

Item No. - 29

“To Be Delivered” Material For **City of Sacramento** City Council **Agenda Packet**

Submitted: February 20, 2009

For the Meeting of: February 24, 2009

The attached materials were not available at the time the Agenda Packet was prepared.

Title: FY2009/10 Budget Development Workshop

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Please include this “To Be Delivered” material in your agenda packet. This material will also be published to the City’s Internet. For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604, (916) 808-7200.



FY2009/10 Budget Development Workshop

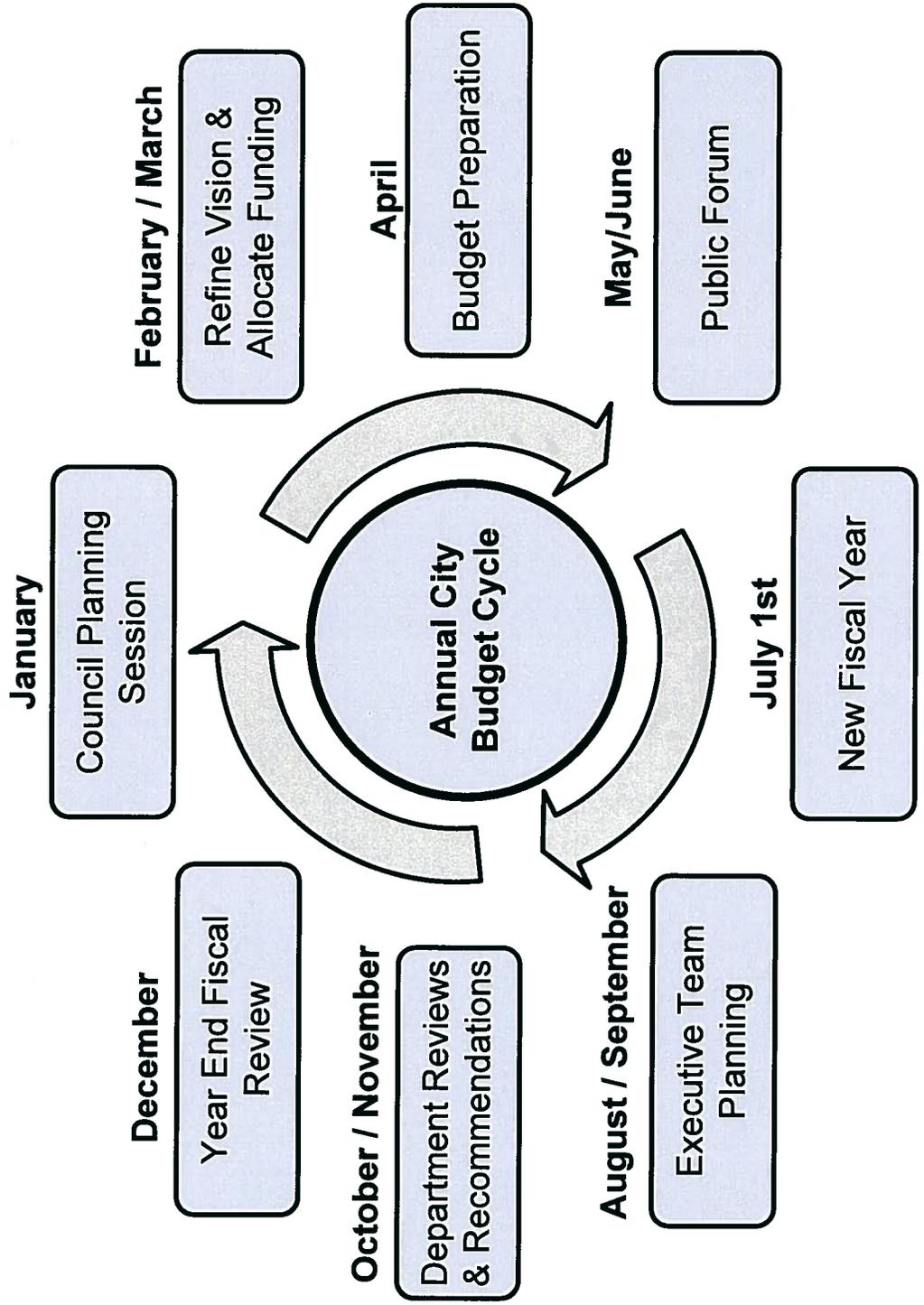
February 24, 2009



Workshop Agenda

- Introduction
- Magnitude
- Reduction Strategy
- Labor Strategy
- Reduction Proposals
- Supplemental Budget Information
- Next Steps

Budget Cycle





Magnitude

- Long-term Outlook
 - Impact of One-Time Resources
 - Potential Challenges Beyond FY2009/10
 - Further Revenue Decline
 - CalPERS / SCERS
 - Strategies
 - Rightsize the Organization
 - Reorganization/Consolidation
 - Operational Efficiencies
 - Redefined Levels of Service
 - Revenue Enhancements
 - Adjust Fees to cover the Cost to Deliver Services



Reduction Strategy

- Essential Services Planning
- Reduction Scenarios
 - 15 – 25 - 35 % for Non-Public Safety
 - 3 – 7 – 10 % for Public Safety
- Recommendations
 - Rightsize the City’s Programs and Levels of Service
 - Recover Costs
 - Reduce Staffing
 - Elimination of 429 FTE, of which 297 are filled

Labor Strategy

	<u>Reductions Only</u> (dollars in millions)	<u>Labor Concessions*</u> (dollars in millions)
General Fund Shortfall	<u>\$50</u>	<u>\$50</u>
Labor Savings	\$0	\$24
Police Reductions	\$6	\$0
Fire Reductions	\$5	\$0
Unrepresented COLA Deferred	\$3	\$3
Unrepresented Furlough Continued	\$2	\$2
All Other Department Reductions	\$29	\$16
Use of Reserves	<u>\$5</u>	<u>\$5</u>
Total Reductions/Savings:	<u>\$50</u>	<u>\$50</u>

* Defer Cost of Living Increases (COLAs) / Step Increases, and Non-Public Safety Furloughs



Reduction Proposals

- Gus Vina
 - Police, Fire, Code Enforcement, Human Resources, Labor Relations
- John Dangberg
 - Development Services, Planning, Economic Development
- Cassandra Jennings
 - Parks and Recreation, Information Technology, Convention, Culture and Leisure, Neighborhood Services
- Marty Hanneman
 - Finance, General Services, Transportation
- Charter Offices
 - Attorney, Clerk, Manager, Treasurer



Next Steps

- ❑ Fees and Charges Report, March 2009
- ❑ Community Meetings, March 2009
- ❑ Proposed Budget, May 1st
- ❑ Budget Hearings in May and June
(*draft Hearing Schedule attached*)

PROPOSED FY2009/10 BUDGET - CITY COUNCIL HEARING SCHEDULE

(TENTATIVE AS OF FEBRUARY 19, 2009)

Date	Afternoon Meeting	Evening Meeting
Tuesday, May 5	FY2009/10 Proposed Operating and CIP Budget Overview	Budget Hearing
Thursday, May 7		Budget Hearing Hold for Hearing if Necessary
Tuesday, May 12	Budget Hearing	Budget Hearing
Thursday, May 14		Budget Hearing Hold for Hearing if Necessary
Tuesday, May 19	Budget Hearing	Budget Hearing
Thursday, May 21		Budget Hearing Hold for Hearing if Necessary
Tuesday, May 26	Budget Hearing	Budget Hearing
Thursday, May 28		Budget Hearing Hold for Hearing if Necessary
Tuesday, June 2	Budget Hearing	Budget Hearing
Thursday, June 4		Budget Hearing Hold for Hearing if Necessary
Tuesday, June 9	Budget Hearing	Budget Hearing
Thursday, June 11		Budget Hearing Hold for Hearing if Necessary
Tuesday, June 16	Budget Hearing	Budget Hearing
Thursday, June 18		Budget Hearing Hold for Hearing if Necessary
Tuesday, June 23	Budget Adoption	
Thursday, June 15		Budget Hearing Hold for Hearing if Necessary



Gus Vina

- Police
- Fire
- Code Enforcement
- Human Resources
- Labor Relations

Police Department

Net General Fund Budget: \$127,608,469

FY2008/09 Full Time Equivalent (FTE) Positions: 1,096.36 Funded / 174.50 Unfunded

Reduction Plan Approach:

1. Civilian functions are at minimum staffing levels in order to support field and sworn operations.
2. Patrol staffing cannot reduce below 275.
3. Specialty units are currently at minimum but will need to fall below minimum in the \$6.4 M reduction scenario.
4. When reductions create a nonfunctional unit/program, it is eliminated.
5. Span of control and supervision requirements need to be maintained at appropriate ratios.

