

9.1-96

- BUDGET WORKSHOP NUMBER TEN -

Sacramento City Council

November 4, 1992

7 - 10 P.M.

CALL TO ORDER

ROLL CALL

N O T I C E

THIS SPECIAL CITY COUNCIL MEETING IS BEING BROADCAST LIVE THIS EVENING ON METROCABLE TELEVISION GOVERNMENT CHANNEL - CHANNEL 14. A REPLAY OF THIS MEETING CAN BE SEEN THIS WEEK ON SUNDAY, NOVEMBER 8TH AT 9:00 A.M. ON METROCABLE 14.

FOR PURPOSES OF THE BROWN ACT (GOVERNMENT CODE SECTION 54954.2(a), THE NUMBERED ITEMS AS SHOWN ON THIS AGENDA GIVE A BRIEF GENERAL DESCRIPTION OF EACH ITEM OF BUSINESS TO BE TRANSACTED OR DISCUSSED AT THIS MEETING. THE RECOMMENDATIONS OF THE STAFF, AS SHOWN, DO NOT PREVENT THE CITY COUNCIL FROM TAKING OTHER ACTION.

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9.0 STAFF REPORTS (EVENING)

9.1 Transient Occupancy Tax Funding for the Community Groups
[verbal presentation]

RECOMMENDATION OF STAFF: FOR COUNCIL INFORMATION AND DIRECTION

9.2 Follow-up: Parks and Community Services Department
[verbal presentation]

RECOMMENDATION OF STAFF: FOR COUNCIL INFORMATION AND DIRECTION

9.3 Follow-up: Community/Convention Center
[verbal presentation]

RECOMMENDATION OF STAFF: FOR COUNCIL INFORMATION AND DIRECTION

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9.4 Follow-up: Mayor/Council Office
[verbal presentation]

RECOMMENDATION OF STAFF: FOR COUNCIL INFORMATION AND DIRECTION

9.5 Follow-up: Charter Officers
[verbal presentation]

RECOMMENDATION OF STAFF: FOR COUNCIL INFORMATION AND DIRECTION

9.6 Discussion on Citywide core services and funding policies
[verbal presentation]

RECOMMENDATION OF STAFF: FOR COUNCIL INFORMATION AND DIRECTION

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ADJOURNMENT

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9.1 -
9.6

COMMUNITY CENTER FUND - COMMUNITY GROUPS FUNDING

DESCRIPTION	1991-92 Funding Level	1992-93 Funding (Less 5%)	Difference	1992-93 Total Emergency Funding
COMMUNITY CENTER FUND				
Sports Commission	\$ 56,000	\$ 53,200	\$ 2,800	
SACTO	100,000	95,000	5,000	
Old Sacramento Management Board	117,000	111,150	5,850	\$ 44,863
Chamber of Commerce (Capitol to Capitol)	8,600	0	8,600	
Sub Total Community Center Fund	\$ 281,600	\$ 259,350	\$ 22,250	\$ 44,863

GENERAL FUND T.O. TAX - COMMUNITY GROUP FUNDING

DESCRIPTION	1991-92 Funding Level	1992-93 Funding	Difference	1992-93 Total Emergency Funding
GENERAL FUND TRANSIENT OCCUPANCY TAX FUNDING				
Symphony	\$ 200,000	\$ 200,000	\$ 0	
Regranting	\$ 205,500	205,500	0	
Convention Bureau	\$ 405,500	405,500	0	
Sub Total General Fund TOT	\$ 811,000	\$ 811,000	\$ 0	

10-1
(cont.)

GENERAL FUND - COMMUNITY GROUPS FUNDING

DESCRIPTION	1991-92 Funding Level	1992-93 Funding (Less 5%)	Difference	1992-93 Total Emergency Funding
GENERAL FUND				
Area 4 Agency on Aging	\$ 52,000	\$ 49,400	\$ 2,600	\$ 8,487
Human Rights/Fair Housing	35,000	33,250	1,750	
Mediation Center	30,000	28,500	1,500	\$ 18,526
Community Service Planning Council	30,000	28,500	1,500	
Hunger Commission	18,250	17,337	913	\$ 9,963
Police Athletic League	25,000	23,750	1,250	\$ 3,072
Trees for Tomorrow	23,450	22,277	1,173	
Cultural Exchange	7,500	7,125	375	
Stanford Settlement	10,000	9,500	500	
Camellia Center	74,300	70,585	3,715	\$ 19,218
Asian Community Center	11,160	10,602	558	
Cultural and Entertainment District	125,000	118,750	6,250	
Oak Park Concert	11,000*	10,450	550	
Sierra Curtis Neighborhood Association	See Below**			
Sub Total General Fund	\$ 452,660	\$ 430,026	\$ 22,634	\$ 59,266

* The Oak Park Concert Series converted from a loan to a grant.

** The loan to Sierra Curtis Neighborhood Association renegotiated from being payable in 5 annual installments to being payable in 12 annual installments.

