



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

PUBLIC HEARING
June 1, 2010

**Honorable Mayor and
Members of the City Council**

Title: 2010-2015 Capital Improvement Program, FY2010/11 Capital Improvement Budget and Supplemental Budget Information

Location/Council District: Citywide

Recommendation: (1) Conduct a public hearing on the 2010-2015 Capital Improvement Program (CIP) and the Fiscal Year 2010/11 (FY2010/11) CIP Budget and upon conclusion adopt an intent motion to approve as proposed; and (2) Receive Supplemental Budget Information.

Contact: Leyne Milstein, Finance Director, 808-8491; Dawn Holm, Principal Management Analyst, 808-5574

Presenters: Dawn Holm, Principal Management Analyst

Department: Finance

Division: Budget Office

Organization No: 1140

Description/Analysis

Issue: The 2010-2015 CIP is a five-year expenditure plan that addresses the City's current and future fiscal needs related to capital projects and includes a proposed one-year CIP budget for FY2010/11. Capital projects include procurement, construction or installation of facilities and equipment that will have a useful life of at least five years and a cost in excess of \$20,000. The Proposed CIP includes:

- The FY2010/11 CIP Budget totaling \$69.7 million from all funding sources (\$68,856 in General Funds), funding 141 projects; and
- A five-year expenditure plan totaling \$318.7 million from all funding sources (\$17 million in General Funds), funding 174 projects.

The Proposed CIP is available for review at <http://www.cityofsacramento.org/budget>.

In addition to the CIP, this report provides supplemental budget information (SBI) requested during previous budget hearings. An index of the questions received to date is included as Attachment 1, followed by responses. Additional information will be provided during subsequent budget hearings as the information is completed.

Policy Considerations: The Proposed FY2010/11 CIP Budget is consistent with Council's adopted policies and plans, which include the City's Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. The Planning Commission Department has reviewed the Proposed 2010-2015 CIP and has found it consistent with the City of Sacramento General Plan as required by Section 65401 of the California Government Code. Additionally, the projects included in the CIP have been reviewed for consistency with adopted City Council policies and master plans.

Committee/Commission Action: The Sacramento City Code (section 2.112.060) requires that the CIP be presented to the Planning Commission. The CIP was forwarded to the Planning Commission by the Community Development Staff, and on May 13, 2010, the Planning Commission found the 2010-2015 CIP consistent with the City's General Plan (see Attachment 2).

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)]. Environmental review under the California Environmental Quality Act (CEQA) for any project, which utilizes funds allocated under the FY2008/09 CIP budget, has been or will be performed in conjunction with planning, design and approval of each specific project as appropriate.

Sustainability Considerations: The City Council adopted the 2010 Sustainability Implementation Plan on February 16, 2010 (Resolution 2010-082). City Departments are continuing efforts to identify areas to "Go Green" and utilize performance contracting in an effort to make capital improvements to City facilities that will ultimately result in a significant reduction in greenhouse gas emissions. Staff will continue to identify opportunities to support the City's sustainability efforts through use of environmentally safe materials and construction practices.


Rationale for Recommendation: The Proposed FY2010/11 CIP Budget is consistent with and supports the City's goals of budget sustainability and fiscal responsibility.

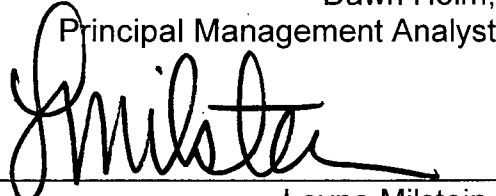
Financial Considerations: In an effort to address the City's current fiscal challenges, all capital programs and projects were evaluated in an effort to determine where savings could be achieved. The Proposed CIP includes new funding, defunding of excess funds, and reduced funding levels for existing programs and projects. The only projects

proposed to be funded with General Funds in the FY2010/11 CIP Budget are those projects that receive reimbursements and/or revenues.