Recommendations:

\$ 6.4 Million Reduction

Total Positions to be Eliminated: 67 FTE

0 vacant / 67 filled of which 67 are represented / 0 unrepresented

1. Implement a 5% reduction or \$6.4 M
2. Requires a 67 FTE reduction with 67 layoffs
3. Keep patrol at 275 minimum
4. Reductions mostly in Patrol and specialty units (i.e., Explosive Ordinance, POP, Bike Patrol, Traffic Enforcement, Gang Investigations)
5. Eliminates School Resource Floaters, Police Recruitment, School Magnet Resource, Police Technology Sustainment, Parole Intervention, VICE

Impact of Reduction on Levels of Service:

1. Thirty-five Officers assigned to Patrol will be eliminated, reducing it to 275 Officers. The ability of Officers to patrol neighborhoods and business districts will be reduced and will negatively impact crime prevention efforts. The ability of Patrol Officers to respond to lower priority calls for service will be curtailed and/or eliminated.
2. Three Officers assigned as School Resource Officer Floaters will be eliminated. The ability to ensure that schools have Officers assigned as SROs on a full-time basis will be curtailed with this reduction.
3. Two Officers assigned to the Police Recruitment Program will be eliminated. The Department's ability to attract new Police Officer candidates and lateral hires will be adversely affected and will contribute to the delay in recruiting new personnel when hiring authority is restored.
4. Four Officers assigned to the School Magnet Resource Program will be eliminated. This reduction will effectively cancel the Magnet School Program.
5. Two Officers assigned to the Office of the Chief performing public information duties will be eliminated. This reduction will adversely affect the Department's ability to provide Public Information services including press releases, news conferences and department representational services with print and broadcast media outlets.
6. Two Officers assigned to the Public Safety Information Technology Sustainment Programs will be eliminated. The reduction will effectively eliminate the Department's Technology Sustainment Team. This team focuses on the maintenance and operability of technology-based communications and data systems that are both mobile and fixed station.
7. One Officer assigned to the Explosive Ordinance Detail Team will be eliminated. Eliminating one officer will limit the Detail's technical continuity and available personnel resources used to respond to these emergencies.

8. Three Officers assigned to the Problem Oriented Police Detail will be eliminated (one per Command area). This will reduce the staffing and effectiveness of the Problem Oriented Police Unit in the north, south and central police sectors in the City. The effectiveness of this proven crime fighting unit will be diminished as a result of these reductions.
9. Two Officers assigned to the Parole Intervention Team will be eliminated. This reduction will effectively eliminate the Parole Intervention Team Program. These officers significantly contribute to crime reduction by removing parole violators from the streets. These reductions will cancel the Department's ability to effectively address and remove this element from the streets.
10. Three Officers assigned to Bike Patrol in the Downtown Core will be eliminated. This reduction will reduce the staffing of the Bike Patrol by about 30% and will significantly impact patrol services and responsiveness in the Downtown Core. This reduction will curtail Bike Patrol coverage hours by 30% in a high-population urban environment.
11. Six Officers assigned to Traffic Enforcement will be eliminated. This reduction will eliminate one-third of the Officers assigned to provide traffic enforcement throughout the City.
12. Two Officers assigned as Gang Detectives will be eliminated from the Special Investigations Division. This reduction will adversely affect the department's ability to investigate and intervene in gang problems and related criminal activity throughout the City.
13. The elimination of two VICE Officers from the Special Investigations Division will eliminate the Vice Investigations Unit. The department's ability to intervene as these criminal activities (prostitution, gambling, etc) move from location to location and generate complaints by citizens, as well as the other types of criminal conduct that grow out of vice-related crimes, will be eliminated by these reductions.

Fire Department

Net General Fund Budget: \$78,174,089

FY2008/09 Full Time Equivalent (FTE) Positions: 634.0 Funded / 21.0 Unfunded

Reduction Plan Approach:

1. Compare brown out impacts to alternative staffing impacts. Alternative staffing would only occur in engine companies, not truck companies.
2. Specialty units are mostly reimbursed and do not provide significant savings if reduced or eliminated. (ALS, Hazmat, etc.)
3. Fire Prevention is partially funded through revenues so significant savings are not achieved by reducing this unit.
4. Investigations Unit is already at minimum staffing levels, and arsons must be investigated.
5. Includes a \$1.8 M increase in revenue (new fees, etc.)
6. Assumes one brown out in effect due to reductions in FY2009.

Recommendations:

\$5.0 Million Reduction

Total Positions to be eliminated: 50 FTE

6 vacant / 44 filled of which 50 are represented / 0 unrepresented

1. Implement a 6.4% reduction or \$5.0 M
2. Use \$1.8 M in new revenues to offset/eliminate 2nd brown out company.
3. Reduce staffing levels to 3 person engine companies at 17 companies
4. Need to continue to brown out one company
5. Requires 44 FTE layoffs due to staffing reductions in 17 companies and a brown out of a company

Impact of Reduction on Levels of Service:

1. Continued delay of response in areas affected by the brown out company.
2. Delays in on-scene fire attack and rescue operations.
3. Increase in call volume per company due to reduced staffing levels and required number of personnel to begin on-scene operations.
4. More neighborhoods with sporadic coverage due to a greater number of companies required per incident to respond to rescue and fires.
5. Spike in training costs to retrain personnel to operate in 3 person company configurations.

Code Enforcement Department

Net General Fund Budget: \$4,916,332

FY2008/09 Full Time Equivalent (FTE) Positions: 94.5 Funded / 12.0 Unfunded

Reduction Plan Approach:

1. Keeps Rental Inspection Program intact, 100% funded by fees.
2. Uses current vacancies and projected vacancies to meet reductions first.
3. Maintains all programs active at some level.
4. Moves approximately four FTE into vacant buildings for new revenue
5. Requires revised fees.

Recommendations:

\$1.7 Million Reduction

Total Positions to be eliminated: 8

6 vacant / 2 filled of which 6 is represented / 2 unrepresented

1. Implement a 35% reduction or \$1.7 M
2. New revenues of \$760,000 to offset \$1.7 M reduction
3. Two layoffs expected
4. Maintains programs at some level of function, but with serious impact to time lines
5. Immediately dangerous property and conditions become the only top priority

Impact of Reduction on Levels of Service:

1. Backlog of response and resolution deepens. Fewer FTE are available to handle cases, fewer fees and penalties will be issued for nuisance and housing cases. Revenue will decrease for those types of cases.
2. Priority is focused on dangerous property and conditions and most serious cases.
3. Response and resolution of code enforcement complaints will be delayed for activities including junk and debris, vehicle abatement, zoning, substandard buildings, mobile food vending, illegal outdoor vending. All functions, not just one program, of the department are affected.
4. Response will take 1 to 2 weeks longer, and case resolution can take up to several weeks longer for both code and housing cases.
5. Department resources will be restructured to focus on functions with higher revenue generating activity - vacant buildings.
6. No change or impact to Rental Inspection Program; revenue offsets cost of program.
7. Legal noticing requirements mandated by statute will take longer to process, possibly violating due process rights of property owners.
8. Loss of administrative positions will eliminate support for the department's procurement, contract management, project management, department communication and marketing, council report research, grant administration, strategic planning and master planning.
9. Loss of oversight and monitoring of administrative policies will increase the department's risk for non-compliance.

Human Resources Department

Net General Fund Budget: \$2,936,817

FY2008/09 Full Time Equivalent (FTE) Positions: 70.0 Funded / 4.0 Unfunded

Reduction Plan Approach:

1. Avoid further staff reductions as most functions are at minimum staffing already
2. Use services and supplies funding to achieve cuts where possible
3. Important to understand mandated activities
4. Some functions required to support departments, even in a declining budget
5. Use movement of FTE into vacancies to avoid potential layoffs
6. Some expenditure trends indicated some budgets were too high

Recommendations:

\$1.0 Million Reduction

Total Positions to be eliminated: 7 FTE

1 Vacant / 6 filled of which 0 are represented / 7_ unrepresented

1. Implement a 35% reduction or \$1.0 M.
2. Eliminates recruitment related expenses, classification studies, salary surveys, exempt managers meetings.
3. Reduces Risk Management subsidy to CC&L by \$100,000 for City cemetery.
4. Reduces allocation for EVOG rental space by \$100,000.
5. Moves three FTE's into Risk Management vacancies.
6. Eliminates outside consultants that teach City University classes.
7. Eliminates a vacant management position within Employment & Classification.
8. Eliminates the Wellness Expo and the Police and Fire health screenings for vaccinations.

Impact of Reduction on Levels of Service:

1. Longer response times to requests to Employment & Classification.
2. Staff will not stay current with trends and best practices in field due to lack of training, which results in diminished quality of services for customers.
3. Only core/legally mandated trainings will be available through City University.
4. Reduced ability to reconcile collection of payments for annual health care costs.
5. City employees cannot obtain wellness services & preventive care on-site.

