



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 5/24/2011

Report Type: Staff/Discussion

Title: FY2011/12 Proposed Budget for the Departments of Economic Development, Finance, General Services, Human Resources, Information Technology, Transportation and Utilities and delivery of Supplemental Budget Information as available

Report ID: 2011-00440

Location: Citywide

Recommendation: Conduct a public hearing and upon conclusion adopt an intent motion to approve the Proposed Budget for FY2011/12 for the Economic Development, Finance, General Services, Human Resources, Information Technology, Transportation, and Utilities Departments.

Contact: Virginia Smith

Presenter: Leyne Milstein

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

- 1-Description/Analysis
 - 2-Attachments Consolidated
-

City Attorney Review

Approved as to Form
Larry Duran
5/20/2011 2:20:56 PM

Department Director or Designee: Dawn Holm - 5/20/2011 1:06:57 PM

Assistant City Manager: BEdgar - 5/20/2011 1:30:39 PM



Description/Analysis

Issue: This report transmits the FY2011/12 Proposed Operating Budget details for the Economic Development, General Services, Transportation, Utilities, and Support Departments. Details of the department's Operating Budgets are provided in the Background section of this report (Attachments 1-7).

Policy Considerations: After three consecutive years of reductions, the City continues the monumental task of rightsizing the organization. Given the size of the challenge, and the fact that ongoing efforts to align revenues and expenditures have not been able to keep pace with the revenue declines in prior years and significant year-to-year expenditure increases, it is critical that future reduction efforts reflect the need to initiate major permanent changes to ensure long-term fiscal sustainability.

On May 12, 2011, the City Council approved the following parameters to be used for reconsideration of cuts:

- FY2011/12 actions need to be considered within a multi-year context; the budget process must be a continuous conversation.
- The Reserve for Economic Uncertainty will not be used.
- One-time cuts will not be used to replace permanent cuts.
- Any new revenue proposals will not be used until implemented.
- Any labor concessions will be used to mitigate reductions in that bargaining group only during the concession period.

Closing the gap will require difficult decisions about program priorities and levels of service, and will require discipline to ensure that the solutions implemented address the City's long-term financial challenges.

Environmental Considerations:

California Environmental Quality Act (CEQA): 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 CEQA [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The severe economic downturn impacting the nation, state, and City require that significant budget reductions be implemented in order to stabilize the City's budget and continue the process of returning the General Fund budget to sustainability.

Financial Considerations: The City must close the \$39 million gap between revenues and expenses in the General Fund to achieve a fiscally sustainable budget. The deficit will persist unless permanent corrective actions are taken to change the City's revenue and cost structures as well as the complement of services delivered in order to create a financially sustainable way to meet the most critical needs of our community. The following summarizes the proposed reductions by department:

- The Economic Development Department will be reduced by \$707,406 and 4.0 FTE (1.0 Unrepresented FTE will be moved to Community Development Department).
- The General Services Department will be reduced by \$2,123,541 and 22.5 FTE (3.5 Unrepresented, 19.0 Represented).
- The Transportation Department will be reduced by \$440,884 in General Funds.
- The Utilities Department will be increased by \$2.2 million in revenues (\$1.5 million in Solid Waste and \$700K in Drainage) and reduced by \$4.5 million (\$3.2 million in the Water Fund, \$1.3 million in the Sewer Fund).
- The Support Services Departments include Finance, Human Resources, and Information Technology. The Departments will reduced by 887,000 and revenues will be increased by \$592,000 for a total reduction of costs to the General fund of \$1,479,000 and 5.0 FTE.
 - The Finance Department budget as proposed will be increased by \$592,000 and 2.0 Represented FTE.
 - The Human Resources Department budget as proposed will be reduced by \$240,000 and 2.0 Unrepresented FTE.
 - The Information Technology Department budget as proposed will be reduced by \$647,000 and 5.0 FTE (2.0 Unrepresented, 3.0 Represented).

Emerging Small Business Development (ESBD): Not applicable.



Economic Development Department

The Economic Development Department will be reduced by \$707,406 and 4.0 FTE (1.0 FTE will be moved to Community Development Department). The Department has a total staffing of 14.0 FTE for FY2011/12. This is eight fewer positions than approved in the FY2009/10 budget. As the economic recovery within the greater Sacramento region advances, the impacts on the City and on the Department due to personnel reductions and General Fund line-item reductions will result in:

- A reduced capacity to link employers with job seekers.
- Fewer memberships and sponsorships with regional partners and community groups, thus decreasing access to resources that further business retention, outreach and attraction efforts.
- The dissolution of the Small Business Development and Employment Advisory Board.*
- Reduced marketing, collateral, and ancillary material essential to business attraction, retention, and expansion efforts.
- Delays in advancing key development projects that would provide jobs, private investment, and revenue for the City. Potential impacted projects include:
 - 65th Street and Power Inn Opportunity Area;
 - Cal Expo/Point West Opportunity Area;
 - Raley Boulevard Industrial Project Area;
 - Central City Project Area; and
 - River District Project Area.
- Significant increase in response time to developer and business development inquiries, inter-departmental requests, department administrative processing, small business certification, and public requests thus negatively impacting overall customer service and perceptions of the City being “business friendly.”
- Reduced ability to advance key economic initiatives and position the City for recovery.
- Reduced staff support and involvement with local chambers and PBIDs.

*This Board was established on October 10, 2000, by Ordinance 2000-040. Upon adoption of this recommendation, staff will begin the steps necessary to return to City Council with ordinance language to execute this recommendation.

Economic Development Department Impacts

Citywide Marketing Efforts

Reduction	Net General Fund savings of \$171,310 and the transfer of 1.0 FTE to the Community Development Department.
Impact	Reduced marketing, materials and collateral for business attraction, retention and expansion efforts.

City Memberships and Sponsorships

Reduction Net General Fund savings of \$59,000.

Impact Reduction in magnitude of City memberships and sponsorships with regional partners providing various resources such as retention, outreach, and attraction efforts. These partners potentially include Sacramento Clean Energy, California Association for Local Economic Development, International Council of Shopping Centers, Midtown Business Association, and Ethnic Chambers of Commerce.

Customer Service

Reduction Net General Fund savings of \$71,066 and the elimination of 1.0 FTE.

Impact Restructure of Customer Service delivery; significant increase in response time to public inquiries and processing of department administrative functions.

Employment Opportunities

Reduction Net General Fund savings of \$35,000.

Impact Will result in a reduced capability to link employers with job seekers and increase City employment rate.

Investment and Job Creation Projects

Reduction Net General Fund savings of \$331,030 and the elimination of 2.0 FTE.

Impact Delay in advancing development projects including the:

- 65th Street and Power Inn Opportunity Area;
- Cal Expo/Point West Opportunity Area;
- Raley Boulevard Industrial Project Area; and
- Central City Project Area.

Small Business Assistance

Reduction Net General Fund savings of \$40,000.

Impact Elimination of the Small Business Development and Advisory Board (and associated committees) which serves as an advisory entity to the Economic Development Department, Human Resource Department, and City Council will result in a significant reduction in the ability to assist the small business community within the City including Property-Based Improvement Districts, Business Improvement Districts, Small Business Development Center and business associations.

