



# REPORT TO COUNCIL City of Sacramento

3

915 I Street, Sacramento, CA 95814-2604  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Staff Discussion  
June 2, 2011

Honorable Mayor and  
Members of the City Council

**Title:** Options for Addressing Long Range Structural Imbalance

**Location/Council District:** Citywide

**Recommendation:** Begin the discussion and possible action.

**Contact:** Betty Masuoka, Interim Deputy City Manager, 808-5704

**Presenters:** Betty Masuoka, Interim Deputy City Manager, 808-5704

**Department:** City Manager's Office

**Division:**

**Organization No:**

## Description/Analysis

### Issue:

The city is facing a structural deficit of \$62million over the next 3-5 years. In order to achieve long term financial and structural stability, a longer view strategic approach is necessary. Tactical strategies such as reducing costs and increasing revenues may close the budget gap but they do not address the fundamental changes needed to achieve structural balance.

This report is intended to begin the difficult policy discussion and recommends Council provide direction to staff regarding a process to fundamentally restructure and realign the City organization and services.

**Policy Considerations:** The City needs to re-think and re-position itself with respect to its goal of being a full service city. We need to refocus on defining core service and acceptable service levels. We also need to continue to partner with the community (citizens and business), CBO's, other governmental entities to maximize and prioritize public service to the city and region.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This activity is not subject to CEQA as it does not constitute a “project” and is exempt from the California Environmental Quality Act according to Section 15601 (b)(3) of the CEQA guidelines.

**Sustainability Considerations:** Not applicable

**Other:** Not applicable

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** In order to achieve financial and organizational stability, we can no longer simply cut services to reduce costs. This report recommends the beginning of a road map and process to restructure and realign the city organization.

**Financial Considerations:** There is no fiscal impact.

**Emerging Small Business Development (ESBD):** Not applicable

Respectfully Submitted by: \_\_\_\_\_  
Betty Masuoka, Interim Deputy City Manager

Recommendation Approved:

\_\_\_\_\_  
William H. Edgar  
Interim City Manager

**Table of Contents:**

Report	pg. 1
<b>Attachments</b>	
1 Powerpoint Presentation	pg. 3