Labor Relations Department

Net General Fund Budget: \$657,568

FY2008/09 Full Time Equivalent (FTE) Positions: 9.0 Funded / 0.0 Unfunded

Reduction Plan Approach:

1. Due to size of department, reductions would need to be across the board
2. Need to consider the effort to achieve labor concessions with all the unions

Recommendations:

\$ 40,000 Reduction

Total Positions to be eliminated: 1
0 Vacant / 1 filled of which are represented / 1 unrepresented

1. Implement a 6% reduction or \$40,000
2. Eliminate investigations for department disciplinary process

Impact of Reduction on Levels of Service:

1. Support to departments for fact finding will be eliminated.
2. Discipline processing will be delayed and additional work passed to the departments.
3. Quality of investigations will be reduced.



John Dangberg

- Development Services
- Planning
- Economic Development

Development Services Department

Net General Fund Budget: \$5,726,396

FY2008/09 Full Time Equivalent (FTE) Positions: 165.50 Funded / 56.0 Unfunded

Reduction Plan Approach:

- Require a 3% administrative fee on fees collected at the counter
- Perform all environmental studies for City-owned projects
- Reduce the administration cost of Boards and Commissions
- Reduction of Department workforce

Recommendations:

\$ 8,284,703 Right Size Reduction

Total positions to be eliminated: 57 for a savings of \$5,419,703
20 vacant (including VSP) of which 15 are represented / 5 unrepresented
37 filled of which 33 are represented / 4 unrepresented

1. Increase revenue by \$385,000 (3% collection admin fee)
2. Increase Environmental services reimbursement by \$500,000
3. Reduce Professional Services by \$1,000,000
4. Reduce Service and Supply expenditures by \$980,000
5. Freeze all current vacancies and VSP's

\$ 2,004,239 Reduction

Total positions to be eliminated: 20 for a savings of \$2,004,239
0 vacant / 20 filled of which 20 are represented
1. Reduce staff by an additional 20 FTEs

Impact of Reduction on Levels of Service:

1. Reduction Customer Response Time
 - Increase in Counter Waiting time from 25 minutes to 35 minutes
 - Delay in inspection time by 5% (not within 24 hrs.)
 - Delay in plan review time by 25%
 - Delay in zoning review and design time by 25%
 - Delay in site visit by 25%
2. Increased training cost (Permit/Fee)
 - Require 1,500 training hours
 - Require 150 training hours for the Permit System
3. 100% Reduction in Live Person Help Desk Calls
 - Phone - 13,000 Annually
 - e-mail – 7,800 Annually
4. Reduce Counter Hours by 2 Hrs.
 - Close Lunch Time – From 12 noon -1 p.m.
 - Have a Later Start Time – From 9 a.m. to 4 p.m. instead of 8 a.m. to 4 p.m.
5. 25% Reduction of Boards & Commission Support through the Elimination of Design Review
6. Public Record Search and Requests by Appointment Only
7. Elimination of Lunch and Learn Program

Planning Department

Net General Fund Budget: \$2,299,391

FY2008/09 Full Time Equivalent (FTE) Positions: 32.0 Funded / 2.0 Unfunded

Reduction Plan Approach:

1. Deploy staff on developer funded projects, (e.g. annexations).
2. Maximize one-time cost reimbursements.
3. Use staff rather than outside consultants.
4. Unfund four filled positions and two vacant positions.

Recommendations:

\$804,787 Reduction

Total Positions to be eliminated: 6

2 vacant / 4 filled of which 5 are represented / 1 unrepresented

1. Eliminate four filled positions and two vacant positions
2. Eliminate Shovel Ready Sites planning past FY08/09
3. Postpone community plan updates
4. Eliminate Planning Academy – FY09/10
5. Eliminate unfunded SNAPs (Strategic Neighborhood Action Plans)
6. Eliminate consultant services budget
7. Reduce North Natomas administration/implementation due to building moratorium
8. Increase revenue/reimbursements

Impact of Reduction on Levels of Service:

1. Shovel Ready Sites, necessary for the City's economic recovery, will not be made shovel ready:
 - a. Downtown Development Strategy–will not create a comprehensive environmental, financial approach but will continue to negotiate with Caltrans, SMUD, etc. project by project.
 - b. Ramona Technology Village Specific Plan–will not optimize the powerful linkages between Sac State, clean/green tech enterprises, Regional Transit, and the City.
 - c. Florin Road Auto Dealerships Master Plan–will not synergize multiple dealer/owners into an explosive, new multi-cultural center for South Sacramento.
 - d. Swanston/Point West/Arden Fair/Cal Expo area planning–will not preserve and enhance the region's highest producing retail center, link to transit, and prepare for Cal Expo's future.
2. Priority 2030 General Plan implementation measures will be delayed:
 - a. Revise outdated Zoning Code regulations to avoid unnecessary development costs and encourage smart growth.
 - b. Rezone opportunity areas to streamline development approvals and attract development activity. Improper zoning often discourages new development.
3. Postponing community plan updates will delay a long-term goal to update the nine remaining, outdated community plans.
4. Eliminating the Planning Academy will reduce the goodwill and community support engendered by training citizens to be effective participants in the City's planning process.
5. Eliminating the SNAPs will remove a powerful tool for addressing neighborhood concerns and empowering residents to access City services to improve their neighborhoods.
6. Unfunding the two vacant positions will reduce customer service and administrative support and will reduce community outreach and public information efforts.

Economic Development Department

Net General Fund Budget: \$1,455,769

FY2008/09 Full Time Equivalent (FTE) Positions: 25.0 Funded / 2.0 Unfunded

Reduction Plan Approach:

1. Conserve staff to work on projects that will drive City Revenues
2. Bring contracted services "in-house" to conserve City funds
3. Use Professional Services and Other Technical Services to achieve cuts where possible
4. Reduce memberships with partners and advise through web sites
5. Reduce Services and Supplies to minimal amounts to preserve jobs

Recommendations:

\$509,519 Reduction

\$261,985 Reduction (Non-General Fund)

Total Positions to be Eliminated: 3.50

3 vacant / 0.50 filled of which 0 are represented / 3.50 unrepresented

1. Eliminate 3.5 positions
2. Eliminate 88% of Advertising/Marketing budgets
3. Eliminate use of consultants on City Projects (cut Professional Service budget 73%)
4. Move 50% of PIO cost from General Fund to Redevelopment funds
5. Eliminate all memberships except SACTO, SARTA and Metro Chamber of Commerce

Impact of Reduction on Levels of Service:

1. The Department will not have capacity to complete special studies for economic development initiatives. In some cases studies will be conducted with internal staff resources.
2. The City will not be represented at trade shows with marketing booths.
3. The department will limit out of town speaking engagements without reimbursement of costs.
4. Direct marketing and marketing through partners for clean and green technology and the Clean Technology Zone will be reduced.
5. Public Information Officer will reduce the amount of time spent to support Economic Development initiatives and direct additional time to Development Services and redevelopment efforts.
6. The Department will significantly reduce the amount of memberships with partners to market the City and support small business. Minimal memberships will be maintained with SACTO, SARTA and Metro Chamber of Commerce.



Cassandra Jennings

- Parks and Recreation
- Information Technology
- Convention, Culture and Leisure
- Neighborhood Services

Parks and Recreation Department

Net General Fund Budget: \$23,705,720

FY2008/09 Full Time Equivalent (FTE) Positions/ All Funds: 825.89 Funded / 46.01 Unfunded

General Fund FTE: 514.9 Funded/46.01 Unfunded

In this reduction plan: Career: 121 Non Career/Seasonal: 45

Reduction Plan Approach:

1. Preserve staffing by defunding positions vacated through VSP in FY09
2. Increase fees (compliant with City fee policy relative to park and recreation use) to mitigate further service reductions
3. Fully eliminate funding to non-profit partners (several were reduced in FY09)
4. Reduce Recreation's General Fund matches to Department operating grants where contract compliance can still be maintained (START and Cover the Kids)
5. Reduce or eliminate park maintenance services outside the City park system – malls and hardscapes in the downtown area; schools with no reciprocal agreements
6. Keep facilities, particularly those serving youth, open to the public to the degree possible (swimming pools, community centers, clubhouses)
7. Consolidate programs by offering at fewer sites (utilities and maintenance savings in closing sites; requires less staff overall)
8. Reduce special event services and equipment support including General Funds budgeted in DPR for Councilmember Offices, and General Fund support to large community events.
9. Reduce general fund services throughout Parks and Recreation (services to all age groups and abilities; park maintenance services; park planning and development; administrative and support services)

Recommendations: \$8.3 M Reduction

Total Positions to be Eliminated: 166

65 Vacant / 101 Filled of which 112 are career represented, 9 are career unrepresented, and 45 are seasonal

There are currently 20 career vacancies in the 35% reduction plan for Parks and Recreation.

