



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
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PUBLIC HEARING  
June 13, 2006

Honorable Mayor and  
Members of the City Council

**Subject:** Reports Back on the FY2006/07 Proposed Operating Budget and 2006-2011 Capital Improvement Program (CIP)

**Location/Council District:** Citywide (All)

### **Recommendation:**

This report provides information as requested by the City Council on items discussed during past Council sessions on the proposed operating and capital improvement budgets for FY2006/07.

**Contacts:** Leyne Milstein, Budget Manager, 808-8491

**Presenters:** Leyne Milstein

**Department:** Finance

**Division:** Budget, Policy & Strategic Planning

**Organization No:** 1140

### **Description/Analysis:**

**Issue:** The FY2006/07 Proposed Operating Budget and 2006-2011 CIP were released to the City Council on April 28, 2006. Over the past several weeks there has been a series of hearings to discuss these documents. During these budget hearings the Council has requested additional information on a variety of items. This report is intended to provide the information requested in order for the Council to move forward with Budget adoption.

The reports back on the information requested are included as attachments and organized as follows: Table of Contents for Reports Back (Attachment A), the Budget Reports Back (Attachment B) and the Follow-Up Log on future Reports Back to Council (Attachment C).

As a result of Council discussion on the proposed operating budget, workshops have been recommended to provide in depth information as follows:

Economic Development – September 2006  
 General Plan Update / Housing Element – July/August 2006  
 Neighborhood Services – August 2006  
 Parks and Recreation – October 2006

Finally, based on prior Council direction, the Community Reinvestment Capital Improvement Program project list has been revised to reflect additional funding for the Pocket Library due to the failed passage of Proposition 81, the Library Bond initiative. The revised list is included as Attachment D.

**Policy Considerations:** There are a number of policy considerations raised in the context of this report. In general terms, those issues are referred to and discussed in the context of each of the individual report back items. In all cases, recommendations are intended to be consistent with the City Council’s adopted budget objectives and principles.

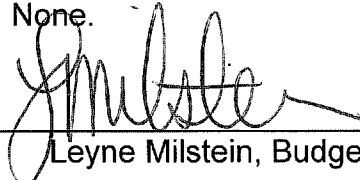
**Environmental Considerations:** This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

**Rationale for Recommendation:** The rationale for recommendations related to the issues identified in the report are discussed in the context of each of the individual report back items.

**Financial Considerations:**

The financial considerations for the issues identified in the report are discussed in the context of each of the individual report back items.

**Emerging Small Business Development (ESBD):** None.

Respectfully Submitted by:   
 \_\_\_\_\_  
 Leyne Milstein, Budget Manager

Approved by:   
 \_\_\_\_\_  
 Russell Fehr, Finance Director

Recommendation Approved:


  
 \_\_\_\_\_  
 Ray Kerridge  
 City Manager

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**ATTACHMENT A**

***Table of Contents for Reports Back***

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1. **Parks and Recreation** – North Laguna Creek Park – Does district assessment cover the maintenance costs of the park? (5/16/06, Afternoon Council session)

**Response:**

There is a maintenance assessment district in the North Laguna Creek neighborhood that provides \$88,300 per year for maintenance and management of the North Laguna Creek Wildlife Wetlands Area. However, this funding does not fund the maintenance of the adjacent 20-acre developed community park. Funding for the community park maintenance comes from the City's General Fund and the Citywide Lighting and Landscaping Assessment District.

The citywide Park Maintenance Community Facilities District (PMCFD) was established in 2002. The PMCFD only provides maintenance for parks built since 2002, and covers only 65% of the cost for maintenance of neighborhood parks. The homes surrounding the North Laguna Creek Community Park were built prior to this assessment district's formation and they are not a part of the District.