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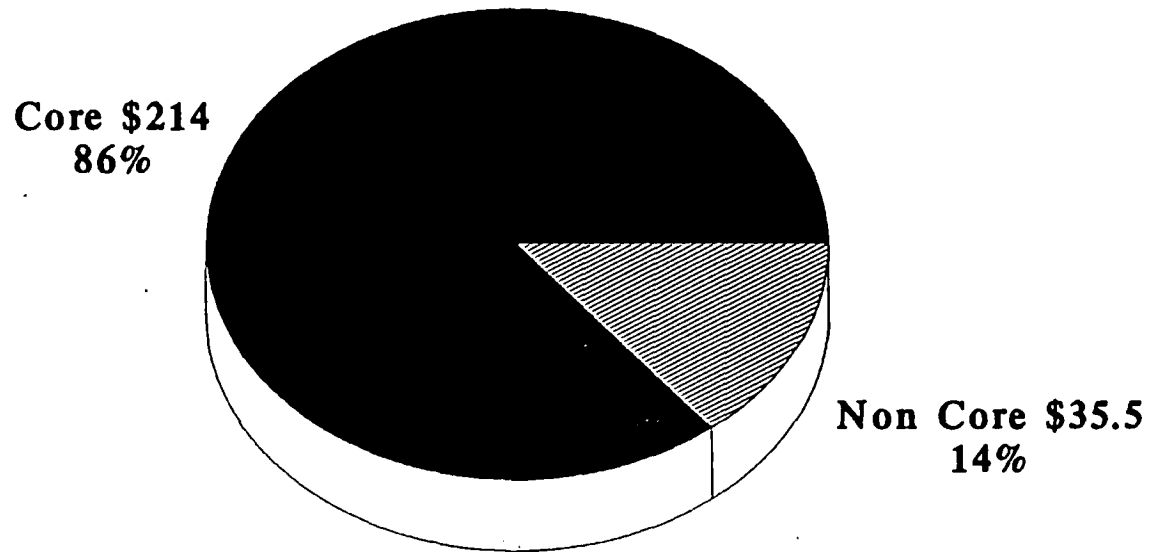
Policy Direction-Parks & Community Services

1. Support groups, organizations, and neighborhood associations should be encouraged to help in the maintenance and upkeep of the City's Parks and Open Space.
2. City owned cultural and recreational facilities should endeavor to provide basic cultural and recreational activities to the community. In conjunction with their affiliated non-profit organization, these facilities should work towards reducing their General Fund subsidies.

Policy Direction-Community/Convention Center

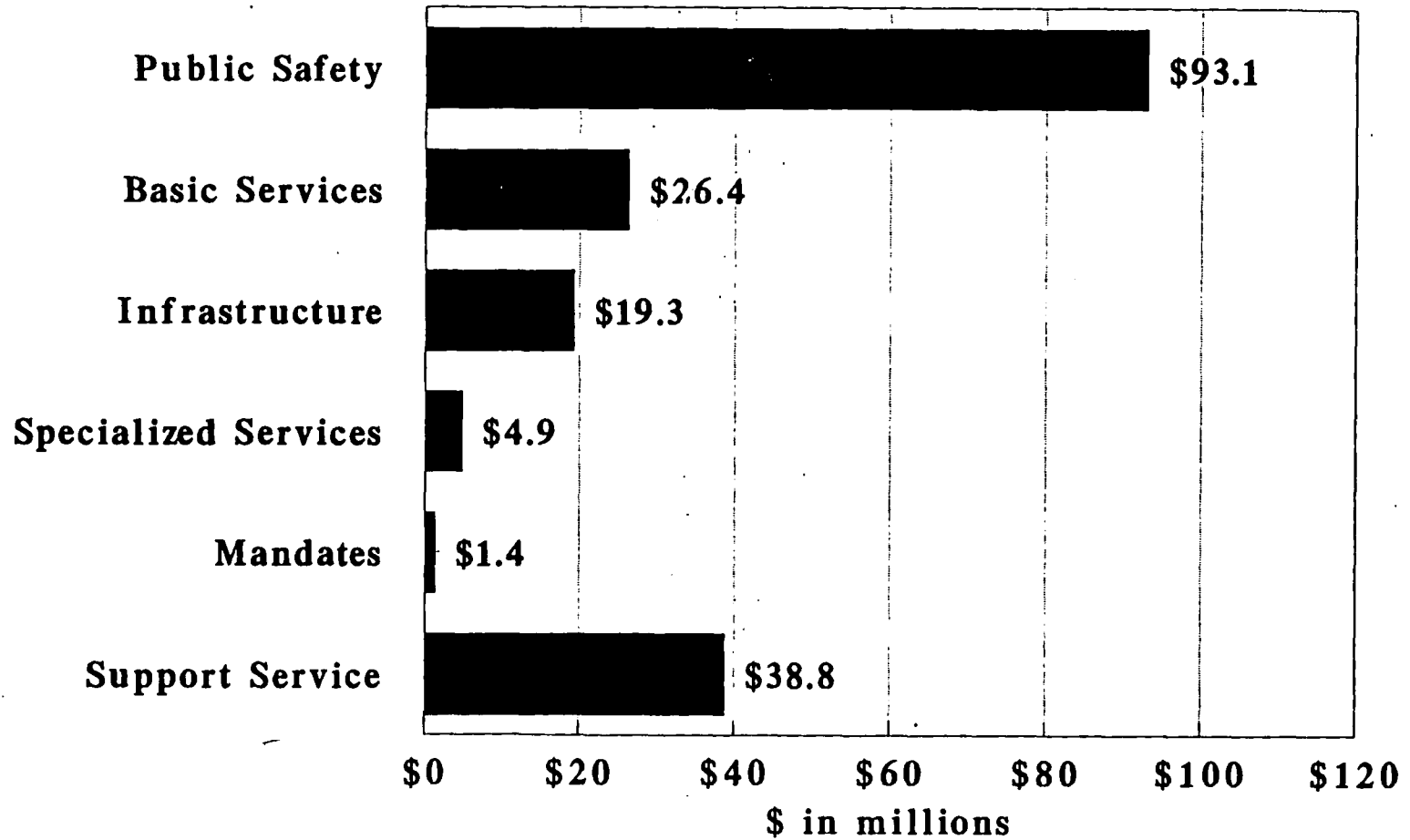
1. The City should endeavor to provide an enhanced level of maintenance and services at the Sacramento Community/Convention Center in order to preserve the economic asset to the community, provide a strong anchor to the downtown, and sustain a quality venue for culturally diverse, educational and entertainment activities.