1. Implement 35% Reduction
2. Defund VSP positions vacated in FY09 - \$700,000 and 8 FTE (savings may increase with more applicants through VSP Round 2)
3. Increase fees by a total of \$76,000 in new annual revenue
4. Reduce General Fund match to operating grants where feasible - \$231,000 and 1 FTE; eliminate funding CBO's and others - \$204,000
5. Reduce or eliminate park maintenance services provided outside the park system – downtown mall, schools with no reciprocal agreements - \$361,000 and 6 FTE
6. Reduce, and in some cases eliminate, programs and services to families, teens and youth including summer activities, free events at community centers, Club Didion, teen program at Marina Vista/Alder Grove, youth sports leagues and service and supplies - \$940,000 and 15.75 FTE.
7. Reduce programming for seniors and adults in arts, athletics, and the "Caring Neighborhoods" program - \$254,000 and 4.27 FTE
8. Reduce general fund administrative support to park planning, design and development; capital grant management, lease management, Commission support, operating budget coordination, personnel and payroll oversight, and technology services - \$668,000 and 8.5 FTE

9. Reduce special event services and equipment support including General Funds budgeted in DPR for Councilmember Offices, and General Fund support to large community events by 50% - \$200,000 and 2.66 FTE
10. Eliminate recreation or open swim at 3 out of 13 swimming pools and significant reduction of hours at remaining pools and all wading pools; reduce the swim season by reducing hours of operation, and closing all pools and wading pools one day per week. (NOTE: school pools that were closed in Summer 2008 to remain closed and are not counted here.) - \$543,000 and 17 FTE
11. Park Maintenance Services: Significant reduction in park maintenance levels with parks mowed every 2 – 3 weeks; most/all bathrooms closed; trash picked up once or twice weekly; - \$3,120,000 and 59 FTE (approximately 40% of the workforce).
12. Close 3 of 12 staffed and programmed community centers and two clubhouses; close all centers and clubhouses one or two days per week - \$1,000,000 and 28 FTE
- 13. Labor concessions to restore reductions**

Impact of Reduction on Levels of Service:

1. Grants to Non Profits: Eliminate funding to six organizations serving youth and the elderly, which in turn will most likely reduce their services to the community.
2. Youth: Eliminate after school enrichment, wellness and recreation services to several hundred middle and high school students and those at low income housing developments. Sixty youth sports teams will be eliminated citywide, which would have provided an introduction to several team sports for Sacramento's children. Eliminate 11 youth summer camps in low income neighborhoods.
3. Seniors and Adults: Eliminate coordination and support to 40 senior volunteer groups in Sacramento that provide community services for the elderly to help continue independent living, avoid fraud, improve safety, assist with health insurance and other issues for seniors. Opportunities for 200 adults to recreate in team sports will be eliminated.
4. Park Planning and Development and Administrative Services: Reduced ability to plan and advocate for the local and regional park system; missed opportunities for securing park and recreation sites and amenities; slower delivery of development projects; department operation staff will need to absorb additional administrative, fiscal and contractual compliance duties, which in turn further reduces public services.
5. Special Event Services: Approximately 150 events throughout the community will not be supported through on-site staffing, equipment set up and use, etc.
6. Aquatics: Reduction of 162,000 pool visits by youth and families. Anticipate a rise in safety issues due to illegal entry and/or no opportunities to seek relief during hot weather.
7. Park Maintenance: During the growing season, taller grass and weed growth particularly affecting sports fields; most/all bathrooms closed, anticipate an increase in vandalism; garbage on park grounds with less frequent pick up; increased safety hazards and irrigation breakdowns due to inability to respond in a timely manner.
8. Park Maintenance: Reduce or eliminate park services outside the park system – K Street Mall, Chinatown Mall, O Street mall, and 15 schools with no reciprocal agreements.
9. Community Centers: Reduction of 200,000 visits and elimination of center-based events and programs for all ages. Dozens of user groups would need to find other locations to meet. Closed centers may be vandalized.

Information Technology Department

Net General Fund Budget: \$7,031,290

FY2008/09 Full Time Equivalent (FTE) Positions: 66.5 Funded / 6.5 Unfunded

Reduction Plan Approach:

1. Continuing to provide uninterrupted core citywide technology services is a top priority. Any function or service that does not support essential technology services was identified for elimination/reduction. Core technology services include e-mail, application support, network, phone/voicemail systems, database administration, information security, etc.
2. Use savings from the Mainframe decommissioning for the ongoing licenses and hardware/software maintenance support for the new system - eCAPS.
3. Support citywide initiatives that already have a substantial investment of resources.

Recommendations:

\$1,461,369 Reduction

Total Positions to be Eliminated: 14.5

2 vacant / 12.5 filled of which 4 are represented / 10.5 unrepresented

1. Implement 20.7% Reduction.
2. Use remaining 14.3% reduction to cover licenses and hardware/software maintenance support for eCAPS.
3. Support only core IT functions and citywide initiatives already underway.
4. Significantly reduce project management for technology projects.
5. Reduce database administration, GIS, helpdesk and information security support.
6. Decommissioning of the City's Mainframe in FY2008/09 will result in a budget savings of approximately \$900K in FY2009/10.

Impact of Reduction on Levels of Service:

1. Overall service level reduction in technology services will result in longer customer wait times.
2. Increased probability of system failures due to limited or no staff redundancy/backup for some enterprise systems.
3. Technology support functions and core services will be reduced to "best effort."
4. Staff will have to say "No" to many new initiatives.

Convention, Culture & Leisure Department

Net General Fund Budget: \$3,872,466

FY2008/09 Full Time Equivalent (FTE) Positions: 209.57 Funded / 4.0 Unfunded

Reduction Plan Approach:

1. Preserve FTE
2. Utilize alternative revenue sources
3. Maintain City owned physical assets
4. Legal commitments/partnering agreements
5. Ability to revive program/activity
6. Community impact

Recommendations:

\$1,355,363 Reduction

Total Positions to be Eliminated: 12.86

2.86 vacant / 10.0 filled of which 10.36 are represented / 2.5 unrepresented

1. Implement 35% Reduction
2. Use of one time funds because of delay in Crocker opening - \$300,000
3. Reduce facility public hours (Archives 2 days/week, Cemetery 3 days/week)
4. Reduce programs (Arts and history education, Veterinary care)
5. Reduce administrative support (Metro Arts, Admin, Sports Comm, Old Sac)
6. Reduce conservation and maintenance (Cemetery, Archives, Old Sac, FTT)
7. Implement efficiencies (Old Sacramento, Archives)
8. Eliminated marketing (Administration, Sports Commission)
9. Reducing Museum's critical support - resulting in nonprofit layoffs/ possible closure
10. Reduce animal care support.
11. Reduce access and public care of archival material by 25% and neighborhood programs by 50%
12. Reduce maintenance in Old Sac significantly during peak visitor season
13. Reduce Cemetery maintenance by 50% - closing facility 2-3 day/week
14. **Does not account for likely County reductions**

Impact of Reduction on Levels of Service:

1. Impacts public area cleanliness, facility maintenance, public access to facilities, cultural programs, and possibly museum(s) / zoo accreditations.

Neighborhood Services Department

Net General Fund Budget: \$1,334,552

FY2008/09 Full Time Equivalent (FTE) Positions: 13.0 Funded / 2.0 Unfunded

Reduction Plan Approach:

1. Flatten the organization while minimizing layoffs
2. Maximize community outreach and coordination with Mayor and Council offices and City departments
3. Continue to connect with the community on key issues including code issues, homelessness, neighborhood safety, services and overall civic engagement

Recommendations:

\$467,093 (35%) Reduction

Total Positions to be eliminated: 4.0

2 vacant / 2 filled, of which 1 is represented / 3.0 unrepresented

1. Implement 35% Reduction
2. Salary savings from two currently vacant positions (\$243,950)
3. Existing labor cost savings (\$75,000)
4. Services and supplies accounts reductions (\$16,786)
5. Lay off one Neighborhood Resources Coordinator II (\$72,739)
6. Lay off Administrative Analyst (\$104,200); would result in no administrative support.
7. 9 staff remaining to service 8 districts and citywide neighborhood services

Impact of Reduction on Levels of Service:

1. Limits NSD's ability to build relationships with and conduct targeted outreach to communities and individuals who traditionally have not participated in City government.
2. Decreases staff attendance and assistance at community meetings, including neighborhood and business associations, and city-sponsored meetings.
3. Reduces staff support for special events and projects.
4. Cancellation of the City Management Academy.



