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DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA  
January 5, 1988  
87179:CB:KN:ldc

CITY HALL  
ROOM 14  
915 I STREET  
SACRAMENTO, CA  
95814-2685

916-449-5736

BETTY MASUOKA  
DIRECTOR OF  
FINANCE

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: General Fund Administrative Contingency Status Report:  
Second Quarter

SUMMARY

This report provides a status report on the General Fund Administrative Contingency activity for the second quarter of the 1987-88 budget year.

BACKGROUND

Upon adoption of the 1987-88 Budget, a General Fund Contingency of \$997,497 was established. At the end of the first quarter of the budget year the General Fund Contingency balance had dropped to \$866,097 reflecting expenditures during the first quarter of \$131,400.

As of December 31, 1987, the second quarter General Fund Contingency balance is \$671,984 reflecting year-to-date expenditures of \$325,513. Attachment A provides detail.

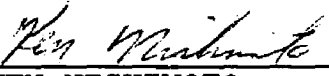
In addition to the present fund balance, pending projects which may draw on the General Fund Contingency have been identified (see Attachment B). The chart provided in Attachment B identifies a funding range from the low (see column 1) to the high (see column 2) estimates for each pending project. Next to each of the project's funding ranges is the effect that the respective funding would have on the General Fund Contingency balance.

Thus, if all projects were funded at the low end of the estimates (best case scenario) the General Fund Contingency balance would be a negative (\$36,016) whereas if they are funded at the high end of the range (worst case scenario) the balance would be a negative (\$1,096,016). This information is provided to highlight the potential strain that funding all projects will put on the General

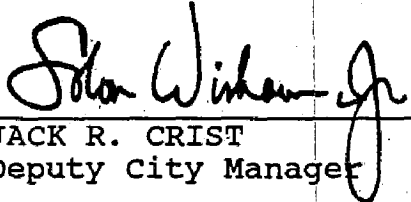
Budget and Finance Committee  
January 5, 1988  
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Fund Contingency. It may be necessary to prioritize the funding of projects between now and the end of the 1987-88 budget year. In addition, when the Mid-Year Review comes before the Committee in February it will include a detailed analysis on the outlook of the General Fund.

Respectfully submitted,

  
\_\_\_\_\_  
KEN NISHIMOTO  
Budget Manager

APPROVED FOR COMMITTEE INFORMATION:

  
for: JACK R. CRIST  
Deputy City Manager

Attachments

January 5, 1988  
All Districts

CONTIN  
1987 88 c  
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STATUS REPORT  
ADMINISTRATIVE CONTINGENCY  
THROUGH DECEMBER 31, 1987

DESCRIPTION	DEPARTMENT	AMOUNT	OFFSET	NET	AUTHORIZATION		
					DATE	BY	RESO #
APPROVED BUDGET		997,497		997,497	06/30/87	City Council	87-517
ADJUSTMENTS							
o Cleanup and Disposal of Contaminated Soil at Mangan Nursery & Rifle Range	Parks & Comm Svcs	-72,000	0	-72,000	08/04/87	City Council	87-610
o Special Koala Exhibit	Parks & Comm Svcs	-7,700	0	-7,700	08/04/87	City Council	87-612
o Add'l School Crossing Guards	Police	-15,000	15,000	0	09/01/87	City Council	87-713
o SACOG/SMAT Metro Study	Public Works	-16,000	0	-16,000	09/08/87	City Council	87-733
o Paralegal Assistant	City Attorney	-25,700	0	-25,700	09/15/87	City Council	87-747
o Continuation of Staff Support to the Sr. Citizens Comp Planning Task Force	Parks & Comm Svcs	-10,000	0	-10,000	09/15/87	City Council	87-751
o Restoration of Curator of History	Parks & Comm Svcs	-39,212	19,606	-19,606	11/10/87	City Council	87-941
o Emergency Hazardous Material Disposal	Fire	-17,720	0	-17,720	12/1/87	City Council	87-987
o Preparation of the South Natomas Community Plan and EIR	Planning/Development	-22,000	30,000	8,000	12/1/87	City Council	
o Furnishings Dispatch Center	Police	-5,690		-5,690	12/4/87	City Manager	
o Consultant Services-LRT Alignment Through Docks Master Plan	City Manager	-11,522		-11,522	12/4/87	City Manager	
o Natomas Interchanges/overcrossing	Public Works	-98,063		-98,063	12/8/87	City Council	
o Treasurer Operations Officer	City Treasurer	-20,310		-20,310	12/8/87	City Council	
o Natomas School Facilities Study	Planning/Development	-18,000		-18,000	12/10/87	City Manager	
o SCERS Consultant Study	Personnel	-11,202		-11,202	12/21/87	City Manager	
Total Expended				-325,513			
Total Balance - Actual				671,984			

