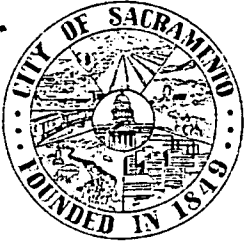


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CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

January 31, 1980

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Budget Policy Resolution

We have attached the proposed budget policy resolution which will be reviewed and approved by the Budget and Finance Committee at their meeting on February 5, 1980.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution.

Respectfully submitted,

William H. Edgar

William H. Edgar
Assistant City Manager

Recommendation Approved:

Walter J. Slipe

Walter J. Slipe
City Manager

FILED

By the City Council
Office of the City Clerk

*REFER TO
BUD. + FIN. COMM*

FEB 5 1980

RESOLUTION NO.

Adopted by The Sacramento City Council on date of

RESOLUTION ESTABLISHING BUDGET POLICIES AND GUIDELINES FOR 1980-81 FISCAL YEAR

WHEREAS, The City Council and the Budget and Finance Committee have been presented with a budget policy memorandum together with a Preliminary Economic Report, a General Government Fund Balance Analysis, a General Fund Revenue Forecast, and an Analysis and Calculations of the City's "Appropriation Limit" Under the provisions of Proposition 4 (Gann Initiative);

WHEREAS, The "preliminary" fiscal year 1980-81 financial analysis indicates the rise in municipal revenues together with carryover available fund balances will support a no-growth budget given no significant changes in local economic conditions and/or level of Federal and State subventions to the City;

WHEREAS, Prudent financial planning requires that the City, anticipate the impact of the June 1980 Jarvis II State Income Tax Initiative.

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

Section 1. That the City Council endorses the general concept of preparing the fiscal 1980-81 Preliminary Budget (s) assuming that the June 1980 Jarvis II State Income Tax Initiative will be approved by the voters.

Section 2. That the City Council preliminarily anticipates the impact of the Jarvis II Initiative will be, at minimum, a loss of \$5 million in revenue to support the General Government Fund activities of the City.

Section 3. That the City Manager is instructed to prepare the General Government portion of the 1980-81 Preliminary Budget (s) at a minimum level of \$5 million below the existing (1979-80) service level costs as adjusted for certain known cost increases.

Section 4. That the City Manager is instructed to make the necessary reductions using the following priority listing of services as a general guideline:

Public Safety
Enterprise
Public Works
Community Services
Administrative/Support

Section 5. That the City Manager is instructed to prepare the remaining portion of the operating preliminary budget (s) such as the enterprise activities at a no-growth level, ~~or less~~ depending upon whether the existing or proposed revenue sources support the related activities.

By the City Council
Office of the City Clerk

FEB 5 1980

- Section 6. That the City Manager is instructed to prepare a separate report regarding budget additions which could be restored in priority order in the event circumstances justify their reinstatement.
- Section 7. That the City Council indicate its intention to not levy an add-on ad valorem property tax for either general obligation debt service or local retirement pension costs until conditions are such that the add-on levy is absolutely necessary to maintain City services.
- Section 8. That the City Council endorse the concept of utilizing up to 100% of Federal General Revenue Sharing Funds to support general government operations.
- Section 9. That the City Council intends to maintain an unappropriated available General Government Fund Balance approximately equal to 7% of General Government expenditures (\$5.4 million) which is subject to change after the June 1980 State-wide election, in addition to the \$1.0 million "cash basis reserve" required for dry period working capital financing.
- Section 10. That the 1980-81 funding for the Contributions to Other Governmental Agencies, Entertaining and Advertising, and Contributions to Other Agencies be established, at a maximum, at \$200,000 for all of the activities related to these budget units.
- Section 11. That the City Council formally approves the closure of the AB-8 State Assistance Fund effective June 30, 1980 and that all future receipt of revenues from this source to be considered as General Government Fund Revenue.
- Section 12. That any revenue growth from the Transient Occupancy Tax, in excess of that required to operate the Community Center on a self-supporting basis and the Convention Bureau, be considered first for total repayment of the debt to the General Fund and then for Capital Improvements with directly benefit activities related to the source of the revenue.
- Section 13. That the City Council does not intend to approve any new or expanded programs beyond the amended 1979-80 budget service level unless cost savings can be demonstrated.
- Section 14. That generally, General Government fees or charges may be increased in accordance with the demonstrated need for the increases and the existing costs of activities related to the revenues.
- Section 15. That with specific reference to the "Lawn and Garden Excise Tax", the City Manager is instructed to prepare a report and recommendation regarding the legal and administrative feasibility of converting the existing "Excise Tax" to a "User Fee". This report and recommendation is to be submitted to the City Council prior to the presentation of the 1980-81 Preliminary Budget.
- Section 16. That the City Manager is directed to prepare a report and related budget amendments necessary to correct the current Fiscal 1979-80 Budget deficiencies (estimated at \$1.0 million) related to vehicle operating costs.