Marty Hanneman

- Finance
- General Services
- Transportation

Finance Department

Net General Fund Budget: \$4,803,090

FY2008/09 Full Time Equivalent (FTE) Positions: 98.5 Funded / 3.0 Unfunded

Reduction Plan Approach:

1. Maintain staffing to continue to deliver core services and provide internal and external customer support.
2. Preserve citywide financial capacity relative to revenue collection, financial accountability (Accounting) and budget development/implementation.
3. Preserve customer service related to parking enforcement and collections through full cost recovery.

Recommendations:

\$1,681,922 Reduction

Total Positions to be Eliminated: 4

1 vacant / 3 filled of which 0 are represented / 4 unrepresented

1. Recommend full cost recovery for fees totaling \$748,000.
2. Increase revenues to reflect additional efforts related to Business Operations Tax and Rental inspection non-compliance and underreporting: \$300,000.
3. Implement aggressive escheat process for unclaimed City funds: \$45,000.
4. Unfund 1.0 FTE Budget Manager position and reduce services and supplies: \$216,832
5. Unfund 3.0 FTE in the Administration Division: \$372,090

Impact of Reduction on Levels of Service:

1. Of the \$748,000 identified in additional revenue, approximately \$650,000 is the result of increasing parking citations by \$5 to account for the \$5 per citation that is currently passed on to the State of California (as required by State law). While the City has been able to absorb this revenue loss in prior years, the cost to the Finance Department to administer parking citations must be covered with additional/new revenues, as excess on-street parking revenue has already been spent in the General Fund. Should this additional revenue not be realized, the City will have to contract for the administration of parking citations.
2. If fees for other permit services are not increased to reflect the City's costs, staff will have to be reduced and current levels of customer service, enforcement and compliance efforts will be impacted, potentially affecting the City's capacity for revenue collection in these areas.
3. Unfunding 1.0 FTE Budget Manager position will require the Finance Director and senior Budget Office staff to pick up significant workload related to budget development and implementation. However, this is preferable to losing analytic capacity within the Budget Office overall at a time when these resources are most needed.
4. Unfunding 3.0 FTE staff in the Administrative Division will effectively eliminate the division and centralized coordination of department administrative functions such as human resources, labor relations, payroll, council reports, contracts, operating budgets, staff development and training, and employee recognition. It would include elimination of special project support to the City Manager's Office and Finance divisions including but not limited to revising administrative policies and procedures and City Manager initiatives. Divisions would have to assume greater responsibilities and increase their efforts to ensure department coordination in these areas. It would also eliminate change management support to eCAPS, which would include scheduled and on-demand training for hundreds of Finance and HR/Payroll users, coordination, communication, and outreach on eCAPS system and operational issues, and assistance to eCAPS team members.

General Services Department

Net General Fund Budget: \$13,553,745

FY2008/09 Full Time Equivalent (FTE) Positions: 291.50 Funded / 15.0 Unfunded

Reduction Plan Approach:

1. Increase/align reimbursements for service provided and maximize miscellaneous revenue
2. Minimize layoff impact by using vacant FTE (including VSP approvals)
3. Transfer department General Fund (GF) FTE to non-GF operations where possible
4. Reduce services and supplies budget for non-core operations
5. Eliminate/reduce service and supplies budget for consultants/contractors and bring work in-house
6. Selected programmatic cuts (includes filled FTE and services and supplies)

Recommendations:

\$4,743,811 Reduction

Total Positions to be eliminated: 38.50

17.50 vacant / 21.00 filled of which 27.50 are represented / 11.00 unrepresented

1. Increase reimbursements for 311 and the sustainability program.
2. Eliminate unfunded support to Downtown Holiday Ice Rink.
3. Reduce Animal Care staffing (enforcement, kennel and office staff).
4. Reduce services and supplies funding for Animal Care shelter operations.
5. Reduce funding for facilities maintenance by cutting back on non-critical maintenance.
6. Phase out centralized in-house printing/copying.
7. Vacate 921 10th Street, move staff to other existing facilities.
8. Reduce contract security service costs.
9. Set thermostats in all buildings to 68/78 degrees except where precluded by operational requirements.
10. Eliminate funding for organizational improvements, program enhancements, and special projects, including IT support and overtime.
11. Eliminate/reduce service and supplies budget for consultants/contractors and bring work in-house.
12. Reduce labor costs by using vacant FTE, VSP, transfers, and layoffs.

Impact of Reduction on Levels of Service:

1. No DGS support for the Downtown Holiday Ice Rink without additional funding.
2. Response time to animal control calls (nuisance calls, bite calls, etc.) will increase and visitors to the shelter will experience longer wait times for adoptions, redemptions, surrenders, etc.
3. Animal Care shelter operations will fund only mandated core services and veterinary services. Services such as foster and rescue programs, and humane education may be reduced or eliminated.
4. Non-critical maintenance at City facilities such as parking lot sweeping, window washing, pest control, and landscape maintenance inspections will be eliminated and the response time to non life/safety facility repairs will increase.
5. City departments will be required to use outside vendors for printing and copying services, which may increase response time and cost.
6. The number of contract security staff during the first shift at City Hall will be reduced from 4 to 3 and the graveyard security shift at the North Area Corporation Yard will be eliminated.
7. City employees and visitors to City facilities may experience uncomfortable building temperatures.
8. No capacity to expand the 311 program to assist additional City departments with call volume, and the 311 call response time may increase.

9. No funding for professional development of staff resulting in a lack of information regarding the latest industry standards, an inability to enhance knowledge and skills, and diminished employee morale and retention.
10. Reduced capacity to address department internal communication concerns. Dissatisfaction with communication was the dominant issue identified in the most recent department employee opinion survey.
11. Reduced capacity to complete routine administrative support functions and special projects that will impact multiple City departments.
12. More work will be shifted from contractors/consultants to department staff, thereby increasing the workload for the remaining staff which may cause delays or the need to defer projects.
13. FTE reductions through the use of vacancies, VSP, voluntary furloughs, and/or layoffs will adversely impact all General Fund operations of the department resulting in delays in service provided directly to City residents (311, animal care) and to City departments and staff (facilities repair and maintenance, asset management, architecture/project support, procurement, central services, and various administrative functions).

Transportation Department

Net General Fund Budget: \$-3,471,518

FY2008/09 Full Time Equivalent (FTE) Positions: 436.95 Funded / 0.00 Unfunded

Reduction Plan Approach:

1. Hibernate current vacancies and projected vacancies first.
2. Apply business principles with greater accountability.
3. Keep revenue generating programs whole and grow when appropriate.
4. Do less with less.
5. Increase offset funding as appropriate.

Recommendations:

\$2,407,813 Reduction

Net Total Positions to be Eliminated: 15.65

15.65 vacant / 0.00 filled of which 13.65 are represented / 2.00 unrepresented.

Impact of Reduction on Levels of Service:

Impacts from hibernation of positions:

1. Urban Forest Maintenance and Health: Increase in tree failures, higher long-term maintenance costs, increase in service cycle time, potential increase in claims, reduced tree plantings, increase in tree clearance requests.
2. Policy & Planning: Lengthens time needed to develop and implement policy and planning projects.
3. Funding & Project Development: Delay in establishing project cost estimates and project development.
4. Parking Meter Collections: Delay in repair of meters that are out-of-service resulting in loss of revenue. Delay in collection of revenue from meters.
5. Street Services: Delay in preparation work for annual resurfacing program and annual signal and lighting maintenance schedule. Impacts scheduling of road maintenance activities that require the use of heavy road construction equipment. Limits resources available for scheduling of annual sign and marking maintenance. Reduces ability to timely respond to traffic signal and lighting requests and impacts scheduled traffic signal maintenance. Potential impact to public safety.

Total reduction from hibernation of 23.65 positions: \$1,590,827 annually (labor + fleet savings).

Additional Impacts Other Than Reduction on Levels of Service:

Impacts from growth of revenue generating programs:

Increase enforcement of on-street parking violations through the addition of eight Parking Enforcement Officer positions.

Net additional revenue estimated at \$30,000 per PEO x 8 PEO's = \$240,000 annually.

Impacts from application of sound business principles with greater accountability, and increase in offset funding:

Increase Parking Fund and Gas Tax offsets to General Fund operations, and increase chargeability to CIP's. Impacts amount of offset funds available for projects and programs, Could result in an increase to the cost of capital projects.

Increase in offsets and CIP reimbursements: \$576,986 annually.