CORE vs NON-CORE General Fund

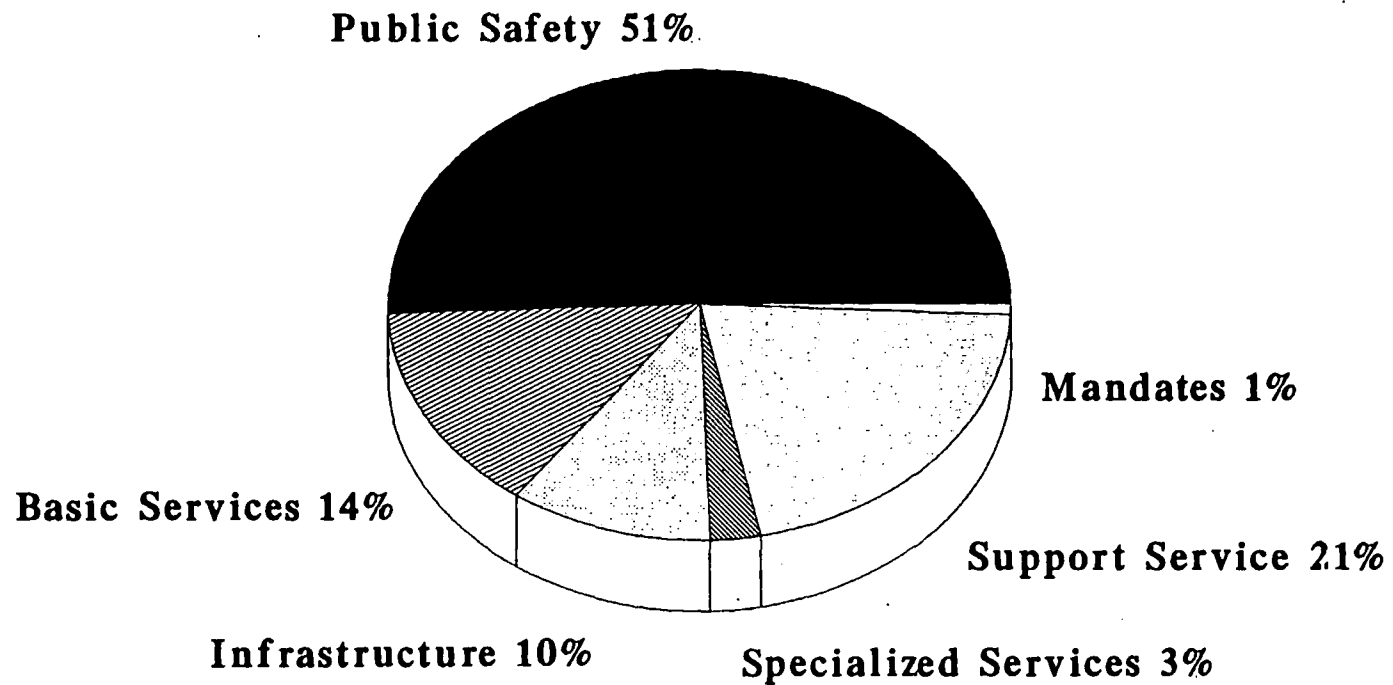


\$ in millions

CORE BY CATEGORY (\$ Amount) General Fund



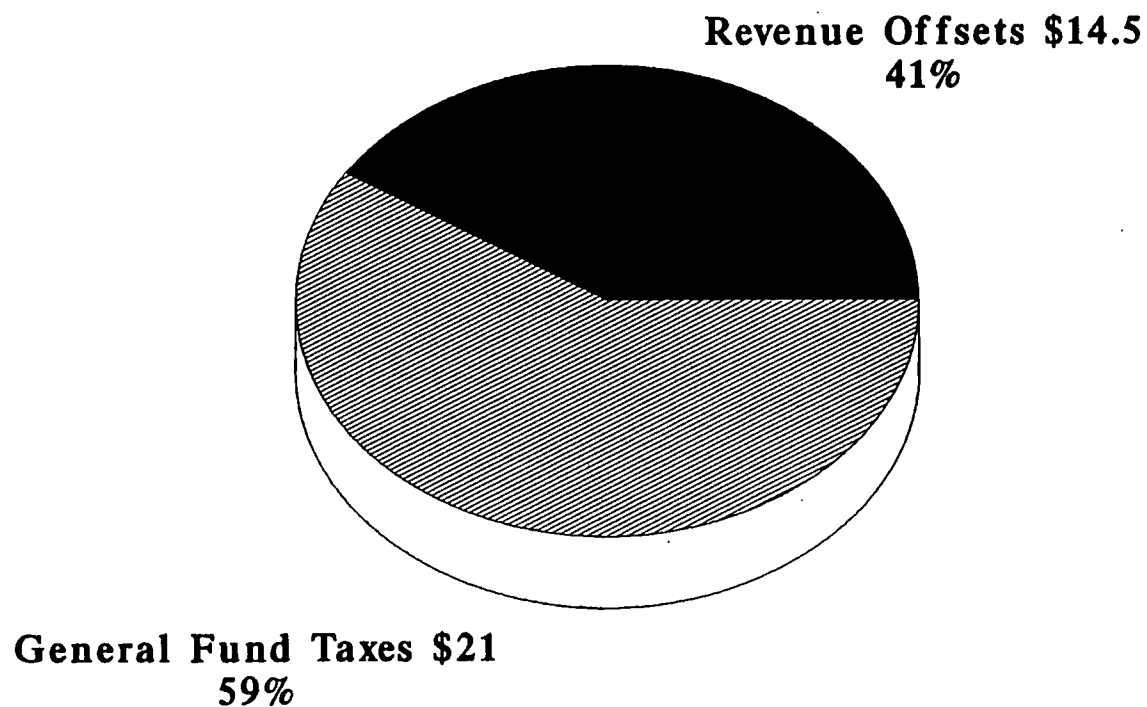
CORE BY CATEGORY (% of Total) General Fund



