b>Ending Fund Balance</b>	<b>8,980</b>	<b>4,831</b>	<b>(1,398)</b>	<b>(15,015)</b>	<b>(18,018)</b>	<b>(20,884)</b>
<b>Additional Resources</b> <i>(pending Council action)</i>						
Commitment for Pension Liabilities	(5,000)	-	1,398	3,602	-	-
<b>Available Fund Balance</b> <sup>1</sup>	<b>3,980</b>	<b>4,831</b>	<b>-</b>	<b>(11,413)</b>	<b>(18,018)</b>	<b>(20,884)</b>

<sup>1</sup> Available fund balance will be increased by \$3.8 million when the City Council authorizes issuance of bonds for the Convention Center expansion, estimated in Fall 2018.

The midyear review resulted in the addition of \$5.9 million in revenues. While revenues are continuing to increase, operating expenditures for programs and services are also increasing. To achieve a sustainable budget, revenues need to exceed expenditures on an annual basis. In the short-term, one-time resources like fund balance and year-end results can help close the gap, but to achieve long-term sustainability ongoing expenditures must be brought in line with ongoing revenues.

The five-year forecast has been revised to include updated PERS changes and adopted labor agreements as well as the midyear recommendations identified in this report.

### FY2017/18 Midyear - General Fund Forecast

General Fund (\$ in 000s)	2017/18 Approved	2017/18 Midyear	2018/19 Projection	2019/20 Projection	2020/21 Projection	2021/22 Projection	2022/23 Projection
<b>Approved Beginning Fund Balance</b>	4,871	4,871	6,790	259	-	-	-
Revenues	463,304	469,224	477,233	484,495	491,576	498,940	507,065
FY2016/17 CAFR Resources (one-time)		12,942					
<b>Total Resources</b>	<b>463,304</b>	<b>487,037</b>	<b>484,023</b>	<b>484,754</b>	<b>491,576</b>	<b>498,940</b>	<b>507,065</b>
Operations	432,721	432,721	450,939	466,538	481,117	492,480	504,918
Capital/Multi-year Projects	26,474	26,474	15,795	15,945	16,295	16,731	16,670
<b>Total Expenditures</b>	<b>459,195</b>	<b>459,195</b>	<b>466,734</b>	<b>482,483</b>	<b>497,412</b>	<b>509,211</b>	<b>521,588</b>
<b>Surplus/(Deficit)</b>	<b>4,109</b>	<b>27,842</b>	<b>17,289</b>	<b>2,271</b>	<b>(5,836)</b>	<b>(10,271)</b>	<b>(14,523)</b>
<b>Council Actions/Policy Direction</b>							
Beacon Schools		(500)					
Cannabis Equity Program		(500)					
Convention Center Renovation		(185)					
Labor Agreements		(12,504)	(18,930)	(18,964)	(18,964)	(18,964)	(18,964)
Neighborhood and Community ED Plans		(1,100)					
Powerhouse Science Center		(600)	(600)	(600)	(600)	(600)	(600)
Restoration of Administrative Contingency		(663)					
<b>Subtotal</b>		<b>(16,052)</b>	<b>(19,530)</b>	<b>(19,564)</b>	<b>(19,564)</b>	<b>(19,564)</b>	<b>(19,564)</b>
<b>Ending Fund Balance</b>	<b>8,980</b>	<b>11,790</b>	<b>(2,241)</b>	<b>(17,293)</b>	<b>(25,400)</b>	<b>(29,835)</b>	<b>(34,087)</b>
<b>Additional Resources (pending Council action)</b>							
Commitment for Pension Liabilities	(5,000)	(5,000)	2,500	2,500		-	-
<b>Available Fund Balance<sup>1</sup></b>	<b>3,980</b>	<b>6,790</b>	<b>259</b>	<b>(14,793)</b>	<b>(25,400)</b>	<b>(29,835)</b>	<b>(34,087)</b>

<sup>1</sup>Available fund balance will be increased by \$3.8 million when the City Council authorizes issuance of bonds for the Convention Center expansion, estimated in Fall 2018.

While revenues continue to grow the City's expenditures, employee services continue to put pressure on available resources. Additional information and detailed analysis on the forecast will be included in a separate report on the forecast and FY2018/19 budget development policies/guidelines.

A review of the City's Enterprise Funds and Internal Service Funds identified minor adjustments to address workload and operational needs. Departments supported by these funds are projecting to come in on budget.

**Local Business Enterprise (LBE):** No goods or services are being purchased under this report.

**RESOLUTION NO. 2018-XXXX**

Adopted by the Sacramento City Council

**AMENDING THE FISCAL YEAR (FY) FY2017/18  
APPROVED BUDGET**

**BACKGROUND**

- A. The FY2017/18 Approved Budget was adopted on June 13, 2017. Annually, staff undertakes a Midyear Review of revenues and expenditures to ensure the continued validity of the adopted budget and to recommend any adjustments necessary to reflect Council action and direction since budget adoption, address critical workload challenges and to implement the City's financial plan for the remainder of the current fiscal year. Based on this review, several budget adjustments and technical corrections are necessary to ensure the City does not overspend budgetary resources, and has the capacity to address identified critical needs, and operational improvements and efficiencies.
- B. The City's FY2016/17 Comprehensive Annual Financial Report (CAFR) was prepared presenting the City's financial condition and the results of its activities for the fiscal year ending June 30, 2017. The CAFR financial statements were audited, as required by the City Charter, by an independent public accounting firm. The General Fund's FY2016/17 year-end results as audited provided \$12.9 million in resources to address the City's budget requirements outlined in the FY2017/18 Midyear Report.
- C. Exhibits A through F include the recommended adjustments to the FY2017/18 Approved Budget that are necessary to implement the City's financial plan for the remainder of the fiscal year.

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

- Section 1 The FY2017/18 Midyear Budget is approved inclusive of the changes as outlined in the following:
  - a) Exhibit A – FY2017/18 Midyear Report
  - b) Exhibit B – Budget and Staffing Adjustments
  - c) Exhibit C – Reclassification Requests
  - d) Exhibit D – Position Changes by Department
  - e) Exhibit E – Amended FY2017/18 Measure U Restoration Plan
  - f) Exhibit F – Measure U Implementation Update

- Section 2 The City Manager or the City Manager's designee is authorized to adjust Fire Department revenue and expenditure budgets based on actual revenues received for department strike team services provided throughout California.
- Section 3 The City Manager or the City Manager's designee is authorized to adjust operating department revenue and expenditure budgets based on actual revenues received for providing reimbursable services to the Golden 1 Center as outlined in the City's agreement to provide services.
- Section 4 The Old Sacramento Public Market Fund (Fund 2601) shall be used for the development, repair and maintenance of the north and south public markets.
- Section 5 The Recreation Program fees have been established to recover the costs of the program. Excess revenues for this program, provided the full cost of the current fiscal year operations for this program have been recovered and the department has positive year-end results will be transferred to the Recreation Facility Improvement CIP (L19800200).
- Section 7 The City Manager or the City Manager's designee is authorized to establish the New Measure A (NMA) Traffic Control and Safety Fund (Fund 2038) and the NMA Safety, Streetscape, Ped and Bicycle Fund (Fund 2039) and transfer the revenue, expenditures and available fund balance from NMA Fund 2025 to these two new funds. Once the transfers are completed, Fund 2025 will be closed.
- Section 8 The transfer of FY2016/17 one-time unbudgeted revenues to the Economic Uncertainty Reserve (\$2.694 million) and FY2016/17 savings in the City's California Public Employees' Retirement System (CalPERS) budget account (413170 / 413172) to the City's other post-employment benefit (OPEB) trust (\$5.324 million) as outlined in the FY2016/17 Comprehensive Annual Financial Report shall be deferred until the City Council adopts the FY2018/19 budget.