Economic Development Department Staffing

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Analyst	2.00	2.00	-
Administrative Assistant	1.00	-	(1.00)
Administrative Officer	1.00	1.00	-
Administrative Technician	1.00	1.00	-
Director of Economic Developmnt	1.00	1.00	-
Economic Development Manager	2.00	2.00	-
Media & Comms Specialist*	1.00	-	(1.00)
Senior Development Project Mgr	8.00	6.00	(2.00)
Operating Unit	18.00	14.00	(4.00)

* Position moved from Economic Development to Community Development.

Attachment 2**Finance Department**

To ensure that the City is collecting all revenue due, the Finance Department will add 2.0 FTE in the Revenue Division to concentrate on delinquent collections. The Revenue Division does not currently have the capacity to follow up on delinquent accounts, and the additional staff will provide the resources necessary to collect what is owed.

In addition, the Finance Department is committed to providing the City residents and staff with quality financial and budget related services including:

Accounting

- Processing over 100,000 paychecks for City employees annually.
- Processing over 75,000 payments annually to vendors for various goods and services, to City employees for work-related expenses, and to SCERS retirees for pension benefits.
- Maintaining and monitoring internal controls to safeguard City resources and ensuring financial transactions comply with rules, regulations, and policies.
- Coordinating with departments to close the City's financial books for over 200 funds and produce the Comprehensive Annual Financial Report (CAFR) and Single Audit Report.
- Managing all finance plans and special districts to ensure best management practices
- Conducting tax and assessment audits and other quality controls for all Mello-Roos and assessment districts.
- Researching opportunities to optimize the use of assessment districts and finance plans to build priority public improvements, fund services, and encourage private investment in the City.
- Completing the annual district budget process efficiently and effectively.

Administration

- Provides centralized administrative support to the goals, objectives, policies, and priorities for the Department.
- Strategizes with City Manager's office on citywide finance/budget policy issues.

Budget

- Assisting departments with managing operating and capital improvement program budgets.
- Coordinating and managing the development of the City Manager's annual proposed and approved operating and capital improvement program budgets.
- Assisting with a variety of citywide special projects and assignments.
- Assisting the City Manager, City Council, and City departments with capital project financing, debt management, and long-term asset acquisition.

Revenue

- Coordinating billing and collection of major taxes, fees, and citations citywide.
- Auditing and enforcing a variety of City codes to ensure compliance.
- Processing and issuing business and operating permits.
- Monitoring various programs, including taxi cabs, mobile food vendors, and medical marijuana.

Finance Department Impacts

Revenue Division – Delinquent Collections

Addition Net General Fund revenue increase of \$592,000 and the addition of 2.0 FTE.

Impact The additional staff will concentrate on collecting delinquent accounts for various City programs that will result in an estimated \$750,000 increase in revenue to the General Fund once the program is fully operational.

Finance Department Staffing

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Account Clerk II	6.00	6.00	-
Accounting Manager	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	2.00	2.00	-
Claims Collector	3.00	5.00	2.00
Customer Service Assistant	3.00	3.00	-
Customer Service Rep	13.00	13.00	-
Customer Service Specialist	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	-
Director of Finance	1.00	1.00	-
Enforcement & Collections Supv	1.00	1.00	-
GIS Specialist II	1.00	1.00	-
Payroll Technician	4.00	4.00	-
Principal Accountant	3.00	3.00	-
Principal Management Analyst	2.00	2.00	-
Program Analyst	1.00	1.00	-
Program Manager	1.00	1.00	-
Program Specialist	3.00	3.00	-
Revenue Manager	1.00	1.00	-
Senior Accountant Auditor	7.00	7.00	-
Senior Accounting Technician	1.00	1.00	-
Senior Management Analyst	4.00	4.00	-
Senior Staff Assistant	1.00	1.00	-
Typist Clerk II	1.00	1.00	-
Typist Clerk III	2.00	2.00	-
Utility Serv Inspect (UNPY)	1.00	1.00	-
Operating Unit	72.00	74.00	2.00

Attachment 3**General Services Department**

The Department of General Services provides direct service to City residents through its Animal Care and 311 divisions, and support to other City departments through its Facilities and Real Property Management, Fleet Management, and Procurement Services Divisions. The Department continues to offer core services across all of its business lines which will include but not be limited to:

- Responding to citizen calls and emails, dispatching city services, and providing access to city services through Sacramento City 311;
- Providing basic animal care, sheltering, control, and enforcement through Animal Care Services;
- Delivering current capital projects, providing life safety and critical repairs, and regulatory compliance in city facilities, and asset management through the Facilities & Real Property Management Division;
- Maintaining the operating safety and regulatory compliance of the city's fleet and fleet infrastructure, and procuring necessary vehicles and equipment through the Fleet Management Division; and
- Providing citywide procurement, labor compliance, and contract services through the Procurement Services Division.

The Department will be reduced by \$2,123,541 (\$1,444,802 of which is from the General Fund) and 22.5 FTE. Reductions in the FY2011/12 budget will impact all areas of Department operations. The Department will reduce its budget for FY2011/12 through a combination of cuts in staffing and funding for services and supplies, increases in reimbursements for services provided, and the reorganization of administrative support staff to maximize the operational efficiency of the remaining staff. These reductions will result in:

- A slower response time to requests for service as many staff within the Department will assume additional responsibilities to compensate for FTE reductions.
- A potential for increased failures in building systems in City facilities as less staffing and funding is available for preventive maintenance work in city facilities.
- A reduction in staff resources available for unfunded project work and general inquiries since remaining staff will be required to focus on funded work such as capital projects, grant projects, etc.
- Fewer resources to provide community outreach to support the direct services provided to City residents.
- Reduced hours of operation.

General Services Department Impacts

Animal Care Services – Shelter and Administration

Reduction Net General Fund savings of \$161,420 and the elimination of 1.5 FTE.

Impact Reduced funding for the Animal Care volunteer program resulting in less community outreach for adoptions, less oversight of volunteers, longer training time for volunteers, and less coordination between volunteers and staff. In addition, administrative support staff will be reorganized to achieve operational efficiencies at a reduced cost to the General Fund.

Facilities Maintenance – Preventive Maintenance, Daily Repairs, and Corrective Work

Reduction Net General Fund savings of \$840,286 and the elimination of 6.0 FTE.

Impact A potential for increased failures in City facilities, as well as slower response time to customer requests. The reduction in FTE will mean that remaining staff will have to assume additional responsibilities, and will result in the consolidation of the Paint and Carpenter shops. The net reduction noted above includes the addition of \$133,170 for 1.0 FTE Senior HVAC Systems Mechanic and operations and maintenance funding for facilities brought on line through the Community Reinvestment Capital Improvement Program (CRCIP).

Fleet Management – Ready Line Services for the Police Department

Reduction The Police Department's decision to eliminate this program reduces Fleet Fund revenue by \$420,000, which results in a Fleet Fund expenditure reduction of \$420,000 and the elimination of 5.0 FTE.

Impact Fleet Management will no longer provide staffing at 300 Richards Boulevard to prepare police vehicles for daily use. Fleet Maintenance shops at the Kinney and Rooney Police Substations will reduce hours of operation. In order to provide sufficient fleet maintenance and repair coverage in a safe working environment for the Police Department, Fleet Management proposes to reduce operations from seven days a week to five days a week at the Kinney Substation (Tuesday – Saturday) and at the Rooney Substation (Sunday – Thursday). The Sutter's Landing fleet maintenance shop will remain open Monday – Friday to service and repair Police patrol vehicles.

Fleet Management – Body and Paint Shop Operations

Reduction Net Fleet Fund savings of \$280,520 and the elimination of 3.0 FTE.

