



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814

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Meeting Date: 6/7/2011

Report Type: Staff/Discussion

Title: Budget Hearing: FY2011/12 Proposed Budget for the Convention, Culture, and Leisure Department as it relates to Golf Maintenance and additional funding for Sacramento Metropolitan Arts Commission [SMAC] arts re-granting program); the Parks and Recreation Department (as it relates to Community Centers); and the Police; and Fire Departments.

Report ID: 2011-00578

Location: Citywide

Recommendation: Adopt 1) an intent motion to approve the Convention, Culture, and Leisure budget for Golf Maintenance as proposed and provide direction on SMAC arts re-granting program; 2) an intent motion to approve the Parks and Recreation budget as amended; 3) an intent motion to approve the Police Department budget as proposed including the adoption of a policy prioritizing future restorations should the department receive a waiver on the COPS Hiring Recovery Program (CHRP) grant; 4) an intent motion to approve the Fire Department budget as proposed including the adoption of a policy directing future revenues from the Medi-Cal: Ground Emergency Medical Transport bill (AB678) be used for the Fire Department; and 5) a Resolution accepting the Staffing for Adequate Fire and Emergency Response (SAFER) grant.

Contact: Leyne Milstein, Finance Director, (916) 808-8491, Finance Department.

Presenter: Bill Edgar, Interim City Manager, (916) 808-1228, Betty Masuoka, Deputy Interim City Manager, (916) 808-7492, Office of the City Manager

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

- 1-Description/Analysis
- 2-Attachment 1
- 3-Attachment 2
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- 6-Supplemental Budget Information
- 7-Fire Resolution

City Attorney Review

Approved as to Form
Larry Duran
6/3/2011 5:04:00 PM

Approvals/Acknowledgements

Department Director or Designee: Cassandra Jennings - 6/3/2011 4:13:05 PM

Assistant City Manager: Cassandra Jennings - 6/3/2011 4:15:26 PM



Description/Analysis

Issue: The FY2011/12 Proposed Budget included reductions to all of the City's operating departments in order to address a \$39 million deficit. To date Council has heard presentations on all of the operating department reductions and has deferred action on the following items pending the receipt of additional information which is provided in Attachments to this report.

	Impact on General Fund	
	On-Going	One-Time
Reopen Community Centers	(917,000)	
Reconsider Golf Maintenance Contract	(552,000)	
Reconsider Police Department Cuts	(12,197,000)	
Reconsider Fire Department Cuts	(9,108,000)	
Consider Augmentation to Arts Regranting	?	
Total Costs	(22,774,000)	-
Impose Furloughs on Unrepresented		2,200,000
Wireless/Billboard Revenues	417,500	
Mayor/Council: IBA Funding		395,000
SHRA Pass thru (estimate)	400,000	
Total Resources	817,500	2,595,000
TOTAL	(21,956,500)	2,595,000

To date Council has taken the following actions on the proposed budget:

Meeting Date	Intent Motion Approved	Deficit Correction (\$ in 000's)
May 12	One time funding assumptions	\$4,600
	Additional Revenues	\$2,400
	Parks & Rec EXCEPT Community Center Closure	\$870
May 17	Community Development Department	\$1,329
	Conv, Culture & Leisure EXCEPT for Golf Maint.	\$294
May 24	Charter Offices/Mayor-Council	\$1,373
	Economic Development Department	\$707
	Finance Department	\$592
	General Services Department	\$1,547
	Human Resources Department	\$240
	Information Technology Department	\$647
	Transporation Department	\$480
	Utilities Department	n/a
May 31	Sacramento Public Library	\$792
	SCVB & SMAC	\$224
	Human Rights Fair Housing	\$19
	Sports Commission	\$10
		\$16,124

In order to adopt a balanced budget, Council will need to approve an additional \$22.74 million in reductions or identification of alternate resources in order to achieve a balanced budget.

Staff is recommending the approval of the budgets as proposed for the Convention, Culture and Leisure Department's golf maintenance program, the Police and Fire Departments and the Parks and Recreation Department as proposed to be amended. In addition, staff is recommending that Council accept the Staffing for Adequate Fire and Emergency Response (SAFER) grant, in conjunction with these reductions in order to restore two of the initial brownouts in the Fire Department. In addition, two additional policies are proposed for consideration relative to the receipt of additional resources in the Police Department if a waiver is received on the COPS CHRP grant and in the Fire Department should AB678 be signed into law and approved for implementation by the Federal Government.

Finally, based on the availability of one-time funding in the designation for arts stabilization, Council could consider the restoration of funding for arts regranting programs.

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.

Staff is recommending that Council adopt the following two policies relative to the receipt of additional resources in the Police and Fire Departments:

- If the CRHP Grant waiver is approved, 35.0 FTE shall be restored to the Sacramento Police Department (SPD). The Police Chief's recommendation is to restore positions in the downtown core and traffic safety.
- Additional revenues collected above the current budgeted amount as a result of the passage of AB678 shall be reinvested back in the Fire Department to reinstate brown out fire companies and/or add staffed advanced life support medic units.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment, and that do not constitute a “project” as defined by 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.

Emerging Small Business Development (ESBD): Not applicable.



Attachment 1

The **Convention, Culture & Leisure** (CCL) Department's FY2011/12 Proposed Budget was presented to the City Council on May 17, 2011. The City Council adopted an intent motion to approve the Department's budget as proposed except for the golf maintenance outsourcing and funding for the arts. It was requested that CCL return to City Council with a report back regarding the benefit to the City to contact out the remaining golf course operations as well as information regarding funding for the arts.

Golf Maintenance

Currently all golf services, except maintenance, are under a long-term contract. The oversaturation of golf courses, a national and regional downward trend in golf rounds, and continuing infrastructure requirements which have caused a fiscal structural imbalance between revenues and expenditures will impact the City's General Fund in FY2010/11 by at least \$500,000 of unbudgeted General Fund dollars. This operating deficit does not include the necessary repairs, equipment, or capital costs that have been deferred or the repayment of a past loan from the Risk Management Fund.

The proposed FY2011/12 Convention, Culture & Leisure General Fund budget includes a reduction of \$52,469 for Golf, which was a placeholder for the amount of General Fund subsidy that would be required due to Golf expenses exceeding its revenues. However, based on the current year and the trends in the market, the ongoing subsidy required from the General Fund is projected to exceed \$500,000 in FY2011/12 and each year thereafter. The goal of contracting out the remaining golf operations is to eliminate the annual General Fund subsidy and to secure a commitment for reinvestment into the aging golf facilities which are becoming an increasing financial liability. In contracting out, the City would save \$500,000 annually of unbudgeted General Fund dollars and eliminate the risk (revenue uncertainty) to the General Fund in future fiscal years.

If the City does not succeed with contracting out golf maintenance, the proposed budget must be reduced by an additional \$500,000 to cover the subsidy and this amount will be added to the ongoing annual deficit projection.

Golf course operations are expected to be self-sufficient – revenues cover all direct expenses including debt incurred from golf related capital projects. The fiscal reality for the City golf operation is a four year decline in revenue, resulting in a cumulative reduction in expenses. Finally, in FY2010/11, revenues continue to decline, yet there is no place left to reduce costs. The issue is further compounded by 50 to 75 year old buildings and irrigation systems as well as 20 year old dilapidated equipment. It is anticipated it will be many years before the golf business is profitable in the region. However, it is an important recreational asset to offer public golf courses within a community.

Contracting out will result in a reduction of 58.36 budgeted FTE, 38.0 of which are currently filled by career and non-career employees. The City employees have done an incredible job with the little supplies and equipment available to them. Their hands-on experience and institutional knowledge of the aged facilities will be valuable to the lessee.

The actual transition to the lessee would occur between October 2011 and January 1, 2012. In order to function during the six month transition period and not rely on additional General Fund subsidy, the Golf operation will reduce their operating expenses to match the expected revenue

during the same period. This is not sustainable. The reduced operating costs would include one-time labor savings, no CIP expenditures, and cutting supplies (one-time) to the barest minimum to get to the transition date.

Staff Recommendation: Staff recommends the City Council approve an intent motion to accept staff recommendation to pursue contracting out of golf maintenance to Morton Golf consistent with the following parameters:

- The General Fund subsidy for the maintenance and operation of the City’s Golf courses will be eliminated.
- Operations, maintenance, capital and debt costs will be borne by Morton Golf.
- Existing City employees will be given priority hiring by Morton Golf.
- The length of the contract will be commensurate with investment made by lessee
- Transition will be effective between October 2011 and January 1, 2012.

Funding for the Arts Regranting Program

The Proposed Budget includes the reduction of \$64,324 to the City’s contribution to the Cultural Arts Awards (CAA). (See SBI 26 for more information.) There is currently \$730,000 available in the designation for Arts Stabilization that could be used to restore these funds on a one-time basis.

Staff Recommendation: If the City Council approves restoring the CAA reduction of \$64,324 from the one time Arts Stabilization designation balance, the \$730,000 one-time funds, would be reduced to \$665,676 in available balance.

A detailed report of staffing levels follows.

Convention, Culture and Leisure

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Analyst	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	5.00	5.00	-
Administrative Technician	1.00	1.00	-
Archivist	2.00	2.00	-
Art Museum Registrar	1.00	1.00	-
Arts Administrator	1.00	1.00	-

Convention, Culture and Leisure *(continued)*

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Arts in Public Places Spec	2.00	2.00	-
Arts Program Assistant	2.00	2.00	-
Arts Program Coordinator	2.00	2.00	-
Assistant Box Office Supv	1.50	1.50	-
Assistant Greenskeeper	13.35	13.35	-
Associate Curator of Art	1.00	1.00	-
Booking Coordinator	2.00	2.00	-
Community Center Attendant I	19.10	19.10	-
Community Center Attendant II	7.00	7.00	-
Convention Center General Mgr	1.00	1.00	-
Cultural Facilities Attendant	1.00	1.00	-
Curator of Art	1.00	1.00	-
Curator of Education	1.00	1.00	-
Curator of History	1.00	1.00	-
Customer Service Specialist	3.00	3.00	-
Deputy Convntn Ctr General Mgr	1.00	1.00	-
Director of CC&L	1.00	1.00	-
Events Coordinator	1.25	1.25	-
Events Duty Person	2.00	2.00	-
Events Services Manager	2.00	2.00	-
Events Services Supervisor	6.00	6.00	-
Events Usher	12.00	12.00	-
General Repair Worker	4.00	4.00	-
Golf Course Supervisor	4.00	4.00	-
Golf Manager	1.00	1.00	-
Golf Marshal/Player Assistant	7.01	7.01	-
Golf Superintendent	3.00	3.00	-
Greenskeeper	24.00	24.00	-
Historic District Manager	1.00	1.00	-
History & Science Manager	1.00	-	(1.00)
Irrigation Technician	1.00	1.00	-
IT Support Specialist I	2.00	2.00	-
Marina Aide	3.20	3.20	-
Marina/Boating Facilities Attd	2.00	2.00	-
Mechanical Maintenance Supv	1.00	1.00	-

Convention, Culture and Leisure *(continued)*

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Metropolitan Arts Manager	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Office Supervisor	-	-	-
Park Maintenance Worker II	3.00	3.00	-
Parks Supervisor	1.00	1.00	-
Principal Systems Engineer	1.00	1.00	-
Program Manager	2.00	2.00	-
Senior Personnel Trans Coord	1.00	1.00	-
Staff Aide (Management)	1.00	1.00	-
Stagehand I	4.00	4.00	-
Stagehand II	1.00	1.00	-
Stationary Engineer	5.00	5.00	-
Supervising Community Ctr Attd	3.00	3.00	-
Ticket Seller	0.70	0.70	-
Ticket Seller (Exempt)	6.60	6.60	-
Typist Clerk II	1.00	1.00	-
Typist Clerk III	3.00	2.00	(1.00)
Utility Worker	0.43	0.43	-
Zoo Attendant I	4.00	4.00	-
Zoo Attendant II	2.00	2.00	-
Operating Unit	<u>196.14</u>	<u>194.14</u>	<u>(2.00)</u>



ATTACHMENT 2

The **Parks and Recreation Department's** FY2011/12 Proposed Budget was presented to the City Council on May 12, 2011, during which requests were made for additional information. The responses to these requests are included as Supplemental Budget Information (SBI) items 17-19. The City Council adopted an intent motion to approve the FY2011/12 proposed budget for the Department of Parks and Recreation except as proposed for impacts to Community Centers.

The proposed reductions included the recommendation to focus remaining General Fund resources on three geographically spread community centers that are the most active and generate the most revenue to support programming – South Natomas, Coloma, and Pannell Meadowview Centers, and that the Hart Senior Center would be reduced to a half time schedule. Unless leased to the nonprofit sector, the Department of Parks and Recreation would close Oak Park, Sim, Hagginwood, Robertson, Clunie (library to remain open), East Portal, Belle Cooleedge, Evelyn Moore, Southside, Woodlake, and Slider Centers and Clubhouses. The proposed reductions totaled \$802,825 and 17.43 FTE as follows: \$135,193 and 1.47 FTE for the Hart Senior Center, and \$667,632 and 15.96 FTE for community centers and clubhouses.

The cost of restoration or reactivation of these centers, clubhouses and the Hart Senior Center, at or near the current level of operations totals \$917,000 (\$803,000 staffing and \$114,000 for increasing utility costs and lack of fee revenue to offset costs).

At that meeting, City Council directed staff to report back on solutions to restore funding for community centers and clubhouses, including the Hart Senior Center

Given the City's fiscal crisis, staff proposes a partial fiscal and staffing restoration supplemented by the reallocation of staff, and community and nonprofit partnerships to extend services and keep centers open, as follows:

- 1) A partial restoration of the proposed reductions (restore \$459,188 and 5.75 FTE, see details below);
- 2) Amend the proposed budget to add the reduction of an Associate Planner position and transfer the position's labor budget to Community Centers (\$84,237);
- 3) Reallocate a portion of non career staffing from South Natomas and Pannell/Meadowview Centers (reduces programming one day per week at each site);
- 4) Relocate Recreation management staff to Centers and increase span of control and job duties to provide oversight;
- 5) Supplement and/or completely transition centers and/or clubhouses to non-profit organizations and community partners, both current discussions and continuing through FY2011/12, and
- 6) Allocate anticipated FY2011/12 lease revenues from non-profit organizations and community partners, and relocate START after school program warehouse to available City owned storage instead of leased storage space and reallocating lease expenses, to help fund center utility costs.

