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DEPARTMENT OF  
CONVENTION, CULTURE  
AND LEISURE

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DIRECTOR

CITY OF SACRAMENTO  
CALIFORNIA

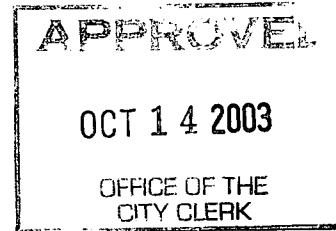
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October 3, 2003

City Council  
Sacramento, California

Honorable Members in Session



**SUBJECT: ADJUST FY 2003/04 OPERATING BUDGETS FOR JOINTLY FUNDED OPERATIONS TO REFLECT APPROVED COUNTY FUNDING AND AUTHORIZE USE OF PRIOR YEAR DEPARTMENTAL CARRYOVER**

**LOCATION AND COUNCIL DISTRICT: Citywide**

**RECOMMENDATION:**

It is recommended that the City Council adopt the attached Resolution to:

- (1) Amend the FY 2003/04 operating budgets for the following joint City-County organizations to reflect the County-approved funding amounts:
  - Sacramento Archives and Museum Collection Center
  - Sacramento Metropolitan Arts Commission
  - Sacramento Museum of History, Science and Technology
- (2) Approve the use of \$37,000 in FY 2000/01 departmental carryover to ease the impacts of the sudden County reductions to the Discovery Museum on a one-time basis.

**CONTACT PERSON:** Barbara E. Bonebrake, Director, 264-7733  
Convention, Culture and Leisure

**FOR COUNCIL MEETING OF:** October 14, 2003

**SUMMARY:**

This report recommends adjustment of the FY 2003/04 City operating budgets for the Sacramento Archives and Museum Collection Center, the Sacramento Metropolitan Arts Commission and Sacramento Museum of History, Science and Technology to reflect the reduced funding amounts recently approved by the County. It also recommends the use of \$37,000 in FY 2000/01 carryover from the Convention, Culture and Leisure Department to ease the sudden impacts from the County reductions on a one-time basis—allowing the Department to use funds that were saved earlier to assist with the transition to a reduced budget.

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

- In June 2003, the County Board of Supervisors held a series of hearings to develop its 2003/2004 Operating Budget, including distribution of Transient Occupancy Tax funds for joint City-County programs. Citing an unprecedented budget shortfall, County staff recommended to the Board funding reductions for joint programs ranging from 40 percent to, in a few cases, 100 percent of FY 2002/03 levels.
- In response, the joint-funded organizations (Archives, Discovery Museum, Metro Arts, Convention and Visitor’s Bureau and Sports Commission) worked together and proposed a funding plan to reduce each organization equally. Program impacts included reduction of public access hours, reductions in programming to targeted groups such as students and local community groups and reduced marketing to attract visitors.
- On June 27, 2003, the County Board of Supervisors approved an FY 2003/04 allocation for joint programs that represented a **15 percent cut** from last year. For all five organizations, this represents a total reduction of \$340,000 from last year’s funding. The specific amount and impacts to each organization are detailed in Table 1 and summarized below.

Organization	FY 04 County Reduction	FY 04 County Approved	FY 04 City Approved	Proposed Amnd FY 04 Budget
Archives	(\$27,000)	\$150,000	\$178,000	\$328,000
Discovery Museum	(\$37,000)	\$212,000	\$290,000	\$502,000
Metro Arts	(\$132,000)	\$749,000	\$865,000	\$1,614,000
Sports Commission	(\$20,000)	\$215,000	\$200,000	County funding contracted. No budget action required

<b>Organization</b>	<b>FY 04 County Reduction</b>	<b>FY 04 County Approved</b>	<b>FY 04 City Approved</b>	<b>Proposed Amnd FY 04 Budget</b>
Convention and Visitor's Bureau	(\$124,000)	\$700,000	\$1,526,000	County funding contracted. No budget action req.

- The specific funding agreements between the City and County for joint programs will be brought to City Council for consideration after the County takes final action on their budget on September 30.

**Sacramento Archives and Museum Collection Center**

The 15% reduction from last year's approved funding totals \$27,000 and includes a cut of \$22,000 in operational support and \$5,000 for a former debt service. In order to keep public access hours at current levels, continue to receive and process new materials, and maintain its existing collection, staff is recommending that the remaining County allocated debt funding of \$27,000 be used to restore the operational reductions for FY 2004, thereby reducing the impact to this small operation.