Charter Offices

- City Attorney
- City Clerk
- City Manager
- City Treasurer

City Attorney

Net General Fund Budget: \$4,241,754

FY2008/09 Full Time Equivalent (FTE) Positions: 53.0 Funded / 5.0 Unfunded

Reduction Plan Approach:

1. Hold open 4 vacant positions

Recommendations:

\$ 461,556.90 Reduction (*midpoint +35%*)

Total Positions to be Eliminated: 4

4 vacant / 0 filled of which 0 are represented / 4 unrepresented positions

1. Supervising Deputy City Attorney
2. Deputy City Attorney
3. Legal Secretary
4. Legal Secretary

Impact of Reduction on Levels of Service:

1. May necessitate sending litigation cases to outside counsel depending on number of new litigation cases brought against the City.
2. Some degradation in opinion response time is anticipated.
3. Decrease in social nuisance abatement (drug house/apts, problem liquor stores, drug dealers) and code enforcement activities.

City Clerk

Net General Fund Budget: \$1,235,975

FY2008/09 Full Time Equivalent (FTE) Positions: 12.0 Funded / 1.0 Unfunded

Reduction Plan Approach:

1. Reduce 1.0 FTE and expenses associated with Passport Program
2. Furlough of all staff 16 days per year
3. Salary savings
4. Resource sharing
5. Efficiency measures

Recommendations:

\$128,600 Reduction (10%)

Total Positions to be Eliminated: 1

1 vacant / filled of which are represented / 1 unrepresented

1. Passport Program – Eliminate 1.0 FTE Deputy City Clerk position and expenses \$70,000
2. Furlough - Continue with 16 days per year voluntary furlough program \$51,100
3. Salary Savings - One time salary savings with Program Manager position \$7,500
4. Resource Sharing – Examine all opportunities
5. Efficiency Measures – Continue streamlining and best practice analysis

Impact of Reduction on Levels of Service:

1. Passport Program – The City Clerk’s Office recognizes and understands the significant convenience and customer service that the passport program provides. To ensure its continued success, the passport program functions would be absorbed by the other deputy clerk positions. There is the potential that passport services may be somewhat reduced, but we are committed to working to preserve this program. The revenue generated by the passport program would continue to go into the Clerk’s Technology CIP for the records management and the content management program benefiting the entire city.

2. Maintain Core Services - What remains in our office are the core functions mandated by government code, city code or the city charter with the exception of the passport program. A greater percent reduction would mean a decrease of staff between two – five persons. The loss of this staff would mean the Clerk’s Office would absolutely be unable to meet even the most basic service levels to comply with mandates. Therefore, the submission of a 1.0 FTE reduction, continuation of the furlough program and a one-time salary savings is the most we can offer and still function at the required level.

3. Furloughs - The City Clerk’s Office was the first department to institute the voluntary work furlough program wherein each employee has taken one day off a month plus one day a quarter for a total of 16 furlough days annually (began July 1, 2008). In addition, we have been functioning with only 10 people for the past several months (down from 13) with very little reduction in program and customer service levels. When you calculate furloughs together with vacant positions we are functioning with approximately 30% less staff than we were a year ago.

4. Resource Sharing - In addition to the proposed reduction plan the City Treasurer and City Clerk Offices have discussed how we might share resources due to our physical adjacency in Historic City Hall. Resource sharing is a promising option although we are not currently sure what this might look like. We are committed to pursuing this as a viable option to reduced staffing in an effort to maintain the service levels of both offices.

5. Efficiency Measures – As a direct result of a three year endeavor to create efficiencies, streamlining of processes, and to institute best practices, we have been able to sustain high service levels despite a reduction in staffing. We are confident that our operations are extremely lean and efficient, which allows us to function at 90+% with 30% less resources. However, this does not mean that all of the hard work is done. A commitment to efficiency measures will continue to be a vital part of our implementation of best practices.

City Manager

Net General Fund Budget: \$2,641,961

FY2008/09 Full Time Equivalent (FTE) Positions: 22.0 Funded / 2.0 Unfunded

Reduction Plan Approach:

1. Eliminate 3.0 FTE
2. Increase offset from savings resulting from additional assignments/responsibilities
3. Reduce services and supplies

Recommendations:

\$660,490 Reduction

Total Positions to be Eliminated: 3

1 vacant / 2 filled of which 0 are represented / 3 unrepresented

1. 1.0 Assistant City Manager
2. 1.0 Staff Services Supervisor
3. 1.0 Management Position

Impact of Reduction on Levels of Service:

1. Delays in responding to community and Council concerns, issues and requests
2. Reduced oversight and coordination of city operations and functions
3. Delays and gaps in communication as a result of increased workloads and spans of control

City Treasurer

Net General Fund Budget: \$(1,137,148) FY09 Net Positive GF Budget

FY2008/09 Full Time Equivalent (FTE) Positions: 15.0 Funded / 3.0 Unfunded

Reduction Plan Approach:

1. Avoid exposing City to significant financial risk and increased costs.
2. Establish base level staffing and funding to ensure safekeeping of City funds and regulatory standards for investment, banking, and debt programs.
3. Increase fees where feasible - minimize further impact and deterioration of cash position of clients
4. Utilize City Treasurer CIP Contribution to ensure prudent service levels.
5. Maintain net positive impact to the General Fund.

Recommendations:

Net City Cost of approximately (\$550,000)

Total Positions to be Eliminated: 3

2 vacant / 1 filled of which 0 are represented / 3 unrepresented

1. Eliminate three exempt professional positions.
2. Increase Investment Management fees by 2 basis points – 5 basis points for an increase in revenues of approximately \$250,000 from base FY2009/10 projections.
3. Reprioritization of uncommitted Treasurer's CIP balance in Capital Project Funding Scrub Study. Additionally, discontinue contributions to Treasurer's CIP through resolution of multi-year budget crisis.
4. Fully fund base level staffing and services costs.

Impact of Reduction on Levels of Service:

Reduced capacity to:

- Conduct special projects
- Support economic development efforts
- Provide debt financing support
- Respond to requests for information
- Provide timely reporting
- Enhance e-commerce

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2/20/2009

Item	Question	Meeting	District	Department to Respond
1	Report back with a plan to free up some of the Transient Occupancy Tax revenues to the Visitors and Convention Bureau and the Metropolitan Arts Commission, and provide a history of actual, budget, and variance for 3 years.	1/20/2009	2	Finance / CCL
2	We divided the City Planning Department into 2 departments - Development Services and Long Range Planning. Each has its own department head and management ranks. Please report back on the savings we can realize by recombining these departments - especially now that the General Plan is nearing completion and development has slowed dramatically.	1/20/2009	2	City Manager
3	We have employees located in a number of buildings around the City. Please report back on all buildings the City owns or leases, what departments or divisions are housed in these buildings, how much of the building is currently in use and what portion vacant, the projected cost of maintenance and repairs to these buildings, and recommendations for moving some of the employees to the vacant spaces.	1/20/2009	2	General Services
4	There are a number of fees the City charges that do not come close to covering the actual costs. Please prepare a list of fees that do not cover the City's cost and recommendations for increasing them to do so.	1/20/2009	2	Finance
5	What is the actual revenue to the City from the Enterprise Funds - in particular, how much revenue are we getting from Golf (even though it is no longer an enterprise fund) and the Marina Funds?	1/20/2009	5	Finance
6	What is the savings on the consolidation of City buildings - Wouldn't it be cheaper to move people out of buildings and into City Hall as there is some open space and look into selling some of these other buildings? Also, since these buildings are assets, how many can we sell? With the staff relocations, we need to consider the Community as well as the operational needs when relocating staff.	1/20/2009	5	General Services
7	In the space on the 3rd floor that our new Mayor now occupies, who was supposed to go in that space and was there supposed to be a savings realized from staff using that space?	1/20/2009	8	City Manager / General Services
8	The \$50m - does this have a cushion at all? When State furloughs go in place we could really lose even more revenues - have we accounted for this? What is our plan if we are off in our estimates? Do we have the appropriate cushion if we under-projected?	1/29/2009	1 / Mayor	Finance
9	Looking at 311 data we are getting - is it possible for potential cost savings based on where the work is and shifting things?	1/29/2009	Mayor	General Services

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2/20/2009

Item	Question	Meeting	District	Department to Respond
10	An independent budget analyst should be looked into? What are the benefits of internal auditors and a budget analyst looking at our books?	1/29/2009	Mayor	City Manager / Finance
11	Request that the City Manager at the 2/24 meeting bring back a long term strategy / plan for discussion.	1/29/2009	Mayor	City Manager / Finance
12	Just a few years ago, we had only one Public Information Officer for the entire City. Please report back with a plan to consolidate the PIO function in one office and the cost savings that will result from doing so.	1/20/2009	2	City Manager
13	When is the last time the City faced property tax declines similar to this?	1/29/2009	3	Finance
Pending				
Item	Question	Meeting	District	Department to Respond
	(1) What City departments are currently over budget and by how much? (2) Include a history of a history of actual, budget, and variance for 3 years; and (3) Provide a breakdown of departments that are over budget and how the money was spent. <i>Note: when possible provide information relative to what is a labor item and included in a labor agreement and what isn't.</i>	1/20/2009	2	Finance
	We have a JPA with the County in the Sacramento Housing & Redevelopment Agency. Please report back on the savings we can realize by withdrawing from the JPA and bringing the housing & redevelopment functions into an existing city department (Economic Development). Include a history of a history of actual, budget, and variance for 3 years.	1/20/2009	2	City Manager
	We want a report back on the staff to management ratios in each City department including organizational charts with management personnel clearly identified. Include a history of a history of actual, budget, and variance for 3 years.	1/20/2009	2	Human Resources / Finance
	By department, how many positions are filled in the City presently and how many positions were filled last year?	1/20/2009	2	Human Resources / Finance
	We would like a report back from CMO on who the internal auditor should report to - the City Manager's Office or Council	1/20/2009	4	City Manager