\$ in millions

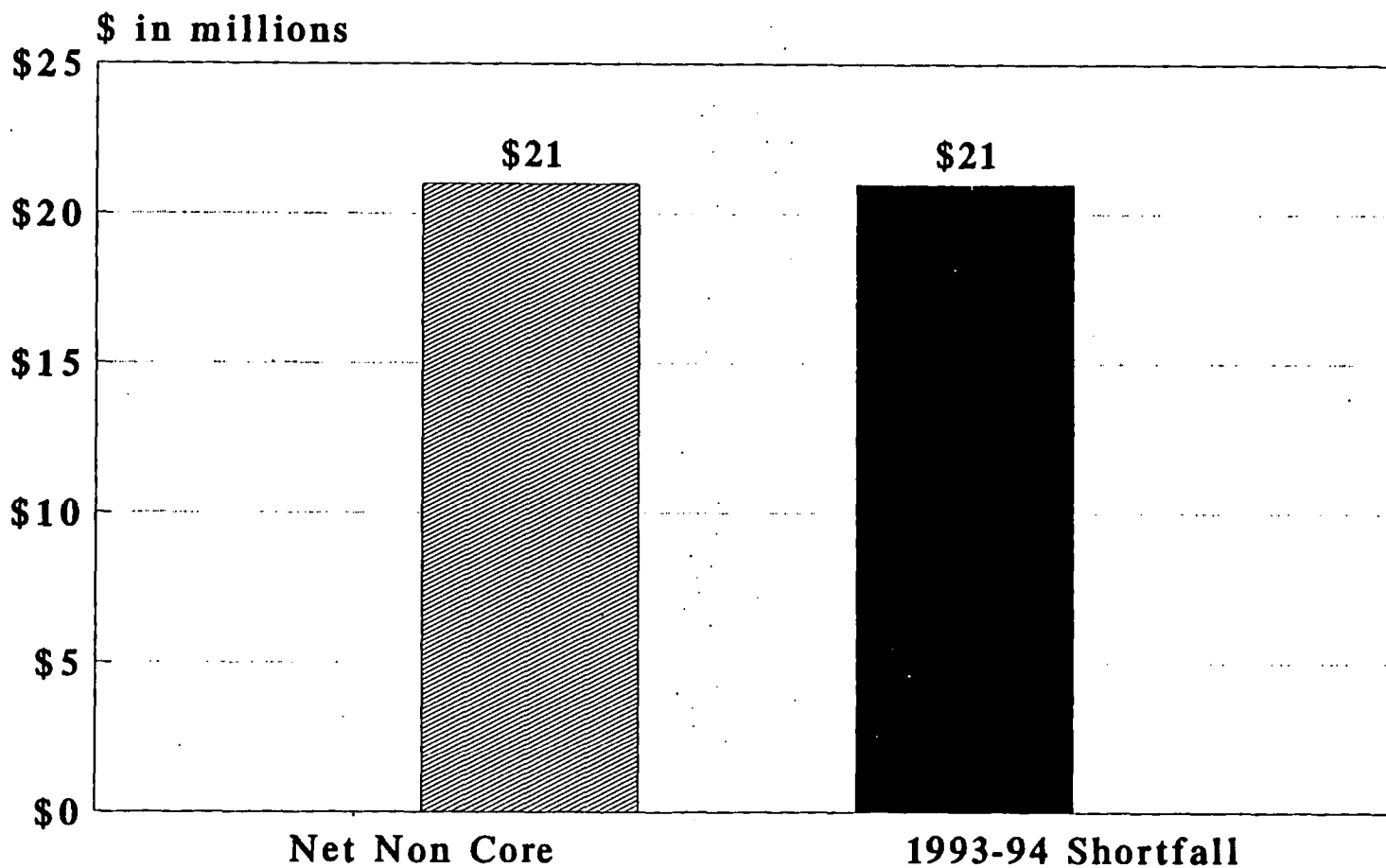
REVENUE OFFSETS

Non-Core



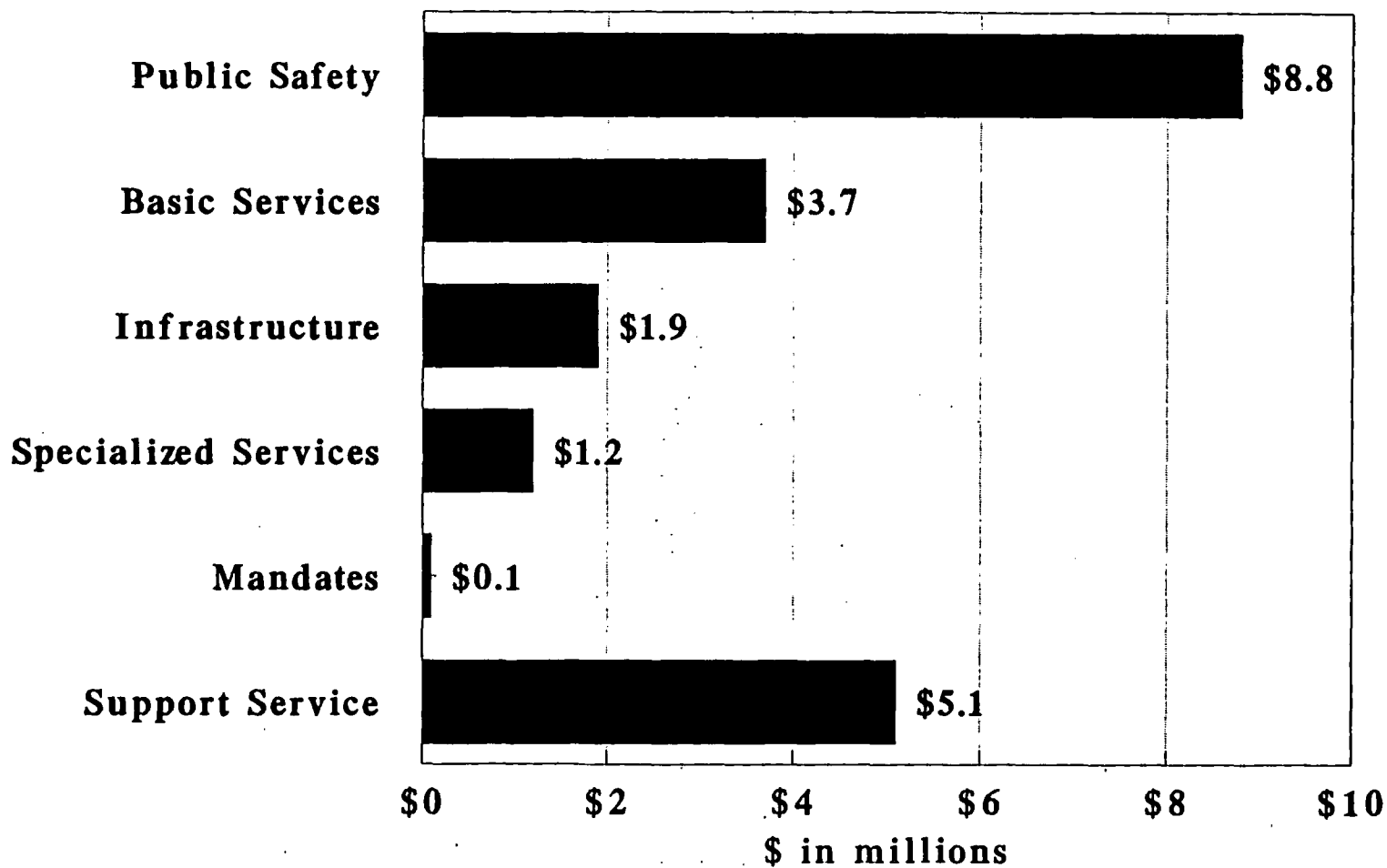
\$ in millions

Non Core vs Shortfall General Fund



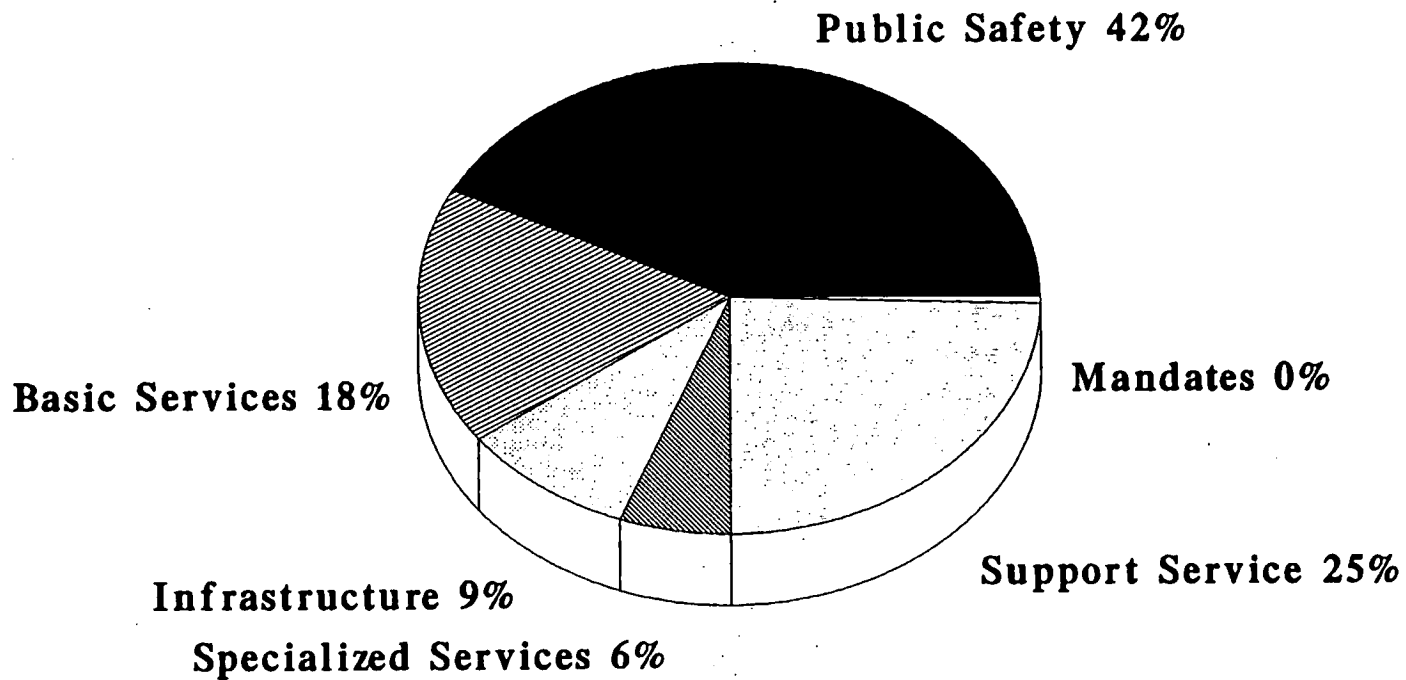
NET NON-CORE BY CATEGORY