**Exhibits:**

- Exhibit A – FY2017/18 Midyear Report
- Exhibit B – Budget and Staffing Adjustments
- Exhibit C – Reclassification Requests
- Exhibit D – Position Changes by Department
- Exhibit E – Amended FY2017/18 Measure U Restoration Plan
- Exhibit F – Measure U Implementation Update

City of Sacramento, California

# FY2017/18 Midyear Budget Report

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## Section 1: Introduction

The FY2017/18 Midyear Report is intended to provide the Council with an update on the status of the current year budget and an overview of the five-year budget horizon. As has been discussed in prior reports, the City continues to be faced with significant challenges to balance revenues and expenditures. These issues and recommendations relative to the continued implementation of the FY2017/18 budget are outlined below.

## Section 2: Recommended Revenue Revisions – General Fund

The table below summarizes the recommended revenue adjustments. A detailed explanation for each of the revenue categories is included below the table:

Revenue Type (dollars in 000s)	Approved Budget	Midyear Budget	Dollar Change	Percent Change
Property Transfer Tax	11,500	14,100	2,600	23%
Property Tax In-Lieu of Vehicle License Fee	39,867	41,487	1,620	4%
Utility User Tax	61,312	62,412	1,100	2%
Transient Occupancy Tax	4,550	5,150	600	13%
<b>Recommended Midyear Revisions</b>	<b>117,229</b>	<b>123,149</b>	<b>5,920</b>	<b>5%</b>

**Property Transfer Taxes, \$2.6 million:** Property transfer tax is a charge imposed by the City upon the passing of title from one owner to another. The City charges \$2.75 for every \$1,000 of the property's sale price. Through the first five months of FY2017/18 transaction values have increased by 66% compared to the same time period in FY2016/17 and transaction counts have increased by 11% compared to the prior year. Based on the increase in both volume and value of properties changing ownership, staff is recommending an increase in this revenue source.

**Property Tax In-Lieu of Vehicle License Fees<sup>1</sup> (VLF), \$1.62 million:** The recommended increase is based on information provided by the County of Sacramento Audit-Controller Division on November 8, 2017 indicating the City will receive higher than estimated revenues, 7.1% compared to FY2016/17 collections. The recommended increase is 4% higher than the Approved Budget. All Cities within the County experienced growth of 6.4%.

**Utility User Tax (UUT), \$1.1 million:** UUT is a usage tax on telecommunication, cable gas and electric services. Electricity comprises half of all UUT revenue and through the first four months of FY2017/18. The UUT on electricity has increased 10% or \$1.1 million compared to FY2016/17.

<sup>1</sup> The State's 2004 VLF for property tax swap permanently reduced the VLF rate from 2.00% to .65%, shifted the VLF revenue to the State General Fund to make up for reduced property taxes to schools, and finally shifted property taxes from the school share to property tax in-lieu of VLF to cities/counties.

**Transient Occupancy Tax (TOT), \$600,000:** TOT is a general tax imposed on occupants of hotels, motels, inns, etc. The City's TOT is 12% of which the General Fund receives two percent of the 12% (or 1/6th), the remaining 10% (or 5/6th) goes to the Community Center Fund. Based on collections through the first four months of FY2017/18 TOT revenue has increased by 9.1% compared to the same period in FY2016/17. The growth in collections is due to increased occupancy rates and the addition of the Kimpton Sawyer Hotel in the Downtown Commons.

On December 19, 2017, the City Council approved increasing the General Fund contribution to the Power House Science Center project (E18000400) by \$600,000 (Resolution 2017-0488). The recommended TOT revenue increase will offset this expenditure increase.

### **Section 3: Recommended Department Adjustments – General Fund**

The midyear budget includes a review of department operating revenues and expenditures as well as operational changes necessary to reflect priority workload. The following provides details on recommended budget adjustments to the City's operating departments to address:

- Prior Council actions and discussions
- Development activity
- Workload in the Charter Offices, and to address
- Departmental operational needs

It is important to note that the recommended department adjustments are offset by the changes within a departments existing budget or the recognition of revenue that is collected specifically to pay for a particular service.

#### **City Attorney's Office**

The City Attorney's Office is requesting a Paralegal (1.0 FTE) (2 year - limited term) to complete the outstanding public records act requests (PRAs) and avoid potential/threatened litigation. The position cost will be offset by the reduction in the service and supplies budget and labor savings.

#### **Community Development Department**

The Community Development Department is requesting six positions (two Registered Veterinary Technician (0.5 FTE), Animal Care Technicians (4.0 FTE), and a Customer Service Representative (1.0 FTE) to address a significant increase in the volume of animals at the City's shelter. To ensure adequate care of the animals, overtime has been utilized resulting in reduced efficiency, increased liability, and high turnover.

The department proposes to increase revenues and expenditures due to increased activity in development services. In addition, the department is realigning their operating budget for its development operations and animal care services.

### **Finance Department**

The Finance Department is requesting an Accounting Technician (1.0 FTE) to address new workload in accounts payable (AP) associated with the implementation of automated AP and the Automated Bids, Contracts, and Digital Signatures (ABCDs) project that shifted to Finance from the operating departments. This position will be funded through the elimination of the Operations Manager position (1.0 FTE) and a reduction of services and supplies budgets.

Additionally, an Accountant Auditor (1.0 FTE) is requested to address the complex funding structure of the Whole Person Care grant program and the external partnerships and associated program audit requirements. This position will be fully funded through the Whole Person Care grant.

### **Public Works Department**

The Department of Public Works projects a net deficit of \$1 million in the department's General Fund operating budget, primarily related to increasing costs of contracts associated with the maintenance and repair of sidewalks, curbs and gutters, and alleyways throughout the City. The increasing costs for concrete maintenance is due to a recent State requirement that all public contracts for maintenance pay prevailing wage. Staff have been rebidding contracts to comply with this new requirement but had a significant backlog of concrete repair work that didn't have the prevailing wage included in the cost proposals. Since these expenses are eligible for Gas Tax reimbursement, it is recommended that \$1 million in available Gas Tax (Fund 2002) fund balance be transferred to operations.

Parking Meter revenue is restricted to the following expenditures as per City Code 10.40.130: provide for the proper regulation and control of traffic upon the public streets, to provide for public vehicular off-street parking facilities and to cover the cost of the supervision, inspection, installation, maintenance, control and use of the parking spaces and regulating parking of vehicles in the parking meter zones. In order to accurately present these expenses in the current year budget, it is recommended that parking meter receipts in excess of eligible expenditures in the General fund be transferred from the General Fund (Fund 1001) to the Parking Fund (Fund 6004) to reflect expenditures of eligible costs that are incurred in the Parking Fund (Fund 6004).

On February 7, 2017 Resolution 2017-0050 was passed authorizing a \$533,603 interfund loan from the Parking Fund (Fund 6004) to the General Fund (Fund 1001) to pay for retrofit upgrade kits for the on-street Parkeon parking meters. There is sufficient revenue from parking meter receipts in the current year to repay the loan. It is recommended to adjust the budgets to reflect this payment.