During the past year, the Department of Parks and Recreation has been working to secure non-profit organizations and other community partners to assume responsibility for centers and clubhouses through a Request for Proposal process with some success. Over the last three weeks, under a more streamlined process, staff has conducted a series of community meetings and made further outreach to identify partners to be a part of the solution. These combined efforts have resulted in securing verbal commitments from the following potential partner organizations:

- Oak Park – Peecekeepers (<http://www.peecekeepers.org/>); Reverend Robert Jones with Oak Park United Methodist Church; Sojourner Truth; Kids Sport Gym
- Mims/Hagginwood – Center for Fathers & Families; Pastor Anne White with For Glory Ministries
- Robertson – Gateway Community Charter
- George Sim: Hmong Women’s Heritage; Target Excellence; Haven of Hope
- Elmo Slider – Root Causes

With this plan, the City of Sacramento will be able to continue to keep Mims/Hagginwood, George Sim, and Oak Park centers open at least two to three days per week, keep the Hart Senior Center open on a fulltime schedule, allow for leisure enrichment classes and rentals of Belle Cooleedge Community Center, and keep all clubhouses available for community use. Staff will work to finalize agreements and build the capacity of its identified partners and continue to seek partners for other centers and clubhouses. Once the agreements are finalized, staff will be able to finalize the staffing and hours for each of the community centers.

The goal of this plan is to provide a framework to stabilize the City’s community centers. With minimal General Funds, the City would transition to a model that relies on community based organizations to manage centers and provide services in keeping with their nonprofit missions, while keeping the centers available for public use. Staff would work with the partners to help expand capacity and increase hours and activities at these sites.

In summary, the \$917,000 Community Center/Clubhouse restoration plan is as follows:

- 1) Partial restoration of proposed reductions of \$459,188:
Labor: \$365,188 and 5.75 FTE
Services/supplies: \$ 94,000
- 2) Balance of \$457,812 for staffing, utilities and supplies is met through the following means:
Department restructuring and reallocations: \$283,237
Partner contributions: \$174,575

Staff Recommendations

Staff recommends the City Council adopt an intent motion to:

- 1) Amend the proposed budget for a partial restoration of proposed reductions in the amount of \$459,188, as follows:
Labor: \$365,188 and 5.75 FTE
Services/supplies: \$ 94,000

Funding sources for the restoration are the additional wireless/billboard revenues and a portion of the SHRA pass through.

- 2) Amend the proposed budget to reduce a 1.00 FTE Associate Planner position and transfer the associated labor budget to offset Community Center costs (\$84,237).
- 3) Amend the proposed budget to transfer a 1.00 FTE Recreation Manager position from the START fund (Fund 2501) to the 4th R Fund (Fund 6012). This action is necessary due to management downsizing and reallocation/ expansion of job duties. There is no net fiscal impact for this change.
- 4) Amend the proposed budget to reduce a 1.00 FTE Program Supervisor position in Marketing (\$86,435) and Service and Supplies (\$782), and restore staffing in the Department's Reservations and Special Events units (1.00 FTE Customer Service Assistant, 0.72 FTE Utility Worker, 0.50 FTE Recreation Aide). Upon further analysis, this modification will help stabilize customer service, scheduling and revenue controls, and provide some support to community events. There is no net fiscal impact for this change.

A detailed report of the proposed staffing levels follows:

**Parks and Recreation
Fiscal Year 2011/12 Proposed Staffing Chart
Proposed (as Amended 6/7/11)**

	FY2010/11 Amended	FY2011/12 Proposed, as Amended	Change
Account Clerk II	1.00	1.00	-
Accounting Technician	3.00	3.00	-
Administrative Analyst	4.00	2.00	(2.00)
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	4.00	-
Administrative Technician	2.00	2.00	-
Arts & Crafts Specialist	0.06	0.06	-
Assistant Caretaker	0.50	0.50	-
Assistant Cook	0.68	0.68	-
Assistant Pool Manager	1.32	0.56	(0.76)
Associate Landscape Architect	2.00	2.00	-
Associate Planner	1.00	-	(1.00)
Camp Aide	4.43	4.43	-
Camp Recreation Leader	1.99	1.99	-
Camp Sacramento Supervisor	1.00	1.00	-
Caretaker	0.35	0.35	-
Cashier (Community Svcs)	1.04	0.29	(0.75)
Child Care Assistant	7.87	6.93	(0.94)

Parks and Recreation (continued)

	FY2010/11	FY2011/12	Change
	Amended	Proposed , as Amended	
Clerical Assistant	1.43	1.43	-
Clerk II	1.00	1.00	-
Community Center Attendant I	1.00	1.00	-
Construction Inspector III	1.00	1.00	-
Custodial Supervisor	1.00	1.00	-
Custodian I	0.50	-	(0.50)
Custodian II	6.00	3.00	(3.00)
Customer Service Assistant	1.00	1.00	-
Customer Service Rep	2.00	1.00	(1.00)
Customer Service Specialist	1.00	1.00	-
Director of Parks & Recreation	1.00	1.00	-
First Cook	0.50	0.50	-
General Repair Worker	1.00	1.00	-
GIS Specialist III	1.00	0.60	(0.40)
Host	0.35	0.35	-
Human Services Program Coord	37.47	35.87	(1.60)
Instructor	1.50	1.50	-
Irrigation Technician	2.00	2.00	-
IT Supervisor	1.00	1.00	-
IT Support Specialist II	2.00	2.00	-
Junior Plant Operator	1.00	1.00	-
Landscape Technician II	2.00	2.00	-
Lifeguard	6.24	4.90	(1.34)
Neighborhood Rsrcs Coord II	4.00	2.00	(2.00)
Neighborhood Services Area Mgr	1.00	1.00	-
Operations Manager	1.00	1.00	-
Park Equipment Operator	2.00	2.00	-
Park Maint Worker II (Pest)	2.00	2.00	-
Park Maintenance Manager	1.00	1.00	-
Park Maintenance Superintndnt	2.00	1.00	(1.00)
Park Maintenance Worker I	23.00	20.00	(3.00)
Park Maintenance Worker II	32.00	30.00	(2.00)
Park Plan Design & Devlpmt Mgr	1.00	1.00	-
Park Safety Ranger	6.50	6.50	-
Park Safety Ranger Supervisor	1.00	1.00	-
Parks Supervisor	7.00	7.00	-
Personnel Transactions Coord	1.47	1.47	-
Pool Manager	2.19	1.45	(0.74)

Parks and Recreation (continued)

	FY2010/11 Amended	FY2011/12 Proposed, as Amended	Change
Principal Planner	1.00	1.00	-
Program Analyst	2.00	2.00	-
Program Coordinator	51.75	43.00	(8.75)
Program Developer	27.00	25.00	(2.00)
Program Director	0.41	0.41	-
Program Leader	1.00	-	(1.00)
Program Manager	2.00	2.00	-
Program Specialist	2.60	2.60	-
Program Supervisor	23.00	18.00	(5.00)
Public Service Aide	3.07	2.34	(0.73)
Recreation Aide	107.77	96.90	(10.87)
Recreation General Supervisor	1.00	1.00	-
Recreation Leader (Special Needs)	5.91	5.91	-
Recreation Manager	2.00	2.00	-
Recreation Superintendent	5.00	4.00	(1.00)
School Crossing Guard	3.66	3.66	-
Secretary	1.00	-	(1.00)
Senior Accountant Auditor	2.60	1.60	(1.00)
Senior Accounting Technician	1.00	1.00	-
Senior Lifeguard	4.15	3.45	(0.70)
Senior Maintenance Worker	1.00	-	(1.00)
Senior Personnel Transaction Coord	1.00	1.00	-
Senior Recreation Aide	14.30	12.98	(1.32)
Special Program Leader	130.60	130.29	(0.31)
Staff Aide - Program Coordinator	7.00	3.00	(4.00)
Staff Aide - Program Developer	7.00	5.00	(2.00)
Staff Aide - Program Supervisor	2.00	1.00	(1.00)
Student Trainee (Most Majors)	0.50	0.50	-
Supervising Graphic Designer	1.00	1.00	-
Supervising Landscape Architect	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Tutor	0.50	0.50	-
Typist Clerk II	6.00	3.00	(3.00)
Typist Clerk III	3.00	1.00	(2.00)
Utility Worker	3.91	3.55	(0.36)
Youth Aide	22.71	22.58	(0.13)
Operating Unit	647.83	578.63	(69.20)



ATTACHMENT 3

The **Sacramento Police Department's (SPD)** FY2011/12 Proposed Budget was presented to the City Council on May 17, 2011, during which requests were made for additional information. The responses to these requests are included as Supplemental Budget Information (SBI) items 30-37. The City Council did not adopt an intent motion to approve the Police Department's budget as proposed and asked the SPD to return to City Council on June 7, 2011.

The FY2011/12 Proposed Budget for the Police Department includes the elimination of 167 FTE positions, totaling \$12.2 million. Included in this reduction are 35.0 FTE COPS Hiring Recovery Program (CHRP) grant funded positions. A request to modify the original grant award and re-hire officers will be sent to the COPS Office for consideration upon final approval of the FY2011/12 Budget. If the COPS Office approves the grant modification, the SPD recommends restoring patrol functions in the downtown core and traffic safety officers.

COPS Hiring Recovery Program (CHRP) Grant: If the COPS Hiring Recovery Program (CHRP) grant waiver is approved, the Sacramento Police Department (SPD) recommends restoring patrol functions in the downtown core (20 Police Officers) and traffic safety (15 Police Officers). By initially allocating resources in the downtown core, the SPD will have the ability to handle a wide range of calls for service, special events, and unplanned demonstrations. The restoration of traffic safety officers will allow the SPD to focus both on traffic-related issues citywide and patrol when available.

Sacramento City Charter Section 100 reserves the management of staffing and deployment to the Chief of Police. Based on the recommendation of the Police Chief, staff is proposing the endorsement of the Police Chief's prioritization for future restorations in the Police Department if the CHRP Grant waiver is approved:

- If the CRHP Grant waiver is approved, 35.0 FTE shall be restored to the Sacramento Police Department (SPD). The Police Chief's recommendation is to restore positions in the downtown core and traffic safety.

Staff Recommendation: Adopt an intent motion to approve: 1) the Police Department budget as proposed; and 2) authorizing staff to include language in the FY2011/12 Budget Resolution that will allow the restoration of the 35.0 FTE if the CHRP Grant waiver is approved.

A detailed report of staffing levels follows:

Police

	FY2010/11	FY2011/12	
	Amended	Proposed*	Change
Account Clerk I	1.00	1.00	-
Account Clerk II	1.00	1.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	3.00	3.00	-
Administrative Analyst	17.00	16.00	(1.00)

Police (continued)

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	6.00	3.00	(3.00)
Applications Developer	2.00	2.00	-
Community Service Officer	38.00	-	(38.00)
Custodian I	0.50	0.50	-
Custodian II	4.00	4.00	-
Deputy Police Chief	2.00	2.00	-
Dispatcher I	1.00	1.00	-
Dispatcher II	69.00	69.00	-
Dispatcher III	10.00	10.00	-
Fingerprint Clerk	4.00	4.00	-
Forensic Investigator II	17.00	5.00	(12.00)
GIS Specialist I	1.00	1.00	-
IT Manager	1.00	1.00	-
IT Supervisor	2.00	2.00	-
IT Support Specialist I	6.00	6.00	-
IT Support Specialist II	3.00	3.00	-
Lead Forensic Investigator	2.00	-	(2.00)
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	1.00	1.00	-
Personnel Transactions Coord	1.00	1.00	-
Police Administrative Manager	2.00	2.00	-
Police Captain	12.00	12.00	-
Police Chief	1.00	1.00	-
Police Clerk II	21.00	21.00	-
Police Clerk III	3.00	3.00	-
Police Lieutenant	22.00	22.00	-
Police Officer*	607.00	518.00	(89.00)
Police Records Specialist I*	-	-	-
Police Records Supervisor	8.00	7.00	(1.00)
Police Sergeant	94.00	85.00	(9.00)
Principal Systems Engineer	1.00	1.00	-
Program Analyst	8.00	8.00	-
Program Manager	1.00	1.00	-
Property Assistant	9.00	9.00	-
Public Service Aide	1.00	1.00	-

Police (continued)

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Reserve Police Officer III	0.66	0.66	-
Secretary	1.00	1.00	-
Security Officer	2.80	2.80	-
Senior Applications Developer	2.00	2.00	-
Senior IT Support Spclst	1.00	1.00	-
Senior Personnel Trans Coord	1.00	1.00	-
Senior Police Records Supv	3.00	3.00	-
Senior Property Assistant	4.00	4.00	-
Senior Systems Engineer	1.00	1.00	-
Student Trainee (Most Majors)	6.00	-	(6.00)
Supervising Dispatcher	6.00	-	(6.00)
Supervising Forensic Invstg	4.00	4.00	-
Supervising Property Assistant	1.00	1.00	-
Systems Engineer	3.00	3.00	-
Operating Unit	1,066.96	899.96	(167.00)



ATTACHMENT 4

The **Sacramento Fire Department (SFD)** presented its proposed budget May 24, 2011, during which requests were made for additional information. The responses to these requests are included as Supplemental Budget Information (SBI) items 50, 51, and 53. The City Council did not adopt an intent motion to approve the Fire Department's budget as proposed and asked the SFD to return to City Council on June 7, 2011.

The Fire Department's proposed budget includes four more additional fire companies being browned out which would bring the total number of companies browned out to six. As discussed, one of the ways to help mitigate the impact of this year's proposed reduction is the approval of the Staffing for Adequate Fire and Emergency Response (SAFER) grant. The SAFER grant would provide two years of funding to staff up to 27 positions. Those positions would allow the restoration of two of the initial brown out companies, leaving on a daily basis, four fire company brown outs. The approval of the SAFER grant is to be utilized in conjunction with the identified cuts in the Fire Department. This action is necessary in order to mitigate the risks associated with potential reductions in future years and the grant's requirement of no layoffs.

The Fire Department engine and truck companies are staffed with four positions (two firefighters, one engineer/apparatus operator and one captain) per shift. All things being equal, four person crews are more effective for emergency response than three person crews. Several recent studies have scientifically supported this notion. Shrinking budgets require that every option is evaluated including all preconceived ideas to reduce costs. As such, below is a brief summary of the results of examining reducing fire companies from four person to three.

The focus should not be three fire fighters to a rig versus four fire fighters. It has been calculated that if a company reduces staffing it will result in a 25 to 28 percent decrease in efficiency of the fire companies at the scene of an emergency. That decrease is in all aspects of their emergency activities. The focus should be centered on the concept of an effective response force (ERF) instead. This ERF represents the number of personnel needed on an incident to properly handle that incident. The idea is not how many people are on the rig, but the time it takes to get an ERF on scene to mitigate an emergency. The hazard itself will determine how many companies are initially dispatched; the incident will dictate what additional equipment if any will be needed. The quicker an ERF is assembled the sooner crews will be able to begin the activity of mitigating the incident. Every hazard is different, as such; the corresponding ERF may be different for different parts of the city. This fact is the basis of the idea of Dynamic Deployment. This idea of Dynamic Deployment also takes into account station call volumes, distribution of our stations, types of call and pertinent information such as time of year.