As part of the final budget adoption, the Board of Supervisors directed the County Executive to create a working group to look into implementation of a records management system. Such a system would include a recording fee on documents filed with the County and the proceeds would be used to fund maintenance of County records stored at the Archives.

**Sacramento Metropolitan Arts Commission**

The 15% reduction from last year's approved funding totals \$132,000 and includes a cut of \$43,000 for operational support, \$11,000 for arts stabilization programs and \$57,000 for Cultural Arts Awards. The County also cut \$17,000 from artist residency programs and \$4,000 from the Metropolitan Arts Partnership Program that it funds solely.

To maintain these key programs at current levels, staff is recommending that additional funding of \$20,000 be reprogrammed from the Metropolitan Arts Partnership programs to partially offset the operational reductions. This would allow SMAC to continue supporting the current number of grant and arts education recipients, although at lower funding amounts.

**Sacramento Museum of History, Science and Technology**

The 15% reduction from last year's approved funding totals \$37,000. Program impacts include closure of the Museum for 1 day each week, beginning next Spring, which would severely impact school groups and reduce Museum revenue from lost school bookings. A reduction in non-profit employees could also result.

**Status of Other Joint-Funded Programs (Not Requiring City Budget Adjustment)**

**Sacramento Sports Commission**

The Sacramento Sports Commission receives both operational support and funding directed towards the 2004 Olympic Trials. The 15% reduction from last year's approved funding totals \$20,000 and will impact the level of spending for marketing and attracting new events.

**Sacramento Convention and Visitor's Bureau**

The 15% reduction from last year's approved funding totals \$124,000 and will result in reduced participation in local, regional and international marketing efforts. Since the work of the Bureau and Sports Commission "drive" the generation of TOT, any reductions in these programs are especially significant.

**FINANCIAL CONSIDERATIONS:**

The FY 2003/04 Approved Budgets for the Sacramento Archives and Museum Collection Center, Metropolitan Arts Commission and Sacramento Museum of History, Science and Technology will be adjusted to reflect the net impact of approved County funding and the proposed reprogramming of County funding for the Sacramento Archives and Metropolitan Arts Commission. No reductions are being proposed to the City contribution to these programs.

The Convention, Culture and Leisure Department has an estimated \$76,000 in unused carryover funds from FY 2000/01. It is recommended that a portion of that carryover be used to reduce the impact of the County funding reductions on a one-time basis. Carryover funds totaling \$37,000 would be allocated to the Discovery Museum

**ENVIRONMENTAL CONSIDERATIONS:**

It can be seen with certainty that approval of these requests will only affect the distribution of revenue, and will not have a significant effect on the environment. Pursuant to CEQA Guidelines Section 15061 (b) (3), no further environmental review is required.

**POLICY CONSIDERATIONS:**

The City and County jointly funded activities are consistent with the City's commitment to establish partnerships which provide services to the City and its residents, and also with Council's goals of encouraging a vital economy and a flourishing cultural and entertainment district in downtown Sacramento, and in the Greater Sacramento Area.

**ESBD CONSIDERATIONS:**

None. No goods are services are being purchased.

Respectfully submitted,



Barbara E. Bonebrake, Director  
Convention, Culture and Leisure Department

**RECOMMENDATION APPROVED:**



Robert P. Thomas, City Manager

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Table 1 Approved FY 2003/04 County Funding for Joint City/County Programs  
Resolution

