

Supplemental Material

For

City of Sacramento

City Council
Financing Authority
Housing Authority
Redevelopment Agency

Agenda Packet

Submitted: Friday, May 7, 2010

For the Meeting of: Tuesday, May 11, 2010

X Additional Material
Revised Material

TITLE: FY2010/11 PROPOSED BUDGET KICKOFF

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Please include this supplemental 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.

FY2010/11 Proposed Operating Budget Overview

Attachment 1
May 11, 2010



Budget Hearing Objectives

- Budget Strategies and Principles
- The Fiscal Challenge
- Achieving Sustainability
- Economic Reserve and Other Funding Sources
- Next Steps



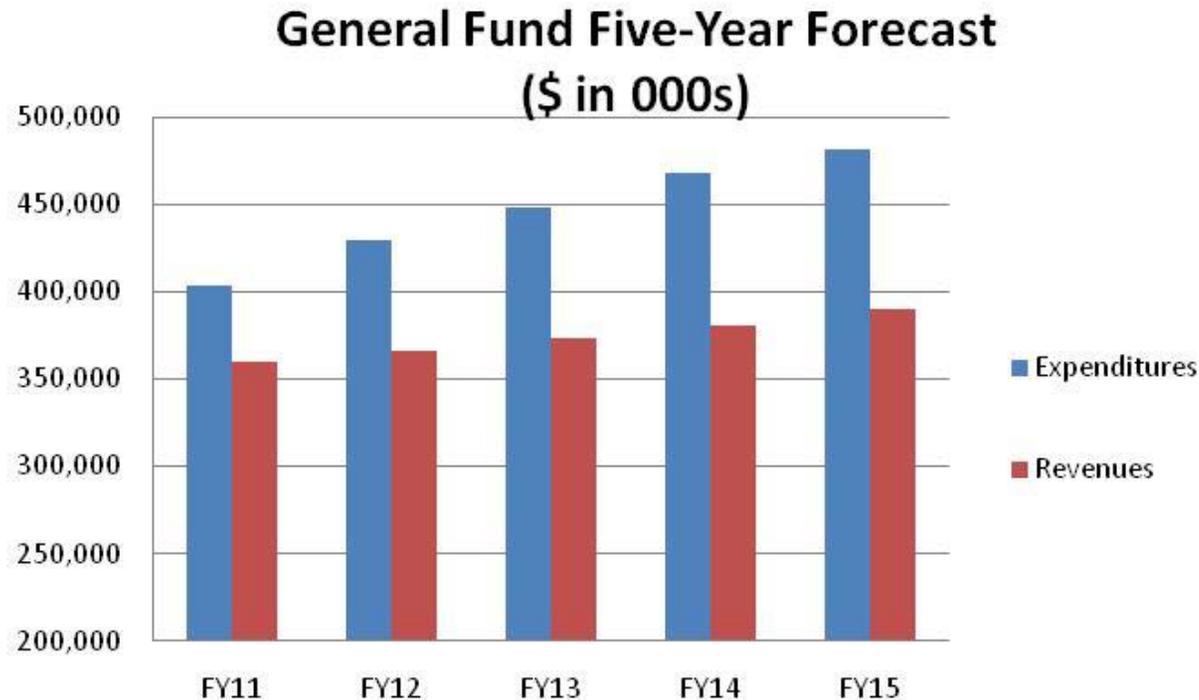
Adopted Budget Development Strategies and Principles

- Budget Development Strategies
 - Alternative Service Delivery
 - Streamlining the Organization
 - Revenue Improvements
 - Planned Use of One-time Reserves

