

RESOLUTION NO. 2005-148

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF MAR 08 2005

Whereas the City of Sacramento operates under a sustainable budget policy,

Whereas prudent financial management requires periodic review of actual performance in reference to the budget plan,

Whereas the City Manager and Department of Finance present an annual Midyear Review to the Mayor and City Council, and

Whereas the Midyear Review contains recommendations for budget adjustments, corrections, and other budget actions;

Now Therefore Be It Resolved

- 1) The FY 2004/05 General Fund Expenditure and Revenue Budgets are adjusted as follows:
 - a) Tax and vehicle license fee revenues are adjusted according to Exhibit A .
 - b) Adjust General Fund Staffing
 - i) Police Department – increase of 40 Police Officer positions
 - ii) Fire Department – increase of 1.0 Fire Battalion Chief and 1.0 Typist Clerk III positions
 - iii) Development Services Department – increase of 1.0 Senior Engineer, 3.0 Associate Engineer, 3.0 Associate Planner, and 4.0 Building Technician Positions
 - iv) Transportation Department – reduction of 1.0 Program Analyst and 1.0 Program Manager positions
 - v) Human Resources Department – increase of 1.0 Program Analyst Position
 - vi) Parks Department – increase of 0.42 Recreation Aide position
 - c) Adjust General Fund Expenditures
 - i) Fire Department – increase \$89,000

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d) Approve the use of \$3,602,000 in available fund balance as follows:

Meadowview Toxic Cleanup	\$1,000,000
Trap Shoot Site Cleanup (first year)	\$500,000
Deferred Maintenance	\$1,000,000
Document Imaging / Content Management	\$300,000
Memorial Auditorium Repair Study	\$80,000
Memorial Auditorium Rehabilitation Phase I	\$500,000
Community Discretionary Funding	\$72,000
Golf Program	\$150,000
Total	\$3,602,000

e) Approve the use of \$1,698,000 in available fund balance as directed by the City Council during the hearing.

f) Release FY2001/02 Carryover from General Fund designations (as amended by City Council during the hearing if necessary) as shown in Exhibit B and authorize future carryover of any FY2001/02 carryover released in FY2004/05 until the state purposes have been achieved.

g) Authorize the carryover into FY2005/06 of any unexpended funds allocated for the removal of the Municipal Fire Alarm System.

2) Capital Improvement Project (CIP) budgets are to be adjusted as follows:

a) The Finance Director is authorized to create or adjust CIP budgets in accordance with the allocation of available fund balance or department carryover as described in the Midyear Review Report.

3) The following Principles for developing the Proposed FY2005/06 Budget are hereby approved:

a) Incorporate the City Strategic Plan as approved by the Mayor and City Council on March 1, 2005;

b) The projected \$12.5 structural imbalance in the General Fund is closed;

c) Include the City Manager's initiatives;

i) Organizational assessments resulting in 2 percent cost reduction

ii) Trend Management;

iii) Succession Planning;

d) Review Enterprise Funds;

e) Develop strategies for addressing higher than projected labor costs;

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- f) Develop process for a \$70 million General Fund CIP financing;
- g) Develop funding strategies to adequately address green contracting and facilities, environmental issues, and deferred maintenance costs;
- h) Maintain priority on funding public safety services; and
- i) Continue long-term sustainable budget philosophy.

HEATHER FARGO

Mayor

SHIRLEY CONCOLINO

City Clerk

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Exhibit A

**Resolution
FY 2004/05 Midyear Review**

**City Revenue Changes due to State Budget
(In thousands \$)**

Revenue Type	Approved Budget	Adjustment	Adjusted Budget
Property Taxes	67,041	38,810	105,851
Sales Tax	61,500	(15,284)	46,216
VLF	25,799	(23,526)	2,273
Totals	154,340	0	154,340

**\$12 million Increase in Tax Revenues
(in thousands \$)**

Revenue Type	Adjusted Budget	Adjustment	Revised Estimate
Property Taxes	105,851	6,000	111,851
Sales Tax	46,216	2,000	48,216
Utility Tax	50,500	3,000	53,500
Transfer Tax	11,095	1,000	12,095
Totals	213,662	12,000	225,662

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Exhibit B

Release of Fiscal Year 2001/02 Carryover

Dollars in thousands

Department	FY2001/02 Carryover Available	Spending Request
Mayor/Council	\$15,000	Services & Supplies
City Manager	\$207,000	Contract Support for Citywide Issues & Equipment
City Attorney	\$372,000	Office Technology, Process Automation & Content Management
City Clerk	\$115,000	Office Technology, Process Automation & Content Management
City Treasurer	\$682,000	Office Technology, Process Automation & Content Management
Finance	\$683,000	Office Technology, Process Automation & Content Management
Information Technology	\$51,000	Renovation of Traffic Engineering Area
Human Resources	\$483,000	Office Technology, Process Automation & Content Management
Fire	\$170,000	Start Up Costs for Internal Affairs Unit
Convention, Culture & Leisure	\$59,000	Project Management, Joint Ticketing Program, Offset Deferred Revenue
Neighborhood Services / Code Enforcement	\$790,000	Neighborhood Clean Up, Community Outreach, Field Technology, Emergency Response Trailer, Office Equipment, Establish Neighborhood Safety CIP
Development Services	\$587,000	Permit System Upgrade, PC Replacement & City Promotion
Transportation	\$33,340	Central City Master Parking Plan
Total	\$4,247,340	