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**Budget Reports Back**  
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2. **General Services** - Information on the replacement cycle for Fire vehicles. How are replacement cycles determined and by whom? (5/16/06 and 5/23/06, Afternoon Council sessions)

**Response:**

The current replacement cycles of 20 years for an engine and 25 years for a truck were established over 30 years ago. The average fire engine/truck mileage has increased 82% over the past 20 years, without adjusting the replacement cycle for these vehicles. Today engines and trucks are accruing the same mileage in a 10-year span that it used to take 20 or 25 years to accumulate. The following table provides a summary of the increasing call volume over the past 20 years:

Year	Vehicles	Coverage Area	Incidents
1976	Engine – 20 Truck – 9	95 sq. miles	10,364
2006	Engine – 22 Truck – 8	144 sq. miles	62,910 (500% increase)

With the extended replacement cycles, the increased wear on these vehicles is resulting in higher operations and maintenance costs. For example, the older engines cost an average of more than \$2 per mile to operate, whereas the newer engines cost closer to \$1 per mile on average to operate. In addition, there is a strong argument for replacing older units based on technology improvements, availability of repair parts, and the overall operation of the units.

In an effort to address the immediate issue of vehicle reliability and increased operating costs, staff from Fleet Management, Fire, Finance and the City Manager’s Office agreed that the move from the current 20/25 year replacement cycle to 15 years is a first step in addressing this issue. Staff is continuing to explore alternative financing options, including purchase/lease for engines and trucks, and the budgetary impacts of these options in an effort to address the life cycle of these critical need vehicles.

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The replacement of City Fleet equipment is based on a number of criteria including:

- Age of the vehicle
- Mileage of the vehicle
- Maintenance/Repair history of the vehicle
- Operational need
- Available funding

Based on these criteria, the operating department and the Fleet Management division jointly select vehicles for replacement each year within the budget authorized by the City Council.

The Fire Equipment Capital Improvement Projects (CIPs) as proposed are based on the following replacement cycles:

Medic Units: 150,000 miles regardless of age. Currently, Medic units will reach the 150,000 mile mark in approximately 3 years. Medic unit purchases are funded from Advanced Life Support (ALS) revenues.

Engines/Trucks: 15 years to accommodate the increase in miles traveled per vehicle. Fleet and Fire staff will continue to explore financing options for fire truck/engine needs. Engine/Truck purchases are funded from General Funds.

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3. **Transportation** – Is it possible to include parking for the North Natomas Regional Park with the widening of the Natomas Boulevard project (TR97)? (5/23/06, Afternoon Council session)

**Response:**

There are future plans for on-site parking at Natomas Regional Park. The Town Center and Regional Park Master Plan include several future parking lots within the park.

The adopted North Natomas Street Standard for Natomas Boulevard is a six-lane arterial street. On-street parking is not recommended due to high vehicle speeds and high Average Daily Traffic (ADT). Currently, the posted speed limit is 45 mph. The Institute of Transportation Engineers recommends that on-street parking be prohibited on streets where the posted speed limit is above 35 mph. The fast moving traffic poses a hazard to people walking to and from their cars and for vehicles pulling out of parking spaces. Lastly, Natomas Boulevard carries a high volume of traffic. Traffic counts completed in March 2006, show the ADT to be about 30,000. This current traffic volume demonstrates a need for an additional third southbound lane provided by the widening project.



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4. **Transportation** – Can the Street Maintenance Program fund the re-pavement of Community Center Parking Lots? (5/23/06, Afternoon Council session)

**Response:**

The Street Maintenance Program is funded with the following types of funds: Gas Tax (Fund 202); Assembly Bill 2928-Maintenance of Effort Program (Fund 212); Measure A Maintenance (Fund 207); and Federal Capital Grants (Fund 511). Staff reviewed the eligibility requirements for each of these funds and has confirmed that the maintenance of parking lots is not an eligible expenditure. In general, funding guidelines state that expenditures are restricted to streets and roads as adopted into the city street system.