\$ Amount



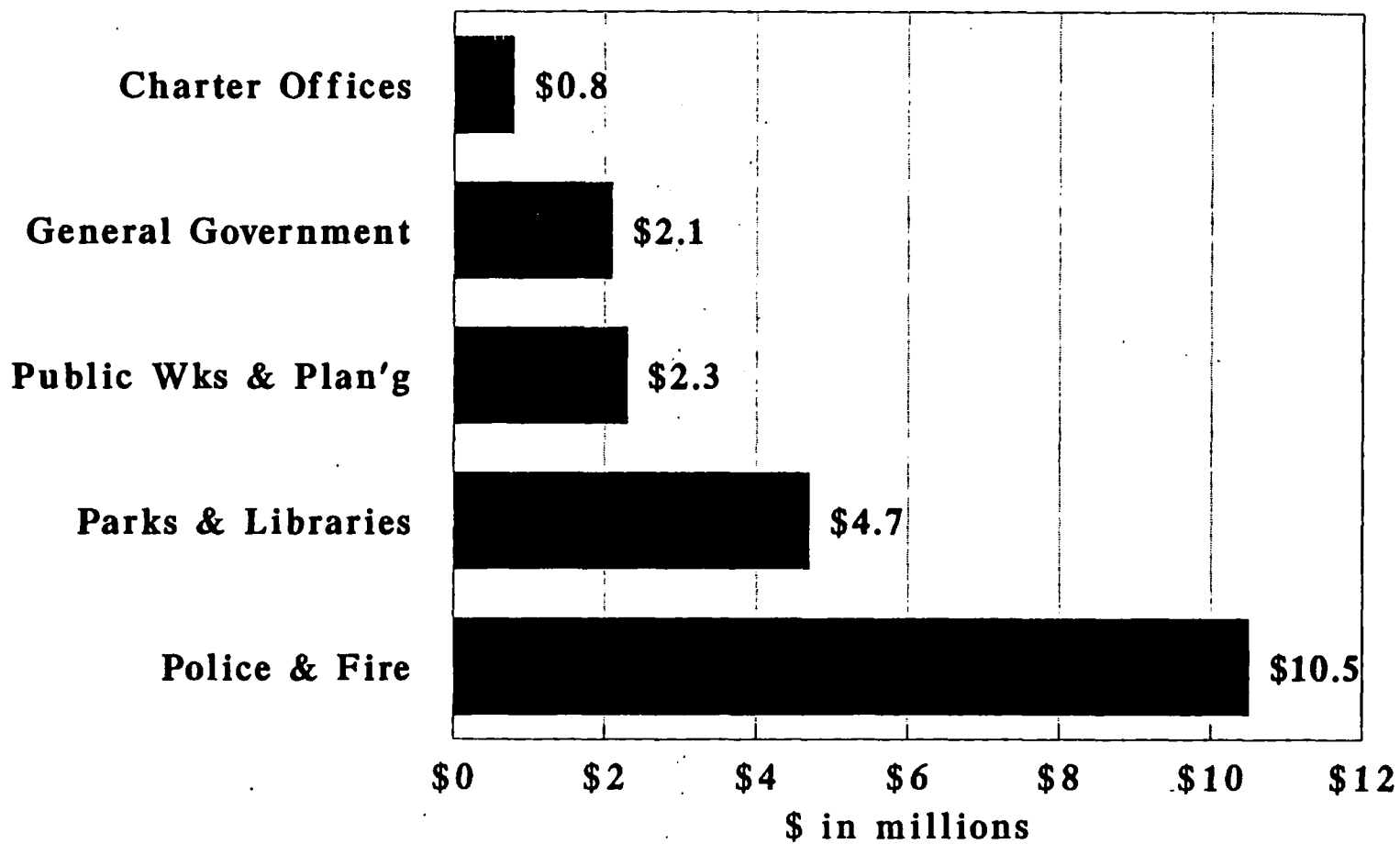
NET NON-CORE BY CATEGORY

Percent of Total



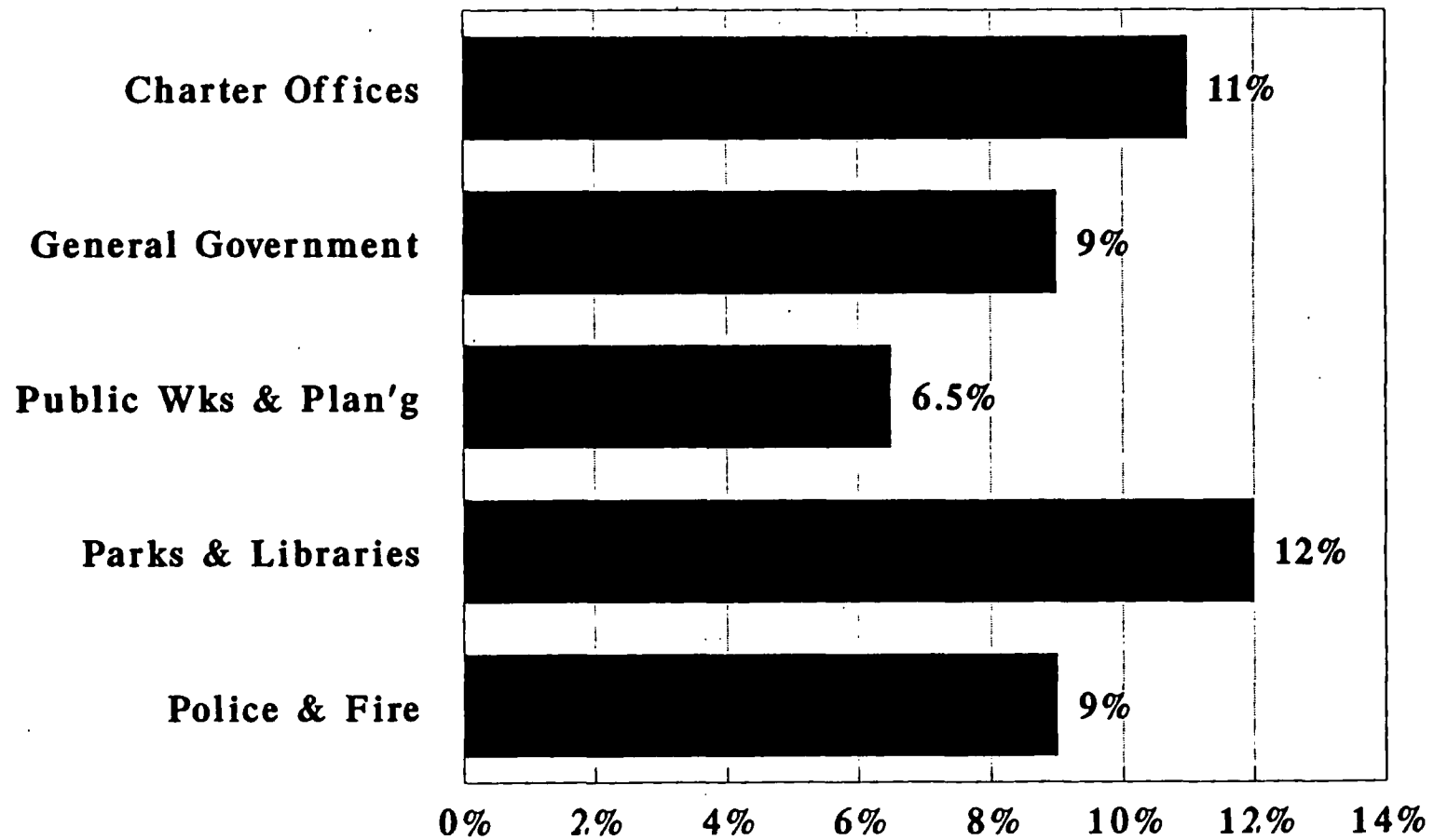
\$ in millions

Net Non Core By Department Groups



PERCENT NET NON-CORE

By Department Groups



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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION ADOPTING BUDGET PRINCIPLES, POLICIES AND DEFINITIONS TO BE USED IN BALANCING THE 1992-93 BUDGET AND PREPARING THE 1993-95 BUDGET