Impact Body and paint work will be outsourced using existing contracts, thereby reducing ongoing costs to Fleet Management customer departments and providing future cost avoidance related to mandated regulatory upgrades to the paint booth.

Fleet Management – Continuous Improvement and Re-Engineering Efficiencies

Reduction Net Fleet Fund savings of \$398,219 and the elimination of 5.0 FTE.

Impact Due to the significant efficiencies achieved from the department administrative support reorganization and Fleet Management technology system enhancements, no direct service level impacts are anticipated as a result of this budget reduction.

Office of the Director – Administration

Reduction Net General Fund savings of \$200,776 and the elimination of 1.0 FTE.

Impact Fewer staff to support department-wide administrative functions, and a reduced capacity to respond to service requests from other City departments.

Procurement Services – Administration

Reduction Net General Fund savings of \$107,890 and the elimination of 1.0 FTE.

Impact Remaining staff will have to assume additional responsibilities, which will reduce the department's ability to address eCAPS related projects and issues, and customer requests in a timely manner.

Real Estate - Asset and Property Management, and Facilities Planning

Reduction Net General Fund savings of \$134,430.

Impact A reduced capacity for unfunded project work such as right of way, property acquisitions, appraisals/reviews, facility improvements, project feasibility analysis and research.

General Services Department Staffing

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Account Clerk II	2.00	-	(2.00)
Accounting Technician	3.00	3.00	-
Administrative Analyst	3.00	3.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	2.00	2.00	-
Animal Care Services Manager	1.00	1.00	-
Animal Care Technician	13.00	13.00	-
Animal Control Officer	7.00	7.00	-
Architectural Technician II	1.00	1.00	-
Architectural Technician III	1.00	1.00	-
Associate Architect	3.00	3.00	-
Associate Mechanical Engineer	1.00	1.00	-
Building Inspector IV	1.00	1.00	-
Building Maintenance Worker	7.00	7.00	-
Carpenter	3.00	3.00	-
Central Services Assistant III	1.00	1.00	-
Contract and Compliance Spclst	1.00	1.00	-
Customer Service Assistant	1.00	1.00	-
Customer Service Representative	23.00		(1.00)
		22.00	
Customer Service Specialist	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	-
Dept Systems Specialist II	1.00	1.00	-
Director of General Services	1.00	1.00	-
Electrician	4.00	3.00	(1.00)
Electrician Supervisor	1.00	1.00	-
Electronic Maint Tech II	1.00	1.00	-
Equipment Body Mechanic II	3.00	-	(3.00)
Equipment Maintenance Supv	3.00	-	(3.00)
Equipment Mechanic I	2.00	2.00	-
Equipment Mechanic II	33.00	31.00	(2.00)
Equipment Mechanic III	9.00	9.00	-
Equipment Service Worker	27.00	27.00	-
Facilities & Real Prop Supt	2.00	2.00	-
Facilities Manager	1.00	-	(1.00)
Fleet Management Technician	1.00	1.00	-
Fleet Manager	1.00	1.00	-
HVAC Systems Mechanic	6.00	5.00	(1.00)
IT Support Specialist II	1.00	1.00	-
Maintenance Worker	2.00	2.00	-
Mechanical Maintenance Supv	2.00	2.00	-
Operations General Supervisor	4.00	3.00	(1.00)
Painter	3.00	3.00	-
Personnel Transactions Coord	1.00	1.00	-

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Plumber	4.00	3.00	(1.00)
Program Analyst	7.00	6.50	(0.50)
Program Manager	5.00	5.00	-
Program Specialist	5.00	4.00	(1.00)
Real Property Agent II	2.00	2.00	-
Real Property Agent III	1.00	1.00	-
Registered Veterinary Tech	1.00	1.00	-
Security Officer	1.00	1.00	-
Senior Animal Care Technician	2.00	2.00	-
Senior Animal Control Officer	1.00	1.00	-
Senior Building Maint Worker	2.00	2.00	-
Senior Central Services Asst	1.00	1.00	-
Senior Dept Systems Specialist	1.00	-	(1.00)
Senior Engineer	2.00	2.00	-
Senior Equipment Service Wrkr	1.00	1.00	-
Senior HVAC Systems Mechanic	1.00	2.00	1.00
Senior Systems Engineer	1.00	1.00	-
Sheet Metal Worker	1.00	-	(1.00)
Storekeeper	5.00	5.00	-
Structural Maintenance Supv	2.00	1.00	(1.00)
Supervising Animal Care Ofcr	1.00	1.00	-
Supervising Architect	1.00	1.00	-
Supervising Financial Analyst	1.00	1.00	-
Supervising Real Prop Agent	1.00	1.00	-
Typist Clerk II	3.00	3.00	-
Vehicle Service Attendant	7.00	4.00	(3.00)
Veterinarian	1.00	1.00	-
Operating Unit	247.00	224.50	(22.50)

Attachment 4**Human Resources Department**

The Human Resources Department must accomplish a number of new projects in FY2011/12 which are mission critical. As the Department is charged with labor negotiations, bargaining will begin with recognized employee organizations with contract end dates nearing. Sacramento Area Fire Fighters, Local 522 Memorandum of Understanding expires in January of 2012, followed by the International Union of Operating Engineers, Stationary Engineers, Local 39, in June of 2012. In addition, the City has been informed that an organizing effort is underway for certain employees who are currently unrepresented. Assuming the organizing effort is successful, the department will commence contract negotiations with a new employee organization.

Another area of focus is policy and guideline revision. A review of the Civil Service Board Rules is currently underway with the goal of language updates to conform to recent legislation and align with City practices. Input from stakeholders as well as meet and confer meetings will take place in coming months in advance of presenting recommendations to the Board.

With over 500 employees taking a leave of absence from work each year, clear rules regarding employee rights and responsibilities are necessary. As a result, the Department has made it a priority to revise API 40, the City's policy on Family Medical Leave Act (FMLA) this fiscal year.

The Human Resources Department has been reduced by \$240,000 in the Proposed Budget, which includes the elimination of 2.0 FTE.

Human Resources Department Impacts**Employment & Classification**

Reduction Net General Fund savings of \$19,435.

Impact The further reduction to the Professional Services budget, which is utilized for consultant fees to develop exams, perform job analysis, conduct executive recruitments and salary surveys, will result in requiring departments to fund such requests.

Labor Relations

Reduction Net General Fund savings of \$127,672 and elimination of 1.0 FTE.

Impact The elimination of a Labor Relations Officer will require the redistribution of department support assignments and increase workload for the remaining Labor Relations Officers and Manager by approximately 20%. This will result in slower response times and an increase in backlogged cases during peak periods. City management, employees, and recognized employee organizations will

experience reductions in responsiveness and timeliness of Labor Relations work product and services.

Organizational Development & Training

Reduction Net General Fund savings of \$93,677 and elimination of 1.0 FTE.

Impact The Organizational Development & Training Division is now completely defunded. The elimination of an Organizational Specialist position will require remaining staff to absorb the work for the Supervisor, Manager Required Training (SMART) Academy, legally mandated sexual harassment prevention training, and wellness program development.

