



## City Council Report

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**File ID:** 2019-00512

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**Discussion Item 03**

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**Title:** FY2019/20 Proposed Budget for the: Mayor and City Council; Charter Offices; Community Development Department; Convention and Cultural Services Department; Public Works Department; Utilities Department; Support Departments (Finance, Human Resources and Information Technology); and Citywide and Community Support

**Location:** Citywide

**Recommendation:** Receive and consider for final budget adoption.

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**Presenter:** Daniel Choe, Interim Budget Manager, (916) 808-5049, Department of Finance

**Attachments:**

1-Description/Analysis

## Description/Analysis

**Issue Detail:** This report transmits a summary of the FY2019/20 Proposed Operating Budget (Budget) for the: Mayor and City Council; Charter Offices; Community Development Department; Convention and Cultural Services Department; Public Works Department; Utilities Department; Support Departments (Finance, Human Resources and Information Technology); and Citywide and Community Support.

The Budget includes changes to address reorganizations, efficiencies, and structural changes to better align personnel with operations. Detailed information on each department's budget, including staffing details is available in the Proposed Budget (<http://www.cityofsacramento.org/Finance/Budget>). A summary of adjustments, by department, is provided below, including clean up items that were identified after the budget was released.

- Mayor/Council and Office of the City Auditor
  - Reorganization: With the passage of the Sacramento City Government Accountability and Efficiency Act (Measure K), the City Auditor was established as a Charter Office and the duties of the City Auditor and the Independent Budget Analyst were combined. As a result, nine positions (6.0 full-time-equivalent (FTE) City Auditor and 3.0 FTE Independent Budget Analyst) and associated budgets were moved to the newly established Office of the City Auditor.
- City Manager's Office:
  - Staffing: 12 positions were added to support the following programs: a position to oversee the Office of Innovation and Economic Development Division; a position to focus on a housing policy and development of additional housing; three positions to address economic and community development needs, including priority activities in workforce development and childcare; a position to focus on the economic enhancement for the downtown and urban; a position to focus on the economic enhancement for the downtown and urban core; and six positions to focus on community engagement and outreach expansion.

Budget Change: The following resources were added to support key initiatives in the City Manager's Office:

- \$1.26 million to support innovation and growth initiatives;
- \$300,000 to establish the Financial Empowerment Center;
- \$300,000 to the Sacramento Riverfront Project (phase 2);

- \$500,000 to support economic development initiatives;
  - \$605,000 for violence prevention; and
  - \$250,000 to the Office of Youth Development.
- Reorganization: A position was added to manage the new community engagement team, partially offset through the elimination of a position from the Youth, Parks, and Community Enrichment Department. A position was transferred from the Department of Finance to the City Manager's Office to provide administrative and fiscal support to the Office of Innovation and Economic Development.
- Post-Budget Release Change: The addition of a Program Specialist (1.0 FTE) is recommended to be added to support the City's Film Office.
- Community Development Department (CDD):
  - Staffing: Nine positions were added to support the following programs: a position to support the volunteer program at Front Street Animal Shelter; two positions fully offset by revenues to support development and construction activities; two positions fully offset by revenues to support the Planning Division's electronic application process; and four positions to support the Neighborhood Community Economic Development Planning (NCEDP) Team.
  - Budget Change: The following resources were added to CDD to support community and economic development initiatives:
    - \$1.2 million for neighborhood planning consultant services; and
    - \$100,000 for services and supplies to support the new NCEDP team.
- Convention and Cultural Services (CCS):
  - Staffing: The Human Resources and Finance Department are authorized to work with the Convention and Cultural Services Department and representatives from Sacramento City Exempt Employees Association, Sacramento-Sierra Building and Construction Trades Council, and Stationary Engineers, Local 39 to review existing job classifications and compensation structure for positions in the Convention Center Complex Division to ensure they are internally equitable, externally competitive, and consistent with other government agencies that are similar in size, economic climate, and population with the City of Sacramento. This will be added to the reclassification schedule (Schedule 8).

