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DEPARTMENT OF  
ADMINISTRATIVE SERVICES  
BUDGET AND POLICY REVIEW

CITY OF SACRAMENTO  
CALIFORNIA

September 11, 2000

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City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Allocation of one-time funding

**LOCATION AND COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:**

It is recommended that the City Council (1) approve the guidelines for identifying additional General Fund Capital Improvement Projects, (2) direct staff to bring back to the City Council a project list for final adoption, and (3) approve allocation of funds.

**CONTACT PERSONS:** Gustavo F. Vina, Finance/Budget Manager 264-7138  
Ken Nishimoto, Director of ASD 264-7205

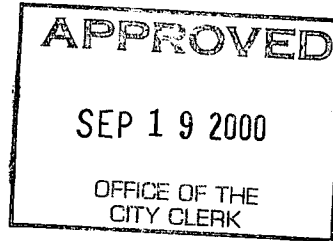
**FOR COUNCIL MEETING OF:** September 19, 2000

**SUMMARY:**

This report includes recommended guidelines for the identification of General Fund Capital Improvement Projects funded with one-time funding sources and an allocation of funds.

**BACKGROUND:**

The Approved Budget for FY2000/2001 included unallocated funds totaling \$1.2 million for General Fund Capital Improvement Projects. The objective for the use of these funds was to continue the City's reinvestment in community neighborhoods and infrastructure. Also included in the Approved Budget was \$1.6 million for the extension of the Universal Hiring Grant for the Police Department. Section 17.2 of the Approved Budget Resolution authorizes the City Manager to accept the grant funding to be used to continue funding of police officer positions for 18 months.



In June during the budget hearings, the City Council directed staff to look into possible funding of projects for City partnerships such as the Zoo, Crocker Art Museum, Fairytale Town, Old Sacramento, etc. These partnerships did not receive any funding in the General Fund Capital Improvement Program approved by the City Council in October 1999. The recommended allocation includes funding for partnership projects.

**FINANCIAL CONSIDERATIONS:**

The City Council's Approved Budget for FY2000/2001 includes \$1.2 million in General Fund funding for future programming of Capital Improvement Projects. Since the approval of the City's budget, the additional \$1.6 million for the extension of the Police Department's Universal Hiring grant has been approved and per Section 17.2 of the Approved Budget resolution, this funding is now available to the General Fund. Staff is recommending that a total one-time funding of \$2.8 million be allocated as follows:

Source of Funds:

\$1,200,000	In Approved Budget for FY2000/01
<u>\$1,600,000</u>	Extension of grant
\$2,800,000	Total available resources

Use of Funds:

\$2,000,000	(72%) Community/neighborhood projects
\$ 500,000	(18%) Partnership projects (Zoo, Crocker Art, etc.)
<u>\$ 300,000</u>	(10%) Project Contingency
\$2,800,000	Total Uses of Funds

The allocation of funds includes \$300,000 for administrative contingencies due to a number of possible fiscal impacts related to higher construction costs on capital projects, the results of the Campaign Finance Reform issue, and the outcome of the Animal Control operations review.

Additional Funding Information

The State of California budget has included \$2.8 million for transportation projects for the City of Sacramento. The allocation for these funds is still pending. Additionally, staff is waiting for final approval of ERAF (Educational Revenue Allocation Fund) funding which is estimated at \$1.5 million. As additional funding becomes available staff will report back to Council.

**POLICY CONSIDERATIONS:**

The recommended use of these funds is consistent with the City's budget policy on the use of one-time funding sources. Staff is recommending that the City Council approve the following guidelines for identifying possible projects for this funding:

- Only one-time capital expenditures will be funded
- Projects should reflect reinvestment in the community/neighborhoods
- Use of these funds cannot require or commit funding from other sources
- Funds will be appropriated into specific Capital Improvement project accounts
- If funding is used for new projects, workload impacts will be reviewed in conjunction with existing project schedules
- The available funding will not be used for a granting program

Upon approval of these recommendations and guidelines by the City Council, staff will prepare a listing of capital projects and submit to the City Council for approval by late October or early November.

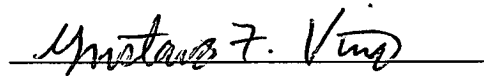
**ENVIRONMENTAL CONSIDERATIONS:**

There are no environmental considerations associated with this report.

**ESBD EFFORTS:**

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

Respectfully submitted,



Gustavo Vina  
Finance/Budget Manager

**RECOMMENDATION APPROVED:**



Robert P. Thomas  
City Manager