### **Citywide and Community Support**

During the current fiscal year, the General Fund Administrative contingency was used to provide funding for Council directed activities and operational requirements to ensure continuity of program and operations. As identified in prior Council reports, \$663,000 from FY2016/17 year-end General Fund

resources will be budgeted to restore the General Fund Administrative contingency to \$1 million.

#### **Section 4: Recommended Department Adjustments – Measure U**

The Measure U budget has been amended to carry-over appropriation for departments that had resources budgeted in FY2016/17 but not spent by year-end. The Police Department re-appropriated \$638,000 in October 2017 (Resolution 2017-0390) and the Youth, Parks and Community Enrichment Department appropriated \$1.965 million in January 2018 of these unspent resources from FY2016/17. The following provides information from the Police Department for an additional budget adjustment of \$1.02 million. This request will bring total departmental Measure U budget adjustments to \$3.6 million for FY2017/18. An updated forecast reflecting budget amendments to date is included in Exhibit E. Department updates on existing programs and services are included in Exhibit F.

##### **Police Department**

Police Measure U Program (I80110600): The department is requesting an increase to the FY2017/18 Measure U program by \$1.02 million from one-time FY2016/17 unspent Measure U resources for the following items:

- \$460,000 - Installation of ballistic door panels in all patrol vehicles. The panels will provide additional safety for law enforcement personnel against gun fire.
- \$560,000 - Replacement and upgrade of aging mission critical technology, including network servers, Computer-Aided Dispatch (CAD), and Records Management Systems (RMS).

#### **Section 5: Recommended Department Adjustments - Other Funds**

The midyear budget included a review of department operating revenues and expenditures. The following provides departmental information on specific fund adjustments.

##### **Convention & Cultural Services Department**

The Center for Sacramento History is the official repository for City and County records and historical collections. Since its founding in 1953, the Center has not had a full-time registrar on staff to care for the collection valued at over \$187 million. The center has been staffed by non-profit, contracted positions seeing regular turnover due to low pay and lack of benefits. To maintain the collection, obtain national accreditation, and work through a growing backlog of requests, a Museum Registrar (1.0 FTE) is recommended to be added, funding will be offset by service and supplies.

##### **Finance Department**

The Public Improvement Finance Division has reviewed available resources in the following special district fund balances and is recommending that the Public Works Streetscapes operating budget be amended for maintenance services as follows:

- North Natomas Neighborhood Landscaping Community Facilities District (Fund 2227) - increase Streetscape operations budget by \$34,917.
- Sacramento Maintenance District Community Facilities District (Fund 2250) - increase Streetscape operations budget by \$19,350.
- Village Garden (Fund 2231) – reduce Streetscape operations budget by \$10,286.

### **Public Works Department**

On October 3, 2017, the Road Maintenance and Rehabilitation Account (RMRA) Fund (Fund 2036) was established to account for the new state gas tax revenues. The expenditure budget of the Streets and Bikeway Overlays and Seals Project (R15162000) was increased by \$3.3 million (Fund 2036) in RMRA funds. Resolution 2017-0378 that established the fund and appropriated the funding did not include the revenue budget to provide the resources for the expenditure. A revenue budget is recommended to provide the resources so the Streets and Bikeway Overlays and Seals Project (R15162000) can begin.

### **Public Works/Utilities Department**

The departments' budgeted interfund transfers between the four utility enterprise funds (Solid Waste, Storm Drainage, Wastewater and Water Funds) and the CIP offsets for the Water Fund (Fund 6005) need to be realigned based on a projection of current year operations. Budget adjustments between the funds are recommended to realign the funds to reflect anticipated transfers and operational activities.

## **Section 6: Recommended Position Changes and Reclassifications**

Departments reviewed existing positions based on their current organizational and operational needs. The proposed changes include deleting vacant positions and adding more appropriate classification based on workload as well as identifying positions that need to be reclassified as summarized in Exhibits C and D of the resolution. General Fund departments are increasing revenues and/or reducing existing expenditure budgets to cover increases associated with these changes to ensure there is no net impact to the General Fund.

## **Section 7: Multi-Year Project Changes**

As part of the ongoing management of the City's multi-year projects (capital improvement projects and multi-year operating projects), a periodic review and reallocation of available resources is performed to continue providing capital and operational improvements in a timely and efficient manner. Additionally, departments have identified new projects and/or increased funding needs that will be offset by FY2016/17 unspent Measure U resources and Fire Department revenues from the Intergovernmental Transfer (IGT) program. Details on the proposed changes are included in Exhibit B of the resolution and shown below.

Project Name	Fund Name	Description	Budget Adjustment
<b>General Fund</b>			
ALS Equipment Program (F12000200)	General	Funding to outfit 17 ambulances with a power load system for gurneys to increase patient and employee safety. Funding resources come from one-time IGT.	500,000
Beacon Afterschool Program (I02001600)*	General	Establish a program from General Fund year end resources for afterschool partnership with an expected match from school districts.	500,000
Crisis Intervention Training (CIT) (I11002200)	General	Transfer unobligated resources of \$568,850 from the CIT program to the Mental Health Program (I11002600). The CIT program can be closed upon the transfer.	(568,850)
Fleet Acquisitions (I06100000)	General	Purchase a mini rear loader truck (small garbage truck) for use by the Parks Department to address increasing cleanup needs in and around City parks due to homeless encampment/illegal dumping. The General Fund will be reimbursed by the Landscape and Lighting Fund (Fund 2232).	125,526
Joe's Crabshack Repair (B18119000)	General	Expand the scope of the project to include repairs on the Rio City Café in Old Sacramento. The project will be renamed as "Joe's Crabshack & Rio City Café Repair and Maintenance Program".	-
Marijuana Policy and Enforcement Program (I06420000)	General	One-time funding to establish an assistance program for individuals starting a cannabis business. Financial assistance will be available to certain communities and eligible individuals, including those residing in specific zip codes, the economically disadvantaged, and/or women/veteran-owned businesses. Future funding will be provided through cannabis related business operations permit and business operations tax revenues.	500,000
Mental Wellness Program (I11002600)*	General	Establish a three year pilot program that will support a 1.0 FTE Social Services Administrator, purchase of a vehicle and service and supplies. Funding will come from unobligated resources remaining in the Crisis Intervention Training (CIT) (I11002200).	568,850
Neighborhood Community and Economic Plans Program (I02001700)*	General	Establish a program with year-end General Fund resources that will provide funding to develop neighborhood specific plans.	1,100,000
Oak Park Community Enhancement Program (I19708000)	General	Expand the scope of the project to include contracting with nonprofit agencies to provide youth programs in Oak Park.	-
Station Alerting System Upgrade (F12000600)*	General	Establish a project to upgrade the station alerting equipment for all fire stations. One-time IGT funds will be used for this purchase.	1,600,000
<b>Subtotal General Fund</b>			<b>4,325,526</b>
<b>Other Funds</b>			
FY2017/18 Police Measure U Program (I80110600)	Measure U	Appropriate \$1.02 million unspent FY2016/17 Measure U resources for Ballistic Door Panels for Patrol Vehicles (\$460K) and Public Safety IT Enhancements (\$560K).	1,020,000
North Natomas (NN) Financing Plan (I22200100)	NN Land Acquisition Fee	Increase funding for special district operations from available fund balance.	250,000
<b>Subtotal Other Funds</b>			<b>1,270,000</b>
<b>Total All Funds</b>			<b>5,595,526</b>

\* represents new project

## **Section 8: Budget Resolution Changes**

**California Strike Teams – Fire Department:** The Fire Department’s Strike Team annually incurs higher than budgeted expenditures related to providing emergency services throughout California that are fully reimbursed by the State of California. As such it is necessary to increase the revenue and expenditure budget for this program based on actual costs incurred and revenues received. The following language is included in the midyear budget resolution and will be added to the annual budget resolution:

The City Manager or the City Manager’s designee is authorized to adjust Fire Department revenue and expenditure budgets based on actual revenues received for department strike team services provided throughout California.