Simply put, fewer personnel on a rig requires more rigs to delivery an ERF to the scene. This means equipment will be travelling from further away. This phenomenon will leave larger holes in the coverage of the City, which in turn will cause an uptick in response time to incidents.

Modeling has shown that the Fire can expect an average increase of about 2 minutes and 30 seconds in our response times.

There is a potential source of increased revenue in the future. This source would be related to the passage of California AB678. This assembly bill is designed to provide additional reimbursement to fire agencies providing ambulance transport to Medi-Cal patients. The bill, as currently written, would allow for the Fire department to receive 50% of what is currently not paid. Once the bill is passed, there are several steps before the funding would become available. The timeframe for implementation, once the assembly bill is passed, is still undefined.

California Medi-Cal: Ground Emergency Medical Transport Assembly Bill (AB678)

Policy: AB678 would allow the City of Sacramento Fire Department to submit for a partial reimbursement of the currently unpaid portion of Medi-Cal transport expenses. In response to discussions about the future use of these revenues during the budget hearings, staff is recommending the adoption of the following policy related to the use of any additional funds generated from the passage of California AB678:

- Additional revenues collected above the current budgeted amount as a result of the passage of AB678 shall be reinvested back in the Fire Department to reinstate brown out fire companies and/or add staffed advanced life support medic units.

Staff Recommendation: **Adopt an intent motion to:** 1) approve the Fire Department budget as proposed; and 2) authorizing staff to include the AB678 policy in the FY2011/12 Budget Resolution, and **Adopt** the Resolution accepting the SAFER grant.

A detailed report of staffing levels follows:

Fire

	FY2010/11	FY2011/12	Change
	Amended	Proposed	
Account Clerk II	2.00	2.00	-
Administrative Analyst	6.00	6.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	3.00	4.00	1.00
Assistant Civil Engineer	1.00	1.00	-
Cache Logistics Coordinator	2.00	2.00	-
Customer Service Rep	1.00	1.00	-
Fire Assistant Chief	5.00	5.00	-
Fire Battalion Chief	11.00	11.00	-
Fire Captain	103.00	89.00	(14.00)
Fire Chief	1.00	1.00	-

Fire (continued)

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Fire Deputy Chief	2.00	2.00	-
Fire Engineer	91.00	82.00	(9.00)
Fire Investigator I	4.00	4.00	-
Fire Investigator II	1.00	1.00	-
Fire Prevention Officer I	2.00	2.00	-
Fire Prevention Officer II	14.00	14.00	-
Fire Service Worker	3.00	3.00	-
Firefighter	335.00	307.00	(28.00)
IT Support Specialist I	1.00	1.00	-
Program Analyst	2.00	2.00	-
Program Specialist	2.00	2.00	-
Senior Fire Prevention Officer	2.00	2.00	-
Staff Aide	3.00	3.00	-
Supervising Fire Svc Worker	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Typist Clerk II	6.00	6.00	-
Typist Clerk III	4.00	5.00	1.00
Operating Unit	611.00	562.00	(49.00)



FY2010/11 Supplemental Budget Information

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6/3/2011

(Bold indicates New SBIs and Highlighted items will be delivered when available)

Item	Question	Meeting	District	Status
1	List of revenue options?	5/3	6	6/02 Budget Report
2	Can we develop a website where community can get budget information, ask questions, and make recommendations?	5/3	5	5/12 Budget Report
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	Delivered 5/24
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	Delivered 5/24
13	What is oversight and consequences on overspending?	5/3	Mayor	to be determined (TBD)
14	Are there efficiencies (Marina to Transportation, Parking to Police) and/or consolidations that could provide additional savings?	5/3 & 5/17	Mayor	6/02 Budget Report
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	Delivered 6/02
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	Delivered 6/07
18	Provide solutions to restore \$1 million in funding for Parks and Recreation programs/services - all funds should be looked at.	5/12	6	Delivered 6/07
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	Delivered 6/07
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	Delivered 5/24
21	How much does Transportation bring back to the General Fund?	5/17	1	6/02 Budget Report
22	Provide a break out of the reductions taken by office for the Mayor/Council and Charter Offices.	5/17	6	5/24 Presentation
23	Double check the cost of Fire Station 43 and the cost of the expired contract.	5/17	1	Delivered 5/24
24	Provide a breakdown of the \$9 million revenue reduction estimate?	5/17	6	6/02 Budget Report
25	Can Marina fees be used for General Fund purposes in a similar way as on-street parking?	5/17	3	Delivered 6/07
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	Delivered 6/07
27	How much is left in the Arts Stabilization designation?	5/17	3	Delivered 6/07
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	Delivered 6/07
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	Delivered 6/07
30	What is the cost of all of the Gang Violence/Cease fire operations?	5/17	5	Delivered 6/07
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	Delivered 6/07
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	Delivered 6/07
33	How much citation money does the City receive from commercial vehicle inspections and who gets this revenue?	5/17	2	Delivered 6/07
34	Provide additional information/detail on Police Department positions, assignments/locations and associated costs.	5/17	1 & 5	Delivered 6/07

FY2010/11 Supplemental Budget Information

Table of Contents

6/3/2011

(Bold indicates New SBIs and Highlighted items will be delivered when available)

Item	Question	Meeting	District	Status
35	If we could build back, what are the Police Department priorities/most important restorations?	5/17	5	Delivered 6/07
36	What are the current vacancies for Police Officers and how many layoffs will happen with and without the grant restoration?	5/17	5	Delivered 6/07
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	Delivered 6/07
38	How much of the \$2.2 million in furlough savings is related to Police Department furloughs?	5/17	6	Delivered 5/24
39	What is the delinquency rate on Community Development fees/revenues?	5/24	8	Delivered 6/07
40	What is the value of a 10% reduction to Finance? 5 and 10% reductions in IT and HR? 15% in the City Manager's Office?	5/24	7	Delivered 6/02
41	Provide an update at Midyear on the collection rates achieved by the two collection positions recommended in the Proposed Budget for Finance	5/24	2	FY2011/12 Midyear Report
42	Reserved			
43	Is a new Management position being added to IT to deal with Web Services?	5/24	7	Delivered 6/02
44	With proposed cuts, what will effect be on City Attorney's Office ability to retain litigation in-house as much as possible? If there is a lawsuit as a result of department action, not covered by insurance policy, how is cost of defense paid for? What does a department's budget pay for?	5/24	4	TBD
45	Provide comparison staffing and workload information for the CAO with other comparable jurisdictions.	5/24	1	TBD
46	Is there a 218 issue related to depositing revenues received from wireless installations attached to Utility facilities into the General Fund.	5/24	public	TBD
47	Review the Wireless/Billboard Revenue Policy directing these revenues to the General Fund in 3 fiscal years (FY2013/14).	5/24	3	FY2013/14 Midyear
48	What changes need to be made in order to allow Council Members to fundraise for city programs and not have conflicts with election restrictions.	5/24	1	TBD
49	Historically have Fire Department year end results been used to balance the General Fund?	5/24	1, 2, 6	6/2 Budget Hearing
50	Do the revenues from the Fire District contracts fully support the City's cost of service?	5/24	5	Delivered 6/07
51	Has 522 indicated to you that they feel our revenue estimate for ALS should be higher? We need to evaluate and see if there are options to increase our ALS revenue budget to restore brownouts.	5/24	2, 6	Delivered 6/07
52	Bring back a discussion item addressing what policies are needed to address how new revenues are utilized.	5/24	5	After Budget Policy Discussion
53	Is ALS making money or not? Is it self sustainable?	5/24	7	Delivered 6/07

Supplemental Budget Information – Item 3

Question:

Identify the components of the \$20m labor increase?

Response:

The FY2011/12 increase in labor costs are outlined on the following chart with a more detailed explanation of the specific cost increase below.

FY2011/12 General Fund Labor Growth	20,144
PD FY12 Full Cost of FY 11 10 FTE	500
PD FY12 Full cost of FY11 MY Cola	810
PD FY12 .5% Cola	459
PD FY12 20 FTE (10 @ 12 mo/10 @ 6 mo)	1,500
Fire Potential Labor Overrun	500
Fire Station 43	2,200
Fire FY12 Expired Concessions	1,898
Fire FY11 Brownout Buyback	3,200
Fire FY12 Cola on Brownout Buyback	160
L39 FY11 Restoration of Budgeted Concessions Not Achieved	2,535
Citywide FY12 Finance Collectors	121
Citywide FY12 CRCIP	105
Citywide Unrepresented Furlough	2,200
Citywide Other Unions FY12 Cola Growth	113
Citywide SCERS/Retiree Medical	362
Citywide Other Adjustments	218
Citywide FY12 Misc Pers 1% inc	1,050
Citywide FY11 Midyear One-time Funding	2,213

Police Department

FY12 Full Cost of FY11 10 FTE (\$500K)

The FY2010/11 Approved Budget includes the addition of 10 Police Officers for six months at a cost of \$500K. This represents the additional funding necessary to cover the full year cost of \$1.0 m in FY2011/12.

FY12 Full cost of FY11 MY Cola (\$810K)

The FY2010/11 Approved Budget includes a 2% Cola adjustment for six months. This represents the additional funding necessary to cover the full year cost of the increase in FY2011/12.

FY12 .5% Cola (\$459 K)

The existing contract includes a .5% Cola adjustment for six months effective January 2012.

FY12 20 FTE (10 @ 12 mo/10 @ 6 mo) (\$1.5m)

The FY2010/11 Approved Budget included Council direction to add 20 addition officers in FY2011/12 to be paid for with \$2.0m in proceeds from the sale of Parcel B in the Railyards.

Fire Department**Potential Labor Overrun (\$500K)**

There is a current disagreement between the City and Local 522 with regard to how the contract is being administered. This cost represents the difference between the value of the personnel costs budgeted in the Fire Department and the full year estimated personnel costs for the Fire Department.

Station 43 (\$2.2m)

The FY2011/12 Proposed Budget includes the addition of a fire company (15 FTE) to open Station 43.

FY12 Expired Concessions (\$1.898m)

The existing contract which expires January 2012 includes a 5% Cola adjustment for six months effective January 2012 as well as the costs associated with restoring step increases that had been frozen since the contract was renegotiated in July 2009.

FY11 Brownout Buyback (\$3.2m)

The FY2010/12 Approved Budget included the one-time buy back of two fire brownouts at a cost of \$3.2m.

FY12 Expired Concessions on Brownout Buyback (\$160K)

The existing contract which expires January 2012 includes a 5% Cola adjustment for six months effective January 2012 as well as the costs associated with restoring step increases that had been frozen since the contract was renegotiated in July 2009.

Local 39**L39 FY11 Restoration of Budgeted Concessions Not Achieved (\$2.535m)**

The FY2010/11 Proposed Budget included an estimate of labor savings of \$5.6m. Upon the completion of labor negotiations, actual ongoing reductions in labor costs were short of the estimated reduction target resulting in an ongoing increase in costs in FY2011/12. The shortfall in FY2010/11 was covered with one-time funding.

Citywide

Addition of FTE - Finance Collectors (\$121K) and CRCIP (\$105K)

The FY2011/12 Proposed Budget includes the addition of 2.0 FTE in the Finance Department, offset by revenues, to increase collection of delinquent revenues and 1.0 FTE in the Department of General Services for the operation and maintenance requirements of the CRCIP facilities.

Unrepresented Furlough (\$2.2m)

The majority of the City's unrepresented employees have been on a 1 day per month furlough since January of 2009 effectively reducing pay by 4.6% annually. Furlough is meant to be a temporary tool to reduce labor costs and should not be used on a long-term basis. Since that time the represented employees have begun to receive negotiated Colas, while unrepresented have not since 2009.

Other Unions FY12 Cola Growth (\$113K)

The existing contracts with IAMAW, Building & Crafts, SCE and 1176 include Cola increases effective January 2012.

SCERS/Retiree Medical (\$362K)

The FY2011/12 costs for retiree medical for the General Fund increased by \$500K, while the actuarially required contribution to SCERS decreased by -\$138K for a net increase of \$362K.

Other Adjustments (\$218K)

Associated costs resulting from various step increases, reclassifications, position reallocations and filling above control point.

FY12 Miscellaneous Public Employee Retirement System (PERS) 1% Increase (\$1.050m)

The City's required employer contribution for miscellaneous employees to PERS increased by 1%. We have been notified that the projected PERS increase in FY2012/13 for Public Safety will be approximately 2% and Miscellaneous will be approximately .5%. The General Fund portion equates to \$2M for Public Safety and \$.5M for Miscellaneous. In addition, we also anticipate a significant increase in FY2013/14 for both Public Safety (4% or \$4M) and Miscellaneous (1.5% or \$1.5M).

FY11 Midyear One-time Funding (\$2.213m)

The FY2010/11 Approved Budget included a placeholder reduction of \$2.213m that was to be accomplished with additional midyear reductions of \$4.4m (to achieve six months savings of \$2.2m. Council took action on the FY2010/11 Midyear Budget to defer additional reductions using one-time funding in order to focus on the development of the FY2011/12 budget.

Supplemental Budget Information – Item 4

Question:

What would the budget look like if we didn't cut public safety?

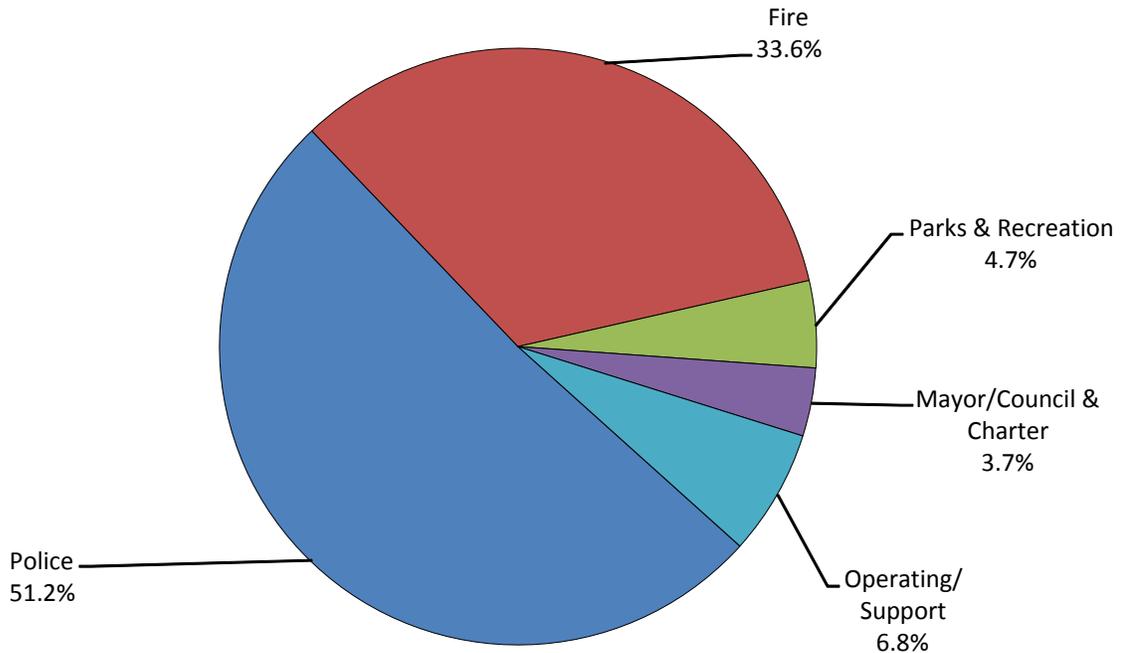
Response:

The following chart reflects a restoration to Fire and Police of the proposed \$21.3 million in cuts included in the FY2011/12 Proposed Budget. The revised reductions basically holds Mayor/Council and Charter offices as well as those departments that are positive to the General Fund, to the originally proposed level of cuts and spreads the \$21.3 million across the remaining departments. An additional option would be to completely eliminate departments and/or City operations to achieve \$21.3 million in additional savings.

