

REPORT TO COUNCIL

City of Sacramento

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

Staff Report
May 11, 2010

Honorable Mayor and
Members of the City Council

Title: Economic Background for City Budget Hearings

Location/Council District: Citywide

Recommendation: Receive and File

Contact: Russell T. Fehr, City Treasurer (916) 808-5168

Presenters: Not Applicable

Departments: City Treasurer

Division: City Treasurer

Organization No: 05001011

Description/Analysis: Attached is a presentation from the Office of the City Treasurer providing economic background information for use in the public budget hearing process. The presentation discusses both current and future impacts on the City's tax revenues from the prolonged economic downturn.

Policy Considerations: The Mayor and City Council require timely and complete information in making major financial and policy decisions. The presentation provides additional economic background information at the start of the annual budget hearings. The presentation deals with both shorter and longer term issues involving the local economy and City finance. Single year budget decisions should be made in the context of the longer term financial trajectory of the General Fund and other funds.

Environmental Considerations: California Environmental Quality Act (CEQA):
This action is not subject to the CEQA because it is not a "project" as defined in section 15378 of the CEQA Guidelines. Even if it were a project, it would be exempt under section 15061(b)(3) of the CEQA guidelines, which provides as follows: "Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

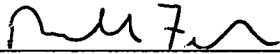
Sustainability Considerations: None

Commission/Committee Action: None

Rationale for Recommendation: No specific recommendations regarding the City Manager's Proposed Budget are being made. The City Treasurer believes the budgetary assumptions are sound and fully supports the City Manager's recommendations

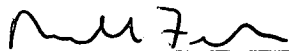
Financial Considerations: The downturn in the local economy has resulted in significant reductions in property tax and sales tax revenues. The local economy weakness should be expected to continue for several more years which will put severe constraints on future revenue growth.

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by: 

Russell T. Fehr
City Treasurer

Recommendation Approved:



Russell T. Fehr
City Treasurer

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