**Golden 1 Center Contract Services:** Various departments (Fire, Police, Community Development, etc.) provide contract services for special events at the Golden 1 Center. The operations of the Golden 1 Center has resulted in a significant increase in the number of requests for contracted services. The following language is included in the midyear budget resolution and will be added to the annual budget resolution:

The City Manager or the City Manager designee is authorized to adjust operating department revenue and expenditure budgets based on actual revenues received for providing reimbursable services to the Golden 1 Center as outlined in the City’s agreement to provide services.

**Old Sacramento Public Market Fund (Fund 2601):** Fund 2601 was established for the development and maintenance of the south public market. With the recent acquisition of the north public market from the State staff recommends that the use of this fund be expanded to include development, repair and maintenance of the north and south public markets. The following language has been included in the midyear budget resolution to clarify the use of the fund:

The Old Sacramento Public Market Fund (Fund 2601) shall be used for the development, repair and maintenance of the north and south public markets.

**Recreation Programs – Youth, Parks, and Community Enrichment Department:** The recreation programs provided by the department are based on fees established to recover the cost of providing services. It is recommended that excess revenues at year-end above the cost to provide these programs be used to increase the Recreation Facility Improvement Program CIP (L19800200), provided the department has positive results. The resources in this CIP are used to support these programs through the purchase of furnishings, fixtures and equipment. The following language is included in the midyear budget resolution and will be added to the annual budget resolution:

The Recreation Program fees have been established to recover the costs of the program. Excess revenues for this program, provided the full cost of the current year operations for this program have been recovered and the department has positive



year-end results will be transferred to the Recreation Facility Improvement CIP (L19800200).

### **Transportation Funds – Public Works:**

Currently there are two programs within the New Measure A Program (Fund 2025):

- Traffic Control and Safety
- Safety, Streetscape, Pedestrian and Bicycle

While there is currently only one funding source for these new programs they will need to be tracked and reported separately. The midyear budget resolution will include a new fund for each program to allow the programs to be managed and reconciled within the City's financial system:

- NMA-Traffic Control and Safety (Fund 2038) and
- NMA-Safety, Streetscape, Ped and Bicycle (Fund 2039).

The remaining fund balance and project budgets will be transferred from Fund 2025 to the two New Measure A Program funds. The following language is included in the midyear budget resolution:

The City Manager or the City Manager's designee is authorized to establish the New Measure A (NMA) Traffic Control and Safety Fund (Fund 2038) and the NMA Safety, Streetscape, Ped and Bicycle Fund (Fund 2039) and transfer the revenue, expenditures and available fund balance from NMA Fund 2025 to these two new funds. Once the transfers are completed, Fund 2025 will be closed.

### **Citywide and Community Support**

The FY2016/17 approved budget resolution (Resolution 2016-0216) provided authority to transfer unbudgeted revenues to the Economic Uncertainty Reserve (EUR) and to contribute available year-end resources in the City's California Public Employee's Retirement System (CalPERS) budget accounts (413170-413230), which are not required to balance the budget, to the City's other post-employment benefit (OPEB) trust. Based on the updated General Fund forecast, the City will face fiscal challenges as a result of rising labor costs and related pension costs. Staff is recommending that these transfers be deferred until after preparation and approval of the FY2018/19 budget. The following language is included in the midyear budget resolution:

The transfer of FY2016/17 one-time unbudgeted revenues to the Economic Uncertainty Reserve (\$2.694 million) and FY2016/17 savings in the City's California Public Employees' Retirement System (CalPERS) budget account (413170/413172) to the City's other post-employment benefit (OPEB) trust (\$5.324 million) as outlined in the FY2016/17 Comprehensive Annual Financial Report shall be deferred until the City Council adopts the FY2018/19 budget.

## **Section 9: Pending Fiscal Issues – Labor Costs**

### **California Public Employee Retirement System (CalPERS)**

In December 2016, the CalPERS Board voted to change the discount rate (earnings assumption) from 7.5% to 7% over eight years. The FY2018/19 Budget will include the first year of the increases associated with this change. Based on estimated rates provided by CalPERS, the City will experience a \$62 million increase in pension costs over the term of the forecast from the \$67 million budgeted in the General Fund for the current fiscal year to \$129 million in FY2022/23, reaching an estimated \$148 million by FY2024/25. Pension cost increases of this magnitude are unsustainable despite 16% revenue growth over the past two fiscal years. Given the current revenue forecast, the City alone cannot absorb the increased costs of providing retirement benefits. Staff will continue to work on strategies to address these cost increases that balances the City's financial capacity with the value of the benefit to our employees. Additional and/or updated information will be provided to Council when it becomes available.

### **Negotiations**

The City has completed negotiations with all bargaining units except for the Sacramento City Exempt Employees Association (SCXEA) and the Sacramento Area Firefighters Association (Local 522) which expire at the end of June 2018. The General Fund five-year forecast included in the Midyear Budget Report has been updated to include all salary increases approved by Council to date.

## **Section 10: Conclusion**

Given the General Fund budgetary challenges as outlined in the FY2017/18 Approved Budget and in this report, the midyear budget does not include any ongoing General Fund expenditure growth that is not offset by revenues or reductions in expenditures. The necessary adjustments to realign revenues and expenditures are outlined in Exhibits B-F.

Changes in Fund Balance			
Fund Number	Fund Name	Net Change	Description
1001	General	6,790,290	Includes the release of \$12.942 million in FY2016/17 year-end results, \$5.92 million in increased General Fund revenues, \$663,000 decrease to fund Administrative Contingency, and the use of \$11.409 million for previously authorized council actions and midyear recommendations.
2002	Gas Tax	(1,000,000)	Transfer \$1 million of gas tax resources to offset a \$1 million shortfall in the Public Works general fund budget related to contract costs.
2232	Landscape and Lighting (L&L)	(125,526)	Transfer resources for the purchase of a mini rear loader for Youth, Parks, and Community Enrichment Department.
2227	NN Neighborhood Landscaping	(34,917)	Funding transfer for special district programming.
2231	Village Garden	10,286	Funding transfer for special district programming.
2250	Sacramento Maintenance (Delta	(19,350)	Funding transfer for special district programming.
2401	Measure U	(1,020,000)	Transfer of unspent resources from FY2016/17 Police Measure U programs to FY2017/18 Police Measure U Programs.
3208	NNFP Land Acquisition Fee	(250,000)	Funding transfer for special district programming.
6004	Parking Fund	533,603	Repayment from the General Fund for Parkeon parking meter loan.
6005	Water Fund	(1,083,130)	Funding transfer to amend the utility fund transfer budgets and CIP offsets.
6006	Wastewater Fund	(106,565)	Funding transfer to amend the utility fund transfer budgets.
6007	Solid Waste Fund	(380,716)	Funding transfer to amend the utility fund transfer budgets.
6011	Storm Drainage Fund	(66,589)	Funding transfer to amend the utility fund transfer budgets.

