

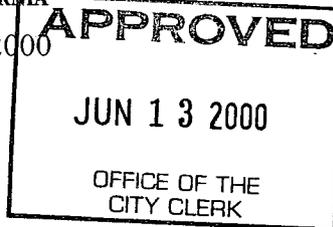


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DEPARTMENT OF
ADMINISTRATIVE SERVICES
BUDGET AND POLICY REVIEW

CITY OF SACRAMENTO
CALIFORNIA

June 9, 2000



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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Summary of Changes to the Proposed Budget for FY2000\01

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report summarizes changes to the FY2000\01 Proposed Budget to reflect the intent motions of the City Council during the budget hearings. Staff is seeking Council's approval of these items into the adopted budget. Final adoption has been scheduled for June 20, 2000.

CONTACT PERSONS: Ken Nishimoto, Director of Administrative Services, 264-5736
Betty Masuoka, Deputy City Manager, 264-5704
Gus Vina, Budget Manager, 264-7138

FOR CITY COUNCIL MEETING OF: June 13, 2000

SUMMARY:

This report summarizes the City Council changes to the City Manager's FY2000\01 Proposed Budget. The following tables/attachments have been included to facilitate any necessary discussion on the proposed changes.

Table: Summary of Changes to the Proposed Budget
Section I: Report Back on 502 Alternative Sentencing
Section II: Items to be addressed after July Recess
Section III: Other City Council direction
Section IV: Outside Agency Funding Requests

Attachment "A": Library report on increased hours
Attachment "B": SAFCA Reimbursement Agreement
Attachment "C": Update on Aquatics Report Back

“Summary of Changes to the Proposed Budget for FY2000/01” Staff Report

Council Date: June 13, 2000

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BACKGROUND:

The City Manager’s Proposed Budget was released on May 1, 2000 as required by the City Charter. This is the tenth budget hearing to discuss the Proposed Budget. The following exhibit lists the changes to the Proposed Budget as a result of these hearings and some clean up items identified by staff. Should the City Council approve these changes, they will be incorporated into the final Approved Budget that is scheduled for adoption on June 20, 2000.

**Summary of Changes To The
2000-01 Proposed Budget**

COUNCIL INTENT MOTIONS:

Program	Description	Change
Central Library	Extends hours at the central library to 61 hours per week. <i>Funding Source: General Fund</i>	\$110,000
Public Works Pole Painting	Adds 2.0 FTE Part Time painters to accelerate pole-painting program. <i>Funding Source: Measure A</i>	2.0 FTE \$73,000
Neighborhood Services - Code Enforcement	Add 1.0 FTE (Neighborhood Resource Coordinator) for code enforcement activity outreach and other neighborhood outreach activities. <i>Funding Source: General Fund</i>	1.0 FTE \$50,000
Neighborhood Services	Adds consulting funds for language outreach and interpretation work. Additional costs of \$20,000 to be funded from the \$75,000 allocated to the Multi-lingual Task Force. <i>Funding Source: General Fund</i>	\$0
Neighborhood Services	Eliminate the pooled analyst concept and add 1.0 FTE Analyst to allow for one analyst per neighborhood area and include support for code enforcement. <i>Funding Source: General Fund</i>	1.0 FTE \$70,000
Aquatics Program	Reserve \$100,000 for aquatics programming pending the completion of the Aquatics Operations Plan due in the Midyear Financial Report. <i>Funding Source: General Fund</i>	\$100,000
	MISCELLANEOUS BUDGET CORRECTIONS:	
City Attorney – Misdemeanor cases	Reserve 1.0 FTE and \$75,000 for the prosecution of misdemeanor case prosecutions. Position to be filled only after agreement with District Attorney’s Office is complete.	\$0
Golf Fund	Budget clean up item to convert a .7 FTE to 1.0 FTE (adding .3 FTE) in order to provide full time personnel to marketing efforts of golf programs. <i>Funding Source: Golf Fund</i>	.3 FTE \$9,800
Parks and Recreation – Landscape Architects	Approves agreement with SAFCA for a limited term support position and \$57,000 in revenue for recovery of costs. <i>Funding Source: SAFCA</i>	1.0 FTE \$57,000

TOTAL ADJUSTMENTS: \$469,800

General Fund: \$330,000
 Measure A: \$ 73,000
 Golf Fund: \$ 9,800
 SAFCA: \$ 57,000

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I. Additional Council Information

A. Cost of 502 Alternative Sentencing crews.

The \$75,000 included in the budget for this cost is for the payment of a Sheriff supervisor when crews are used on City business. Approximately 26,000 hours are used each year for a variety of activities resulting in a cost of \$2.88 per hour for the use of these crews.