Human Resources Department Staffing

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Administrative Analyst	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Asst (Conf/Ex)	1.00	1.00	-
Director of Human Resources	1.00	1.00	-
Envtal Health & Safety Officer	1.00	1.00	-
Envtal Health & Safety Spclst	6.00	6.00	-
Equal Employment Specialist	1.00	1.00	-
Human Resources Manager	5.00	5.00	-
Labor Relations Analyst	1.00	1.00	-
Labor Relations Manager	1.00	1.00	-
Labor Relations Officer	4.00	3.00	(1.00)
Organizational Development Spl	1.00	-	(1.00)
Personnel Analyst	2.00	2.00	-
Personnel Technician	15.00	15.00	-
Program Analyst	2.00	2.00	-
Program Specialist	8.00	8.00	-
Risk Manager	1.00	1.00	-
Senior Personnel Analyst	3.00	3.00	-
Senior Staff Assistant	4.00	4.00	-
Staff Assistant	3.00	3.00	-
Support Services Manager	1.00	1.00	-
Workers' Compensatn Claims Rep	8.00	8.00	-
Operating Unit	71.00	69.00	(2.00)

Information Technology Department

In FY2011/12, the Information Technology (IT) Department will focus efforts on redefining its role to better support City goals and objectives. A top initiative currently moving forward is the IT Collaboration and Partnership Plan that will leverage citywide IT staff resources to achieve efficiencies. Examples include a Collaborative Regional Helpdesk, IT cross-training to build organizational depth, and Geographic Information Systems (GIS) consolidation. Other phases of this effort are being developed that will ultimately help reduce redundancies and save overall operating costs.

In addition, the department will focus on performing major software upgrades to the City's finance and human resources system also known as electronic Citywide Accounting and Personnel System (eCAPS). The mandated upgrade will ensure the City's ongoing compliance with new reporting laws, improve central coordination, enhance accountability and minimize risk within the City's financial system. This upgrade will eventually allow for the elimination of redundant systems, saving money over the next five years and support the conversion of over 150,000 transactions to paperless, consistent with the City's sustainability efforts.

As the City looks to address future budget gaps and reduce operating expenses, technology will play a vital role in supporting this effort. The total number of IT staff throughout the City represents approximately 3% of the workforce which is at low end of the industry norm of 3-5% range. The City must systematically look at innovative and creative ways of investing in and leveraging technology which will help solve many challenges the City is facing in this down economy.

The IT Department will be reduced by \$647,000 and 5.0 FTE. The planned reductions for the Department will impact overall service levels across the department causing significant delays in response times and will require changes to the way the Department delivers its services. Reductions will include the elimination of certain software maintenance and hardware components, and 5.0 FTE support staff that will require the redistribution of several work assignments to other internal teams.

Information Technology Department Impacts

Administration

Reduction Net General Fund savings of \$200,000.

Impact A service/supply reduction of \$100,000 will eliminate the lease and maintenance costs for a high speed printer used for high volume printing such as accounts payable check copies, worker's compensation checks, business tax notices,

pension payroll, and payroll sheets. Other cost-effective solutions will be implemented.

Impact Software maintenance for Oracle Real Application Cluster (RAC) will be eliminated resulting in a \$100,000 budget savings. The software provides for database tools and automated data redundancy by allowing multiple servers to work in tandem to minimize the possibility of data loss. Data redundancy and system backup support will be performed manually which could impact system outages for up to four hours.

Central Web Support

Reduction Net General Fund savings of \$92,377 and the elimination of 2.0 FTE.

Impact Reduction from this section will include the total elimination of existing support staff. Current central web site services that support home page updates, content management, and content changes will be outsourced and/or absorbed by existing staff. Staff reduction impacts will result in delays in non-critical updates and upgrades, and limited redesign, added functionality and restructuring.

Citywide Content Management (CCM)

Reduction Net General Fund savings of \$146,842 and the elimination of 1.0 FTE.

Impact This reduction will significantly reduce the ability to provide support for new automated workflow initiatives such as Automated Document Review System (ADRS) and utility billing scanning, etc. In addition, this reduction will limit the ability to provide CCM system enhancement, and oversight on departmental document scanning efforts resulting in continued departmental physical storage costs.

IT Customer Service

Reduction Net General Fund savings of \$207,781 and the elimination of 2.0 FTE.

Impact Staffing reductions on top of previous staffing cuts from this group will reduce response times when answering help desk calls, fixing login issues, or resetting passwords. In addition, there will be significant delays in resolving non critical computer related issues for PCs, printers and phones that will have a direct impact on staff productivity.

Information Technology Department Staffing

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Administrative Technician	1.00	1.00	-
Chief Information Officer	1.00	1.00	-
Data Systems Technician	-	-	-
IT Manager	3.00	3.00	-
IT Supervisor	6.00	5.00	(1.00)
IT Support Specialist I	1.00	1.00	-
IT Support Specialist II	2.00	2.00	-
Media Production Specialist II	1.00	1.00	-
Principal Applications Developer	7.00	7.00	-
Principal Systems Engineer	4.00	4.00	-
Program Analyst	1.00	1.00	-
Program Manager	1.00	1.00	-
Programmer	1.00	-	(1.00)
Senior Applications Developer	8.00	8.00	-
Senior Computer Operator	1.00	-	(1.00)
Senior Dept Systems Specialist	1.00	-	(1.00)
Senior IT Support Spclst	6.00	5.00	(1.00)
Senior Systems Engineer	4.00	4.00	-
Systems Engineer	1.00	1.00	-
Telecommunications Engn II	1.00	1.00	-
Telecommunications Engn III	1.00	1.00	-
Operating Unit	54.00	49.00	(5.00)

Transportation Department

The Department of Transportation is committed to continue providing quality customer service in the areas of Urban Forest Health, Streetscape Maintenance, and Transportation Planning and Policy as these proposed reductions change our service delivery models more than reduce our actual productivity. Level of service impacts will in most cases not be visible to our customers but will increase efficiency.

The Transportation Department will be reduced by \$480,884. These reductions will result in the following service level impacts:

- An increase in reimbursements from capital improvement project and program work in the Transportation Planning and Policy and Planning programs will affect our ability for staff to work on projects that are not specifically funded by a CIP or project source and will result in a General Fund savings of \$237,000.
- Reductions in the Streetscape Maintenance program services and supplies will result in a nominal impact to the maintenance of the City's 445 acres of medians, soundwalls, roadsides and ditches, facilities, non-landscaped medians, alleyways, overcrossings and pedestrian bridges. This reduction will result in a net General Fund savings of \$117,000 and eliminates all General Fund support for this program.
- Reductions in the Urban Forest Health program services and supplies will result in a nominal reduction of tree plantings, and increased long term maintenance cost due to reduced young tree training and pruning. This reduction will result in a net General Fund savings of \$126,884 and eliminates all General Fund support for this program.

Transportation Department Impacts

Streetscapes

Reduction Net General Fund savings of \$117,000.

Impact Services and supplies reduction will have a nominal impact on the level of service.

Transportation Policy and Planning

Savings Project reimbursements were increased by \$237,000.

Impact No impact on the level of service.

Urban Forestry Services

Reduction Net General Fund savings of \$126,884.

Impact Services and supplies reduction will have a nominal impact on the level of service.