WHEREAS, the total Revenue-Expenditure gap for 1992-93 has been projected at \$24 million. Of this amount, \$13 million was fixed in June 1992. The remaining \$11 million gap is addressed in this resolution.

WHEREAS, the approach approved by the City Council to maintain a balanced budget in 1992-93 has been to utilize one-time expenditure adjustments and one-time revenue sources in order to provide time to address the on-going fiscal problem faced by the General Fund; and

WHEREAS, the City Council has been informed that the General Fund is facing a projected \$21 million deficit in 1993-94 due to the continuing slowdown in the State and local economy and the shifting of City revenue to the State; and

WHEREAS, the City Council has expressed its intent to structurally adjust the 1993-95 Budget to bring expenditures and resources into balance in order to create long term fiscal stability to the General Fund; and

WHEREAS, the City Council has held eleven Budget Workshops to review the major categories of programs that are provided by the City and review what values and policies are to be emphasized in the 1993-95 Budget; and

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RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the City Council has accepted the Budget Decision Tree methodology presented during the Budget Workshops to categorize programs between Core and Non-Core based on what services are most important for the City to provide; and

WHEREAS, the City Council has stated its intent to fund Core programs prior to the funding of programs which are Non-Core, new or augmented; and

WHEREAS, the City Council has expressed a general consensus that most of the programs currently provided by City Departments should be continued albeit at perhaps reduced service levels; and

WHEREAS, in an environment of limited fiscal resources a balance must be struck between spending to maintain infrastructure at a minimum reasonable standard and adequate staffing of operations; and

WHEREAS, the Budget Decision Tree provides a framework which facilitates resource allocation between very diverse and sometimes conflicting goals; and

WHEREAS, an inclusionary effort has been embarked upon which will open the budget process to community groups, business groups, individual citizens and employees; and

WHEREAS, the Budget Decision Tree serves to identify linkages between departments that provide different components of the same program; and

WHEREAS, the New Directions Task Force, comprised of labor and management representatives, has been formed to identify, define, and make recommendations to the City Manager on issues of restructuring, so that quality City services can be delivered as efficiently and effectively as possible especially given severely limited resources; and

WHEREAS, the City Council has stated that with a decentralized work force already in place, effort shall be made to use existing resources more efficiently, including efficiencies to be gained through functional consolidation of various City and other agency programs and integration of these programs into the neighborhoods and communities served;

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1992-93 Budget Fix

Section 1. The City Manager is authorized to offset the projected lower 1992-93 General Fund revenues through a combination of keeping certain positions vacant, limiting travel requests, and utilizing the Reserve for Economic Uncertainty.

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Section 2. The 1992-93 Approved Operating Budget for the Parks and Community Services Department is hereby decreased, as shown on Attachment A, to reflect the reduction in Sacramento County support for jointly funded programs.

Section 3. The 1992-93 Approved Operating Budget for Community Groups is hereby adjusted, as shown on Attachment B, reflecting generally a 5% reduction over prior funding levels.

1993-95 Budget Process

Section 4. The Flow Chart shown on Attachment C illustrates the flow of information and input which will culminate in the 1993-95 Proposed Budget being presented to the City Council in May, 1993.

Section 5. In preparation of the 1993-95 Proposed Budget, the City Manager shall review all City programs and categorize them as either Core or Non-Core based on the policies and definitions set forth in this resolution. The evaluation of Core and Non-Core programs will address the service levels provided and will recognize that an enhanced service level of a Core program is by definition Non-Core.

Section 6. The City Manager shall work towards increasing the efficiencies of City operations in an effort to free up existing resources. This effort shall include working with the New Directions Task Force.

Section 7. All Core programs will be funded at minimum service levels prior to funding any Non-Core program, new program or program expansion.

Section 8. Any Non-Core programs proposed for funding shall be the buffer within which revenue losses or the costs of new/augmented programs shall, to the extent possible, be absorbed.

Section 9. Non-Core programs that are fully self supporting (including direct and indirect costs) shall have funding priority over non self supporting or partially self supporting programs. Funding of other Non-core programs, if any, shall be based on providing a balanced menu of City programs in relation to the relative priorities embodied in the Budget Decision Tree.

Section 10. The City Manager shall review the relationships that various non-profit organizations have with the City and shall strive to enhance the operating support that those organizations provide to the City.

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Section 11. Parks and Community Services operations which have traditionally been jointly funded by the City and County should be adjusted to maintain traditional funding proportions. It is recognized that the 1992-93 budget does not conform with traditional cost sharing arrangements.

Section 12. The City Manager shall present a report back prior to the Midyear Review which: (a) updates the Council on the programs/service levels which are included in Core and Non-Core and (b) provides a general impact statement on what can be expected if \$21 million of non-core programs are eliminated.

Section 13. The City Manager shall develop an incentive program whereby efficiency savings generated in funded programs will be shared with the department that initiates the recommendation.

Section 14. The City Manager is directed to develop a set of criteria which will guide the evaluation of future Community Group funding requests. This criteria will be consistent with the Budget Decision Tree and shall give greater consideration to those groups that can most effectively enhance any City contribution with community support and benefit.