II. Items to be addressed after July Council Recess

Pending Staff Reports:

- a. Allocation of \$1.5 million one-time CIP funding
- b. Roll out of North Natomas impacts
- c. Performance Measures
- d. Community Facility Criteria/Standards
- e. Community Schools Partnership Program
- f. Street Lights Matching Program
- g. Priority projects for Proposition 12 funding

City Council Reports Back:

- a. Cost to improve the communication center building at Winn Park
- b. Funding of a Billy Bean Park (August/Sept)
- c. Park projects (schedule, available balances, resources, criteria)
- d. Aquatics Operations Plan (Midyear)
 1. Costs of heated pools and alternatives
 2. Extending hours or season
 3. Reduction in swim fees (team and lessons)
 4. Outreach efforts
- e. Advance Planning capacity report (Midyear)

III. Other Council Direction

- City Manager to contact the District Attorney on the prosecution of community violation cases
- Police Chief to have flexibility on the use of the approved 17 Police Officer grant positions
- Eliminate the pooled analyst concept and show 1.0 FTE per neighborhood area
- Solid Waste to continue/improve coordination efforts with other regulating agencies

IV. Outside Agency Funding Requests

Consistent with City Council direction to not establish a regrating process, the funding requests from outside agencies will not be funded. However, the requests will be

forwarded to appropriate departments for review and recommendation as identified below. The review should identify whether or not any efficiencies or reduction in City costs could be generated in operating departments as a result of funding these requests.

- California Black Chamber of Commerce (\$60,000) – referred to the Cable Commission for funding.
- Sacramento Convention & Visitors Bureau (\$120,000) – Convention, Culture, & Leisure Department.
- Sacramento Enriches (\$30,000) – Neighborhood Services & Parks and Recreation, Children Services.
- Sacramento Heritage Inc. (\$40,000) – Planning and Building Department.
- Sacramento Mediation Center (\$45,000) – Neighborhood Services.
- Sacramento Tree Foundation (\$35,000) – Parks and Recreation Department, Tree Services.
- Society for the Prevention of Cruelty to Animals (\$400,000) – Public Works, Animal Control.
- Stanford Settlement (\$30,000) – Parks and Recreation, Children Services.

FINANCIAL CONSIDERATIONS:

The five-year forecast (below) for the General Fund has been updated based on Council actions and intent motions identified during the budget hearings. These changes will increase costs to the General Fund in FY2000\01 by \$330,000. The on-going costs through FY2005\06 totals \$2,135,000. In order to maintain a balanced General Fund budget over the next five years, the following funding strategies were implemented:

1. The one-time unallocated amounts were reduced as follows:

FY2000\01 was reduced from \$1.5 million to \$1.2 million
FY2001\02 was reduced from \$3.0 million to \$2.2 million
FY2002\03 was reduced from \$2.5 million to \$2.0 million

2. The Ending Fund Balance in the five-year forecast was reduced from \$671,000 to \$136,000.

FIVE YEAR GENERAL FUND FORECAST

(changes to proposed FY01 5Yr)