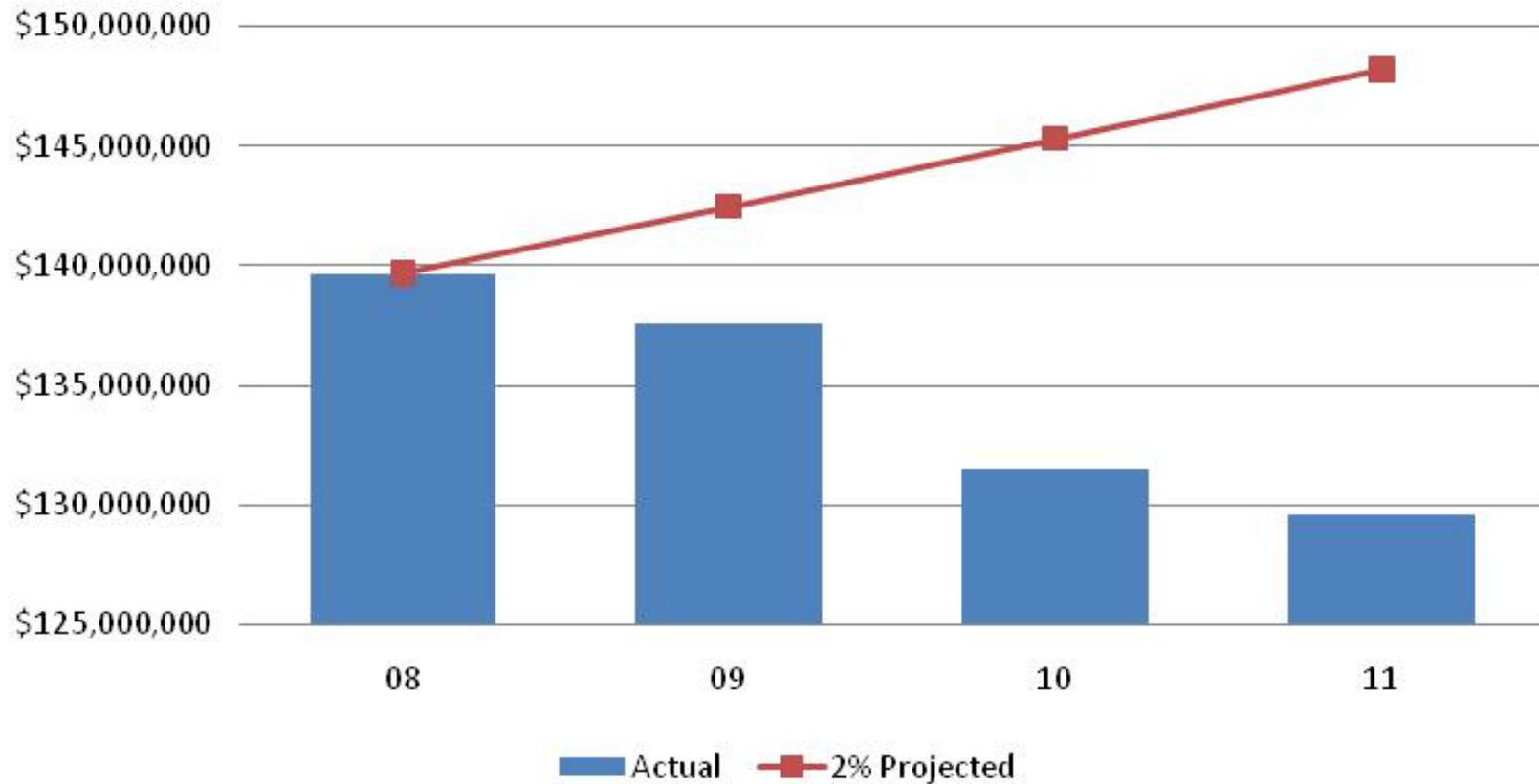
- Fiscal and Organizational Principles
 - Develop a Sustainable Budget Plan
 - Balanced Budget for FY2010/11
 - Use One-time Resources Strategically
 - Balance Layoff Impacts with Service Level Decisions
 - Address Full Service City Status