The 2010-2015 Proposed CIP includes 174 projects totaling \$318.7 million from all funding sources. The FY2010/11 Proposed CIP Budget includes the appropriation of \$69.7 million from all funding sources, which includes \$68,856 in General Funds. The proposed project funding reflects the City's continued efforts to provide needed capital improvements based on the availability of funding.

Emerging Small Business Development (ESBD): None.

Respectfully Submitted by: 
Dawn Holm,
Principal Management Analyst

Approved by: 
Leyne Milstein,
Finance Director

Recommendation Approved:

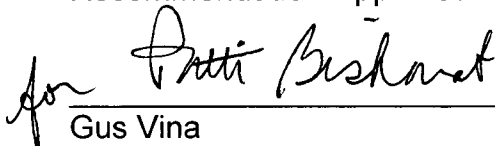

Gus Vina
Interim City Manager

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Attachment 1

Supplemental Budget Information (SBI)

Item	Question	Meeting	District	Department to Respond
1	Provide information on comparable cities General Fund reserves.	5/11/2010	Mayor	Finance
2	Why is Infill in E-1?	5/11/2010	2	CDD
Pending				
Item	Question	Meeting	District	Department to Respond
	Provide a report on the staff to management ratios.	5/11/2010	2	Finance
	Provide a listing of all positions and salaries above \$100K.	5/11/2010	2	Finance
	Provide an estimate of how much each revenue measure will generate.	5/11/2010	4	5/25 Budget Hearing
	Provide a history of the unfunding of the position in the Mayor's Office.	5/11/2010	Mayor	Finance
	Identify specific mandate (State, Federal, Charter, Agreement) associated with programs/services identified as mandated.	5/11/2010	2	Need CMO Direction

Note: Responses to the Items reflected in Bold are included in this Report. Additional responses will be provided as they are completed.

Attachment 1a

Supplemental Budget Information – Item 1

Question:

Provide information on comparable cities' General Fund reserves.

Response:

The following chart provides reserve information available on comparable cities:

City	Reserve Policy	Actual Reserve	FY10 Planned Usage	Total GF Budget	Population
San Jose	3% GF + 15.3M EUR	39.3M	5M	800M	989K
Long Beach	10% GF	39.0M	None	390M	494K
Anaheim	7-10% GF	40.3M	12M	268M	347K
Fresno	7.5% of GF	17.0M	None	226M	496K
Roseville	10% GF	9.9M	1M	100M	100K
Oakland	7.5% GF	10.5M	None	415M	420K

Data Source: Information for San Jose, Long Beach, Anaheim and Fresno from City of Fresno FY2009/10 Approved Budget. Data gathered via telephone survey during the third quarter of 2009. Information for Roseville and Oakland obtained via phone, May 2010.

Acronyms:

EUR = Economic Uncertainty Reserve

GF = General Fund

K = Thousand

M = Million

Attachment 1b

Supplemental Budget Information – Item 2

Question:

Why is the Infill Program classified as Essential 1?

Response:

The Infill Program should have been listed as an Existing Program. This correction has been noted and will be included in the Approved Operating Budget.

Attachment 2

General Plan Consistency Finding



COMMUNITY DEVELOPMENT
DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

300 RICHARDS BLVD. 3RD FLR
SACRAMENTO, CA
95811-0218

MEMORANDUM

Date: May 19, 2010
To: Mayor and Councilmembers
From: David Kwong, Acting Director of Community Development Department *DK*

SUBJECT: FY 2010/15 CIP – Planning Commission's Finding of Consistency

Sacramento City Code Section 2.112.060 requires the Planning Commission to review the City's 5-year Capital Improvement Program (CIP) for consistency with the City's General Plan and to report its finding to the City Council. On May 13, 2010, the Planning Commission conducted this review and found the FY 2010/15 CIP to be consistent with the Sacramento 2030 General Plan.