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2/20/2009

Item	Question	Meeting	District	Department to Respond
	For the Police and Fire staff that take home City vehicles - Do the employees use any of their own money for gas and how much would we save if the employees paid for the gas on take home vehicles?	1/20/2009	8	City Manager
	Can we get a report back on the water rates? and Can we get an update on what the impact of not doing the rate increases is?	1/29/2009	1	City Manager
	In regards to the utility funds and the bad debt is there something we can be doing to go after this bad debt before we lose it?	1/29/2009	1	City Manager
	The council needs to be involved in the reprogramming/reprioritization of the CIPs	1/29/2009	2	City Treasurer / City Manager
	We discussed getting more auditors in place and possibly moving this unit to the Office of the City Council - can we get an update and have a discussion on what he is working on?	1/29/2009	2	City Manager
	I think we need to look at what the President is recommending/suggesting - we need to do shared responsibility and all take a hit so we can keep as many people as possible. Can we look at some of our outsourcing to see what we can do (maybe CRCIP projects) internally by our staff?	1/29/2009	5	Planning, Development Services and Transportation
	What steps or measures are in place or consequences for departments that over-spend their budgets?	1/29/2009	Mayor	City Manager
	(1) How many fire stations do we have now vs. 1968, (2) how many FTE now vs. 1968, (3) other options for reducing fire costs, and (4) is there an opportunity to file a claim with the State of CA for fire/ambulance response and approximately how much does responding to the State cost the City on a yearly basis? Provide a report back on the ability to use pass through money from SHRA to fund brown outs and with a "long term fix" for the brown outs - what does this delay in the brown outs mean?	2/10/2009	3	Fire / City Manager's Office
	Requested a report back on promotions and process given the current layoff environment	2/10/2009	5	Human Resources / City Manager's Office
	Requested more information on the balance between rep and unrep layoffs	2/10/2009	6	Human Resources / City Manager's Office
	Would like a report back on the details of the proposed layoffs and management promotions	2/10/2009	Mayor	Human Resources / City Manager's Office

Supplemental Budget Information – Item 1

Question:

We currently dedicate the Transient Occupancy Tax (TOT) revenues to the Visitors and Convention Bureau and the Metropolitan Arts Commission. We can use those revenues to alleviate the General Fund deficit. Please report back with a plan to free up some of these funds. Include a history of actual, budget and variance for 3 years.

Response:

The FY2008/09 Approved Budget dedicated \$696,560 for the Sacramento Metro Arts Commission (SMAC) and \$739,450 for the Sacramento Convention and Visitors Bureau (SCVB) from the Transient Occupancy Tax. Per City Code chapter 3.28 this funding can be used for usual and current expenses of the City, including but not limited to meeting operating expenses. The City Council has dedicated this funding to SMAC and SCVB since the early 90's. The City Manager will consider alternative funding options in the FY2009/10 Proposed Budget.

Fiscal Year	Revenue Budget	Actual	Variance
2005/06	\$17,640,000	\$18,495,189	\$855,189
2006/07	\$18,240,000	\$20,587,245	\$2,347,245
2007/08	\$19,800,000	\$21,023,451	\$1,223,451

Background:

The Transient Occupancy Tax (TOT) is imposed by cities and counties on guests at hotels, motels and inns who stay less than thirty (30) days in a single visit. This tax, also known as the room tax or bed tax, is based on the hotel/motel costs and collected by the hotel/motel operator at a prescribed rate. The tax is then remitted to the city or the county which imposed the tax.

The current TOT rate in the City of Sacramento is 12%. Chapter 3.28 of the City Code, established the uses of the TOT.

- 10% of revenues are to be used for the acquisition, construction, completion, operation, repair and maintenance of public assembly and convention halls including interest and principal payments on bonds issued to acquire the facilities.

- 2% of revenues are allocated to the General Fund for the usual and current expenses of the city, including but not limited to meeting operating expenses.

The current distribution of TOT revenues, based on the ordinance and resolutions approved by the City Council are:

10.0%	Community Center Fund
1.0%	General Fund
0.5%	Sacramento Arts Commission
0.5%	Sacramento Convention and Visitors Bureau
12.0%	Total

The FY2008/09 Approved TOT budget is \$21.3 million. Of that amount, \$17.8 million, or 10%, supports operation and debt service of the Convention Center, Community Theater and Memorial Auditorium operations. One percent or \$1.75 million is allocated to the General Fund to support ongoing programs and services¹. The remaining 1% of TOT represents about \$1.75 million and has been allocated by the City Council to support the SMAC's Art Re-granting Program and Art Stabilization programs as well as the SCVB. City Council has committed this funding for SMAC and SCVB since the early 90's.

It is important to note that the slowing economy has had a significant impact on the TOT. Total collections to date indicate that this revenue could be 4% short of budget.

The following is a table showing the most recent collection trends in TOT:

Fiscal Year	Actual (\$ Millions)	Change from Prior Year
1998/99	12,793	
1999/00	13,841	8.2%
2000/01	15,786	14.0%
2001/02	15,762	-0.1%
2002/03	16,200	2.8%
2003/04	16,106	-0.6%
2004/05	17,238	7.0%
2005/06	17,640	7.3%
2006/07	18,240	11.3%
2007/08	19,800	2.1%
2008/09 (Budget)	21,257	1.1%

¹ Prior to FY2008/09 this funding had been directed back to the Convention Center fund to pay debt service. In the FY2008/09 Approved Budget these funds were retained in the General Fund to offset expenses.

Other comparable City TOT rates and rate distributions are detailed below*:

City by Similar Population	Population	Rate
San Jose	939,899	10%
San Francisco	764,976	14%
Sacramento	475,750	12%
Fresno	470,508	12%
Long Beach	466,520	12%
Oakland	401,489	11%
Santa Ana	339,249	11%
Anaheim	333,249	15%

City within Sacramento County	Rate
Citrus Heights	12%
Elk Grove	12%
Rancho Cordova	12%
Galt	10%
Isleton	10%
Folsom	8%

	< 8%	8%	8.1-9%	9.1-10%	10.1-11%	11.1-12%	>12%	Total
CA Cities	41	58	29	211	10	33	12	394

* Data provided from League of California Cities

Supplemental Budget Information – Item 2

Question:

We divided the City Planning Department into two departments – Development Services and Long Range Planning. Each has its own department head and management ranks. Please report back on the savings we can realize by recombining these departments – especially now that the General Plan is nearing completion and development has slowed dramatically.

Response:

The City Manager's Office is currently working on a proposal to combine the Development Services Department and the Planning Department. Information included in the February 24, 2009 workshop materials for these departments is based on each department reducing their net budgets by 35% which is similar to other non-public safety departments. Final recommendations including efficiencies and cost savings from the consolidation of these departments will be included in the City Manager's Proposed Budget to be released on May 1, 2009.

Supplemental Budget Information – Item 3

Question:

We have employees located in a number of buildings around the City. Please report back on all buildings the City owns or leases, what departments or divisions are housed in these buildings, how much of the building is currently in use and what portion vacant, the projected cost of maintenance and repairs to these buildings and recommendations for moving some of the employees to vacant spaces.

Response:

The City of Sacramento owns in excess of 400 buildings and structures. Recently, staff completed a space utilization assessment of downtown facilities including City Hall, 300 Richards, and 921 10th Street. In reviewing space alternatives at these locations, staff recommended to City Council in the FY2008/09 Midyear Budget Report (approved on February 10, 2009) to move over 100 staff from 921 10th Street into vacant space at City Hall and 300 Richards, resulting in savings of \$165,000 annually starting FY2009/10. Staff will continue to look at cost saving options associated with consolidating staff, vacating properties, and potential disposition of properties.

Supplemental Budget Information – Item 4

Question:

There are a number of fees the City charges that do not come close to covering the actual cost. Please prepare a list of fees that do not cover the City's cost and recommendations for increasing them to full cost recovery.