Transportation Department Staffing

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Account Clerk I	1.00	1.00	-
Account Clerk II	4.00	4.00	-
Accounting Technician	4.00	4.00	-
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	2.00	2.00	-
Administrative Technician	3.00	3.00	-
Arborist/Urban Forester	2.00	2.00	-
Assistant Civil Engineer	10.00	10.00	-
Assistant Electrical Engineer	1.00	1.00	-
Associate Civil Engineer	13.00	13.00	-
Associate Planner	1.00	1.00	-
Construction Inspector I	3.00	3.00	-
Construction Inspector II	11.00	11.00	-
Construction Inspector III	4.00	4.00	-
Contract and Compliance Spclst	1.00	1.00	-
Custodian I	4.00	4.00	-
Custodian II	1.00	1.00	-
Customer Service Rep	1.00	1.00	-
Customer Service Specialist	1.00	1.00	-
Customer Service Supervisor	2.00	2.00	-
Department Systems Spclst II	1.00	1.00	-
Director of Transportation	1.00	1.00	-
Electrical Constructn Insp III	2.00	2.00	-
Engineering Manager	2.00	2.00	-
Engineering Technician I	1.00	1.00	-
Engineering Technician II	3.00	3.00	-
Engineering Technician III	7.00	7.00	-
GIS Specialist I	2.00	2.00	-
Human Services Program Coord	-	-	-

Transportation (continued)

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
IT Support Specialist I	1.00	1.00	-
Maintenance Worker	4.00	4.00	-
Media & Communications Spclst	1.00	1.00	-
Office Supervisor	1.00	1.00	-
Operations General Supervisor	6.00	6.00	-
Operations Manager	1.00	1.00	-
Park Equipment Operator	1.00	1.00	-
Parking Enforcement Officer	50.00	50.00	-
Parking Enforcement Supervisor	2.00	2.00	-
Parking Facilities Maint Supv	1.00	1.00	-
Parking Lot Attendant	19.75	19.75	-
Parking Lot Supervisor	4.00	4.00	-
Parking Manager	1.00	1.00	-
Parking Meter Coin Collector	4.00	4.00	-
Parking Meter Collection Supv	1.00	1.00	-
Parking Meter Repair Worker	3.00	3.00	-
Principal Planner	1.00	1.00	-
Program Analyst	9.00	9.00	-
Program Manager	1.00	1.00	-
Program Specialist	2.00	2.00	-
Recreation General Supervisor	1.00	1.00	-
Senior Accountant Auditor	2.00	2.00	-
Senior Accounting Technician	2.00	2.00	-
Senior Architect	1.00	1.00	-
Senior Building Maint Worker	1.00	1.00	-
Senior Data Entry Technician	1.00	1.00	-
Senior Dept Systems Specialist	1.00	1.00	-
Senior Engineer	7.00	7.00	-
Senior Engineering Technician	3.00	3.00	-
Senior Maintenance Worker	7.00	7.00	-
Senior Parking Lot Attendant	4.50	4.50	-
Senior Parking Lot Supervisor	1.00	1.00	-
Senior Planner	1.00	1.00	-
Senior Tree Maintenance Worker	4.00	4.00	-
Senior Tree Pruner	8.00	8.00	-
Special Projects Engineer	1.00	1.00	-
Street Construction Equip Optr	9.00	9.00	-
Street Construction Laborer	45.00	45.00	-
Street Maintenance Supv	7.00	7.00	-

Transportation (continued)

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Streets Manager	1.00	1.00	-
Supervising Construction Insp	3.00	3.00	-
Supervising Engineer	5.00	5.00	-
Supervising Financial Analyst	2.00	2.00	-
Supervising Surveyor	2.00	2.00	-
Support Services Manager	1.00	1.00	-
Survey Party Chief	3.00	3.00	-
Survey Technician II	7.00	7.00	-
Telecommunications Engineer II	1.00	1.00	-
Telecommunications Tech II	1.00	1.00	-
Traffic Control/Light Support	3.00	3.00	-
Traffic Control/Light Tech I	2.00	2.00	-
Traffic Control/Light Tech II	9.25	9.25	-
Traffic Investigator I	1.00	1.00	-
Traffic Investigator II	3.00	3.00	-
Traffic Investigator III	2.00	2.00	-
Traffic Supervisor	3.00	3.00	-
Traffic Worker I	8.00	8.00	-
Traffic Worker II	8.00	8.00	-
Traffic Worker III	2.00	2.00	-
Tree Maintenance Supervisor	1.00	1.00	-
Tree Maintenance Worker	6.00	6.00	-
Tree Pruner II	10.00	10.00	-
Tree Pruner Supervisor	1.00	1.00	-
Typist Clerk II	3.00	3.00	-
Typist Clerk III	5.00	5.00	-
Urban Forestry Manager	1.00	1.00	-
Operating Unit	408.50	408.50	0.00

Utilities Department

The Department of Utilities (DOU) provides high quality, reliable, and environmentally sensitive water, wastewater, drainage, and solid waste services. These services and facilities are provided for its customers, the ratepayers of the City, and are in place to safeguard the health and safety of the public, contribute to economic development, and improve the quality of life in our City.

Operating Budget

At this time, DOU is not recommending rate adjustments as part of the FY2011/12 Proposed Budget development process. Rather, the next steps are to incorporate the elements of the audit strategy into a multi-year rate plan. DOU will bring the plan to Council in late summer for consideration and further direction.

The proposed FY2011/12 budget is a reduction budget in that DOU is reducing its proposed expense budget to align with expected reduction in revenue given the anticipated economic conditions. The proposed FY2011/12 budget incorporates the following adjustments:

- Revenue from the Utility Funds is budgeted to show a net decrease in the amount of \$2.3M. This is consistent with revenue projections for FY2010/11 which are projected to be lower than budget due to a decline in consumption/usage.
- The net reduction in Utility Fund revenues has been offset by an overall reduction of Utility expenditures in the FY2011/12 proposed budget and use of Storm Drain Fund balance.

Proposed Amendments

The proposed budget contains the operating expenses that are now part of Multi-Year Operating Projects (MYOPs) that were established with Council approval on May 17, 2011. Given the establishment of these MYOPs, DOU is proposing to amend Schedule 9 to the projects listed in Table 1.

Table 1

Proposed Multi-Year Operating Projects (MYOPs) and Grant Appropriations

Project Number	Project Name	Fund	Existing Budget	FY2011/12 Revenue Budget	FY2011/12 Expenditure Budget
I14120400	Water Conservation Rebates	6005 Water	-	-	330,000
I14120600	CSS Regulatory Compliance Support	6006 Wastewater	-	-	100,000
I14120100	Legacy Landfill Operations	6007 Solid Waste	-	-	200,000
I14120500	Solid Waste Container Replacement	6007 Solid Waste	-	-	1,580,683
I14120300	SAFCA Levee Maintenance	6011 Storm Drainage	-	-	250,000
I14120600	CSS Regulatory Compliance Support	6011 Storm Drainage	-	-	300,000
I14120400	Water Conservation Rebates	6205 W Grants and Other Reimb Funds	-	381,000	381,000
I14120200	Solid Waste Outreach	6207 SW Grants and Other Reimb Funds	-	225,000	225,000
I14120300	SAFCA Levee Maintenance	6211 SD Grants and Other Reimb Funds	-	462,000	462,000
Total FY2011/12			\$ -	\$ 1,068,000	\$ 3,828,683

In addition, DOU is proposing the amendments to Schedule 9 for the projects indicated in Table 2 to reflect the revenue already included in the FY2011/12 Proposed Budget.