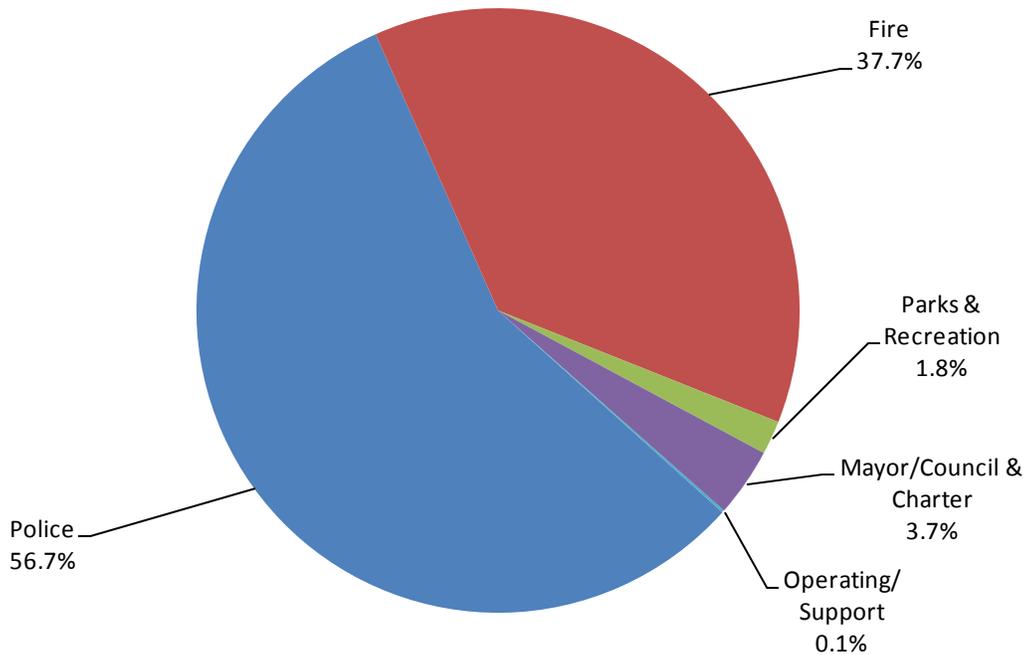
Department	Proposed FY2011/12 Net General Fund	Original Proposed Reductions	Revised Reductions without Public Safety Cuts	Revised Proposed FY2011/12 without Public Safety Cuts
Mayor/Council & Charter:	8,211,913	(955,500)	(955,500)	8,211,913
Parks & Recreation:	10,442,274	(1,786,800)	(8,218,303)	4,010,771
Fire	74,522,407	(9,108,000)	-	83,630,407
Police	113,667,674	(12,197,000)	-	125,864,674
Public Safety:	188,190,081	(21,305,000)	-	209,495,081
Community Development	3,918,872	(1,329,117)	(3,084,240)	2,163,749
Convention, Culture & Leisure	3,147,275	(293,565)	(2,476,976)	963,864
Economic Development	(24,782)	(707,406)	(707,406)	(24,782)
Finance	2,146,770	(592,000)	(1,689,556)	1,049,214
General Services	8,502,610	(1,547,471)	(6,691,744)	3,358,337
Human Resources	2,239,519	(240,000)	(1,762,552)	716,967
Information Technology	4,850,666	(647,000)	(3,817,583)	1,680,083
Transportation	(9,628,072)	(480,458)	(480,458)	(9,628,072)
Operating/Support:	15,152,858	(5,837,017)	(20,710,514)	279,361
Total:	221,997,126	(29,884,317)	(29,884,317)	221,997,126

**Excludes additional cuts to Mayor/Council, Charter, Departments that are positive to the General Fund (Economic Development & Transportation), and Utilities which has \$162,410 in General Funds for Backflow Devices*

FY2011/12 Proposed Net General Fund - \$222.1 million



FY2011/12 Proposed Net General Fund Without Cuts to Public Safety



Supplemental Budget Information – Item 5

Question:

What is the break out of the \$222.1m discretionary General Fund by department: \$ and %.

Response:

The following chart reflects the current allocation of the net General Fund by department.

Department	Net GF \$	% of Net GF
City Attorney	3,430,779	1.50%
City Clerk	1,099,591	0.50%
City Manager	1,926,623	0.90%
City Treasurer	(910,829)	-0.40%
Mayor/Council	2,665,749	1.20%
Finance	2,146,770	1.0%
Human Resources	2,239,519	1.0%
Information Technology	4,850,666	2.20%
CCL	3,147,275	1.40%
Community Development	3,918,872	1.80%
Economic Development	(24,782)	0.00%
Fire	74,522,407	33.50%
General Services	8,502,610	3.80%
Parks & Recreation	10,442,274	4.70%
Police	113,667,674	51.20%
Transportation	(9,628,072)	-4.40%
Utilities	162,410	0.10%
Total	222,159,536	100%

Supplemental Budget Information – Item 6

Question:

Prior four year reductions by department \$ and FTE?

Response:

The following charts reflect the FY2008/09 through the Proposed FY2011/12 reductions by department, and the percentage change from FY2007/08.

FY2007/08 - FY2011/12 Net General Fund \$ Change				
Department	3 Year Cumulative	FY2011/12 Proposed	Total \$ Reductions	% Reduction in \$
	\$ Change	\$ Reductions		
Mayor/Council & Charter:	(4,448,706)	(125,000)	(4,573,706)	-38%
Parks & Recreation:	(16,426,585)	(1,786,800)	(18,213,385)	-61%
Fire	(10,640,433)	(9,108,000)	(19,748,433)	-27%
Police	(23,399,349)	(12,197,000)	(35,596,349)	-28%
Public Safety:	(34,039,782)	(21,305,000)	(55,344,782)	-28%
Community Development	(10,149,341)	(1,329,117)	(11,478,458)	-87%
Convention, Culture & Leisure	(2,654,860)	(293,565)	(2,948,425)	-69%
Economic Development ²	(1,227,290)	(707,406)	(1,934,696)	
Finance	(3,523,712)	(592,000)	(4,115,712)	-66%
General Services	(8,963,069)	(1,547,471)	(10,510,540)	-73%
Human Resources	(2,096,965)	(240,000)	(2,336,965)	-57%
Information Technology	(3,333,969)	(647,000)	(3,980,969)	-44%
Transportation ²	(5,440,396)	(480,458)	(5,920,854)	
Operating/Support:	(37,389,602)	(5,837,017)	(43,226,619)	-66%
Totals:	(92,304,675)	(29,053,817)	(121,358,492)	

¹ Mayor/Council, CAO, CTO and Clerk reductions TBD. Placeholder reduction of -\$830,500 included in Non-Department.

² Treasurer, Economic Development and Transportation are Positive to the GF and % Reductions skew overall reductions.

FY2007/08 - FY2011/12 Net General Fund \$ Change				
Department	3 Year Cumulative	FY2011/12 Proposed	Proposed 4-Year	Proposed 4-Year
	FTE Change	FTE Reductions	Total FTE Reductions	% Reduction in FTE
Mayor/Council & Charter:	(15.50)	(1.00)	(16.50)	-14%
Parks & Recreation:	(249.81)	(49.22)	(299.03)	-51%
Fire	(42.00)	(49.00)	(91.00)	-14%
Police	(204.90)	(167.00)	(371.90)	-29%
Public Safety:	(246.90)	(216.00)	(462.90)	-22%
Community Development	(188.50)	(8.00)	(196.50)	-55%
Convention, Culture & Leisure	(17.43)	(2.00)	(19.43)	-17%
Economic Development	(6.00)	(4.00)	(10.00)	-42%
Finance	(29.50)	2.00	(27.50)	-26%
General Services	(66.50)	(9.50)	(76.00)	-36%
Human Resources	(14.00)	(2.00)	(16.00)	-36%
Information Technology	(19.00)	(5.00)	(24.00)	-33%
Transportation	(28.45)	-	(28.45)	-8%
Operating/Support:	(369.38)	(28.50)	(397.88)	-31%
Totals:	(881.59)	(294.72)	(1,176.31)	-29%

¹ Mayor/Council, CAO, CTO and Clerk FTE reductions TBD.

Supplemental Budget Information – Item 7

Question:

How many of the 250.9 FTE proposed to be eliminated are vacant?

Response:

25.9 of the 250.9 positions were vacant as of May 1, 2011.

The chart below provides a summary of the positions proposed to be eliminated in the FY2011/12 budget, including 26.86 FTE in the Parks and Recreation Department that will be eliminated with the expiration of one-time funding provided in the FY2010/11 budget. Of the 307.72 FTE reductions included in the proposed budget, there are approximately 83 vacant positions. An additional 84.31 FTE will need to be eliminated with the privatization of the City’s Golf courses (58.36 FTE) and as a result of the decline in revenues in the Special Recreation Fund and in non-General Fund programs including START, 4th R and Cover the Kids (25.95 FTE).

FY2011/12 FTE Reductions

General Fund	
\$39 million reductions	-250.9
PD grant funded positions (COPS Grant)	-35.00
Additional FTE Fire (Station 43)	15.00
Additional FTE Finance (Delinquent Collections)	2.00
Additional FTE Count (Position Reallocations)	3.00
Parks FY11 one-time positions	-26.82
DGS GF to Fleet	-2.00
Total Proposed Budget General Fund	-294.72
Other Funds	
Fleet (Contract paint/body, PD ready line)	-13.00
Total Proposed Budget All Funds	-307.72
Additional Reductions	
Golf Maintenance ¹	-58.36
Parks Additional Program Reductions ²	-25.95
Total Reductions All Funds with Midyear	-392.03

¹ FTE will be adjusted at midyear if/when contract terms are finalized.

² START, 4th R, Cover the Kids and Recreation fee revenue shortfall.

Supplemental Budget Information – Item 8

Question:

How to better describe how we get to \$222.1 million for the discretionary portion of the General Fund?

Response:

The FY2011/12 Proposed Budget includes expenditures of \$362.1 million from the General Fund. In calculating the “discretionary” portion of the General Fund, that portion over which the Council has the opportunity to make funding level decisions, the following expenditure categories are excluded: Debt Service, Non-Department, operating department programs, services fully offset by revenues collected specifically for that purpose, and the City’s Capital Improvement Program (CIP):

Calculation of FY2011/12 Discretionary General Funds
\$ in millions

Operating Budget General Fund	362.1
Debt Service/Non-Department	(70.2)
Department Revenue	(66.5)
General Fund CIP	(3.3)
FY2011/12 Discretionary General Fund	222.1

The following provides a brief definition of each expenditure category and the associated budget.

Debt Service (\$24.2m)/Non-Department (\$46 m) - \$70.2 m

Debt Service (\$24.2)

The City has financed the cost of capital improvements through general obligation bonds, revenue bonds, certificates of participation, notes payable, or advances from other funds. The debt service payments reflect the City’s obligations to bond holders and are made in annual installments. This includes all major General Fund debt service payments

Non- Department (\$46 million)

Citywide program and service costs that are not part of any Departments' direct operating expenditures. A summary of the Non-Department budgeted expenses is included on the next page:

FY2011/12 Proposed General Fund Non-Department Budget

\$ in 000s

General & Auto Liability Insurance	9,732	21.19%
Contribution to SCERS	7,671	16.70%
OPEB (Retiree Medical)	7,343	15.99%
Sacramento Public Library	7,130	15.52%
County Charges	5,260	11.45%
Base Labor Adjustments	2,855	6.22%
TOT Partner Contributions	1,076	2.34%
Administrative Contingency	1,000	2.18%
Language Line Service/Detox	780	1.70%
Other Program Support/Miscellaneous	667	1.45%
Muni Services (Sales Tax Consultant)	650	1.42%
Council Discretionary Accts	495	1.08%
Bank Fees	345	0.75%
Campaign Finance Reform	300	0.65%
League of Cities/LAFCO/US Conf. of Mayors	280	0.61%
Facility Leases	225	0.49%
UUT Rebate	125	0.27%
	45,934	100%

Department Revenue (\$66.5 million)

Reflects the revenue associated with fees, charges, penalties and fines that offset the cost of specific programs and services within a department. If these programs and services were to be eliminated, the associated revenue would no longer be collected. As such these revenues cannot be redirected to reduce the costs of unrelated programs and services.

CIP (\$3.3 million)

Citywide expenditures to fund infrastructure and facility needs. The CIP will be discussed at the June 7th Council meeting.

FY2011/12 Proposed General Fund CIP

\$ in 000s

Public Safety Generators	150
Ambulances/Defibrillators	1,080
Fire Apparatus	977
Subtotal Public Safety	2,207
Development Plan/Permit IT Network	106
Citywide Phone/V-mail/E-mail	450
Citywide Fiber Replacement	27
Subtotal Fee Related	583
Citywide Deferred Maintenance	500
Total	3,290

Supplemental Budget Information – Item 9

Question:

How to show value of union concessions over time?

Response:

The following chart reflects the value of the union concessions reached with the various bargaining units between FY2009/10 and FY2010/11. The Agreement Savings/Costs reflect the value of the current agreements, assuming no additional pay increases through the remainder of the 5 year forecast (FY2015/16), as each contract will need to be negotiated as the current agreements expire.