**Budget and Staffing Adjustments**  
**Budget and Staffing Adjustments (continued)**

Department	Fund Number	FTE Change	Revenue/		Description
			Reimbursement Adjustment	Expenditure Adjustment	
City Attorney	1001	1.00	-	-	Add a limited-term Paralegal (1.0 FTE) position to address outstanding public records act requests. The full year cost for this position is estimated to be \$95,000 annually. The cost will be offset by service and supplies and labor savings.
Citywide & Community Support	1001	-	5,920,000	663,000	Increase the revenue budget for: Property Transfer Tax (\$2.6 million), Property Tax in-lieu of Vehicle License Fees (\$1.62 million), Utility User Tax (\$1.1 million) and Transient Occupancy Tax (\$600K) and restore administrative contingency to \$1 million.
Community Development	1001	-	168,152	-	Increase revenue budget based on increased development activities and reduce development operations reliance on the General Fund. The realignment will free up approximately \$403,565 annually.
Community Development	1001	6.00	-	168,152	Add six positions (4.0 FTE Animal Care Technicians, two 0.5 FTE Registered Veterinary Technicians, and 1.0 FTE Customer Service Representative) to address staffing shortages, emergency response, regulatory compliance, and responsiveness to constituent needs. The costs will be offset by a budget realignment within the department. The full year cost for the positions is estimated at approximately \$403,565.
Fire	1001	-	2,100,000	-	Increase department revenues based on one-time IGT revenues received which will be used to offset the cost of the capital improvements for the power load gurneys (\$0.5 million) and station alerting equipment upgrade (\$1.6 million).
Finance	1001	1.00	-	-	Add an Accounting Technician (1.0 FTE) position to address the new automated accounts payable and Automated Bids, Contracts and Digital Signatures (ABCD) systems to be offset by labor savings from a realignment of staffing within the Department. The full year cost for this position is approximately \$70,400.
Finance	1001	1.00	-	-	Add an Accountant Auditor (1.0 FTE) position to manage the complex accounting and reporting requirements for the \$64 million Homeless Program IGT grant, offset by the grant. The full year cost for this position is approximately \$111,100.
Public Works	1001	-	5,733,603	(5,733,603)	Transfer \$5.733 million in onstreet parking operations from the General Fund to cover eligible costs incurred in the Parking Fund (\$5.2 million) and to repay the Parking Fund loan (\$533,603) for the purchase of the Parkeon meters (Resolution 2017-0050).
Youth, Parks, and Community	1001	-	-	(125,526)	Transfer funding from Park Operations to the Fleet Acquisitions Program (I06100000) for the purchase of a mini rear loader that will be reimbursed by the Landscaping and Lighting Fund (Fund 2232).
<b>General Fund Subtotal:</b>		<b>9.00</b>	<b>\$ 13,921,755</b>	<b>\$ (5,027,977)</b>	
Convention and Cultural Services	5015	1.00	-	-	Add a position (1.0 FTE Museum Registrar) to manage workload at the Center for Sacramento History. The cost will be offset by a reduction in service and supplies. The full year cost for this position is estimated to be \$88,000 annually.

**Budget and Staffing Adjustments (continued)**

Finance	2227	-	-	34,917	Increase special district funding for Public Works Streetscape operations maintenance services.
Finance	2231	-	-	(10,286)	Reduce special district funding for Public Works Streetscape operations maintenance services.
Finance	2250	-	-	19,350	Increase special district funding for Public Works Streetscape operations maintenance services.
Public Works	6004	-	(5,733,603)	5,200,000	Transfer \$5.2 million in onstreet parking operations from the General Fund to cover eligible costs incurred in the Parking Fund and transfer \$533,603 from the General Fund to repay the interfund loan from the Parking Fund for the Parkeon meters (Resolution 2017-0050).
Public Works	2002	-	-	1,000,000	Transfer \$1 million of gas tax to resources to offset a \$1 million shortfall in the Public Works general fund budget related to contract costs.
Public Works	2036	-	3,300,000	-	Establish a revenue budget as the expenditure budget was established with a prior council action (Resolution 2017-0378).
Utilities	6005	-	-	1,083,130	Amend the interfund transfer budgets to reflect proper cost share percentage and to adjust the CIP reimbursements.
Utilities	6006	-	-	106,565	Amend the interfund transfer budgets to reflect proper cost share percentage.
Public Works	6007	-	-	380,716	Amend the interfund transfer budgets to reflect proper cost share percentage.
Utilities	6011	-	-	66,589	Amend the interfund transfer budgets to reflect proper cost share percentage.
Youth, Parks, and Community Enrichment	2232	-	-	125,526	Provide one-time funding for the purchase of a mini rear loader to assist in major clean-ups relating to homeless encampments. General fund resources freed up that will be transferred to the Fleet Acquisitions program (I06100000).
<b>Other Funds Subtotal:</b>		<b>1.00</b>	<b>\$ (2,433,603)</b>	<b>\$ 8,006,507</b>	

**Multi-Year Project Appropriations**

<b>Fund Number</b>	<b>Project Name (Number)</b>	<b>Revenue/ Reimbursement Adjustment</b>	<b>Expenditure Adjustment</b>	<b>Description</b>
1001	ALS Equipment Program (F12000200)	-	500,000	Providing funding to outfit 17 ambulances with power load systems for the gurneys to increase patient and employee safety. One-time IGT funds will be used for this purchase.
1001	Beacon Afterschool Program (I02001600)*	-	500,000	Establish a program from General Fund year end resources for an afterschool partnership with an expected match from school districts.
1001	Crisis Intervention Training (CIT) (I11002200)	-	(568,850)	Transfer unobligated resources from the CIT program (\$568,850) to the Mental Health Program (I11002600). The CIT program will be closed after the transfer.
1001	Fleet Acquisitions (I06100000)	-	125,526	Purchase a mini rear loader truck (small garbage truck) for use by the Parks Department to address increasing cleanup needs in and around City parks due to homeless encampment/illegal dumping. The General Fund will be reimbursed by the Landscape and Lighting Fund (Fund 2232).
1001	Joe's Crabshack Repair (B18119000)	-	-	Expand the scope of the Joe's Crabshack project to include repairs for the Rio City Café in Old Sacramento. The project will be renamed as "Joe's Crabshack & Rio City Café Repair and Maintenance Program".
1001	Marijuana Policy and Enforcement Program (I06420000)	-	500,000	One-time funding to establish an assistance program for individuals starting a cannabis business. Financial assistance will be available to certain communities and eligible individuals, including those residing in specific zip codes, the economically disadvantaged, and/or women/veteran-owned businesses. Future funding will be provided through cannabis related business operations permit and business operations tax revenues.
1001	Mental Wellness Program (I11002600)*	-	568,850	Establish a three year pilot program that will support a Social Services Administrator (1.0 FTE) position, purchase of a vehicle and service and supplies. Funding will come from unobligated resources remaining in the Crisis Intervention Training (CIT) (I11002200).
1001	Neighborhood Community and Economic Plans Program (I02001700)*	-	1,100,000	Establish a program with year-end General Fund resources that will provide funding to develop neighborhood specific plans.
1001	Oak Park Community Enhancement Program (I19708000)	-	-	Expand the scope of the project to include contracting with nonprofit agencies to provide youth programs in Oak Park.
1001	Station Alerting System Replacement (F12000600)*	-	1,600,000	Establish a project to upgrade the station alerting equipment for all fire stations. One-time IGT funds will be used for this purchase.
<b>Subtotal General Fund:</b>		<b>\$ -</b>	<b>\$ 4,325,526</b>	
2401	FY2017/18 Police Measure U Program (I80110600)	-	1,020,000	Appropriate unspent FY2016/17 Measure U resources for Ballistic Door Panels for Patrol Vehicles (\$460K) and Public Safety IT Enhancements (\$560K).
3208	North Natomas Financing Plan (NNFP) (I22200100)	-	250,000	Increase funding for special district operations from available fund balance.
<b>Subtotal Other Funds:</b>		<b>\$ -</b>	<b>\$ 1,270,000</b>	
<b>Total Project Change:</b>		<b>\$ -</b>	<b>\$ 5,595,526</b>	