Table 2

Proposed Multi-Year Operating Projects (MYOPs) and Grant Appropriations

Project Number	Project Name	Fund	Existing Budget	FY2011/12 Revenue Budget	FY2011/12 Expenditure Budget
I14010300	Sacramento River Source Water	6205 W Grants and Other Reimb Funds	-	21,445	21,445
I14010400	American River Source Water	6205 W Grants and Other Reimb Funds	-	21,232	21,232
I14010200	FY10-FY14 NPDES* Stormwater Program	6211 SD Grants and Other Reimb Funds	-	750,000	750,000
Total FY2011/12			\$ -	\$ 792,677	\$ 792,677

Utilities Department Impacts

Budget Reductions

- Reduction of \$2 million of bad debt expenses, which is consistent with FY2010/11 bad debt performance which is projected to be \$2 million under budget.
- Reduction of \$413,000 in vehicle replacement costs due to the change in mileage criteria within the replacement schedule.
- Reduction of \$2.1 million in CIP appropriations to sewer projects.

Budget Increases

- Increase of \$2.6 million in CIP appropriations for critical storm drain and combined sewer system projects.
- Increase of \$841,000 in fuel expense due to projected increases in fuel costs.
- Increase of \$514,000 in debt service expense due to an increase in scheduled principal payments primarily within the Water Fund.

Utilities Department Staffing

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Account Clerk II	4.00	4.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	5.00	5.00	-
Administrative Assistant	3.00	3.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	3.00	3.00	-
Applications Developer	1.00	1.00	-
Assistant Civil Engineer	1.00	1.00	-
Associate Architect	1.00	1.00	-
Associate Civil Engineer	13.00	13.00	-
Associate Electrical Engineer	1.00	1.00	-
Blacksmith Welder	1.00	1.00	-
Business Services Manager	1.00	1.00	-
Code Enforcement Officer	2.00	2.00	-
Construction Inspector I	2.00	2.00	-
Construction Inspector II	3.00	3.00	-
Customer Service Assistant	0.50	0.50	-
Customer Service Representative	23.50		-
		23.50	
Customer Service Specialist	7.00	7.00	-
Customer Service Supervisor	4.00	4.00	-
Customer Service Trainee	1.00	1.00	-
Data Entry Technician	1.00	1.00	-
Department Systems Spclst I	1.00	1.00	-
Department Systems Spclst II	1.00	1.00	-
Development Services Tech I	1.00	1.00	-
Director of Utilities	1.00	1.00	-
Electrician	12.00	12.00	-
Electrician Supervisor	2.00	2.00	-
Engineering Manager	1.00	1.00	-
Engineering Technician III	4.00	4.00	-
Equipment Mechanic III	1.00	1.00	-
Executive Director SAC CCOMWP	1.00	1.00	-
Field Services Manager	1.00	1.00	-
General Helper	2.00	2.00	-
GIS Specialist I	2.00	2.00	-
GIS Specialist II	1.00	1.00	-
GIS Specialist III	1.00	1.00	-
Instrument Technician I	1.00	1.00	-
Instrument Technician II	7.00	7.00	-
Instrumentation Supervisor	1.00	1.00	-
Integrated Waste Collctns Supt	3.00	3.00	-
Integrated Waste General Mgr	1.00	1.00	-
Integrated Waste Planning Supt	1.00	1.00	-

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
IT Supervisor	2.00	2.00	-
IT Support Specialist I	1.00	1.00	-
IT Support Specialist II	1.00	1.00	-
IT Trainee	1.00	1.00	-
Junior Landscape Assistant	1.00	1.00	-
Junior Plant Operator	11.00	11.00	-
Machinist	16.00	16.00	-
Machinist Helper	15.00	15.00	-
Machinist Supervisor	4.00	4.00	-
Maintenance Worker	4.00	4.00	-
Media & Communications Spclst	1.00	1.00	-
Meter Reader	4.00	4.00	-
Meter Reading Supervisor	1.00	1.00	-
Motor Sweeper Operator	2.00	2.00	-
Office Supervisor	1.00	1.00	-
Plant Operator	28.00	28.00	-
Plant Services Manager	1.00	1.00	-
Program Analyst	10.00	10.00	-
Program Manager	3.00	3.00	-
Program Specialist	7.00	7.00	-
Public Service Aide	0.50	0.50	-
SAFCA Counsel	1.00	1.00	-
SAFCA Deputy Director	1.00	1.00	-
SAFCA Dir of Planning	1.00	1.00	-
SAFCA Executive Director	1.00	1.00	-
Sanitation Worker I	4.00	4.00	-
Sanitation Worker I (NODL)	1.00	1.00	-
Sanitation Worker II	111.00	111.00	-
Sanitation Worker III	8.00	8.00	-
Secretary	5.00	5.00	-
Senior Accountant Auditor	2.00	2.00	-
Senior Department Sys Spclst	2.00	2.00	-
Senior Engineer	16.00	16.00	-
Senior Engineering Technician	2.00	2.00	-
Senior IT Support Spclst	2.00	2.00	-
Senior Landfill Engineer Tech	1.00	1.00	-
Senior Maintenance Worker	7.00	7.00	-
Senior Management Analyst	1.00	1.00	-
Senior Personnel Trans Coord	1.00	1.00	-
Senior Plant Operator	14.00	14.00	-
Senior Staff Assistant	1.00	1.00	-
Solid Waste Supervisor	11.00	11.00	-
Staff Aide (Management)	3.00	3.00	-

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Storekeeper	4.00	4.00	-
Stores Administrator	2.00	2.00	-
Stores Clerk II	2.00	2.00	-
Student Trainee (Engn, Comptr)	3.50	3.50	-
Supervising Construction Insp	1.00	1.00	-
Supervising Engineer	9.00	9.00	-
Supervising Financial Analyst	1.00	1.00	-
Supervising Plant Operator	6.00	6.00	-
Supervising Water Quality Chem	1.00	1.00	-
Support Services Manager	2.00	2.00	-
Systems Engineer	2.00	2.00	-
Typist Clerk I	0.50	0.50	-
Typist Clerk II	9.00	9.00	-
Typist Clerk III	5.00	5.00	-
Utilities Field Svcs Leadworker	74.00	74.00	-
Utilities Field Svcs Supv	18.00	18.00	-
Utilities Field Svcs Svcworker	93.00	93.00	-
Utility Construction Coord	1.00	1.00	-
Utility Services Inspector	2.00	2.00	-
Water & Sewer Supt (Field)	3.00	3.00	-
Water & Sewer Supt (Plant)	5.00	5.00	-
Water Conservation Specialist	3.00	3.00	-
Water Cross Conn Ctrl Spclst	1.00	1.00	-
Water Quality Chemist	3.00	3.00	-
Water Quality Lab Tech	3.00	3.00	-
Water Waste Inspector	3.00	3.00	-
Operating Unit	697.50	697.50	0.00