Savings / Costs (\$ in 000s) by Union¹
FY2008/09 (earliest labor savings) - **FY2015/16** (end of GF 5 year model)

Unions	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Agreement Savings/ Costs ²
Auto Marine & Spec. Painters (L1176)	-	150	(150)	(134)	(90)	152	152	152	233
Intl Assoc Machinist&Aerospce Workers	-	(626)	(565)	(407)	(142)	642	642	642	185
Plumbers & Pipefitters (L447)	-	1,850	(1,850)	(1,850)	(1,850)	1,850	1,850	1,850	1,850
Sacramento Area Fire Fighters (L522)	-	(4,300)	(4,300)	(691)	4,322	4,344	4,344	4,344	8,062
Sacramento Police Officers Association ³	-	(6,734)	(4,966)	(3,616)	4,932	6,835	6,835	6,835	10,121
Sac-Sierra Building Trades/Council	-	(799)	(707)	(507)	(236)	819	819	819	208
Stationary Engineers Local 39	-	3,800	(3,800)	(3,800)	3,800	3,800	3,800	3,800	11,400
Western Council of Engineers	-	(646)	(580)	(435)	(106)	662	662	662	219
Subtotal Represented Groups:	-	(7,305)	(16,918)	(11,440)	10,630	19,104	19,104	19,104	32,278
Subtotal Unrepresented Groups:	(1,500)	(3,000)	(2,924)	-	-	-	-	-	(7,424)
Total Savings / Costs:	(1,500)	(10,305)	(22,766)	(14,353)	10,630	19,104	19,104	19,104	24,854

1 - Assumes no future COLA's outside of the term of the existing agreements

2 - Cost savings for represented groups based on savings calculations included in adoption reports from each labor agreement. Adjustments for FTE changes have not been included

3 - Includes adjustment to reflect 7/15/09 MOU change from the original agreement approved by Council resulting in an additional 1.5% cost on 6/30/12.

The current labor agreements with the City's bargaining units will expire in:

- 06/2011 - Unrepresented (Resolution Adopted Annually)
- 01/2012 - Sacramento Area Fire Fighters, Local 522
- 06/2012 - Stationary Engineers, Local 39
- 06/2013 - Auto, Marine and Specialty Painters, Local 1176; International Association of Machinists and Aerospace Workers; Plumbers and Pipefitters, Local 447; Sacramento Police Officers Association; Sacramento-Sierra Building and Construction Trades Council; and Western Council of Engineers

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 11

Question:

How to and how long to get to beyond a 10% reserve?

Response:

The City does not currently have a policy requiring a minimum contribution or level of savings in the Economic Uncertainty Reserve (EUR) and/or goals to achieve a prudent reserve. In the past 10 years the highest level of reserve was reached in FY2005/06 with \$29.15 million or 8.2% of the General Fund revenues. The following chart provides a ten year history of the Economic Uncertainty Reserve.

General Fund (GF) Economic Uncertainty Reserve (EUR) \$ in 000's

Description	FY2001/02	FY2002/03	FY2003/04	FY2004/05	FY2005/06	FY2006/07	FY2007/08	FY2008/09	FY2009/10	FY2010/11
GF EUR Balance	\$ 19,000	\$ 19,100	\$ 22,000	\$ 25,500	\$ 29,150	\$ 30,000	\$ 25,500	\$ 10,500	\$ 10,500	\$ 14,300
EUR % to GF Revenues	6.91%	7.25%	7.63%	8.11%	8.21%	7.79%	6.37%	2.65%	2.75%	3.94%

The City’s Economic Uncertainty Reserve (EUR) is currently \$14.3 million or 3.99% of the General Fund revenues. If Council adopted a policy to increase the EUR to 10% of General Fund revenue, the target based on the proposed FY2011/12 budget would be \$36 million. In order to replenish the reserve to \$36 million within the five year forecast, the Council would need to commit \$4.4 million per year of General Fund resources toward that policy goal.

In addition to committing resources as part of the approved budget to replenishing the EUR, Council could provide direction to the City Manager to replenish the EUR with unexpected one-time revenues and year-end budget surpluses. The Government Finance Officers’ Association (GFOA) considers year-end budget surpluses to be an especially appropriate source for replenishing fund balance. Excess resources in other funds could also be used to replenish the EUR, if legally permissible. The Finance Department is currently researching excess resources in several old special district funds and a couple bond-related funds and plans to present its findings to Council as soon as research is completed and legal determinations are documented.

The Government Finance Officers’ Association (GFOA) recently released a Best Practice white paper titled “Replenishing Fund Balance in the General Fund”. In it, the GFOA recommends that governments adopt a formal fund balance policy that defines the appropriate level of fund balance target levels. This policy could also define the sources of funding that would be looked to for replenishment of fund balance.

The following chart provides reserve information available on comparable cities:

City	Reserve Policy	Actual Reserve	FY11 Planned Usage	Total GF Budget	Population
San Jose	3% GF + 25.8M EUR	29.3M	5M	954M	945K
Long Beach	10% GF	37.1M	None	380M	462K
Anaheim	7-10% GF	11.1M	18.6M	252M	336K
Fresno	5% of General Fund	10.6M	6.3M	213M	494K
Roseville	10% GF	8.9M	8.9M	104M	118K

Data Source: Information gathered via review of adopted City FY2010-11 budgets and telephone conversations in May 2011. Source of population data is April 2010 Census data.

Note: At mid-year, San Jose established an \$8.5M FY2010-11 Ending Fund Balance Reserve for anticipated challenges in FY2011-12. San Jose's proposed FY2011-12 Gen. Fund budget is \$819M, a reduction of approximately \$135M from the prior year, which includes the planned use of \$47M in Contingency and Encumbrance Reserve funds.

Acronyms:

EUR = Economic Uncertainty Reserve

GF = General Fund

K = Thousand

M = Million

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 15

Question/Issue:

Are there savings if we were to close the Public Safety Center on Freeport Blvd and consolidate staffing at other City facilities?

Response:

There are potential long-term savings associated with consolidating staff in existing City facilities. Typically savings from such consolidations come from one or more of the following areas: 1) building operations (utility costs, maintenance); 2) reduced lease costs at other facilities; and 3) staffing reductions associated with work efficiencies made possible by co-location of related functions.

With respect to the potential savings that could be achieved through changes in use to the current public safety headquarters on Freeport Boulevard, staff is in the process of evaluating what consolidations could be achieved. These consolidations could involve the temporary closure of the Public Safety headquarters or could involve elimination of some lease costs currently borne by the Fire Department and consolidation of Fire at the Public Safety building, along with consolidation of police staffing at 300 Richards Boulevard as well as the move of some functions from 300 Richards Boulevard back to City Hall. The evaluation may include any variation of the above scenarios as well.

It appears that the total savings from such a consolidation could be in excess of \$500,000 per year, with up-front costs of potentially \$1 million or more. No savings could be achieved, however, in FY2011/12 given the time needed for evaluation and implementation and the initial costs for moving.

Staff will complete a more detailed analysis and return to Council with further recommendations.

Supplemental Budget Information – Item 16

Question:

Why can't we change the cost allocation to offset the costs public safety and have we reviewed all of the City's funds to determine if there are funds that we can use?

Response:

The City's Cost Allocation Plan (CAP) identifies and distributes the allowable General Fund costs of the operating departments, specifically the support departments such as Mayor/Council, Charter Offices, Finance, Human Resources, Information Technology and General Services, to the Enterprise and Internal Service Funds. This allocation is presented in the Proposed Budget as an expenditure in the "Interdepartmental Service Fund" and represents that portion of the department's costs associated with providing services to the Enterprise and Internal Service Funds. Any services provided by Public Safety to the Enterprise and Internal Service Funds are included in CAP.

The City's CAP is also used to develop indirect cost rates for departments charging labor costs to capital improvement projects. An indirect rate is developed for Public Safety for cost recovery; however, the majority of the external funding received by Public Safety is from federal and State agencies that only allow reimbursement for direct costs.

The development of the CAP is an annual process that reflects prior year supporting transaction and is based upon each department's workload data to develop the cost recovery for the proposed budget year. Detailed data to support the charges is reviewed by the operating departments and the fund managers of the Enterprise and Internal Service Funds to ensure that the charges and reimbursements are accurate and consistent with legal requirements including Propositions 218 and 26.

In addition to the CAP, the budget reflects all allowable reimbursements from grants, capital improvement projects and any other appropriate and available sources of funding. While the City maintains approximately 204 funds, most of these funding sources are restricted for the program or service for which the funds are collected. As examples, individual funds are used to track and report on the revenue and expenditures of special assessment districts, development impact fees, and bond proceeds. As part of the year-end financial audit, the Accounting Division determines the portion of fund balance that is available for Council appropriation in the subsequent year. With Council authorization, contingency balances are adjusted annually in each fund based on the audited available fund balance.

We are currently researching the history of fund balances in several old special district funds to determine whether the resources remain restricted, must be refunded to property owners, or may be transferred to the General Fund as unrestricted resources. After review by the City Attorney and City Treasurer, any one-time resources determined to be unrestricted will be recommended to be added to the Economic Uncertainty Reserve. We will report back to Council as additional information becomes available.

Supplemental Budget Information – Items 17, 18 & 19

Question/Issue:

Please let us know the cost of utilities at the smaller clubhouses.

Question/Issue:

Provide solutions to restore \$1 million in funding for Parks and Recreation programs/services - all funds should be looked at.

Question/Issue:

Provide options to get to a minimal level of operations at all community centers.

Response:

On May 12, 2011, the City Council adopted an intent motion to approve the Fiscal Year 2011/12 proposed budget for the Department of Parks and Recreation with the request that funding options be identified to keep the current operating level at the community centers.

The Proposed Budget included a recommendation to focus remaining General Fund resources on three geographically spread community centers that are the most active and generate the most revenue to support programming – South Natomas, Coloma, and Pannell Meadowview Centers, and that the Hart Senior Center be reduced to a half time schedule. Unless leased to the nonprofit sector, or addition funding could be identified, the Department of Parks and Recreation would close Oak Park, Sim, Hagginwood, Robertson, Clunie (library to remain open), East Portal, Belle Cooledge, Evelyn Moore, Southside, Woodlake, and Slider Centers and Clubhouses. The proposed reductions totaled \$802,825 and 17.43 FTE as follows: \$135,193 and 1.47 FTE for the Hart Senior Center, and \$667,632 and 15.96 FTE for community centers and clubhouses. Further, staff stated the cost of restoration or reactivation of these centers, clubhouses and the Hart Senior Center, at or near the current level of operations, totaled \$917,000. The approximate \$114,000 difference between the reduction total and restoration total is due to increasing utility costs and lack of fee revenue to offset costs.

At that meeting, City Council directed staff to report back on solutions to restore funding for community centers and clubhouses, including the Hart Senior Center, as represented by the questions listed above.

During the past year, the Department of Parks and Recreation has been working to secure non-profit organizations and other community partners to assume responsibility for centers and clubhouses through a Request for Proposal process with some success. Over the last three weeks, under a more streamlined process, staff has conducted a series of community meetings and made further outreach to identify partners to be a part of the solution. These combined efforts have resulted in securing verbal commitments from the following potential partner organizations:

- Oak Park: Peecekeepers (<http://www.peecekeepers.org/>); Reverend Robert Jones with Oak Park United Methodist Church; Sojourner Truth; Kids Sport Gym
- Mims/Hagginwood: Center for Fathers & Families; Pastor Anne White with For Glory Ministries
- Robertson: Gateway Community Charter
- George Sim: Hmong Women's Heritage; Target Excellence; Haven of Hope
- Elmo Slider: Root Causes

Given the City's fiscal crisis, staff proposes a partial fiscal and staffing restoration supplemented by amendments to the proposed budget, reallocation of staff, and community and nonprofit partnerships to extend services and keep centers open, as outlined in the June 7th council report (Attachment 2).

With this plan, the City of Sacramento could continue to keep Mims/Hagginwood, George Sim, and Oak Park centers open at least two to three days per week, keep the Hart Senior Center open on a full time schedule, allow for leisure enrichment classes and rentals of Belle Cooledge Community Center, and keep all clubhouses available for community use. Staff would work to finalize agreements and build the capacity of its identified partners and continue to seek partners for other centers and clubhouses.

In addition, City Council asked for information on the cost of utilities at the smaller clubhouses. Depending on level of use, the current annual cost of utilities (electricity, natural gas, water, garbage) ranges from \$4,000 - \$12,000 per clubhouse. Clubhouses include East Portal, Evelyn Moore, Elmo Slider, Southside, and Woodlake.

Supplemental Budget Information – Item 20

Question/Issue:

Rightsizing has to be looked at. We need to look at management to employee ratios - provide a span of control report.

Response:

The distinction between the terms “unrepresented” and “management” is critical to understanding the current management structure of the City. While there are currently 693.2 FTE in classifications citywide that are not represented (excluding agency and non-career FTE) by a bargaining unit, also known as “unrepresented”; not all FTE that are unrepresented are “management,” rather, some FTE are unrepresented because of the type of work they do.

For example, all staff in the Mayor and Council Offices (36.5 FTE), as well as the Charter Offices (70.0 FTE, *excludes the 15.0 FTE in the City Manager’s Office which are being reported in specific representation units*) are unrepresented; however, it would be incorrect to refer to all of the FTE in those offices as management.

As mentioned above, there are a number of classifications that while they are unrepresented, do not manage or supervise; these are included in the units known as Administrative/Confidential (10), Management Support (14) and Individual Contributors (included in 01). These classifications are often categorized together, using the terms unrepresented and management as one and the same. In order to accurately reflect true “management” these groups should not be included in this analysis. As such, for the purpose of this discussion, “management” will only include the FTE associated with Middle Management and Senior Management, totaling 286.0 FTE in FY2011/12. Overall, since FY2007/08 management has been reduced by 75.0 FTE or -20%.

The following chart provides a summary of the Represented to Unrepresented Ratios from FY2007/08 to FY2011/12 as proposed.

With Charter & Mayor/Council (excludes Agency & Non-Career)					
Fiscal Year	FTE Total	Represented	% of Total	Unrepresented	% of Total
FY2007/08 FTE Total	4,768.61	3,882.91	81.4%	885.70	18.6%
FY2011/12 Proposed Total	3,710.19	3,016.99	81.3%	693.20	18.7%
Operations under the City Manager (excludes Non-Career, Mayor/Council, City Attorney, City Clerk, City Treasurer, & Agency Staff)					
Fiscal Year	FTE Total	Represented	% of Total	Unrepresented	% of Total
FY2007/08 FTE Total	4,650.11	3,882.91	83.5%	767.20	16.5%
FY2011/12 Proposed Total	3,603.69	3,016.99	83.7%	586.70	16.3%

The following chart reflects all FTE by representation category, comparing FY2007/08 to the FY2011/12 Proposed FTE.