\* represents new project

**Reclassification Requests (in Full-time Equivalents)**

*all requests are subject to Human Resources approval*

<b>Department</b>	<b>Budgeted Classification</b>	<b>Union (Rep. Unit #)</b>	<b>FTE</b>
<b>Finance</b>			
	Administrative Officer	SCXEA (01)	1.00
	Customer Service Representative	Local 39 (16)	1.00
	Customer Service Supervisor	Local 39 (15)	1.00
	Senior Management Analyst	SCXEA (01)	1.00
<b>Fire</b>			
	Typist Clerk III	Local 39 (16)	1.00
<b>Human Resources</b>			
	Personnel Technicians	SCXEA (10)	2.00
	Human Resources Manager	SCXEA (01)	1.00
<b>Police</b>			
	Administrative Technician	SCXEA (10)	1.00

<b>Union</b>	<b>Rep. Unit #</b>	<b>Represented Unit</b>
L39	15	Stationary Engineers, Local 39 (General Supervisory)
L39	16	Stationary Engineers, Local 39 (Office & Technical)
SCXEA	01	Sacramento City Exempt Employees Association (Exempt Management)
SCXEA	10	Sacramento City Exempt Employees Association (Confidential/Administrative)

## Positions Adds, Add-Deletes and Classification Changes

Department Fund <sup>1</sup>	Job Classification	Union (Rep. Unit #)	FTE Change <sup>2</sup>
<b>City Attorney</b>			
General	Paralegal	SCXEA (10)	1.00
<b>City Attorney Subtotal:</b>			<b>1.00</b>
<b>City Clerk</b>			
General	Executive Assistant (MC)	N/A (21)	(1.00)
General	Senior Deputy City Clerk	SCXEA (14)	1.00
<b>City Clerk Subtotal:</b>			<b>-</b>
<b>City Manager</b>			
General	Administrative Assistant	SCXEA (14)	(1.00)
General	Administrative Technician	SCXEA (10)	1.00
<b>City Manager Subtotal:</b>			<b>-</b>
<b>Community Development</b>			
General	Animal Care Technician	Local 39 (15)	4.00
General	Animal Control Officer	Local 39 (03)	(1.00)
General	Code Enforcement Officer	Local 39 (16)	(1.00)
General	Customer Service Representative	Local 39 (16)	1.00
General	Registered Veterinary Technician (2 @0.50 FTE)	Local 39 (03)	1.00
General	Senior Animal Control Officer	Local 39 (15)	1.00
General	Senior Code Enforcement Officer	Local 39 (15)	1.00
<b>Community Development Subtotal:</b>			<b>6.00</b>
<b>Convention &amp; Cultural Services</b>			
Felt	Museum Registrar	Local 39 (17)	1.00
<b>Convention &amp; Cultural Services Subtotal:</b>			<b>1.00</b>
<b>Finance</b>			
General	Account Clerk II	Local 39 (16)	(1.00)
General	Accountant Auditor	SCXEA (01)	1.00
General	Accounting Technician	Local 39 (16)	1.00
General	Administrative Officer	SCXEA (01)	1.00
General	Claims Collector	Local 39 (16)	1.00
General	Operations Manager	SCXEA (01)	(1.00)
General	Senior Accounting Technician	Local 39 (15)	1.00
General	Typist Clerk III	Local 39 (16)	(1.00)
<b>Finance Subtotal:</b>			<b>2.00</b>
<b>Fire</b>			
General	Administrative Technician	SCXEA (10)	1.00
General	Stores Clerk I	Local 39 (16)	1.00
General	Typist Clerk II	Local 39 (16)	(1.00)
General	Typist Clerk III	Local 39 (16)	(1.00)
<b>Fire Subtotal:</b>			<b>-</b>
<b>Information Technology</b>			
General	Department Systems Specialist I	Local 39 (16)	2.00
General	Geographic Information Systems Specialist III	Local 39 (17)	(1.00)
General	Senior Information Technology Support Specialist	Local 39 (16)	(1.00)
<b>Information Technology Subtotal:</b>			<b>-</b>

## Positions Adds, Add-Deletes and Classification Changes (cont.)

Department Fund <sup>1</sup>	Job Classification	Union (Rep. Unit #)	FTE Change <sup>2</sup>
<b>Police</b>			
General	Police Clerk III	Local 39 (16)	(1.00)
General	Administrative Technician	SCXEA (10)	1.00
General	Property Assistant	Local 39 (16)	(1.00)
General	Staff Aide (Management)	SCXEA (01)	1.00
<b>Police Subtotal:</b>			-
<b>Utilities</b>			
Water	Associate Civil Engineer	WCE (11)	(1.00)
Water	Senior Engineer	SCXEA (01)	1.00
Storm Drainage	Storekeeper	Local 39 (16)	(1.00)
Storm Drainage	Program Analyst	SCXEA (14)	1.00
<b>Utilities Subtotal:</b>			-
Total			10.00

Union	Rep. Unit #	Represented Unit
L39	03	Stationary Engineers, Local 39 (Operations and Maintenance)
L39	15	Stationary Engineers, Local 39 (General Supervisory)
L39	16	Stationary Engineers, Local 39 (Office & Technical)
L39	17	Stationary Engineers, Local 39 (Professional - Miscellaneous)
N/A	21	Mayor/Council Support
SCXEA	01	Sacramento City Exempt Employees Association (Exempt Management)
SCXEA	10	Sacramento City Exempt Employees Association (Confidential/Administrative)
SCXEA	14	Sacramento City Exempt Employees Association (Exempt Management Support)
WCE	11	Western Council of Engineers

<sup>1</sup>General Funded changes are fully offset through revenue increases or reduction in services and supplies.

<sup>2</sup>All net FTE changes are explained in the midyear report (Exhibit A) and the Budget and Staffing Adjustments (Exhibit B).