- Finance Department:
  - Staffing: The addition of a Senior Accounting Technician (1.0 FTE) will be added to the reclassification schedule (Schedule 8).
  - Reorganization: A position was transferred from the Department of Finance to the City Manager's Office to provide administrative and fiscal support to the Office of Innovation and Economic Development Division.
- Human Resources (HR) Department:
  - Staffing: Four positions were added to support the following programs: three positions to support employment classification and development; and a position to provide oversight and guidance on labor relations.
  - Budget Changes: The following resources were added to the HR Department:
    - \$3 million for a comprehensive review of over 700 job classification specifications to attract and retain a talented and diverse workforce as part of a larger process of evaluating the City's organizational structure; and
    - \$107,500 for employee training and legal services.
  - Reorganization: Positions (3.0 FTE) in the Human Resources Information Systems unit was transferred to the Information Technology Department to streamline HR systems support.
- Information Technology (IT) Department:
  - Staffing: Four positions were added to support the following programs: a position fully offset by the Workers' Compensation Fund to support the HR Workers' Compensation Case Management System; a position for the IT security team; a position to support the Hyperion application and the City's financial/HR system (eCAPs); and a position for IT Regional Support for administrative oversight and management of security cameras citywide.
  - Budget Changes: The following resources were added to the IT Department:
    - \$615,000 for Citywide IT systems/applications annual licenses and subscriptions;

- \$75,000 for the IT Training Development Plan;
  - \$120,000 for the Student Internship Training Program; and
  - \$73,477 for the loss of funding from START and the Body-Worn Camera Grant.
- Reorganization: The IT Department absorbed positions (3.0 FTE) from the HR Information Systems Unit to streamline HR systems support.
- Public Works Department:
    - Staffing: A position was added to the Solid Waste Division to expand state mandated monitoring and maintenance activities at the 28th Street Landfill. Additionally, the following positions in the Department will be added to the reclassification schedule (Schedule 8):
      - Administrative Analyst (1.0 FTE)
      - Engineering Technician (1.0 FTE)
      - Program Analyst (4.0 FTE)
      - Program Specialist (1.0 FTE)
      - Principal Planner (1.0 FTE)
    - Budget Changes: The following resources were added to the Public Works Department:
      - \$200,000 for maintenance and repair of City-owned libraries;
      - \$300,000 for the Sustainability Program to implement cost-saving energy programs; and
      - \$382,000 for homeless mitigation and illegal dumping activities.
- Department of Utilities (DOU):
    - Staffing: 13 positions were added to support the following programs: a position to support the DOU Sustainability Program to promote water conservation; two positions to facilitate the upkeep of the new Shasta Treatment Facility; a position for upkeep of the Pioneer Reservoir and Plan Sumps; two positions to increase service level of wastewater collection system maintenance in the Combined Sewer System; a position for Control 12 operations (radio dispatch); a position to support and maintenance emergency generators; a position for the USA Program to meet legal mandates, which require 24-hour turnaround time; a position to

- develop, implement, and deliver DOU Energy Management Plan; and three positions to support regulatory compliance and document management.
- Budget Change: The following resources were added to DOU:
    - \$754,092 for the Drinking Water System Risks Assessment, safety audits, and participation in the Safe Drinking Water Partnership; and
    - \$1 million to purchase vehicles for routine maintenance at water treatment plants, clean sewer lines and other maintenance operations.
  - Citywide and Community Support:
    - Sacramento Public Library Association (SPLA): The City has 12 libraries located within the city boundaries, which are operated by the SPLA under a Joint Powers Agreement (JPA). SPLA operates these City facilities with a budget designed for nine as three new libraries were added during the recession. To address these fiscal challenges, the five-year G/MU forecasts includes the following increases:
      - \$0.75 million in FY2019/20
      - \$1.25 million in FY2020/21
      - \$2.00 million in FY2021/22
      - \$2.50 million in FY2022/23

Additionally, an addition of \$400,000 is budgeted in the Public Works Measure U Multi-Year Operating Project (180150800) to address critical facility needs at the City's libraries. While these increases will help address some of the financial challenges with operating the City's libraries, it does not completely address the ongoing structural deficits as well as operational and capital needs.

**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 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)).

**Sustainability:** None.

**Commission/Committee Action:** The Budget was presented to the Budget and Audit Committee on April 30, 2019.

**Rationale for Recommendation:** 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. The Budget includes growth to fund key initiatives, offset by revenues and reimbursements, and reorganizations to better align programs and services.

**Financial Considerations:** The Budget is balanced and includes funding for 4,773.24 FTE. It also includes Measure U resources funding new initiatives.

**Local Business Enterprise (LBE):** Not applicable.