City FTE - All Funds	Unrepresented / Other		Represented		Unrepresented Staff ¹							FTE Summary		
	Agency Staff	Non-Career	Misc.	Safety	Administrative /Confidential	Management Support	Individual Contributors ²	Middle Management ³	Senior Management ⁴	Charter ⁵	Mayor/Council ⁶	Total FTE	Total FTE (excluding Agency & Non-Career)	Total FTE (excluding Agency, Non-Career, Charter & M/CC)
FY2007/08 FTE Total	20.00	536.67	2,352.91	1,530.00	111.00	119.00	165.20	254.00	118.00	89.00	29.50	5,325.28	4,768.61	4,650.11
FY2011/12 Proposed Total	9.00	394.02	1,786.99	1,230.00	79.00	102.50	114.20	197.00	94.00	70.00	36.50	4,113.21	3,710.19	3,603.69
FTE Change	(11.00)	(142.65)	(565.92)	(300.00)	(32.00)	(16.50)	(51.00)	(57.00)	(24.00)	(19.00)	7.00	(1,212.07)	(1,058.42)	(1,046.42)
% Change	-55%	-27%	-24%	-20%	-29%	-14%	-31%	-22%	-20%	-21%	24%	-23%	-22%	-23%

¹Unrepresented Staff includes Administrative/Confidential, Management Support and Exempt Management (FTE in Mayor/Council, Individual Contributors, Middle and Senior Management)

²Individual Contributors - Exempt FTE that are exempt based on the type of work, these FTE do not typically supervise

³Middle Management - Exempt Management FTE that may supervise unrepresented staff

⁴Senior Management - Exempt Management FTE that are Division Managers or Department Heads

⁵Charter - City Attorney, City Clerk, City Treasurer and Office Staff [City Manager FTE are included in other categories]

⁶Mayor/Council - Mayor, Councilmembers, Internal Auditor, Independent Budget Analyst and Staff

The following chart provides a summary of the Manager to Staff Ratios for staff directly under the control of the City Manager (excludes Mayor/Council, Charter [except for City Manager's Office] and Agency staff):

FY2011/12 Proposed Citywide Manager to Staff Ratio			
Manager Ratio Comparison	Manager ¹	Staff ²	Ratio
FTE Count	291.0	3,706.71	1 to 12.74

¹ Ratios have been created using Middle & Senior Management as Managers

² Reflects Non-Career, Represented, Admin./Confid, Management Support & Individual Contributors

The following chart provides a listing of all unrepresented position titles with a break down by the various units covered.

Authorized Position Title	Administrative Confidential	Management Support	Individual Contributors	Middle Management	Senior Management	Charter (1)	Mayor/Council
Accountant Auditor			2.00				
Accounting Manager					1.00		
Administrative Analyst		49.00					
Administrative Assistant	12.00					1.00	
Administrative Asst (Conf/Ex)	3.00					1.00	
Administrative Officer				17.00			
Administrative Technician	24.00						1.00
Animal Care Services Manager					1.00		
Applications Developer	3.00						
Arts Administrator				1.00			
Arts in Public Places Spec				2.00			
Assistant City Attorney						2.00	
Assistant City Clerk						2.00	
Assistant City Manager					3.00		
Auditor							3.00
Business Services Manager					1.00		
Camp Sacramento Supervisor					1.00		
Chief Building Inspector				1.00			
Chief Building Official					1.00		
Chief Information Officer					1.00		
Chief Investment Officer						1.00	
Chief of Housing & Dngr Bldgs				2.00			
Chief of Staff to the Mayor							1.00
City Attorney						1.00	
City Auditor							1.00
City Clerk						1.00	
City Council							4.00
City Manager					1.00		
City Treasurer						1.00	
Code Enforcement Manager					2.00		
Contract and Compliance Spclst			2.00				
Convention Center General Mgr					1.00		
Council Operations Manager							1.00
Curator of Art				1.00			
Curator of Education				1.00			
Curator of History				1.00			
Deputy City Attorney II						2.00	
Deputy City Clerk						4.00	
Deputy Convntn Ctr General Mgr				1.00			
Deputy Police Chief					2.00		
Director of ConvntnCult&Leis					1.00		
Director of Development Svcs					1.00		
Director of Economic Develpmnt					1.00		
Director of Finance					1.00		
Director of General Services					1.00		
Director of Human Resources					1.00		
Director of Parks & Recreation					1.00		
Director of PubSafety Acctblty			1.00				
Director of Transportation					1.00		
Director of Utilities					1.00		
District Director							8.00
Economic Development Manager					2.00		
E-Government Manager			1.00				
Engineering Manager					3.00		
Envtl Health & Safety Officer				1.00			
Envtl Health & Safety Spclst			6.00				
Equal Employment Specialist			1.00				

Authorized Position Title	Administrative Confidential	Management Support	Individual Contributors	Middle Management	Senior Management	Charter (1)	Mayor/Council
Events Services Manager					2.00		
Events Services Supervisor				6.00			
Executive Assistant (Ex)							10.50
Facilities & Real Prop Supt				2.00			
Field Services Manager					1.00		
Fire Assistant Chief				5.00			
Fire Chief					1.00		
Fire Deputy Chief					2.00		
Fleet Manager					1.00		
Golf Manager					1.00		
Golf Superintendent				3.00			
Historic District Manager					1.00		
Human Resources Manager					5.00		
Independent Budget Analyst							1.00
Integrated Waste Collctns Supt				3.00			
Integrated Waste General Mgr					1.00		
Integrated Waste Planning Supt				1.00			
Investigator						1.00	
Investment & Operations Mgr						1.00	
Investment Operations Analyst						1.00	
IT Manager					4.00		
IT Supervisor				11.00			
Junior Developmnt Project Mgr			2.00				
Labor Relations Analyst			1.00				
Labor Relations Manager					1.00		
Labor Relations Officer			3.00				
LAN Administrator						2.00	
Law Office Administrator						1.00	
Legal Secretary (Ex)						9.00	
Legal Staff Assistant (Ex)						1.00	
Management Analyst							1.00
Mayor							1.00
Media & Communications Ofcr			1.00				
Media & Communications Spclst			3.00				
Metropolitan Arts Manager					1.00		
Neighborhood Services Area Mgr					1.00		
New Growth Manager					1.00		
Operations General Supervisor				9.00			
Operations Manager					2.00		
Paralegal (Ex)						3.00	
Park Maintenance Manager					1.00		
Park Maintenance Superintendnt				1.00			
Park Plan Design & Devlpmt Mgr					1.00		
Parking Manager					1.00		
Payroll Technician	4.00						
Personnel Analyst			2.00				
Personnel Technician	15.00						
Planning Director					1.00		
Plant Services Manager					1.00		
Police Administrative Manager					2.00		
Police Captain				12.00			
Police Chief					1.00		
Police Lieutenant				22.00			
Principal Accountant				3.00			
Principal Applications Develpr			7.00				
Principal Management Analyst				2.00			
Principal Planner				5.00			
Principal Systems Engineer				6.00			
Program Analyst		43.50					
Program Manager					18.00	1.00	
Program Specialist			29.60				
Recreation General Supervisor				2.00			

Authorized Position Title	Administrative Confidential	Management Support	Individual Contributors	Middle Management	Senior Management	Charter (1)	Mayor/Council
Recreation Manager					2.00		
Recreation Superintendent				5.00			
Revenue Manager					1.00		
Risk Manager					1.00		
Senior Accountant Auditor			13.60				
Senior Applications Developer			10.00				
Senior Architect				3.00			
Senior Debt Analyst						2.00	
Senior Deputy City Attorney						20.00	
Senior Deputy City Clerk						1.00	
Senior Development Project Mgr			7.00				
Senior Engineer				26.00			
Senior Investment Officer						1.00	
Senior Legal Staff Asst (Ex)						1.00	
Senior Management Analyst			5.00				1.00
Senior Personnel Analyst			3.00				
Senior Planner				9.00			
Senior Staff Assistant	6.00						
Senior Systems Engineer			6.00				
Special Assistant to City Atty						1.00	
Special Assistant to the Mayor							2.00
Special Projects Engineer			1.00				
Special Projects Manager			2.00				
Staff Aide	3.00						
Staff Aide (Management)			4.00				
Staff Assistant	3.00						
Staff Assistant (Ex)							1.00
Staff Services Administrator				1.00			
Stores Administrator		2.00					
Streets Manager					1.00		
Supervising Animal Care Ofcr				1.00			
Supervising Architect				1.00			
Supervising Deputy City Atty						3.00	
Supervising Engineer				15.00			
Supervising Financial Analyst				4.00			
Supervising Landscape Architct				1.00			
Supervising Legal Secretary						2.00	
Supervising Real Prop Agent				1.00			
Support Services Manager					7.00		
Systems Engineer	6.00						
Treasury Analyst						2.00	
Treasury Manager						1.00	
Urban Design Manager					1.00		
Urban Forestry Manager					1.00		
Utility Construction Coord			1.00				
Veterinarian				1.00			
Water & Sewer Supt (Field)				3.00			
Water & Sewer Supt (Plant)				5.00			
Workers' Compensatn Claims Rep		8.00					
Grand Total	79.00	102.50	114.20	197.00	94.00	70.00	36.50

Supplemental Budget Information – Item 21

Question/Issue:

How much does Transportation bring back to the General Fund?

Response:

The Department of Transportation’s Net General Fund is -\$9.6 million (as reported in the SBI 5). The City does not currently include the transportation funds in the cost allocation plan. If the cost allocation plan charges recovered by Transportation were moved to the support departments the net benefit to the General Fund for the Transportation Department would be \$2.4 million as reflected below:

49,964,296	Operating Expenditures	
(16,082,104)	Revenues	
<hr/>		
33,882,192	Subtotal	
<hr/>		
(43,510,264)	Reimbursements ¹	
<hr/>		
(9,628,072)	Net General Fund (excludes Cost Plan)	
<hr/>		
7,256,289	Cost Plan Charges ^{2,3}	
<hr/>		
(2,371,783)	Benefit to the General Fund⁴	
<hr/> <hr/>		

¹Reimbursements are received by charging labor, services and supplies, and other costs to CIPs, Grants, and Other Funds.

²The City’s Cost Allocation Plan (CAP) identifies and distributes the allowable General Fund costs of the operating departments, specifically the support departments such as Mayor/Council, Charter Offices, Finance, Human Resources, Information Technology and General Services, to the Enterprise and Internal Service Funds. See SBI #16.

³The Department of Transportation receives the benefit of support department costs because the City does not allocate the CAP across general fund departments. If the CAP was allocated across all department the Department of Transportation Net General Fund would be reduced by \$7.3 million as reflected above.

⁴The Transportation Department budget includes \$8.9 million for parking citation fines which are General Fund revenues. The \$2.4 million benefit to the General Fund is used to help offset the costs of traffic enforcement and collections.

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.

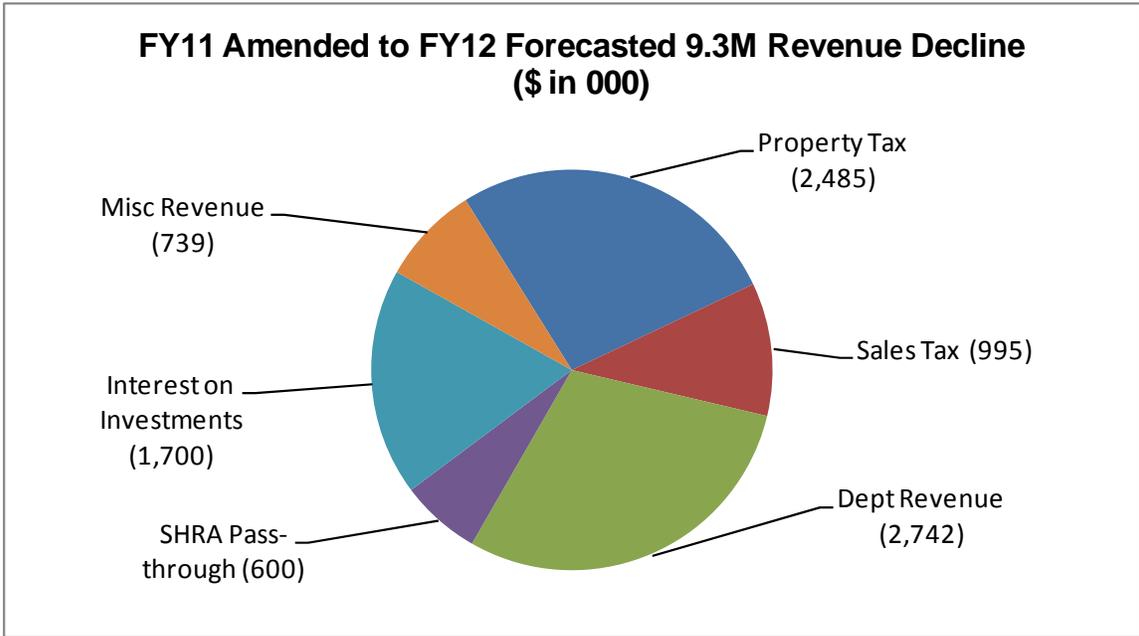
Supplemental Budget Information – Item 24

Question/Issue:

Provide a breakdown of the \$9.3 million revenue reduction estimate?

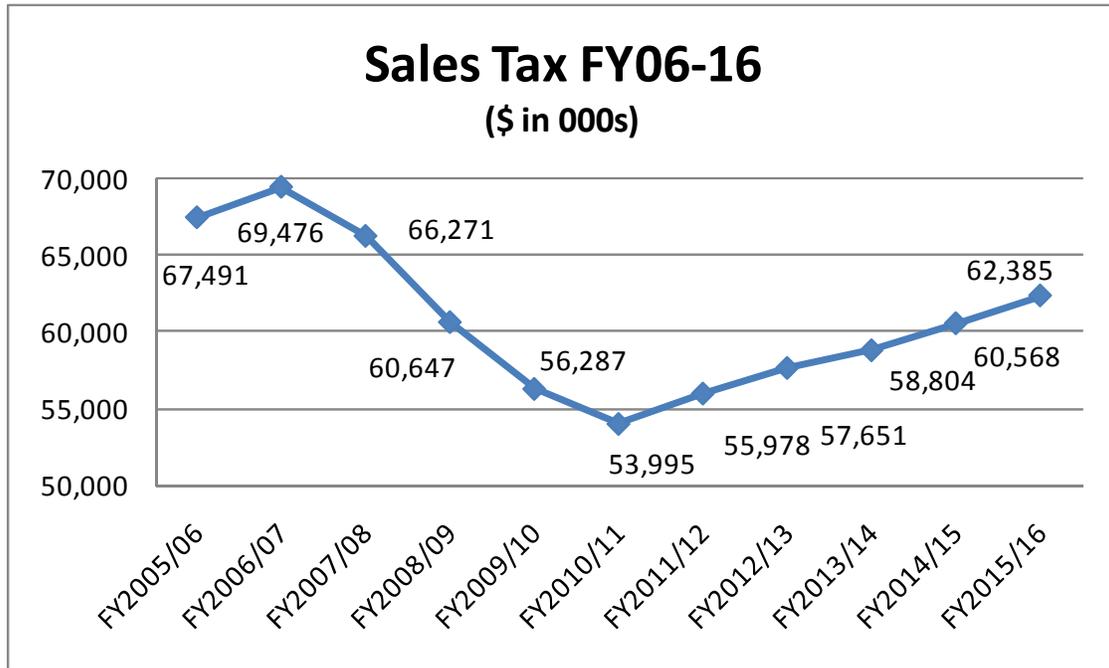
Response:

Revenue Type	FY11 Amended	FY12 Forecast	FY12 For/FY11 Amd	FY12 Proposed	FY12 Pro/FY11 Amd
Property Tax	124,410	121,925	(2,485)	121,925	(2,485)
Sales Tax	53,995	53,000	(995)	55,978	1,983
Dept Revenue	67,992	65,250	(2,742)	66,660	(1,332)
SHRA Pass-through	600	0	(600)	0	(600)
Interest on Investments	2,000	300	(1,700)	300	(1,700)
Misc Revenue	1,219	480	(739)	304	(915)
	250,216	240,955	(9,261)	245,167	(5,049)



At this time there is no additional data that would justify an additional increase in the sales tax revenue estimate for FY2011/12. From FY2007/08-FY2009/10 sales tax declined in 11 out of 12 quarters. With continued negative trends in the areas of foreclosures, regional unemployment, and consumer confidence and an increase in the personal savings rate the initial forecast reflected a decrease in sales tax for FY2011/12. However, recent positive results from two of the past three quarters as well as FY2009/10 year end results initiated a revision to the estimates resulting in an increase to the Proposed Budget estimate for sales tax by nearly \$2 million as compared to the current year budget.