Section 17. That this resolution shall become effective immediately upon its passage and adoption.

MAYOR

ATTEST:

CITY CLERK

ORIGINAL RESOLUTION

RESOLUTION NO.

Adopted by The Sacramento City Council on date of

RESOLUTION ESTABLISHING BUDGET POLICIES AND GUIDELINES FOR 1980-81 FISCAL YEAR.

WHEREAS, the City Council and the Budget and Finance Committee have been presented with a budget policy memorandum together with a Preliminary Economic Report, a General Fund Balance Analysis, a General Fund Revenue Forecast, and an Analysis and Calculations of the City's "Appropriation Limit" Under the provisions of Prop. 4 (Gann Initiative);
WHEREAS, the "preliminary" fiscal year 1980-81 financial analysis indicates the rise in municipal revenues together with carryover available fund balances will support a no growth budget given no significant changes in local economic conditions and/or level of Federal and State subventions to the City.

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

- Section 1. That the City Council endorses the general concept of preparing the fiscal 1980-81 preliminary budget(s) assuming a no growth budget defined as the amended 1979-80 budget adjusted for known cost increases such as social security, unfunded pension costs, and anticipated energy and employee service cost increases.
- Section 2. That the City Council endorses the general concept of making no budget planning decisions with respect to the affect of the June 1980 Jarvis II State Income Tax Initiative until after the June 1980 election. It is simply acknowledged that a loss of State subvention revenues will occur if the initiative passes.
- Section 3. The City Council also expresses its support of the City Manager's budget instructions which require the departments to prepare alternative budgets at reduced levels in the event that circumstances require that they be implemented.
- Section 4. That the City Council indicate its intention to not levy an add-on ad valorem property tax for either general obligation debt service or local retirement pension costs until conditions are such that the add-on levy is absolutely necessary to maintain City services.
- Section 5. That the City Council endorse the concept of utilizing a 100% maximum of Federal General Revenue Sharing Funds to support general government operations.
- Section 6. That the City Council intends to maintain an unappropriated available General Fund Balance approximately equal to 7% of General Government expenditures (\$5.4 million) (subject to change after the June 1980 State-wide election), in addition to the \$1.0 million "cash basis reserve" required for dry period working capital financing; and that the City intends to use at minimum \$.7 million of carryover fund balance to balance the 1980-81 Operating Budget.
- Section 7. That the 1980-81 funding for the Contributions to Other Governmental Agencies as well as Entertainment and Advertising be maintained at near the 1979-80 level and that the Contributions to Other Agencies budget be eliminated.

SECTION 8. That the City Council formally approves the closure of the AB-8 State Assistance Fund effective June 30, 1980 with all future receipt of revenues from this source to be considered as General Fund Revenue.

Section 9. That any revenue growth of Transient Occupancy Tax in excess of that required to operate the Community Center on a self-supporting basis be considered first for Community Center Capital Improvement Projects before allocation to other purposes.

Section 10. That the City Council does not intend to approve any new or expanded programs beyond the amended 1979-80 budget level unless cost savings can be demonstrated.

Section 11. That generally, General Government fees or charges will not be increased in accordance with Council resolutions related to cost-of-living acceleration provisions. However, separate recommendations for fee increases may be presented with respect to specific revenue sources.

Section 12. That the City Manager is directed to prepare a report and related budget amendments necessary to correct the current Fiscal 1979-80 Budget deficiencies (estimated at \$1.0 million) related to vehicle operating costs for gas and oil.

Section 13. That this resolution shall become effective immediately upon its passage and adoption.

MAYOR

ATTEST:

CITY CLERK



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET

CITY HALL ROOM 203


SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 449-5426

LORRAINE MAGANA
CITY CLERK

MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: HARRY O'HAGIN, DEPUTY CITY CLERK 

SUBJECT: REFERRAL OF ITEM NO. 27, AGENDA OF FEBRUARY 5, 1980

DATE: FEBRUARY 6, 1980

Pursuant to Council action, the following subject matter is referred to your committee for hearing, report and recommendation: Res. establishing budget policies and guidelines for FY 1880-81.

cc: City Manager
Assistant City Manager (W. Edgar)