**ATTACHMENT C**  
**Future Reports Back**

**Follow-up Log**

<u>#</u>	<u>Meeting Date</u>	<u>Session</u>	<u>Report Back Item</u>	<u>Responsible Department</u>	<u>Contact</u>	<u>Report Back Method/Due Date</u>
1	5/9/2006	Evening	Difference between City and SHRA budget. Labor & project delivery - are we double counting/paying?	Budget	Leyne Milstein	Memo
2	5/9/2006	Evening	PD & Fire - Percent (%) of General Fund - historical	Police and Fire	Chief Cherry and Chief Nájera	Memo Delivered to Council June 1, 2006
3	5/16/2006	Afternoon	Park Maintenance Follow-up in response to Local 39: 1) Cost for City to maintain vs. contractors; 2) Contractors and the Living Wage	Parks (Maintenance)	Parks Staff	Workshop - October 06
4	5/16/2006	Afternoon	Dispatcher vacancies and recruitment in Police Department - How do other cities maintain/hire dispatchers?	Police	Chief Nájera	Report - July 2006
5	5/23/2006	Evening	Economic Development Plan	Economic Development / CMO	John Dangberg	Workshop - September 06
6	5/30/2006	Afternoon	Police Officer vacancies and recruitment in Police Department - status.	Police	Chief Nájera	Report - January 2007
7	5/30/2006	Evening	Public Safety - 10 year crime statistics comparison with an emphasis on the last 2 years: Sacramento versus other large cities in California and United States.	Police	Chief Nájera	Report Back Log
8	5/30/2006	Evening	Public Safety - Possibility of adding police officers at midyear.	Police / Budget	Chief Nájera	Report - January 2007
9	5/30/2006	Evening	Public Safety - Street Lighting: How to fund/complete lighting of the 20-30% of the City not currently lit. Explore revenue sources - Citywide L&L increase? Need for a citywide inventory of lights.	Transportation / Parks / Planning / Budget	Chief Nájera / Nicholas Theocharides	Report - January 2007
10	5/30/2006	Evening	Public Safety - Planting Shade Trees related to Asphalt Costs - Tree Inventory	Transportation / Parks	Nicholas Theocharides	Report Back Log

**NOTE: These items will be brought back to Council in greater detail at a later date**

Attachment D

PRIORITY PROJECTS	GENERAL FUND	DOWNTOWN BOND	FUND BALANCE	LOT A PROCEEDS	OTHER
(1) Pocket Library	\$116,278,000	\$11,053,000	\$3,600,000	\$5,000,000	\$1,830,000
(2) Crocker Art Museum Expansion	12,700,000				\$848,000
(3) Zoo Veterinary Hospital	\$2,000,000	\$8,000,000			
(4) Regional Park Improvements	1,200,000				
(5) Animal Shelter Cattery Building	5,000,000				
(6) George Sim Community Center	\$1,500,000				
(7) South Natomas Community Center Improvements	\$6,500,000				
(8) Sacramento Unity Center	\$400,000				
(9) Art Rehearsal Space (14/H) Land & Match for Building	\$2,000,000				
(10) Intermodal Transportation Facility-Variou Options	\$9,000,000				
(11) Oak Park Community Center Phase II	\$3,000,000				
(12) Sierra 2 Restroom & Access Improvements	\$1,000,000		\$600,000		\$450,000
(13) Valley Hi-North Laguna Library	\$175,000				\$532,000
(14) District 2 Improvements (streelights, sidewalks, parks)	\$16,000,000				
(15) District 3 Improvements (Ben Ali curbs, gutters, streetlights & parks)	\$7,500,000				
(16) District 1 Improvements (Alkali Flat, Stanford-Teen Cntr, Charter Performing Arts)	\$1,000,000				
(17) Memorial Auditorium Historical Studies Group Request	\$1,500,000				
(18) Community Center Theater Design	\$3,053,000	\$3,053,000		\$5,000,000	
(19) Fairytale Town Fencing & Walkways	\$0				
(20) Children's Theater of CA (CTC-B Street)	\$500,000				
(21) District Improvement Funding	\$1,000,000		\$3,000,000		
(22) Neighborhood Park Improvements	\$1,200,000				
(23) Indian Heritage Museum	\$0				
(24) Discovery Museum-Gold Rush Exhibit	\$6,300,000				
City Contingency	\$500,000				
	\$11,000,000				
<b>Tier I Funding Plan: \$94,028,000</b>					
(25) District 7 Facilities/Improvements	\$8,300,000				
(26) Neighborhood Infrastructure/CDBG eligible (streetlights, curbs/gutters & sidewalks)	\$5,000,000				
(27) Children's Theater of CA (CTC-B Street)	\$2,000,000				
(28) SMUD Underground Match	\$5,000,000				
(29) Sacramento Zoo Animal Exhibits	\$1,950,000				
<b>Tier II Funding Plan: \$22,250,000</b>					