Response:

The Budget Office and operating departments, in coordination with the consulting firm MGT of America is conducting a comprehensive review of user fees within the Code Enforcement, Finance, Fire, and Police Departments. The primary goals of the study are to define the costs to provide fee-related services, identify existing fees that should be adjusted to recover costs, and determine opportunities for new fees.

The completed analysis will be submitted to the City Council along with the Citywide Fees and Charges Report in late March 2009. This report will also include proposals to adjust other department fees as appropriate and consistent with the City Council's adopted Fees and Charges Policy with the goal of moving toward full cost recovery.

Supplemental Budget Information – Item 5

Question:

What is the actual revenue to the City from the Enterprise Funds – in particular, how much revenue are we getting from Golf (even though it is no longer an enterprise fund) and the Marina Fund?

Response:

The following chart represents the revenue, budget and actual, from the Enterprise Funds and the Golf Fund for FY2007/08.

Fund Description	Fund #	Revenue Budget	Revenue Actual *
Community Center	6010	24,289,386	26,205,106
Golf	2603	6,924,140	6,239,892
Marina	6009	1,575,852	2,911,260
Parking	6004	39,513,546	42,359,210
Sewer Development Fees	6006	20,878,081	22,842,047
Solid Waste	6007	51,179,764	52,911,783
Storm Drain	6011	37,417,043	36,746,851
Water	6005	70,724,840	70,520,935
Total		252,502,652	260,737,084

*2008 unaudited results

Supplemental Budget Information – Item 6

Question:

What is the savings on the consolidation of City buildings - wouldn't it be cheaper to move some people out of buildings and in to City Hall as there is some open space and look into selling some of these other buildings? Also since these buildings are assets, how many can we sell? With the staff relocations we need to consider the community as well as the operational needs.

Response:

The City of Sacramento owns in excess of 400 buildings and structures. Recently, staff completed a space utilization assessment of downtown facilities including City Hall, 300 Richards, and 921 10th Street. In reviewing space alternatives at these locations, staff recommended to City Council in the FY2008/09 Midyear Budget Report (approved on February 10, 2009) to move over 100 staff from 921 10th Street into vacant space at City Hall and 300 Richards, resulting in savings of \$165,000 annually starting FY2009/10. Staff will continue to look at cost saving options associated with consolidating staff, vacating properties, and potential disposition of properties.

Supplemental Budget Information – Item 7

Question:

In the space on the 3rd floor that our new Mayor now occupies, who was supposed to go in that space and was there supposed to be a savings realized from staff using that space?

Response:

On May 22, 2007 City Council adopted Resolution No. 2007-309 accepting the Downtown Space Plan. This plan placed the Department of Transportation, Parking Division on the 3rd floor of City Hall, occupying space formerly occupied by the Building Department permit counter. This plan was not fully implemented due to budget restrictions. The Department of Transportation, Parking Division is now moving to 300 Richards and no further space planning has been completed regarding the 3rd floor of City Hall. Savings will be realized through moves from 921 10th Street that are currently underway.

Supplemental Budget Information – Item 8

Question:

The \$50m – does this have a cushion at all? When State furloughs go in place we could really lose even more revenues – have we accounted for this? What is our plan if we are off in our estimates? Do we have the appropriate cushion if we under-projected?

Response:

The \$50 million estimated shortfall does not include flexibility for further revenue decline. Further reduction of revenue estimates will require additional expenditure reductions to realign revenues with expenses or the use of one-time resources to close the gap.

Supplemental Budget Information – Item 9

Question:

Looking at 311 data we are getting - is it possible for potential cost savings based on where the work is and shifting things?

Response:

The Department of General Services will report back to City Council during the FY2009/10 budget hearings in May 2009 regarding potential cost savings after coordinating with the various City departments where potential savings exist and obtaining agreement from those departments prior to making recommendations to Council.

Supplemental Budget Information – Item 10

Question:

An Independent Budget Analyst should be looked into? What are the benefits of internal auditors and a budget analyst looking at our books?

Response:

The proposed role of an Independent Budget Analyst in a “Strong Mayor” model would be to provide analysis and advice to City Council on all legislative items that have a financial and policy impact to the City. This structure/role is similar to that of the State of California’s Legislative Analyst Office (LAO). In this structure, the Governor’s Department of Finance prepares the budget, and the LAO serves as the Independent Budget Analyst on behalf of the State Legislature.

On behalf of the City Council, the Independent Budget Analyst could provide detailed research and analysis including the preparation of reports with specific recommendations that are in addition to, or an analysis of, the work completed by the Budget Office on behalf of the Mayor.

This differs from the role of an Internal Auditor, which is typically to provide the City Manager, Mayor, and City Council with independent oversight of City activities, operations, services, and programs. This oversight is accomplished primarily through the performance examinations conducted in accordance with Generally Accepted Government Auditing Standards and culminates in a formal audit report. The objective is to improve efficiency and effectiveness in city government.

The tables below provide a comparison of the current staffing and associated costs for the City of Sacramento as compared to the City of San Diego which currently has funded all three components of a Budget Office, an Independent Budget Analyst as well as an Internal Auditor.

Sacramento

<u>Title</u>	<u>FTE</u>	<u>Budget</u>
City Auditor	2.0	\$0.3 million
Budget Office	8.0	\$1.3 million

San Diego

<u>Title</u>	<u>FTE</u>	<u>Budget</u>
Independent Budget Analyst	11.0	\$1.8 million
City Auditor	11.0	\$1.7 million
Budget Office	30.0	\$4.3 million

The capacity for additional analytical resources relative to fiscal policy development and implementation can be valuable to an organization. However, this capacity requires extensive resources that can be duplicative of those already provided by the City's Budget, Policy and Strategic Planning Division.

Supplemental Budget Information – Item 11

Question:

Request that the City Manager at the 2/24 meeting bring back a long term strategy / plan for discussion.

Response:

The long-term strategy must be focused on “Rightsizing” the organization to align expenditures with revised revenues, maintaining a prudent reserve and ensuring adequate resources to continue as a full service City. On a structural level, these efforts will include and are not limited to reorganizations, consolidations and implementing operational efficiencies when possible. Operationally, rightsizing will ultimately redefine the programs and services the City delivers, and the associated service levels as we realign our programs and services with resources. Finally, the long-term strategy will reflect efforts to maximize our resources through increased cost recovery and enhanced revenues where appropriate. This long term strategy will be the focus of the City Manager’s Proposed Budget and the May-June Budget Hearings.

Supplemental Budget Information – Item 12

Question:

Just a few years ago, we had only one Public Information Officer for the entire City. Please report back with a plan to consolidate the PIO function in one office and the cost savings that will result from doing so.

Response:

The City Manager's Office has a Citywide Public Information Officer (PIO) responsible for providing support to the City Manager's Office and Mayor/Council Office on media issues as well as providing citywide coordination with all department PIO/media contacts to assure consistency in information and communication to the media and public. As the majority of City Departments do not have a PIO, the Citywide PIO in coordination with department PIOs provides support and assistance to departments that do not have a PIO.

The Police and Fire Departments have sworn staff assigned to public information responsibilities and serving as the media contact for public safety issues. In addition, there are currently five department PIO positions (Parks & Recreation, Transportation, Utilities, Economic Development/Long Range Planning and General Services) that have a responsibility for working with and coordinating media responses. These positions have a wide variety of duties and responsibilities in addition to responding to media calls and/or providing positive media opportunities for the City. Examples of other duties and responsibilities include: supervising IT staff, monitoring and analyzing legislative issues specific to the department, managing committees and commissions, organizing special events and dedications, keeping public information current on the website, dealing with and following up on citizen complaints, managing communications to department employees, and developing information materials to promote City programs, services and events.

In the last five years, the number of positions responsible for public information in the departments has increased by five (one position is currently vacant and the Police Department added an additional full time PIO). In most cases, these were existing positions that were reclassified. The addition of department PIOs was in response to Council's interest in better marketing City programs and events, providing better information on 'how to do business' in the City, and to be more proactive in providing current information on City services.

Supplemental Budget Information – Item 13

Question:

When is the last time the City faced Property Tax declines similar to this year?

Response:

The historical Property Tax graph presented at the January 29th Budget Development Workshop was a Countywide view. Prior to the reductions coming in the budget year, the City's property tax roll has not been negative since Proposition 13 reformulated property tax setting a 1% cap in 1978. In 1993 and 1994 the City experienced Property Tax revenue loss due to the Education Relief Augmentation Fund shift, the property tax shift from the City to schools.

The significant reductions in the Assessor's roll are unprecedented. The County has recently provided preliminary Countywide Proposition 8 reduction information and impacts on the City's Property Tax revenues will be considered during the FY2009/10 budget development process and included in the City Manager's Proposed Budget.