FY2010/11 Budget Challenge - \$43m

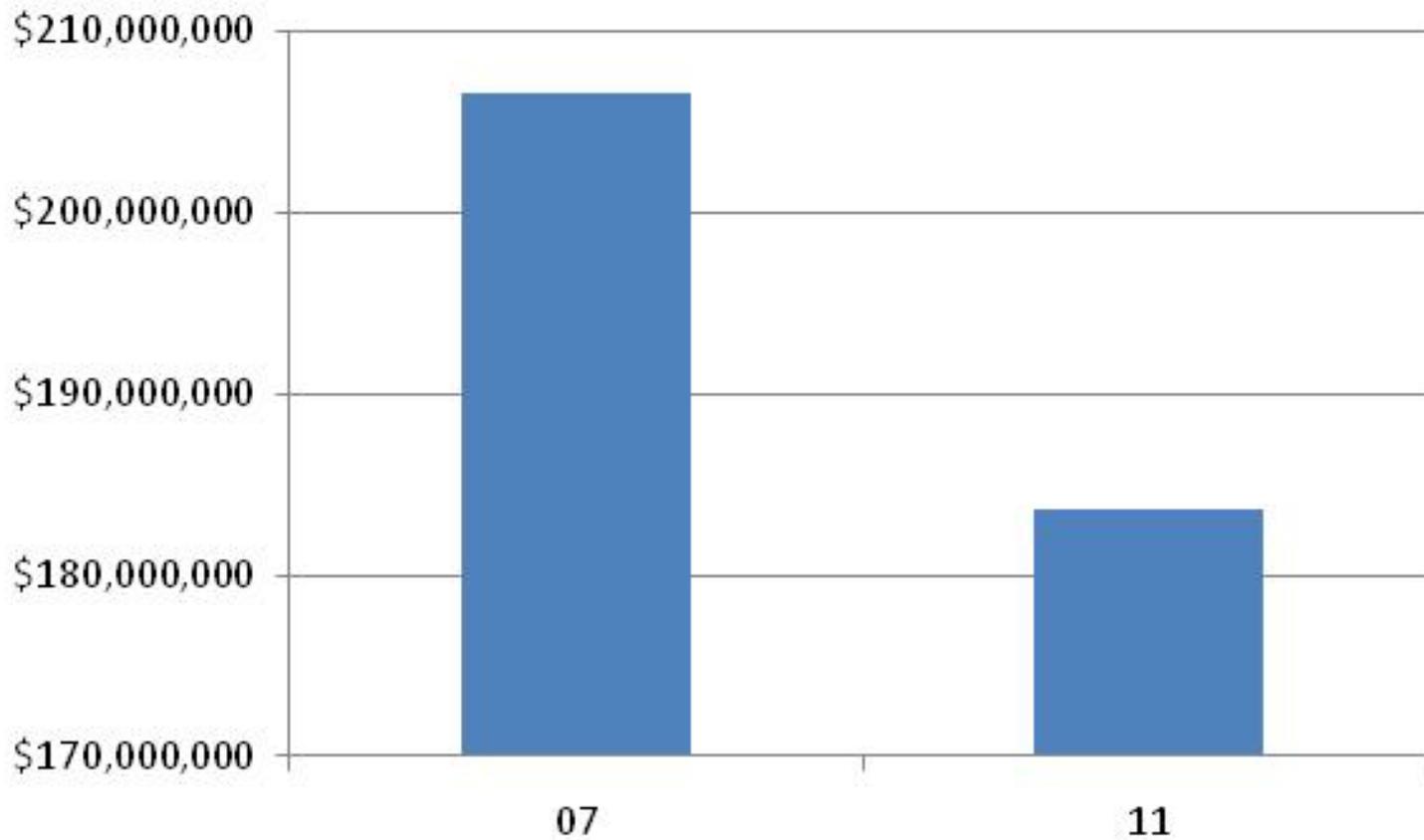
- Expenditures Outpace Revenues



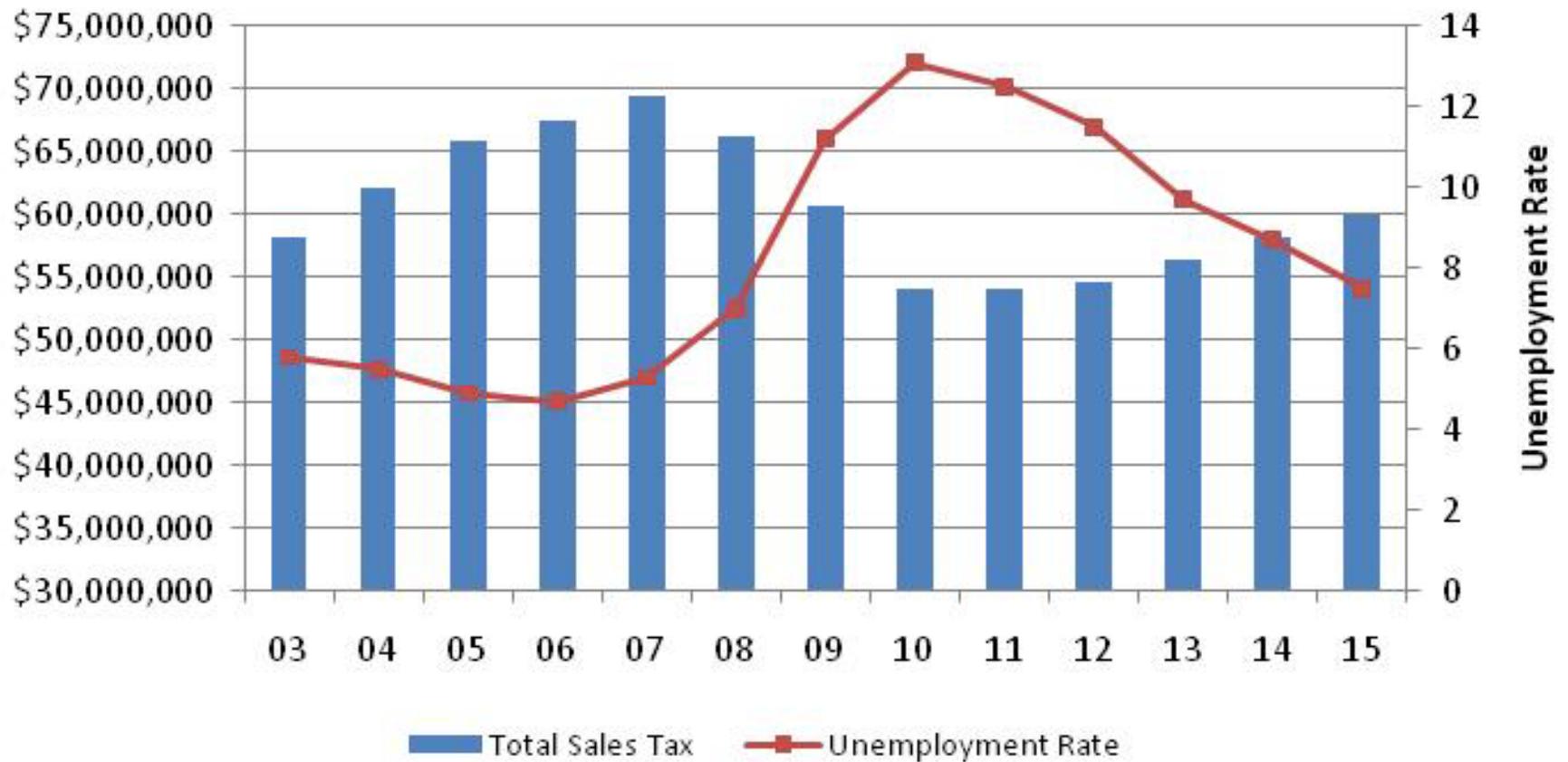
Property Tax Decline vs Continued 2% Growth



Property Tax & Sales Tax \$23M Decline



Sales Tax vs Unemployment





Sustainability Plan: Three Year Fiscal Roadmap

- Balanced Approach
- Services Evaluation/Program Priority
- Rightsize the Organization for the New Economy
- Solutions Beyond the Budget Process
- Recovery Plan

Three Year Plan

(\$ in millions)

Strategies	FY2010/11	FY2011/12	FY2012/13
Deficit	(43.00)	(63.30)	(74.80)
Eliminate Vacancies	14.00	14.00	14.00
Labor Concessions	5.60	5.60	5.60
POD Reductions (July 1)	10.20	10.20	10.20
POD Reductions (Midyear)	4.40	8.80	8.80
One-Time Resources	8.80	-	-
New Revenues	-	15.00	15.00
Other Strategies	-	9.70	21.20
Total	-	-	-



FY2010/11 Proposed Budget

- On-going reductions (\$34.2 m)
 - Vacancies (\$14.0 m)
 - Labor Concessions (\$5.6 m)
 - POD Reductions (\$14.6 m)
 - July and January Reductions
- One-time Resources (\$8.8 m)



Other Fiscal Solutions

- ❑ Management Partners Ideas
- ❑ Internal Consolidations
- ❑ Regional Consolidations
- ❑ Contracting In/Out
- ❑ Revenue Improvements
- ❑ Restructuring Salary and Benefits
- ❑ Adjust City Service Hours



Other Funding Sources

□ One-time Resources

- Economic Uncertainty Reserve - \$10.5 m
- Sheraton Proceeds in Parking Fund - \$6.0 m
- Parks Special Revenue Fund - \$1.4 m
- Arts Stabilization Funding - \$1.2 m
- Cell-Tower Revenue - \$800K
- Lighting & Landscaping - \$490K
- Elections/Public Campaign Financing – 300K



Other Funding Sources (continued)

- On-going Resources
 - Payment in Lieu of Taxes - \$420K
 - Electronic Billboard - \$360K (first year)
 - Other Billboards - \$375K
 - Cell Tower - \$350K



Next Steps: Budget Hearings

- Management Partners recommendations
- Revenue Enhancements
- Internal and External consolidations
- Service Reductions
- Budget Adoption