	1999-00 MIDYEAR	2000-01 PROPOSED	20001-02 ESTIMATED	2002-03 ESTIMATED	2003-04 ESTIMATED	2004-05 ESTIMATED	2005-06 ESTIMATED
Beginning Available Fund Balance:	\$3,499	\$5,935	3,836	\$3,031	\$1,031	\$429	\$126
Revenues:							
Taxes	\$169,755	\$175,377	\$180,638	\$186,057	\$191,639	\$197,388	\$203,310
Department Operating Revenues	\$37,983	\$37,297	\$38,413	\$39,562	\$40,746	\$41,966	\$43,222
All Other (VLF, Interest, etc.)	\$27,624	\$25,493	\$26,258	\$27,046	\$27,857	\$28,693	\$29,553
One-time ERAF	\$1,155	\$0	\$0	\$0	\$0	\$0	\$0
Jail Booking Fees	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125
Total Revenues:	\$238,642	\$240,292	\$247,434	\$254,790	\$262,367	\$270,172	\$278,210
Growth Rate		0.69%	2.97%	2.97%	2.97%	2.97%	2.98%
Expenditures:							
Operating Expenditures:	\$229,519	\$234,777	\$243,735	\$250,772	\$258,937	\$266,426	\$274,137
CIP Operating costs	\$0	\$0	\$300	\$900	\$900	\$900	\$900
Base CIP	\$1,000	\$750	\$750	\$750	\$750	\$750	\$750
CIP Offset - fee related	\$0	\$345	\$349	\$353	\$357	\$361	\$365
Capital Improvements	\$17,823	\$5,290	\$30,200	\$0	\$0	\$0	\$0
CIP Debt Service - \$30 million	\$0	\$0	\$1,000	\$2,300	\$2,300	\$2,300	\$2,300
One-time ERAF	\$1,155	\$0	\$0	\$0	\$0	\$0	\$0
Remodel/Relocation		\$771	\$0	\$0	\$0	\$0	\$0
One-time		\$1,200	\$2,200	\$2,000			
Total Expenditures:	\$249,497	\$243,133	\$278,534	\$257,075	\$263,244	\$270,737	\$278,452
Summary Changes:							
Central Library hours		\$110	\$113	\$117	\$120	\$124	\$128
Neighborhood Resource Coord.		\$50	\$52	\$53	\$55	\$56	\$58
Administrative Analyst		\$70	\$72	\$74	\$76	\$79	\$81
Aquatics Programs		\$100	\$103	\$106	\$109	\$113	\$116
Total Proposed Budget Adjustments:		\$330	\$340	\$350	\$361	\$371	\$383
REVISED Total Expenditures:	\$249,497	\$243,463	\$278,874	\$257,425	\$263,605	\$271,109	\$278,835
Other Sources and (uses):	\$291	\$1,072	\$635	\$635	\$635	\$635	\$635
Current Year Surplus/(Deficit):	(\$10,855)	(\$3,171)	(\$31,440)	(\$2,635)	(\$1,238)	(\$937)	(\$625)
Debt Proceeds			\$30,000				
(Additions)/Use of Reserves:	\$13,000						
ENDING AVAILABLE FUND BALANCE:	\$5,935	\$3,836	\$3,031	\$1,031	\$429	\$126	\$136

POLICY CONSIDERATIONS:

The main policy issue relative to this report is the need to address current and future needs within expected resources over the next five years. The changes to the proposed budget are consistent with the sustainable budget concept and with the budget development guidelines identified in the Midyear Financial Report.

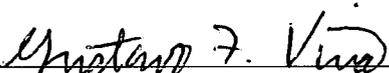
ENVIRONMENTAL CONSIDERATIONS:

Not applicable to this report.

ESBD EFFORTS:

This report does not involve the purchase of goods or services.

Respectfully submitted,



Gustavo F. Vina
Budget Manager

for 

Ken Nishimoto
Director of Administrative Services

Recommendation Approved:



Robert P. Thomas
City Manager

Central Library Report Back**SUMMARY:**

During the budget hearing of May 9th, several questions were asked concerning the operation of the Central Library. The following information is presented in response to those questions.

BACKGROUND INFORMATION:Central Library Costs

Council members expressed concern that the City was funding the Central Library even though the Central Library was utilized by City and County residents and was the only library open to City and County residents on Sunday.

The Central Library is a regional resource. Historically, the Central Library has been a City-provided service as decided by previous Councils. The Sacramento Public Library Authority Board has directed staff to prepare a Cost Allocation Study in the next fiscal year. The Cost Allocation Study will address system wide costs to be allocated including applicable Central Library Costs.

Current cost allocation:

1. County bears half the cost for Sunday open hours.
2. County bears half the cost for operation of the Telephone Information (TELIS) and Telephone Help Desk (Circulation). These services are provided seven days a week.
3. County bears a proportionate share of the cost for all areas of the Central Library building utilized for system support and administration.

Difference in costs between 54 and 61 proposals

The question was raised by the Council as to why was the cost to increase Central Library service hours from 54 hours per week to 61 hours per week higher than the cost to increase Central Library service from 48 hours per week to 54 hours per week.

1. The change from 48 hours per week to 54 hours per week adds 6 hours during the day, adds 2.0 FTE, and costs \$80,000 (an average of \$13,334 per hour).
2. The change from 54 hours per week to 61 hours per week adds 7 hours per week (3 hours Tuesday evening, 4 hours during the day), adds 3.0 FTE and costs \$110,000 (an average of \$15,714 per hour). The addition of evening hours requires the payment of a 7.5% wage differential for hours worked after 6:00 P.M.
3. The higher cost to go from 54 hours per week to 61 hours per week is due to the additional 1.0 FTE and the wage differential for hours worked after 6:00 P.M.