Budget Decision Tree Definitions

Section 15. The following policy statements shall define the Budget Decision Tree. The program categories are presented in a prioritized order.

- A. **Public Safety:** Public safety programs seek to promote and ensure the safety of our citizens and their property.

Core: Programs which provide a base level of protection to all citizens in all areas of the City. Base levels of protection should be defined in terms of acceptable response times for the most critical services and should address the basic needs of the overall city at the Neighborhood level.

Examples:

- Police Patrol
- First Response teams for medical emergencies (Fire Dept.)
- Hazardous Building inspections

Non-core: Programs which provide specialized service to Non-Core target areas or target populations. Programs which increase general protection programs above the base level.

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RESOLUTION NO.: _____

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Examples:

- K Street Mall Bicycle Patrol

- B. **Basic Services:** A minimum, basic level of municipal services should be provided to all residents of the City regardless of geographic location. These services are established to maximize the base level of service which can be provided to the greatest number of people. Basic services tend to focus on public goods as opposed to services which can be incrementally purchased by individuals.

Core: Core basic services tend to be those services which satisfy the minimum requirements of the general population.

Example:

- Weekly garbage pick up
- Basic public park maintenance
- Basic access to a public library
- Basic access to city council

Non-Core: The non-core programs tend to be extensions of core services which are offered to limited groups of people or in limited parts of the City. Also included are enhanced service levels which are available to broad groups of people.

Example:

- Special neighborhood transportation studies
- Planting of annual flowers in the parks

- C. **Development and Maintenance of Infrastructure:** The City must develop and maintain basic infrastructure (e.g. street, water, sewer, storm systems). The City also has a responsibility to add to the quality of the cultural as well as economic life of the City (e.g. museums, libraries, convention center). It is also necessary to provide the infrastructure necessary to support other core programs (e.g. fire stations, police substations, office space for staff).

Core: The development and maintenance of infrastructure that supports core programs.

Example:

- Pavement maintenance
- City Hall maintenance

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RESOLUTION NO.: _____

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Non-Core: The development and maintenance of infrastructure that supports non-core programs

Example:

- Development of new S.Area Golf course
- Maintenance of Camp Sacramento

- D. **Specialized Services:** Special services to certain target populations are essential to the long term social and economic health of the community and its residents. These special services to target populations include: those disadvantaged in education, physical or mental ability, and economic wealth; in particular, disadvantaged children and seniors.

Core: Core specialized services recognize that certain groups of people or certain areas in the City require a higher or different level of service in order to correct a particular problem or situation. These programs tend to address a pressing public societal need. It is recognized that limited public resources precludes addressing all of the special needs of all of the targeted populations at one time and that it may be necessary to rotate services amongst eligible groups. Those groups which actively participate with the City in addressing special needs shall be given priority.

Example:

- Fire Prevention programs targeted to youth and seniors

Non-Core: Some specialized services are provided to groups of people or areas of the City not because of a pressing public policy need but because of a historical precedent or an ability to pay. These programs tend not to address pressing public social needs but rather private individual desires. Some specialized programs are assigned to Non-core because financial limitations prevent their funding.

Example:

- Camp Sacramento
- Adult Softball programming

- E. **Compliance with Mandates:** Programs in this category are provided by the City because they do not programatically fit in the categories above, but are mandated by some authority. Mandates which are consistent with City priorities depicted in the other categories are not listed here because the City would have provided the program irrespective of the mandate.

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Core: Programs in this area are mandated by the vote of the people or by a higher level of government and the opportunity to repeal or change the mandate is minimal.

Example:

- Legal noticing required by State law that the City Council would not otherwise require.
- Jail Booking Fees

Non-Core: These programs go beyond the level required under the core definition, or there is reasonable probability that a change or repeal of the mandate can be obtained. Also included here are programs which have been self-imposed by the City, but do not clearly fall into one of the categories above.

Example:

- Landfill diversion in excess of State Law.

Section 16. In addition to the program categories described in Section 12, it is recognized that Administrative and Support Services are required in order for direct services to be provided. Core Support Service programs should reflect the level of direct services which are defined as Core and are defined as follows.

Support Services: Every organization requires certain services to sustain itself. These services can be provided internally or from external sources. Support services ensure the on-going viability of an organization in terms of internal support and in terms of creating an external environment which is supportive of the organization.

Core: Core programs are those which support Core programs and are essential for the effective operation of the organization. Also included are programs that work towards developing a flourishing economy which will sustain a growing, maturing city.

Example:

- Basic administrative leadership
- Personnel functions;
- Fleet maintenance
- Economic Development
- Payroll
- Police reports and records

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Non-Core: These programs support Non-Core programs as well as provide direction into the future (i.e. strategic planning, policy development) and focus on improving the effectiveness and efficiency of current programs as well as new program development.

Example:

- Strategic Planning
- Training, Career development
- Affirmative Action outreach
- Policy analysis

MAYOR

ATTEST

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____

ATTACHMENT A

PARKS & COMMUNITY SERVICES

Organization	1992-93 City Budget	Reduction due to: County Funding	Impact
Metro Arts Administration and Re-granting	\$ 355,834	\$ -61,250	Freeze 1.0 position and reduction in special event funding
History and Museum Center	\$ 488,245	\$ -64,500	Staff reductions of .40 FTE, close an additional day a week, reduced preservation efforts
Science Center and Jr. Museum	\$ 555,059	\$ -42,524	Staff reductions of 1.50 FTE and close animal hall
Archives and Collections	\$ 343,339	\$ -49,000	Staff reductions of 1.0 FTE and reduced climate control.
Sports Commission	\$ 81,000	\$ -25,000	Reduced promotion of pro-football franchise or other professional sports.
Total	\$1,823,477	\$ -242,274	

ATTACHMENT B

COMMUNITY GROUPS FUNDING

DESCRIPTION	1991-92 Funding Level	1992-93 Funding (Less 5%)	Difference	1992-93 Total Emergency Funding
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New Directions Process