## FY2017/18 Midyear Budget Citywide Staffing Summary

Department	FY2017/18 Approved	FY2017/18 Council Action	FY2017/18 Midyear	FY2017/18 Amended
Mayor/Council	45.00	-	-	45.00
City Attorney	50.00	-	1.00	51.00
City Clerk	17.00	-	-	17.00
City Manager	36.00	-	-	36.00
City Treasurer	13.00	-	-	13.00
Community Development	250.00	16.00	6.00	272.00
Convention and Cultural Services	115.19	-	1.00	116.19
Finance	93.00	2.00	2.00	97.00
Fire	672.00	2.00	-	674.00
Human Resources	76.00	-	-	76.00
Information Technology	181.90	-	-	181.90
Parks and Recreation	616.15	9.05	-	625.20
Police	1,030.46	1.00	-	1,031.46
Public Works	723.35	6.00	-	729.35
Utilities	545.90	1.00	-	546.90
Citywide and Community Support	5.00	-	-	5.00
<b>Total</b>	<b>4,469.95</b>	<b>37.05</b>	<b>10.00</b>	<b>4,517.00</b>



## Amended FY2017/18 Measure U Programming

Revenues and Expenditures (\$ in 000s)	FY18 FTE Approved	FY2017/18 Midyear <sup>1</sup>	FY2018/19 Projection	FY2019/20 Projection
<b>BEGINNING FUND BALANCE</b>		<b>35,650</b>	<b>15,753</b>	<b>5,070</b>
<b>REVENUES</b>		<b>46,542</b>	<b>37,144</b>	<b>-</b>
<b>EXPENDITURES</b>				
<b>Fire Department</b>				
SAFER Grant Retention	27.00	2,803	2,803	2,803
Fire Company Restorations	63.00	9,308	9,908	10,362
Two Medic Units - January 2014 (partially offset by \$1.2 million in new revenues)	12.00	875	985	1,121
Fire Prevention	1.00	152	161	169
Capital Investment and Equipment	-	5,186		
<b>Fire Subtotal</b>	<b>103.00</b>	<b>18,324</b>	<b>13,857</b>	<b>14,455</b>
<b>Police Department</b>				
COPS Hiring Program Match and Retention (CHP and CHRP)	60.00	5,483	5,483	5,483
COPS Hiring Program (CHP) Match and Retention FY13 - New in FY15	10.00	1,214	1,355	1,436
COPS Hiring Program (CHP) Match and Retention FY14 and 15 vehicles in FY16	15.00	1,134	1,678	1,985
COPS Hiring Program (CHP) Match and Retention FY15 and 15 vehicles in FY17	15.00	1,051	1,211	1,792
Police Officers	15.00	1,648	1,773	1,876
Body Worn Cameras (BWC)	2.00	1,201	-	-
ShotSpotter	-	180	180	180
Public Safety Counter (Kinney Station)	3.00	247	257	265
Field & Operations (12.0 new FTE in FY15)	61.00	8,539	8,451	8,958
Investigations (2.0 new FTE in FY15)	8.00	1,131	1,198	1,270
Forensics	6.00	608	632	651
Communications	4.00	359	372	384
Crime Analysis	1.00	115	120	123
Hiring Pipeline	22.50	1,000	1,000	1,000
Summer Night Lights	-	-	-	-
Vehicles and Equipment	-	1,642	-	-
<b>Police Subtotal</b>	<b>222.50</b>	<b>25,552</b>	<b>23,710</b>	<b>25,403</b>
<b>Public Safety Total</b>	<b>325.50</b>	<b>43,876</b>	<b>37,567</b>	<b>39,858</b>
<b>Parks and Recreation Department</b>				
Aquatics	38.85	2,153	2,129	2,172
Community Centers	22.80	1,494	1,506	1,536
Park Maintenance (includes Park Rangers)	53.00	4,242	4,114	4,201
Senior Programs	4.48	371	374	381
Teen Services	10.20	660	665	678
Neighborhood Services (includes Gang prevention, Hotspots and Summer at City Hall)	2.50	535	459	468
Other Recreation Programs	5.25	313	315	321
4th R	-	-	-	-
Capital Investment and Equipment	-	7,246	-	-
<b>Parks and Recreation Subtotal</b>	<b>137.08</b>	<b>17,014</b>	<b>9,562</b>	<b>9,757</b>
<b>MISCELLANEOUS RESTORATIONS</b>				
Animal Control Officer	2.00	262	192	196
Gang Prevention Task Force	-	-	-	-
Capital Investment - Sacramento River Bike Trail	-	2,300		
Library Restoration and Capital Investment	-	2,987	506	506
<b>Miscellaneous Subtotal</b>	<b>2.00</b>	<b>5,549</b>	<b>698</b>	<b>702</b>
<b>Total Measure U Restorations</b>	<b>464.58</b>	<b>66,439</b>	<b>47,827</b>	<b>50,317</b>
<b>ENDING FUND BALANCE</b>		<b>\$ 15,753</b>	<b>\$ 5,070</b>	<b>\$ (45,247)</b>

<sup>1</sup>FY2017/18 beginning fund balance has been adjusted based on audited FY2016/17 year-end results.

## Measure U Implementation Update

FY2017/18 MEASURE U RESTORATIONS	Approved Budget (in 000s)	Authorized FTE	FTE Hired to Date	Purpose of Restoration	Status of Restoration
<b>FIRE DEPARTMENT</b>					
Fire Company Restoration	7,143	48.00	48.00	To ensure fire personnel are consistently available to respond to emergencies in an effective time period.	Fire Companies restored and providing daily service.
Fire Station 43	2,276	15.00	15.00	To ensure fire personnel are consistently available to respond to emergencies in an effective time period in North Natomas.	Positions have been filled to provide additional coverage for the Natomas area of the City.
Two Medic Units - January 2014	764	12.00	12.00	To add two ambulances to help address workload issues and calls within the City response that are currently being covered by other entities.	The two medic units funded to be staffed by dual role (firefighter/ paramedic). The first medic unit began service in July 2015 and the second medic unit began service January 2016.
Fire Prevention	152	1.00	1.00	To restore a Senior Fire Prevention Officer to provide oversight of workload and increase overall productivity.	Position staffed. Oversight and increased productivity in the permits and inspections areas.
SAFER Grant Retention	2,803	27.00	27.00	This funding will enable the Fire Department to protect the SAFER grant-funded positions by fulfilling required grant retention requirements.	All positions have been retained and continue to provide emergency response.
Capital Improvements and Equipment	5,186			One-time funding for construction of Fire Stations 14 and 15, purchase of vehicles and equipment, and personal protective equipment.	Capital improvements and purchases of vehicles/equipment are in progress.
<b>Fire Subtotal</b>	<b>18,324</b>	<b>103.00</b>	<b>103.00</b>		
<b>POLICE DEPARTMENT</b>					
COPS Hiring Program Match and Retention (CHP and CHRP)	5,483	60.00	53.00	To protect CHRP and CHP grant funded positions by fulfilling required grant retention requirements.	The Department has continued recruiting, background checks, and training employees and anticipates filling all remaining positions by January 2018.
COPS Hiring Program (CHP) Match and Retention FY13	1,214	10.00	10.00	To fund required grant match requirements.	Positions are filled and are implementing program objectives.
COPS Hiring Program (CHP) Match and Retention FY14 and 15 Vehicles in FY16	1,134	15.00	15.00	To fund required grant match requirements and vehicles.	Positions are filled and are implementing program objectives.
COPS Hiring Program (CHP) Match and Retention FY15 and 15 vehicles in FY17	1,051	15.00	15.00	To fund required grant match requirements and vehicles.	Positions are filled and are implementing program objectives.
Police Officers	1,648	15.00	10.00	To fund 15 additional police officer positions to support field operations.	The Department has continued recruiting, background checks, and training employees and anticipates filling all remaining positions by the beginning of FY2018/19.
Body Worn Camera (BWC) Program	1,201	2.00	2.00	To fund required grant match obligations related to the body-worn camera project; to finalize the implementation of the BWC program as well as video evidence storage and technology staff to administer the program.	The Department has filled the positions; the BWC equipment and infrastructure has been purchased; training has been developed; and BWC training and deployment is nearly complete.
ShotSpotter	180	-	-	To expand ShotSpotter technology to South Sacramento.	ShotSpotter has been deployed in South Sacramento since January 2017.
Public Safety Counter (Kinney Station)	247	3.00	3.00	To re-open public counter services at the Kinney Station (North).	Positions are filled and are implementing program objectives.