**FY2010/11 Supplemental Budget Information
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5/20/2011

Item	Question	Meeting	District	Status
1	List of revenue options?	5/3	6	6/2 Budget Hearing
2	Can we develop a website where community can get budget information, ask questions, and make recommendations?	5/3	5	Delivered 5/12
3	Identify the components of the \$20m labor increase?	5/3	1	Delivered 5/17
4	What would the budget look like if we didn't cut public safety?	5/3	6	Delivered 5/17
5	What is the break out of the \$222.1m discretionary GF by department: \$ and %?	5/3	6	Delivered 5/17
6	Prior four year reductions by departments \$ and FTE?	5/3	6	Delivered 5/17
7	How many of 250 FTE are vacant?	5/3	8	Delivered 5/17
8	How to better describe how we get to \$222.1?	5/3	1	Delivered 5/17
9	How to show value of union concession over time?	5/3	1	Delivered 5/17
10	Economic development opportunities to grow our revenues?	5/3	Mayor	5/24 Budget Hearing
11	How to and how long to get to beyond a 10% reserve?	5/3	Mayor	Delivered 5/17
12	Over last 4 years how much cut and how has that impacted jobs growth?	5/3	Mayor	5/24 Budget Hearing
13	What is oversight and consequences on overspending?	5/3	Mayor	6/2 Budget Hearing
14	Are there efficiencies (Marina to Transportation, Parking to Police) and/or consolidations that could provide additional savings?	5/3 & 5/17	Mayor	6/2 Budget Hearing
15	Are there savings if we were to close the Public Safety Center on Freeport Blvd and consolidate staffing at other City facilities?	5/3 & 5/17	1, 6,7	TBD
16	Why can't we change cost allocation to save Public Safety?	5/3	1	Delivered 5/17
17	Report back on the cost of utilities at the smaller clubhouses.	5/12	6	
18	Provide solutions to restore \$1 million in funding for Parks and Recreation programs/services - all funds should be looked at.	5/12	6	
19	Provide options to get to a minimal level of operations at community centers that are not scheduled to have alternate service providers, or already have alternative service providers.	5/12	3	
20	Rightsizing has to be looked at. We need to look at management to employee ratios - provide a span of control report.	5/12	2	
21	How much does Transportation bring back to the General Fund?	5/17	1	TBD
22	Provide a break out of the reductions taken by office for the Mayor/Council and Charter Offices.	5/17	6	5/24 Budget Hearing
23	Double check the cost of Fire Station 43 and the cost of the expired contract.	5/17	1	5/24 Budget Hearing
24	Provide a breakdown of the \$9 million revenue reduction estimate?	5/17	6	TBD
25	Can Marina fees be used for General Fund purposes in a similar way as Parking Funds?	5/17	3	
26	How does Transit Occupancy Tax (TOT) and the General Fund (GF) flow to the Arts Program? Would restoring the GF 1/2% and reducing the true GF fully fund the Sacramento Metropolitan Arts Commission (SMAC) program (at the reduced level).	5/17	3	
27	How much is left in the Arts Stabilization designation?	5/17	3	

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5/20/2011

Item	Question	Meeting	District	Status
28	How much would the City really save by contracting out Golf? Would we work with the contractor to pick up our staff if we do contract this out?	5/17	1	
29	Is there a tie in between green waste pick-up and illegal dumping. Can we revisit Proposition 218 relative to illegal dumping?	5/17	3	
30	What is the cost of all of the Gang Violence/Cease fire operations?	5/17	5	
31	How many exempt staff currently in the Police Department's administrative services? Can some of the sworn exempt be moved out of administration and into patrol?	5/17	2	
32	Will Police Department layoffs result in Police Officers replacing the reserve staff currently working in City Hall and/or as the Mayor's drivers, etc?	5/17	2	
33	How much citation money does the City receive from commercial vehicle inspections and who gets this revenue?	5/17	2	
34	Provide additional information/detail on Police Department positions, assignments/locations and associated costs.	5/17	1 & 5	
35	If we could build back, what are the Police Department priorities/most important restorations?	5/17	5	
36	What are the current vacancies for Police Officers and how many layoffs will happen with and without the grant restoration?	5/17	5	
37	We need to re-look at our existing policy on covering costs - is there a way to bill the State for response to protests and/or for costs associated with large events that come to Sacramento?	5/17	6	
38	How much of the \$2.2 million in furlough savings is related to Police Department furloughs?	5/17	6	5/24 Budget Hearing

Supplemental Budget Information – Item 10

Question/Issue:

Economic Development opportunities to grow City revenues.

Response:

The city needs to increase its tax base and revenue stream so that it is less vulnerable to economically challenging times. A focus on strategic investments which lead to economic development and job growth is critical. The following Economic Development activities present opportunities to generate revenues for the city, both on-going and one-time:

- **Real Estate – Optimize City Assets**

- The City owns over 2,000 parcels (over 3,000 including those owned by SHRA)
- Comprehensive assets inventory underway
- Dispose or lease surplus and/or vacant property – including leasing City Facilities for telecommunication and broadcasting towers, ATMs, Advertising, etc.

- **Sacramento Center for Innovation – Create the Center for Innovative Clean Technology in the Sacramento Region**

The City, in partnership with CSUS, the Power Inn Alliance, and SMUD, is preparing a specific plan for a new center for innovation and clean technology in the 65th Street area south of the University and near SARTA's new Venture Lab. With multiple connections to transportation outlets, and its proximity to the University, SMUD, UC Davis Medical Center and Granite Park, the area is well positioned to transform from an older industrial area into a future hub for clean energy, green technology, and medical technology in the Sacramento region.

- **The Docks Area – Remarket Sacramento's Premier Waterfront**

Approximately 43-acres of mostly undeveloped land, the Docks Area is a collection of parcels with great development potential. Seeking a development team to continue the efforts required to develop the area into a new riverfront mixed-use neighborhood, including the necessary infrastructure, street circulation, and bicycle and pedestrian access would generate multiple forms of returns for the City and region.

- **Incentives – Offer Incentives to Become Competitive**

With Redevelopment Areas and Enterprise Zones potentially jeopardized at the State level, the City could consider offering incentives to be more competitive with other jurisdictions in attracting businesses, development and private investment. Incentives to consider could include rebates, credits and waivers of taxes and fees, as an example. Most often incentives are a win-win for business and the community because they help to create taxable property and income tax revenues, as well as increased economic activity and jobs.

- **Infrastructure Improvements – Creatively identify additional funding opportunities for key infrastructure improvement projects**

Many key development projects rely on the construction of vital infrastructure. The City will explore all opportunities to find approaches such as public/private partnerships, bid-finance me-

thods, matching cash flows to project needs and pursuing all grant opportunities. A key example of this is the Consumes River Blvd. exchange where adjustments in project timing and re-prioritizing funding requests may be able to move towards completion.

- **Diversify our Local Economy - Focus on Health/Medical, Green/Clean Technology, Agriculture and Higher Education**
 - With diversification, our job market is better positioned to sustain the next economic decline.
 - Greenwise – Support the development of a “green” industry, jobs and workforce development through partnerships schools, colleges and universities.
 - Maximize on the huge presence of Hospitals in the area - over 240,000 people are directly employed by the seven general acute care hospitals in the region.
 - Agriculture represents a \$3 billion dollar industry in our region. With UC Davis’ focus on Sustainable Agriculture, there is an opportunity to benefit from some of the innovation and research commercialization opportunities coming from this research and education program.
 - Linking higher education goals and opportunities with employment goals and opportunities can significantly expand job opportunities within the Sacramento Region and potentially retain an educated labor force in the area.
- **“The Big Build” – Capitalize on the Sacramento International Airport Expansion**
 - Currently the largest capital improvement project in the County
 - New terminal will add 2,400 new jobs
 - The new expansion will also be poised to accommodate growth in air carrier activities, providing more employment opportunity in the future.
 - The City has an opportunity to maximize on the benefits of such a world-class, full-amenity international airport. Showcasing this amenity will be beneficial in attracting business and development to Sacramento.