## PENDING CONTINGENCY EXPENDITURES

Department	Description	(1)	(2)	(3)	(4)
		low	high	low	high
December 31, 1987 Balance				671,984	671,984
Mello Roos Consultant	Public Works	-160,000	-500,000	511,984	171,984
Asbestos	General Services	-24,000	-40,000	487,984	131,984
Outdoor Programming	Parks & Comm Svc	-35,000	-70,000	452,984	61,984
Sexual Assault Exam (Med Ctr)	Police	-100,000	-250,000	352,984	-188,016
Crocker Position	Parks & Comm Svcs	-8,000	-8,000	344,984	-196,016
Data Management Facility Expansion	Data Management	-150,000	-150,000	194,984	-346,016
Election Cost Overrun	City Clerk	-25,000	-40,000	169,984	-386,016
Fire Dept. Overtime	Fire	-100,000	-250,000	69,984	-636,016
13th & I st Taxes, penalties, insurance	General Services	-88,000	-88,000	-18,016	-724,016
City County Consolidation Study	City Manager	-18,000	-22,000	-36,016	-746,016
KVIE	Non Departmental	0	-350,000	-36,016	-1,096,016
Balance		-708,000	-1,768,000	-36,016	-1,096,016

CITY OF SACRAMENTO  
PROFESSIONAL SERVICES AGREEMENT AMENDMENT

This professional services agreement amendment is made at Sacramento, California, as of January 13, 1988, by and between the City of Sacramento, a municipal corporation hereinafter referred to as "City" and Arthur Young & Company, A Public Accounting Firm, 555 Capitol Mall, Suite 1490, Sacramento, California 95814, a privately held partnership hereinafter referred to as "Arthur Young," who agree as follows:

City Agreement No. 87076 is hereby amended to include the additional analysis proposed by the attached letter dated December 1, 1987 by Arthur Young, at a cost not to exceed \$20,500. The additional cost is related to Tasks 5 through 9 as identified in the agreement and will be billed as specified in the agreement. \$2,050 is identified specifically to Task 9 and will be withheld, as specified in the agreement for Task 9 payment.

CITY OF SACRAMENTO  
A Municipal Corporation

ARTHUR YOUNG & COMPANY

By: \_\_\_\_\_  
CITY MANAGER (or designee)

By: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

ATTEST:

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



# Arthur Young

555 Capitol Mall, Suite 1490  
Sacramento, California 95814-4673  
Telephone: (916) 443-6756

December 1, 1987

Mr. Michael L. Medema  
Revenue Division  
City of Sacramento  
915 I Street, Room 104  
Sacramento, California 95814

## Reference: Fee and Charge Cost Analysis Contract

Dear Mr. Medema:

This is in reference to my previous letter of November 13, 1987 concerning additional analysis of certain user fee issues, and our subsequent discussion of those issues on November 23rd. You requested that we revise our earlier cost estimates for developing direct billing fees (Option 2) and re-structure tiered fees (Option 3) for only selected development-related City services.

Attachment A summarizes our current understanding of the specific services and options for which additional analyses are desired. This understanding is based upon the materials you provided us November 23rd, plus several clarifying discussions with members of the Planning and Community Development and Public Works Departments.

Our costs to perform this additional work are estimated to be \$20,500. Of this amount, about \$11,500 would be related to Planning and Community Development Department user fees, and the balance to Public Works fees.

I also should note that John Kreft's November 19th memo to you -- which was the basis for much of the Planning and Community Development part of Attachment A -- requested several other consulting services which we have not included in our cost estimates. Specifically excluded are the following:

- (1) *An evaluation of the impact of the different billing options on various types of development.*
- (2) *Resolution of any indirect rate assumptions (being developed under separate contract) which may be contradictory to P&CD's fee structure.*
- (3) *Inclusion of nuisance abatement enforcement costs in the sign permit fees. Our assessment is that these non-specific services should be classified as "public good" or, at the most, included in departmental indirect charges.*

December 1, 1987  
Mr. Michael L. Medema  
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We would be willing to undertake items (1) and (2) above, but believe their exclusion is consistent with your definition of the scope of our work.

Please call me if you have any questions regarding our costs or the City services which we have identified for additional analysis. We will await further word from you before we proceed with data collection in the departments concerned.

Very truly yours,

ARTHUR YOUNG & COMPANY



Joseph F. Hill  
Director of Management Consulting

Attachment (1)

**SELECTED DEVELOPMENT-RELATED  
USER FEES REQUIRING ADDITIONAL  
ANALYSIS**

Service	Additional Analysis Requested:		
	<u>Option 2</u>	<u>Option 3</u>	<u>New Fee</u>
<b><u>Planning &amp; Development Department</u></b>			
Building Permit Fees		X	
Commercial Plan Check Fees	X	X	
Residential Plan Check Fees	X	X	
Planning Application Review (Multiple-Entitlement)		X	
Flood Plain Management Fees			X
<b><u>Public Works Department</u></b>			
Frontage and Other Improvements	X		
Excavation Permit	X		
Final Map	X		
Parcel Map	X		
Repaving for Utility Street Cut Fees	X		
Concrete Repaving	X		
Reassessment	X		