FY2017/18 MEASURE U RESTORATIONS	Approved Budget (in 000s)	Authorized FTE	FTE Hired to Date	Purpose of Restoration	Status of Restoration
<b>POLICE DEPARTMENT (cont.)</b>					
Field & Operations	7,901	61.00	56.00	To allow for increased crime prevention, intervention, proactive deployment, and ability to respond to crimes in process. Also, to allow for specialty units to increase response to gang activity, resolve traffic complaints, address citizen concerns, conduct parolee intervention, follow-up on highly sensitive investigations and train officers.	The Department has continued recruiting, background checks, and training employees and anticipates filling all remaining positions by the end of FY2017/18.
Investigations	1,131	8.00	7.00	To increase the ability to follow-up on violent felony crimes and investigation of felony crimes.	The Department anticipates filling these positions by the end of FY2017/18, pending the completion of field training by the academy graduates and adequate staffing in Field & Operations. The additional personnel added to Field & Operations have been utilized to expand Gang Enforcement Teams (GET) and Crime Suppression Teams until Investigations can be fully staffed.
Forensics	608	6.00	6.00	To provide the department with the ability to shift sworn officers, who currently perform this function, back onto the streets and increase capacity to conduct forensic investigations including latent fingerprint examinations and identifications.	Positions are filled and are implementing program objectives.
Communications	359	4.00	4.00	To allow for the continued expansion of the pilot program to receive cellular 911 calls, reduce wait times, provide more rapid response, and a higher level of customer service.	Positions are filled and are implementing program objectives.
Crime Analysis	115	1.00	1.00	To conduct integrated crime analysis to be merged with patrol functions and investigative elements to improve effectiveness in public safety.	Position is filled and is implementing program objectives.
Hiring Pipeline	1,000	22.50	22.50	To establish a program to transition young adults from the Criminal Justice Magnet Academy (high school), Cadet Program (ages 14-20), local junior colleges, and local universities into law enforcement careers.	The Department has hired 50 part-time employees into this program. These positions are deployed in Field & Operations, Investigations and Administrative Services. The Department anticipates hiring 10-15 additional employees during the remainder of the fiscal year.
Vehicles & Equipment	622	-	-	To replace five vehicles at the Emergency Vehicles Operators Course with new patrol utility vehicles for training; to purchase critical safety equipment, including ballistic vests, protective gas masks, field drug test kits, and consumables such as evidence packaging containers, gloves and weapons boxes; and to support the use of electronic tracking services to efficiently identify violent offenders.	The Department anticipates completing all purchases by the end of FY 2017/18.
<b>Police Subtotal</b>	<b>23,894</b>	<b>222.50</b>	<b>204.50</b>		
<b>Public Safety Total</b>	<b>42,218</b>	<b>325.50</b>	<b>307.50</b>		

FY2017/18 MEASURE U RESTORATIONS	Approved Budget (in 000s)	Authorized FTE	FTE Hired to Date	Purpose of Restoration	Status of Restoration
<b>PARKS AND RECREATION DEPARTMENT</b>					
Aquatics: includes the Junior Lifeguard program	2,153	38.85	38.85	To open City swimming pools and wading pools and restore related services that include swim lessons, teams and lifeguard training.	All City-owned swimming pools and five wading pools were open during the swim season.
Community Centers/Teen Services: Hot Spots and Summer at City Hall	1,494	22.80	18.45	To provide safe activities for youth and restore community center operations to 4 to 5 days a week at Oak Park (OP), Mims Hagginwood (MH), George Sim (GS), Pannell Meadowview (PM) and South Natomas (SN) centers. Continue "Summer at City Hall" program after grant funds expire.	Restored Center operations form 2 1/2 - 4 to 5 days a week at Oak Park, Hagginwood, George Sim, Pannell and South Natomas Community Centers. Teen "Hot Spot" programs are operating at three community centers & three schools; youth sports and "Kids Camp" are operating at five centers; the "Tweener" Club (ages 12-17) operates at GS; the "Prime Time Teen" program operates at five centers, and middle school sports programs operate at five centers.
Park Maintenance and Park Safety Services	4,082	53.00	45.20	To restore services that include frequency of restroom cleaning, trash pickup, weeding, and to lower response times for irrigation repairs. A Park Safety Officer and 2 Park Assistants were added with the Fiscal Year 2014/15 budget.	All but 7.80 positions have been filled ton increase maintenance and safety at city parks.
Recreation Programming for Seniors	371	4.48	3.97	To provide general recreation programming for older adults and respite care for caregivers.	Restored hours of operation at the Hart Senior Center from 8:00 am - 3:30 pm to 8:00 AM to 5:00 pm to allow additional recreation programming, and 3 respite care sites throughout the City to serve the community.
Teen Services	660	10.20	7.05	To provide a safe space with education and workforce training to City teenagers.	Continuing to offer expanded programming with the Prime Time Teen and Middle School Sports programs. These programs offer supervised recreation, leadership and workforce training to low income and at risk youth.
Neighborhood Services (include Gang Prevention, Hotspots and Summer at City Hall)	455	2.50	2.50	To provide gang prevention programs like the Summer @ City Hall program	Summer at City Hall is conducted each summer using Measure U funding.
Other Recreation Programs	313	5.25	5.25	Includes Permitting and Events staff that support community events, leisure enrichment classes, tinytots, and Coloma Community Center counter operations.	Please note that seasonal help for year-round permitting and event support that are filled on an as-needed basis.
Capital Investment and Equipment	5,521	-	-	Improve safety and operational efficiency of existing amenities in the City's park system in need of repair and replacement.	Capital improvements are in progress.
<b>Parks and Recreation Subtotal</b>	<b>15,049</b>	<b>137.08</b>	<b>121.27</b>		
<b>MISCELLANEOUS</b>					
Animal Control Officer	262	2.00	2.00	To enhance animal enforcement and field services.	Positions have been filled to provide additional coverage citywide.
Capital Investment - Sacramento River Bike Trail	2,300	-	-	Funding for easement acquisitions necessary for completion of the Sacramento River bikeway.	Capital improvements are in progress.
Library Restoration	2,987	-	-	Restore library funding to the maintenance of effort (MOE) funding level required by the voter approved library parcel tax and to provide one-time funidng for critical capital improvements.	Library funding has been restored. Capital improvements are in progress.
<b>Miscellaneous Subtotal</b>	<b>5,549</b>	<b>2.00</b>	<b>2.00</b>		
<b>Measure U Restorations Total</b>	<b>62,816</b>	<b>464.58</b>	<b>430.77</b>		