The following graph illustrates the sales tax trend from FY2006-FY2016:



With regard to the Sacramento Housing and Redevelopment Agency (SHRA) pass-through, prior Council policy adopted with the FY2009/10 Approved Budget was that this resource would be available for two fiscal years. Since that time we have been working with SHRA staff and have determined that we have the opportunity to include this as a permanent funding source in the City's operating budget. Staff is working on the revenue estimate for FY2011/12 and will provide updated information at the June 7th Council meeting.

Supplemental Budget Information – Item 25

Question/Issue:

Can Marina fees be used for General Fund purposes in a similar way as on-street parking?

Response:

Pursuant to two loan agreements with the California Department of Boating and Waterways (“DBAW”), the City has agreed to repay all borrowed funds from the Marina’s gross revenues. Until the loans are repaid, the City may not divert revenues for other purposes without violating the agreements. In addition, in the event the City defaults, DBAW holds a security interest in the revenues that would entitle it to an ownership interest in the Marina’s income or other assets.

The on-street parking revenues (meter fees and citation fines) are recorded in the General Fund whereas the Marina is an enterprise fund and revenues are recorded in the Marina Fund. Enterprise funds are established for operations that are supported by user fees. The General Fund receives \$73,000 from the Marina in-lieu property tax and \$159,000 from the Marina in-lieu franchise tax. In addition, the General Fund receives \$108,000 from the Marina’s allocation of the cost plan. If the City Council wants additional information related to this issue a request for a Proposition 26 analysis of the Marina Fund should be submitted to the City Attorney.

Supplemental Budget Information – Item 26 & 27

Question/Issue:

SBI 26: How does Transit Occupancy Tax (TOT) and the General Fund flow to the Arts Program? Would restoring the TOT-generated General Fund 0.5% and reducing the non-TOT supported General Fund, fully fund the Sacramento Metropolitan Arts Commission (SMAC) program (at the reduced level)?

SBI 27: How much is left in the Arts Stabilization designation?

Response:

In 1991, the Council approved the use of 0.5% of TOT-generated revenue for the Arts; it was allocated exclusively for the regranting programs (Cultural Arts Awards (CAA) and other Arts Stabilization programs). This 0.5% portion of the TOT-generated revenue is deposited in the General Fund. In addition, an annual General Fund budget was allocated to fully support the SMAC operations (employees and supplies).

In more recent years, due to annual budget reductions; a portion of the 0.5% has been redirected to support SMAC operations (employees and supplies) and has resulted in a decrease in funds available for CAA and Arts Stabilization programs.

The budget of a full 0.5% of TOT-generated revenue (\$650,000) is equivalent to the proposed reduced General Fund allocation and the reduced TOT-generated General Fund to cover both the operations and arts regranting programs as proposed in the FY2011/12 budget (\$647,000).

The 0.5% TOT-generated revenue has built up over the years to achieve an available balance of \$730,000 in the designation for Arts Stabilization (one-time funds) by year end. This funding has annually been used to support Art Stabilization and regranting programs and the balance is gradually decreasing. These funds may be used to restore one-time funds such as the \$64,324 reduction in CAA regranting.

The FY2011/12 reductions to the SMAC operating budget, as part of the Convention, Culture & Leisure Department reductions, were two-fold – a Typist Clerk III position and CAA Regranting program. This was accomplished by reducing the departmental General Fund support (\$41,366) and reducing the budgeted amount related to the TOT-generated revenue (\$64,324). The position costs are ongoing; however, the regranting program could be restored from one-time dollars.

Supplemental Budget Information – Item 28

Question/Issue:

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?

Response:

Currently all golf services, except maintenance, are under a long-term contract. The oversaturation of golf courses, a national and regional downward trend in golf rounds, and continuing infrastructure requirements which have caused a fiscal structural imbalance causing Golf costs to exceed revenues by \$500,000 in FY2010/11. This trend is expected to continue into the foreseeable future. This operating deficit does not include the repair, equipment, or capital costs that have been deferred or the repayment of a past loan from the Risk Management Fund.

On June 7th, staff will be presenting recommended parameters for contract negotiation with Morton Golf for the maintenance function. One of the recommended parameters will be that existing City employees be given priority hiring.

For additional analysis, please refer to the June 7, 2011 report to City Council.

Supplemental Budget Information – Item 29

Question/Issue:

Is there a tie in between green waste pick-up and illegal dumping? Can we revisit Proposition 218 relative to illegal dumping?

Response:

There is a potential linkage between green waste pick-up and illegal dumping because a green waste pile may be considered illegal dumping if it is deposited in the street by someone who is not authorized to do so under the City Code. However, the City Attorney's office has revisited Proposition 218 relative to illegal dumping and has concluded that Proposition 218 does not allow the City to fund illegal dumping collection with revenues from rates paid for green waste pick-up, because illegal dumping collection is not a cost of providing the green waste collection service for which the ratepayers are charged.

Supplemental Budget Information – Item 30

Question/Issue:

What is the cost of all of the Gang Violence/Ceasefire operations?

Response:

The total cost of the Ceasefire program is currently \$2.9 million. Of the \$2.9 million, approximately \$1.0 million is from the General Fund and \$1.9 is from grant funding.

Supplemental Budget Information – Item 31

Question/Issue:

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?

Response:

There are 32 sworn exempt staff in the Sacramento Police Department. Since 2007, that number of sworn exempt staff has been reduced by 22%, or 9 positions. Of the 32, only two staff are working on strictly administrative functions.

The Captain, in the Office of the Chief, is responsible for duties once performed by a Deputy Chief. In order to maximize cost savings, the Deputy Chief position was left vacant and eventually deleted in a prior year budget.

The acting Captain, in the Office of Technical Services, oversees fiscal, personnel, information technology, fleet, and backgrounds. In prior years, the department had three sworn exempt positions working in these areas, but has scaled back to increase efficiency and cost savings department-wide.

In order to support the succession planning goals of the department, both the Deputy Chief and the Captain position are critical. These positions provide the training and experience necessary to efficiently operate the department in future years.

Out of necessity, the overwhelming majority of administrative positions once held by sworn officers have already been eliminated, including executive Lieutenants, a Fiscal Manager, and a Personnel Manager.

Supplemental Budget Information— Item 32

Question/Issue:

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?

Response:

Laid off Police Officers will not replace reserve staff currently working in City Hall and/or the Mayor's drivers.

Supplemental Budget Information – Item 33

Question/Issue:

How much citation money does the City receive from commercial vehicle inspections and who gets this revenue?

Response:

The Police Department is in the process of determining if participating in commercial vehicle inspections is a viable financial option. In general, the revenues from traffic citations are split among a variety of different programs and agencies. Although the City can conduct commercial vehicle inspections, the costs required to facilitate a commercial vehicle inspection program do not appear to be cost neutral. The estimated training, equipment, and labor costs necessary to conduct the inspections would outweigh anticipated revenues.

Supplemental Budget Information – Item 34

Question/Issue:

Provide additional information/detail on Police Department positions, assignments/locations and associated costs.

Response:

The Sacramento Police Department (SPD) completed the attached Program Oriented Development (POD) inventory of services as part of the development of the FY2011/12 Proposed Budget. This attachment details SPD's positions, assignments, and costs by program and service. POD was used to assist in the identification of reductions by prioritizing services as mandatory, essential, and existing.

POD Program Costs by Category

	FTE	Employee Services	Service ~ Supplies	Property	Debt Service	Inter-departmental Transfers	Expenditure Budget Subtotal	Revenues	Net Budget
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Police

Mandated

488 Records

1001 General Fund

	56.00	\$4,560,530	\$62,487	\$8,000	\$0	\$0	\$4,631,017	\$58,308	\$4,572,709
Program Subtotal	56.00	\$4,560,530	\$62,487	\$8,000	\$0	\$0	\$4,631,017	\$58,308	\$4,572,709

497 Property

1001 General Fund

	16.00	\$1,277,602	\$502,493	\$0	\$0	\$0	\$1,780,095	\$20,000	\$1,760,095
Program Subtotal	16.00	\$1,277,602	\$502,493	\$0	\$0	\$0	\$1,780,095	\$20,000	\$1,760,095

498 Internal Affairs (PSU)

1001 General Fund

	11.00	\$1,496,445	\$94,626	\$0	\$0	\$0	\$1,591,071	\$0	\$1,591,071
Program Subtotal	11.00	\$1,496,445	\$94,626	\$0	\$0	\$0	\$1,591,071	\$0	\$1,591,071

499 Training

1001 General Fund

	20.00	\$2,321,515	\$346,198	\$0	\$0	-\$534,710	\$2,133,003	\$68,588	\$2,064,415
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6502 Risk Management

	0.00					\$534,710	\$534,710		\$534,710
Program Subtotal	20.00	\$2,321,515	\$346,198	\$0	\$0	\$0	\$2,667,713	\$68,588	\$2,599,125

509 Personnel

1001 General Fund

	21.00	\$1,841,175	\$105,420	\$0	\$0	\$0	\$1,946,595	\$0	\$1,946,595
Program Subtotal	21.00	\$1,841,175	\$105,420	\$0	\$0	\$0	\$1,946,595	\$0	\$1,946,595

POD Program Costs by Category

	FTE	Employee Services	Service ~ Supplies	Property	Debt Service	Inter-departmental Transfers	Expenditure Budget Subtotal	Revenues	Net Budget
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Essential 1

464 Patrol

1001 General Fund

	514.00	\$61,409,267	\$167,817	\$310	\$0	-\$8,120,054	\$53,457,340	\$736,565	\$52,720,775
Program Subtotal	514.00	\$61,409,267	\$167,817	\$310	\$0	-\$8,120,054	\$53,457,340	\$736,565	\$52,720,775

465 Investigations / Major Crimes

1001 General Fund

	54.00	\$6,934,568	\$78,991	\$100		\$0	\$7,013,659	\$0	\$7,013,659
Program Subtotal	54.00	\$6,934,568	\$78,991	\$100		\$0	\$7,013,659	\$0	\$7,013,659

466 Metro Special Operations

1001 General Fund

	33.66	\$4,524,135	\$125,373	\$2,500	\$0	\$0	\$4,652,008	\$1,860,000	\$2,792,008
Program Subtotal	33.66	\$4,524,135	\$125,373	\$2,500	\$0	\$0	\$4,652,008	\$1,860,000	\$2,792,008

467 Homeland Security

1001 General Fund

	10.00	\$808,566	\$2,950	\$0		-\$615,623	\$195,893		\$195,893
Program Subtotal	10.00	\$808,566	\$2,950	\$0		-\$615,623	\$195,893		\$195,893

468 Office of the Chief

1001 General Fund

	23.00	\$2,346,884	\$389,053	\$0		\$0	\$2,735,937	\$16,000	\$2,719,937
Program Subtotal	23.00	\$2,346,884	\$389,053	\$0		\$0	\$2,735,937	\$16,000	\$2,719,937

500 Metro Traffic / Air Operations

1001 General Fund

	43.00	\$4,972,260	\$124,509	\$0	\$0	-\$258,361	\$4,838,408	\$599,100	\$4,239,308
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POD Program Costs by Category

	FTE	Employee Services	Service ~ Supplies	Property	Debt Service	Inter-departmental Transfers	Expenditure Budget Subtotal	Revenues	Net Budget
2006 Traffic Safety									
	0.00							\$984,000	-\$984,000
Program Subtotal	43.00	\$4,972,260	\$124,509	\$0	\$0	-\$258,361	\$4,838,408	\$1,583,100	\$3,255,308
501 Communications									
1001 General Fund									
	87.00	\$10,242,450	\$288,297	\$5,000	\$0	\$0	\$10,535,747	\$0	\$10,535,747
Program Subtotal	87.00	\$10,242,450	\$288,297	\$5,000	\$0	\$0	\$10,535,747	\$0	\$10,535,747
502 Forensic Identification									
1001 General Fund									
	28.00	\$2,570,893	\$161,151	\$0	\$0	\$0	\$2,732,044	\$35,271	\$2,696,773
Program Subtotal	28.00	\$2,570,893	\$161,151	\$0	\$0	\$0	\$2,732,044	\$35,271	\$2,696,773
503 Special Investigations									
1001 General Fund									
	40.00	\$5,421,633	\$106,547	\$850	\$0	\$0	\$5,529,030	\$20,000	\$5,509,030
Program Subtotal	40.00	\$5,421,633	\$106,547	\$850	\$0	\$0	\$5,529,030	\$20,000	\$5,509,030
504 Property Crimes									
1001 General Fund									
	57.00	\$6,996,692	\$37,822	\$4,500	\$0	-\$411,054	\$6,627,960	\$0	\$6,627,960
Program Subtotal	57.00	\$6,996,692	\$37,822	\$4,500	\$0	-\$411,054	\$6,627,960	\$0	\$6,627,960
505 Crime Analysis									
1001 General Fund									
	4.00	\$387,147	\$5,585	\$0	\$0	\$0	\$392,732	\$0	\$392,732
Program Subtotal	4.00	\$387,147	\$5,585	\$0	\$0	\$0	\$392,732	\$0	\$392,732
508 Public Safety I.T.									
1001 General Fund									
	23.00	\$2,292,928	\$550,426	\$123,129	\$0	\$0	\$2,966,483	\$0	\$2,966,483