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Organization	FY 03 County Approved	FY 04 Reduction (15%)	FY 04 County Approved	Impacts of Funding Reductions
Archives <i>Operations</i> <i>Debt Service--CIP</i> <b>TOTAL</b>	\$ 145,000 32,000 <b>\$ 177,000</b>	\$ 22,000 5,000 <b>\$ 27,000</b>	\$ 123,000 27,000 <b>\$ 150,000</b>	<ul style="list-style-type: none"> <li>• Use Debt Service funding to backfill operational reductions until Document Filing Fee is in place. If debt service funds are unavailable then the following impacts:</li> <li>• Reduce public hours from 16 to 12 per week.</li> <li>• Eliminate volunteer programs.</li> <li>• Restrict access to materials and limit ability to receive and process new collections.</li> <li>• Eliminate purchase of conservation supplies for continued preservation of collection.</li> </ul>
Discovery Museum <i>Operations</i>	\$ 249,000	\$ 37,000	\$ 212,000	<ul style="list-style-type: none"> <li>• Eliminate 1.50 FTE non-profit positions in Operations and Education.</li> <li>• Close Museum 1-day/week in Spring 2004 and Summer 2004 impacting school groups and resulting in revenue loss of nearly \$80,000/year due to loss of school bookings.</li> </ul>
Metro Arts <i>Operations (Grants Admin)</i>	\$ 289,000	\$ 43,000 <i>-20,000</i>	\$ 266,000	<ul style="list-style-type: none"> <li>• Offset 15% reduction (\$43,000) by shifting remaining MAP funding totaling \$20,000 for grants and arts education administration</li> <li>• Net reduction (\$23,000) would result in loss of 0.50 staffing for grant administration and arts education.</li> </ul>
<i>Cultural Arts Awards</i>	380,000	57,000	323,000	<ul style="list-style-type: none"> <li>• Reduce County Cultural Arts Awards grant funds by 15 percent</li> </ul>

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Organization	FY 03 County Approved	FY 04 Reduction (15%)	FY 04 County Approved	Impacts of Funding Reductions
<i>Arts Education</i>	117,000	17,000	100,000	<ul style="list-style-type: none"> <li>Number of organizations receiving grants not expected to change from FY 03 level (49) but amount for each will be lower.</li> <li>Reduce artist residency funding by 15 percent (County-funded only)</li> <li>Expect to serve FY 03 number of schools and community/social centers (100+) but lower funding for each. For example, only half of student population could be served at Jefferson and PS-7 (SCUSD schools)</li> <li>Impacts compounded by reduced matching funds</li> </ul>
<i>Stabilization</i>	71,000	11,000	60,000	<ul style="list-style-type: none"> <li>Reduce stabilization funds by 15 percent</li> <li>Provide more direct services rather than consultancies</li> </ul>
<i>Metro Arts Partnership</i>	24,000	4,000 20,000	0	<ul style="list-style-type: none"> <li>Program restructured with no County funding.</li> <li>\$20,000 funding reallocated for grants and arts education operational support</li> </ul>
<b>TOTAL</b>	<b>\$ 881,000</b>	<b>\$ 132,000</b>	<b>\$ 749,000</b>	
Sacramento Convention and Visitors Bureau ( <i>Operations</i> )	\$ 824,000	\$ 124,000	\$ 700,000	<ul style="list-style-type: none"> <li>Reduce participation in local, regional and international marketing efforts.</li> </ul>
Sacramento Sports Commission <i>Operations</i>	\$ 135,000	\$ 20,000	\$ 115,000	<ul style="list-style-type: none"> <li>Virtually eliminate ability to attract and retain major sporting events</li> </ul>
<i>Olympic Trials</i>	100,000	0	100,000	
<b>TOTAL</b>	<b>\$2,366,000</b>	<b>\$ 340,000</b>	<b>\$2,026,000</b>	

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**APPROVED**  
OCT 14 2003  
OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 2003-720

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ADJUST FISCAL YEAR 2003-04 OPERATING BUDGETS FOR JOINTLY FUNDED ACTIVITIES TO REFLECT APPROVED COUNTY FUNDING AND USE OF PRIOR-YEAR DEPARTMENTAL CARRYOVER**

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

- (1) The FY 2003/04 operating budgets for the Sacramento Archives, Sacramento Metropolitan Arts Commission and Sacramento Museum of History, Science and Technology are adjusted by the following amounts to reflect the approved County funding:

Archives	101-420-4251-4258	\$ 5,000	Program Expenses
	101-420-4251-3516	\$ 5,000	County Revenue
Discovery Museum	101-420-4252-4258	\$ (37,000)	Program Expenses
	101-420-4252-3516	\$ (37,000)	County Revenue
Metro Arts	101-420-4241-4258	\$ (23,000)	Program Expenses
	101-420-4241-3516	\$ (23,000)	County Revenue
	101-420-4244-4258	\$ (11,000)	Program Expenses
	101-420-4244-3516	\$ (11,000)	County Revenue

- (2) Provide a one-time increase to the Discovery Museum's FY 2003/04 Budget for \$37,000 from FY 2000/01 Department Carryover to partially restore County-funding cuts.

\_\_\_\_\_  
MAYOR

ATTEST:

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

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FOR CITY CLERK USE ONLY

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

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