Homework Center at Central Library

Staff is preparing information about costs and services pertaining to establishing a Homework Center at the Central Library and will prepare a separate report back to Council.

FINANCIAL CONSIDERATIONS:

Implementation of a 61 hour per week schedule for the Central Library requires an additional \$110,00 contribution to the Library Authority for fiscal year 2000-01 as currently recommended in City Council's intent motion of May 9th.

POLICY CONSIDERATIONS:

Granting the additional \$110,000 contribution as stated in the intent motion to the Library Authority will implement a 61 hour per week schedule at the Central Library.

SAFCA Reimbursement Agreement

SUMMARY

This report recommends that the City Council authorize the City Manager to execute an agreement with SAFCA for Planning and Natural Resources Management Services. The agreement stipulates that the City will provide the qualified staff and that SAFCA will reimburse the City for costs associated with the position.

Also, this report recommends that Council approve a 1.0 FTE Assistant Landscape Architect position to the Landscape Architect Section to fulfill this agreement. This position will be limited term through June 30,2002.

BACKGROUND INFORMATION

SAFCA and the City of Sacramento desire to cooperate in securing the services of a Parkway Planner/Natural Resource Specialist to assist in developing and implementing open space management plans for the floodways affected by SAFCA's regional flood control efforts.

City management determined that oversight of the position is best suited to the Landscape Architect Section. The position will address such issues as: Ueda Parkway, Hansen Ranch, Arcade Creek Watershed, South Sacramento streams, Sacramento River Greenway and Regional Trails coordination. The position will also serve as a liaison with the on-street bike coordinator in the Public Works Department for seamless delivery of alternative mode transportation opportunities for the City.

FINANCIAL CONSIDERATIONS:

The agreement with SAFCA is revenue neutral to the City. Quarterly invoices to SAFCA will recover costs associated with the position, not to exceed \$170,640 over the life of the agreement.

POLICY CONSIDERATIONS:

The agreement with SAFCA for Planning and Natural Resource Management Services is consistent with City priorities for environmental quality and fiscal viability. This agreement will deliver outdoor recreation and environmental quality enhancements to the citizens of Sacramento.

Aquatics Budget Report Back to Council

The Aquatics report presented to Council on May 30, 2000 was an effort to further explain and clarify the costs of operating aquatics programs. The Aquatics operations and programs are a very valuable asset to the citizens not only for the cooling and fun environment they provide, but also as an educational vehicle regarding water safety needs in our "river city" community.

We appreciate the suggestions you offered to us on the 30th. We will be utilizing your comments in the development of an *Aquatics Operations Plan* to be presented back to you during the next Mid Year Budget Hearings. As the current Aquatics season for the year 2000 is presently under way with programs and schedules printed and distributed, staff recruiting completed, and staff training to be implemented this month, it would be difficult to make any major program changes at this time. However, staff will be able to more thoroughly monitor and evaluate current programs and practices in order to prepare for the Mid Year Report.

Staff will study the issues identified below and prepare for a presentation and discussion of these items during the Mid Year Budget Review for the Year 2000:

<u>ISSUE</u>	<u>ACTION(S)</u>
Extended Days	<ul style="list-style-type: none"> . Evaluate attendance based on month, days, time of day . Develop recommendation on most effective scheduling whether extended hours and/or season . Estimate staffing and operation costs . Determine number of pools to have extended days based on staffing availability
Swim Lessons/Swim Team	<ul style="list-style-type: none"> . Determine extent of subsidy or reduction of costs for participation . Estimate increased number of participants . Develop and test new outreach methods
Marketing and Outreach	<ul style="list-style-type: none"> . Design a <i>Marketing Plan</i> that will reach as many households as possible to announce availability of the City's Aquatics programs . Working with Human Resources, design an outreach and recruitment plan to find more potential Aquatics staff members
Heated Pools	<ul style="list-style-type: none"> . Working with Public Works staff, explore and determine best possible options for heating Clunie Pool and any other retrofitting required due to the addition of heating; develop cost estimates . Determine financial feasibility of operating year round swimming pools in the various geographic locations in the City (Consider staffing and operational costs)