POD Program Costs by Category

	FTE	Employee Services	Service ~ Supplies	Property	Debt Service	Inter-departmental Transfers	Expenditure Budget Subtotal	Revenues	Net Budget
Program Subtotal	23.00	\$2,292,928	\$550,426	\$123,129	\$0	\$0	\$2,966,483	\$0	\$2,966,483

Essential 3

506 Fiscal / Alarms Billing

1001 General Fund

	12.00	\$1,434,081	\$1,421,864	\$0	\$0	\$105,000	\$2,960,945	\$915,000	\$2,045,945
Program Subtotal	12.00	\$1,434,081	\$1,421,864	\$0	\$0	\$105,000	\$2,960,945	\$915,000	\$2,045,945

507 Fleet

1001 General Fund

	7.30	\$443,698	\$5,465,638	\$13,000	\$0	-\$3,390	\$5,918,946	\$0	\$5,918,946
Program Subtotal	7.30	\$443,698	\$5,465,638	\$13,000	\$0	-\$3,390	\$5,918,946	\$0	\$5,918,946
Police Total	1,059.96	\$122,282,469	\$10,037,247	\$157,389	\$0	-\$9,303,482	\$123,173,623	\$5,312,832	\$117,860,791

POD Program Costs by Category

	FTE	Employee Services	Service ~ Supplies	Property	Debt Service	Inter-departmental Transfers	Expenditure Budget Subtotal	Revenues	Net Budget
<hr/>									
1001 General Fund									
	1,059.96	\$122,282,469	\$10,033,857	\$157,389	\$0	-\$9,834,802	\$122,638,913	\$4,328,832	\$118,310,081
2006 Traffic Safety									
		\$0	\$0	\$0	\$0	\$0	\$0	\$984,000	-\$984,000
6502 Risk Management									
		\$0	\$0	\$0	\$0	\$534,710	\$534,710	\$0	\$534,710
Program Subtotal	1,059.96	\$122,282,469	\$10,033,857	\$157,389	\$0	-\$9,300,092	\$123,173,623	\$5,312,832	\$117,860,791
Total	1,059.96	\$122,282,469	\$10,033,857	\$157,389	\$0	-\$9,300,092	\$123,173,623	\$5,312,832	\$117,860,791
Total	2,119.92	\$244,564,938	\$20,071,104	\$314,778	\$0	-\$18,603,574	\$246,347,246	\$10,625,664	\$235,721,582

Supplemental Budget Information – Item 35

Question/Issue:

If we could build back, what are the Police Department priorities/most important restorations?

Response:

The restoration of the Police Department will be based on four main, guiding principles:

- 1) To provide for the safety of the public
- 2) To provide for economic development, providing services to the downtown core as much as possible
- 3) To maintain the best possible quality of life for the Residents of Sacramento with the resources available
- 4) To maintain as much flexibility of resources as possible

Restorations, if funding were available, are based on these previously mentioned guiding principles. Below is a summary of recommended restorations, by priority order, in ten (10) position increments:

Priority	Focus Area	Classification
1	Downtown Core	10 Police Officers
2	Downtown Core	10 Police Officers
3	Traffic Safety	10 Police Officers
4	Traffic Safety	10 Police Officers
5	Detectives	7 Police Officers
	POP	3 Police Officers
6	Crime Scene Investigations	5 CSI
	Detectives	5 Police Officers (Detectives)
7	POP	5 Police Officers
	Detectives	5 Police Officers (Detectives)
8	Crime Scene Investigations	5 Police Officers
	POP	5 Police Officers
9	Crime Scene Investigations	4 CSI
	Magnet Schools	4 Police Officers
	School Resource Officer Floaters	2 Police Officers
10	Parolee Investigation Team (PIT)	2 Police Officers
	POP	2 Police Officers
	Community Service Officers (CSO)	6 CSO
11	Community Service Officers (CSO)	10 CSO
12	Community Service Officers (CSO)	10 CSO
13	Community Service Officers (CSO)	10 CSO
14	Communications	7 Shift Supervisors
	Community Service Officers (CSO)	3 CSO
15	Administration	3 Administrative Technicians
		6 Student Trainees
		1 Records Supervisor

If the COPS Hiring Recovery Program (CHRP) grant waiver is approved the department would be authorized to restore 35 officer positions and would receive \$3,335,045. The restoration of the 35 officers will exceed the grant amount by approximately \$405,000, which the department will be required to absorb. The Sacramento Police Department (SPD) will use the grant funds to restore patrol functions in the downtown core and traffic safety officers. By initially allocating resources in the downtown core, the SPD will have a better ability to handle a wide range of calls for service, special events, and unplanned demonstrations. The restoration of traffic safety officers will allow the SPD to focus both on traffic-related issues citywide and patrol when available.

Supplemental Budget Information – Item 36

Question/Issue:

What are the current vacancies for Police Officers and how many layoffs will happen with and without the grant restoration?

Response:

The Sacramento Police Department currently has 14 Police Officer vacancies. There will be 82 layoffs if the COPS Hiring Recovery Program (CHRP) Grant waiver is not approved. If the CHRP Grant waiver is approved, a total of 47 Police Officers will be laid off.

Supplemental Budget Information – Item 37

Question/Issue:

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?

Response:

The City Attorney has determined that the City has no authority or mechanism to recover costs associated with responding to protests and/or large events from the State.

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

Supplemental Budget Information – Item 39

Question/Issue:

What is the delinquency rate on Community Development fees/revenues?

Response:

Community Development does not defer any development related fees. Fees are collected upon issuance of permits or development applications.

Invoices for code enforcement related fees and charges become delinquent after 45 days. Delinquencies are handled through the collection and lien process which come before the City Council on a regular basis every other month.

Supplemental Budget Information – Item 40

Question:

What is the value of a 5% and 10% reduction to the Finance, Human Resources and Information Technology Departments and a 15% reduction to the City Manager's Office?

Response:

The table below reflects the value of 5% and 10% reductions to the FY2010/11 Net General Fund budgets for the Finance, Human Resources, Information Technology Departments and the City Manager's Office, as well as the value of a 15% reduction to the City Manager's current year Net General Fund budget.

Department	FY2011/12 Proposed \$ Reduction	FY2011/12 Proposed % Reduction	FY2010/11 Net GF	5%	10%	15%
Finance ¹	592,000	21%	2,834,547	141,727	283,455	
Human Resources	240,000	10%	2,405,128	120,256	240,513	
Information Technology	647,000	11%	6,050,470	302,524	605,047	
City Manager's Office	125,000	6%	2,119,413	105,971	211,941	317,912

¹ The Finance Department will be adding 2.0 FTE to increase revenue collections, reducing the net General Fund cost of the Department by \$592K.

Supplemental Budget Information – Item 43

Question/Issue:

Is a new Management position being added to IT to deal with Web Services?

Response:

No, a new management position is not proposed to be added to IT in order to deal with Web Services. All Web duties impacted as a result of budget reductions will be absorbed by existing staff, or potential hosted solutions.

Supplemental Budget Information – Item 49

Question:

Historically have Fire Department year end results been used to balance the General Fund?

Response:

The annual Fire Department budget includes budgeted revenues and expenditures for both operations as well as capital costs. As reflected in the table below, the Fire Department net General Fund cost to the city is well above the revenues collected to offset those costs.

Fire Department Budget	FY2006/07	FY2007/08	FY2008/09	FY2009/10
Expenditure Budget	90,687,749	91,943,711	98,638,428	97,750,881
Revenue Budget	19,486,559	18,843,559	20,692,352	21,404,454
Net General Fund Cost for Operations	71,201,190	73,100,152	77,946,076	76,346,427
Capital Appropriations	2,250,000	2,250,000	697,000	1,473,000
Total Net General Fund Cost	73,451,190	75,350,152	78,643,076	77,819,427

Fire Department Year End Results¹	FY2006/07	FY2007/08	FY2008/09	FY2009/10
Revenue Variance	(1,787,910)	(599,251)	4,813,197	1,910,569
Exenditure Variance	(67,188)	(1,442,934)	57,403	1,649,729
Fleet Carryover	(777,488)	(295,718)	(155,408)	(640,107)
Policy Adjustments ²	(36,021)	(67,438)	(119,924)	(1,145,297)
Operating Results	(2,668,607)	(2,405,341)	4,595,268	1,774,894

Discretionary General Fund Cost	76,119,797	77,755,493	74,047,808	76,044,533
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¹ Negative Values reflect shortfalls and Positive Values reflect savings

² Station funds and Brown-out buyback in FY2009/10 (\$1 million).

Because the annual variance in some cases is actually negative, and even in the case of the positive years never exceeds the discretionary General Funds used to finance department operations and capital costs, there are no true net positive results.

Supplemental Budget Information – Item 50

Question/Issue:

Do the revenues from the Fire District contracts fully support the City's cost of service?

Response:

The City of Sacramento receives all available revenues generated by the Fire District less some minor costs associated with the collection of the revenues and management of the two Districts' business. The total revenues collected by the City fall short of the cost of staffing the four stations located within the Districts' boundaries. Each District's contract generates the following in annual revenue to the City: \$2.0 million for Natomas and \$3.5 million for Pacific/Fruitridge. The cost for staffing two stations (engine companies) in the Pacific/Fruitridge district is approximately \$3.6 million, and the staffing costs for the two fire stations (engine companies) in Natomas district is approximately \$3.2 million.

Both of these Fire Districts are within the City of Sacramento's sphere of influence. The physical location of the Pacific/Fruitridge Fire Protection District is completely surrounded by the City of Sacramento, while the Natomas Fire District is mostly surrounded by the City. The Fire service providers in the area respond with the closest available unit, thus, the City of Sacramento would respond into both districts due to the established response criteria.

<u>District</u>	<u>Revenue</u>	<u>Cost</u>
Natomas Fire District	\$2.0 m	\$3.2 m
Pacific/Fruitridge Districts	\$3.5 m	\$3.6 m

Supplemental Budget Information – Item 51

Question/Issue:

Has 522 indicated to you that they feel our revenue estimate for ALS should be higher? We need to evaluate and see if there are options to increase our ALS revenue budget to restore brownouts.

Response:

In a meeting with 522, staff explained the revenue projection and indicated that ALS revenues are currently budgeted consistent with anticipated recoveries. Based on information from the contractor that provides billing service for the ALS program, the Fire Department anticipates that revenues will come in on budget for FY2010/11. There is an opportunity, if California AB678 passes, that the Fire Department will be able to increase the collection of revenues related to the ALS program. AB678 would allow the fire department to submit a request for a partial reimbursement of the unpaid portion of the Medi-Cal transport expenses. While this has potential for significant revenue increases, if approved, the implementation timeframe and costs associated with this program are yet undefined.

Supplemental Budget Information – Item 53

Question/Issue:

Is ALS making money or not? Is it self sustainable?

Response:

The Fire Department Advanced Life Support Operation (ALS) has a \$14.5 million revenue budget and \$19 million in budgeted costs. The following summarizes the ALS operation:

Advanced Life Support Cost Analysis¹	
(14,533,423)	Revenue Budget
12,758,153	Ambulance Labor (90.0 FTE direct costs)
1,724,918	Ambulance and Paramedic Incentives ²
1,965,087	Service & Supplies ³
675,677	Fleet Expenses (Ambulance Fuel & Maintenance) ⁴
1,230,475	Cost Plan Charges ⁵
660,000	Capital Expenditures (Ambulances) ⁶
19,014,311	Subtotal Budgeted Costs
	Fire Restorations for Basic Life Support Operations
(302,643)	BLS Staffing (2.5 FTE)
(982,544)	BLS Services/Supplies
(1,285,187)	Subtotal BLS Operations
3,195,701	Net Cost⁷

¹Revenues/Expenses are based on FY2010/11 Budget for ALS Salaries and Payroll Data for Incentives

²Incentives paid to suppression and other department staff not included in ALS Operating Budget

³Existing service and supply budget for ALS operations

⁴Fleet vehicle charges are based on 2010 calendar year actual costs for ambulances in service.

⁵The City's Cost Allocation Plan (CAP) identifies and distributes the allowable General Fund costs of the operating departments, specifically the support departments such as Mayor/Council, Charter Offices, Finance, Human Resources, Information Technology and General Services. These costs reflects charges that would be incurred if ALS was an enterprise fund. See SBI #16.

⁶Reflects funding for 4 ambulances per year at the 2010 cost of \$165,000 which provides funding for the 13 active ambulances and 3 back up units on a 4 year rotation.

⁷If ALS were operated as an enterprise fund there would be an additional cost of approximately \$1.45 million for an in lieu franchise tax payment to the General Fund as is required of all other City enterprise funds.

RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZATION TO ACCEPT \$5,606,863 IN GRANT FUNDING THROUGH THE 2010 STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT

BACKGROUND

- A. The U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) administers the Staffing for Adequate Fire and Emergency Response (SAFER) grants which provides financial assistance to help fire departments increase their cadre of frontline firefighters or rehire firefighters that have been laid off or lost through attrition. As one of the conditions of the grant, a grantee must maintain staffing at the level that existed at the time of award as well as the staffing funded by the SAFER grant for the two-year period of performance unless the grantee has been afforded a waiver of this requirement.
- B. On September 14, 2010, City Council authorized the Fire Department to submit an application for and, if awarded, accept SAFER grant funding only if the condition prohibiting the City from supplanting and laying off firefighters is waived.
- C. On February 25, 2011, the Sacramento Fire Department was notified of a SAFER grant award of \$5,606,863 to fund the salaries and benefits of twenty-seven (27) firefighters over a two year period of performance.
- D. FEMA notified staff that:
 1. Petitions for waivers will be considered for supplanting for departments facing documentable economic hardship and under a hiring freeze that affects the entire public safety sector in their jurisdiction.

In the event a waiver for supplanting is not granted, FEMA does not require that vacant firefighter positions be filled; however, the grant funding for the SAFER positions would be required to be reduced by the number of positions left vacant.
 2. Petitions for waivers will not be considered for layoffs. SAFER grantees that layoff any firefighters during the SAFER grant's period of performance will be considered in default, the grant would be terminated, and Federal funds disbursed under the grant award would be required to be returned.

- E. With the additional information clarifying the grant process and FEMA's stance on waivers, staff is recommending that further consideration be given to accept the grant award and authorize hiring the grant funded firefighters with the understanding that the City petition FEMA to waive the supplanting restriction when appropriate.

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

- Section 1. Sections 2 and 3 of Resolution No. 2010-551 are hereby amended to authorize acceptance of \$5,606,863 in federal grant funds and to establish an operating grant for the SAFER grant, without waiver of the condition prohibiting layoffs and supplanting.
- Section 2. The Interim City Manager, or his designee, is authorized to restore up to twenty-seven (27) Firefighter FTEs to the Fire Department Budget.
- Section 3. The Interim City Manager, or his designee, shall submit a request for waivers prohibiting supplanting to the U.S. Department of Homeland Security, Federal Emergency Management Agency.