There are also many economic development projects recently completed, under construction or proposed. While these projects may not directly generate revenue, they do create jobs, improve quality of life and provide the necessary infrastructure to attract development and businesses. Projects include:

Recently Completed:

- **Ebner/Empire Hotel** – new mixed-use (retail/office) building in Old Sacramento recreating the historic building
- **K Street Streetscape and St. Rose of Lima Park** – \$4.5 million in streetscape enhancements at 7th/ K and St. Rose
- **Docks Promenade – Phase I** – promenade extension to R Street and new Pioneer Landing Park
- **K Street Entertainment Venues** – opening of 3 new venues on K Street strengthening the area as an entertainment district; creation of over 200 new jobs
- **CA Lottery Headquarters Building** – first “high-rise” building in River District; cost - \$64 million
- **5th and 6th street bridges** – key infrastructure project that opened up access to the Railyards

Under Construction:

- **Township 9 Phase I Infrastructure Improvements** – initial development focus on parks, streets DEF and North 7th Street, light rail station and undergrounding utilities. When complete, over 2300 housing units, and 900,000 sq.ft. of retail/office
- **Railyards Track Relocation** - \$42 million project to relocate tracks will open up development opportunities for Railyards
- **Curtis Park** – over \$12 million dollars in remediation work underway for this new neighborhood
- **La Valentina** – \$27 million project is Sacramento’s first transit oriented housing development at light rail station
- **RT Green Line Expansion** – first leg from Sacramento Depot to North 7th underway with completion anticipated by October 2011
- **New Greyhound Bus Station** – new facility for Greyhound due to be completed for occupancy in July 2011
- **Sequoia Pacific** – construction bringing street from Richards to Bannon street furthering the reintroduction of a more traditional grid to River District
- **Cars on K Street** – improvements necessary to bring vehicular traffic back on K
- **Maydestone Apartments** – after over 10 years of sitting vacant, rehabilitation of historic building for 24 affordable housing units
- **Depot Park Solar Photovoltaic Farm** – 3.5 megawatt ground-tracking solar system on 18 acres of the site. This solar power system will generate power equivalent to power about 380 homes.
- **I-5 – Richards Expansion Phase I** - construction to begin this summer on \$12 million project to improve access at Richards Boulevard and I-5
- **7th & H Redevelopment** – site work underway on 150 unit affordable housing project viewed as being developed as a model for new SRO developments

Proposed:

- **Railyards Development** - key infrastructure projects are moving ahead on schedule with over \$230 million of public funding committed
- **Entertainment and Sports Complex** – feasibility report back on May 26th will determine next steps for this major community investment
- **Delta Shores** – new freeway interchange will allow for the development of the 800 acre Delta Shores project (1.3 million sq.ft. of retail/4700 residential units) and open up south area for development
- **Railroad Technology Museum** – design work is underway for new state museum in Central Shops Area of the Railyards
- **700/800 Block of K and L Streets** – over \$107 million dollars in investment are planned to bring approximately 300 residential units and 86,000 sq. ft of retail to these two critical blocks
- **Powerhouse Science Center** - renovation of the historic PG and E Powerhouse into a state-of-the-art science center and planetarium; environmental clearance has been obtained and final development plans are moving forward; \$7 million of state funding just secured
- **Chrysler. Dodge Car Dealership** – sale of City-owned property for new Chrysler dealership at Business 80 and Fulton; generating new sales and property tax

- **28th Street Landfill/Sutters Landing Park Solar Photovoltaic Farm**
- **14th Avenue Extension** - \$9.5 million construction of a new roadway from Power Inn Road and 14th Avenue on an east/west alignment to a new intersection with Florin Perkins road
- **Ramona Boulevard Improvements** - Critical to the development of Sacramento's Center for Innovation; a \$13 million extension of Ramona Blvd, from US 50
- **Granite Park Development** – Development of a 250,000 sq. ft. office building
- **Depot Park Development** - Commercial and project development opportunities for the former Army Depot site
- **State of California Superior Courthouse** – Railyards site selected as preferred site for this exciting \$440 million project; to be 1st building in Railyards

Supplemental Budget Information – Item 12

Question/Issue:

Over last 4 years how much cut and how has that impacted jobs growth?

Response:

In this economic downturn, the region has lost 110,000 jobs – City government alone represents almost one percent of that loss, with the reduction of 900 jobs in the last four years. A high-level impact analysis on a generic "government" job in the Sacramento Region, conducted by the Center for Strategic Economic Research (CSER), indicates that for every direct government job lost the region could see a total impact of 1.2 jobs, \$85,000 of employee compensation, and \$136,000 of output (inclusive of direct, indirect, and induced effects).

Using these multipliers, this would be 1,080 jobs, \$76.5 million of employee compensation, and \$122.4 million of output (inclusive of direct, indirect, and induced effects) regionally impacted as a result of the City's reduced labor force of 900.

While the city continues to support and position economic development opportunities to create jobs, the city's budget deficit does impact economic development and job creation from three perspectives – Programs and Services, Projects and Partnerships:

- **Programs and Services:** Reductions in offering full-City-services, jeopardizes the City's quality of life which is significant in attracting businesses. In addition, significant delays in customer services to residents, developers, businesses, inter-departmental requests, department administrative processing, negatively impact perceptions of the city being "Business Friendly."
- **Projects:** The city's inability to invest in capital improvement projects, delays advancing key projects that could provide jobs, private investment and revenue for the city.
- **Partnerships:** Fewer memberships and sponsorships with regional partners and community groups decrease access to resources that further business retention, outreach and attraction efforts. Partners, such as SACTO and the local chambers, have limited access to resource to attract and retain business and investment to the region.

Supplemental Budget Information – Item 23

Question/Issue:

Double check the cost of Fire Station 43 and the cost of the expired contract.

Response:

The budgeted operations and maintenance cost (this excludes all capital and fleet equipment costs) for adding the new fire station in North Natomas is \$2.2 million in FY2011/12. The following chart summarizes the costs associated with this budget:

Fire Station 43	FTE	Budget
Staff for 1 Company	15.00	2,041,622
Fleet O&M and Fuel		37,600
Maintenance & Inspections ¹		52,300
Operations (utilities, pest, etc.)		12,300
Safety Equipment (turn outs)		54,000
Station Funds (per Labor Contract)		3,300
Supplies		6,500
	Total:	\$ 2,207,622

¹includes adjustments to Department of General Services for maintenance and inspections.

The \$1.898 million identified as the cost of Expired Concessions represents the value of the 5% Cola due in January 2012 as well step true ups as required by the contract.

Supplemental Budget Information – Item 38

Question/Issue:

How much of the \$2.2 million in furlough savings is related to Police Department furloughs?

Response:

The value of the unrepresented furloughs in the Police Department is \$396,957. The following chart summarizes the \$2.2 million in unrepresented furloughs by department.

Department	12 Day Furlough Savings
Mayor/Council	\$ (135,036)
City Attorney ¹	\$ (208,849)
City Clerk	\$ (32,890)
City Manager	\$ (80,008)
City Treasurer	\$ (57,659)
Community Development	\$ (185,712)
Convention Culture & Leisure	\$ (63,260)
Economic Development	\$ (55,034)
Finance	\$ (128,270)
Fire	\$ (118,559)
General Services	\$ (130,233)
Human Resources	\$ (100,498)
Parks & Recreation	\$ (129,194)
Police	\$ (396,957)
Technology	\$ (158,613)
Transportation	\$ (209,460)
Grand Total	\$ (2,190,230)

¹The value of the CAO furlough is posted in Non-Department