

RESOLUTION NO. 2007-943

Adopted by the Sacramento City Council

December 18, 2007

FY2007/08 BUDGET REDUCTIONS AND FY2008/09 BUDGET DEVELOPMENT

BACKGROUND

- A. The City Council adopted policy to maintain a fiscally sustainable, balanced budget.
- B. In the General Fund, there is a growing gap between ongoing revenues and expenditures.
- C. The City's budget must be balanced. If the City does not implement budget reduction measures during FY2007/08, the problem will compound in FY2008/09 and beyond.
- D. The City Manager is recommending current year expenditure reductions of \$2.2 million (Exhibit 1) in order to provide both a mechanism to mitigate further revenue loss as well as initiate efforts to reduce expenditure growth in FY2008/09.
- E. The Strategic Planning – Strategic Budgeting process incorporates the City Council's policy direction into the development of the annual budget. The City Manager is recommending adoption of budget reduction principles to serve as policy direction for the development of the FY2008/09 budget.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to reduce General Fund department operating budgets by \$3.3 million as outlined in Exhibit 1 and increase the Administrative Contingency by a like amount.
- Section 2. Adopt budget reduction guidelines for the development of the FY2008/09 Proposed Budget.

Exhibit A – FY2007/08 Operating Budget Reductions
Exhibit B – Budget Development Guidelines

Adopted by the City of Sacramento City Council on December 18, 2007 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

FY2007/08 OPERATING BUDGET REDUCTIONS

Department	Additional Savings
Mayor/City Council	51,728
City Manager	49,511
City Attorney	118,406
City Clerk	19,553
City Treasurer	34,665
Finance	133,884
Information Technology	140,128
Human Resources	54,584
Labor Relations	18,115
Fire	700,000
General Services	245,946
Transportation	434,813
Neighborhood Services	23,005
Convention Culture and Leisure	121,503
Economic Development	34,681
Parks and Recreation	544,749
Code Enforcement	134,032
Development Services	397,841
Planning	57,365
Total	\$ 3,314,509

Budget Development Guidelines

- Preserve employment for career employees
- Use a mix of reserves, new revenues and citywide departmental reductions consistent with a sustainable budget approach
- Evaluate new ways to do business including organizational efficiencies
- Pursue new and enhance existing revenue sources where appropriate to recover costs of programs and services
- Engage the public, unions, City staff and City Partners on an ongoing basis